



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

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:

TO ACTION
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- 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 28th 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.



Racing Queensland Limited
A.C.N 142 786 874
Audit, Finance and Risk Committee

Date: 10 October 2011
Time: 2:00pm to 4:00pm
Venue: Racing Queensland Board Room
Committee Members: Bradley Ryan – Chairman
Tony Hanmer
Bob Lette
Wayne Milner
Attending: Malcolm Tuttle - Chief Executive Officer
Adam Carter - Chief Financial Officer
Ron Mathofer – Business Analyst
Damian Wright (**BDO representative 2:15pm**)
Sam Johnson (**BDO representative 2:15pm**)
Minutes: Ali Wade

A G E N D A		
Item	Business	Contact
1.	Confirmation of Minutes 11 August 2011	Chairman
2.	Annual Financial Statements (AFS) Racing Queensland Limited	Adam Carter
3.	AFS – Sunshine Coast Racing Limited	Adam Carter
4.	AFS - Rockhampton Racing Limited	Adam Carter
5.	AFS – Product Co Limited	Adam Carter
6.	Directors Expenses	Chairman
7.	Compliance – Management Certification Discussion	Bob Lette
8.	Risk Review Discussion <ul style="list-style-type: none">• Key Suppliers• Risk Register• Cash Management Policy• Financial Process Infrastructure Plan	Tony Hanmer
9.	Charter Review – Senior Legal Counsel response	Adam Carter
10.	Debt Analysis Report	Adam Carter
11.	TAB Workshop – draft club letter	Adam Carter
12.	Action Sheet – Follow Up Issues	Adam Carter



**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**

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

Annual Financial Statements

Year ended 30 June 2011

Owner

Finance Department

Stakeholders

Corporate Wide/BDO

Revision History

Version	Date	Description of Change
1.01	15/9/11	JZ- Original population of figures
1.02	28/9/11	JZ-Updated figures
1.03	05/10/11	JZ-Updated figures
1.04	06/10/11	JZ-Updated figures from Sam Johnson

Racing Queensland Limited ABN 52 142 786 874

Annual Financial Statements

Year ended 30 June 2011

Directors' Report

Year ended 30 June 2011

Your directors present their report on the company and the controlled entities for the year ended 30 June 2011.

Directors

The names of the directors in office any time during or since the financial year are:

Name	Experience
Mr Robert Bentley	Chairman - Racing Queensland Limited Appointed
Mr Anthony Hanmer	Deputy Chairman – Racing Queensland Limited Appointed
Mr William Ludwig	Board Member – Racing Queensland Limited Appointed
Mr Bradley Ryan	Board Member – Racing Queensland Limited Appointed
Mr Wayne Milner	Board Member – Racing Queensland Limited Appointed
Mr Bob Lette	Board Member – Racing Queensland Limited Appointed
Ms Kerry Watson	Board Member – Racing Queensland Limited Appointed and removed in December 2011

Directors have been in office to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of the entity at the end of the financial year:

Ms Shara Murray Company Secretary	Company Secretary and Senior Corporate Counsel appointed on 25 March 2010.
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Principal Activities

The principal activity of the consolidated group is to encourage, control, supervise and regulate administration of thoroughbred, harness and greyhound racing in Queensland.

Operating Results

The consolidated comprehensive income of the group for the year after Income Tax and after eliminating non-controlling interests was a deficit of \$5.815. This was mainly due to the one off grant to Toowoomba Turf Club of \$6.054M.

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made. Under the constitution of the company, the profits of Racing Queensland Limited are to be applied solely towards the promotion of the objects of the Company and no portion of it can be transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to the Members.

Directors' Report

Year ended 30 June 2011

Review of Operations

As at the 30 June 2011 the consolidated group paid out all revenue received from Queensland Race Product Co Ltd in accordance with the Product and Program distribution agreement.

The final result was influenced to a significant degree by the accounting of the Toowoomba Turf Club Grant for the Synthetic Track following extensive negotiations, no partnership agreement was determined during the financial year ending 30 June 2011 with RQL granting \$6.054M to the Toowoomba Turf Club. This charge was not accounted for in the 2010/2011 budget.

An amount of \$5.6M (including interest) was drawn from the grant funds for synthetic track construction at the Toowoomba track, made available by the Queensland Government. The balance of the track and capital development was funded by Racing Queensland Limited and \$6.054M was granted to the Toowoomba Turf Club.

The final result was influenced to a significant degree by the major floods and cyclones in Queensland with the loss of 115 meetings which resulted in a downturn in revenue.

The accounts reflect only Race Field Fees collected at the rate of 10% of gross revenue July to April and 15% for May and June from Corporate Bookmakers and Betting Exchanges for those licensed from 1 January 2011 and the legislated product fees charged to TattsBet at 39% of gross revenue.

Significant factors have affected the reported result for the 2010/2011 financial year in comparison to the reported results for 2009/2010 including but not limited to:

- Decrease in the Product and Program Fee of \$2.6M on prior year. Wagering Turnover overall increased by 1.1% on FY0910, however, due to the growth in Fixed Odds wagering at the expense of pari mutual, and the increase in overseas product fees and an increase in Racing Science Centre Costs deducted the Product and Program distribution from TattsBet has reduced by \$2.6M and 1% on prior year. The Product and Program fee was impacted by the reduction in 115 race meetings due to the wet weather, flooding and cyclones.
- Net increase in Race Information Fees (Net Proceeds) of \$3.4M on prior year but below budget by \$2.3M (29%). The major factors contributing to this were adjustments for additional premium paid to Victoria for the November 2010 period, and the transition from turnover based revenue to gross revenue basis from January 2011. This transition contributed to lower than expected returns from corporate bookmakers, with some recording negative positions in some months. Interstate Tote operators are also experiencing increases in fixed odds wagering resulting in reduced gross revenues achieved.
- Prizemoney and distributions is \$5.2M (5%) below budget for FY1011. This is as a result of unexpended prizemoney of \$3.2M on thoroughbred races, and \$408K on harness races. Additional prizemoney expended of \$133K on greyhound races. This offsets a significant downturn in wagering revenues of \$2.6M for FY1011.
- Broadcast rights negotiations for TAB Thoroughbred clubs were finalised on 24 December 2010, and a new \$1M annual steward patrol RQL subsidy paid to the TAB thoroughbred clubs was implemented.
- Toowoomba Synthetic Track Grant of \$6.054M is a one off extraordinary item where RQL and the Toowoomba Turf Club could not agree on partnership arrangement to secure the future of racing in Toowoomba and this was not converted to equity.
- Grants are up on budget by \$403K predominately due to \$309K one off contribution on Flood Relief industry funding
- Administration costs are down \$1.5M (21.9%) on prior year due to the 3 code efficiencies. More cost efficiencies were expected in the first year but will only be realistically achieved in the 2nd year of the amalgamation attributed in part to the pay out on termination of leases in year 1 of the amalgamation.
- Salaries and Wages increased by \$2.1M (17.4%) on prior year. This is due to certain human resource covenants that needed to be adhered to and due to the restructure of the entity's operations due to the control body accepting responsibility for race day functions previously undertaken by the clubs.

Directors' Report

Year ended 30 June 2011

Amalgamation Savings

There were significant savings achieved in year 1 of the amalgamated entity of \$1.3M, as compared to the 3 individual control bodies, in the following key areas salaries and associated costs, administration expenses, marketing expenses, consulting fees, Insurances, IT and communications expenses.

Significant Changes in State of Affairs

On 1 July 2010, RQL commenced as the new control body for thoroughbred, harness and greyhound racing:

1. QRL ceased as the control body for thoroughbred racing
2. Queensland Harness Racing Limited ceased as the control body for harness racing, and
3. Greyhounds Queensland Limited ceased as the control body for greyhound racing.

The establishment of one control body for the thoroughbred, harness and greyhound codes of racing has provided 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 will continue to build on the strong history that precedes us in each of the racing codes.

Race Information Legislation – Queensland has enacted race information legislation which allows Racing Queensland Limited to charge wagering operators fees for the use of racing information. Other States of Australia have enacted similar (but not precisely the same) laws. There have been a number of legal challenges to the introduction of these charges throughout Australia and as some critical cases are yet to be resolved, a number of wagering operators have shown a reluctance to pay the required fees. Racing Queensland Limited is actively pursuing all outstanding debtors in this regard and will continue to do so in line with the Race Information Legislation. There are a number of authorisations granted to applicants where the amount of the fee to be imposed is under review. The amount of any additional revenue in respect of those authorisations will depend on the outcomes of the Board's review. The reviews have not been concluded at the date of these financial statements.

Rockhampton Track - The Board of Racing Queensland Limited invested a further \$6.5 million on the Rockhampton Jockey Club track upgrade project which it converted to equity in a partnership company, Rockhampton Racing Pty Ltd with the Rockhampton Jockey Club. Rockhampton Racing Pty Ltd owns the land, track and buildings and leases the members and public facilities to the Rockhampton Jockey Club and leases the track, training and stables facilities to Racing Queensland Limited.

The Queensland Government passed the Race Information Legislation allowing for charges from 1 September 2008. It is noteworthy that Racing NSW were at the time charging from 1 September, 2008.

Funding for the industry comes principally through a Product and Program agreement entered into by the three racing codes with TattsBet. 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 Principal Racing Authority (PRA) now charges wagering operators including bookmakers, corporate bookmakers and betting exchanges for the use of their information for the purpose of race wagering and this charge in most cases gets passed back to the relevant PRA's. For example, RQL obtains revenue from TattsBet under the Product and Program agreement. This revenue is linked to a percentage of gross revenue and is shared between the three racing codes. Under the legislation introduced in other States, TattsBet is required to pay a fee for the use of interstate racing information with these fees deducted as a first charge off the product fee payable to the Racing Queensland industry.

After Balance Date Events

Directors' ReportYear ended 30 June 2011

The Queensland Government on the 19th July 2011 approved the amended infrastructure plan and the Government extended the Wagering Tax relief from 4 years to 5 years. The wagering tax relief increased from \$80M to \$100M. This will be used to develop key infrastructure projects such as Gold Coast Turf Club, Beadesert Race Club, Deagon, Townsville Turf Club, Mackay Turf Club and Rockhampton Jockey Club.

Racing Queensland received \$2.35M from the State Government to assist TAB clubs and Strategic and Non-Strategic Non TAB Race Clubs for floods and Cyclone Yasi, Non TAB Clubs to assist with clubs meeting RQL minimum venue and equipment standards.

Indemnifying Officers or Auditors

RQL has paid insurance premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$2,000 for each director.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the consolidated group.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Meetings of Directors

Fourteen board meetings were held during the financial year. The board members who attended the meeting are as follows:

Member	Board meetings		Audit Committee meetings		Remuneration and Nomination Committee meetings	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Bob Bentley	21	16	N/A	N/A	2	2
Tony Hanmer	21	21	5	5	N/A	N/A
Bill Ludwig	21	18	N/A	N/A	2	2
Brad Ryan	21	21	5	5	N/A	N/A

Directors' Report

Year ended 30 June 2011

Wayne Milner	21	21	5	4	N/A	N/A
Bob Lette	21	16	5	4	N/A	N/A
Kerry Watson	21	9	N/A	N/A	N/A	N/A

Note:

- (a) 16 Racing Queensland Limited Board Meetings held during the 10/11 financial year.
- (b) 5 Race Information – Racing Queensland Limited Board Meetings held during the 10/11 financial year. Owing to a previously and continuously disclosed conflict of interest, Chairman, Mr Bob Bentley is excluded from all Race Information Board Meetings.

Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 7 of the directors' report.

Rounding of Amounts

The company is an entity to which ASIC Class Order 98/100 applies and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors.

Robert Bentley
CHAIRMAN

Brisbane
Dated this 10th day of October 2011

<Insert BDO Declaration of Independence for 2011>

Racing Queensland Limited ABN 52 142 786 874

Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	2011 \$'000
Revenue from continuing operations	2	155,383
Other income	2	3,237
Prizemoney and other distributions		(104,708)
Racing expenses		(8,306)
Race day expenses		(1,790)
Local breeders incentive schemes		(7,551)
Grant – training track subsidy		(617)
Grant – cushion track Toowoomba	3	(6,054)
Grant – other		(461)
Industry insurances		(2,304)
RISA expenses		(449)
Vet expenses		(214)
Greyhound Adoption Program		(41)
Venue expense		(2,606)
Capital works expense		(424)
Employee benefits expense		(14,298)
Administration expense		(5,375)
Operating lease expense	16	(621)
Marketing expense		(849)
Auditor's remuneration		(336)
Board expenses		(492)
Motor vehicle and travel expense		(699)
Borrowing costs		(612)
Bad debts		(75)
Depreciation expense		(3,309)
Impairment property, plant and equipment		(1,818)
Other expenses		(438)
Profit/(Loss) before income tax		(5,827)
Income tax for the year	1(i)	-
Profit/(Loss) for the year		(5,827)
Other comprehensive income		-
Total comprehensive income for the year		-
Profit/(Loss) attributable to members of Racing Queensland Limited		(5,815)
Profit/(Loss) attributable to non-controlling interests	14	(12)
		(5,827)
Total comprehensive income/(loss) for the year attributable to members of Racing Queensland Limited		(5,815)
Total comprehensive income/(loss) for the year attributable to non controlling	14	(12)
		(5,827)

Racing Queensland Limited ABN 52 142 786 874

Statement of Financial Position

As at 30 June 2011

	Note	2011 \$'000
CURRENT ASSETS		
Cash and cash equivalents	5	38,047
Trade and other receivables	6	20,224
Other current assets	7	1,300
Total Current Assets		59,571
NON-CURRENT ASSETS		
Investments	8	1,285
Property, Plant and Equipment	9	116,608
Total Non-Current Assets		117,893
TOTAL ASSETS		177,464
CURRENT LIABILITIES		
Trade and Other Payables	10	19,678
Borrowings	11	5,206
Provisions	12	707
Total Current Liabilities		25,591
NON-CURRENT LIABILITIES		
Trade and Other Payables	10	4,819
Borrowings	11	7,276
Provisions	12	431
Total Non-Current Liabilities		12,526
TOTAL LIABILITIES		38,117
NET ASSETS		139,347
EQUITY		
Parent Interests		
Capital Contributions		136,756
Retained Earnings		(5,815)
Total Parent Interests		130,941
Non Controlling Equity Interests	14	8,406
TOTAL EQUITY		139,347

Racing Queensland Limited ABN 52 142 786 874

Statement of Changes in Equity

For the year ended 30 June 2011

	Retained Earnings	Capital Contribution	Total	Non- Controlling Interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2010	-	-	-	-	-
Reserve transfer arising from transfer of net assets to new entity	-	136,756	136,756	8,418	145,174
Profit/(loss) for the year	(5,815)	-	(5,815)	(12)	(5,827)
Total comprehensive income for the year	(5,815)	-	(5,815)	(12)	(5,827)
Balance at 30 June 2011	(5,815)	136,756	130,941	8,406	139,347

Racing Queensland Limited ABN 52 142 786 874

Statement of Cash Flows

For the year ended 30 June 2011

	Note	2011 \$'000 Inflows (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from Customers		181,409
Payments to Suppliers and Employees		(179,908)
Interest Received		1,684
Net Cash Provided By Operating Activities	20 (a)	3,185
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment		(9,212)
Advances and loans to related parties		-
Payment for other Non-Current Assets		-
Net Cash Provided By / (Used In) Investing Activities		(9,212)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings		(1,751)
Receipts from Amalgamation		45,825
Net Cash Provided By Financing Activities		44,074
NET INCREASE/(DECREASE) IN CASH HELD		38,047
CASH AT THE BEGINNING OF THE REPORTING PERIOD		-
CASH AT THE END OF THE REPORTING PERIOD	20 (b)	38,047

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted in the preparation of these Statements, are as follows:

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The directors have determined that Racing Queensland Limited is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards – Reduced Disclosure Requirements) as set out in AASB 1053 *Application of Tiers of Australian Accounting Standards* because it is a not-for-profit private sector entity. As such, the directors have early adopted AASB 2010-2 *Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements* from 1 July 2010. AASB 2010-2 only mandatorily applies to annual reporting periods commencing on or after 1 July 2013. The early adoption of AASB 2010-2 has had no impact on amounts recognised in the financial statements and related notes because it merely requires less disclosures for these general purpose financial statements, which have been prepared using Australian Accounting Standards - Reduced Disclosure Requirements, than if these financial statements were prepared using Australian Accounting Standards.

On 1 July 2010, Racing Queensland Limited (RQL) commenced as the new control body for thoroughbred, harness and greyhound racing:

1. QRL ceased as the control body for thoroughbred racing
2. Queensland Harness Racing Limited ceased as the control body for harness racing, and
3. Greyhounds Queensland Limited ceased as the control body for greyhound racing.

Under section 429(1) (b) of the *Racing Act 2002*:-

(1) On the commencement—

- (a) anything that was an asset or liability of a former control body immediately before the commencement becomes an asset or liability of the new control body; and
- (b) an agreement or arrangement in force immediately before the commencement between a former control body and another entity is taken to be an agreement or arrangement between the new control body and the other entity; and
- (c) any property that was, immediately before the commencement, held by a former control body on trust or subject to conditions continues to be held by the new control body on the same trusts or subject to the same conditions.

(2) The registrar of titles or other person responsible for keeping a register for dealings in property must, if asked by the new control body, record the vesting of property under this section in the new control body.

The financial statements have however been prepared on the basis of all measurement standards consistent with the prior periods assuming the going concern principle

The financial report covers the consolidated group of Racing Queensland Limited and controlled entities, and Racing Queensland Limited as an individual parent entity.

The following is a summary of material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation of the Accounts

The accounting policies set out below have been consistently applied to all years presented.

Racing Queensland Limited ABN 52 142 786 874
Notes to and Forming Part of the Financial Statements
For the year ended 30 June 2011

Reporting Basis and Conventions

The financial report and has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which value in use basis of accounting has been applied.

(a) Principles of Consolidation

A controlled entity is any entity Racing Queensland Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

The consolidated financial statements of the entity include the financial statements of Racing Queensland Limited, being the parent entity, and its controlled entities being Queensland Race Product Co Limited, Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust and Rockhampton Racing Pty Ltd ("the consolidated entity").

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a June financial year end.

The balances and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with these policies applied by the parent entity.

(b) Valuation and measurement of Property, Plant and Equipment

Land and buildings are measured using "fair values" principles in accordance with AASB 116 Property, Plant and Equipment with the exception being that the board has determined as a general policy, only assets with a value of \$2,000 or more are capitalised. Items under this value are being charged as an expense in the year of purchase.

Non-current physical assets measured at fair values are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis, where the change would be material to that class of assets.

All other assets are measured at cost.

(c) Depreciation Rates

Depreciation rates used for the different classes of assets are as follows:

	Racing Queensland Limited
Buildings & Tracks	2%-7%
Plant and Equipment	
- Furniture & Fittings	6%-24%
- Motor Vehicles	15%
- Computer Equipment	10%-25%
- Plant	5%-20%

As a general policy, fixed assets are depreciated using the straight-line method except for land for which depreciation is not calculated.

(d) Impairment of Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the asset's recoverable amount is determined. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Income Statement, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

(e) Employee Benefits

Wages and salaries and annual leave due but unpaid at reporting date are recognised in the Balance Sheet at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, work cover premiums and employer superannuation contributions. For unpaid entitlements expected to be paid within the next 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be paid within 12 months, the liabilities are recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity.

Sick leave is non-vesting, and an expense is recognised for this leave as it is taken. The Board contributes to various accumulating Employee Superannuation Plans. The number of full time employees at June 30 2011 is 157 (2010:149) (Control body staff June 30 2011 – 118 (2010:119) which increase due to the restructure of the entity's operations due to the control body accepting responsibility for integrity race day and certain club maintenance functions previously undertaken by the clubs .

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Unearned Income

Licence and Registration Fees, Course Fees and other income received at balance date, which relate to the next accounting period have been deferred in the Income Statement and will be brought to account as income during the period to which the amounts relate.

(g) Apprentice Jockeys' Trust Fund

The Board holds in trust and invests the earnings of Apprentice Jockeys. At the age of eighteen, each jockey receives his or her earnings and related interest less any approved withdrawals.

(h) Rounding and Comparative Information

Unless otherwise stated amounts in the report have been rounded to the nearest thousand dollars. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(i) Taxation

Racing Queensland Limited is exempt from income tax under the provisions of section 50-45 of the *Income Tax Assessment Act 1997* with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). As such, GST credits receivable from/ payable to the ATO are recognised and accrued.

Tax effect accounting procedures have not been applied to Racing Queensland Limited due to a private tax ruling for the purposes of Part IV AA of the *Taxation Administration Act 1953*. This ruling deems product fees paid pursuant to the Product & Program Agreement, as agent of the Queensland Racing Industry will not constitute assessable income under section 6-5 of the *Income Tax Assessment Act 1997*.

Income tax is only provided in Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust to the extent that accumulated income is assessable to the trustee in accordance with Section 95 of the Income Tax Assessment Act. No income tax is payable by the trust since, in accordance with the trust deed, taxable income is fully distributed to the beneficiaries.

Income tax is only provided in Rockhampton Racing Pty Ltd to the extent that accumulated income is assessable to the company.

(j) Revenue Recognition

Revenue is recognised when Product and Program Fee monies are due and payable from TattsBet. Interest income is recognised as it accrues. Club Levies and Racing Fees are brought to account as income during the period to which the amounts relate. Grants are brought to account when they are received.

Race Information Fees are brought to account as income during the period to which the amounts relate.

(k) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, with settlement generally required within 30 days from the invoice date. The collectability of receivables is assessed periodically with provision being made for impairment of debts.

Bad debts are written off in the period in which they are recognised.

Loan and advances are recognised at their face values.

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

(I) Other Current Assets

Preliminary Project costs are for costs incurred for the preparing budgets, engineering and feasibility studies for the RQL Infrastructure plan. The Queensland Government on the 19th July 2011 approved the amended infrastructure plan and the Government extended the Wagering Tax relief from 4 years to 5 years. The wagering tax relief increased from \$80M to \$100M. This will be used to develop key infrastructure projects such as Gold Coast Turf Club, Beaudesert Race Club, Deagon, Townsville Turf Club, Mackay Turf Club and Rockhampton Jockey Club.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Board. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(n) Cash and Cash Equivalents

For the purpose of the Balance Sheet and the Cash Flow Statement, cash assets include all cash and cheques receipted but not banked at 30 June as well as all deposits at call with financial institutions. It also includes investments with short periods to maturity that are readily convertible to cash on hand at the company's option and that are subject to a low risk of changes in value.

(o) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as an expense in the period in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line bases over the life of the lease term.

(p) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions cost where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires to the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised with the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(q) Fair Value

Fair value is determined on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(r) Unexpected Grants

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grants monies as unexpected grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed. Capital grants are brought to account over the life of the asset to which the capital grant relates.

(s) Issuance of Financial Statements

The financials statements are authorised for issue by the company Chairman of the Board of Directors and the Chief Executive Officer at the date of signing the Management Certificate.

(t) Judgement and Assumptions

The Board had made no judgements or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Racing Queensland Limited ABN 52 142 786 874
Notes to and Forming Part of the Financial Statements
For the year ended 30 June 2011

2. REVENUE AND OTHER INCOME

	2011
	\$'000
Revenue	
Course Fees	223
Grants – Training Track Subsidy	1,065
Licence and Registration Fees	1,561
Racing Fees	6,899
Interest	1,774
Product and Program Fee	107,292
Race Information Fees	29,671
Marketing Income	114
Fines and Late Fees	431
Nomination Fees	668
Local Breeder Nomination Fees	3,348
Club Income – Operational	293
Club Income – Commercial	74
Track Fee Income	446
Rental Income	1,524
Total Revenue	155,383
Other Income	
Distributions from investments	222
Flood Insurance Proceeds	2,532
Other	483
Total Other Income	3,237
Total Revenue and Other Income	158,620

3. PROFIT FOR THE YEAR

a. Significant Revenue and Expenses

Grant – cushion track Toowoomba	6,054
---------------------------------	--------------

Note: - Following extensive negotiations, no partnership agreement was determined during the financial year ending 30 June 2011 with RQL granting \$6.054M to the Toowoomba Turf Club. This charge was not accounted for in the 2010/2011 budget.

An amount of \$5.6M (including interest) was drawn from the grant funds for synthetic track construction at the Toowoomba track, made available by the Queensland Government. The balance of the track and capital development was funded by Racing Queensland Limited and \$6.054M was granted to the Toowoomba Turf Club. Total cost of the track was \$11.65M.

4. KEY MANAGEMENT PERSONAL COMPENSATION INCLUDING BOARD MEMBERS REMUNERATION

Short Term Benefits	945
Post Employment Benefit	80
Total	1,025

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

Total income paid or payable, or otherwise made available, to key management personal and board members of each entity in the consolidated entity from the entities of which they are members or any related party.

Key management personal are involved in the strategic direction of Racing Queensland Limited including the board of directors as well as the Chief Executive Officer and the Director of Integrity Operations.

5. CASH AND CASH EQUIVALENTS

	2011 \$'000
Cash Assets	
- Cash at Bank and on Hand *	3,458
- Short term Deposits **	34,589
	<u>38,047</u>

* Amount Includes earnings held in Trust for Apprentice Jockeys by Racing Queensland Limited

** Amount includes an amount in relation to synthetic track program of \$4,189,000.

The effective interest rate on short-term bank deposits was 4.77%. These deposits have an average maturity of 32 days.

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and Cash Equivalents	38,047
	<u>38,047</u>

6. TRADE AND OTHER RECEIVABLES

Current

Trade Receivables	4,435
Less Provision for Doubtful Debts(refer to note (1) below)	(507)
	<u>3,928</u>
Other Receivables	12,449
Accrued Revenue	3,747
Accrued Interest	100
	<u>20,224</u>

Racing Queensland Limited ABN 52 142 786 874
Notes to and Forming Part of the Financial Statements
For the year ended 30 June 2011

6. TRADE AND OTHER RECEIVABLES (CONTINUED)

(1) Provision for Impairment of Receivables

Current trade receivables are generally 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade or other receivable is impaired. These amounts have been recognised in the Income Statement.

	2011
	\$'000
<u>Movement in the Provision for Impairment of Receivables</u>	
Balance at the beginning of the year	-
Provision transferred in on amalgamation	(464)
Provision for doubtful receivables	(75)
Amounts written off as uncollectible	32
Balance at the end of the year	<u>(507)</u>

7. OTHER CURRENT ASSETS

Preliminary Project Costs	1,100
Prepayments	200
	<u>1,300</u>

8. INVESTMENTS

Available-for-sale financial assets	
- RISA Investment	1,285
	<u>1,285</u>

9. PROPERTY, PLANT AND EQUIPMENT

Land

At Cost	53,975
	<u>53,975</u>

Buildings and Tracks

At Cost	56,617
Accumulated Depreciation	(2,307)
	<u>54,310</u>

Plant and Equipment

At Cost	5,033
Accumulated Depreciation	(992)
	<u>4,041</u>

Work In Progress

Cost	4,282
	<u>116,608</u>

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Consolidated Group - 2011

Asset Name	Carrying amount 1/07/10 (\$'000)	Assets Transferred 1/07/10 (\$'000)	Additions (\$'000)	Impairment Expense (\$'000)	Transfers (\$'000)	Disposals (\$'000)	Depreciation (\$'000)	Carrying amount 30/06/11 (\$'000)
Land	-	53,975	-	-	-	-	-	53,975
Building & Tracks	-	40,325	-	(1,818)	18,110	-	(2,307)	54,310
Plant & Equipment	-	4,016	-	-	1,074	(47)	(1,002)	4,041
Work in Progress	-	13,875	9,760	-	(19,184)	(169)	-	4,282
	-	112,191	9,760	(1,818)	-	(216)	(3,309)	116,608

10. TRADE AND OTHER PAYABLES

	2011 \$'000
Current	
Trade Payables	2,663
Sundry Payables and accrued expenses	12,885
Fees in Advance	2,980
Employee Benefits	1,150
	19,678
Non-Current	
Deferred Grants	4,189
Loan – Equity in RISA Investment	600
Fees in Advance	30
	4,819

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

11. BORROWINGS

	2011 \$'000
Current	
Secured loans payable ¹	5,206
	<u>5,206</u>
Non-Current	
Secured Loans payable ¹	7,276
	<u>7,276</u>

1. The secured loans payable of \$9.2M in relation to the stables are secured by a guarantee given by Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust over the land assets held by the entity for the purpose of building 256 stables at Corbould Park. The secured loans payable of \$3.3M in relation to Albion Park demolition is secured over the Albion Park property.

12. PROVISIONS

Analysis of Total Provisions

Long Service Leave: Current	707
Long Service Leave: Non-Current	431
	<u>1,138</u>

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements related to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 (e) to this report.

13. CONTROLLED ENTITIES

	2011 %
Particulars in relation to controlled entities:	
Racing Queensland Limited	
Controlled entities:	
Queensland Race Product Co Ltd	100.0
Sunshine Coast Racing Pty Ltd	84.6
Rockhampton Racing Pty Ltd	63.8

14. NON CONTROLLING INTERESTS

Non controlling interest relates to equity investments held by Sunshine Coast Turf Club Inc in Sunshine Coast Racing Unit Trust (15.4%) and Rockhampton Jockey Club Inc in Rockhampton Racing Pty Ltd (36.2%).

In relation to the Sunshine Coast Racing Unit Trust the outside equity interests is held by way of units in the unit trust. It is the opinion of the Directors that these units are in the nature of equity and not a financial liability.

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

Outside equity interests is reconciled as follows:

	2011
	\$'000
Retained Profit/(Losses)	(12)
Capital Contributions	8,418
Total Outside Equity Interest	8,406

15. PARENT ENTITY INFORMATION

The *Corporations Act* requirement to prepare parent entity financial statements where consolidated financial statements are prepared has been removed and replaced by the new regulation 2M/3/01 which requires the following limited disclosure in regards to the parent entity, Racing Queensland Limited. The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the accounting policies described in Note 1.

	Racing Queensland Limited
	2011
	\$'000
Current Assets	54,562
Non-Current Assets	108,526
Total Assets	163,088
Current Liabilities	23,682
Non-Current Liabilities	12,526
Total Liabilities	36,208
Net Assets	126,880
Capital Contribution	132,304
Retained Earnings	(5,424)
Total Member's Equity	126,880
Profit/(Loss) for the year	(5,424)
Total Comprehensive Income/(Loss) for the year	(5,424)

Note: - \$5,424,000 deficit is due to the grant of \$6,054,000 provided to the Toowoomba Turf Club for the Synthetic Track. When this is added back the surplus is \$630,000.

Guarantees

No guarantees have been entered into by the parent entity in relation to debts of its subsidiaries.

Capital Expenditure Commitments

Capital expenditure projects – property, plant and equipment	882
Total	882

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

Contingent Liabilities

The parent entity has no contingent liabilities.

16. CAPITAL AND LEASING COMMITMENTS

Operating lease payments are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Racing Queensland Limited.

a) Operating Lease Expense

Car Leasing	377
Computer Equipment	200
Office Equipment	44
Total Leasing Expensed	621

b) Lease Commitments (Non-Cancellable Operating Leases—Future Minimum Lease Payments)

Payable Within 1 Year	505
Payable 1 – 5 Years	116
Total Lease Commitments	621

c) Capital Commitments

Capital expenditure projects – property, plant and equipment	882
Total Capital Commitments	882

17. CAPITAL MANGEMENT

Management control the capital of the entity to ensure that adequate cash flows are generated to fund its racing programs and that returns from investments are maximised. The board ensures that the overall risk management strategy is in line with this objective.

The audit committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The group's capital consists of financial liabilities supported by financial assets.

Management effectively manage the group's capital by assessing the group's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the group since prior year. The strategy of the entity is to ensure that sufficient cash is on hand to meet trade and sundry payables.

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

18. CONTINGENT ASSETS AND LIABILITIES

Contingent Asset

In accordance with Race Fields legislation, Racing Queensland Limited is entitled to charge wagering operators fees for the use of racing information

Racing Queensland Limited is currently in discussions with commercial wagering operators in relation to the method of calculating the quantum of these fees. These negotiations are ongoing and have not been resolved at the time of signing the financial statements.

Racing Queensland Limited is confident that there will be resolution of these negotiations and will result in revenue being recognised in the financial year end 30 June 2012.

Contingent Liabilities

An action has commenced against RQL which involves a claim for Damages. The matter is currently before the courts and RQL is currently unable to quantify the amount, if any, that might be payable should the action be successful.

	2011 \$'000
Guarantee and indemnity	<u>12,000¹</u>

1.The consolidated entity holds a controlling interest in Sunshine Coast Racing Pty Ltd. During the financial year, Sunshine Coast Racing Pty Ltd granted a guarantee and indemnity to banks to cover bank guarantees to Racing Queensland Limited to build stables at Corbould Park in the Racing Queensland Limited leased area and has given a maximum exposure of \$12M (2010: \$12M). The consolidated entity's exposure to this guarantee and indemnity is \$12M (2009: \$10,152M).

19. POST BALANCE DATE EVENTS

The Queensland Government on the 19th July 2011 approved the amended infrastructure plan and the Government extended the Wagering Tax relief from 4 years to 5 years. The wagering tax relief increased from \$80M to \$100M. This will be used to develop key infrastructure projects such as Gold Coast Turf Club, Beaudesert Race Club, Deagon, Townsville Turf Club, Mackay Turf Club and Rockhampton Jockey Club.

Racing Queensland received \$2.35M from the State Government to assist TAB clubs and Strategic and Non-Strategic Non TAB Race Clubs for floods and Cyclone Yasi, Non TAB Clubs to assist with clubs meeting RQL minimum venue and equipment standards.

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

20. NOTES TO THE CASH FLOWS

a) Reconciliation of Profit to Net Cash provided by / (used in) ordinary activities

	2011 \$'000
Profit/(Loss) from ordinary activities after related income tax	(5,827)
Depreciation	3,294
Impairment of Assets	-
Dividends received and offset against loan	(222)
Changes in Assets and Liabilities exclusive of Non- Operating Activities	
(Increase) Decrease in Trade Receivables	(79)
(Increase) Decrease in Other Receivables	(3,419)
(Increase) Decrease in Accrued Revenue	5,795
(Increase) Decrease in Accrued Interest	(90)
(Increase) Decrease in Prepayments	2,259
(Decrease) Increase in Provision for Impairment of receivables	43
(Decrease) Increase in Trade Payables	(2,829)
(Decrease) Increase in Sundry Payables and Accrued Expenses	2,322
(Decrease) Increase in Fees in Advance	1,512
(Decrease) Increase in Employee Benefits	385
(Decrease) Increase in Deferred Grants	41
Net Cash provided by / (used in) Operating Activities	3,185

b) Reconciliation of Cash

For the purpose of the Cash Flow Statement and Balance Sheet, cash comprises Cash on Hand and at Bank, net of outstanding bank overdrafts, and liquid investments.

Cash and cash equivalents	38,047
	38,047

21. COMPANY DETAILS

The Registered Office & Principal Place of Business of the Company is:

Racing Queensland Limited
6 Racecourse Road
Deagon, QLD 4017

22. MEMBERS GUARANTEE

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states upon the winding up or dissolution of the Company if any property remains after satisfaction of all its debts and liabilities, that property shall not be paid to or distributed among the Members of the Company but shall be given or transferred to a Control Body or Bodies for thoroughbred, harness or greyhound racing in Queensland approved by the Minister at or before the time of dissolution, but if no such approval is given then an institution having similar objects of the Company as determined by a Judge of the Supreme Court of Queensland.

Racing Queensland Limited ABN 52 142 786 874

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

23. MEMBERS GUARANTEE (continued)

In the event that the Company ceases to be a Control Body under the Racing Act, the Board will call a general meeting of Members to resolve to wind up the Company and will deal with the assets of the Company as above.

Every member of the Company undertakes to contribute to the assets of the Company to a maximum of \$10 in the event the Company being wound up while he or she is a member or with one year after he or she ceases to be a Member, for payment of the debts and liabilities of the Company contracted before he or she ceases to be a Member, and of the costs, charges and expenses of winding up and for the adjustments of the rights of the contributories among themselves.

As at 30 June 2011 the number of members was 6.

Racing Queensland Limited ABN 52 142 786 874

Directors Declaration

For the year ended 30 June 2011

The directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 3 to 33, are in accordance with the Corporations Act 2001:
 - (a) Comply with Accounting Standards and the Corporations Regulations 2001: and
 - (b) Give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company and consolidate group.
- 2 In the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

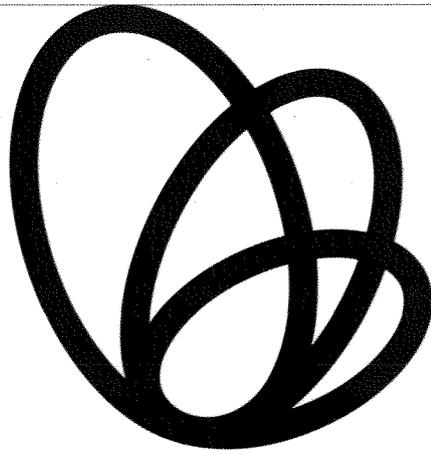
This declaration is made in accordance with a resolution of the Board of Directors.

Robert Bentley
CHAIRMAN

Dated this 10th day of October 2011

<Insert BDO Independent auditors report>

<Insert BDO Independent auditors report>



RACING QUEENSLAND

**BDO Finalisation
Report to be provided
via email or tabled at the
meeting as soon as available**



Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

Owner

Finance Department

Stakeholders

Corporate Wide/BDO

Revision History

Version	Date	Description of Change
1.01	16/9/11	Changes Sam/BDO Review 15/9/11 - JZ
1.02	19/9/11	Cash flow and note
1.03	20/9/11	BDO Review Draft 4 BDO Review 19/9/11
1.04	21/9/11	Final

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust
ABN 24 120 875 363
Annual Financial Statements
Year ended 30 June 2011

Statement of Comprehensive Income

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Revenue from continuing operations	2	719	538
Administration expense	3	(3)	(27)
Property expense	4	(288)	(109)
Auditor's remuneration expense	5	(20)	(6)
Board expense	12(c)	-	(2)
Net loss on disposal of property, plant and equipment		-	(50)
Depreciation	10	(884)	(840)
Profit/(loss) before income tax		(476)	(496)
Income tax expense		-	-
Profit/ (Loss) for the year		(476)	(496)
Other comprehensive income		-	-
Total comprehensive income		(476)	(496)
Total comprehensive income attributable to unit holders		(476)	(496)

The accompanying Notes form part of these financial statements.

Statement of Financial Position

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

As at 30 June 2011

	Note	2011 \$'000	2010 \$'000
CURRENT ASSETS			
Cash and Cash Equivalents	6	3,931	5,891
Receivables	7	260	61
Related party loans receivable	8	66	233
Other Current Assets	9	7	-
Total Current Assets		4,264	6,185
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	26,196	23,204
Total Non-Current Assets		26,196	23,204
TOTAL ASSETS		30,460	29,389
CURRENT LIABILITIES			
Trade and Other Payables	11	705	278
Related Party Loans	12	1,436	218
Total Current Liabilities		2,141	496
NON-CURRENT LIABILITIES			
Trade and Other Payables	11	3,636	3,809
Total Non-Current Liabilities		3,636	3,809
TOTAL LIABILITIES (excluding net assets attributable to unit holders)		5,777	4,305
NET ASSETS		24,683	25,084
Net Assets Attributable to Unit Holders	13	22,354	22,830
Sinking Fund Reserve	14	84	9
Asset Revaluation Reserve	15	2,245	2,245
TOTAL EQUITY		24,683	25,084

The accompanying Notes form part of these financial statements

Statement of Changes in Equity

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

	Contributed unit capital \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Sinking Fund Reserve \$'000	Total \$'000
Balance 1 July 2009	13,000	2,245	(547)	-	14,698
Profit/(loss) attributable to unit holders	-	-	(496)	-	(496)
Total comprehensive income for the year	-	-	(496)	-	(496)
Unitholders contribution to sinking fund	-	-	-	9	9
Increase in contributed unit capital	10,873	-	-	-	10,873
Total transactions with unit holders in their capacity as owners	10,873	-	-	9	10,882
Balance at 30 June 2010	23,873	2,245	(1,043)	9	25,084
Balance 1 July 2010	23,873	2,245	(1,043)	9	25,084
Profit/(loss) attributable to unit holders	-	-	(476)	-	(476)
Total comprehensive income	-	-	(476)	-	(476)
Unit holders contribution to sinking fund	-	-	-	75	75
Total transactions with unit holders in their capacity as owners	-	-	-	75	75
Balance at 30 June 2011	23,873	2,245	(1,519)	84	24,683

The accompanying Notes form part of these financial statements

Statement of Cash Flows

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
		Inflows/ (Outflows)	Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		316	185
Payments to Suppliers		(62)	(363)
Interest Income		202	214
GST Input Tax Credit		-	77
GST Remitted to ATO		-	(13)
Net Cash Provided By/ (Used In) Operating Activities	17	456	100
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(3,876)	(153)
Net Cash Provided By/ (Used In) Investing Activities		(3,876)	(153)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans to Related Parties		-	(402)
Loans from Related Parties		1,460	-
Proceeds from Subscription of Units		-	1,677
Net Cash Provided By/ (Used In) Financing Activities		1,460	1,275
Net Increase/(Decrease) in Cash Held		(1,960)	1,222
Cash at the Beginning of the Reporting Period		5,891	4,669
CASH AT THE END OF THE REPORTING PERIOD		3,931	5,891

The accompanying Notes form part of these financial statements

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

1. Statement of Significant Accounting Policies

The significant accounting policies, which have been adopted in the preparation of these Statements, are as follows:

Basis of Preparation of the Accounts

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report of Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust comply with all International Financial reporting Standards (IFRS) in their entirety.

The following is a summary of material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation of the Accounts

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report and has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which fair value basis of accounting has been applied.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

Income tax is only provided to the extent that accumulated income is assessable to the trustee in accordance with Section 95 of the Income Tax Assessment Act. No income tax is payable by the trust since, in accordance with the trust deed, taxable income is fully distributed to the beneficiaries.

(b) Valuation and measurement of Property, Plant and Equipment

Buildings are measured using "fair values" principles in accordance with AASB 116 Property, Plant and Equipment with the exception being that the board has determined as a general policy, only assets with a value of \$2,000 or more are capitalised. Items under this value are being charged as an expense in the year of purchase.

Non-current physical assets measured at fair values are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis, where the change would be material to that class of assets.

Land and Buildings were independently valued at fair value by the Aon Risk Services as at the 30th June 2010.

All other assets are measured at cost.

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

1. Statement of Significant Accounting Policies (continued)

(c) Depreciation Rates

Depreciation rates used for the different classes of assets are as follows:

Sunshine Coast Racing	
Buildings and Equipment	2%-10%
Track Lighting	10%
Synthetic Track	4%

As a general policy, fixed assets are depreciated using the straight-line method except for land which depreciation is not calculated.

(d) Impairment of Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the asset's recoverable amount is determined. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Income Statement, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

(e) Revenue Recognition

Revenue is recognised when it accrues. Interest income is recognised as it accrues. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(f) Receivables

Trade Debtors are recognised at the amount due at the time the amount is payable.

No provision for doubtful debts has been raised as all debts have been historically paid in a timely manner.

(g) Trade and Other Payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Board. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(h) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

1. Statement of Significant Accounting Policies (continued)

(i) Provisions

Provisions are recognised when the trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(k) Distribution of profits

The net income of the Trust is paid, applied or set aside to or for the benefit of unit holders in proportion to their holding of units in the trust. The net income is as determined under Section 95 of the Tax Act.

(l) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions cost where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires to the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised with the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

(i) *Financial assets at fair value through profit and loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

1. Statement of Significant Accounting Policies (continued)

(l) Financial Instruments (continued)

(iii) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(m) Fair Value

Fair value is determined on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(n) Unexpected Grants

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grants monies as unexpected grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed. Capital grants are brought to account over the life of the asset to which the capital grant relates.

(o) Issuance of Financial Statements

The financials statements are authorised for issue by the company Chairman of the Board of Directors at the date of signing the Management Certificate.

(p) Rounding and Comparative Figures

Unless otherwise stated amounts in the report have been rounded to the nearest thousand dollars. When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. The implications of the changes to both the financial impact and disclosure requirements have been assessed and management are of the opinion that the adoption of these would not have a material impact on the financial statements in the forthcoming year, given current interpretations of the accounting changes and expected future plans for the entity.

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
2. Revenue		
Property Rental Income	290	147
Interest	256	218
Synthetic Track Grant	173	173
	719	538
3. Expenses from Ordinary Activities		
Administration Costs	3	27
	3	27
4. Property Expenses		
Gas and electricity	89	6
Repairs and Maintenance	1	(1)
Equipment Hire	-	35
Insurance	59	-
Other Property expenses	2	-
Rates	137	69
	288	109
5. Auditor's Remuneration		
Audit of the Financial Report	20	6
6. Cash and Cash Equivalents		
Cash at Bank	563	1,655
Short-term Bank Deposits	3,368	4,236
	3,931	5,891

In 2011 the effective interest rate on short-term bank deposits was 4.51% (2010: 4.77%). These deposits have an average maturity of 90 days.

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at Bank	563	1,655
Short-term Bank Deposits	3,368	4,236
	3,931	5,891

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
7. Receivables		
Trade receivables	-	18
Accrued Interest	65	11
GST Receivable	195	32
	<u>260</u>	<u>61</u>
8. Related Loans Receivable		
Racing Queensland Limited	-	232
Sunshine Coast Turf Club	66	1
	<u>66</u>	<u>233</u>
9. Other Current Assets		
Prepayments	7	-
	<u>7</u>	<u>-</u>
10. Property Plant and Equipment		
Land at valuation	4,950	4,950
	<u>4,950</u>	<u>4,950</u>
Buildings and Improvements at valuation	17,975	17,975
Buildings and Improvements at cost	3,046	292
Accumulated Depreciation	(1,713)	(835)
	<u>19,308</u>	<u>17,432</u>
Plant & Equipment at cost	106	102
Accumulated Depreciation	(10)	(5)
	<u>96</u>	<u>97</u>
Capital Work in Progress	1,842	725
	<u>26,196</u>	<u>23,204</u>

Independent valuations of land and buildings were performed as at 30 June 2009 by AON Valuation Services using 'fair value' principles. The valuation of land and buildings is based on current market values and replacement costs respectively.

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

10. Property Plant and Equipment (continued)

Asset Name	Carrying amount 1/07/10 (\$'000)	Additions (\$'000)	Revaluation (\$'000)	Transfers (\$'000)	Disposals (\$'000)	Depreciation (\$'000)	Carrying amount 30/06/11 (\$'000)
Land	4,950	-	-	-	-	-	4,950
Building & Tracks	17,432	2,754	-	-	-	(878)	19,308
Plant & Equipment	97	5	-	-	-	(6)	96
Work in Progress	725	3,828	-	(2,711)	-	-	1,842
	23,204	6,587	-	(2,711)	-	(884)	26,196

Impairment of Assets

In accordance with note 1 (e) the board has reviewed its Property, Plant and Equipment for Impairment and has determined that there are no indicators of impairment of those assets.

2011	2010
\$'000	\$'000

11. Trade and Other Payables

CURRENT

Trade Payables	342	23
Other Payables	173	82
Deferred Revenue	190	173
	705	278

NON-CURRENT

Deferred Revenue – Synthetic Track Grant	3,636	3,809
--	--------------	--------------

Total Amount of deferred revenue for the Synthetic Track Grant Subsidy at 30 June 2011 is \$3.809M (2010: \$3.982M).

12. Related Party Loans

CURRENT

Racing Queensland Limited	1,422	217
Sunshine Coast Turf Club	14	1
	1,436	218

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

12. Related Party Loans (continued)

(a) Share of Directorship of the Trust:

Racing Queensland Limited
Controlling entity of the Trust (85%)

Sunshine Coast Turf Club Inc-
Share of Directorship of the Trust (15%)

(b) Transactions

Administrative services are provided by Racing Queensland Limited to the Trust for no consideration.

(c) Key Management Personal

Remuneration of Directors

	Short-Term Benefits \$'000	Total \$'000
2011		
Total Compensation	-	-

The directors do not receive compensation with the exception of Mr. Graeme Fry who is an independent Director.

The names of directors of the Trustee Company who held office during the financial year were:

Mr. Robert Bentley
Mr. Graeme Fry
Mr. Peter Boyce
Mr. Donald Jackson
Mr. William Wendt

13. Net Assets Attributable To Unit Holders

	Number of Units on Issue	Contributed Unit Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2010	13,000,000	23,873	(1,043)	22,830
Profit/(Loss) for the year	-	-	(476)	(476)
Balance at 30 June 2011	13,000,000	23,873	(1,519)	22,354

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

14. Sinking Fund Reserve

	2011 \$'000	2010 \$'000
Opening Balance	9	-
Current year unit holder contribution	75	9
Closing Balance	84	9

The sinking fund has been set up in the current year to receive contributions from unit holders based on their unit holding in the entity. The sinking fund will be contributed to on an annual basis by all unit holders. The sinking funds are to be used only for structural works to improvements on the land in accordance with the leases.

15. Asset Revaluation Reserve

	2011 \$'000	2010 \$'000
Opening Balance	2,245	2,245
Revaluation	-	-
Closing Balance	2,245	2,245

Closing Balance of Asset Revaluation Reserve by Class

The asset revaluation reserve is used to record increments and decrements in the value of non-current assets.

Land	400	400
Buildings & Tracks	1,845	1,845
	2,245	2,245

16. Segment Reporting

The Trust operates primarily within the racing industry in Queensland

17. Financial Risk Management

(a) General objectives, policies and processes

Sunshine Coast Racing Pty Ltd is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

- Trade receivables
- Cash at bank
- Trade payables

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

17. Financial Risk Management (continued)

The Board of Sunshine Coast Racing Pty Ltd has overall responsibility for the determination of the Sunshine Coast Racing Pty Ltd risk management objectives and policies and, designing and operating processes that ensure the effective implementation of the objectives and policies to the entity. Sunshine Coast Racing Pty Ltd risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of Sunshine Coast Racing Pty Ltd, where such impacts may be material. The Board receives quarterly reports from the Finance Manager of Sunshine Coast Racing Pty Ltd, through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting Sunshine Coast Racing Pty Ltd competitiveness and flexibility. Further details regarding these policies are set out below.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in Sunshine Coast Racing Pty Ltd incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to Sunshine Coast Racing Pty Ltd.

There is no concentration of credit risk with respect to receivables. The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

The maximum exposure to credit risk at balance date is as follows:

	2011 \$'000	2010 \$'000
Receivables	-	18

The company's most significant customer accounts for \$Nil of trade receivables at 30 June 2011 (2010: \$18K).

(c) Liquidity Risk

Liquidity risk is the risk that the entity may encounter difficulties raising funds to meet commitments associated with financial instruments. It is the policy of the Board of Directors of Sunshine Coast Racing Pty Ltd, to manage the liquidity risk of the entity

Maturity Analysis - 2011

	Carrying Amount \$'000	Contractual Cash flows \$'000	< 6 mths \$'000	6- 12 mths \$'000	1-3 years \$'000
Financial Liabilities					
Trade and Other Payables	515	515	515	-	-
Related Party Loans Payable	1,436	1,436	1,436	-	-
TOTAL	1,951	1,951	1,951	-	-
Financial Assets					
Other Receivables	260	260	260	-	-
Related Party Loans Receivable	66	66	66	-	-
TOTAL	326	326	326	-	-

Maturity Analysis - 2010

	Carrying Amount \$'000	Contractual Cash flows \$'000	< 6 mths \$'000	6- 12 mths \$'000	1-3 years \$'000
Financial Liabilities					
Trade and Other Payables	105	105	105	-	-
Related Party Loans Payable	218	218	218	-	-
TOTAL	323	323	323	-	-
Financial Assets					
Trade Receivables	18	18	18	-	-
Other Receivables	43	43	43	-	-
Related Party Loan Receivables	233	233	233	-	-
TOTAL	294	294	294	-	-

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

17. Financial Risk Management (continued)

(d) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets								
Cash	4.51	4.77	3,931	5,891	-	-	3,931	5,891
Receivables	-	-	-	-	326	294	326	294
Total Financial Assets			3,931	5,891	326	294	4,257	6,185
Financial Liabilities								
Trade Payables	-	-	-	-	515	105	515	105
Related Party Loans	-	-	-	-	1,436	218	1,436	218
Total Financial Liabilities			-	-	1,951	323	1,951	323

(e) Net Fair Values

The net fair values for all assets and liabilities approximates their carrying values. No financial assets and financial liabilities are readily traded on organised markets in a standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

17. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purpose of the Cash Flow Statement, cash comprises Cash on Hand and at Bank, net of outstanding bank overdrafts, and liquid investments. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows –

	2011 \$'000	2010 \$'000
Cash at Bank	563	1,655
Short-term Bank Deposits	3,368	4,236
	3,931	5,891

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
17. Notes to the Statement of Cash Flows (continued)		
(b) Reconciliation of Net cash provided by / (used in) Operating Activities with Operating Profit after income tax		
Operating profit /(loss) after income tax	(476)	(496)
Depreciation	884	840
Synthetic Track Grant	(173)	(173)
Changes in Assets and Liabilities		
(Increase) Decrease in Trade Receivables	18	-
(Increase) Decrease in GST Receivable	(163)	12
(Increase) Decrease in Accrued Interest	(54)	(3)
(Increase) Decrease in Prepayments	(7)	-
Increase (Decrease) in Unearned Revenue	17	-
Increase (Decrease) In Trade Payables and Accrued Expenses	410	(80)
Net Cash Provided by Operating Activities	456	100

18. Capital Management

The board controls the capital of the entity in order to maintain a good debt-to-equity ratio and to ensure that the entity can fund its operations and continue as a going concern.

The entity's debt and capital includes financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

The board effectively manage the entity's capital by assessing the entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels.

There have been no changes in the strategy adopted by management to control the capital of the entity since the prior year. This strategy is to ensure that there is sufficient cash to meet trade and sundry payables and borrowings.

The gearing ratios for the year ended 30 June 2011 and 30 June 2010 are as follows:

Total borrowings	1,436	218
Less cash and cash equivalents	(3,931)	(5,891)
Net debt	(2,495)	(5,673)
Total equity	22,354	22,830
Total Capital	19,859	17,157
Gearing ratio	7%	1%

Notes to the Financial Statements

Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust

ABN 24 120 875 363

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
19. Contingent Liabilities		
Guarantee and indemnity	<u>12,000¹</u>	<u>12,000¹</u>
1. The entity has granted a guarantee and indemnity to banks to cover bank guarantees to Racing Queensland Limited to build stables in the Racing Queensland Limited leased area and has given a maximum exposure of \$12M (2010: \$12M).		

20. Post Balance Date Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

Directors' Declaration of the Trustee Company

The Directors of the trustee company declare that:

- (a) the financial statements and notes to the financial statements present fairly the trust's financial position as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements; and
- (b) in the directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of the trustee company.



Robert Bentley
Chairman

Dated this 28th day of September 2011



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Audit Committee
Sunshine Coast Racing Unit Trust
PO Box 63
SANDGATE QLD 4017

21 September 2011

Dear Sirs

FINALISATION REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

We have recently finalised our audit of Sunshine Coast Racing Unit Trust for the year ended 30 June 2011.

This report details audit matters of 'Governance Interest' arising from our audit of the financial statements which should be considered by the directors.

Audit matters of Governance Interest are those matters arising from the audit of the financial statements that in our opinion, are both important and relevant to the directors in overseeing the financial reporting and disclosure process. Audit matters of Governance Interest include only those matters that have come to our attention as a result of the performance of the audit.

This letter also addresses internal control weaknesses or our recommendations as to potential improvements, documented in section 2 of the report.

We would like to record our appreciation of Adam Carter and his staff for the assistance provided during the audit.

We look forward to continuing our relationship. If you require any further information or clarification of issues contained in this report, please call me.

Yours faithfully

BDO Audit (QLD) Pty Ltd

Damian Wright
Director



CONTENTS

1. The general approach and overall scope of the audit;
 2. Significant issues in the financial statements and management letter points;
 3. The selection of, or changes in, significant accounting policies;
 4. The potential effect of any material risks and exposures;
 5. Compliance with laws and regulations;
 6. Audit adjustments;
 7. Material uncertainties and going concern;
 8. Disagreements with management about matters of significance;
 9. Consideration of fraud and error;
 10. Auditor independence; and
 11. Audit opinion.
- Appendix A Draft independent audit report on financial statements

1. GENERAL APPROACH AND OVERALL SCOPE OF AUDIT

We have performed a full scope audit of the financial statements of Sunshine Coast Racing Unit Trust for the year ended 30 June 2011. Our audit was carried out in accordance with Australian Auditing Standards in order to provide reasonable assurance that the financial statements are free of material misstatement. This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then applying audit procedures, using our professional judgment, to mitigate that risk. Whilst we considered internal control relevant to the preparation of your financial statements, we do not express an opinion on the effectiveness of these internal controls.

The financial statements have been prepared by management for the purposes of satisfying the requirements of the unit holders and the trust. The Trustees are responsible for the preparation and presentation of the financial statements and the information it contains. We have conducted our audit on these financial statements in order to express an opinion on it to the Trustees.

The primary objective of our audit was to form an opinion as to whether the financial statements for the year ended 30 June 2011 is drawn up:

- a. so as to give a true and fair view of the Trust's financial position as at 30 June 2011 and the performance for the financial year ended on that date;
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the trust deed; and
- c. the financial statements also complies with International Financial Reporting Standards as disclosed in Note 1 to the financial statements.

2. SIGNIFICANT ISSUES IN THE FINANCIAL STATEMENTS

No significant issues were identified in the financial statements.

However, in completing our final audit visit of Sunshine Coast Racing Unit Trust for the year ending 30 June 2011 we noted one item for your attention in improving the systems of the Trust.

2.1 - Accounting for GST

Observation

On audit of the BAS returns lodged with the ATO in the financial year, it appears that issues were experienced with accounting for GST, particularly in the final quarter.

SCR had identified the issues involved in the account for GST and we were advised that the balances lodged in the final quarter's BAS return were incorrect.

Recommendation

Resources should be allocated to identifying the issues that led to the errors in the BAS return and putting controls in place to ensure that the balances included in the lodged BAS returns are accurate and can be agreed to the general ledger.



We have been advised by management that the issues involved have been identified and processes have been changed to ensure these errors will not happen again.

We have also been advised that appropriate resources have been applied to correct any outstanding errors.

Our communication only includes matters that have come to our attention as a result of the performance of the audit and our audit of the financial report is not designed to identify all matters that may be relevant to the Audit Committee. Accordingly, the audit does not ordinarily identify all such matters.

3. SELECTION OF OR CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

We do not believe that there are any issues in relation to the selection of or changes in, significant accounting policies and practices that have, or could have a material effect on the financial statements. We are satisfied that the basis of preparation of the financial statements is in accordance with Australian Accounting Standards (including Australian Accounting Interpretations).

4. POTENTIAL EFFECT OF ANY MATERIAL RISKS OR EXPOSURES

We do not believe there are any issues in relation to potential risks or exposures that require disclosure or have not already been adequately disclosed in the financial statements.

5. COMPLIANCE WITH LAWS AND REGULATIONS

We have not identified any instances of non-compliance with laws and regulations that may materially affect the financial statements.

6. AUDIT ADJUSTMENTS

Audit adjustments - recorded

There were no adjustments recorded during the audit.

Audit adjustments - unrecorded

There are no misstatements identified by audit that have been determined by management to have a material effect, either individually or in aggregate, on the financial statements.

7. MATERIAL UNCERTAINTIES AND GOING CONCERN

No conditions or events were identified, either individually or in aggregate, that indicated there could be any doubt about the Trust's ability to continue as a going concern for 12 months from the date of our report.

8. DISAGREEMENTS WITH MANAGEMENT ABOUT MATTERS OF SIGNIFICANCE

There are no matters of significance where we have had a disagreement with management. In completing the audit we received the full support of your management team and all information and explanations required have been provided.

9. CONSIDERATION OF FRAUD & ERROR

Under the Australian Auditing Standard ASA 240, when planning and performing audit procedures and evaluating the results, the auditor must consider the risk of material misstatement in the financial statements as a result of fraud and error.



Although ASA 240 sets out the principles and procedures we must follow, the primary responsibility for the prevention and detection of fraud and error rests with the directors and management. Management is responsible for maintaining accounting records and controls designed to prevent and detect fraud and error, and for the accounting policies and estimates inherent in the financial statements.

We have made enquiries of management regarding:

- Knowledge of any fraud or suspected fraud affecting the entity involving the management, employees who have significant roles in internal control; or others where the fraud could have a material effect on the financial statements;
- Knowledge of any allegations of fraud or suspected fraud, affecting Sunshine Coast Racing Unit Trust's financial information.

We did not become aware of any fraud or illegal acts during our audit.

Our conclusion as to the risk of material misstatements in the financial statements due to fraud was Low. Our management representation letter requests confirmation that this assessment of risk is consistent with your own assessment. We have not been made aware of any issues that would alter our assessment.

10. AUDITOR INDEPENDENCE

We have completed our audit in accordance with the auditor independence requirements as set out in the Corporations Act 2001 and the code of Professional Conduct as issued by the Institute of Chartered Accountants in Australia.

We have obtained individual independence declarations from all staff engaged in the audit. We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any relevant ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the year to Sunshine Coast Racing Unit Trust.

11. AUDIT OPINION

Other than the receipt of signed documents (representation letters, directors' declaration and report), there are no further actions required prior to us forming our opinion.

We intend to issue an unqualified audit opinion on the financial statements. A draft Independent Audit Report is attached as Appendix A.



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INDEPENDENT AUDITOR'S REPORT

To The Trustees Of Sunshine Coast Racing Unit Trust

Report on the Financial Report

We have audited the accompanying financial report of Sunshine Coast Racing Unit Trust (the trust), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the trustees' declaration.

Trustees' Responsibility for the Financial Report

The trustees of the trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the trust deed, and for such internal control as the trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the trustees also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



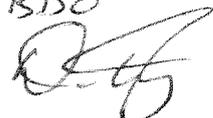
Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Sunshine Coast Racing Unit Trust as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the trust deed. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

BDO Audit (QLD) Pty Ltd

BDO


DAMIAN WRIGHT

Director

Brisbane, 28 September 2011

Rockhampton Racing Pty Ltd
ABN 77 144 933 406
Annual Financial Statements
Year ended 30 June 2011

DRAFT

Statement of Comprehensive Income

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Revenue from continuing operations	2	191	-
Other Income	3	1,651	-
Administration expense	4	(3)	-
Property expense	5	(174)	-
Auditor's remuneration expense	6	(10)	-
Impairment of property, plant and equipment	7	(938)	-
Depreciation	12	(472)	-
Profit/(loss) before income tax		245	-
Income tax expense	1(a)	-	-
Profit/ (Loss) for the year		245	-
Other comprehensive income		-	-
Total comprehensive income attributable to shareholders		245	-

The accompanying Notes form part of these financial statements.

Statement of Financial Position

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

As at 30 June 2011

	Note	2011 \$'000	2010 \$'000
CURRENT ASSETS			
Cash and Cash Equivalents	8	466	-
Trade and Other Receivables	9	2,181	1,026
Related Party Receivables	10	76	488
Other Current Assets	11	8	-
Total Current Assets		2,731	1,514
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	10,332	9,770
Total Non-Current Assets		10,332	9,770
TOTAL ASSETS		13,063	11,284
CURRENT LIABILITIES			
Trade and Other Payables	13	125	-
Related Party Payables	14	1,803	394
Total Current Liabilities		1,928	394
NON-CURRENT LIABILITIES			
Trade and Other Payables	13	-	-
Related Party Loans	14	-	-
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		1,928	394
TOTAL NET ASSETS		11,135	10,890
EQUITY			
Contributed Equity: 10,890 fully paid ordinary shares		10,890	10,890
Retained Earnings		245	-
TOTAL EQUITY		11,135	10,890

The accompanying Notes form part of these financial statements

Statement of Changes in Equity

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

	Contributed equity \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance 1 July 2009	-	-	-	-
Profit/(loss) for the year	-	-	-	-
Total comprehensive income	-	-	-	-
Increase in contributed equity	10,890	-	-	10,890
Total transactions with owners in their capacity as owners	10,890	-	-	10,890
Balance at 30 June 2010	10,890	-	-	10,890
Balance at 1 July 2011	10,890	-	-	10,890
Profit/(loss) for the year	-	-	245	245
Total comprehensive income for the year	-	-	245	245
Balance at 30 June 2011	10,890	-	245	11,135

The accompanying Notes form part of these financial statements

Statement of Cash Flows

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
		Inflows/ (Outflows)	Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		689	-
Payments to Suppliers		(74)	-
Interest Income		10	-
GST Input Tax Credit		4	-
GST Remitted to ATO		(12)	-
Net Cash Provided By/ (Used In) Operating Activities	15	617	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(1,972)	-
Net Cash Provided By/ (Used In) Investing Activities		(1,972)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans from Related Parties		1,821	-
Net Cash Provided By/ (Used In) Financing Activities		1,821	-
Net Increase/(Decrease) in Cash Held		466	-
Cash at the Beginning of the Reporting Period		-	-
CASH AT THE END OF THE REPORTING PERIOD		466	-

The accompanying Notes form part of these financial statements

Notes to the Financial Statements

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

1. Statement of Significant Accounting Policies

The significant accounting policies, which have been adopted in the preparation of these Statements, are as follows:

Basis of Preparation of the Accounts

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements which have been reported in order to meet the needs of members.

The financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and the following Australian equivalents to International Financial Reporting Standards (AIFRS):

- AASB 101 Presentation of Financial Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 107 Statement of Cash Flows
- AASB 110 Events after the End of the Reporting Period
- AASB 1031 Materiality
- AASB 1048 Interpretation and Application of Standards

No other Australian equivalents to International Financial Reporting Standards and authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Basis of Preparation of the Accounts

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(a) Income Tax

Income tax is only provided to the extent that accumulated income is assessable to the company in accordance with _____ Income Tax Assessment Act.

(b) Property, Plant and Equipment

Buildings are measured using "fair values" principles in accordance with AASB 116 Property, Plant and Equipment with the exception being that the board has determined as a general policy, only assets with a value of \$2,000 or more are capitalised. Items under this value are being charged as an expense in the year of purchase .

Non-current physical assets measured at fair values are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis, where the change would be material to that class of assets.

All other assets are measured at cost.

Notes to the Financial Statements

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

1. Statement of Significant Accounting Policies (continued)

(c) Depreciation Rates

Depreciation rates used for the different classes of assets are as follows:

Buildings and Improvements	2%-10%
----------------------------	--------

As a general policy, fixed assets are depreciated using the straight-line method except for land which depreciation is not calculated.

(d) Impairment of Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the asset's recoverable amount is determined. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

(e) Revenue Recognition

Revenue is recognised when it accrues. Interest income is recognised as it accrues. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(f) Receivables

Trade Debtors are recognised at the amount due at the time the amount is payable.

No provision for doubtful debts has been raised as all debts have been historically paid in a timely manner.

(g) Trade and Other Payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Board. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(h) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Notes to the Financial Statements

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

1. Statement of Significant Accounting Policies (continued)

(i) Provisions

Provisions are recognised when the trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(k) Fair Value

Fair value is determined on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(l) Issuance of Financial Statements

The financial statements are authorised for issue by the company Chairman of the Board of Directors at the date of signing the Management Certificate.

(m) Rounding and Comparative Figures

Unless otherwise stated amounts in the report have been rounded to the nearest thousand dollars. When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. The implications of the changes to both the financial impact and disclosure requirements have been assessed and management are of the opinion that the adoption of these would not have a material impact on the financial statements in the forthcoming year, given current interpretations of the accounting changes and expected future plans for the entity.

Notes to the Financial Statements

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
2. Revenue from Continuing Operations		
Property Rental Income	174	-
Interest	17	-
	<u>191</u>	<u>-</u>
3. Other Income		
Flood Insurance Proceeds	1,651	-
	<u>1,651</u>	<u>-</u>
4. Administration Expenses		
Administration Costs	1	-
Consultancy Fees	2	-
	<u>3</u>	<u>-</u>
5. Property Expenses		
Gas and electricity	72	-
Insurance	79	-
Rates	23	-
	<u>174</u>	<u>-</u>
6. Auditor's Remuneration		
Audit of the Financial Report	10	-
	<u>10</u>	<u>-</u>
7. Impairment of Property, Plant and Equipment		
Impairment of Property, Plant and Equipment	938	-
	<u>938</u>	<u>-</u>
8. Cash and Cash Equivalents		
Cash at Bank	66	-
Short-term Bank Deposits	400	-
	<u>466</u>	<u>-</u>

In 2011 the effective interest rate on short-term bank deposits was 6.17%. These deposits have an average maturity of 90 days.

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at Bank	66	-
Short-term Bank Deposits	400	-
	<u>466</u>	<u>-</u>

Notes to the Financial Statements

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
9. Receivables		
Insurance Proceeds Receivables	1,186	-
Accrued Interest	7	-
GST Receivable	988	1,026
	<u>2,181</u>	<u>1,026</u>
10. Related Party Receivables		
Rockhampton Jockey Club	6	-
Racing Queensland Limited	70	488
	<u>76</u>	<u>488</u>
11. Other Current Assets		
Prepayments	8	-
	<u>8</u>	<u>-</u>
12. Property Plant and Equipment		
Land at fair value	1,150	1,150
	<u>1,150</u>	<u>1,150</u>
Buildings and Improvements at fair value	9,634	8,620
Accumulated Depreciation	(472)	-
	<u>9,162</u>	<u>8,620</u>
Capital Work in Progress	20	-
	<u>20</u>	<u>-</u>
	<u>10,332</u>	<u>9,770</u>

Independent valuations of land and buildings were performed as at 30 June 2011 by AON Valuation Services using 'fair value' principles. The valuation of land and buildings is based on current market values and replacement costs respectively.

Notes to the Financial Statements

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

12. Property Plant and Equipment (continued)

Asset Name	Carrying amount 1/07/10 (\$'000)	Additions (\$'000)	Revaluation (\$'000)	Transfers (\$'000)	Impairment Losses (\$'000)	Depreciation (\$'000)	Carrying amount 30/06/11 (\$'000)
Land	1,150	-	-	-	-	-	1,150
Building & Improvements	8,620	1,952	-	-	(938)	(472)	9,162
Work In Progress	-	20	-	-	-	-	20
	9,770	1,972	-	-	(938)	(472)	10,332

Impairment of Assets

In accordance with note 1(d) the board has reviewed its Property, Plant and Equipment for Impairment. The flooding of the land and buildings was determined to be an indicator of impairment of those assets. An independent valuation was performed by AON Valuation Services to assess for impairment. This valuation highlighted impairment losses of \$938k that were recognised in profit or loss.

	2011 \$'000	2010 \$'000
13. Trade and Other Payables		
CURRENT		
Trade Payables	5	-
Other Payables	109	-
Deferred Revenue	11	-
	125	-

14. Related Party Payables

CURRENT

Racing Queensland Limited	1,803	394
	1,803	394

Notes to the Financial Statements

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

15. Related Parties

(a) Share of Directorship of the Company:

Racing Queensland Limited (64%)
Rockhampton Jockey Club Inc (36%)

(b) Transactions

Administrative services are provided by Racing Queensland Limited to the company for no consideration.

(c) Key Management Personal

Remuneration of Directors

The directors do not receive compensation for their positions as directors of the company.

The names of directors of the company who held office during the financial year were:

Mr Malcolm Tuttle
Mr Paul Brennan
Mr Justin Doyle
Mr James Mason

16. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purpose of the Cash Flow Statement, cash comprises Cash on Hand and at Bank, net of outstanding bank overdrafts, and liquid investments. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows –

	2011 \$'000	2010 \$'000
Cash at Bank	66	-
Short-term Bank Deposits	400	-
	<u>466</u>	<u>-</u>

Notes to the Financial Statements

Rockhampton Racing Pty Ltd

ABN 77 144 933 406

For the year ended 30 June 2011

16. Notes to the Statement of Cash Flows (continued)

(b) Reconciliation of Net cash provided by / (used in) Operating Activities with Operating Profit after income tax

	2011 \$'000	2010 \$'000
Operating profit /(loss) after income tax	245	-
Depreciation	472	-
Impairment of property, plant and equipment	938	-
Changes in Assets and Liabilities		
(Increase) Decrease in Insurance Receivables	(1,186)	-
(Increase) Decrease in GST Receivable	38	-
(Increase) Decrease in Accrued Interest	(7)	-
(Increase) Decrease in Prepayments	(8)	-
Increase (Decrease) in Unearned Income	11	-
Increase (Decrease) In Trade Payables and Accrued Expenses	114	-
Net Cash Provided by Operating Activities	617	-

(c) Non-cash financing and investing activities

Acquisition of property, plant and equipment and receivables by way of issue shares	-	10,890
	-	10,890

17. Contingent Liabilities

There are no contingent liabilities to report.

18. Post Balance Date Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

- (a) the financial statements and notes to the financial statements present fairly the company's financial position as at 30 June 2011 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
- (b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Paul Brennan
Director

Shara Murray
Company Secretary

Dated this day of 2011



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Brisbane QLD 4000,
GPO Box 457 Brisbane QLD 4001
Australia

Audit Committee
Rockhampton Racing Pty Ltd
75 Reaney Street
THE COMMON QLD 4701

26 September 2011

Dear Directors

FINALISATION REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

We have recently finalised our audit of Rockhampton Racing Pty Ltd for the year ended 30 June 2011. This report details audit matters of 'Governance Interest' arising from our audit of the financial statements which should be considered by the directors.

Audit matters of Governance Interest are those matters arising from the audit of the financial statements that in our opinion, are both important and relevant to the directors in overseeing the financial reporting and disclosure process. Audit matters of Governance Interest include only those matters that have come to our attention as a result of the performance of the audit.

This letter does not address internal control weaknesses or our recommendations as to potential improvements. There were no such weaknesses or recommendations identified from our audit procedures.

We would like to record our appreciation of Adam Carter and his staff for the assistance provided during the audit.

We look forward to continuing our relationship. If you require any further information or clarification of issues contained in this report, please call me.

Yours faithfully

BDO Audit (QLD) Pty Ltd

Damian Wright
Director

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CONTENTS

1. The general approach and overall scope of the audit;
 2. Significant issues in the financial statements;
 3. The selection of, or changes in, significant accounting policies;
 4. The potential effect of any material risks and exposures;
 5. Compliance with laws and regulations;
 6. Audit adjustments;
 7. Material uncertainties and going concern;
 8. Disagreements with management about matters of significance;
 9. Consideration of fraud and error;
 10. Auditor independence; and
 11. Audit opinion.
- Appendix A Draft independent audit report on financial statements
- Appendix B Draft auditor independence declaration

1. GENERAL APPROACH AND OVERALL SCOPE OF AUDIT

We have performed a full scope audit of the financial statements of Rockhampton Racing Pty Ltd for the year ended 30 June 2011. Our audit was carried out in accordance with Australian Auditing Standards in order to provide reasonable assurance that the financial statements are free of material misstatement. This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then applying audit procedures, using our professional judgment, to mitigate that risk. Whilst we considered internal control relevant to the preparation of your financial statements, we do not express an opinion on the effectiveness of these internal controls.

The financial statements has been prepared by management for the purposes of satisfying the requirements of the Corporations Act 2001. The directors are responsible for the preparation and presentation of the financial statements and the information it contains. We have conducted our audit on this financial statements in order to express an opinion on it to the members.

The primary objective of our audit was to form an opinion as to whether the financial statements for the year ended 30 June 2011 is drawn up:

- a. so as to give a true and fair view of the company's financial position as at 30 June 2011 and the performance for the financial year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) as disclosed in Note 1 to the financial statements and the Corporations Regulations 2001.

2. SIGNIFICANT ISSUES IN THE FINANCIAL STATEMENTS

The following significant matters were identified in the course of the audit:

2.1 Impairment of land and buildings

The flooding of Callaghan Park was deemed to be an impairment indicator and BDO requested an independent valuation be performed for the land and buildings to support the carrying value of the property, plant and equipment in the statement of financial position.

The independent valuation performed by AON indicated a total value that was lower than the carrying value of the land and buildings in the statement of financial position. However, the variance was approximately \$150,000 which was not deemed to represent a material overstatement of property, plant and equipment at 30 June 2011. As such, this adjustment was not posted but is highlighted as an unrecorded audit adjustment in section 6 below.

2.2 Accounting for insurance proceeds

Following the flooding of Callaghan Park, a substantial insurance claim was made to clean up the facilities and restore them to their original standard.

The total claim proceeds of \$1.651m are recognised as 'other income' in the financial statements.

Management have made an assessment of which costs relate to 'repairs and rectification' work and which costs relate to 'capital improvements'.

Costs of \$937k relating to 'repairs and rectification' work have been capitalised but also a corresponding impairment expense has been recognised, to result in no net increase in property, plant and equipment for these costs incurred.

Costs of \$714k relating to 'capital improvements' have been capitalised with no corresponding impairment expense recognised.

3. SELECTION OF OR CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

We do not believe that there are any issues in relation to the selection of or changes in, significant accounting policies and practices that have, or could have a material effect on the financial statements. We are satisfied that the basis of preparation of the financial statements is in accordance with Australian Accounting Standards (including Australian Accounting Interpretations).

4. POTENTIAL EFFECT OF ANY MATERIAL RISKS OR EXPOSURES

We do not believe there are any issues in relation to potential risks or exposures that require disclosure or have not already been adequately disclosed in the financial statements.

5. COMPLIANCE WITH LAWS AND REGULATIONS

We have not identified any instances of non-compliance with laws and regulations that may materially affect the financial statements.

6. AUDIT ADJUSTMENTS

Audit adjustments - recorded

The following adjustments were recorded during the audit.

Ref	Details	Balance Sheet		P&L Account	
		Dr	Cr	Dr	Cr
(i)	Dr Impairment expense			\$937,553	
	Cr Flood insurance proceeds				\$1,651,004
	Dr Receivables	\$713,451			
	Being the adjustment to account for the insurance proceeds and the impairment expense to the land and buildings following the Rockhampton flooding				
	TOTAL	\$713,451	\$nil	\$937,553	\$1,651,004

Audit adjustments - unrecorded

During the course of our audit, we identified various misstatements that have been determined by audit and management to have an immaterial effect, individually and in aggregate, on the financial statements. It should be noted that the auditing standards do not require us to communicate misstatements that are considered 'clearly trivial'. We consider 'clearly trivial' to be 1% of our planning materiality which amounts to \$2,100.

Ref	Details	Balance Sheet		P&L Account	
		Dr	Cr	Dr	Cr
(i)	Dr Property, plant and equipment		\$149,410		
	Cr Impairment expense			\$149,410	
	Being the adjustment to write down the carrying value of the land and buildings to the balance per the independent valuation				
	TOTAL	\$nil	\$149,410	\$149,410	\$nil

7. MATERIAL UNCERTAINTIES AND GOING CONCERN

No conditions or events were identified, either individually or in aggregate, that indicated there could be any doubt about the Company's ability to continue as a going concern for 12 months from the date of our report.

8. DISAGREEMENTS WITH MANAGEMENT ABOUT MATTERS OF SIGNIFICANCE

There are no matters of significance where we have had a disagreement with management. In completing the audit we received the full support of your management team and all information and explanations required have been provided.

9. CONSIDERATION OF FRAUD & ERROR

Under the Australian Auditing Standard ASA 240, when planning and performing audit procedures and evaluating the results, the auditor must consider the risk of material misstatement in the financial statements as a result of fraud and error.

Although ASA 240 sets out the principles and procedures we must follow, the primary responsibility for the prevention and detection of fraud and error rests with the directors and management. Management is responsible for maintaining accounting records and controls designed to prevent and detect fraud and error, and for the accounting policies and estimates inherent in the financial statements.

We have made enquiries of management regarding:

- Knowledge of any fraud or suspected fraud affecting the entity involving the management, employees who have significant roles in internal control; or others where the fraud could have a material effect on the financial statements;
- Knowledge of any allegations of fraud or suspected fraud, affecting Rockhampton Racing Pty Ltd's financial information.

We did not become aware of any fraud or illegal acts during our audit.

Our conclusion as to the risk of material misstatements in the financial statements due to fraud was Low. Our management representation letter requests confirmation that this assessment of risk is consistent with your own assessment. We have not been made aware of any issues that would alter our assessment.

10. AUDITOR INDEPENDENCE

We have completed our audit in accordance with the auditor independence requirements as set out in the Corporations Act 2001 and the code of Professional Conduct as issued by the Institute of Chartered Accountants in Australia.

We have obtained individual independence declarations from all staff engaged in the audit. We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any relevant ethical requirement or any regulatory requirement that applies to the audit engagement.

In addition to the audit, BDO have completed the following assignment during the year:

- GST advice

This assignment has not impaired our independence.

A copy of our draft Auditor Independence Declaration to be provided at the time of signing our audit report is attached as Appendix B.

11. AUDIT OPINION

Other than the receipt of signed documents (representation letters, directors' declaration and report), there are no further actions required prior to us forming our opinion.

We intend to issue an unqualified audit opinion on the financial statements. A draft Independent Audit Report is attached as Appendix A.



Appendix A - Draft Independent Audit Report

INDEPENDENT AUDITOR'S REPORT

To the members of Rockhampton Racing Pty Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Rockhampton Racing Pty Ltd, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rockhampton Racing Pty Ltd, would be in the same terms if given to the directors as at the time of the auditor's report.

Opinion

In our opinion the financial report of Rockhampton Racing Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

BDO Audit (QLD) Pty Ltd

DAMIAN WRIGHT

Director

Brisbane, xx September 2011



Appendix B - Draft Auditors Independence Declaration

DECLARATION OF INDEPENDENCE BY DAMIAN WRIGHT TO THE DIRECTORS OF ROCKHAMPTON RACING PTY LTD

As lead auditor of Rockhampton Racing Pty Ltd for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

DAMIAN WRIGHT

Director

BDO Audit (QLD) Pty Ltd

Brisbane, xx September 2011

Queensland Race Product Co Ltd

ABN 85 081 743 722

Annual Financial Statements

Year ended 30 June 2011

Directors' Report

Queensland Race Product Co Ltd ABN 85 081 743 722

The directors present their report together with the financial statements of Queensland Race Product Co Ltd ("the company") for the year ended 30 June 2011 and the auditor's report thereon.

Directors

The Directors of the company at any time during or since the financial year are:

Name	Experience
Mr Anthony Hanmer Chairman	Board Member – Racing Queensland Limited
Mr William Ludwig Director	Board Member – Racing Queensland Limited
Mr Robert Lette Director	Board Member – Racing Queensland Limited
Ms Kerry Watson Director	Board Member – Racing Queensland Limited Removed – 6 December 2010
Mr Wayne Milner Director	Board Member – Racing Queensland Limited
Mr Bradley Ryan Director	Board Member – Racing Queensland Limited

Directors have been in office to the date of this report unless otherwise stated.

Directors' Report (continued)

Queensland Race Product Co Ltd ABN 85 081 743 722

Registered Office & Place of Business

6 Racecourse Road
Deagon, QLD 4017

Principal Activities

The principal activity of the entity, during the course of the financial year, was the encouragement of animal racing by acting as an agent for the Queensland Racing Industry (QRI), in its relationship with the UNiTAB. This relationship was established by the entering into of a Product and Program Agreement.

In order to fulfil obligations in accordance with the Product and Program Agreement, the company and the Queensland Racing Control Body(QRCB) supply racing information and race wagering program to UNiTAB in return for payment of certain monies by UNiTAB. It is the responsibility of the company to pay out these monies to the QRCB's and the Racing Science Centre as part of this agreement.

Results

	2011	2010
	\$	\$
Operating Profit of the company for the year after Income Tax	-	-

Dividends

No dividends were paid or declared since the start of the financial year.

Review of Operations

As at 30 June 2011, the company received and paid out all current Product and Program fee distributions to the QRCB's. All Race Information fees charged by the Principal Racing Authorities to UNiTAB have been netted off the Product and Program fee distributed and have been distributed to the QRCB's net of these fee. The Income Statement reflects this position with no operating profit being recorded for the financial year.

The *Racing and Other Legislation Amendment Bill 2010* was introduced into Queensland Parliament on 13 April 2010. This Bill was passed by Parliament on 9 June 2010. This legislation has the effect of amalgamating the three QRCB's into one single control body for the thoroughbred, harness and greyhound racing industries. The legislation is to come into effect on 1 July 2010. For the company, this means that from 1 July 2010, all distributions of Product and Program fees net of Race Information fees, will be paid to the amalgamated control body, Racing Queensland Limited.

After Balance Date Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Indemnity of Officers

The directors and company secretary are indemnified for any loss suffered as a result of holding office. The cover was paid by Racing Queensland Limited.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year.

Directors' Report (continued)

Queensland Race Product Co Ltd ABN 85 081 743 722

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Meetings of Directors

Three board meetings were held during the financial year. The board members that attended the meeting are as follows:

Board Member	Meetings Attended
Mr Anthony Hanmer	3
Mr William Ludwig	3
Mr Robert Lette	3
Ms Kerry Watson	1
Mr Bradley Ryan	3
Mr Wayne Milner	3

This report is made in accordance with a resolution of the Board of Directors.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 4 of the directors' report.

Rounding of Amounts

The company is an entity to which ASIC Class Order 98/100 applies and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Anthony Hanmer

Chairman

Brisbane

Dated this 10th October 2011

Statement of Comprehensive Income

Queensland Race Product Co Ltd ABN 85 081 743 722

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Revenue from continuing operations	2	107,338	101,122
Product and program fee expenses	3	(103,731)	(97,575)
Racing Science Centre expenses		(3,598)	(3,539)
Administration expenses		(9)	(8)
Profit before income tax		-	-
Income tax expense	1(a)	-	-
Profit for the year		-	-
Other comprehensive income		-	-
Total Comprehensive Income		-	-
Profit is attributable to:			
Members of Queensland Race Product Co Ltd		-	-

The accompanying Notes form part of these financial statements.

Statement of Financial Position

Queensland Race Product Co Ltd ABN 85 081 743 722

As at 30 June 2011

	Note	2011 \$'000	2010 \$'000
Current Assets			
Cash and cash equivalents	4	607	596
Receivables	5	9,139	2,685
Total Current Assets		9,746	3,281
Total Assets		9,746	3,281
Current Liabilities			
Payables and accruals	6	9,746	3,281
Total Current Liabilities		9,746	3,281
Total Liabilities		9,746	3,281
Net Assets		-	-
Equity			
Contributed equity		-	-
Retained earnings		-	-
Total Equity		-	-

The accompanying Notes form part of these financial statements

Statement of Changes in Equity

Queensland Race Product Co Ltd ABN 85 081 743 722

For the year ended 30 June 2011

	Retained Earnings		Contributed Equity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Balance as at 1 July	-	-	-	-
Transactions with Owners in their capacity as Owners	-	-	-	-
Total Comprehensive Income	-	-	-	-
Balance as at 30 June	-	-	-	-

The accompanying Notes form part of these financial statements

Statement of Cash Flows

Queensland Race Product Co Ltd ABN 85 081 743 722

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from UNITAB		114,161	117,860
Payments to Queensland Racing Control Body		(114,034)	(117,877)
Payments to auditors, lawyers and administration		(9)	(8)
Interest income		64	54
GST Input Tax Credit		13,004	13,337
GST Remitted to ATO		(13,175)	(13,344)
NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES	11(b)	<u>11</u>	<u>22</u>
NET INCREASE/(DECREASE) IN CASH HELD		11	22
CASH AT THE BEGINNING OF THE REPORTING PERIOD		<u>596</u>	<u>574</u>
CASH AT THE END OF THE REPORTING PERIOD	11(a)	<u><u>607</u></u>	<u><u>596</u></u>

The accompanying Notes form part of these financial statements

Notes to the Financial Statements

Queensland Race Product Co Ltd ABN 85 081 743 722

For the year ended 30 June 2011

1. Statement of Significant Accounting Policies

The significant accounting policies, which have been adopted in the preparation of these Statements, are as follows:

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001..

The directors have determined that Queensland Race Product Co Ltd is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards – Reduced Disclosure Requirements) as set out in AASB 1053 *Application of Tiers of Australian Accounting Standards*. As such, the directors have early adopted AASB 2010-2 *Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements* from 1 July 2009. AASB 2010-2 only mandatorily applies to annual reporting periods commencing on or after 1 July 2013. The early adoption of AASB 2010-2 has had no impact on amounts recognised in the financial statements and related notes because it merely requires less disclosures for these general purpose financial statements, which have been prepared using Australian Accounting Standards - Reduced Disclosure Requirements, than if these financial statements were prepared using Australian Accounting Standards.

The following is a summary of material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation of the Accounts

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report and has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which fair value basis of accounting has been applied.

(a) Income Tax

Tax effect accounting procedures have not been applied to these statements due to a private tax ruling for the purposes of Part IV AA of the *Taxation Administration Act 1953*. This ruling deems product fees paid pursuant to the Product and Program Agreement as agent of the Queensland Racing Industry will not constitute assessable income under section 6-5 of the Income Tax Assessment Act 1997.

(b) Revenue Recognition

Revenue is recognised when Product and Program Fee monies are due and payable from UNiTAB. Interest income is recognised as it accrues.

(c) Receivables

Trade Debtors are recognised at the amount due at the time the amount is payable under the Product and Program Agreement which also requires settlement of the amount within 10 business days after the previous month end.

No provision for doubtful debts has been raised as all debts have been historically paid in a timely manner.

Notes to the Financial Statements

Queensland Race Product Co Ltd ABN 85 081 743 722

For the year ended 30 June 2011

(d) Payables

Payables represent June Product and Program fees owing at year-end as well as the June quarter Racing Science Centre invoice. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(e) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

(f) Cash and Cash Equivalents

For the purpose of the Balance Sheet and the Cash Flow Statement, cash assets include all cash and cheques receipted but not banked at 30 June as well as all deposits at call with financial institutions. It also includes investments with short periods to maturity that are readily convertible to cash on hand at the company's option and that are subject to a low risk of changes in value.

(g) Issuance of Financial Statements

The financials statements are authorised for issue by the company Chairman of the Board of Directors at the date of signing the Management Certificate.

(h) Rounding

Unless otherwise stated amounts in the report have been rounded to the nearest thousand dollars. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(i) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions cost where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised with the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Notes to the Financial Statements

Queensland Race Product Co Ltd ABN 85 081 743 722

For the year ended 30 June 2011

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(j) Fair Value

Fair value is determined on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(k) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. The implications of the changes to both the financial impact and disclosure requirements have been assessed and management are of the opinion that the adoption of these would not have a material impact on the financial statements in the forthcoming year, given current interpretations of the accounting changes and expected future plans for the entity.

Notes to the Financial Statements

Queensland Race Product Co Ltd ABN 85 081 743 722

For the year ended 30 June 2011

	2011	2010
	\$'000	\$'000
2. REVENUE		
Product and Program Fee	107,294	101,068
Interest	64	54
	<u>107,338</u>	<u>101,122</u>

The company was charged \$30.785M (2010: \$32.289M) for Race Information fees in the current year. These fees have been charged by the Principal Racing Authorities to UNiTAB and have been netted off the Product and Program Fee by UNiTAB.

3. PRODUCT AND PROGRAM FEE EXPENSES

Product and Program Fee:

Racing Queensland Limited	103,731	-
Queensland Racing Limited	-	74,157
Queensland Harness Racing Limited	-	14,148
Greyhounds Queensland Limited	-	9,270
	<u>103,731</u>	<u>97,575</u>

4. CASH AND CASH EQUIVALENTS

Cash at Bank	2	6
Investments – 24 hour call deposits	605	590
	<u>607</u>	<u>596</u>

5. RECEIVABLES

Trade Receivables	8,999	2,685
Other Receivables	140	-
	<u>9,139</u>	<u>2,685</u>

Notes to the Financial Statements

Queensland Race Product Co Ltd ABN 85 081 743 722

For the year ended 30 June 2011

	2011	2010
	\$'000	\$'000
6. PAYABLES		
Undistributed Product and Program Fees	8,730	2,308
Other Payables	1,016	973
	<u>9,746</u>	<u>3,281</u>

7. CONTRIBUTED EQUITY

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a minimum of \$10 each towards meeting any outstanding obligations of the company.

8. REMUNERATION OF DIRECTORS

No income was paid or payable, or otherwise made available, to the directors of the company by the company.

The names of directors of the company who held office during the financial year were:

Mr Anthony Hanmer

Mr William Ludwig

Mr Robert Lette

Ms Kerry Watson

Mr Wayne Milner

Mr Bradley Ryan

Notes to the Financial Statements

Queensland Race Product Co Ltd ABN 85 081 743 722

For the year ended 30 June 2011

9. RELATED PARTIES

Share of Directorship of the Company:

Racing Queensland Limited
Controlling entity of the company (100%)

Transactions

Product and Program fees were paid on a monthly basis to the related parties by the company in accordance with the Product and Program Agreement between the racing industry and UNiTAB dated 9 June 1999 (Refer Note 3). Administrative services are provided by the controlling entity to the company for no consideration.

2011	2010
\$'000	\$'000

10. REMUNERATION OF AUDITOR

Audit of the company's accounts

6	5
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11. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

For the purpose of the Cash Flow Statement, cash comprises Cash on Hand and at Bank, net of outstanding bank overdrafts, and liquid investments. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows -

2011	2010
\$'000	\$'000

Cash at Bank	2	6
Investments – 24 hour call deposits	605	590
	<u>607</u>	<u>596</u>

(b) Reconciliation of Net cash provided by / (used in) Operating Activities with Operating Profit after income tax

Operating profit after income tax	-	-
Changes in Assets and Liabilities		
(Increase) Decrease in Receivables	(6,478)	3,456
(Decrease) Increase in Payables	6,489	(3,434)
Net Cash provided by Operating Activities	<u>11</u>	<u>22</u>

Notes to the Financial Statements

Queensland Race Product Co Ltd ABN 85 081 743 722

For the year ended 30 June 2011

12. EVENTS AFTER BALANCE SHEET DATE

With the exception of the matters noted above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' Declaration

The Directors declare that the financial statements and notes to the financial statements:

- (a) comply with Australian Accounting Standards, the *Corporations Act 2001* and other mandatory professional reporting requirements: and
- (b) give a true and fair view of the company's financial position as at 30 June 2011 and its performance, as represented by the results of its operations and cash flows, for the financial period ended on that date.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Anthony Hanmer
Chairman

Dated this 10th day of October 2011



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GPO Box 457 Brisbane QLD 4001
Australia

Audit Committee
Queensland Race Product Co Ltd
PO Box 63
SANDGATE QLD 4017

29 September 2011

Dear Sirs

FINALISATION REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

We have recently finalised our audit of Queensland Race Product Co Ltd for the year ended 30 June 2011.

This report details audit matters of 'Governance Interest' arising from our audit of the financial statements which should be considered by the directors.

Audit matters of Governance Interest are those matters arising from the audit of the financial statements that in our opinion, are both important and relevant to the directors in overseeing the financial reporting and disclosure process. Audit matters of Governance Interest include only those matters that have come to our attention as a result of the performance of the audit.

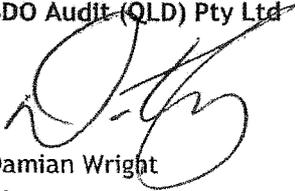
This letter does not address internal control weaknesses or our recommendations as to potential improvements. These were no internal control weaknesses identified as part of our audit process.

We would like to record our appreciation of Adam Carter and his staff for the assistance provided during the audit.

We look forward to continuing our relationship. If you require any further information or clarification of issues contained in this report, please call me.

Yours faithfully

BDO Audit (QLD) Pty Ltd



Damian Wright
Director

\\RAC\33602\Audit\2011\WP\Race Product Co 2011\Financials\Finalisation Report 2011.docx

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RQL.125.002.0297



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1. The general approach and overall scope of the audit;
 2. Significant issues in the financial statements;
 3. The selection of, or changes in, significant accounting policies;
 4. The potential effect of any material risks and exposures;
 5. Compliance with laws and regulations;
 6. Audit adjustments;
 7. Material uncertainties and going concern;
 8. Disagreements with management about matters of significance;
 9. Consideration of fraud and error;
 10. Auditor independence; and
 11. Audit opinion.
- Appendix A Draft independent audit report on financial statements
- Appendix B Draft auditor independence declaration



1. GENERAL APPROACH AND OVERALL SCOPE OF AUDIT

We have performed a full scope audit of the financial statements of Queensland Race Product Co Ltd for the year ended 30 June 2011. Our audit was carried out in accordance with Australian Auditing Standards in order to provide reasonable assurance that the financial statements are free of material misstatement. This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then applying audit procedures, using our professional judgment, to mitigate that risk. Whilst we considered internal control relevant to the preparation of your financial statements, we do not express an opinion on the effectiveness of these internal controls.

The financial statements have been prepared by management for the purposes of satisfying the requirements of the Corporations Act 2001. The directors are responsible for the preparation and presentation of the financial statements and the information it contains. We have conducted our audit on these financial statements in order to express an opinion on it to the members.

The primary objective of our audit was to form an opinion as to whether the financial statements for the year ended 30 June 2011 is drawn up:

- a. so as to give a true and fair view of the company's financial position as at 30 June 2011 and the performance for the financial year ended on that date; and
- b. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

2. SIGNIFICANT ISSUES IN THE FINANCIAL STATEMENTS

There were no significant issues identified in the course of our audit of the financial statements.

3. SELECTION OF OR CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

We do not believe that there are any issues in relation to the selection of or changes in, significant accounting policies and practices that have, or could have a material effect on the financial statements. We are satisfied that the basis of preparation of the financial statements is in accordance with Australian Accounting Standards (including Australian Accounting Interpretations).

4. POTENTIAL EFFECT OF ANY MATERIAL RISKS OR EXPOSURES

We do not believe there are any issues in relation to potential risks or exposures that require disclosure or have not already been adequately disclosed in the financial statements.

5. COMPLIANCE WITH LAWS AND REGULATIONS

We have not identified any instances of non-compliance with laws and regulations that may materially affect the financial statements.



6. AUDIT ADJUSTMENTS

Audit adjustments - recorded

The following adjustment was recorded during the audit.

Ref	Details	Balance Sheet		P&L Account	
		Dr	Cr	Dr	Cr
(i)	Dr Product and program fee expenses			\$6,052,119	
	Cr Product and program fee revenue				\$6,052,119
	Being the adjustment to product and program fees to account for prior year race fields fees accrued at the prior year-end that were deducted from distributions in FY2011				
	TOTAL			\$6,052,119	\$6,052,119

Audit adjustments - unrecorded

There are no misstatements identified by audit that have been determined by management to have a material effect, either individually or in aggregate, on the financial statements.

7. MATERIAL UNCERTAINTIES AND GOING CONCERN

No conditions or events were identified, either individually or in aggregate, that indicated there could be any doubt about the Company's ability to continue as a going concern for 12 months from the date of our report.

8. DISAGREEMENTS WITH MANAGEMENT ABOUT MATTERS OF SIGNIFICANCE

There are no matters of significance where we have had a disagreement with management. In completing the audit we received the full support of your management team and all information and explanations required have been provided.

9. CONSIDERATION OF FRAUD & ERROR

Under the Australian Auditing Standard ASA 240, when planning and performing audit procedures and evaluating the results, the auditor must consider the risk of material misstatement in the financial statements as a result of fraud and error.

Although ASA 240 sets out the principles and procedures we must follow, the primary responsibility for the prevention and detection of fraud and error rests with the directors and management.

Management is responsible for maintaining accounting records and controls designed to prevent and detect fraud and error, and for the accounting policies and estimates inherent in the financial statements.



We have made enquiries of management regarding:

- Knowledge of any fraud or suspected fraud affecting the entity involving the management, employees who have significant roles in internal control; or others where the fraud could have a material effect on the financial statements;
- Knowledge of any allegations of fraud or suspected fraud, affecting Queensland Race Product Co Ltd's financial information.

We did not become aware of any fraud or illegal acts during our audit.

Our conclusion as to the risk of material misstatements in the financial statements due to fraud was Low. Our management representation letter requests confirmation that this assessment of risk is consistent with your own assessment. We have not been made aware of any issues that would alter our assessment.

10. AUDITOR INDEPENDENCE

We have completed our audit in accordance with the auditor independence requirements as set out in the Corporations Act 2001 and the code of Professional Conduct as issued by the Institute of Chartered Accountants in Australia.

We have obtained individual independence declarations from all staff engaged in the audit. We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any relevant ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the year to Queensland Race Product Co Ltd.

A copy of our draft Auditor Independence Declaration to be provided at the time of signing our audit report is attached as Appendix B.

11. AUDIT OPINION

Other than the receipt of signed documents (representation letters, directors' declaration and report), there are no further actions required prior to us forming our opinion.

We intend to issue an unqualified audit opinion on the financial statements. A draft Independent Audit Report is attached as Appendix A.



Appendix A - Draft Independent Audit Report

INDEPENDENT AUDITOR'S REPORT

To the members of Queensland Race Product Co Ltd

Report on the Financial Report

We have audited the accompanying financial report of Queensland Race Product Co Ltd, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Queensland Race Product Co Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Queensland Race Product Co Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

BDO Audit (QLD) Pty Ltd

DAMIAN WRIGHT

Director

Brisbane, xx September 2011



Appendix B - Draft Auditors Independence Declaration

DECLARATION OF INDEPENDENCE BY DAMIAN WRIGHT TO THE DIRECTORS OF QUEENSLAND RACE PRODUCT CO LTD

As lead auditor of Queensland Race Product Co Ltd for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

DAMIAN WRIGHT

Director

BDO Audit (QLD) Pty Ltd

Brisbane, xx September 2011

Racing Queensland Limited									
Directors Expenses									
For the FY ended 30 June 2011									
	Bentley	Hanmer	Milner	Ryan	Ludwig	Lette	Watson	Total Board	Tuttle
Accomm/Meals	12,730.67	5,003.37	1,091.18	-	-	-	862.87	19,688.09	6,546.48
Airfare/Mileage	14,648.56	10,294.16	1,048.79	-	-	-	469.72	26,461.23	6,784.34
Telephone-Landline	1,870.22	-	-	-	-	-	138.13	2,008.35	1,370.00
Telephone-Mobile	4,368.38	1,922.49	-	-	-	-	133.72	6,424.59	1,606.96
Internet	1,330.77	-	-	-	-	-	-	-	1,020.17
Car Hire	1,320.00	-	-	-	-	-	-	1,320.00	-
Parking	976.84	16.36	75.37	-	-	-	-	1,068.57	172.45
Taxi	446.04	1,022.08	101.31	-	-	-	-	1,569.43	2,424.42
Tolls	272.73	-	-	-	-	-	-	272.73	12.93
Other Transport - Europe Trains	1,805.55	-	-	-	-	-	-	1,805.55	-
Other	503.18	-	-	-	-	-	3.50	506.68	377.38
	40,272.94	18,258.46	2,316.65	-	-	-	1,607.94	61,125.22	20,315.13
Board Member Fees (inc tax & super)	135,000.00	90,000.00	60,000.00	60,000.00	60,000.00	60,000.00	30,000.00	495,000.00	-
Total Board Costs	175,272.94	108,258.46	62,316.65	60,000.00	60,000.00	60,000.00	31,607.94	556,125.22	20,315.13



**RACING
QUEENSLAND**

Declaration

Racing Queensland Limited
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PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

I, **Mr Robert Bentley**, declare that the expenditure incurred of **\$40,272.94** as noted in the attached sheet for the financial year ended 30 June 2011, has been incurred on behalf of Racing Queensland Limited (RQL) and is solely related to business purposes.

Signed: _____

Dated: _____

Reviewed and approved by:

Mr Malcolm Tuttle
Chief Executive Officer

Date

Racing Queensland Limited
Chairman Expenses - Mr Robert Bentley
For the FY ended 30 June 2011

Period	Account Name	Name	Description	Bentley	Purpose
2011/001	Board Exp-Telephone-Mobile	Telephone-Mobile	Mobile Plan Credit Jun 10	118.30	
2011/001	BOARD Accomm/meals	Accomm/Meals	Meal 22/04 Bentley,Gibbs	56.27	Meal with Mr Gibbs
2011/001	BOARD Accomm/meals	Accomm/Meals	Meal 28/04 Bentley,Hammer	92.65	Meal with T Hammer
2011/001	BOARD Accomm/meals	Accomm/Meals	Accom 30/04-03/05 Bentley	575.39	Adelaide
2011/001	BOARD Accomm/meals	Accomm/Meals	Accom 30/04-03/05 Bentley	575.39	Adelaide
2011/001	BOARD Accomm/meals	Accomm/Meals	Meal 30/04-03/05 Bentley,	90.45	Adelaide
2011/001	BOARD Accomm/meals	Accomm/Meals	Meal 30/04-03/05 Bentley,	90.45	Adelaide
2011/001	BOARD Accomm/meals	Accomm/Meals	Meal 05/05 Bentley, B SCT	16.91	
2011/001	BOARD Accomm/meals	Accomm/Meals	Bentley, S 14-19/05 BNE-C	397.55	Cairns
2011/001	BOARD Accomm/meals	Accomm/Meals	Bentley, B 19/05 a/pt-Dgn	42.18	Cairns
2011/001	BOARD Accomm/meals	Accomm/Meals	Meal 04-07/06 Bentley ARF	30.99	Tokyo
2011/001	BOARD Accomm/meals	Accomm/Meals	Meal 13/06 Bentley RVL/Ra	533.23	Lunch - ARB
2011/001	BOARD Airfare/Mileage	Airfare/Mileage	Bentley, B 24-25/06 Bne-M	375.38	Melbourne - Tatts meetings
2011/001	BOARD Other	Parking	Pkg 21/04 Bentley RBS mtg	30.91	Business Breakfast City
2011/001	BOARD Other	Tolls	E-toll top up 01/05 Bentl	90.91	
2011/001	BOARD Other	Parking	Pkg 31/05 Bentley Sequel	38.18	Meeting with Sequel
2011/002	Board Exp-Telephone-Landline	Telephone-Landline	Mobile Plan Credit Jul 10	5.26	
2011/002	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Bentley, B	76.17	
2011/002	Board Exp-Telephone-Landline	Telephone-Landline	HM PHN JUL 10 BENTLEY HI	69.42	
2011/002	Board Exp-Telephone-Landline	Telephone-Landline	HM PHN AUG 10 BENTLEY HI	66.78	
2011/002	Board Exp-Telephone-Mobile	Telephone-Mobile	Mobile Plan Credit Jul 10	94.67	
2011/002	Board Exp-Telephone-Mobile	Telephone-Mobile	07 5530 8788 Fax Jul 10	36.46	
2011/002	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Bentley	495.72	
2011/003	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Bentley, B	65.16	
2011/003	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 Fax Aug 10	36.42	
2011/003	Board Exp-Telephone-Landline	Telephone-Landline	HM PHN SEP 10 BENTLEY HI	77.21	
2011/003	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Bentley	452.28	
2011/003	BOARD Accomm/meals	Accomm/Meals	Meal 12/07 Bentley mtg	9.91	Mackay
2011/003	BOARD Accomm/meals	Accomm/Meals	Meal 11/06 Bentley,Tuttle	62.86	ARB meeting Brisbane
2011/003	BOARD Accomm/meals	Accomm/Meals	Meal 07/08 Bentley Briz31	6.91	
2011/003	BOARD Accomm/meals	Accomm/Meals	Meal 13/08 Bentley,Hammer	78.86	Nominations Night - Brisbane
2011/003	BOARD Accomm/meals	Accomm/Meals	Bentley B 21/07 Cairns Tr	70.79	Cairns Jockey Club
2011/003	BOARD Accomm/meals	Accomm/Meals	Bentley B 04/08 Beaudeser	7.05	Beaudesert Jockey Club
2011/003	BOARD Accomm/meals	Accomm/Meals	Accom 28-29/08 Bentley, B	244.73	RQL Awards Night - Brisbane
2011/003	BOARD Accomm/meals	Accomm/Meals	Accom 03-05/09 Bentley Cr	545.45	Cairns Jockey Club
2011/003	BOARD Accomm/meals	Accomm/Meals	Meal 03-05/09 Bentley Crm	202.68	
2011/003	BOARD Accomm/meals	Accomm/Meals	Bentley,Tuttle 17/10 HRA	485.45	HRA Meeting
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	26/06 B.BENTLEY AIRPORT	31.82	
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Bentley 07/07 BNE-Bund-BN	511.54	
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Bentley 12/07 BNE-Mky-BNE	731.55	Greyhound clubs Bundaberg, Rockhampton
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Bentley 15/07 BNE-Rok-BNE	482.46	
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Brennan 15/07 BNE-Rok-BNE	482.46	
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Ins 06/07 Bentley, R	9.09	Bundaberg Greyhounds
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Ins 06/07 Bentley, S	9.09	Bundaberg Greyhounds
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Bentley,B 1/07 Bne-Syd-B	82.53	Strategic Meeting - Tatts
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Bentley, B 18-25/07 Bne-C	645.18	Cairns
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Bentley, S 18-25/07 Bne-C	645.18	Cairns
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Flight chg fee Bentley, B	36.36	
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Bentley, B 03-09/09 BNE-C	505.18	Cairns Jockey Club
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Bentley, S 03-09/09 BNE-C	505.18	Cairns Jockey Club
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Bentley, B 15-16/09 BNE-M	629.72	Melbourne - ARB meeting
2011/003	BOARD Other	Parking	Pkg 21/06 Bentley video c	37.45	WA Joint Standing Committee video conference
2011/003	BOARD Other	Parking	Pkg 07/07 Bentley Bne A/p	36.36	Bundaberg Greyhounds
2011/003	BOARD Other	Parking	Pkg 12/07 Bentley Bne a/p	36.36	Bundaberg Greyhounds
2011/003	BOARD Other	Other Transport - Europe Tr	Train UK 07/10 Bentley vi	714.31	London
2011/003	BOARD Other	Parking	Pkg 23-25/07 Bentley	139.27	Cairns
2011/003	BOARD Other	Other Transport - Europe Tr	Train Bentley, B ParisLnd	1,091.24	London/Paris
2011/003	BOARD Other	Parking	Pkg 02/08 Bentley, B	98.36	Melbourne - Tatts meetings
2011/003	BOARD Other	Parking	Pkg 17-18/08 Bentley, B	127.45	Melbourne - Tatts meetings
2011/003	BOARD Other	Parking	Pkg 28-29/08 Bentley, B	13.64	Awards Night
2011/003	BOARD Other	Parking	Pkg 02/09 Bentley, B	30.00	Meeting Corbould Park
2011/003	BOARD Other	Parking	Pkg 03-05/09 Bentley Crms	27.27	Cairns
2011/004	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Bentley, B	90.22	
2011/004	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 Fax Sep 10	36.43	
2011/004	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Bentley	586.09	
2011/005	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Bentley, B	89.41	
2011/005	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 Fax Oct 10	36.36	
2011/005	Board Exp-Telephone-Landline	Telephone-Landline	HM PH OCT 10 BENTLEY HI	57.62	
2011/005	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Bentley	448.11	
2011/005	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Bentley	444.47	
2011/005	BOARD Accomm/meals	Accomm/Meals	Meal Oct 10 Bentley Ldn	87.31	London
2011/005	BOARD Airfare/Mileage	Airfare/Mileage	Excess Bags Bentley 30/09	40.00	London
2011/005	BOARD Other	Taxi	Taxi Oct 10 Bentley Paris	62.37	Paris
2011/005	BOARD Other	Taxi	Taxi Oct 10 Bentley Ldn	76.22	London
2011/005	BOARD Other	Parking	Taxi & Pkg Oct 10 Bentley	361.59	London
2011/005	BOARD Other	Tolls	Etoll topup 19/11 Bentley	90.91	
2011/006	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Bentley, B	110.26	
2011/006	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 Fax Nov 10	36.36	
2011/006	Board Exp-Telephone-Landline	Telephone-Landline	HM PH BENTLEY, R 23/11-22	56.33	
2011/006	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Dec 10 Bentl	75.55	
2011/006	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 Dec 10 FaxBB	36.31	
2011/006	Board Exp-Telephone-Landline	Telephone-Landline	HM PH BENTLEY, R 23/12-22	32.21	
2011/006	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Bentley	519.96	
2011/006	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Dec 10 Bentl	304.75	
2011/006	Board Exp-Telephone-Mobile	Telephone-Mobile	Mobile Plan Credit Dec 10	50.01	
2011/006	Board Exp-Telephone-Mobile	Telephone-Mobile	Service call for Bob's bl	50.00	
2011/006	BOARD Accomm/meals	Accomm/Meals	MEAL BENTLEY HK TRIP	34.00	Hong Kong

2011/006	BOARD Accommm/meals	Accomm/Meals	MEAL BENTLEY MKY TRIP	13.64	Mackay
2011/006	BOARD Accommm/meals	Accomm/Meals	Accom 30/11 Bentley Sydne	525.95	ARB
2011/006	BOARD Accommm/meals	Accomm/Meals	Accom 09-10/12 Bentley	486.82	Townsville
2011/006	BOARD Accommm/meals	Accomm/Meals	Meal 09-10/12 Bentley	134.18	Townsville
2011/006	BOARD Accommm/meals	Accomm/Meals	Meal 09/12 Bentley, B Seq	27.76	Townsville
2011/006	BOARD Accommm/meals	Accomm/Meals	Meal 12/12 Bentley/Sander	350.64	Hong Kong
2011/006	BOARD Accommm/meals	Accomm/Meals	Accom 10/12-13/12 Bentley	361.93	Hong Kong
2011/006	BOARD Accommm/meals	Accomm/Meals	Meal 30/11 Bentley,Snowde	5.82	Beaudesert Jockey Club
2011/006	BOARD Accommm/meals	Accomm/Meals	Meal 08-09/12 Bentley (In	65.07	Townsville
2011/006	BOARD Accommm/meals	Accomm/Meals	Meals 09-10/12 Bentley (I	87.00	Townsville
2011/006	BOARD Accommm/meals	Accomm/Meals	Meal 16-17/12 Bentley (In	25.55	Cairns
2011/006	BOARD Accommm/meals	Accomm/Meals	Accom 16/12 Bentley (Indu	135.45	Cairns
2011/006	BOARD Accommm/meals	Accomm/Meals	Meal 14-15/12 Bentley (I	78.35	Mackay
2011/006	BOARD Accommm/meals	Accomm/Meals	Accom 14-15/12 Bentley (I	190.91	Mackay
2011/006	BOARD Accommm/meals	Accomm/Meals	Meal 16/12 Bentley (Indus	7.45	Beaudesert Jockey Club
2011/006	BOARD Accommm/meals	Accomm/Meals	Meal 17/12 Bentley (Indus	20.35	Cairns
2011/006	BOARD Accommm/meals	Accomm/Meals	Accom 05-07/10 Bentley GB	2,327.69	London
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Flight bkg fee 14/12 Bent	31.82	
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Flight bkg fee 09/12 Bent	31.82	
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Flight 16/12 Bentley BNE/	405.18	Cairns/Mackay
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Flight 09/12 Bentley TVLL	360.64	
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Flight 08/12 Bentley BNE/	238.82	
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Flight bkg fee 16/12 Bent	31.82	
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Flight 14/12 Bentley CNS/	773.37	Cairns and Mackay
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Fght bkg fee 08/12 Bente	31.82	Townsville
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	BENTLEY/TUTT 17/10 BNE/HB	1,109.35	Hobart Harness
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Bentley S 22/10 BNE/MEL C	470.64	Melbourne Cox Plate
2011/006	BOARD Other	Car Hire	CAR HIRE 03 & 30/09 BENTL	360.00	Sydney/Dubai
2011/006	BOARD Other	Car Hire	CAR HIRE 30/09 BENTLEY, B	80.00	Sydney/Dubai
2011/006	BOARD Other	Car Hire	CAR HIRE 08/10 BENTLEY, S	180.00	Singapore
2011/006	BOARD Other	Car Hire	CAR HIRE 16,20/10 BENTLEY	480.00	Sydney
2011/006	BOARD Other	Taxi	Cabchge Fee 15/11-12/12	4.84	
2011/006	BOARD Other	Taxi	Taxi 15/11/10-12/12/10	105.67	
2011/006	BOARD Other	Other	NEWSPAPERS BENTLEY	12.27	
2011/006	BOARD Other	Tolls	915 LMI Tolls Bentley	90.91	
2011/007	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Jan 11 Bentl	80.40	
2011/007	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 Jan 11 Fax B	36.41	
2011/007	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Jan 11 Bentl	113.80	
2011/007	BOARD Accommm/meals	Accomm/Meals	Meal 30/12 Bentley,Milner	199.32	
2011/007	BOARD Accommm/meals	Accomm/Meals	Meal 30/12 Purchase, Heat	199.32	
2011/007	BOARD Accommm/meals	Accomm/Meals	Accom 19/01 Bentley	168.18	Rockhampton
2011/007	BOARD Accommm/meals	Accomm/Meals	Meal 05/01 Bentley, B	8.93	
2011/007	BOARD Airfare/Mileage	Airfare/Mileage	Bentley 19/01 BNE-GLADSTN	139.73	Gladstone/Rockhampton
2011/007	BOARD Airfare/Mileage	Airfare/Mileage	Brennan,Williams 20/01 EM	436.09	Emerald
2011/007	BOARD Airfare/Mileage	Airfare/Mileage	Meal 19-20/01 Bentley, B	115.45	Emerald
2011/008	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Feb 11 Bent	93.57	
2011/008	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 Feb 11 Fax	36.34	
2011/008	Board Exp-Telephone-Landline	Telephone-Landline	HM PHN 23/01-22/02 BENTLE	54.75	
2011/008	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Feb 11 Bent	111.44	
2011/008	BOARD Accommm/meals	Accomm/Meals	Meal 19/01 Bentley, B	24.38	Rockhampton
2011/008	BOARD Accommm/meals	Accomm/Meals	Accom 30/03 Bentley ARC	2,592.36	Sydney - ARB meeting
2011/008	BOARD Airfare/Mileage	Airfare/Mileage	Bentley 5/02 BNE-CNS	1,257.64	RQL
2011/008	BOARD Airfare/Mileage	Airfare/Mileage	Bentley 8/1 CNS-BNE	352.18	Cairns
2011/008	BOARD Airfare/Mileage	Airfare/Mileage	Bentley 10-11/02 B-M-B	428.82	
2011/008	BOARD Airfare/Mileage	Airfare/Mileage	Bentley 06-9/4 BNE-CHC-BN	126.98	Cairns
2011/008	BOARD Airfare/Mileage	Airfare/Mileage	Bentley 03/02 SYD/BNE	157.64	
2011/008	BOARD Other	Car Hire	CAR HIRE BENTLEY 15/01	220.00	
2011/009	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Mar 11 Bent	76.62	
2011/009	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 Mar 11 Fax	36.65	
2011/009	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Mar 11 Bent	125.57	
2011/009	BOARD Accommm/meals	Accomm/Meals	Meal 18/03 Tuttle Bentley	9.23	
2011/009	BOARD Other	Taxi	Cabchge Fee 07/02-06/03	2.93	
2011/009	BOARD Other	Taxi	Taxi 07/02/11-06/03/11	58.28	
2011/010	BOARD Accommm/meals	Accomm/Meals	Accom 30/03-03/04 Bentley	449.75	
2011/010	BOARD Airfare/Mileage	Airfare/Mileage	BENTLEY,S 07-12/04 BNE-CR	426.07	Cairns
2011/010	BOARD Airfare/Mileage	Airfare/Mileage	Chg Fee Bentley S 25/03	118.85	
2011/011	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Apr 11 Bentl	91.72	
2011/011	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 Apr 11 Fx BB	36.31	
2011/011	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 May 11 Bentl	51.62	
2011/011	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 May 11 F BB	4.90	
2011/011	Board Exp-Telephone-Landline	Telephone-Landline	B/BAND BENTLY, B 23/03-22	41.35	
2011/011	Board Exp-Telephone-Landline	Telephone-Landline	HM PH BENTLEY, R 23/05-22	33.53	
2011/011	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Apr 11 Bentl	464.98	
2011/011	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 May 11 Bentl	109.09	
2011/011	BOARD Accommm/meals	Accomm/Meals	ACCOM 21-22/06 BENTLEY,B	217.27	Melbourne - Tatts meetings
2011/011	BOARD Accommm/meals	Accomm/Meals	ACCOM 16-17/06 BENTLEY,B	190.00	Melbourne - HRA
2011/011	BOARD Accommm/meals	Accomm/Meals	Meal 09/05 Bentley	6.91	Clayton Utz meeting - city
2011/011	BOARD Airfare/Mileage	Airfare/Mileage	BENTLEY,S 27/05 BNE-CRNS-	541.82	Cairns Jockey Club
2011/011	BOARD Airfare/Mileage	Airfare/Mileage	BENTLEY 21-22/06 BNE-SYD-	305.45	Melbourne -
2011/011	BOARD Airfare/Mileage	Airfare/Mileage	BENTLEY 16-17/06 BNE-MEL-	434.55	HRA Meeting
2011/012	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 May 11	15.93	
2011/012	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8788 May 11	0.53	
2011/012	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Jun 11	134.99	
2011/012	Board Exp-Telephone-Landline	Telephone-Landline	07 5530 8299 Jun 11 Bentley	1.64	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Dec 10	39.00	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Jun 11 Bentley	63.80	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 964 210 Jun 11 Bentley	265.83	
2011/012	BOARD Accommm/meals	Accomm/Meals	ENTERTAIN CENTREBET HANMER, T	82.29	
2011/012	BOARD Other	Other	HIRE CAR MAR-APR 11 BENTLEY, B	490.91	
2011/012	BOARD Other	Taxi	Cabchge Fee 30/05-26/06	7.06	Cabchge Fee 30/05-26/06
2011/012	BOARD Other	Taxi	Taxi 30/05/11-26/06/11	128.67	Taxi 30/05/11-26/06/11
2011/012	Internet	Telephone - Internet Usage	Internet Expenditure FY 10/11	1,330.77	
			Total	40,272.94	



**RACING
QUEENSLAND**

Declaration

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I, **Mr. Tony Hanmer**, declare that the expenditure incurred of **\$18,258.46** as noted in the attached sheet for the financial year ended 30 June 2011, has been incurred on behalf of Racing Queensland Limited (RQL) and is solely related to business purposes.

Signed: _____

Dated: _____

Reviewed and approved by:

Mr Robert Bentley
Chairman

Date

Racing Queensland Limited
Directors Expenses - Mr Tony Hanmer
For the FY ended 30 June 2011

Period	Name	Description	Hanmer	Purpose
2011/003	Telephone-Mobile	MOB PHN JUL 10 HANMER, T	\$ 178.15	Mobile ph 80% Jul 10
2011/003	Telephone-Mobile	MOB PHN AUG 10 HANMER, T	\$ 91.81	Mobile ph 80% Aug 10
2011/003	Telephone-Mobile	MOB PHN AUG 10 HANMER, T	\$ 87.53	Mobile ph 80% Aug 10
2011/003	Telephone-Mobile	MOB PHN SEP 10 HANMER, T	\$ 192.86	Mobile ph 80% Sep 10
2011/003	Accomm/Meals	ENTER JUL-SEP 10 HANMER,	\$ 155.36	13/7 S.Murray/M Tuttle (lunch), 27/9 Office of Racing - M Kelly (lunch)
2011/003	Accomm/Meals	ACCOM JUL-SEP 10 HANMER,	\$ 1,337.91	Accommodation - Jul Board mtg, 13/8 Nominations Night, 28/8 Awards Night, 2/9 September Board, 15/9
2011/003	Airfare/Mileage	Hanmer, T 13/07 SC-Syd-SC	\$ 199.09	13/7/10 Airfare Scoast to Sydney return
2011/003	Airfare/Mileage	KLMS x 4105 JUL-SEP 10 HA	\$ 3,037.70	Mileage Jul- Sep 2011
2011/003	Taxi	TAXI JUL-SEP 10 HANMER, T	\$ 59.73	Taxi -13/7/11 Sydney Airport to Phillip St, 13/7/11 SC to home
2011/006	Accomm/Meals	ENTERTAIN 14/12 HANMER, K	\$ 106.55	14/12/10 Office of Racing - Mike Kelly (Lunch)
2011/006	Accomm/Meals	ENTERTAIN 14/12 HANMER, K	\$ 10.00	14/12/10 Office of Racing - Mike Kelly (Lunch)
2011/006	Accomm/Meals	ACCOM 10/10 HANMER, T HAR	\$ 287.27	Harness Awards Night Accommodation
2011/006	Accomm/Meals	Accom 14-16/01 Hanmer	\$ 430.91	14/1/11 Accommodation Magic Millions
2011/006	Airfare/Mileage	KLM x 2342 OCT-DEC 10 HAN	\$ 1,733.08	Mileage Oct - Dec 2011
2011/006	Parking	PKG 10/10 HANMER, T AWARD	\$ 16.36	Harness Awards Night Parking
2011/007	Telephone-Mobile	HM PHN OCT 10 HANMER, T	\$ 175.50	Mobile ph 80% Oct 10
2011/007	Telephone-Mobile	HM PHN NOV 10 HANMER, T	\$ 223.04	Mobile ph 80% Nov 10
2011/007	Telephone-Mobile	HM PHN DEC 10 HANMER, T	\$ 138.54	Mobile ph 80% Dec 10
2011/009	Accomm/Meals	Meal 01/03 Tuttle Hanmer	\$ 191.82	1/3/11 M Tuttle (meal)
2011/010	Telephone-Mobile	MOB PHN JAN 11 HANMER, T	\$ 138.08	Mobile ph 80% Jan 11
2011/010	Telephone-Mobile	MOB PHN FEB 11 HANMER, T	\$ 141.65	Mobile ph 80% Feb 11
2011/010	Telephone-Mobile	MOB PHN MAR 11 HANMER, T	\$ 138.85	Mobile ph 80% Mar 11
2011/010	Accomm/Meals	ACCOM JAN-MAR 11 HANMER,T	\$ 795.00	Accommodation - Magic Millions hotel extras \$141.36, Audit & Feb Board \$337.27, RQ Mtg & March Board \$316.37
2011/010	Accomm/Meals	ENTERTAIN JAN-MAR 11 HANM	\$ 95.91	28/2/11 Office of Racing - Mike Kelly (Lunch)
2011/010	Accomm/Meals	ENTERTAIN JAN-MAR 11 HANM	\$ 10.00	28/2/11 Office of Racing - Mike Kelly (Lunch)
2011/010	Airfare/Mileage	TRAVEL JAN-MAR 11 HANMER,	\$ 2,080.88	Mileage Jan - Mar 2011
2011/010	Taxi	TAXI JAN-MAR 11 HANMER,T	\$ 431.82	Greyhound Industry Awards Night - Taxi
2011/011	Accomm/Meals	Hanmer 06/05 PM Cup	\$ 352.73	6/5/11 Accommodation PM Cup
2011/012	Telephone-Mobile	MOBIL HANMER, T APR 11	\$ 138.47	Mobile ph 80% Apr 11
2011/012	Telephone-Mobile	MOBIL HANMER, T MAY 11	\$ 139.18	Mobile ph 80% May 11
2011/012	Telephone-Mobile	MOBIL HANMER, T JUN 11	\$ 138.83	Mobile ph 80% June 11
2011/012	Accomm/Meals	ARB DINNER 30/03 BENTLEY/TUTTLE	\$ 252.45	30/3/11 ARB Dinner
2011/012	Accomm/Meals	ACCOM APR-JUN 11 HANMER, T	\$ 670.00	PM Cup at GC and prior to May Board (Accom)
2011/012	Accomm/Meals	ENTERTAIN APR-JUN 11 HANMER, T	\$ 98.36	Office of Racing - Mike Kelly (Lunch)
2011/012	Accomm/Meals	ENTERTAIN APR-JUN 11 HANMER, T	\$ 10.00	Office of Racing - Mike Kelly (Lunch)
2011/012	Accomm/Meals	ACCOM CENTREBET HANMER, T	\$ 99.55	Race Information Fees - Centrebet (Accom)
2011/012	Accomm/Meals	ACCOM CENTREBET HANMER, S	\$ 99.55	Race Information Fees - Centrebet (Accom)
2011/012	Airfare/Mileage	Tuttle 23/06 Bne-Rok-Bne	\$ 557.91	23/6/11 Bne-Rok-Bne
2011/012	Airfare/Mileage	MILEAGE APR-JUN 11 HANMER, T	\$ 1,920.30	Mileage April - June 2011
2011/012	Airfare/Mileage	AIRFARE BETCHOICE HANMER, T	\$ 447.00	Race Information Fees - Betchoice (Airfare)
2011/012	Airfare/Mileage	MILEAGE CENTREBET HANMER, T	\$ 318.20	Race Information Fees - Centrebet (Mileage)
2011/012	Taxi	Cabchge Fee 30/05-26/06	\$ 7.06	Cabchge Fee 30/05-26/06
2011/012	Taxi	Taxi 30/05/11-26/06/11	\$ 128.67	Taxi 30/05/11-26/06/11
2011/012	Taxi	TAXI APR-JUN 11 HANMER, T	\$ 64.55	6/5/11 Taxi to Deagon, 9/5/11 Anti Discr Comm to Hotel
2011/012	Taxi	TAXI BETCHOICE HANMER, T	\$ 330.25	Race Information Fees - Betchoice (Taxi)
		Total	\$ 18,258.46	



**RACING
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Declaration

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I, **Mr. Wayne Milner**, declare that the expenditure incurred of **\$2,316.65** as noted in the attached sheet for the financial year ended 30 June 2011, has been incurred on behalf of Racing Queensland Limited (RQL) and is solely related to business purposes.

Signed: _____

Dated: _____

Reviewed and approved by:

Mr Robert Bentley
Chairman

Date

Racing Queensland Limited
Directors Expenses - Mr Wayne Milner
For the FY ended 30 June 2011

Period	Account Name	Name	Base Amount	Description	Milner	Purpose
2011/001	BOARD Accommm/meals	Accomm/Meals	268.46	Milner, W 26-27/05 BNE-SY	\$ 268.46	26/5/11 BNE to Sydney
2011/001	BOARD Accommm/meals	Accomm/Meals	268.46	Milner, M 26-27/05 BNE-SY	\$ 268.46	27/5/11 Sydney to BNE
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	102.45	Milner 09/12 BNE-RKH (Ind	\$ 102.45	9/12/10 Bne to Rok - Infrastructure Plan
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	308.82	Milner 10/12 ROK-BNE (Ind	\$ 308.82	10/12/10 Rok to Bne - Infrastructure Plan
2011/006	BOARD Other	Parking	75.37	MILNER 19/10 WILLIAMS, TI	\$ 75.37	19/10/10 BRC meeting - Cab Charge
2011/007	BOARD Accommm/meals	Accomm/Meals	376.36	Accom 15-16/01 Milner, W	\$ 376.36	15/1/1 Sofitel - Magic Millions
2011/007	BOARD Other	Taxi	18.14	Cabchge Fee 12/12-09/01	\$ 12.21	Cab Charge - Brisbane
2011/007	BOARD Other	Taxi	132.41	Taxi 12/12/10-09/01/11	\$ 89.10	Cab Charge - Brisbane
2011/006	MEAL 24/11 MILNER ,WILLIA	Accomm/Meals	33.90	MEAL 24/11 MILNER ,WILLIA	\$ 33.90	24/11/10 BRC meeting - Breakfast with P Williams
2011/006	PKG 02/12 MILNER, BELL BR	Accomm/Meals	64.00	PKG 02/12 MILNER, BELL BR	\$ 64.00	2/12/10 BRC meeting - Parking Neville Bell
2011/007	WINE 14/11 MAGIC MILLIONS	Accomm/Meals	80.00	WINE 14/11 MAGIC MILLIONS	\$ 80.00	Wine - Magic Millions
2011/010	MILEAGE MILNER,PRESENTAT	Airfare/Mileage	637.52	MILEAGE MILNER,PRESENTAT	\$ 637.52	Mileage - Presentation November 2010
Total					\$ 2,316.65	



**RACING
QUEENSLAND**

23 September 2011

**Ms Kerry Watson
5/132 Bryants Road
SHAILER PARK QLD 4128**

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Dear Kerry

RE. RQL Directors Expenditure financial year ended 30 June 2011

Please find enclosed the detailed individual expenditure incurred as a director on the Board of Racing Queensland Limited (RQL) in the financial year ended 30 June 2011 for your review and subsequent declaration of expenditure.

If the expenditure is an accurate representation of the expenses incurred please sign and return the declaration. Alternatively please do not hesitate to contact me to discuss this matter further on 07 3869 9702 or alternatively email acarter@racingqueensland.com.au.

Please note this expenditure has been reimbursed by RQL within the financial year ended 30 June 2011. A copy of the final signed document will be forwarded to you in due course.

Yours faithfully

ADAM CARTER
Chief Financial Officer



**RACING
QUEENSLAND**

Declaration

Racing Queensland Limited
A.B.N. 52 142 786 874
Racecourse Rd Deagon QLD 4017
PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

I, **Ms. Kerry Watson**, declare that the expenditure incurred of **\$1,607.94** as noted in the attached sheet for the financial year ended 30 June 2011, has been incurred on behalf of Racing Queensland Limited (RQL) and is solely related to business purposes.

Signed: _____

Dated: _____

Reviewed and approved by:

Mr Robert Bentley
Chairman

Date

Racing Queensland Limited
Directors Expenses - Ms Kerry Watson
For the FY ended 30 June 2011

Period	Account Name	Name	Description	Watson	Purpose
2011/003	Board Exp-Telephone-Mobile	Telephone-Mobile	MOB JUL-AUG 10 WATSON, K	\$ 33.50	MOB JUL-AUG 10 WATSON, K
2011/003	Board Exp-Telephone-Mobile	Telephone-Mobile	MOB AUG 10 WATSON, K	\$ 35.00	MOB AUG 10 WATSON, K
2011/003	BOARD Accommm/meals	Accomm/Meals	Gala Conf Watson,K GH Rac	\$ 145.45	Adelaide GAP Conference Gala Conf ,K GH Rac
2011/003	BOARD Accommm/meals	Accomm/Meals	Accom 26-29/08 Watson, K	\$ 627.27	Adelaide GAP Conference Accom 26-29/08 Watson, K
2011/003	BOARD Accommm/meals	Accomm/Meals	Meal 26-29/08 Watson, K G	\$ 72.15	Adelaide GAP Conference Meal 26-29/08 Watson, K G
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Watson, K 26/08 Bne-Adel-	\$ 328.81	Adelaide GAP Conference, Airfare 26/08 Bne-Adel-
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Watson, K Conf Greyhound	\$ 40.91	Jun - Prepaid mobile ph recharge
2011/005	Board Exp-Telephone-Landline	Telephone-Landline	MOB 25/08-24/09 WATSON, K	\$ 11.82	Aug - Prepaid mobile ph recharge
2011/005	Board Exp-Telephone-Landline	Telephone-Landline	HM PH 25/08-24/09 WATSON,	\$ 26.86	Aug to Sep - Home Phone
2011/005	Board Exp-Telephone-Landline	Telephone-Landline	BIGPOND 25/08-24/09 WATSO	\$ 54.50	Aug to Sep - Broadband
2011/005	Board Exp-Telephone-Landline	Telephone-Landline	BIGPOND WATSON, K 25/09-2	\$ 29.95	Sep to Oct - Broadband
2011/005	Board Exp-Telephone-Landline	Telephone-Landline	HM PH WATSON, K 22/09-24/	\$ 15.00	Sep to Oct - Home Phone
2011/003	WATSON, K 29/08 GAP MTG	Accomm/Meals	WATSON, K 29/08 GAP MTG	\$ 18.00	GAP Adelaide Conference - Morning Tea
2011/003	PKG 26-29/08 WATSON GAP M	Airfare/Mileage	PKG 26-29/08 WATSON GAP M	\$ 100.00	GAP Adelaide Conference - Parking
2011/004	HM PHN MAY-JUN 10 WATSON,	Telephone-Mobile	HM PHN MAY-JUN 10 WATSON,	\$ 65.22	May - June Home Phone Account
2011/005	POSTAGE OCT 10 WATSON, K	Other	POSTAGE OCT 10 WATSON, K	\$ 3.50	Miscellaneous Postage
			Total	\$ 1,607.94	



**RACING
QUEENSLAND**

Declaration

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PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

I, **Mr Malcolm Tuttle**, declare that the expenditure incurred of **\$20,315.13** as noted in the attached sheet for the financial year ended 30 June 2011, has been incurred on behalf of Racing Queensland Limited (RQL) and is solely related to business purposes.

Signed: _____

Dated: _____

Reviewed and approved by:

Mr Robert Bentley
Chairman

Date

Racing Queensland Limited					
CEO Expenses - Mr Malcolm Tuttle					
For the FY ended 30 June 2011					
Period	Account Name	Name	Description	Tuttle	Purpose
2011/001	Board Exp-Telephone-Mobile	Telephone-Mobile	Mobile Plan Credit Jun 10	- 118.30	
2011/001	BOARD Accomm/meals	Accomm/Meals	Meal 31/05 Tuttle, Bentle	484.64	
2011/001	BOARD Accomm/meals	Accomm/Meals	Meal 09/06 Tuttle, M broa	13.18	
2011/002	Board Exp-Telephone-Landlin	Telephone-Landline	Mobile Plan Credit Jul 10	- 5.26	
2011/002	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Tuttle, M	76.92	
2011/002	Board Exp-Telephone-Mobile	Telephone-Mobile	Mobile Plan Credit Jul 10	- 94.67	
2011/002	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Tuttle	203.36	
2011/002	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 add'l purcha	10.91	
2011/002	BOARD Other	Taxi	Cabchge Fee 28/06-25/07	12.42	
2011/002	BOARD Other	Taxi	Taxi 28/06/10-25/07/10	85.41	
2011/003	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Tuttle, M	43.53	
2011/003	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Tuttle	177.85	
2011/003	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 add'l purcha	10.91	
2011/003	BOARD Accomm/meals	Accomm/Meals	Meal 24/06 Tuttle M, Bick	213.88	
2011/003	BOARD Accomm/meals	Accomm/Meals	Meal 24/06 Fancutt, B	71.30	
2011/003	BOARD Accomm/meals	Accomm/Meals	Accom 30-31/08 Tuttle, M	218.02	
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle, M 13/07 Bne-Syd-B	252.46	CEO Meeting HRA Victoria
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle, M 16-17/09 BNE-ML	551.54	ARB Board Meeting
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle, M 16-17/09 BNE-ML	2.80	
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle, M 30-31/08 BNE-ML	2.80	CEO Meeting HRA Victoria
2011/003	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle, M 30-31/08 BNE-ML	602.45	
2011/003	BOARD Other	Parking	Pkg 21/06 Tuttle, M WA Jo	37.45	
2011/003	BOARD Other	Taxi	Cabchge Fee 23/08-19/09	33.24	
2011/003	BOARD Other	Taxi	Taxi 23/08/10-19/09/10	445.28	
2011/003	BOARD Other	Parking	Tuttle, M 31/08 HRA CEO m	67.27	
2011/003	BOARD Other	Parking	Tuttle, M 31/08 HRA CEO m	9.09	
2011/004	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Tuttle, M	68.96	
2011/004	Board Exp-Telephone-Landlin	Telephone-Landline	HM PHN SEP 10 TUTTLE, M	133.21	
2011/004	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Tuttle	216.41	
2011/004	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 add'l purcha	10.91	
2011/004	BOARD Other	Taxi	Cabchge Fee 20/09-17/10	19.55	
2011/004	BOARD Other	Taxi	Taxi 20/09/10-17/10/10	126.93	
2011/005	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Tuttle, M	67.23	
2011/005	Board Exp-Telephone-Landlin	Telephone-Landline	HM PH OCT 10 TUTTLE, M	101.16	
2011/005	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Tuttle	288.52	
2011/005	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 add'l purcha	10.91	
2011/005	BOARD Accomm/meals	Accomm/Meals	Meal 02/11 Tuttle, M	66.73	
2011/005	BOARD Accomm/meals	Accomm/Meals	Accom 17-18/11 Tuttle, M	212.68	
2011/005	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle 17-18/11 BNE-MLB-B	578.82	GRA Board meeting
2011/006	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Tuttle, M	142.87	
2011/006	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Dec 10 Tuttl	139.39	
2011/006	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Tuttle	251.85	
2011/006	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 add'l purcha	10.91	
2011/006	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Dec 10 Tuttl	17.39	
2011/006	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Dec 10 Tuttl	91.78	
2011/006	Board Exp-Telephone-Mobile	Telephone-Mobile	Mobile Plan Credit Dec 10	50.01	
2011/006	BOARD Accomm/meals	Accomm/Meals	Accom 01-02/12 Tuttle ARB	477.27	
2011/006	BOARD Accomm/meals	Accomm/Meals	Meal 01-02/12 Tuttle ARB/	102.66	ARB
2011/006	BOARD Accomm/meals	Accomm/Meals	Tuttle 05-06/10 NRPC mtg	229.09	National Race Program Committee
2011/006	BOARD Accomm/meals	Accomm/Meals	Accom 16-17/09 Tuttle, AR	115.35	
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle 1-2/12 BNE-SYD-BNE	446.09	ARB Board Meeting
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Flight chg fee Tuttle 17/11	582.74	Greyhounds Australasia Australia
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle 5-6/10 BNE-SYD-BNE	597.90	
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle 5/10 NRPC mtg	458.18	National Race Program Committee
2011/006	BOARD Airfare/Mileage	Airfare/Mileage	Flight chg fee Tuttle 17/	36.36	
2011/006	BOARD Other	Taxi	Cabchge Fee 18/10-14/11	23.23	
2011/006	BOARD Other	Taxi	Taxi 20/09/10-17/10/10	441.20	
2011/006	BOARD Other	Taxi	Cabchge Fee 15/11-12/12	15.39	
2011/006	BOARD Other	Taxi	Taxi 15/11/10-12/12/10	335.99	
2011/007	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Jan 11 Tuttl	63.93	
2011/007	BOARD Accomm/meals	Accomm/Meals	Accom 14-17/01 Tuttle, M	842.00	Magic Millions
2011/007	BOARD Other	Taxi	Cabchge Fee 12/12-09/01	5.99	
2011/007	BOARD Other	Taxi	Taxi 12/12/10-09/01/11	43.70	
2011/008	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Feb 11 Tuttl	66.82	
2011/008	Board Exp-Telephone-Landlin	Telephone-Landline	B/BAND TUTTLE,M 01/02-28/	81.36	
2011/008	Board Exp-Telephone-Landlin	Telephone-Landline	HM PH TUTTLE,M 01-28/02	154.21	
2011/008	BOARD Accomm/meals	Accomm/Meals	Tuttle 28/3-1/4 RISA/ARB	1,533.93	RISA/ARB
2011/008	BOARD Accomm/meals	Accomm/Meals	Tuttle 28/03-02/04 B-S-A	1,186.63	RISA/ARB
2011/008	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle 07/02 B-M-B HRA	564.27	HRA Meeting
2011/008	BOARD Other	Taxi	Cabchge Fee 10/01-06/02	12.44	
2011/008	BOARD Other	Taxi	Cabchge Fee 10/01-06/02	12.44	
2011/008	BOARD Other	Taxi	Taxi 10/01/11-06/02/11	27.69	
2011/008	BOARD Other	Taxi	Taxi 10/01/11-06/02/11	32.89	
2011/009	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Mar 11 Tuttl	62.27	
2011/009	BOARD Accomm/meals	Accomm/Meals	Meal 02/03 Tuttle Holmes	64.36	
2011/009	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle, M 2011-13 QFF	473.48	Qantas Frequent Flyer
2011/009	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle 2011/12 Harvard	304.55	Harvard Business Review
2011/009	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle 28/02 Tyre repair	22.73	Vehicle Repair
2011/009	BOARD Other	Taxi	Cabchge Fee 07/02-06/03	14.28	
2011/009	BOARD Other	Taxi	Taxi 07/02/11-06/03/11	284.57	

subscriptions x

2011/010	BOARD Accomm/meals	Accomm/Meals	Tuttle, Darcy 22/03 mtg	13.50	
2011/010	BOARD Accomm/meals	Accomm/Meals	Tuttle 28-31/03 ARB/RISA	223.25	RISA/ARB
2011/010	BOARD Accomm/meals	Accomm/Meals	Meal 07/04 Tuttle, Snowde	52.55	Infrastructure Plan
2011/010	BOARD Other	Taxi	Cabchge Fee 07/03-03/04	26.91	
2011/010	BOARD Other	Taxi	Taxi 07/03/11-03/04/11	252.64	
2011/010	BOARD Other	Tolls	Toll 25/03 Tuttle	3.87	
2011/010	BOARD Other	Parking	Tuttle 28-31/03 ARB/RISA	58.64	RISA/ARB
2011/011	Board Exp-Telephone-Landlin	Telephone-Landline	HM PH TUTTLE, M NOV 10	81.81	
2011/011	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Apr 11 Tuttl	56.24	
2011/011	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 May 11 Tuttl	39.94	
2011/011	Board Exp-Telephone-Landlin	Telephone-Landline	HM PH TUTTLE, M MAR 11	156.04	HM PH TUTTLE, M MAR 11
2011/011	Board Exp-Telephone-Landlin	Telephone-Landline	HM PH TUTTLE, M APR 11	163.13	HM PH TUTTLE, M APR 11
2011/011	Conference, Seminar, Meeting	Accomm/Meals	Accom 31/03-02/04 Tuttle	472.73	RISA/ARB
2011/011	BOARD Accomm/meals	Accomm/Meals	Tuttle AGRA 31/03-02/04	109.09	Greyhounds Australasia Australia
2011/011	BOARD Accomm/meals	Accomm/Meals	Tuttle 05/05 mtg Nettletto	43.64	Nettletto
2011/011	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle 11-14/06 B-A-B GAL	524.84	Greyhounds Australasia Australia
2011/011	BOARD Other	Taxi	Cabchge Fee 04/04-01/05	16.58	
2011/011	BOARD Other	Taxi	Taxi 04/04/11-01/05/11	19.93	
2011/011	BOARD Other	Tolls	887 RLP Etoile 25/03 Mal's	9.06	
2011/012	Board Exp-Telephone-Landlin	Telephone-Landline	0401 008 317 Mar 11	9.00	
2011/012	Board Exp-Telephone-Landlin	Telephone-Landline	0401 051 963 Mar 11	9.00	
2011/012	Board Exp-Telephone-Landlin	Telephone-Landline	0401 008 317 Apr 11	32.09	
2011/012	Board Exp-Telephone-Landlin	Telephone-Landline	0401 051 963 Apr 11	15.63	
2011/012	Board Exp-Telephone-Landlin	Telephone-Landline	0401 008 317 May 11	9.09	
2011/012	Board Exp-Telephone-Landlin	Telephone-Landline	0401 051 963 May 11	9.09	
2011/012	Board Exp-Telephone-Landlin	Telephone-Landline	0401 008 317 Jun 11	9.09	
2011/012	Board Exp-Telephone-Landlin	Telephone-Landline	0401 051 963 Jun 11	9.09	
2011/012	Board Exp-Telephone-Landlin	Telephone-Landline	Optus Credit Feb 11	- 474.85	
2011/012	Board Exp-Telephone-Landlin	Telephone-Landline	07 3869 9730 Jun 11 Tuttle	49.01	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Dec 10	72.00	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Jan 11	90.00	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Feb 11	120.05	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Mar 11	80.90	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Apr 11	95.94	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 May 11	80.90	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Jun 11	80.90	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Jun 11 INT	0.90	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	0419 759 457 Jun 11 GF	184.05	
2011/012	Board Exp-Telephone-Mobile	Telephone-Mobile	Optus Credit Feb 11	- 237.42	
2011/012	BOARD Airfare/Mileage	Airfare/Mileage	BENTLEY, B 17-18/06 BNE-MEL-BNE	64.55	HRA Meeting
2011/012	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle 10/06 bne-syd-bne RISA	227.14	RISA Meeting
2011/012	BOARD Airfare/Mileage	Airfare/Mileage	Tuttle 16/06 bne-syd-bne ARB	490.64	ARB Meeting
2011/012	BOARD Other	Other	Tuttle 31/05 Passport renewal	219.05	
2011/012	BOARD Other	Other	Tuttle 10/06 Taxi RISA	28.65	
2011/012	BOARD Other	Other	Tuttle 14/06 Taxi NZ\$91.00	71.53	
2011/012	BOARD Other	Other	Tuttle 14/06 Taxi NZ\$75	58.15	
2011/012	BOARD Other	Taxi	Cabchge Fee 30/05-26/06	7.06	Cabchge Fee 30/05-26/06
2011/012	BOARD Other	Taxi	Taxi 30/05/11-26/06/11	128.67	Taxi 30/05/11-26/06/11
2011/012	Internet	Telephone - Internet Useag	Internet Expenditure FY 10/11	1,020.17	
			Total	20,315.13	

**AUDIT PAPER NUMBER 7:
Compliance – Management Certification**

PURPOSE: To discuss the recent court decisions in relation to reporting and management certification.

BACKGROUND AND ISSUES:

There have been several recent announcements from government and /or Court decisions in relation to the ATO's powers, Directors duties where it can be presumed that it is no longer sufficient that the CEO and the CFO of companies "sign off" to their Boards only on an annual basis.

For example The Centro Case, and The James Hardie Case with changes made to the ATO's Director Penalty Notice, particularly to include personal liability for unpaid superannuation guarantee levy and the ATO's new ability to commence proceedings against directors for taxes which have gone unpaid or unreported for 3 months without first giving the directors a DPN notice, and the many other statutory issues which can give rise to company prosecution and/or directors personal liability.

For discussion are RQL's future reporting requirements and appropriate timelines:-

A monthly schedule/register of all statutory obligations will be signed off by the preparer and reviewed by the CFO and/or the Management account or financials areas and the Senior Corporate Counsel on other areas.

OPTIONS:

Reporting options for Discussion:

REPORT FUNCTION	DEPARTMENT	REPORTING CYCLE
1. PAYG Tax	Finance	Monthly
2. Payroll Tax	Finance	Monthly
3. Land Tax	Finance	Monthly
4. Superannuation	Finance	Monthly
5. BAS and GST payments	Finance	Monthly
6. Income Tax Fringe Benefits Tax	Finance	Monthly
7. Annual Returns	Finance	Quarterly
8. Business Cover and Banking Covenants	Finance	Quarterly
9. Internal and External Audit Issues	Finance	Quarterly
10. CEO delegations	Finance/CEO	Quarterly
11. Insurance	Finance	Quarterly
12. Workplace Health and Safety	Legal Compliance	Quarterly
13. Anti-Discrimination	Legal Compliance	Quarterly
14. Privacy	Legal Compliance	Quarterly
15. Annual Returns	Finance/Legal Compliance	Quarterly

FINANCIAL IMPACT:

Penalties for non-compliance.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

To communicate to all staff on the importance of compliance with Statutory Compliance.

DECISION REQUIRED:

- RQL audit committee RECOMMEND a reporting strategy to the next RQL Board meeting.



ADAM CARTER
Chief Financial Officer

CASH MANAGEMENT AND INVESTMENT POLICY

Owner

Finance Department

Stakeholders

Corporate Wide

Revision History

<i>Version</i>	<i>Date</i>	<i>Description of Change</i>
1.01	November 2010	First draft (Adam Carter)
1.02	October 2011	2 nd Draft following Audit Committee feedback



CASH MANAGEMENT AND INVESTMENT POLICY: RACING QUEENSLAND LIMITED

Introduction

This policy has been prepared to provide guidelines and procedures to be followed by officers of Racing Queensland Limited (RQL) when undertaking and managing cash management and investment 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.

1 Objectives

The objectives of this policy are:-

- This Cash Management Policy has been developed in order to safeguard the management of consolidated cash balances and ensure accurate and timely receipt of information affecting RQL cash flows:
- To invest RQL funds not immediately required for financial commitments:
- To maximise the investment return on cash balances, reserves and restricted funds, in an economic and efficient manner, subject to an overriding commitment to financial prudence in managing investment funds, and in accordance with approved investment criteria.
- To ensure that appropriate records are kept and that adequate internal controls are in place to safeguard monies.

2. Scope

This policy applies to RQL and all entities RQL provides an accounting service to, the Audit, Finance and Risk Committee, Investment Managers appointed to manage funds on behalf of RQL, Investment Consultants appointed to provide expert and independent advice in regard to investment strategy and management, and the Chief Financial Officer.

3. Objectives

The objectives of this policy are to:

- assess the cash necessary to meet daily obligations and ensure adequate funds are available.
- detail the authority delegated by RQL; and
- provide guidelines for the composition of general funds' investments.

The Chief Financial Officer and the Finance department are responsible for the movement of funds between bank accounts maintained by RQL. This includes, but is not limited to:

- Initiating all electronic transfer of funds for general business purposes of RQL.
- Establishing the daily cash position of RQL.
- Appropriately funding disbursement accounts for RQL obligations.
- Moving depository funds for investment purposes for RQL.

Efficient cash management strategies, techniques, and procedures shall be used to increase the productivity of cash flows while achieving the following objectives:

- Liquidity – maintaining the ability to pay obligations when they become due.
- Cash Optimisation – establishing systems and procedures that help minimise investment in non-earning cash resources while providing adequate liquidity.
- Financing – obtaining both short- and long-term borrowed funds in a timely manner at an acceptable cost.
- Financial Risk Management - monitoring and assisting in the control of RQL's exposure to interest rates, foreign exchange, and other financial risks.
- Coordination - ensuring that cash management goals are communicated and integrated with the strategic objectives and policy decisions of other areas of RQL that have an impact on cash flows.

Bank Accounts

Approved bank accounts are with National Australia Bank for RQL operational purposes and a mixture of NAB and Westpac for club purposes where RQL prepares the clubs accounts. Approval to change bank accounts requires RQL Board Approval.

Cash Flow Forecasts

A daily and monthly cash flow forecast for all accounts must be maintained and forecasts **must** be signed by both the preparer of the forecast and an appropriate authorising officer.

Cash Flow requirements must be obtained and provided by accounts payable, payroll, prizemoney, Tax and departments on a regular basis.

Cash Inflow

It is necessary to minimize the interval between the time when cash is received and the time it is available for carrying out expenditure programs. Collected revenues need to be processed promptly and made available for use. RQL officers must comply with the RQL credit policy.

Cash Outflow

RQL will only make payments on either a weekly basis or fortnightly basis and within the credit terms. Various departments must provide sufficient notice of large payments with the cut off being 48hrs prior to the payment run.

Payment dates will be communicated and posted on the RQL intranet. The default day is a Thursday.

All payments will be required to be authorised prior to accounts payable receiving the necessary invoice in line with the RQL Purchasing Policy and within the approved budget.

Capital and Project Expenditure

All Capital expenditure and project expenditure must be approved prior and sufficient notice of at least 48 hours must be provided to finance to allow funds to be drawn down from investments. If sufficient notice is not provided, payments will be made in the following week's payment run.

Capital and project expenditure will not be approved unless it has been approved and is the budget and for all Infrastructure projects no payments will be made from RQL operational cash flow until the business case has been approved by Treasury. Finance will require a forecasted cash flow from the Project Director of the Infrastructure plan to assist with cash flow requirements.

Adhoc payments will only be authorised by either the Chief Financial Officer or Management Accountant.

4. Definitions and Acronyms

Investment Manager	The term Investment Manager used in this policy refers to any Company appointed by RQL to manage funds on behalf of RQL. Investments are structured to meet the RQL's liquidity and return on investment requirements. The Investment Managers invest in short and long term investments in accordance with this investment policy.
Pooled Managed Funds	The term Pooled Managed Funds refers to investments in any pooled investment vehicle (e.g. a Unit Trust).

5. Policy Owner

As the Board of RQL approves the policy on the recommendation of the Audit, Finance and Risk Committee, it is the policy owner.

6. Policy Provisions

6.1 Authority Delegated by RQL Board

RQL Board delegates authority as follows:

Audit, Finance and Risk Committee is authorised to appoint one or more Investment Managers to manage funds on behalf of RQL, and an investment consultant to provide expert and independent advice in regard to investment strategy and management;

Investment Managers are authorised to invest in securities as defined in this policy subject to:

- (a) the conditions of the agreement signed between RQL and the Investment Manager;
- (b) the specific directions by the Chief Financial Officer concerning RQL liquidity requirements; and
- (c) monthly/quarterly review of performance by the Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee will determine the level of assets to be held from time to time, on the advice of the Investment Consultant and advise RQL with respect to investment management issues;

The Chief Financial Officer is authorised to re-invest surplus funds, subject to the provisions of this Investment Policy; and

The Chief Financial Officer is authorised to withdraw invested funds to the extent necessary to meet RQL liquidity requirements.

The Chief Financial Officer is authorised to withdraw and re-invest funds to the extent necessary to implement written advice from the Investment Consultant, provided that the asset allocation to individual sectors remains within the ranges specified in this policy.

The Chief Financial Officer must report to Audit, Finance and Risk Committee any withdrawal or re-investment made under clause 6.

The Chief Financial Officer is authorised to amend the benchmark index and schedules A & B of this policy to reflect minuted decisions made by Audit, Finance and Risk Committee.

Identification of Surplus Funds

A cash flow budget of RQL's incomings and outgoings is to be utilised to identify surplus cash and the length of time able to be invested. This information will be used to determine the type of investment to be utilised and the required maturity date.

6.2 Composition of Investment Funds

6.2.1 Treasury Funds

The default fund for all investments is Queensland Treasury Corporation (QTC). The QTC Funds comprise operating funds or treasury funds which should be managed in a risk adverse manner. The basis for investment of these funds is that a loss of capital over a financial year would be undesirable.

Treasury Funds are managed on a twelve month investment horizon. The investment objectives for the Treasury Funds are:

- to produce a positive after fees return over each financial year; and
- to achieve, over rolling three year periods, an average after fees annual return that is at least equal to the benchmark return specified below.

Benchmark	Weighting %
UBS Australia Bank Bill Index	100

The management is undertaken in a manner that minimises the risk of the investment producing a negative return over any financial year. Whilst this is the investment objective, it is recognised that in extreme market conditions, a negative return is possible.

Consistent with the nature of the funds and the investment objectives, the Treasury Funds will be invested in at call deposits with Queensland Treasury Corporation (QTC). Short-term deposits will be invested with the Queensland Treasury Corporation or Bank Accepted Bills.

6.2.2 Investment Funds

Investment Funds comprise all funds other than Trust Funds.

When placing investments, consideration will be given to the relationship between credit rating and interest rate. A longer-term investment horizon applies to these funds, with an objective to obtain a rate of return that is 3.5% above the rate of inflation (as measured by Headline CPI). Despite this objective, and although based on projected cash flows, a decline in market value in any one year should not be a major concern. Indeed strict adherence to this objective would unduly limit the ability of the fund to invest in more growth oriented assets.

The Investment Funds are held to meet capital and/or club capital works contributions, projects, prizemoney initiatives and emerging liabilities. As a result the investment horizon is a longer-term horizon.

The investment objectives for the Investment Funds are:

over rolling three year periods, achieve an average annual after fees return at least equal to the average increase in Headline CPI plus 3.5%; and
 over rolling three year periods, achieve an average before fees annual return that is at least equal to the benchmark return as specified below.

The amount invested with financial institutions (banks, credit unions and building societies) or managed funds should not exceed the following percentage of funds invested at any time.

Long Term Rating (Standard and Poor's)	Short Term rating (Standard and Poor's)	Maximum Percentage Of Total Investments	Maximum Percentage with one Institution
AAA TO AA-	A1+	100%	50%
A+ to A-	A1	50%	30%
BBB+ to BBB-	A2	25%	10%
BB+ to D	-	Nil	Nil

Quotations on investments

1. The default fund for all investments is Queensland Treasury Corporation (QTC)
2. Not less than 3 quotations should be obtained from authorised institutions for term deposits whenever an investment is proposed. The best quote of the day will be successful after allowing administrative and banking costs.

Term to Maturity

The term to maturity of any RQL investment may range from "at call" to one (1) year

Investments with Fund Managers should fall within the guidelines laid out under the authorised Investments in this policy. The preferred suppliers will be required to be authorised by the Audit Finance and Risk Committee

An example is detailed below:-

Sector	Benchmark Index	Weighting %
Australian Shares	S&P ASX 300 Accumulation Index	25.0
Overseas Shares	MSCI Accumulation Index (ex Australia) (50% currency hedged) in AUD	19.5
Direct Property	Mercer Direct Property Index	9.0
Australian Listed Property	S&P ASX 300 Listed Property Trust Accumulation Index	2.0
Global Listed Property	FTSE EPRA/NAREIT Global Real Estate Index (hedged)+	2.0
Australian Fixed Interest	UBS Australia Composite Bond Index (all series, all maturities)	10.0
International Fixed Interest	Citigroup World Government Bond Index – ex Australia, Hedged into AUD	12.5
Australian & International Cash & cash equivalents	UBS Australia Bank Bill Index	5.0
Absolute Return	UBS Australia Bank Bill Index	15.0

Over rolling three year periods, achieve an average after fees annual return that is at least equal to the return on the UBS Bank Bill index.

To limit the probability of a negative return to be no more than 1 in every 7 years.

6.3 Approved Investments

All investments are to be conservative and are to be at call/term deposits with QTC or a bank with a long term rating greater than A+. All investments other than this require the approval of the Audit, Finance and Risk Committee.

Investments approved by the Audit, Finance and Risk Committee are shown below:-

- Deposits with a financial institution with a long term rating of greater than A+
- Investment arrangements accepted, guaranteed or issued by or for the Commonwealth or a state or financial institution:
- Investment with QTC cash fund

The investment must be at call or for a fixed time of not more than 1 year.

7. Responsibilities

Implementation	Audit, Finance and Risk Committee
Compliance	The Audit, Finance and Risk Committee, Investment Managers, Investment Consultants and the Chief Financial Officer
Monitoring and Evaluation	Audit, Finance and Risk Committee
Development and/or Review	Audit, Finance and Risk Committee
Interpretation and Advice	The Audit, Finance and Risk Committee are responsible for interpreting and advising the RQL board on the policy.

Delegations

All investments are to be authorised by a duly delegated officer. All documentation to be signed off by a minimum of two officers, one must include the Chief Financial Officer or Management Accountant and one other. These delegation limits are as follows:

Over \$10,000,000

- Board of Directors – Audit, Finance and Risk Committee

Up to \$10,000,000

- Chief Executive Officer
- Chief Financial Officer
- Management Accountant

Up to \$1,000,000

- Accountant
- Senior Finance Officer
- Company Secretary
- Business Analyst

Note the default fund for monthly Tattsbet product fee payments is QTC and the above delegations apply when either moving funds from QTC or from existing investments.

Note club and joint venture investments will be invested as per the policy for the delegated officers and tabled in a service level agreement between RQL and with the club or joint venture.

**Racing Queensland Limited
Infrastructure Plan
Internal Financial Process**

Background

On 19 July 2011, the Queensland Government approved the amended infrastructure plan and extended the Wagering Tax relief from 4 to 5 years.

Project	Value	Estimated Start Date	Estimated Completion Date
Deagon	\$39.9M	April 2012	April 2013
Gold Coast	\$35.4M	Feb 2012	Jan 2013
Beaudesert	\$7.27M	Nov 2011	April 2013
Cairns	\$1.96M	Nov 2011	April 2013
Townsville	\$6.34M	April 2013	Dec 2013
Mackay	\$7.44M	Sept 2011	June 2013
Rockhampton	\$1.6M	Sept 2011	March 2012
Subtotal Infrastructure	\$99.91M		
Country Racing	\$2.35M	July 2011	Dec 2011
Total	\$102.26M	April 2012	April 2013

Overview

All transactions will be processed through the Racing Queensland Limited (RQL) data base in Sun and will be kept separate from the RQL operating account.

All payments are to be paid from the following NAB bank Account:-

Account Name	BSB – Account Number
Infrastructure Plan	084-817 11 632 4760

Budgets

- a) Project Director is to liaise with Contour Consulting Engineers (CCE) to ensure the budget is on track and to ensure an up to date cash flow and reconciliation is in place.
- b) Project Director to liaise with Chief Financial Officer (CFO) to ensure that the budgets and cash flows are up to date to ensure sufficient time is allowed to draw down from investments and/or the Queensland Treasury Corporation (QTC).

The first meeting with QTC indicated reasonable flexibility with the loan facility in that we could do monthly drawdowns if required. As QTC will be charging an interest cost on drawn down funds there is little advantage in drawing down from the facility early and investing the funds until required.

Once the budget has been approved by the Board and a business case has been completed and approved for each project for each facility by both the Board of RQL and Treasury, tenders

will need to be completed and reviewed by CCE and the Project Director and the Industry Infrastructure Project Control Group (IIPCG).

Treasury have indicated that they do not wish to receive business cases without statutory planning approval; otherwise they will be approving funds on a conditional business case.

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

1. Purchase Orders

In the interim, while IPOS (Electronic Procurement System) is not up and running, manual purchase orders will need to be prepared. See Accounts Payable (AP) for purchase order books.

Purchase orders must be prepared prior to the goods and/or services being requested and signed by an authorised officer. All purchasing must be in accordance with the RQL Purchasing Policy:-

http://sharepoint/Policies/FIN_pol001_RQL%20PurchasingPolicy.doc

Suppliers:-

All suppliers will only be added after they have gone through the tender process and been signed off by the Project Director, CFO, Senior Corporate Counsel and Chief Executive Officer (CEO).

A full risk profile must be undertaken for each supplier reviewing the following:-

The selection of suppliers or 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, and
- Favourable referee reports (a successful track record to deliver).

A risk profile could include the following in the checklist and be signed off by the Project Director and/or CFO and/or Senior Corporate Counsel as long as there are 2 delegated officers reviewing and would be done in the tender process prior to preparing the contract.

Managing Risk with Suppliers:-

When evaluating preferred suppliers, a risk analysis should be performed as part of that process. In line with RQL's risk management framework, the following 4 point scale can be adopted to assess risks associated with suppliers as identified below.

Rating	Description
4	Extreme Risk
3	High Risk
2	Moderate Risk
1	Low Risk

Criteria	Sub-Criteria
1. History and Development of the Supplier's Business	<ul style="list-style-type: none"> • Longevity/stability of the business • Principal activities and past successes • Market experience
2. Critical Performance Elements of the Contract	<ul style="list-style-type: none"> • Availability of critical elements • Reliance on another party (sub-contracting) • Dispute management processes • Confidentiality management
3. Insurance	<ul style="list-style-type: none"> • Workers Compensation • Public Indemnity Insurance • Professional Indemnity
4. Quality Assurance	<ul style="list-style-type: none"> • AS/NZS ISO 9001/2000 Quality Assurance accreditation
5. Management and Employees	<ul style="list-style-type: none"> • Experience of management team
6. Legal Background and Capital Structure	<ul style="list-style-type: none"> • Ownership • Control of the business • Loan arrangements • Legal agreements
7. Financial Viability	<ul style="list-style-type: none"> • Financial strength and viability • Gearing level and credit rating • Contingency funding and current level of operations • Reasonableness of information • Compliance with the Australian Corporations Law (if relevant)

An overall risk score should be derived for the supplier. This could be an average of the scores for each risk area or could be more complex by weighting certain and then calculating a range of scores to ascertain the overall risk.

Treatment strategies should be developed to mitigate the risks. A potential supplier assessed as either extreme or high, in terms of their ability to deliver the services proposed, may still be acceptable, provided that the risk is capable of being effectively managed by RQL or treated by the supplier. A risk, for example, could be treated by requiring a bank guarantee to protect RQL's interests as you have highlighted a % of the contract value. Risks should also be monitored on an ongoing basis to ensure that any events or circumstances have been identified that necessitates a review of the level of risk assigned.

The above table could incorporate a 2 tiered approach whereby low risk contractual arrangements perhaps only incorporate an assessment of risk criteria 1 to 3 above but more complex or higher risk procurement incorporates an assessment for all criteria i.e. from 1 to 6.

2. Delegations

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.

Officer	Delegation Limit
Board	Initial Budget or project variations outside of tolerance level
CEO	All invoices over \$50K
Project Director	\$50K
CFO	\$50K
Director of Product Development	\$50K
Racecourse Development Manager	\$20K

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.

Project	Value	1% Tolerance Level
Deagon	\$39.9M	\$399K
Gold Coast	\$35.4M	\$354K
Beaudesert	\$7.27M	\$72,7K or \$200K
Cairns	\$1.96M	\$19.6K or \$200K
Townsville	\$6.34M	\$63.4K or \$200K
Mackay	\$7.44M	\$74.4K or \$200K
Rockhampton	\$1.6M	\$16K or \$200K

3. Accounts Payable (AP)

The RQL AP Officer is the contact for the accounts payable function of the infrastructure plan. However, it is important to copy in the RQL Project Accountant into all correspondence.

The procedure for processing invoices/payments is as follows:

- Check with AP if the supplier has been set up in the system.
- Sufficient time (2 days) must be given to AP for this to be done.
- If not, send the supplier the "New Supplier Application" form in which they forward through to the accounts payable officer once completed.
- All invoices to be pre coded and signed and approved by an authorised RQL representative per the approved delegation and sent through to the accounts payable officer.

RQL conducts payment runs every Friday. To ensure the payment is processed on time, the supplier's details and the authorised invoice need to be received at RQL by the prior Wednesday. If these details are not received by close of business Wednesday, they will not be processed and paid that week and will be paid in the following week's payment run.

It is the responsibility of the Project Director that these conditions are met to ensure prompt payment, particularly in the case of 7 day accounts. All other invoices will be paid according to the payment terms. It is the responsibility of the Project Director to liaise with the suppliers to ensure appropriate payment terms are in place based on the above process. Where at all possible, RQL will insist on 30 day invoices and will endeavour to avoid any invoices being prepared under the *Building and Construction Industry Payments Act 2004*.

Coding:-

All invoices need to be authorised and checked against budget by the Project Director prior to being received by AP and coded as follows:-

Project	Account Code	T1 Cost Code Facility	T2 – Project Broken down further See below **	T3 – Function Code	T5 – Area Code	T7 – Racing Division Code
Deagon	12393	20	I IPLN	AD	02	11 (Harness & Greyhounds 50:50)
Gold Coast Turf Club	11341	31	I IPLN	AD	02	02 - THB
Beaudesert Race Club	11331	22	I IPLN	AD	02	02 - THB
Cairns Jockey Club – Canon Park	11332	10 THB 54 GH	I IPLN	AD	10	02 - Thoroughbreds 04 - Greyhounds
Townsville Turf Club – Cluden Park	11339	37	I IPLN	AD	08	02 - THB
Mackay Turf Club – Ooralea Park	11333	33	I IPLN	AD	08	02 - THB
Rockhampton Greyhound Club – Callaghan Park – Greyhounds Only	11334	57 GH	I IPLN	AD	03	04 - Greyhounds
Country Racing	11349					Paul Brennan
Albion Park	12394	23	I IPLN	AD	02	11 (Harness & Greyhounds 50:50)

I IPLN – Industry Infrastructure Plan
AD – Asset Development

** The project codes are broken down further per area to easily identify the asset and are as per the following link and attachment "A"

[IIPN New Codes.xlsx](#)

4. Cheque/Electronic Funds Transfer (EFT) Signatories

Payments will not be processed without the prior approval of the Project Director and CCE's representative. Once approval is received, two of the following five designations are required to authorise each payment on behalf of the infrastructure plan via EFT:

- CFO
- Management Accountant
- Revenue Services Accountant
- Business Analyst
- Senior Corporate Counsel/Company Secretary

Petty Cash:-

The procedure for processing petty cash is as follows:

- Send through to AP Officer the petty cash reimbursement form along with necessary receipts.
- RQL processes the cheque to be signed by CFO or equivalent.

Sufficient time is required to return the petty cash cheque. Please reimburse the petty cash fund regularly to prevent any shortage.

It is recommended that urgent correspondence be sent through an external mailing system or scanned and emailed with the originals sent in the post.

The Accounts Receivable (**AR**) and AP function are vital to the successful management of the Infrastructure Plan. It is extremely important that the Project Director of the Infrastructure Plan continually liaises with the AR and AP departments as well as RQL staff liaise and provide feedback to the Project Director.

5. Credit Card Process

The credit card is designated for use by the authorised card holder when:

- a creditor account has not been set up
- or is a one off payment to a creditor not normally used
- or based on necessity e.g. travel.

Process:-

- Credit Card Statement received by authorised card holder.

- Attach invoices/receipts for corresponding debit amounts on the statement and send through to the accounts payable officer within 3 days of receipt of credit card statement.
- Statement is coded and allocated to the relevant ledger accounts.
- Payment is made by direct debit monthly.

6. Accounts Receivable

Where required, the RQL AR Officer is the contact for the AR function if an invoice is required to be raised for the Infrastructure Plan. However, it is important to copy in the RQL Revenue Services Accountant into all correspondence.

The procedure for raising an invoice is as follows:

- An authorised Infrastructure Plan representative is to fill out an invoice request form and send through to the AR Officer.
- The request form must include the following information to facilitate accounts receivable following up any issues
 - Name
 - Address
 - Phone Number
 - E-mail (optional but preferred)
 - Payment Terms
 - Supporting Documentation (e.g. sponsorship agreements)
 - Signed by an authorised Infrastructure Plan representative

Once the invoice request form is completed in its entirety, the invoice will be created and within 3 working days of receipt.

A final authorisation is required from the RQL Revenue Services Accountant prior to processing.

Once authorised the invoice will be processed and issued by the following working day.

Statements will be issued the first working day of the month.

For any adjustments that may be required (e.g. refund, credits), an adjustment form is required to be completed by an authorised Infrastructure Plan representative and sent through to the accounts receivable officer.

A final authorisation is required from the RQL Revenue Services Accountant prior to processing.

7. Payroll

For all additional employees from 1 July 2010 payroll is paid monthly on the 14th of each month, approximately 2 weeks in arrears and 2 weeks in advance with the exception of:

- Casual employees
- Facility maintenance staff dependant on their circumstances and in consultation with the executive manager.
- Employees on fortnightly arrangements prior to 1 July 2010

For these employees payroll is run on a fortnightly basis paid on a Wednesday in arrears. The payroll period is Monday to the following Sunday.

Process:-

- Timesheets are due by close of business Monday for the previous fortnight sent through to the payroll officer.
- Project Director Authorisation is required to be sent through to the payroll officer by midday Tuesday of the pay run week.
- All leave and payroll requests are due to payroll 3 days prior to processing.
- All leave and payslips are available through the employee services portal on the intranet through ConnX.
- Payroll is processed and then checked and payment authorised by two authorising RQL delegates (see no.1).
- Salaries are due in the employees' bank account fortnightly on a Wednesday.
- Monthly salaries are due on the 14th of each month.

From 1 July 2011 there will be the following RQL employees dedicated to the infrastructure plan

POSITION	NAME	EMAIL	DIRECT PHONE
Project Director	Mark Snowdon	msnowdon@racingqueensland.com.au	07 3869 9402
Executive Assistant & Assets Infrastructure	Deanna Dart	ddart@racingqueensland.com.au	TBA
Accounts Payable	Tracey Phillips	tphillips@racingqueensland.com.au	07

All other RQL employees who are involved with providing advice and working on the infrastructure plan and/or processing of payments will need to complete an Infrastructure time sheet which will need to be authorised by the project director. A monthly Journal will need to be recoded from the RQL salaries operating account to the infrastructure plan per a project seeking reimbursement of this expenditure.

It is anticipated that a total fee required from the IIPLN be formulated for the use of RQL employees. This total figure will then be allocated over the projects relevant to the work and time required. Time sheets will then be written up to reflect the fees charged.

< Insert Time Sheet Link >

If the IIPLN does not have a specific account amounts are allocated to and will then be reallocated to the specific project.

Account Name	Account Code	T1	T2	T3	T5	T7
Infrastructure Plan	11349	01	IIPLN	AD	02	01,02,03,04

8. Expense reimbursement

All expenses are to be reimbursed in line with the expense reimbursements policy and in line with the appropriate delegation.

http://sharepoint/Policies/FIN_pol003_Expense%20Reimbursement%20Policy.doc

9. Investments/Term Deposits

Term Deposit and investment advice is provided by the CFO and/or Management Accountant through a number of institutions currently, NAB, QTC, Westpac, CBA or ANZ and is invested by the Senior Finance Officer – Treasury

10. Cash flow and Budgets

The Project Director is to liaise with CCE to ensure the budget is on track and to ensure an up to date cash flow is in place. The Project Director to liaise with CFO to ensure that the budgets and cash flows are up to date to ensure sufficient time is allowed to draw down from investments and/or Treasury to ensure payments can be made within the agreed credit terms. Once done, authorised payments are to be made. Finance Department to manage and produce budget to actual reports for RQL Board and Government.

Senior Finance Officer and Accountant to review daily cash requirements for AP and other requirements

11. Monthly Financial Statements – Project Reconciliations

RQL will provide monthly financial statements – Project Reconciliations by working day 10 of the following month. These statements are prepared by the Project Accountant and will be reviewed by the CFO or Management Accountant prior to release. These reconciliations must be agreed by the Project Director prior to being released to the IIPCG or the Board.

12. Urgent transactional delivery

The Management Accountant is the first point of contact to assist in the delivery of any urgent transactions or financial enquiries.

If the Management Accountant is unavailable, please contact the CFO or any contact on your contacts list below so that they can source the appropriate authority and escalate the delivery as required.

13. Club Restructures and financial modelling

RQL will pursue partnership arrangements with clubs and the Business Analyst will assist with all financial modelling and support.

14. RQL employees with responsibilities on behalf of the Infrastructure Plan

As mentioned above, RQL provides the following employee resources to assist with the Infrastructure Plan accounts:

- Compliance/Project Accountant
- Accountant
- AP Officer
- AR Officer, and
- Payroll.

The CFO and Management Accountant provide direction to the above employees as well as assisting the Infrastructure Plan directly on any higher level financial analysis or needs.

The senior accountants (Revenue Services Accountant and Project Accountant) are also utilised to ensure correct processing, coding and authorising of all transactions has been adhered to as per RQL credit and purchasing policies.

All the above mentioned resources are full time permanent RQL employees who assist in the Infrastructure Plan accounts on the basis of hours needed to fulfil the deadlines, processing, reporting requirements and any other financial advice as deemed appropriate and relevant. RQL also provides back up assistance from within the Finance Department to alleviate any concerns relating to leave or turnover of staff.

Following are the current RQL contacts assisting with financial functions as at today's date:

POSITION	NAME	EMAIL	DIRECT PHONE
CFO	Adam Carter	acarter@racingqueensland.com.au	07 3869 9702
Management Accountant	Sharon Drew	sdrew@racingqueensland.com.au	07 3869 9704
Business Analyst	Ron Mathofer	rmathofer@racingqueensland.com.au	07 3869 9716
Financial/Compliance/Project Accountant	Jeffery Zeppa	jzeppa@racingqueensland.com.au	07 3869 9713
Revenue Services Accountant	Murray Dyke	mdyke@racingqueensland.com.au	07 3869 9727
Senior Finance Officer	Kees Van der Waal	kvanderwaal@racingqueensland.com.au	07 3869 9706
Accountant	Craig Roberts	croberts@racingqueensland.com.au	07 3869 9718
Accounts Receivable	Janet Roth	jroth@racingqueensland.com.au	07 3869 9711
Accounts Payable	Su Agate Karin Schreiber Tracey Phillips	ap@racingqueensland.com.au sagate@racingqueensland.com.au kschreiber@racingqueensland.com.au tphillips@racingqueensland.com.au	07 3869 9714 07 3869 9703 TBA
Payroll	Leanne Lorena	llorena@racingqueensland.com.au payroll@racingqueensland.com.au	07 3869 9708

RQL will endeavour to update your contact list as soon as any changes occur.

AUDIT PAPER NUMBER: 9
Audit, Finance and Risk Committee Charter Review

PURPOSE: To review the Audit, Finance and Risk Committee (AFRC) Charter as requested by the RQL Board – 8 July 2011, minute 2.3 and reviewed by the AFRC with recommendations as per 11 August 2011, minute 2.2 where the AFRC requested Senior Corporate Counsel advice to elaborate on the necessity for monitoring with laws and regulations governed by the *Racing Act 2002*.

BACKGROUND AND ISSUES:

A resolution was passed at the RQL board meeting 8 July 2011

2.3 Audit Committee Charter

In view of the recent "Centro Property Case", the Chairman requested that the Audit Committee review their charter and ensure that the charter adequately reflects the requirements for good governance of RQL.

The Audit committee should not be restrained in delving into any issue that it deems necessary. However, it is essential that their oversight of administration covers compliance with the Racing Act and Section 81 policies rather than expending time on smaller issues that could be clarified by Management.

As per the Audit Finance and Risk Committee Charter (clause 3.) to achieve its responsibilities the AFRC will:

- review the internal controls, policies, procedures and compliance systems established by management;
- review the financial information annually to stakeholders;
- review the effectiveness of, and reports arising from, internal and external auditors and others as it sees fit;
- report to the Board on its work, express an opinion on the performance in the areas covered by this Charter and make recommendations to the Board as appropriate; and
- liaise as necessary with the other sub-committees of the Board.

DECISION REQUIRED:

- RQL Audit, Finance and Risk Committee to recommend the marked up changes for approval at the next RQL Board meeting



ADAM CARTER
Chief Financial Officer

AUDIT, FINANCE AND RISK COMMITTEE CHARTER

1. OBJECTIVES

The Audit, Finance and Risk Committee (**AFRC**) is a committee established by the Board of Racing Queensland Limited (**RQL**) to assist the Board in fulfilling its oversight responsibilities by reviewing and reporting to the Board on the following matters:

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- Financial integrity and reporting.
- Legal compliance.
- Business risks.
- Audit effectiveness.
- The organisations process for monitoring compliance with laws and regulations and its code of business conduct.
- Timely input in setting planning direction – major service categories and capital programmes.
- Input to the direction of Financial Strategy and Policy.
- Assurance of robust methodologies.
- Assurance of robust financial management to accepted business “best practice”.
- Investment oversight.

2. POWER TO ACCESS INFORMATION

The AFRC shall have the power to conduct or authorise investigations into any matter within its objectives or as requested by the Board. The AFRC shall be entitled to have access to all information held by the organisation. It is also authorised to discuss with any employee any matter that is the subject of an investigation.

3. DUTIES AND RESPONSIBILITIES

To achieve its responsibilities the AFRC will:

- review the internal controls, policies, procedures and compliance systems established by management;
- review the financial information ~~provided periodically and~~ annually to stakeholders;
- review the effectiveness of, and reports arising from, internal and external auditors and others as it sees fit;
- report to the Board on its work, express an opinion on the performance in the areas covered by this Charter and make recommendations to the Board as appropriate; and
- liaise as necessary with the other sub-committees of the Board.

3.1 **FINANCIAL AND COMMERCIAL INTEGRITY**

The AFRC shall:

- (a) Assess the adequacy of the organisations internal control systems for key financial processes (including computer-based systems) and ensure that all employees have an understanding of their roles and responsibilities.

AUDIT, FINANCE AND RISK COMMITTEE CHARTER

- (b) Review any audit reports to the AFRC for significant matters arising from audits and management action taken or planned in response to such matters.
- (c) Review external audit reports on internal control and accounting matters and management action taken or planned in response to such matters.
- (d) Annual budget is brought before the AFRC for review which is then passed on to the Board (this would also include CAPEX levels) for decision;
- (e) Consider the annual statutory financial statements and confirm with the Chief Financial Officer and the external auditor the organisation's compliance with relevant accounting standards and regulations, and the appropriateness of any financial policies adopted. The AFRC will either resolve or refer to the Chairman any differences of opinion between management and the external auditor, and any other issues it considers necessary to resolve or so refer. In considering the statutory financial statements, the AFRC may examine:
 - financial matters such as significant accounting estimates, provisions, valuations, contingent liabilities and taxation issues;
 - changes to significant accounting policies, reasons therefore, and the external auditors views thereon; and
 - current developments likely to affect the financial statements in terms of legislation, pronouncements and taxation, in the current and future years.
- (f) Review reports on any major defalcations, fraud, theft or other losses and assess the adequacy of existing controls and the appropriateness of actions taken or planned by management in response to such matters.
- (g) Consider and make recommendations to the Board concerning the formulation and monitoring of the Company's capital management strategy.
- (h) Considering the Company's funding requirements and making recommendations to the Board concerning specific funding proposals.
- (i) Debt to equity ratios and interest ratios to be maintained at prudent levels.
- (j) Report to the Board on the following:
 - Return of funds to the industry;
 - Net benefit/economic impact of the industry to the State

3.2 COMPLIANCE AND RISK MANAGEMENT

- (a) The AFRC shall review the effectiveness of the system for monitoring compliance with laws and regulations with particular emphasis on key risk areas including, but not limited to, the *Racing Act 2002 (Qld)*, *i.e. Section 34*, Workplace Health and Safety, Employment and Equal Opportunity, *Trade Practices*, the *Corporations Act 2001 (Cth)*, and the *Competition and Consumer Act 2010 (Cth)*. Law and Consumer Protection legislation. Indeed, all potential risks facing RQL and the industry could be considered by the AFRC.

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AUDIT, FINANCE AND RISK COMMITTEE CHARTER

- (b) The AFRC shall assess whether the organisation's compliance program and initiatives are fulfilling their purpose or require any modification, and prescribe remedial action where necessary.
- (c) Review the findings of any examinations by regulatory agencies.
- (d) The AFRC shall review with auditors any significant business and audit risks identified and the steps taken by management to control such risks.
- (e) The AFRC shall review with the Chief Financial Officer any significant financial risks and the adequacy and appropriateness of the organisations insurance coverage.
- (f) The AFRC shall review the effectiveness of any systems for monitoring compliance with internal policies and procedures as required from time to time or as requested by the Board or other committees.
- (g) Focus needs to also include reporting on potential risks and threats to the organisation from an economic, political and regulatory, and IT perspective.
- (h) Need to ensure that the organisation has focused on protection, growth & development of income streams so it is able to achieve its goals

3.3 AUDIT EFFECTIVENESS

The AFRC shall:

- (a) Review external audit reports.
- (b) Communicate the AFRC's expectations to both the internal and the external auditor.
- (c) Review Audit Plans.
- (d) Discuss with the external auditor the overall audit approach, their approach to risk evaluation and their planned coordination with RQL officers.
- (e) Ensure that management responds to recommendations by the internal and external auditors.

4. MEMBERSHIP AND MEETINGS

4.1 APPOINTMENT

The appointment of the Audit Committee Chair will be a decision of the Board of Directors.

The Audit Committee will comprise at least two (2) members of the Board.

A quorum will be a minimum of any two (2) members.

AUDIT, FINANCE AND RISK COMMITTEE CHARTER

The initial RQL AFRC is:

- Brad Ryan (Chair);
- Tony Hanmer;
- Wayne Milner; and
- Bob Lette.

4.2 SECRETARIAL

The AFRC will be assigned a secretary who shall be responsible, in conjunction with the Chair, for drawing up and circulating the agenda supported by explanatory documents to committee members prior to each meeting. The Executive Business Services Administrator is the secretary to the AFRC.

The Secretary will also be responsible for recording and keeping the minutes of the meeting and circulating them to members and the auditors as appropriate.

4.3 MEETINGS

Meetings shall be held not less than three (3) times a year. Special meetings may be convened as required. Internal audit or external auditors may convene a meeting if they consider that it is necessary.

The proceedings of all meetings will be minuted.

4.4 ATTENDANCE

The Chief Executive Officer, Chief Financial Officer and Senior Corporate Counsel shall have standing invitations to attend all AFRC meetings. Other executives or officers may be requested to attend AFRC meetings to discuss or report on particular agenda items.

The AFRC may determine from time to time, that it is appropriate to conduct meetings privately with senior management. The reasons for such meetings will be forwarded to the relevant executives with the invitation to attend the meeting.

A representative of the external auditor shall have a standing invitation to attend meetings to discuss agenda items relating to audit issues, financial reporting and for general liaison purposes.

5. REPORTING

The AFRC shall:

- (a) regularly update the Board about AFRC activities and make appropriate recommendations to the Board.
- (b) Submit the minutes of all AFRC meetings to the Board.
- (c) Ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

AUDIT, FINANCE AND RISK COMMITTEE CHARTER

(d) Submit a summary of activities for inclusion in the Annual Report of RQL if required.

6. OTHER RESPONSIBILITIES

The AFRC shall perform other functions as requested by the Board.

SUGGESTED STANDING AGENDA FOR MEETINGS

MEETING MONTH	AGENDA ITEMS
March Quarter	<ul style="list-style-type: none"> - Reports from: <ul style="list-style-type: none"> • Chief Financial Officer • Senior Corporate Counsel - External auditors audit approach/plan for the current financial year. - Status of debts owed to, and by, the group.
June Quarter	<ul style="list-style-type: none"> - Reports from: <ul style="list-style-type: none"> • Chief Financial Officer • Senior Corporate Counsel - Annual Report from Chief Executive Officer on Business Risk and its Management - Annual review of Audit, Finance and Risk Committee Charter - Status of external audit and year-end accounting issues. - Status of debts owed to, and by, the group. - Draft Budget for the upcoming financial year
September Quarter	<ul style="list-style-type: none"> - Reports from: <ul style="list-style-type: none"> • Chief Financial Officer • Senior Corporate Counsel - Identified 30 June year-end accounting and audit issues for consideration/ resolution. - Draft statutory financial statements and Annual Report and issues requiring resolution. - Status debts owed by, and by, the group.
December Quarter	<ul style="list-style-type: none"> - Reports from: <ul style="list-style-type: none"> • Chief Financial Officer • Senior Corporate Counsel - Statutory financial statements and Annual Report and issues requiring resolution. - External auditor audit clearance and management letter points. - Status of debts owed to, and by, the group.

**AUDIT PAPER NUMBER 10:
Status of Debts Owed and Provision for Bad Debt**

PURPOSE:

To update the Audit Committee of RQL's debt owed as at 31 August 2011.

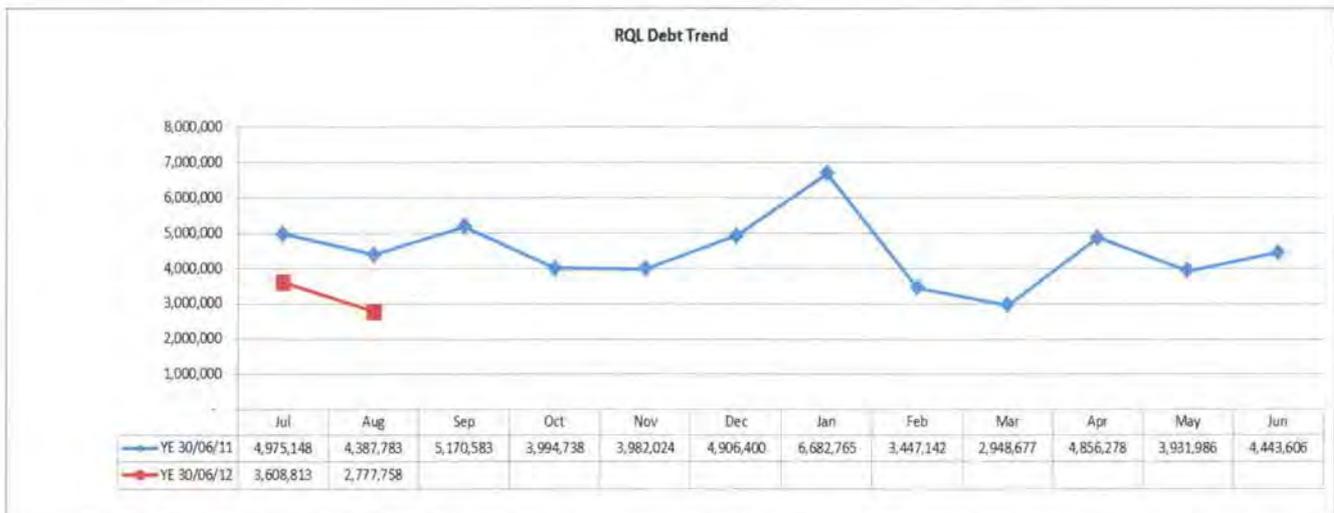
BACKGROUND AND ISSUES:

RQL continues to adhere to the current debt collection process as per the RQL credit policy.

A significant focus has recently been placed on standardising the system and process across codes and ensuring the timelines for debt recovery are being met as per the RQL credit policy.

Communication has been undertaken internally with representatives from the Racing, Integrity and licensing department to align the process throughout the organisation. Contact has been made with RISA to capture outstanding debtors in a centralised system to restrict services provided to default licensees on a national platform. This has resulted in a positive result in comparison with last year and we will endeavour to improve on this outcome and set internal KPI's around debt recovery in the next financial quarter.

Section 1: Debt Position and Trends



RQL has reduced the month end debt position by 37% compared to August 2010.

Overall Aged Debt Position as at 31 August 2011

	Total	0-30 Days	31-60 Days	61-90 Days	91-120 Days	> 210 Days
Greyhounds	14,416.35	13,126.35	-	50.00	150.00	1,090.00
Harness	98,758.43	92,344.98	430.25	236.00	253.00	5,494.20
Miscellaneous	104,101.80	84,880.60	-	4,078.80	8,534.05	6,608.35
Trainers	841,642.31	635,101.96	115,031.49	20,887.16	6,582.46	64,039.24
Stablehand/Other	7,858.20	1,871.00	507.00	678.70	149.00	4,652.50
Racefields	743,388.57	347,968.89	67.36	0.01	2,840.28	392,512.03
Jockey	33,297.82	19,358.21	1,410.00	4,700.00	189.20	7,640.41
Owners/Horses	133,165.45	86,513.65	5,525.00	1,043.90	-	40,082.90
Clubs	798,569.25	446,739.60	103,435.47	60,344.04	1,111.00	186,939.14
Bookmakers	2,559.93	2,509.98	-	-	-	49.95
Racing Queensland Limited	2,777,758.11	1,730,415.22	226,406.57	92,018.61	19,808.99	709,108.72

KPI for 30 June 2012

Debt outside of credit terms and more than 90 days	<\$100K
--	---------

Significant items:

1. Trainers

- a. A third of the Trainer >210 day category is attributed to trainer Lyle Plumb of \$21K for the recovery of CHAPS funding, payment terms have since been agreed upon to recover this amount.

2. Race Information Fees

- a. The Race Information Fees >210 day category for \$392,512 is attributed to the 3 outstanding on-course bookmakers to 31 August 2011. These amounts have been referred to legal for further action.
- b. All other significant tote and corporate operators are paying within the agreed time frame of 10 days after month end.

3. Club Debt

- a. The Club >210 day category is significantly attributed to the Cairns Jockey Club (CJC) of \$151K. The monthly operational subsidies are currently being withheld by RQL to offset the debts with the intention to incorporate this debt into any future club equity arrangement.
- b. Gordonvale Turf Club has an outstanding amount of \$16K. A repayment plan has been agreed upon to recover this amount.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

DECISION REQUIRED:

1. The Audit Committee to NOTE the status of debt as at 31 August 2011.



ADAM CARTER
Chief Financial Officer

Actioning Officer: Ali Wade

23 September 2011

<name>
<address>
<address>

Dear <name>,

Reference: TAB Club Strategic Financial Management Workshop

Racing Queensland Limited (RQL) aims to conduct a TAB Club Strategic Management Workshop for the Chief Executive Officers/club secretaries/general managers of each QLD TAB club on Monday January 30, 2012.

RQL envisages this workshop to focus on areas such as event management and business improvement opportunities and therefore requests your contribution towards appropriate agenda items within this scope.

Please save the date of Monday January 30, 2012 and if your club would like to raise any items for discussion, please send these through by 30 November 2011 to Ali Wade:

Email: awade@racingqueensland.com.au
Fax: 07 3269 9304
Post: TAB Workshop
RQL
Att: Ali Wade
P O Box 63
SANDGATE QLD 4017

RQL is committed to seeking opportunities for improvement, reducing costs and working cohesively for the further enhancement of the industry by assisting clubs with compliance and the sharing of best practice ideas.

Travel arrangements:

The venue is yet to be confirmed however flight expenses will be reimbursed by RQL upon the forwarding of relevant invoices.

Should you have any questions, please do not hesitate to contact Ali Wade 3869 9701 or Adam Carter on 3869 9702.

Yours sincerely

ADAM CARTER
Chief Financial Officer



Racing Queensland Limited
A.B.N. 52 142 786 874
Racecourse Rd Deagon QLD 4017
PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

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RACING QUEENSLAND LIMITED
 (ACN 142 786 874)
Audit, Finance and Risk Committee Meeting
Action Sheet as at 10 October 2011



<i>NO</i>	<i>ITEM</i>	ACTION REQUIRED	<i>ACTION OFFICER</i>	<i>THIS MEETING</i>	COMMENT
1.	TAB Workshop	Schedule meeting and agenda for FY11/12 workshop. Action Items: Send out early notification to "Save the date" and request agenda input	Adam Carter	<u>23 September 2011</u>	Draft date set for Monday 30 th January 2012. Draft Letter for Club Participation Draft Agenda
2.	Risk Management Policy	Update Risk Management Policy Internal and Risk Register.	Adam Carter Mal Tuttle	<u>13 December 2012</u>	
3.	Financial Management Practice Manual (FMPM)	Review Club FMPM incorporating the following: Business Continuity Asset Utilisation HR Policies and Procedures Financial Reporting Revise the wording under Tax basics and employment conditions	Adam Carter	<u>3 February 2012</u>	To be updated with revised club funding arrangements and 3 code club information. Has been reviewed by QRL in February 2010 and reviewed by Deloitte.
4.	Additional Revenue Streams	To seek and provide review of potential revenue streams	Adam Carter	<u>3 February 2012</u>	

RACING QUEENSLAND LIMITED

(ACN 142 786 874)

Audit, Finance and Risk Committee Meeting

Action Sheet as at 10 October 2011



RACING
QUEENSLAND

NO	ITEM	ACTION REQUIRED	ACTION OFFICER	THIS MEETING	COMMENT
5.	Common Purchasing	Provide report on the possibilities and benefits of a common purchasing system that incorporates clubs	Adam Carter	<u>3 February 2012</u>	
6.	Disaster Recovery	Review Disaster Recovery Plan	Adam Carter/David Rowan	<u>3 February 2012</u>	
7.	Review of Debt Collection and Credit Policy	Review current policy and process and report thereon	Adam Carter	<u>13 December 2011</u>	Meetings undertaken with Integrity, Racing and Licensing to increase communications and review internal processes.
8.	Directors Expenses	Full extract of expenditure for the FY10/11 by director and CEO including purpose where applicable. Draft letter and acceptance declaration for Kerry Watson.	Adam Carter	<u>23 September 2011</u>	To be actioned once year end is finalised
9.	Tattersall's Loan Agreement	Compile report for the Board providing background and recommending recognition of the agreement.	Adam Carter	<u>13 December 2011</u>	Draft report in progress
10	Charter Review	Review to ensure the scope incorporates compliance, regulatory and control.	Adam Carter	<u>23 September 2011</u>	Draft Charter with tracked changes received from Senior Corporate Counsel for review and response
11	AFS	Report any relevant items in relation to the year-end financial accounts	Adam Carter	<u>23 September 2011</u>	Flying minute request sent for provision for on-course bookmaker debt as recommended by BDO (Auditors)

RACING QUEENSLAND LIMITED
 (ACN 142 786 874)
Audit, Finance and Risk Committee Meeting
Action Sheet as at 10 October 2011



<i>NO</i>	<i>ITEM</i>	ACTION REQUIRED	<i>ACTION OFFICER</i>	<i>THIS MEETING</i>	COMMENT
12	Gifts and Benefits Register	Provide to the committee	Adam Carter	<u>13 December 2011</u>	Request sent 19 September 2011 to S Murray and K Christensen.
13	Corporate Governance and Financial Assessments – Clubs	Provide a plan and implementation strategy	Adam Carter	<u>13 December 2011</u>	Focus to ensure the clubs will embrace the initiative
14	Internal Audit Plan	Finalise dates then provide to the Board Secretary for inclusion in the Board Calendar	Bradley Ryan/Adam Carter	<u>23 September 2011</u>	11 August 2011 10 October 2011 13 December 2011 3 February 2012 1 June 2012
15	Broadcast Rights	Include a Broadcast Rights section in the Directors Report in the AFS.	Adam Carter	<u>23 September 2011</u>	Included in AFS



Racing Queensland Limited
 A.C.N 142 786 874
Audit, Finance and Risk Committee

Date: 10 October 2011
Time: 2:00pm to 4:00pm
Venue: Racing Queensland Board Room
Committee Members: Bradley Ryan – Chairman
 Tony Hanmer
 Bob Lette
 Wayne Milner
Attending: Malcolm Tuttle - Chief Executive Officer
 Adam Carter - Chief Financial Officer
 Ron Mathofer – Business Analyst
 Damian Wright (**BDO representative 2:15pm**)
 Sam Johnson (**BDO representative 2:15pm**)
Minutes: Ali Wade

A G E N D A		
Item	Business	Contact
1.	Confirmation of Minutes 11 August 2011	Chairman
2.	Annual Financial Statements (AFS) Racing Queensland Limited	Adam Carter
3.	AFS – Sunshine Coast Racing Limited	Adam Carter
4.	AFS - Rockhampton Racing Limited	Adam Carter
5.	AFS – Product Co Limited	Adam Carter
6.	Directors Expenses	Chairman
7.	Compliance – Management Certification Discussion	Bob Lette
8.	Risk Review Discussion <ul style="list-style-type: none"> • Key Suppliers • Risk Register • Cash Management Policy • Financial Process Infrastructure Plan 	Tony Hanmer
9.	Charter Review – Senior Legal Counsel response	Adam Carter
10.	Debt Analysis Report	Adam Carter
11.	TAB Workshop – draft club letter	Adam Carter
12.	Action Sheet – Follow Up Issues	Adam Carter



Racing Queensland Limited
A.C.N 142 786 874
Audit, Finance and Risk Committee

Date: 19 March 2012

Time: 8:00am to 9:00am

Venue: Racing Queensland Board Room

Committee Members: Bradley Ryan – Chairman
Tony Hanmer
Bob Lette
Wayne Milner

Attending: Malcolm Tuttle - Chief Executive Officer
Adam Carter - Chief Financial Officer
Ron Mathofer – Business Analyst

Minutes: Ali Wade

A G E N D A		
Item	Business	Contact
1.	Confirmation of Minutes 10 October 2011	Chairman
2.	Compliance Report – Management Certification (Standing Item)	Adam Carter
3.	Debt Analysis Report (Standing Item)	Adam Carter
4.	Internal Audit Review – Fixed Assets	Adam Carter
5.	Internal Audit Review – Licensing and Club Licensing	Peter Smith Shara Reid
6.	Internal Audit Review – Race Information Fees	Adam Carter Shara Reid
7.	Control Self-Assessment – Control Track Update	Adam Carter
8.	External Audit - BDO – Annual Financial Statement Risks	Adam Carter
9.	Ezy Bonds Payment System (Discussion)	Adam Carter
10.	Action Sheet – Follow Up Issues	Adam Carter

DJ Ezybonds (UK) PLC Market Update

TIDMEZB

("Ezybonds (UK)" or the "Company")

Market Update

The Directors of Ezybonds UK Plc wish to provide an update in regard to full card orders and royalty payments made by Ezybonds Inc.

On 13 March 2012 EzyBonds (UK) received a royalty payment of USD\$4,142.75 for 10,000 cards ordered by Eco-Global Taiwan.

Ezybonds Inc has reaffirmed that Ezybonds (UK) should be receiving recurring weekly royalty payments from these new 10,000 cards estimated at USD\$1.15 per card when Eco-Global Taiwan members begin using their Ezycash Prepaid Mastercards[®] Cards ("Ezycash Cards").

The directors believe the operational launch of the Ezybonds Global Payment ("EGP") Platform and Ezycash Cards is a significant milestone for Ezybonds (UK). The Directors advise that they are optimistic as to the revenues that will accrue as a result of the Royalty Agreement ("Agreement") with Ezybonds Inc. The Agreement provides Ezybonds UK with a 50% share of all revenues generated by Ezybonds Inc.

EGP Platform

The Ezybonds Group Platform is fully operational and the directors believe now permits its members to conduct their financial affairs in an efficient cost effective manner.

The EGP Platform allows its users to:

- * Instantly send and receive payments with an Ezyaccount.
- * Make payments and transfer funds via SMS with EzySMS.
- * Receive online payments and share revenues as an Ezymerchant.
- * Access advanced ATM & POS payment networks with an Ezycash Cardtm.

The Ezycash Card program is managed by Nishe Technology Inc issued by Eastern Caribbean Co-operative Central Limited (ECCCL) pursuant to a license from MasterCard International Incorporated and powered by the EGP Platform. Nishe Technology Inc. is a registered Merchant Service Provider with MasterCard International Incorporated and sponsored through the partnership with the Eastern Caribbean Co-operative Central Limited.

The Ezybonds Inc global marketing teams are now actively integrating numerous clients in all industry sectors to migrate their financial transactions to EGP Platform. Some of these clients, including Priority 1 Rewards/Go Connect and GRG International Ltd, are entering the system transactional phase in accordance with their existing contractual obligations.

Mr Anthony Liston Mr Phillip Pryor
Director Director

The Directors of the Company accept responsibility for this announcement.

FOR FURTHER DETAILS PLEASE CONTACT:

Anthony Liston	Ezybonds (UK)	+61 404 199 200
Phillip Pryor	Ezybonds (UK)	+61 419 342 457
Katy Mitchell	WH Ireland Limited	+44 161 832 2174

END

(END) Dow Jones Newswires

March 15, 2012 08:32 ET (12:32 GMT)

COMPANY REGISTRATION NUMBER 2359322

EZYBONDS (UK) PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2010

EZYBONDS (UK) PLC

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

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EZYBONDS (UK) PLC

CORPORATE DIRECTORY

THE BOARD OF DIRECTORS

Phillip J Pryor
Anthony G Liston
Sean S McShane

COMPANY SECRETARY

Anthony G Liston

REGISTERED OFFICE

Heathrow Business Centre
65 High Street
Egham
Surrey
TW20 9EY

SHARE REGISTRARS

Capita IRG
Bourne House
34 Beckenham Road
Beckenham
Kent
BR3 4TU

AUDITOR

Hamlyns LLP, Chartered Accountants
Sundial House
98 High Street
Woking
Surrey
GU21 4SU

BANKERS

National Westminster Bank Plc
Cavell House
2a Charing Cross Road
London
WC2H 0PD

SOLICITORS

Osborne Clarke
One London Wall
London
EC27 5EB

CORPORATE ADVISERS

W.H. Ireland Limited
11 St James' Square
Manchester
M2 6WH

EZYBONDS (UK) PLC

NOTICE OF MEETING *(continued)*

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the company will be held at 10.00 am on Friday 24 December 2010 at 519 Kiewa Street, Albury, New South Wales, Australia.

An Explanatory Memorandum containing information in relation to each of the following resolutions accompanies this Notice of Annual General Meeting (refer pages 4-5). This Notice of Annual General Meeting should be read in conjunction with the Explanatory Memorandum.

1 Ordinary Business

As ordinary business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

Ordinary Resolutions

1.1 Adoption of audited financial statements

To receive and adopt the audited consolidated financial statements of the Group for the financial year ended 30 June 2010 together with the Chairman's Statement, the Directors' Report and the Independent Auditors' Report.

1.2 Re-election of Mr AG Liston

That Mr AG Liston, a Director who retires in accordance with Article 83 of the Articles of Association of the Company, be re-elected as a Director of the Company.

1.3 Re-election of Mr PJ Pryor

That Mr PJ Pryor, having been elected as a Director subsequent to the last Annual General Meeting of the Company and who retires as a Director of the Company in accordance with Article 89 of the Articles of Association of the Company, be re-elected as a Director of the Company.

1.4 Re-appointment of Auditor

To re-appoint Hamlyns LLP, Chartered Accountants as Auditor to hold office from the conclusion of this Annual General Meeting to the conclusion of the next meeting at which accounts are laid before the Company at a remuneration to be determined by the Directors.

2 Special Business

As special business to consider and, if thought fit, pass the following resolutions; in the case of resolutions 2.1 as an Ordinary Resolution and in the case of resolution 2.2 as a Special Resolution:

Ordinary Resolutions

2.1 Authority to issue shares

That the Directors be and they are hereby generally and unconditionally authorised pursuant to section 549 of the Companies Act 2006 to exercise any power of the Company to allot and grant rights to subscribe for or to convert securities into shares of the Company up to a maximum nominal amount equal to the nominal amount of the authorised but unissued share capital at the date of the passing of this resolution. Provided that the authority hereby given shall expire 5 years after the passing of this resolution unless previously renewed or varied save that the Directors may, notwithstanding such expiry, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company before the expiry of this authority.

2.2 Increase in authorised share capital

That the authorised share capital of the Company be and is hereby increased from £40,000,000 to £80,000,000 divided into 800,000,000 shares of £0.10 each by the creation of an additional 400,000,000 shares of £0.10 each ranking pari passu in all respects with the existing shares of £0.10 each in the capital of the Company having the rights and privileges and being subject to the restrictions contained in the Articles of Association of the Company in force at the date of the passing of this Resolution.

2.3 Authority to issue a new warrant instrument.

That the Directors be and they are hereby generally and unconditionally authorised to issue a new warrant instrument constituting warrants to subscribe for 30,000,000 ordinary shares of 10p each in the company and exercisable on or before the 31st of July 2011. This warrant instrument is to have the same terms and conditions as the company's existing warrants.

Special Resolution

2.4 Waiver of pre-emption rights

That subject to the passing of Resolution 2.1 above the Directors be empowered pursuant to Section 569 of the Companies Act 2006 until the Company's next Annual General Meeting to allot or agree to allot equity securities pursuant to the authority conferred by the said resolution above as if Section 561 of the Companies Act 2006 did not apply to any such allotment provided that the Company may make any offer or agreement before the expiry of this authority which would or might require equity securities to be allotted after this authority had expired and the Directors may allot equity securities in pursuance of any such offer or agreement. For the purposes of this resolution

EZYBONDS (UK) PLC

NOTICE OF MEETING *(continued)*

the expression 'equity securities' and 'allot' shall bear the meanings respectively given to the same in Section 560 of the Companies Act 2006.

Dated: 30 November 2010

By order of the Board

Anthony G Liston
Company Secretary

.....

PROXY INSTRUCTIONS

A member (entitled to attend and vote) is entitled to appoint up to two proxies to attend and vote at the meeting in his/her place. A proxy form is included within this Annual Report (refer to pages 28 to 29). A separate proxy form must be used for each proxy. You can obtain an additional proxy form from the Company (or by photocopying the proxy form). You may appoint each proxy to represent a specified proportion or number of your voting rights. To do this, follow the instructions on the proxy form. If you do not specify a proportion or number, each proxy may exercise half of your votes. To be effective, a duly completed proxy form and (where applicable) any power of attorney or a duly certified copy of the power of attorney must be received by the Company not less than 48 hours before the time for commencement of the meeting and if not so deposited shall be invalid. Please send by post to Heathrow Business Centre, 65 High Street, Egham, Surrey, London, United Kingdom TW20 9EY or by facsimile to +44 (0)1784 497 101.

All joint holders of shares must sign the proxy form. If the proxy form is signed by a member's attorney, the power of attorney or a certified copy of it must be lodged with the proxy form. If a member that is a corporation appoints a proxy, the member must execute in accordance with its constitution (if any) and the law of the place of its incorporation.

The proxy need not be a member, but must be a natural person. A proxy may be appointed by reference to an office held by the proxy (eg "the Company Secretary").

The appointment of a proxy will not prevent you from subsequently attending and voting at the meeting in person..

EZYBONDS (UK) PLC

NOTICE OF MEETING *(continued)*

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Ezybonds (UK) plc ("Ezybonds" or the "Company") in connection with the business to be conducted at the Annual General Meeting of the Company to be held on Friday 24th December 2010 at 10.00 am (Australian time).

This Explanatory Memorandum forms part of the Notice of Annual General Meeting of the Company and comments on the resolutions described below. This Explanatory Memorandum is intended to assist shareholders in understanding the background to and legal and other reasons for the resolutions proposed.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making a decision in relation to the resolutions.

Enquiries

All enquiries in relation to the contents of the Notice of Annual General Meeting or the Explanatory Memorandum should be directed to the Directors, Mr Liston and Mr McShane (telephone: +61 (0)260 235 813).

1.1 Adoption of audited accounts

The Companies Act 2006 requires that the audited consolidated accounts of the Group be laid before the Annual General Meeting.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Group's 2010 audited consolidated accounts.

1.2 Re-election of Mr AG Liston

Resolution 1.2 seeks approval for the re-election of Mr AG Liston, who retires in accordance with Article 83 of the Company's Articles of Association.

Article 83 relevantly provides that at each Annual General Meeting of the Company one third of the Directors shall retire by rotation.

Mr Liston, being eligible, offers himself for re-election as a Director of the Company.

1.3 Re-election of Mr PJ Pryor

Resolution 1.3 seeks approval for the re-election of Mr PJ Pryor, who retires in accordance with Article 89 of the Company's Articles of Association.

Article 89 relevantly provides that any Director appointed since the date of the last Annual General Meeting shall hold office only until the next Annual General Meeting and shall then be eligible to stand for re-election.

Mr Pryor was appointed as a Director on 15 January 2010 and, being eligible, offers himself for re-election as a Director of the Company.

1.4 Re-appointment of Auditor

Resolution 1.4 seeks approval for the re-appointment of Hamlyns LLP, Chartered Accountants, as Auditor of the Company. Such appointment taking effect from the conclusion of this Annual General Meeting until the conclusion of the next meeting at which accounts are laid before the Company.

The remuneration payable to the Auditor shall be as determined by the Directors.

2.1 Authority to issue shares

Under UK company law, specifically section 549, of the Companies Act 2006, directors may not generally allot any shares, issue securities convertible into shares, or grant options to subscribe for shares without authority given either by a provision in the company's articles of association or by ordinary resolution (meaning simple majority) of the shareholders of the company. In addition, the authority granted to directors of a public company may not continue for a period of more than five years.

Resolution 2.1 is required to be passed in order to comply with both section 549 of the Companies Act 2006 and the Company's Articles of Association and to allow the Directors general authority to allot shares for general purposes.

2.2 Increase in authorised share capital

Resolution 2.2 seeks approval to increase the Company's authorised share capital from £40,000,000 to £80,000,000 by the creation of an additional 400,000,000 shares of 10 pence.

At present, the Company's Memorandum and Articles of Association restrict the number of shares that the Company may have on issue, at any time, to a maximum of 400,000,000.

Assuming all existing warrants and options on issue are exercised and the Company exercises the Call Option to acquire all of the issued share capital of Ezyptions Limited, then the total issued share capital of the Company may increase to approximately 607,000,000 shares of 10 pence.

Given that the total issued share capital of the Company is likely to significantly increase and that the Company intends

EZYBONDS (UK) PLC

NOTICE OF MEETING *(continued)*

to seek a listing on the London Stock Exchange's AIM market, your Directors consider it prudent to increase the Company's authorised share capital by an additional £40,000,000

Your Directors confirm that, aside from the matters raised in this Explanatory Memorandum, and resolution 2.3 to issue a new warrant deed, or previously announced to Plus Markets, there are no proposals (specific or otherwise) under consideration that involve the Company issuing any further securities.

2.3 Authority to issue a new warrant instrument.

Resolution 2.3 hereof seeks approval for the creation of a new warrant instrument constituting warrants to subscribe for 30,000,000 ordinary shares of 10p each in the company and exercisable on or before the 31st of July 2011.

2.4 Waiver of pre-emption rights

Section 561 of the Companies Act 2006 requires that before equity shares are allotted in return for cash they must be first offered to existing shareholders on a right of first refusal basis and in proportion to the respective shareholders' existing holdings (the "Pre-emption Rights").

Section 569 of the Companies House 2006 allows the shareholders of a company to disapply their Pre-emption Rights by passing a special resolution, subject to Resolution 2.1 also being passed.

Resolution 2.4 is the form of resolution which will allow the disapplication of Pre-emption Rights.

The Company is seeking the waiver of Section 561 Pre-emption Rights in order for the Directors to make allotments for general purposes without the need to first offer those shares to existing shareholders.

The waiver of pre-emption rights following the passing of Resolution 2.4 will expire at the Company's 2011 Annual General Meeting.

Registered office:

Heathrow Business Centre
65 High Street
Egham
Surrey
TW20 9EY

By order of the board

Anthony G Liston
Company secretary

.....

EZYBONDS (UK) PLC

CHAIRMAN'S STATEMENT

YEAR ENDED 30 JUNE 2010

The last 12 months has seen the continual development of the Ezybonds multi-currency payment system. While integration has continued with merchants, the Directors acknowledge the delays in the implementation phase. However, the Directors have been lead to believe, by the system developers Ezybonds Inc, is that these delays are due to essential enhancements on the payment platform for both merchants and their customers. The board of Directors remain optimistic that there will be a significant rollout of the EzyBonds processes during the 2nd half of the new financial year.

This year the Group turnover is £210,302. The Group's revenue accrues from two independent sources. These are the trading activities of Beijing Ozland Technology (BOT) which was purchased by the Group in February 2009 and the consulting revenue received from the company's agreement with Ezybonds Inc. The Group has reported a net loss of £71k, compared to the net loss in 2009 of £67k.

The sales of prepaid electronic mobile phone PIN's from which BOT generates its prime source of commission for the twelve months ended 30 June 2010 was US\$90,934,050; this is an improvement of US\$1,702,138 when compared to the same period in 2009. BOT continues to sell its quota of PIN's each month, and is in negotiations with the Telecom authorities in an endeavour to have the companies quota increased.

The Company advises that BOT and the Beijing Transport Authority (YKT) have continued to work together to increase the functionality of the YKT card within the BOT terminal network and the Post Office Terminal Network. There are a number of projects that BOT and the YKT are cooperating on, and details of these projects will be released to the market should contracts be entered into. As at the end of September 2010, YKT had advised that they have issued over 30 million YKT cards in Beijing alone.

On 15th January 2010, Phillip John Prior was elected to the Board. Phillip is also currently a director of International Marketing Partnerships, Bellwether Group and the Essendon Football Club. His past experience in operating businesses in China has proved invaluable to the company. Phillip offers himself for re election at the Annual General Meeting.

During the year, two variations to the Royalty Agreement with Ezybonds Inc were signed. The effect of these variations was that for a consideration of 125,000,000 fully paid 10 pence shares in Ezybonds UK Plc, the commission rate increased from 25% to 50% of the net income of Ezybonds Inc that is generated from all transactions undertaken by members.

During the year and subsequent to year end, there were a number of changes to the Companies Warrants. The first was at a meeting of the warrant holders held on 7 August 2009 it was agreed to change the value and expiry date of all 20p warrants to 10p warrants exercisable at any time before 30 July 2010.

Subsequent to the year end, at a meeting of the warrant holders held on 5 July 2010 it was agreed to amend the expiry date of all 10p warrants from 30 July 2010 to be exercisable at any time before 30 July 2011.

With the 2010 financial year now behind us, we are in a position to embrace the exciting opportunities ahead. The next financial period will undoubtedly present many challenges and opportunities that the Directors are keen to tackle in order to return the company to a period of sustainable growth.

The Directors remain confident that the Ezybonds brand will secure a prominent place in the emerging global payment and funds transfer sector and BOT's operations will generate significant interest in China.

Anthony Liston
Chairman

EZYBONDS (UK) PLC

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2010

The directors present their report and the financial statements of the group for the year ended 30 June 2010.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group is the promotion of Ezybonds™ through its marketing entity, Ezy promotions. Ezy promotions Limited has the worldwide marketing and distribution rights for the Ezybonds intellectual property. Attaching to these rights is the right in perpetuity to 50% of all the revenue received by Ezybonds Inc (excluding revenue derived from funds held in the Bonus Pool Account).

The principal activity of its fully owned subsidiary, Beijing Ozland Technology Co Limited ("BOT"), located in Beijing, China, is the sale of prepaid mobile phone PINs and the operation of a terminal network through China Post Office and many retail organisations.

RESULTS AND DIVIDENDS

The loss for the year amounted to £71,683. The directors have not recommended a dividend.

A review of the Group's business and future prospects are given in the Chairman's Statement.

At the present time the directors do not consider the use of Key Performance Indicators appropriate for evaluating the performance of the group.

FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 15 to the accounts.

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 30 June 2010	At 1 July 2009
Phillip J Pryor	Ordinary shares of 10p each	18,606,000	-
	Share warrants (10p)	1,160,000	-
Anthony G Liston	Ordinary shares of 10p each	5,048,380	5,048,380
	Share warrants (100p)	200,000	200,000
	Share warrants (50p)	-	200,000
	Share warrants (10p)	450,000	450,000
Sean S McShane	Ordinary shares of 10p each	4,500,000	4,500,000
	Share warrants (100p)	200,000	200,000
	Share warrants (50p)	-	200,000
	Share warrants (10p)	700,000	700,000

The directors warrants referred to above represent 400,000 warrants to subscribe for 10 pence ordinary shares at 100p per ordinary share at any time before 30 September 2010, and a further 2,310,000 warrants to subscribe for 10 pence ordinary shares at 10p per ordinary share at any time before 30 July 2011. At 1 July 2009 the directors also held 400,000 warrants to subscribe for 10 pence ordinary shares at 50p per ordinary share at any time before 30 April 2010 which have now lapsed.

The Plus Markets quoted share price of the Company's ordinary shares as at 30 June 2010 was 2.0p (2009 - 1.62p) per ordinary 10p share and has varied between 1.62p and 5.75p (2009 1.25p and 3p) per ordinary 10p share during the year.

Phillip J Pryor was appointed as a director on 15 January 2010.

SUBSTANTIAL INTERESTS

At 30 June 2010 the following interests in three per cent or more of the issued ordinary share capital were noted in the Company's share register:

	% of ordinary £0.10 shares
Pershing Nominees Limited	14.0%
Lone Mountain Developments Pty Ltd	6.3%
Rainforest Pty Ltd	5.0%
Telica Nominees Pty Limited	3.6%
Athol Hodgetts	3.4%

EZYBONDS (UK) PLC

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2010

GOING CONCERN

The directors believe it is appropriate for the group's financial statements to be prepared on this basis for the reasons explained under note 1.

POLICY ON THE PAYMENT OF CREDITORS

It is the general policy of the company to pay for the supply of goods and services within 30 days of the date of any invoice or, in the case of certain suppliers, in accordance with the terms and conditions of each transaction. The number of days outstanding between receipt of invoices and date of payment, calculated by reference to the amount owed to trade creditors at the year end as a proportion of the amounts invoiced by suppliers during the year was 116 (2009 - 370) days.

CORPORATE GOVERNANCE

The Board supports the highest standards of corporate governance and requires its members and the staff of the Company to act with integrity and objectivity in relation to:

- * compliance with the law;
- * record keeping;
- * conflicts of interest;
- * confidentiality;
- * professional conduct;
- * dealing with suppliers, advisers and regulators; and
- * dealing with the community and employees.

The Board's primary role is the protection and enhancement of long-term shareholder value. The Board is responsible for the overall corporate governance of the Group including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Given the current size and scope of the operations of the Company, the full Board has assumed those responsibilities that are ordinarily assigned to a Nomination Committee, a Remuneration Committee and an Audit Committee.

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the consolidated entity's business objectives.

The composition of the Board will be reviewed during the forthcoming year to ensure that the Board has the appropriate mix of expertise and experience.

The Board reviews its processes to ensure that it is able to carry out its functions in the most effective manner.

EZYBONDS (UK) PLC

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2010

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Hamlyns LLP, Chartered Accountants are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
Heathrow Business Centre
65 High Street
Egham
Surrey
TW20 9EY

Signed by order of the directors

Anthony G Liston
Company Secretary

Approved by the directors on

EZYBONDS (UK) PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EZYBONDS (UK) PLC

YEAR ENDED 30 JUNE 2010

We have audited the group and parent company financial statements ("the financial statements") of Ezybonds (UK) PLC for the year ended 30 June 2010 on pages 12 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the Annual Report, financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2010 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure concerning the following two uncertainties.

GOING CONCERN

We have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the group's ability to continue as a going concern. This depends upon the raising of funds for the group via the issue of shares and the generation of income under a licence agreement with Ezybonds Inc. In respect of the forecast income streams we have relied on the representations of the directors' which is the primary audit evidence available to us relating to the ability of the group to continue as a going concern.

FUNDAMENTAL UNCERTAINTY

In respect of the carrying value of goodwill in the group balance sheet and investments in the company balance sheet, notes 10 and 12, the validity of which depends upon the future income streams referred to in note 1. The financial statements do not include any adjustments that may be necessary to reduce the carrying value of goodwill within the group or the value of the investments in the company to their recoverable amounts should the group be unable to continue as a going concern.

In view of the significance of these matters we consider that they should be drawn to your attention but our opinion is not qualified in this respect.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EZYBONDS (UK) PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EZYBONDS (UK) PLC *(continued)*

YEAR ENDED 30 JUNE 2010

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Sundial House
98 High Street
Woking
Surrey
GU21 4SU

David Cooper FCCA (Senior Statutory Auditor)
For and on behalf of
HAMLYNS LLP, CHARTERED
ACCOUNTANTS
Chartered Accountants
& Statutory Auditor

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EZYBONDS (UK) PLC

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2010

	Note	2010 £	2009 £
GROUP TURNOVER	3	210,302	52,238
Direct costs		(16,222)	–
Gross Profit		194,080	52,238
Administrative expenses		265,803	119,979
OPERATING LOSS	4	(71,723)	(67,741)
Interest receivable		40	–
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(71,683)	(67,741)
Tax on loss on ordinary activities	7	–	–
LOSS FOR THE FINANCIAL YEAR	8	(71,683)	(67,741)
Earnings per share (pence)			
Basic	9	(0.03)	(0.05)
Diluted	9	(0.03)	(0.05)

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 16 to 25 form part of these financial statements.

EZYBONDS (UK) PLC

GROUP BALANCE SHEET

30 JUNE 2010

	Note	2010		2009	
		£	£	£	£
FIXED ASSETS					
Positive goodwill	10		39,838,093		21,759,195
Negative goodwill	10		(443,848)		(443,848)
Intangible assets	10		39,394,245		21,315,347
Tangible assets	11		347,738		450,649
			39,741,983		21,765,996
CURRENT ASSETS					
Debtors	13	104,445		72,220	
Cash at bank		30,008		73,536	
		134,453		145,756	
CREDITORS: Amounts falling due within one year	14	206,816		249,347	
NET CURRENT LIABILITIES			(72,363)		(103,591)
TOTAL ASSETS LESS CURRENT LIABILITIES			39,669,620		21,662,405
CAPITAL AND RESERVES					
Called-up equity share capital	17		41,968,943		23,890,045
Share premium account	18		1,724,550		1,724,550
Merger reserve	18		916,320		916,320
Other reserves	18		17,400		17,400
Profit and loss account	18		(4,957,593)		(4,885,910)
SHAREHOLDERS' FUNDS	19		39,669,620		21,662,405

These financial statements were approved by the directors and authorised for issue on, and are signed on their behalf by:

.....
Anthony G Liston

The notes on pages 16 to 25 form part of these financial statements.

EZYBONDS (UK) PLC

BALANCE SHEET

30 JUNE 2010

	Note	2010		2009	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		–		–
Investments	12		38,921,773		20,842,875
			<u>38,921,773</u>		<u>20,842,875</u>
CURRENT ASSETS					
Debtors	13	30,241		14,042	
Cash at bank		<u>2,204</u>		<u>2,195</u>	
		32,445		16,237	
CREDITORS: Amounts falling due within one year	14	<u>86,834</u>		<u>112,797</u>	
NET CURRENT LIABILITIES			(54,389)		(96,560)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>38,867,384</u>		<u>20,746,315</u>
CAPITAL AND RESERVES					
Called-up equity share capital	17		41,968,943		23,890,045
Share premium account	18		1,724,550		1,724,550
Other reserves	18		17,400		17,400
Profit and loss account	18		<u>(4,843,509)</u>		<u>(4,885,680)</u>
SHAREHOLDERS' FUNDS			<u>38,867,384</u>		<u>20,746,315</u>

These financial statements were approved by the directors and authorised for issue on, and are signed on their behalf by:

.....
Anthony G Liston

Company Registration Number: 2359322

The notes on pages 16 to 25 form part of these financial statements.

EZYBONDS (UK) PLC

GROUP CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2010

	2010		2009
	£	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(42,839)		(35,074)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	-		-
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	-		-
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(689)		-
CASH OUTFLOW BEFORE FINANCING	(43,528)		(35,074)
FINANCING			
Issue of equity share capital	-	133,089	
Discount on purchase of own equity shares	-	17,400	
BOT asset purchase	-	(44,368)	
NET CASH INFLOW FROM FINANCING	-		106,121
(DECREASE)/INCREASE IN CASH	(43,528)		71,047
RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES			
	2010		2009
	£		£
Operating loss	(71,683)		(67,741)
Depreciation	103,600		37,602
Increase in debtors	(32,225)		(51,596)
(Decrease)/increase in creditors	(42,531)		46,661
Net cash outflow from operating activities	(42,839)		(35,074)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
	2010		2009
	£		£
(Decrease)/Increase in cash in the period	(43,528)		71,047
Movement in net funds in the period	(43,528)		71,047
Net funds at 1 July 2009	73,536		2,489
Net funds at 30 June 2010	30,008		73,536
ANALYSIS OF CHANGES IN NET FUNDS			
	At		At
	1 Jul 2009	Cash flows	30 Jun 2010
	£	£	£
Net cash:			
Cash in hand and at bank	73,536	(43,528)	30,008
Net funds	73,536	(43,528)	30,008

The notes on pages 16 to 25 form part of these financial statements.

EZYBONDS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

1. BASIS OF PREPARING THE FINANCIAL STATEMENTS

The group incurred a loss of £71,683 in the year ended 30 June 2010.

The group's future income will be derived from the licence agreements secured by Ezypromotions Limited with Ezybonds Inc. This agreement entitles Ezypromotions Limited to a 50% share of all revenue received by Ezybonds Inc (excluding revenue derived from funds held in the Bonus Pool Account).

Income is expected to be generated under these agreements during the year ended 30 June 2011 and the directors have prepared forecasts on this basis. The directors anticipate that, once income starts to be generated, the group will be profitable and will be cash generative.

During the prior Financial Year, the company purchased Beijing Ozland Technology Co Ltd (BOT). This is a fully owned subsidiary of Ezybonds (UK) Plc. BOT operates in Beijing China, and generates its income from two main streams, the sales of prepaid mobile phone Pins' and the provision of a point of sale network that is used by the Beijing transit Card.

In the meantime, the company is raising funds for the group via the issue of shares, and the directors are aware of several interested parties who they believe are willing to subscribe to sufficient share capital to enable the group to continue trading.

The commencement of the income streams and the issue of shares are not certain, although, based on their current knowledge, the directors are confident that forecast results and cash flows for the next 12 months will be achieved. Consequently, the accounts have been prepared on the going concern basis.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements comprise the financial statements for Ezybonds (UK) PLC and its subsidiary undertakings Ezymarketing Limited, Ezypromotions Limited and Beijing Ozland Technology Co Limited. No profit and loss account is presented for Ezybonds (UK) PLC as permitted by Section 408 of the Companies Act 2006.

Turnover

The turnover shown within the profit and loss account represents income received in accordance with the license agreement between Ezybonds Inc, Ezymarketing Limited, Ezypromotions Limited and Beijing Ozland Technology Co Limited.

All income is stated net of VAT.

Goodwill

Goodwill arising from the purchase of subsidiary undertakings represents the excess of the fair value of the purchase consideration over the fair value of the net assets acquired.

The goodwill is capitalised as an intangible asset and amortised on a straight line basis from the time of acquisition over its useful economic life unless a permanent diminution in value occurs, in which case the goodwill is written down to the appropriate carrying value.

Negative goodwill arising from the purchase of subsidiary undertakings represents the excess of the fair value of the net assets acquired over the fair value of the purchase consideration.

Amortisation

Amortisation is calculated to write off the cost of goodwill over the period of its useful economic life as follows:-

Goodwill on acquisition of subsidiary undertakings	- 20 years straight line
Negative goodwill on acquisition of subsidiary undertakings	- 20 years straight line

No amortisation has been charged in the year because the business to which the goodwill and negative goodwill relates has not yet commenced trading activities.

Fixed asset investments

Fixed asset investments are included in the company's balance sheet at cost after provision for any permanent diminution in value. The company has taken advantage of Section 612 of the Companies Act 2006 and where consideration for purchase of a subsidiary undertaking includes the issue of shares, these have been included at nominal value.

EZYBONDS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

2. ACCOUNTING POLICIES (*continued*)

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	-	33 1/3% per annum
Point of sale terminals	-	20% per annum

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Company

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Group

For the purposes of preparing consolidated financial statements, the assets and liabilities of foreign subsidiary undertakings are translated at the exchange rates ruling at the balance sheet date. Profit and loss items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly in the year, in which case the exchange rates ruling at the dates of the transactions are used. Exchange differences arising are taken to the Group's foreign currency translation reserve. Such exchange differences are recognised in the profit and loss account in the year in which a foreign subsidiary undertaking is disposed of.

Goodwill and fair adjustments arising on the acquisition of a foreign subsidiary undertaking are treated as assets and liabilities of the foreign subsidiary and translated at the closing rate.

EZYBONDS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

2. ACCOUNTING POLICIES (*continued*)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss account when the investment is derecognised, or impaired, as well as through the amortisation process.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

Derivative financial instruments

The group does not use derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and currency fluctuation risk.

Segmental information

The group has an investment in Ezymarketing Limited, Ezypromotions Limited and Beijing Ozland Technology Co Limited. Ezypromotions Limited has the worldwide marketing and distribution rights for the Ezybonds intellectual property. Attaching to these rights is the right in perpetuity to 50% of all the revenue received by Ezybonds Inc (excluding revenue derived from funds held in the Bonus Pool Account). Beijing Ozland Technology Co Ltd has a number of contracts with Government agencies in Beijing, China. It earns its revenue through the sale of prepaid mobile phone PIN's and through the provision of a point of sale network.

EZYBONDS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

3. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2010 £	2009 £
Overseas	210,302	52,238

4. OPERATING LOSS

Operating loss is stated after charging:

	2010 £	2009 £
Depreciation of owned fixed assets	103,600	37,602
Net loss on foreign currency translation	3,546	-
Auditor's remuneration	10,999	4,000

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2010 No	2009 No
Administrative staff (including directors)	3	2

The aggregate payroll costs of the above were:

	2010 £	2009 £
Wages and salaries	44,891	15,908
Social security costs	10,960	4,447
	<u>55,851</u>	<u>20,355</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2010 £	2009 £
Remuneration receivable	8,475	3,091

EZYBONDS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

7. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2009 - 20%).

	2010 £	2009 £
Loss on ordinary activities before taxation	(71,683)	(67,741)
Loss on ordinary activities by rate of tax	(13,619)	(12,871)
Capital allowances for period in excess of depreciation	19,684	7,144
Unrelieved tax losses	(6,065)	5,727
Total current tax	-	-

Factors that may affect future tax charges

The group has excess management costs of £2,063,495 (2009 - £2,113,416) which are available for carry forward against future taxable profits of the parent company only.

No deferred tax asset has been recognised in respect of the above losses because their utilisation is not considered sufficiently certain.

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £42,171 (2009 – (£43,351)).

9. EARNINGS PER SHARE

The basic earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year.

The diluted earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year (after adjusting both figures for the effect of dilutive potential ordinary shares).

The calculation of basic and diluted earnings per ordinary share is based upon the following data:

Earnings

	2010 £	2009 £
Earnings for the purposes of basic earnings per share	(71,683)	(67,741)
Earnings for the purposes of diluted earnings per share	(71,683)	(67,741)

Number of shares

	2010 No	2009 No
Basic weighted average number of shares	240,649,959	138,659,042
Weighted average number of shares for the purposes of diluted earnings per share	240,649,959	138,659,042

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

A proposal to authorise the issue of a new warrant instrument constituting warrants to subscribe for 30,000,000 ordinary shares of 10p each in the company and exercisable on or before the 31st of July 2011 has, however, been made.

EZYBONDS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Negative goodwill £	Total £
COST			
At 1 July 2009	21,759,195	(443,848)	21,315,347
Additions	18,078,898	–	18,078,898
At 30 June 2010	<u>39,838,093</u>	<u>(443,848)</u>	<u>39,394,245</u>
AMORTISATION			
At 1 July 2009 and 30 June 2010	–	–	–
NET BOOK VALUE			
At 30 June 2010	<u>39,838,093</u>	<u>(443,848)</u>	<u>39,394,245</u>
At 30 June 2009	<u>21,759,195</u>	<u>(443,848)</u>	<u>21,315,347</u>

The positive goodwill above arises on the consolidation of Ezypromotions Limited into the group accounts. At the date of acquisition, Ezypromotions Limited has no identifiable assets or liabilities other than the worldwide marketing and distribution rights to the Intellectual Property of Ezybonds Inc. The entire fair value of the consideration of £39,838,093 has therefore been allocated to goodwill.

This consideration constituted cash paid of £1,000,000 and the fair value of non-cash consideration of £38,838,093. The non-cash consideration represents shares issued to Ezybonds Inc. and also an estimate of the fair value of shares still to be issued to Ezybonds Inc. in accordance with the purchase agreement (refer to note 17).

The goodwill arising on the acquisition was attributable primarily to the fact that Ezypromotions Limited has been granted a licence entitling it to 50% of the fees generated by the online payment gateway website currently being developed by a company known as Ezybonds Inc.

The website is expected to generate significant profits in the future and, as a result, Ezypromotions Limited is expected to be profitable once the income stream begins to be generated. The directors currently anticipate that profits will begin to be generated in the year ended 30 June 2011. However, there can be no certainty with regards to the level of income that might be generated and if the directors' projections are not fulfilled this will adversely affect the value of goodwill. The directors consider the future value of the income stream is at least the carrying value of the investment in Ezypromotions Ltd, and therefore no provision against the investment is necessary.

The negative goodwill above arises on the consolidation of Beijing Ozland Technology Co Limited into the group accounts. At the date of acquisition, 4 February 2009, Beijing Ozland Technology Co Limited has identifiable fair value assets of £443,849 and the consideration paid was £1.

The individual company has a deferred consideration creditor of £146,500 owed to its previous owners, which is recorded in their accounts. As this year is the year of acquisition, no impairment review is required in accordance with FRS 11 and the directors have yet to decide on the policy by which the credit will be released to the profit and loss account.

EZYBONDS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

11. TANGIBLE FIXED ASSETS

Group	Computer equipment £
COST	
At 1 July 2009	499,879
Additions	689
At 30 June 2010	<u>500,568</u>
DEPRECIATION	
At 1 July 2009	49,230
Charge for the year	103,600
At 30 June 2010	<u>152,830</u>
NET BOOK VALUE	
At 30 June 2010	<u>347,738</u>
At 30 June 2009	<u>450,649</u>
Company	Computer equipment £
COST	
At 1 July 2009 and 30 June 2010	<u>11,663</u>
DEPRECIATION	
At 1 July 2009 and 30 June 2010	<u>11,663</u>
NET BOOK VALUE	
At 30 June 2010	-
At 30 June 2009	-

12. INVESTMENTS

Company	Investment in subsidiary undertakings £
COST	
At 1 July 2009	21,291,375
Additions	18,078,898
At 30 June 2010	<u>39,370,273</u>
AMOUNTS WRITTEN OFF	
At 1 July 2009 and 30 June 2010	<u>448,500</u>
NET BOOK VALUE	
At 30 June 2010	<u>38,921,773</u>
At 30 June 2009	<u>20,842,875</u>

During the year ended 30 June 2006 the group acquired 100% of the share capital of Ezypromotions Limited, a company registered in the Cook Islands. During the year ended 30 June 2010, shares were issued as further purchase consideration in respect of this purchase agreement, making the total cost £38,921,773.

During the year ended 30 June 2009 the group acquired 100% of the share capital of Beijing Ozland Technology Co Limited, a company registered in Australia at a cost of £1.

The results and balance sheet assets and liabilities of Beijing Ozland Technology Co Limited have been consolidated within these financial statements.

EZYBONDS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

12. INVESTMENTS *(continued)*

Included within the investment brought forward, £448,500 relates to Ezymarketing Limited, a wholly owned subsidiary, which was acquired in December 2000 and is incorporated in Great Britain.

In light of the fact that Ezymarketing are no longer trading and have no immediate intentions to return to a trading position, full provision has been made against the asset.

		Location of Incorporation	Share Ownership	Profit / (Loss) £	Shareholder Reserves £
Ezymarketing Ltd	- 2010	England & Wales	100%	-	14,957
	- 2009			10,898	14,957
Ezypromotions Ltd	- 2010	Cook Islands	100%	-	20,102
	- 2009			-	20,102
Beijing Ozland Technology Ltd	- 2010	China	100%	(106,414)	336,575
	- 2009			(110,308)	442,989

13. DEBTORS

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Other debtors	104,445	72,220	30,241	14,042

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	200,066	242,597	80,084	106,047
Accruals and deferred income	6,750	6,750	6,750	6,750
	<u>206,816</u>	<u>249,347</u>	<u>86,834</u>	<u>112,797</u>

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise cash, liquid resources and various items, such as debtors and creditors that arise directly from its operations. It is, and has been throughout the year of review, the Group's policy that financial derivatives shall not be used. As a result, the Group has not used interest rate hedges and currency swaps during the year.

The main risk arising from the Group's financial instruments is interest rate risk. The Group monitors its interest rate risk primarily through monthly cash flow forecasting.

Short term and debtors and creditors

Short term debtors and creditors have been excluded from the following disclosures.

Interest rate risk

The Group finances its operations through shareholder equity and working capital. Throughout the year the Group's exposure to interest rate fluctuations was on its cash deposits which are held at variable rates of interest.

Foreign currency risk

The Group enters into certain transactions in Euros, US dollars, Australian Dollars, and Chinese RMB. The risk of currency fluctuations was not considered sufficiently significant to take specific steps to mitigate the risk.

Interest rate risk profile of financial assets and liabilities

The interest rate profile of the Group's financial assets and liabilities were:

	Financial Assets/(Liabilities)	
	2010	2009
	£	£
Financial assets		
Sterling cash balances and Chinese RMB	30,008	73,536

Fair value of financial instruments

The Group's financial instruments, which comprise cash and short-term deposits, are carried at cost, which is also considered to be equivalent to their fair value.

EZYBONDS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

16. RELATED PARTY TRANSACTIONS

During the year the following payments were due in respect of consultancy services provided and other reimbursed associated expenses.

Payment to	Director concerned	2010 £	2009 £
JR Henry Plc	Mr SS McShane	8,475	3,091

At 30 June 2010 there was an amount of £nil (2009 - £3,484) owed from affiliated companies of Ezybonds Inc..

17. SHARE CAPITAL

Allotted, called up and fully paid:

	2010		2009	
	No	£	No	£
Ordinary shares of £0.10 each	295,307,493	29,530,749	170,307,493	17,030,749
Shares still to be issued in respect of purchase consideration for subsidiary undertakings of £0.10 each	124,381,941	12,438,194	68,592,965	6,859,296
	<u>419,689,434</u>	<u>41,968,943</u>	<u>238,900,458</u>	<u>23,890,045</u>

The shares to be issued above, refer to additional shares expected to be issued in accordance with the original purchase agreement for Ezypromotions Limited.

This agreement requires sufficient shares to be issued as to provide Ezybonds Inc with 29.9% of the company's issued share capital.

Share issues

During the period the company has issued 125,000,000 Ordinary shares of 10p each.

These issues were made up as follows:

(a) 125,000,000 Ordinary shares of 10p each, issued at 10p.

Included within the shares issued above are 125,000,000 Ordinary shares of 10p each, which have been issued as additional consideration in accordance with the purchase agreement to acquire Ezypromotions Limited.

All other share issues have been undertaken in the normal course of business.

Share options and warrants

At 30 June 2010 the following share options and warrants were in issue:

(a) 600,000 (2009 - 600,000) outstanding share options issued under the Group's Unapproved Share Option Scheme, exercisable at 20p at any time before 31 May 2011.

(b) 100,668,508 (2009 - 100,669,508) outstanding share warrants exercisable at 10p at any time before 30 July 2011.

(c) 1,000,000 (2009 - 1,000,000) outstanding share warrants exercisable at 100p at any time before 30 September 2010.

Each of which permit the holder to subscribe for one Ordinary 10p share at the specified exercise prices and before the stated expiration dates.

EZYBONDS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2010

18. RESERVES

Group	Share premium account £	Other reserves £	Merger reserve £	Profit and loss account £
Balance brought forward	1,724,550	17,400	916,320	(4,885,910)
Loss for the year	–	–	–	(71,683)
Balance carried forward	<u>1,724,550</u>	<u>17,400</u>	<u>916,320</u>	<u>(4,957,593)</u>
Company	Share premium account £	Other reserves £	Profit and loss account £	
Balance brought forward		1,724,550	17,400	(4,885,680)
Profit for the year		–	–	42,171
Balance carried forward		<u>1,724,550</u>	<u>17,400</u>	<u>(4,843,509)</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Loss for the financial year	(71,683)	(67,741)
New ordinary share capital subscribed	18,078,898	9,240,699
Warrants issued	–	17,400
Net addition to shareholders' funds	<u>18,007,215</u>	<u>9,190,358</u>
Opening shareholders' funds	21,662,405	12,472,047
Closing shareholders' funds	<u>39,669,620</u>	<u>21,662,405</u>

20. CAPITAL COMMITMENTS

As at 30 June 2010 the company had no capital commitments (2009 - £nil).

21. CONTINGENT LIABILITIES

As at 30 June 2010 the company had no contingent liabilities (2009 - £nil).

22. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the year end, at a meeting of the warrant holders held on 5 July 2010 it was agreed to amend the expiry date of all 10p warrants from 30 July 2010 to be exercisable at any time before 30 July 2011.

23. ULTIMATE CONTROLLING ENTITY

The ultimate controlling entity cannot be determined as no one party has sufficient interest in the group's share capital to be able to control the actions of the group.

EZYBONDS (UK) PLC

MANAGEMENT INFORMATION

YEAR ENDED 30 JUNE 2010

The following page does not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 10 to 11.

EZYBONDS (UK) PLC

DETAILED GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2010

	2010		2009	
	£	£	£	£
TURNOVER				
License revenue received		210,302		52,238
COST OF SALES				
Direct costs		16,222		-
GROSS PROFIT		194,080		52,238
OVERHEADS				
Directors salaries	8,475		3,091	
Wages and salaries	47,376		17,264	
Office costs	15,735		9,615	
Travel and subsistence	17,279		2,410	
Telephone	4,773		1,956	
Sundry expenses	9,587		-	
Advertising, marketing consultancy and PR	8,669		(8,028)	
Legal and professional fees	2,004		38,336	
Consultancy fees and other associated costs	19,752		10,435	
Accountancy fees	10,030		3,013	
Auditors remuneration	10,999		4,000	
Depreciation of computer equipment	103,600		37,602	
Bank charges	3,977		285	
Foreign currency gains / losses	3,546		-	
		265,803		119,979
OPERATING LOSS		(71,723)		(67,741)
Bank interest receivable		40		-
LOSS ON ORDINARY ACTIVITIES		<u>(71,683)</u>		<u>(67,741)</u>

EZYBONDS (UK) PLC

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING

EZYBONDS (UK) PLC

(Registered in England and Wales under company number 2359322)

The Company Secretary
Ezybonds (UK) Plc
Heathrow Business Centre
65 High Street
Egham
Surrey
TW20 9EY
United Kingdom

Proxy Form

I/We

*.....

of

being a member of Ezybonds (UK) plc ("Company") appoint:

name **

.....

of

.....

failing whom, or if no person is named, the chairman of the meeting as my proxy to vote and act on my behalf at the Annual General Meeting of the Company to be held on Friday 24 December 2010 at 10.00 am at 519 Kiewa Street, Albury, New South Wales, Australia and any other day to which that meeting is adjourned or postponed. My/Our proxy is authorised to exercise *** all of my/our voting rights. I/We direct that my/our proxy vote in the following manner:

Agenda Item

	For	Against	Abstain
1.1 Adoption of audited accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2 Re-election of Mr AG Liston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3 Re-election of Mr P J Pryor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.4 Re-appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.1 Authority to issue shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2 Increase in authorised share capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.3 Authority to issue new warrants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.4 Waiver of pre-emption rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

****Executed by the member

Signature(s):

Name:

Capacity (eg
director, attorney,
or joint holder):

Date:

EZYBONDS (UK) PLC

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING

Explanatory notes

- * Insert name(s) of member, as it appears in the register of members.
- ** Insert name and address of proxy. The proxy need not be a member, but must be a natural person. A proxy may be appointed by reference to an office held by the proxy (eg "the Company Secretary").
- *** A member is entitled to appoint up to two proxies to attend and vote at the meeting. A separate form must be used for each proxy. You can obtain an additional form from the Company at the address shown below (or by photocopying this form). You may appoint each proxy to represent a specified proportion or number of your voting rights. To do this, delete the word "all" and specify the proportion or number of your votes the proxy is to exercise. If you do not specify a proportion or number, each proxy may exercise half of your votes.
- **** All joint holders of shares must sign this form. If the form is signed by a member's attorney, the power of attorney or a certified copy of it must be lodged with the proxy form. If a member that is a corporation appoints a proxy, the member must execute in accordance with its constitution (if any) and the law of the place of its incorporation.

To be effective, a duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at its registered office not less than 48 hours before the time for commencement of the meeting. Please send by post to Heathrow Business Centre, 65 High Street, Egham, Surrey, London, United Kingdom TW20 9EY or by facsimile to +44 (0) 871 666 0639.

19 March 2012

Mr Carl Gerrard
Deloitte Analytics | Forensic & Dispute Services
25/123 Eagle Street
Brisbane QLD 4000

Dear Sir,

RE: ENGAGEMENT LETTER

Purpose

The purpose of this letter is to engage Deloitte to undertake a review of certain aspects of the operation of the Brisbane Greyhound Racing Club.

Background

The Brisbane Greyhound Racing Club is an incorporated association with its office at the Albion Park Raceway at Breakfast Creek. The Club is licensed by Racing Queensland Limited (RQL) and it conducts TAB race meetings four times a week.

The president of the Club is Mr Michael Byrne QC while the Vice Presidents are Peter Smith and Dale Cartwright. Mr Robert Lambert is the Treasurer of the club and Mr Luke Gatehouse is the Chief Executive Officer.

On 13 March 2012, Luke Gatehouse, CEO of the Club advised that a member of his staff (Janet Flowers) has been charged that day with stealing as a servant and falsifying records after the CEO discovered irregularities in the books of account of the club at that stage it was thought that around \$200,000 may have been misappropriated over a six month period. Apparently the CEO had concerns about the accounts, confronted the woman and then accompanied her to the police station where she was charged and required to appear in court in 6 weeks.

On the same day the CEO met with the club's auditor to commence a review on the extent of the fraud on Friday. The CEO was required to report back as soon as he has a clearer indication of the issue from his auditor.

On 16 March 2012, the CEO advised that the auditor had finished working through the MYOB records of the club and was about to start going through the physical tote records to see if they matched up with the MYOB records. By that time, the CEO believed that the total amount missing was around \$291, 000 of which between

\$190,000 and \$214,000 is believed to have been taken during the 2011/2012 financial year with the remainder during the 2012/2013 financial year.

A further report was made by the CEO on 19 March 2012. That report and relevant attachments is annexed. Effectively, the CEO advises that the unaccounted for money in 2010/2011 is \$80,492 and in 2011/2012 is \$304,341 – a total of \$384,833. Of concern is the fact that another staff member (Ms Sharon Darlington, the mother of Ms Flowers), has been required to take two weeks annual leave while the club undertakes further investigations given Ms Darlington's involvement in handling and recording cash. The auditor is due to provide a more detailed interim report by 23 March 2012.

At this stage it is fair to say that the full extent of the fraud/misappropriation (by dollar amount) has not yet been confirmed. Moreover, and of equal concern, is the fact that the method of deception is not entirely clear although that is likely to be clearer when the club's auditor makes her interim report later this week.

There are a number of concerns arising from what we currently know:

- The amount thought to have been misappropriated is a significant amount taking into account the size of the club and their trading history and it is not unreasonable to believe that this loss may have some impact upon their future viability. In terms of the size of the operation, in the 2010/2011 year, the club reported a profit from normal operating activities of \$20,443 on the basis of operating income of \$7.419m and expenses of \$7.399m. The income is made up in large part by RQL grants of \$6.602m. Cash as at 30 June 2011 was stated to be \$199,477;
- Given the significance of the amount taken in a small operation like this club, there is a serious concern about the internal financial systems and controls that could allow this to occur and be undetected for so long;
- Any issue such as this is likely to affect the reputation not only of the club, but of the industry generally.

Given the foregoing, RQL is concerned to ensure that it understands the full extent of any misconduct that has occurred in respect of the club's financial arrangements and that the systems and controls in place at the club are suitable and effective to mitigate the risk of fraud occurring.

Terms of Reference

Accordingly, Deloitte is appointed to:

- Determine and report on the extent of the fraud and misappropriation that has recently been identified within the Brisbane Greyhound Racing Club;
- Ascertain whether there is any chance of recovery of funds from those that may be responsible;

- Review the effectiveness of the current financial systems and controls and any fraud prevention measures to ensure they are sufficient given the nature, size and scale of the operation of the club and where applicable make recommendations for change;
- Review and report on relevant race club compliance with relevant RQL policies;
- Confirm that there are no implications in terms of financial loss for the Albion Park Harness Racing Club which operates from the same venue and for whom Greyhound Club runs the tote operations; and
- Make recommendations about improvements to the systems in place within the club to prevent any possible reoccurrence of an issue such as this.

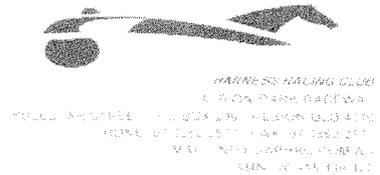
Yours faithfully,

A.J.Orchard
Director of Integrity Operations

Enclosed:

1. Initial report by CEO Brisbane Greyhound Racing Club
2. Brisbane Greyhound Racing Club Annual Report 2011/2012

Mr Paul Brennan
Director – Product Development
Racing Queensland Limited
PO Box 63
DEAGON QLD 4017
19 March 2012



Dear Paul,

I refer to your letter dated 1 March 2012 re Sky Channel and Broadcast costs and ask that you urgently provide:

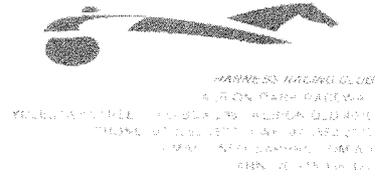
1. copies of:
 - (a) the agreement between Racing Queensland and our club pursuant to which we have agreed to bear such fees; and
 - (b) the 'credit terms' referred to in your letter (along with a copy of our club's acceptance of those terms);
2. a written explanation:
 - (a) for why you say that the Service Level Agreement was '*superseded by the Club license agreement ... [of] 1 July 2011*' despite the fact that:
 - (i) on 7 October 2011 Adam Carter confirmed that a Service Level Agreement was being prepared and he was to advise us further regarding that 'shortly'; and
 - (ii) we wrote to Melinda Hodge on 14 October 2011 and set out our numerous issues with the draft Club License Agreement (and sought a further draft as soon as possible), to which Racing Queensland has never responded;
 - (b) for why Racing Queensland only sought to unilaterally impose these fees within days of it becoming apparent that our club was to join in the litigation to ensure the long term future of Albion Park (in which regard we expressly reserve our club's rights in respect of what we perceive to be an attempted abuse of power by Racing Queensland);
 - (c) of the method used to determine that the fees are appropriate in the nominated amounts; and
 - (d) the consideration given by Racing Queensland to the fact that our club's ability to generate revenue from 4 of the 6 sources identified in your letter (ie all those aside from the Sky agreements) have been severely adversely affected by Racing Queensland's failure to construct the grandstand as promised prior to the amalgamation.

We will provide our formal response to Racing Queensland's demands within 21 days of receiving Racing Queensland's responses to the above requested information. In the meantime, we note that any attempt by Racing Queensland to take any action against our club in reliance upon these 'fees' will be strenuously defended and we will rely upon this correspondence in doing so.

Yours sincerely

Nathan Hand
General Manager

Mr Paul Brennan
Director – Product Development
Racing Queensland Limited
PO Box 63
DEAGON QLD 4017
19 March 2012



Dear Paul,

I refer to your letter dated 1 March 2012 re Sky Channel and Broadcast costs and ask that you urgently provide:

1. copies of:
 - (a) the agreement between Racing Queensland and our club pursuant to which we have agreed to bear such fees; and
 - (b) the 'credit terms' referred to in your letter (along with a copy of our club's acceptance of those terms);
2. a written explanation:
 - (a) for why you say that the Service Level Agreement was '*superseded by the Club license agreement ... [of] 1 July 2011*' despite the fact that:
 - (i) on 7 October 2011 Adam Carter confirmed that a Service Level Agreement was being prepared and he was to advise us further regarding that 'shortly'; and
 - (ii) we wrote to Melinda Hodge on 14 October 2011 and set out our numerous issues with the draft Club License Agreement (and sought a further draft as soon as possible), to which Racing Queensland has never responded;
 - (b) for why Racing Queensland only sought to unilaterally impose these fees within days of it becoming apparent that our club was to join in the litigation to ensure the long term future of Albion Park (in which regard we expressly reserve our club's rights in respect of what we perceive to be an attempted abuse of power by Racing Queensland);
 - (c) of the method used to determine that the fees are appropriate in the nominated amounts; and
 - (d) the consideration given by Racing Queensland to the fact that our club's ability to generate revenue from 4 of the 6 sources identified in your letter (ie all those aside from the Sky agreements) have been severely adversely affected by Racing Queensland's failure to construct the grandstand as promised prior to the amalgamation.

We will provide our formal response to Racing Queensland's demands within 21 days of receiving Racing Queensland's responses to the above requested information. In the meantime, we note that any attempt by Racing Queensland to take any action against our club in reliance upon these 'fees' will be strenuously defended and we will rely upon this correspondence in doing so.

Yours sincerely

Nathan Hand
General Manager





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 – Chief Financial Officer**
 Ron Mathofer – Business Analyst
 Damian Wright – BDO representative 2:40pm to 4:00pm
 Sam Johnson – BDO representative 2:40pm to 4:00pm

Apologies: **Malcolm Tuttle – Chief Executive Officer**

Minutes: **Ali Wade**

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 14th October 2011.
- 2.2. There was no foreseeable reason that the bookmaker debt of \$438,395 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 of 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 of 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

AUDIT PAPER NUMBER: 2
Compliance – Management Certification

PURPOSE: To present the RQL Compliance Schedule to the Audit, Finance and Risk Committee (AFRC) as at 29 February 2012.

BACKGROUND AND ISSUES:

As recommended at the AFRC meeting 10 October 2011 a schedule for RQL statutory obligations has been compiled to be tabled meetings as a standing agenda item.

Given the significance and subsequent monetary value the Industry Infrastructure Plan reporting requirements and associated status has been included to be tabled to the AFRC in addition to the original scope.

FINANCIAL IMPACT:

Penalties for non-compliance.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

To communicate to all staff on the importance of compliance with Statutory Compliance.

DECISION REQUIRED:

- RQL Audit, Finance and Risk Committee to NOTE the compliance schedule as at 29 February 2012



ADAM CARTER
Chief Financial Officer

Reporting Requirement	Reporting Cycle	Responsibility	Submission	Submission period
PAYG Tax	Monthly	Finance	Compliant	Feb-12
Payroll Tax	Monthly	Finance	Compliant	Feb-12
Superannuation	Monthly	Finance	Compliant	Feb-12
Workplace Health and Safety	Tabled at monthly Board Meetings	Legal / Executive	Compliant	Feb-12
Legal Actions	Tabled at monthly Board Meetings	Legal Compliance	Compliant	Feb-12
Business Activity Statement	Monthly / Quarterly	Finance	Compliant	Feb-12
Income Tax Return	Annual	Finance	Compliant	Feb-12
Australian Bureau of Statistics Surveys	Quarterly / Annual	Finance		Apr-12
Fringe benefits Tax	Annual	Finance	Commenced	May-12
Workcover	Annual	Finance		Aug-12
Insurance renewal	Annual	Finance	Commenced	May-12
ASIC Form 388 return	Annual	Finance		Sep-12
Racing Act 2002 - Business Plan	Annual	Executive		Jul-12
Racing Act 2002 - Eligible Corporation	Annual	Legal Compliance		Jul-12
Racing Act 2002 - Audit Plan	Annual	Finance		Dec-12
Internal and External audit Issues	Quarterly	Finance	Commenced	Mar-12

- ① Clubs compliant
- ② sign
- ③ ATO portal.

Reporting to Government

Synthetic Track Funding	Quarterly	Finance	Commenced	Mar-12
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Infrastructure Plan - approved

Mackay	Quarterly	IPL/Finance	Compliant	12-Dec
Cairns	Quarterly	IPL/Finance	Commenced	Mar-12
Gold Coast	Quarterly	IPL/Finance	Commenced	Mar-12
Beaudesert	Quarterly	IPL/Finance	Commenced	Mar-12
Logan	Quarterly	IPL/Finance	Commenced	Mar-12
Rockhampton	Quarterly	IPL/Finance	Commenced	Mar-12
Ipswich	Quarterly	IPL/Finance	Commenced	Mar-12

Completed By: Management Accountant Sharon Drew

Reviewed By: Chief Financial Officer Adam Carter

① What is the HARNESS DEBT ?

Clean up dr/cr

② Greyhound debt clean up.

**AUDIT PAPER NUMBER 3:
Status of Debts Owed and Provision for Bad Debt**

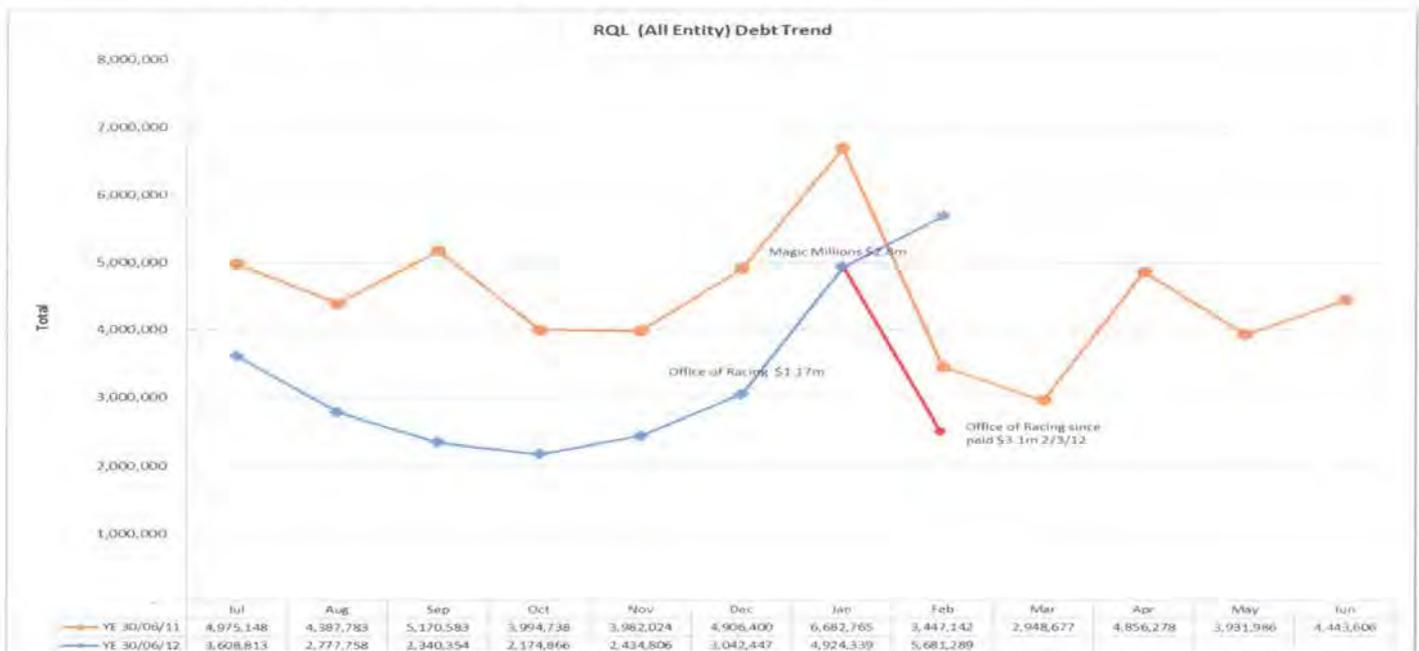
PURPOSE:

To update the Audit Committee of RQL's debt owed as at 29 February 2012.

BACKGROUND AND ISSUES:

RQL continues to adhere to the current debt collection process as per the RQL credit policy.

Section 1: Debt Position and Trends



Taking into account the payment received by the Office of Racing for \$3.1M on 2 March 2012, RQL has reduced the month end debt position by 24% compared to February 2011.

CARDS GONE WORKING ON THE CLUBS

Overall Aged Debt Position as at 29 February 2012

	Total	0-30 Days	31-60 Days	61-90 Days	91-120 Days	> 210 Days
Greyhounds	13,100.27	8,738.23	66.04	10.00	-	4,286.00
Harness	87,154.14	49,758.76	100.00	945.00	-	36,350.38
Miscellaneous	3,901,444.78	3,874,471.77	4,378.52	5,006.24	4,678.16	12,910.09
Trainers	515,518.84	399,025.69	20,419.28	15,400.47	25,081.32	55,592.08
Stablehand/Other	3,515.50	1,280.50	37.50	-	-	2,197.50
Racefields	669,947.69	234,021.92	18,405.93	14,423.74	1,042.73	438,865.23
Jockey	29,273.29	21,741.91	2,006.00	767.50	871.08	3,886.80
Owners/Horses	23,182.80	16,198.55	-	1,183.00	-	5,801.25
Clubs	437,085.34	363,979.32	10,112.96	24,650.54	1,398.70	36,943.82
Bookmakers	1,066.10	1,066.10	-	-	-	-
Racing Queensland Limited	5,681,288.75	4,970,282.75	18,714.37	62,386.49	33,071.99	596,833.15
% of Ageing	100%	87%	0%	1%	1%	11%

KPI for 30 June 2012

Debt outside of credit terms and more than 90 days	<\$100K
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Significant items:

1. Trainers

- a. A third of the Trainer >210 day category is attributed to trainer Lyle Plumb of \$18K for the recovery of CHAPS funding, payment terms have since been agreed upon to recover this amount.
- b. Anthony Malseed has been identified as a risk with debt of \$45,000 on account. RQL is working with Mr Malseed to recover this debt due ongoing stable rent as per the lease agreement.
- c. Darryl Hansen has been identified as a risk with debt of \$71,000 on account. RQL is working with Mr Hansen to recover this debt which is attributed mainly to ongoing stable rent as per the lease agreement, recovery of Prizemoney and subsequent fine from disqualification.

2. Race Information Fees

- a. The Race Information Fees >210 day category for \$436,730 is attributed to the 3 outstanding on-course bookmakers to 29 February 2012 (Hayden, Gallagher and Flynn). These amounts have been referred to legal for further action. Waiting on mediation which will be in May/June and to be resolved by the final audit by BDO in August 2012. Total amount due as at 29 February 2012 which includes current calculation and authority:

Hayden	309,841
Gallagher	82,475
Karangis	44,414
Total	436,730

- b. All other significant tote and corporate operators are paying within the agreed time frame of 10 days after month end.

3. Year end KPI

With the exclusion of bookmakers that are currently undergoing legal action at \$436,730 and outstanding trainers totalling \$130,000 where arrangements for recovery are being finalised, RQL is on target to reach the KPI of <\$100 for debtors outside 90 days by year end.

① m. Kennedy / Carol Darrot

>90 days 29 Feb 12	629,905
Less Bookmakers	436,730 ✓
Trainers	130,000 ✓
Target	63,175

4. Provision for Bad Debt

Given the current negotiations and proceedings to recover significant amounts RQL will provide a recommendation for provision for bad debt at the next AFRC meeting.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

DECISION REQUIRED:

- 1. The Audit Committee to NOTE the status of debt as at 29 February 2012.



ADAM CARTER
Chief Financial Officer

Actioning Officer: Ali Wade



CREDIT POLICY

Owner

Chief Financial Officer

Stakeholders

Organisation Wide

Revision History

<i>Version</i>	<i>Date</i>	<i>Description of Change</i>
1.01	6 May 2010	First Draft
1.02	21 June 2010	Harness Comments, review AC
1.03	21 June 2010	Greyhounds feedback
1.04	22 June 2010	Review and Race Fields amendments AW - Review AC
1.04	22 June 2010	Review S Murray and review AC – Final to Board
1.05	1 July 2010	Approved by RQL Board



CREDIT POLICY:

RQL

Introduction

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

This policy has been prepared to provide guidelines to officers of RQL in relation to the management of debtors. Debtors for the purpose of this policy include any person/body that incurs a debt to RQL or any of its authorised Racing Clubs.

Policy

This policy sets out industry policy on the standards expected of licence holders, owners, and race club officials responsible for the payment of amounts owed to RQL. It also addresses the manner in which RQL will enforce these standards.

The desired outcome is the timely payment of outstanding amounts owed to RQL.

The specific objectives of this policy are to:

- Establish credit terms in relation to the payment of amounts owing to RQL.
- Establish a standard protocol for the recovery of outstanding amounts to ensure a consistent approach to debt collection.
- Authorise RQL to place persons on the Nomination Exclusion List. Specifically to prevent Licensed Thoroughbred Trainers with monies that remain outstanding for a period longer than eight weeks after the invoice date from nominating or accepting for any race conducted in Queensland.
- Authorise RQL to place persons on the Forfeit List. The Forfeit List is a list that is maintained by RQL under:

Thoroughbred

- Governed by Australian Rules (**AR**) of Racing 75.
- Whilst an individual is on the Forfeit List they are subject to the same disabilities and penalties as are declared by AR182 to apply to persons who are disqualified.
- Harness**
 - Governed by Australian Harness Racing Rules – Rule 291 – 296.

- Whilst an individual is on the Forfeit List they are subject to the same disabilities and penalties as are declared by Australian Harness Racing Rule 259 to apply to persons who are disqualified.
- **Greyhounds**
 - Governed by Rules of Greyhound racing of Queensland Incorporating Greyhounds Australasia Rules and Queensland Local Rules – Rule 96 – 98.
 - Unless determined otherwise by the governing authority disqualified or suspended individuals are subject to the same disabilities and penalties as declared by LR26 (QLD).
- Authorise RQL to pursue and recover funds from clients classed as a 'Licensed Wagering Operator'.
 - Governed by the *Racing Act 2002 (Qld)* (**Act**) and regulations, race information legislation.
 - Please refer to the *Act as amended Ch3 part 6 (Racing Amendment Act 2008 (Qld)) and Racing Amendment Regulation (No 1) 2009.*

Credit Terms

The approved credit terms for all clients that are classed as a 'debtor' are strictly **one calendar month or 30 days from the date of the invoice which includes Harness and Greyhounds stakeholders.**

The approved credit terms for all clients which are classed as a 'licensed thoroughbred trainer' are **two calendar months or 60 days from the date of the invoice.**

The approved credit terms for all clients which are classed as a 'Licensed Wagering Operator' are payable by the **21st day of the month following the month** to which the Race Information Fee relates.

Exception to the terms:

- In accordance with the direction from the Chief Steward and/or Director of Integrity Operations in relation to fines and other penalties.
- On approval of application for extended payment terms by the appropriate delegate (Departmental Manager, Accountant – for Centralised Prizemoney System invoicing)

In order to ensure that 'Debtors' and 'Trainers' are aware of these terms the following measures should be implemented:

- Acceptance and copy of RQL's credit terms to be included within licensing renewal applications.
- If an extension is granted by the appropriate delegate these terms should also be clearly detailed on the relevant paperwork.
- An education program that is facilitated via the RQL Website and the RQL Magazine should regularly remind 'debtors' about our credit terms.

Disputed Invoices

When an invoice amount is disputed by the debtor, a request for further information is forwarded to the department, which requested the invoice to be raised. If it transpires that an invoicing error was made, then a credit note is raised and a second invoice or adjustment note is issued if required.

Invoice Cancellation

Invoices may only be cancelled before they have been issued to the debtor. Once an invoice has been dispatched it may only be amended by a credit or adjustment note.

Credit/Adjustment Notes

A Credit/Adjustment Note may be raised with if the supply of goods or services was incomplete, or for example, if the invoice unit pricing was incorrect. Credit notes require the approval of an appropriately delegated officer within RQL which authorised the invoice to be raised. A Credit Note Request form must be completed and forwarded to the Accountant – Receivables together with all relevant supporting documentation, such as:

- a record of the return of goods or services;
- a record of a reduction in the value of an invoice raised and the reason; and
- a record of foreign currency conversion differences.

Referral to Debt Collection Agency

Debt is to be referred to a debt collection agency only once RQL's recovery process has been exhausted and the debt remains outstanding. Once the debt has been referred to the credit agency, RQL accepts that commission will be deducted on any referred debt that is recovered. This will be partly offset by the reduction in time and overheads associated with continued in house debt recovery.

Exception:

For clients that are authorised to use Queensland Race Information, recovery of debt could result in:

- removal of the Wagering Operators authority
- cease of supply of Queensland race information
- civil action, and
- notifying the Office of Racing of failure to comply with the authority issued.

Debts that are Non Recoverable

The decision to recommend the write off of a bad debt is made by the Chief Financial Officer, only under the following conditions:

- The non recovery has been authorised by an Act (e.g. Bankruptcy Act); or
- The Chief Financial Officer is satisfied that the debt is not legally recoverable; or
- The Chief Financial Officer considers that it is not economical to pursue recovery of the debt.

When the recovery of a debt would leave RQL financially worse off than it would have been had recovery not been undertaken, then the debt could be regarded as uneconomical to pursue and the debt could be recommended for write off.

Approval of Write Off of Bad Debts

The Chief Financial Officer may recommend that an invoice is written-off if debt recovery action has failed and the debt is considered highly unlikely to be recovered. In such cases Finance will advise the department or cost centre originating the invoice.

The delegated authorities for write-offs, as set below, are:

Delegate	Financial Limit (per event)
Finance and Business Manager	Up to \$1,000 (not transferable)
Chief Financial Officer	Up to \$2,500 (not transferable)
CEO	Up to \$5,000 (not transferable)
Audit Committee	Over \$5,000

Proposed write-offs are compiled and reviewed by the Chief Financial Officer. The Audit Committee is then requested to recommend to the Board that the proposed write-offs be approved. Write-off transactions are processed only following Audit Committee/Board approval, for debts over to \$2,000 per event. All bad debts are written back against the originating cost centre to cancel the original income entry. Should the amount later be recovered, the payment is allocated to the original invoice and the income adjusted to the Miscellaneous Income Account.

If a debt that was initiated by a Department/Cost Centre is written off, the amount is charged to that Department's/Cost Centre's account as bad debt expenses.

After a debt has been written off, consideration must be given to whether or not further provision of credit will be granted and whether the debt should be listed on the Forfeit List. This listing will remain on the debtors credit file for a period of five years and may affect their future credit applications anywhere in Australia.

Solicitor Fees

Fees paid by RQL to the Solicitor for debt recovery work (e.g. issuing letters of demand) will be charged to the Finance operating account.

Following consultation with the relevant Department, if legal proceedings are commenced, then all further legal costs will be charged to the nominated account specified on the invoice request form.

In circumstances where full recovery (including reimbursement of legal costs) has been received, the reimbursement of legal costs will be credited in the nominated account.

Payment by Debtor

Any invoice payment sent by a debtor to a Department or RQL is to be immediately forwarded to Finance for processing. The relevant Officer must ensure that the invoice number to which the payment relates is clearly identified.

Refund of an Overpayment

Where invoices have been overpaid, a refund (including any applicable GST) is to be processed promptly.

Minor credit accounts (e.g. less than \$20) are not normally refunded unless requested by a client. The refund of these amounts is uneconomical.

Larger credit accounts are referred to the Department concerned to ascertain whether the client in question is likely to receive further services from the RQL. If so the overpayment maybe offset against further charges, otherwise a refund will be issued.

If a refund cannot be made to a client for any reason, then application is to be made to the Chief Financial Officer to transfer the credit amount to central RQL funds.

Dishonoured Cheques

When a cheque has been applied against a debtor's invoice in the RQL Financial System and this is subsequently dishonoured by the bank, the allocation of the payment is reversed to re-establish the debt and a dishonour fee is charged to the debtor. Notification is sent to the debtor and if required recovery action on the outstanding debt then recommences.

Roles and Responsibilities

The Chief Financial Officer is responsible for:

- Establishing procedural guidelines for RQL for the management of debts owing to RQL.
- Establishing a credible system for the collection of outstanding amounts
- Establishing and maintaining record-keeping procedures that protect confidentiality of information and protect the privacy of individuals concerned
- Monitoring the implementation and adherence of this policy
- Promoting awareness among industry participants of their financial obligations to RQL and to other industry stakeholders
- Compilation of end of year Provision for Bad and Doubtful Debts.

RQL Finance Department is responsible for:

Thoroughbred Licensed Trainers:

- The maintenance of the Nomination Exclusion List – including all tasks relating to its compilation – for all trainers that have debts owing eight weeks after the invoice date.
- Trainers should be issued reminder letters for debts that remain unpaid eight weeks after the invoice date to be followed by a phone call for debt that remains unpaid at nine weeks.
- For debts that remain outstanding for a period of more than ten weeks after the invoice date, second overdue letter issued notifying trainer of debt and referral to the nominated debt collection agency if the matter is not resolved within seven days.
- For debt that remains outstanding for a period of more than eleven weeks debt to be referred to the nominated debt collection agency.
- Once debt has been referred back to RQL from the debt collection agency as irrecoverable debt is to be detailed to Director of Integrity Operations for recommendation of inclusion of the Forfeit List. The maintenance of the Forfeit List is the responsibility of the Senior Finance Officer who must have all inclusions authorised by the Director of Integrity Operations. All further decisions and actions relating to the Forfeit List including enforcement of AR182 is the responsibility of the Director of Integrity Operations and its stewards. A letter notifying the trainer of inclusion on Forfeits list is issued. Debt is to be recommended to the appropriate delegate for write off as non-recoverable.
- In addition to the letters that are issued as detailed above, in the second week of each month a statement of account will be forwarded to all trainers.

Greyhound Licensed Trainers:

The control body is responsible for maintaining a List of Defaulters.

“**Defaulter**” means a person, declared by the Controlling Body or an authorised person to be a defaulter, who is in default in respect to the payment of any money payable to the Controlling Body or a club, including any prize monies directed to be returned to the relevant Controlling Body or club.

Clubs:

- Debtors other than trainers should be issued 1st overdue reminder letters for debts that remain unpaid six weeks after the invoice date.
- For debts that remain outstanding for a period of more than eight weeks after the invoice date, any amounts due to the Club is to be offset from the outstanding amounts.
- For debt that remains outstanding for a period of more than eleven weeks:
 - Debt to be referred to Director of Product Development
 - Second overdue letter sent
- Recommendation sent to Director of Product Development requesting review of allocation of race dates and authorisation for debt to be outsourced to debt collection agency.

All other debtors (excluding Thoroughbred Licensed Trainers, Clubs and Licensed Wagering Operators):

- Debtors other than trainers should be issued reminder letters for debts that remain unpaid six weeks after the invoice date.
- For debts that remain outstanding for a period of more than eight weeks after the invoice date, second overdue letter issued notifying trainer of debt and referral to the nominated debt collection agency if the matter is not resolved within seven days.
- For debt that remains outstanding for a period of more than eleven weeks debt to be referred to the nominated debt collection agency.
- Once debt has been referred back to RQL from the debt collection agency as irrecoverable debt is to be detailed to Director of Integrity Operations for recommendation of inclusion of the Forfeit List. The maintenance of the Forfeit List is the responsibility of the Senior Finance Officer who must have all inclusions authorised by the Director of Integrity Operations or Chief Steward. All further decisions and actions relating to the Forfeit List including enforcement of rule:
 - Thoroughbreds - AR182
 - Harness – Australian Harness Racing Rule 259
 - Greyhounds – GR 96 - GR103is the responsibility of the Director of Integrity Operations and its stewards. A letter notifying the trainer of inclusion on Forfeits list is issued. Debt is to be recommended to the appropriate delegate for write off as non-recoverable.
- In addition to the letters that are issued as detailed above, in the second week of each month a statement of account will be forwarded to all clients.

RQL Regional Staff/Stewards are responsible for:

- Assisting the Finance Department with the recovery of outstanding debts.
- This may include, but is not limited to, making personal contact with the relevant debtor to request payment. Other information including contact details could also be useful in assisting the Finance Team exhaust every avenue of collection before having to refer the debt to a collection agency.

RQL Legal and Compliance Department in conjunction with the Finance Department are responsible for:

- The follow up and recovery of debt incurred by holders of an Authority to use Queensland race information, as per the 7 step plan outlined to the Office of Racing:
 - Ongoing review of operators/bookmakers utilising Queensland race information
 - Send requests for applications and follow up thereof
 - Send reminders for provision of data
 - Send reminder letters for all outstanding data and debt at 30 days
 - Removal of authority letter for debt that remains outstanding
 - Notification to the Office of Racing for debt that remains outstanding and advise of actions previously undertaken, and
 - Civil action.

Procedures

Refer to the RQL debtor procedural manual for process, timelines and conditions for each class of debtor.

STANDARD CONTACT

- Send statements as per the designated timelines
- Issue letters as per the above timeline
- Any thoroughbred licensed trainers with restrictions on their use of the Trainers Service Centre (TSC) will contact Accounts Receivable to have the ban lifted
- Regional Offices

- Regular Invoices
- Racing Magazine and website –to remind about payment terms and options

① A number of staff away during this period

- Sarah maternity leave

- Murray was very unwell & was requested to go on sick leave for 2 months

- Contractor in

② Management Comments to highlight.

① Cost benefit

②

AUDIT COMMITTEE PAPER NUMBER: 4 Internal Audit Update – Fixed Assets

PURPOSE:

To provide the Committee the Internal Audit review of the RQL Fixed Assets and issues highlighted by Deloitte's and to enable further discussion.

BACKGROUND AND ISSUES:

As part of the internal audit plan for FY1112, Deloitte were asked to conduct a review of the RQL Fixed Assets process and the integration of the 3 racing codes and **advise on business improvement opportunities.**

The report with management comments as at March 5, 2012 is attached for reference for detailed key findings and management comments

A summary of the findings are:

Ref	Finding	Residual Risk rating	Primary Cause	Status since Audit
1.	Asset stocktakes	Major	Policies & Procedures / Technology	By 30 April 2012
2.	Reconciliation of fixed assets to the general ledger	Moderate	Policies & Procedures	Complete
3.	Albion Park transfer assets on the RQL Fixed Asset Register	Moderate	Policies & Procedures	Complete
4.	Portable and attractive items	Moderate	Knowledge & People	Currently Under Review
5.	User access to asset register	Moderate	Technology	Complete
6.	Asset disposals	Moderate	Knowledge & People	Complete
7.	Assets below \$2,000 on the RQL Fixed Asset Register	Low	Knowledge & People	Currently Under Review
8.	Asset acquisitions	Low	Knowledge & People	Currently Under Review
9.	Depreciation allocation	Minor	Knowledge & People	Complete

Residual Risk Rating

Extreme – Poor or no controls. Pervasive and systematic weaknesses identified

Major – Significant control weaknesses identified

Moderate – Several control weaknesses of concerns identified.

Low – Small number of minor control weaknesses / opportunities for improvement identified

Minor – minimal opportunities for improvement identified

The objective of the engagement was to examine the controls around RQL's fixed asset management procedures and to make recommendations where opportunities for improvement in controls were identified.

① K&L implementing Asset Guard with barcoding of all assets, this was due to be 30/6/2011 but was delayed when Sarah went on maternity leave & the contractor we got in did not work out.

The engagement focused on RQL's key fixed asset management processes, detailed as follows:

- Acquisition of fixed assets including the approval of acquisitions by an appropriate delegate. Focus will be placed on acquisition of club assets from Sunshine Coast Turf Club (SCTC), Rockhampton Jockey Club (RJC) and Albion Park Harness and Greyhound Racing Club
- Disposal of fixed assets including, the method of disposal and approval by an appropriate delegate
- Safeguarding of fixed assets, including asset identification, physical security and periodic physical counts
- Maintenance of fixed assets register including complete and accurate recording of acquisitions, transfers, disposals, revaluation program and depreciation
- Reconciliation of fixed assets to General Ledger.

The above processes were evaluated against RQL's Financial Management Practices Manual and other fixed asset relevant policies and procedures.

The engagement covered the period 1 July 2010 to 30 June 2011.

There has been a turnover of finance staff that has been responsible for the reconciliation of assets. Controls and allocation of tasks have been reallocated amongst the finance team and further training has been undertaken to ensure that all of the Deloitte recommendations have been addressed by the interim audit on 21st May and for end of financial year. The finance team have been working to ensure all recommendations from the review undertaken and have been addressed with 50% of the recommendations remaining to be implemented by the 21st May when the external auditors BDO perform their interim audit.

ie excel spreadsheets

More control and reliance will be placed in the Sun 5 source information instead of multiple sources. RQL acknowledges it had a weakness with the stocktake process which is why we had purchased the bar coding software Asset Guard.

Strict reviews have been implemented to ensure the integrity of the data is checked.

Existing procedures will be updated for the RQL process.

Finance will work with the RQL management team to address the recommendations and incorporate these into RQL's existing policies and to be implemented by the next audit meeting.

OPTIONS:

Not applicable.

FINANCIAL IMPACT:

5 Days at \$1,640 per day = \$8,200

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

It will be important that RQL communicates any changes to fixed asset policies and procedures effectively and consistently to all staff by way of email, letters to employees, placed on intranet and training workshops to be held for the new policies and procedures.

DECISION REQUIRED

To be noted by the Audit Committee with an update of action items to be provided at the next meeting.



Adam Carter
CHIEF FINANCIAL OFFICER

Racing Queensland Limited

Fixed Assets Management

March 2012

348119

Final

Distribution

Party	Title
Adam Carter	Chief Financial Officer



Mr Adam Carter
Chief Financial Officer
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

5 March 2012

Dear Adam

Re: Internal Audit – Fixed Asset Management

Please find attached the report for our recently concluded internal audit engagement relating to Fixed Asset Management, which forms part of the internal audit plan set by the Audit Committee for the 2010-2011 financial year.

We would like to take this opportunity to thank you and your staff for the co-operation which we have received in performing this engagement. Should you have any questions or which to discuss anything further, please contact Vincent Lie on (07) 3308 7343 or me on (07) 3308 7046.

Yours sincerely



Carl Gerrard
Partner
Risk Services

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Inherent Limitations

The Services provided are advisory in nature and do not constitute an assurance engagement in accordance with Australian Standards on Review or Assurance Engagements or any form of audit under Australian Auditing Standards, and consequently no opinions or conclusions intended to convey assurance under these standards are expressed.

Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

Our work is performed on a sample basis; we cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Recommendations and suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy, or reliability is given in relation to the statements and representations made by, and the information and documentation provided by RQL personnel. We have not attempted to verify these sources independently unless otherwise noted within the report.

Limitation of Use

This report is intended solely for the information and internal use of RQL in accordance with our letter of engagement of July 2011, and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report. We do not accept or assume responsibility to anyone other than RQL for our work, for this report, or for any reliance which may be placed on this report by any party other than RQL.

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Racing Queensland Limited - Fixed Assets Management

1 Executive Summary

1.1 Objective and scope

As part of the 2011/12 Internal Audit Plan for Racing Queensland Limited (RQL), Deloitte Touche Tohmatsu has completed an assessment of fixed asset management.

The objective of the engagement was to examine the controls around RQL's fixed asset management procedures and to make recommendations where opportunities for improvement in controls were identified.

The engagement focused on RQL's key fixed asset management processes, detailed as follows:

- Acquisition of fixed assets including the approval of acquisitions by an appropriate delegate. Focus will be placed on acquisition of club assets from Sunshine Coast Turf Club (SCTC), Rockhampton Jockey Club (RJC) and Albion Park Harness and Greyhound Racing Club
- Disposal of fixed assets including, the method of disposal and approval by an appropriate delegate
- Safeguarding of fixed assets, including asset identification, physical security and periodic physical counts
- Maintenance of fixed assets register including complete and accurate recording of acquisitions, transfers, disposals, revaluation program and depreciation
- Reconciliation of fixed assets to General Ledger.

The above processes were evaluated against RQL's Financial Management Practices Manual and other fixed asset relevant policies and procedures.

Our engagement covered the period 1 July 2010 to 30 June 2011.

1.2 Work performed

The following was undertaken during the engagement:

- Discussion with relevant officers, reviewed policy and procedures manuals and conducted a walkthrough, examined RQL's procedures in place to record and manage assets
- Obtained RQL's Fixed Asset Register and performed trend analysis such as categorising the number of fixed asset items per its closing \$ balances
- From the Fixed Asset Register, selected a sample of 15 newly acquired fixed asset items including 3 from SCTC, 2 from RJC, 4 from Albion Park and 6 from RQL. For these samples, tested the acquisition and depreciation process for compliance against RQL's processes:

ACQUISITION:

- Examined supporting documentation for appropriateness
- Confirmed the fixed assets were acquired from approved supplier
- Confirmed the acquisitions were recorded at the appropriate amount
- Confirmed the acquisitions were authorised and approved, within the financial delegation limits of the authorised staff

DEPRECIATION:

- Confirmed that asset lives had been properly reviewed and set by management
- Recalculated depreciation expense, either on a major asset classification by making approximations on an overall basis or by testing depreciation recorded for individual assets. Examined results and investigated any significant differences

- From the Fixed Asset Register, selected a sample of five disposed fixed asset items. For these samples, tested the disposal process for compliance against RQL's processes:
 - Examined supporting documentation as appropriate, related to significant disposals and write-offs of fixed assets
 - Confirmed amounts adjusted to the accumulated depreciation accounts
 - Confirmed amounts charged against or credited to income statement accounts
 - Confirmed the disposals were conducted and recorded at a reasonable amount by verifying sales price and examining remittance, as appropriate. Confirmed the fixed assets were disposed to approved party
 - Confirmed the disposals were properly authorised and approved.
- Examined stock take procedures (including the frequency of the stock takes), including fixed asset items located in SCTC and RJC
- Selected a sample of five small fixed asset items and examined the asset identification system and physical security of these assets
- Examined the accuracy and appropriateness of fixed assets register reconciliation to the General Ledger
- Confirmed that appropriate access to the Fixed Asset Register is provided to authorised staff only

1.3 Key findings and recommendations

The results indicated the following major and moderate risks, due to either weaknesses in the design of control activities or because the control is not operating as designed. Where we have identified significant opportunities for business process improvement, these are listed:

- Asset stocktakes
- Reconciliation of fixed assets to the general ledger
- Albion Park transfer assets on the RQL Fixed Asset Register
- Portable and attractive items
- User access security to asset registers
- Asset disposals

Descriptions of the above risks are included in Section 1.5 (Summary of Key Findings). In addition three low risks were identified. Further details of these risks are contained in Section 2.

A recommended course of action has been agreed with management for each of these risks.

1.4 Summary of risks addressed

Detailed Finding Ref	Finding Description	Residual Risk Rating	Primary Cause
2.1	Asset stocktakes - Asset stocktake has not been conducted in recent years (including since the amalgamation of RQL was completed). We noted that RQL has purchased the bar-coding system Asset Guard. However it has not yet been implemented.	Major	Policies & Procedures / Technology
2.2	Reconciliation of fixed assets to the general ledger - There is no process in place to reconcile fixed assets to the general ledger. We noted a manual reconciliation was undertaken as at 30 June 2011; however documentation for the reconciliation could not be located.	Moderate	Policies & Procedures
2.3	Albion Park transfer assets on the RQL Fixed Asset Register - We identified a number of assets that were transferred to RQL from Albion Park as part of the amalgamation, which were not able to be located on the RQL Fixed Asset Register.	Moderate	Policies & Procedures
2.4	Portable and attractive items - There is no formal process for the treatment and maintenance of portable and attractive items.	Moderate	Knowledge & People
2.5	User access to asset register - Employee access to the Fixed Asset Register within SUN should be reviewed and inappropriate user's access removed. In addition, numerous RQL employees have access to the portable and attractive items register located on the RQL common drive.	Moderate	Technology
2.6	Asset disposals - We were unable to sight the Asset Disposal Forms for two out of three disposals examined.	Moderate	Knowledge & People
2.7	Assets below \$2,000 on the RQL Fixed Asset Register - Assets with opening values of below \$2,000 were located in the RQL Fixed Asset Register, which is not in accordance with RQL purchasing policy.	Low	Knowledge & People
2.8	Asset acquisitions - From a sample of acquisitions, we observed there were missing invoices, invoices with inappropriate approvals, lack of use of preferred suppliers and invoices that could not be matched to the Fixed Asset Register.	Low	Knowledge & People
2.9	Depreciation allocation - We identified an asset item RQLBI00079 (Deagon Refurbishment) that had a separate depreciation line item in the fixed asset register as at 30 June 2011.	Minor	Knowledge & People

The Residual Risk Ratings and Primary Cause Analysis provided in this report were based on criteria determined by Senior Management and the Audit Committee and are set out in Appendix B.

2 Detailed Findings

2.1 Asset stocktakes

Residual Risk Rating	Primary Cause
Major	Policies & Procedures / Technology

Risk

Asset stocktake has not been conducted in recent years (including since the amalgamation of RQL was completed). We noted that RQL has purchased the bar-coding system Asset Guard, however it has not yet been implemented. The Guidance for the Fixed Asset Stocktake Process that was developed for the Asset Guard system therefore has not yet been used in practice.

Without a formal and frequent stocktake process, the existence, value and location of an asset cannot be verified. This may result in misappropriation of assets, financial loss and an under or overstatement of assets in the RQL balance sheet.

RQL should implement the Asset Guard system as soon as possible. A stocktake of all RQL assets should be undertaken and bar-coding of all assets through Asset Guard should occur. The Guidance for the Fixed Asset Stocktake Process should be immediately implemented. This process should also be updated to include the portable and attractive items as mentioned in Section 2.4 of this report. Stocktakes should be undertaken and documented at least on an annual basis. RQL may look to delegate the responsibilities of the stocktake to the relevant asset owners across the organisation, who should report any discrepancies found to RQL's Finance Department.

Management Action Plan

Action: Noted and will be actioned prior to the interim audit by the BDO auditors

Action Target Date: May 2012

Action Owner: Compliance/Financial Accountant

2.2 Reconciliation of fixed asset to the general ledger

Residual Risk Rating	Primary Cause
Moderate	Policies & Procedures

Risk

There is no process in place to reconcile fixed assets to the general ledger. We acknowledge that the Compliance Officer is currently developing a process for the reconciliation. In addition, the Management Accountant is implementing a timeline for the completion of daily, weekly, fortnightly and monthly tasks in which the reconciliation of fixed assets to the general ledger is to occur on the 6th day after the month end.

A lack of a process for the reconciliation of fixed assets to the general ledger may result in discrepancies between the general ledger and the Fixed Asset Register balances. This may affect RQL's ability to undertake accurate stocktakes, locate and account for assets.

RQL should continue to develop and implement a documented formal process for the reconciliation of fixed assets to the general ledger. Reconciliations should be performed monthly according to the proposed Finance Team Timelines document. A copy of the reconciliation for each month should be filed for audit trail purposes.

Management Action Plan

Action: Complete, monthly reconciliations are now back in place

Action Target Date: 29 February 2012

Action Owner: Compliance / Financial Accountant

2.3 Albion Park transfer assets on the RQL Fixed Asset Register

Residual Risk Rating	Primary Cause
Moderate	Policies & Procedures

Risk

Based on our sample testing, we identified a number of assets that were listed in the valuation report of Albion Park (Peter Austin Valuer Valuation of Various Assets document as at 30 June 2010), which were not able to be located on the RQL Fixed Asset Register. These assets are listed below, along with the asset status as at 30 June 2010 per the Harness Racing Finance One asset register extract:

Asset Item	Status	Asset Item	Status
Model 3A1713065001 - \$21,600	Not recorded in Harness' register	Holden VE Berlina 103LCD - \$20,900	Disposed
Ford Courier Ute 866 GYY - \$400	Not recorded in Harness' register	Ambulance – SHL105 - \$10,900	Not recorded in Harness' register
Caterpillar Grader - \$1,000	Not recorded in Harness' register	LCD TV 19" - \$100	Commissioned
Redcliffe Water Truck – \$8,900	Not recorded in Harness' register	PC – Micropay Computer - \$300	Commissioned
Execuform Leather Chair - \$100	Commissioned	Multimedia Projector - \$300	Commissioned
Ford Falcon QHR08 - \$4,200	Commissioned	Liquid Nitrogen Cylinder - \$0	Commissioned
Mazda 3 378JZL - \$11,100	Disposed		

Note: for assets which were transferred to RQL from Albion Park, it was decided that RQL would include assets with a net book value of below \$2,000 on the Fixed Asset Register, if those assets were originally purchased for above the \$2,000 threshold.

As noted above, some assets were already disposed prior to the amalgamation or were not recorded in the Harness Racing originally, which means they would not be part of the asset rollover during the amalgamation. However, we noted that the assets with the 'Commissioned' status should have been rolled over to RQL's fixed asset register.

Assets not included in the RQL Fixed Asset Register may result in an understatement of the value of assets in the balance sheet. There is increased risk of misappropriation of assets and financial loss to RQL for those assets that are not included on the register. The inability to identify the assets on the Fixed Asset Register also raises questions about the existence and location of the assets.

RQL should investigate the assets highlighted to determine if they were in fact transferred to RQL, and if so where they are located. If the assets exist and are in the possession of RQL then the Fixed Asset Register should be updated to reflect the assets. RQL should decide on how assets from future transfers / agreements are treated so that a consistent approach is achieved.

Management Action Plan

Action:

- Thorough detailed review to be completed
- Asset records to be created as required following investigation, with correct coding / analysis to identify asset as owned by APH

Action Target Date: 31 March 2012

Action Owner: Compliance Accountant

2.4 Portable and attractive items

Residual Risk Rating	Primary Cause
Moderate	Knowledge & People

Risk

There is no formal process for the treatment and maintenance of portable and attractive asset items. From a sample of five items from the portable and attractive items register the following issues were noted:

- Three asset items had no defined owner
- Two asset items had no unique asset identification numbers
- One asset item has a purchase price that was above the \$2,000 threshold, but was included in the portable and attractive items register, instead of the fixed asset register, per RQL's Purchasing Policy requirements.

We also identified the following items that were above the \$2,000 threshold from examination of the portable and attractive items register (for purchases made in the 2010-2011 financial year):

- Microphone Olypmus ME-30W - \$2,130.91
- Shipping Container for st - \$2,738.45
- 033 JVL C/over cost Weedi - \$2,631.82
- Assorted Canvas Partition - \$2,028.18.

Furthermore, we observed that the portable and attractive items register spreadsheet separates the asset items by the financial year it was purchased in (in different worksheets / tabs), with a separate worksheet / tab for items with RQL unique ID numbers allocated. We also observed the disposals worksheet / tab only contained a single disposal transaction.

The Accounts Payable Officer who maintains the register relies on a small number of staff to notify her of any portable and attractive item purchases or disposals. We noted the established Asset transfer and disposal forms were rarely utilised. Consequently, asset items may appear on the register that no longer exist or have been disposed of.

Without a formal policy in place for the treatment of portable and attractive items, accountability, existence and location of these items will not be able to be maintained or verified. This may result in misappropriation of items and financial loss to RQL. The inclusion of items above \$2,000 on the register is inconsistent with the RQL Purchasing Policy and may result in an understatement of assets in the balance sheet.

RQL should perform the following:

- RQL should develop a formal policy for portable and attractive items. This policy may form part of the Guidance for the Fixed Asset Stocktake Process. Staff should be made aware of the policy and the requirement to provide notification to the Finance Department of purchase, disposal or transfer of portable and attractive items. The relevant asset forms should be utilised
- RQL should perform a stocktake of all the portable and attractive items listed on the register.
- The portable and attractive items register should be compiled into a centralised spreadsheet. Each asset item should be allocated an RQL staff owner (who should be responsible for maintaining and securing the asset), nominated asset location and a unique identification code. The items should be bar-coded using the Asset Guard system, when implemented.

- RQL should investigate the items that are above the \$2,000 threshold and determine a consistent approach for the treatment of such items.

Management Action Plan

Action:

- Detailed policy and procedure and process map to be completed to support the RQL Purchasing Policy
- Asset records may be created to form an Asset register without any asset value.
- These assets may be identified, analysed and reported as required by Entity, Cost Centre, Location etc.
- These assets to be allocated a bar code number from the Asset Guard system, this number to be recorded as noted in issue 1.
- Investigate potential for linking digital photograph of asset to asset record in finance system.
- Recommend new analysis code in Asset type, or Asset Class. This new code to be attached to these assets to enable reporting etc.

Action Target Date: 31 March 2012

Action Owner: Compliance Accountant / Financial Accountant

2.5 Access to asset register

Residual Risk Rating	Primary Cause
Moderate	Technology

Risk

Fixed asset register in SUN:

The following table outlines the current users with access to the fixed asset register (as defined by their user group membership) in SUN and the recommended level of access to the register:

Group	Group Access	User	Recommendation
RQL_FINZ	<ul style="list-style-type: none"> - Asset Disposal Selection - Asset Class - RQL Asset Records - Asset Budget Details - Asset Depreciation Calculation - Asset Disposal - Asset Status Report - Asset Inquiry 	Craig Roberts	Access should be the same as the RQL_REP group
		Jeff Zeppa	Full access (as back up for Murray Dyke)
		Sharon Drew	Access should be the same as the RQL_REP group
		Sarah Walker	Access should be disabled while on Maternity Leave
RQL_REP	<ul style="list-style-type: none"> - Asset Status Report - Asset Inquiry 	Adam Carter	No changes required
		Ron Mathofer	No changes required
ZZZZZ	- Full Access	Murray Dyke (Fixed Asset Register & SUN administrator)	No changes required
		Professional Advantage	No changes required
		Professional Advantage	No access – delete user
		Murray Dyke and Professional Advantage	No access – delete user
RQL_AP	<ul style="list-style-type: none"> - Asset Records - Asset Inquiry 	Karen Schreiber	No access – delete user
		Lesley Coates	No access – delete user
		Su Agate	Access should be the same as the RQL_REP group
		Tracey Phillips	No access – delete user
RQL_ADMIN	<ul style="list-style-type: none"> - Asset Disposal Selection - Asset Class - RQL Asset Records - Asset Advanced Depreciation Schedule - Asset Depreciation Table Headings - Asset Depreciation Tables - Asset Depreciation Timing Rules - Asset Reduction Depreciation Schedule 	Ali Wade	Full access (as back up for Murray Dyke)
		Professional Advantage	No access – delete user

Group	Group Access	User	Recommendation
PK1	<ul style="list-style-type: none"> - Asset Disposal Selection - Asset Class - Asset Records - Asset Advanced Depreciation Schedule - Asset Depreciation Table Headings - Asset Depreciation Tables - Asset Depreciation Timing Rules - Asset Reduction Depreciation Schedule - Asset Budget Details - All Posting Processes - All Reporting Processes - All Inquiry Processes 	Test Set Up Users	No access – delete user
		Test Set Up Users	No access – delete user

We were unable to confirm the appropriateness of the above listed users and their level of access to the Fixed Asset Register with the SUN Administrator. Employee access to the Fixed Asset Register within SUN should be reviewed in conjunction with the above recommendations and inappropriate user's access to be removed or updated. Employees should only have access to the tasks that form part of their roles and responsibilities. RQL should also investigate the use of audit logs in SUN to record changes to the fixed asset register, which will be required in the event an investigation is required.

Inappropriate access to the Fixed Asset Register within SUN may result in unauthorised modifications to the register. This may result in misappropriation of assets and financial loss for RQL.

Portable and attractive items register spreadsheet:

The following table outlines the current users with access to the register (located in the RQL common network drive) and recommended level of access to the network folder:

Group / User	Employees / Users	Recommendation
CREATOR OWNER	No users in this group	Full Control
SYSTEM	No users in this group	Full Control
Lesley Coates (lcoates@RACING.COM.AU)	Lesley Coates	No access – delete user
SharePoint Search (spsearch@RACING.COM.AU)	SharePoint Interface	Read & Execute, List Folder Contents and Read
Finance (RACING\Finance)	All Finance Staff	No access – delete group
Adam Carter (acarter@RACING.COM.AU)	Adam Carter	Read & Execute, List Folder Contents and Read
Administrator	Generic Administrator Account	No access – delete user
Col Truscott (ctruscott@RACING.COM.AU)	Col Truscott	No access – delete user
QHRB Finance (RACING\QHRB Finance)	No users in the group	No access – delete group
CTX_Desktop (RACING\CTX_Desktop)	Numerous RQL Staff	No access – delete group
Keara Christensen (kchristensen@RACING.COM.AU)	Keara Christensen	No access – delete user
Su Agate (sagate@RACING.COM.AU)	Su Agate	Full Control
Apprentice Training (RACING\Apprentice Training)	No users in this group	No access – delete group
Administrators (PRRQSRVFP01\Administrators)	Numerous RQL Staff	No access – delete group
Backup Operators (PRRQSRVFP01\Backup Operators)	No users in this group	No access – delete group

Inappropriate access to the portable and attractive items register may result in unauthorised modifications to the register. This may result in misappropriation of assets and financial loss for RQL.

RQL should implement the user recommendations listed in the above table. In addition, RQL should also consider giving full control access to Jeff Zeppa (Compliance Accountant) and Murray Dyke (Accountant) to act as a backup to Su Agate (Accounts Payable Officer) in maintaining the register.

Management Action Plan

Action 1: The following users have been given access to the folder: the [G:\Finance\RQL\Assets\Portable & Attractive Items Register](#)

- Su Agate now Karin Schreiber - Full Control
- Murray Dyke - Full Control
- Adam Carter - Read & Execute, List Folder contents and Read Access
- Sharon Drew - Read & Execute, List Folder contents and Read Access
- Jeff Zeppa - Full Control
- Karin Schreiber now Rosie Carrano - Read & Execute, List Folder contents and Read Access
- Ali Wade - Read & Execute, List Folder contents and Read Access
- Administrators - Full Control

Craig Roberts will be the support accountant and will be given access and full control access once training is provided.
 Karin Schreiber is the support accounts payable officer and will be given full control access once training is provided.
 Murray Dyke has full control as the systems administrator – Ali Wade is the support and access is amended to full control when Murray is on leave

Administrators are restricted to our IT group who require access to all folders regardless of content to ensure security restrictions are adhered to. All requests to change access are logged and requested through IT.

Action Target Date: Completed 5 December 2017
Action Owner: Business Services Manager

✓ *Has been achieved*

Action 2: SUN5 functional security access

The groups give access to different functions; a user may be required across different groups to ensure full access (not limited to Fixed Assets). Each group is set up for a purpose and a user may be required across functional groups dependant on their authorisation and responsibility i.e. Murray Dyke and Professional Advantage are required as the super users.

Access will be reinstated for test users when the RQT test environment is being utilised and tested

Group	User	Access
RQL_FINZ	Craig Roberts	Requires full access as the support to Jeff Zeppa
	Jeff Zeppa	Full access is the current accountant for fixed assets
	Sharon Drew	Requires all access for mapping and COA management
	Sarah Walker	Removed while on Maternity Leave
RQL_REP	Adam Carter	No changes required
	Ron Mathofer	No changes required
ZZZZZ	Murray Dyke (SUN5 administrator)	No changes required
	Professional Advantage	Access remains the same
	Professional Advantage	Access and user removed
	Murray Dyke and Professional Advantage	Access remains the same
RQL_AP This group is set up for the AP fixed access function and other AP functions. The RQL_FINZ group is a group user access at a higher level.	Karen Schreiber	Access required as AP fixed asset user (currently in training)
	Lesley Coates	Access and user removed
	Su Agate	Access remains the same
	Tracey Phillips	Access and user removed
RQL_ADMIN	Ali Wade	Full access (as back up for Murray Dyke)
	Professional Advantage	Required – Support for maintenance requires access
PK1	Test Set Up Users	Access and user removed
	Test Set Up Users	Access and user removed

Action Target Date: Completed 5 December 2012

Action Owner: Business Services Manager

Has been achieved ✓

2.6 Asset disposals

Residual Risk Rating	Primary Cause
Moderate	Knowledge & People

Risk

We were unable to sight the Asset Disposal Forms for two out of three disposals examined. These disposals were for the following asset items:

- Asset RQLMV00008 – Nissan Navara – Historical cost of \$36,419.77
- Asset RQLPE00164 – Holden VE Berlina 733LQK – Historical cost of \$23,869.34

The Asset Disposal Form lists out all the details of the asset to be disposed and the approval of the disposal by the Department Manager and Finance Manager (now Chief Financial Officer).

There is no formal process requiring Asset Disposal Forms to be used, however they are informally required. While the Guidelines for Fixed Asset Stocktake Process includes the requirement to complete Asset Disposal Forms, this process document is not yet implemented. ✓

Without the use of Asset Disposal Forms, there is lack of trail to evidence the approval of an asset disposal, which increases the risk of assets being disposed without authorisation. Without approval, an asset may be sold or disposed of at an unreasonable price or for personal gain, resulting in a financial loss for RQL. The lack of a formalised disposal process results in inconsistent approaches in disposing of an asset.

RQL should implement the Guidelines for Fixed Asset Stocktake Process and ensure all staff are aware of the requirement to complete and have approved an Asset Disposal Form before an asset is disposed of.

Management Action Plan

Action: Noted and now complete and procedure to be completed in full in future and filed correctly

Action Target Date: February 2012

Action Owner: Compliance Accountant / Financial Accountant

- Action

2.7 Assets below \$2,000 on the RQL Fixed Asset Register

Residual Risk Rating	Primary Cause
Low	Knowledge & People

Risk

Assets with opening values of below \$2,000 were located in the RQL Fixed Asset Register. This included assets that were transferred from Albion Park at a net book value of below \$2,000 that were originally purchased for above \$2,000 as mentioned in Section 2.3 of this report.

However, we identified 71 asset items below \$2,000 (excluding Albion Park joint venture assets), totalling \$73,296.67 as at 30 June 2011. These asset items are not recorded in accordance with the RQL Purchasing Policy which states:

'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 assets which are <\$2,000 must be expensed in the year of purchase and recorded in the portable and attractive items register'.

We noted that individual asset items may be related to purchases made for a project, where the asset items are valued at more than \$2,000 when consolidated.

Including items below \$2,000 in the RQL Fixed Asset Register is inconsistent with the Purchasing Policy and may result in confusion of the treatment of such assets. This may result in an overstatement of assets in the balance sheet.

RQL should investigate that asset items below \$2,000 listed on the Fixed Asset Register are appropriate. RQL should decide on a consistent approach for the treatment of assets below \$2,000. This decision should be reflected in the Purchasing Policy. Where exceptions have been made in capitalising asset items that are less than \$2,000, approval by RQL Chief Financial Officer should be obtained, documented and retained on file.

Management Action Plan

Action: Assets were brought across from the 3 former control Bodies at net Book Value on the advice from BDO. The assets under \$2,000 were brought across and not written off at 1 July 2010. Detailed review to be undertaken and tabled at the Audit Committee on March 19, 2012

Action Target Date: 9 March 2012

Action Owner: Compliance Accountant / Financial Accountant

2.8 Asset acquisitions

Residual Risk Rating	Primary Cause
Low	Knowledge & People

Risk

From examination of a sample of asset acquisitions, we observed the following issues:

- Acquisitions with missing invoices to substantiate the transaction
- Acquisitions that were not appropriately approved, consisting of both missing approval signatures and / or approval of acquisitions made by staff without the sufficient delegation of authority limits
- Acquisitions made from non-preferred suppliers
- Acquisitions where the invoice did not match the value in the Fixed Asset Register. This issue is linked to the inability to sight some invoices.

These transactions are not in compliance with the RQL Purchasing Policy which states that all invoices are to be approved for payment within the same delegation of authority limits as for purchasing. It also states that as much as possible RQL should utilise preferred suppliers.

Purchases being made and paid for without the required authorisation increases the risk of inappropriate purchases being made, including payments for goods or services that are sub-standard. This is particularly the case when purchases are being made from non-preferred suppliers. The lack of audit trail and supporting documentation with missing invoices reduces RQL's ability to investigate certain transactions when required.

RQL should remind staff of their responsibilities to obtain appropriate approval of invoices prior to payment. Each individual invoice should be signed off as approved. All invoices should be copied and given to the Compliance Accountant to file with the asset acquisition as supporting documentation. RQL staff should also be reminded of the policy to utilise preferred suppliers as much as possible. RQL may consider requiring written approval prior to making purchases above a certain value from a non-preferred supplier.

Management Action Plan

Action:

- RQL to set up the preferred supplier panel
- A full review of all transactions to be undertaken for all assets and for FY12

Action Target Date: 31 March 2012

Action Owner: Compliance Accountant

2.9 Depreciation allocation

Residual Risk Rating	Primary Cause
Minor	Knowledge & People

Risk

We identified an asset item RQLBI00079 (Deagon Refurbishment) that had a separate depreciation line item in the fixed asset register (as at 30 June 2011). The first line item is for the asset and includes an opening cost of \$4,136.36 and it does not include any depreciation. The second line item is the depreciation for the asset, which has no opening cost and a depreciation amount of \$421.

An incorrect allocation or set up of the asset in SUN will decrease the accuracy of the RQL Fixed Asset Register.

RQL should review Asset RQLBI00079 and correct the error so that there is one line item for the asset, and the asset is being depreciated appropriately. A review of the allocations and classification of assets may also be undertaken.

Management Action Plan

- Action: Noted and now complete
- Action Target Date: February 2012
- Action Owner: Compliance Accountant

Appendix A – Fixed Asset Trend Analysis

Cost, accumulated depreciation and net book values of fixed assets

The table below shows the cost, accumulated depreciation and net book values of fixed assets for RJC, SCTC and RQL as at 31 October 2011. Note that quantities of fixed assets are italicised in parentheses below the cost value. The quantity represents the total asset items on the register for the asset class.

Fixed Asset	RJC			SCTC			RQL		
	Cost \$ (QTY)	Accumulated Depreciation	Net Book Value	Cost \$ (QTY)	Accumulated Depreciation	Net Book Value	Cost \$ (QTY)	Accumulated Depreciation	Net Book Value
Land	\$1,150,000 (1)	\$0	\$1,150,000	\$4,950,000 (1)	\$0	\$4,950,000	\$47,874,600 (5)	0	\$47,874,600
Buildings	\$9,633,533 (36)	\$637,094	\$8,996,439	\$30,984,163 (66)	\$11,984,406	\$18,999,758	\$27,213,743 (123)	\$1,324,649	\$25,889,094
Plant & Equipment	0 (0)	0	0	\$100,632 (2)	\$10,610	\$90,022	\$2,636,297 (204)	\$549,311	\$2,086,986
Fixture & Fittings	0 (0)	0	0	0 (0)	0	0	0 (0)	0	0
Furniture & Fittings	0 (0)	0	0	0 (0)	0	0	\$274,214 (8)	\$45,110	\$229,104
Gaming Machines	0 (0)	0	0	0 (0)	0	0	0 (0)	0	0
Motor Vehicles	0 (0)	0	0	\$5,953 (2)	\$2,083	\$3,869	\$912,409 (50)	\$292,402	\$620,007
Computer Equipment	0 (0)	0	0	0 (0)	0	0	\$735,875 (126)	\$320,227	\$415,648
Broadcast Equipment	0 (0)	0	0	0 (0)	0	0	\$16,137 (1)	\$7,824	\$8,313
Freeze Branding Equipment	0 (0)	0	0	0 (0)	0	0	0 (0)	0	0
Track Construction	0 (0)	0	0	0 (0)	0	0	\$227,610 (3)	\$30,348	\$197,262
Office Equipment	0 (0)	0	0	0 (0)	0	0	\$90,312 (20)	\$39,225	\$51,087
Photo/Video Equipment	0 (0)	0	0	0 (0)	0	0	\$33,310 (7)	\$9,588	\$23,721
Total	\$10,783,533	\$637,094	\$10,146,439	\$36,040,748	\$11,997,100	\$24,043,648	\$80,014,507	\$2,618,685	\$77,395,822

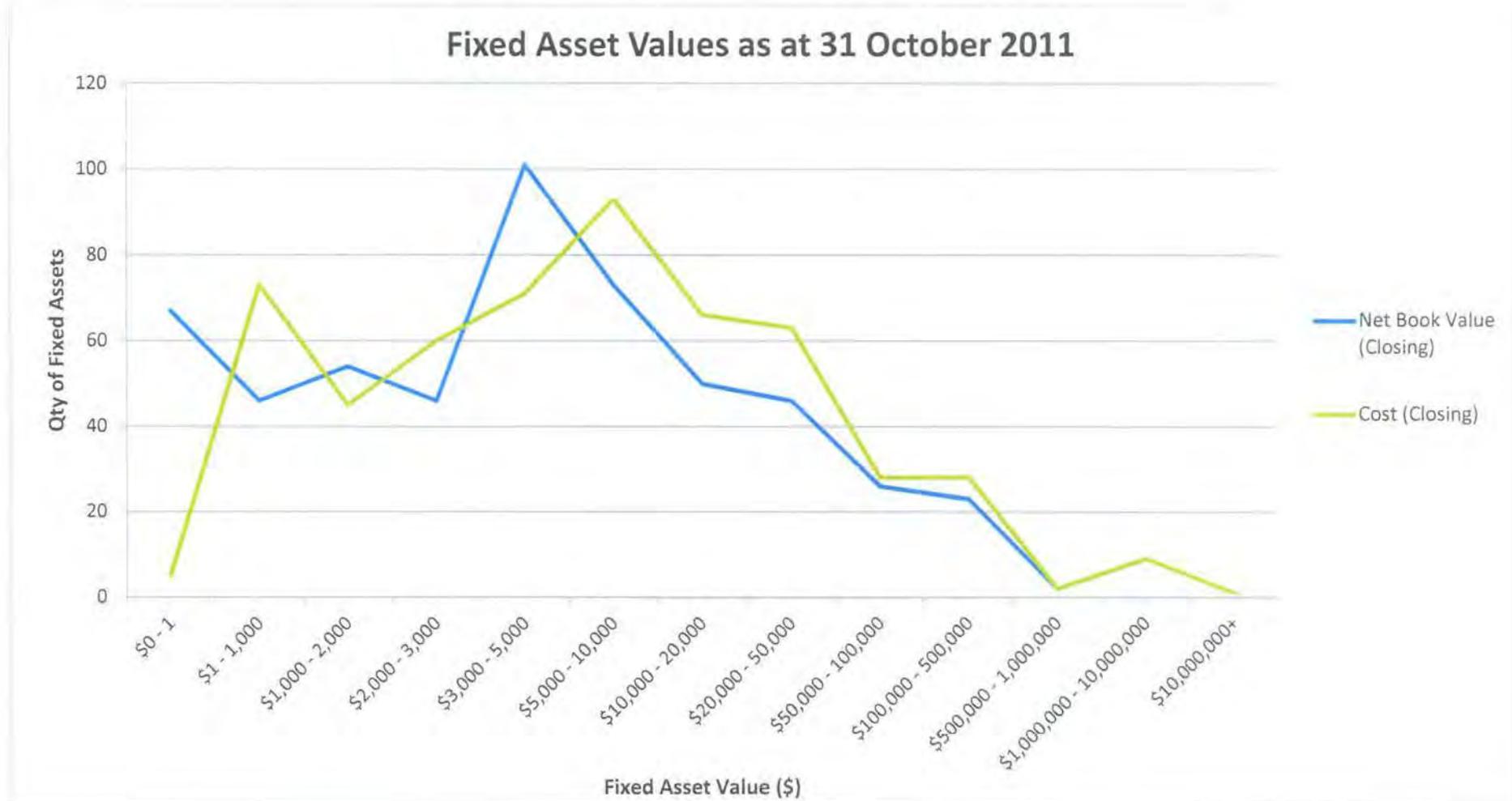
Additions and disposals

The table below shows the additions and disposals to fixed assets for RJC, SCTC and RQL as at June 2011. Note that quantities of fixed assets are italicised in parentheses below the cost value. The quantity represents the number of additions for the asset class.

Fixed Asset	RJC		SCTC		RQL	
	Additions \$ (QTY)	Disposals	Additions \$ (QTY)	Disposals	Additions \$ (QTY)	Disposals
Land	0 (0)	0	0 (0)	0	0 (0)	0
Buildings	\$1,292,181 (9)	\$-937,553	\$2,763,702 (27)	\$-10,176	\$13,405,071 (43)	\$-464,327
Plant & Equipment	0 (0)	0	\$4,965 (1)	0	\$564,522 (49)	\$-2,000
Fixture & Fittings	0 (0)	0	0 (0)	0	0 (0)	0
Furniture & Fittings	0 (0)	0	0 (0)	0	0 (0)	0
Gaming Machines	0 (0)	0	0 (0)	0	0 (0)	0
Motor Vehicles	0 (0)	0	0 (0)	0	\$400,920 (25)	\$-60,289
Computer Equipment	0 (0)	0	0 (0)	0	\$103,405 (7)	0
Broadcast Equipment	0 (0)	0	0 (0)	0	0 (0)	0
Freeze Branding Equipment	0 (0)	0	0 (0)	0	0 (0)	0
Track Construction	0 (0)	0	0 (0)	0	0 (0)	0
Office Equipment	0 (0)	0	0 (0)	0	0 (0)	0
Photo/Video Equipment	0 (0)	0	0 (0)	0	0 (0)	0
Total	\$1,292,181	\$-937,553	\$2,768,667	\$-10,176	\$14,473,918	\$-526,616

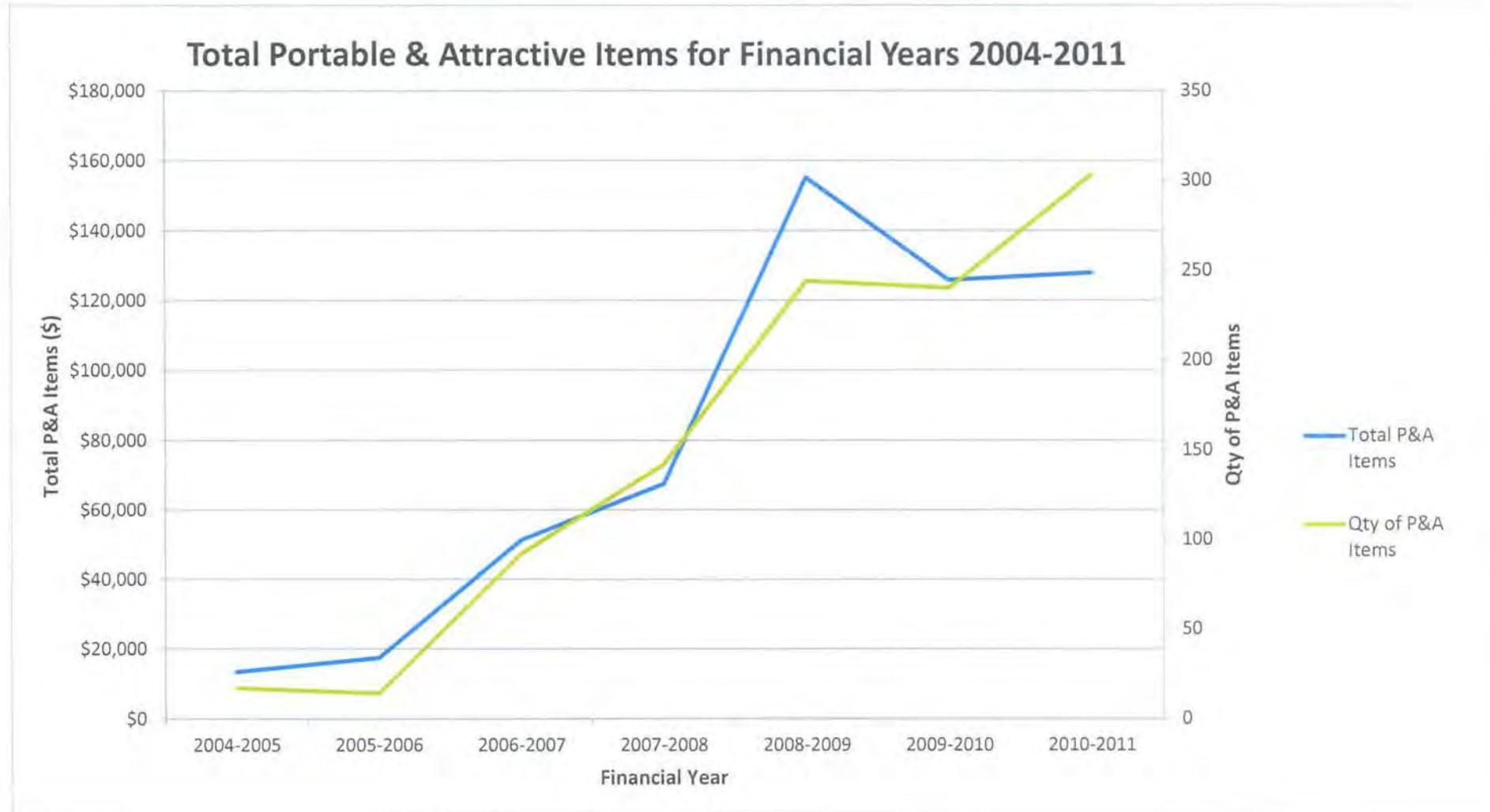
Fixed asset net book values and cost values

The graph below illustrates the breakdown of fixed asset values across dollar ranges as at 31 October 2011, showing both closing net book values and closing cost values. The data is based on an extract from the Sun Financial System of RQL. Note that the closing cost values include additions but exclude disposals in FY 2011-2012 to date.



Portable and attractive items for financial years 2004-2011

The graph below plots both the total dollar value and quantity of Portable and Attractive Items across financial years 2004 to 2011.



Appendix B – Risk Ratings

The Risk Ratings and Primary Cause Analysis provided in this report were based on the criteria below and have been determined by Senior Management and the Audit Committee as appropriate to allow allocation of resources to the areas of greatest concern.

Individual residual risk ratings

Residual Risk Rating	Financial	Business continuity	Regulatory / Legal	Reputation & Image	WHS
Extreme – Poor or no controls. Pervasive and systematic weaknesses identified	Financial impact above \$1M	Loss of major service capacity for more than 2 weeks (or two days over Carnival period).	Significant legal, regulatory or internal policy failure e.g. severe sanction received.	Ongoing national and/or international media exposure. Extensive ongoing publicised attention from numerous or significant key stakeholders.	Loss of life or permanent incapacitation. Unplanned loss (or extended absence) of a senior executive, or several key staff.
Major – Significant control weaknesses identified	Financial impact between \$500K and \$1M	Loss of major service capacity for less than 2 weeks (or one day over Carnival period).	Major legal, regulatory or internal policy failure e.g. major sanction received.	Extensive ongoing state media exposure. Repeated ongoing publicised attention from numerous or significant key stakeholders.	Serious injury or incident which requires hospitalisation; incomplete rehabilitation achieved. Unexpected loss (or extended absence) of a key staff member with specialist knowledge without which the business is significantly affected.
Moderate – Several control weaknesses of concerns identified.	Financial impact between \$50K and \$500K	Loss of localised service capacity for more than 2 weeks (or up to half a day over Carnival period).	Limited legal, regulatory and internal policy failure e.g. sanction received.	Isolated state media exposure. Attention from a limited number of key stakeholders with restricted publicity.	Injury or incident requiring medical attention with full rehabilitation achieved. Unexpected loss (or extended absence) of a key staff member who is integral to the business with specialist knowledge.
Low – Small number of minor control weaknesses / opportunities for improvement identified	Financial impact between \$5k and \$50K	Loss of localised service capacity for less than 2 weeks (no impact over Carnival period).	Minor legal, regulatory and internal policy failure e.g. minor sanction received.	Local media exposure. Isolated attention from one key stakeholder or a number of minor stakeholders with little or no publicity.	Minor injury or incident which requires medical treatment and loss time. Unexpected loss (or extended absence) of a senior staff member.
Minor – minimal opportunities for improvement identified	Financial impact up to \$5k	Resolution of issue locally without disruption.	Insignificant legal, regulatory or internal policy failure. No sanction imposed.	No media exposure. Isolated attention from a minor stakeholder with no publicity.	Minor incident requiring first aid. Unexpected loss (or extended absence) of a single staff member.

Primary causes

Primary Cause	Guidance
Compliance	Regulations or legislation with which the organisation has to comply.
Knowledge & People	Staff abilities, intellectual property.
Policies & Procedures	Anything relating to internal operational policies and procedures which have to be complied with.
Structure & Process	Organisational and business processes setup of the organisation to allow it to achieve its goals.
Technology	IT systems and networks, programs and methodologies used to conduct business.

- ① Licensing dual process
- ② Form 4 process - dual code license
- ③ Dual / Tr: code / licensing process.

AUDIT COMMITTEE PAPER NUMBER: 5
Internal Audit Update – Licensing

PURPOSE:

To provide the Committee the Internal Audit review of the RQL Licensing process and issues highlighted by Deloitte's and to enable further discussion.

BACKGROUND AND ISSUES:

As part of the internal audit plan for FY1112, Deloitte were asked to conduct a review of the RQL Licensing process and the integration of the 3 racing codes and advise on business improvement opportunities.

The report with management comments as at March 8, 2012 is attached for reference for detailed key findings and management comments

A summary of the findings are:

Ref	Finding	Residual Risk rating	Primary Cause	Status since Audit
1.	Completion of audit activities	Moderate	Compliance	Underway
2.	Licensing Manuals	Moderate	Policies and Procedures	Criteria for Harness and Greyhound licenses are attached to the Licensing Policy. Thoroughbred criteria are still contained separately however application process and documents are all listed on the individual application forms.
3.	Consistency of licensing requirements	Moderate	Structure and Process	Finance checks are now done for all 3 codes. Consistency is being applied gradually across 3 codes- consistency/relativity in fees, documents, timeframes, license periods and renewal actions.
4.	Greyhound licensing system (GRARUN)	Moderate	Technology	The RQL board has approved the change to a new Greyhound licensing system (Ozchase) and work is progressing on the migration to this system which is scheduled to occur in July 2012. The new system remedies all concerns raised in the audit report
5.	Licensing Committee application review	Moderate	Policies and Procedures	Thoroughbred and Harness licensing are now controlled by the Senior Licensing Officer –all applications to Committee for approval. All Greyhound NPC issues now require interview and Committee review Applications for Greyhound licenses process is being transitioned to Committee- new applications are few in number. All new and upgraded licensing decisions are reported to the Board in monthly Licensing Report.

① No information on website on club licensing requirements



6.	Licensing key performance indicators	Moderate	Structure & Process	New KPIs are under consideration however this issue is largely determined by licensee performance not RQL response.
7.	Licensing application processing	Low	Structure & Process	Legal under review CLUBS
8.	Communication of compliance requirements for club annual licensing	Low	Structure & Process	Legal under review clubs

Residual Risk Rating
Extreme – Poor or no controls. Pervasive and systematic weaknesses identified
Major – Significant control weaknesses identified
Moderate – Several control weaknesses of concerns identified.
Low – Small number of minor control weaknesses / opportunities for improvement identified
Minor – minimal opportunities for improvement identified

The purpose of the engagement was to examine the controls around the licensing and club licensing process in place at RQL and to make recommendations where opportunities for improvement in controls are identified. The engagement focused on the following areas:

- Examination of RQL’s policies, procedures and controls over the licensing and registration of Queensland Thoroughbred, Harness and Greyhound racing clubs, participants and key stakeholders
- Examination of the procedures and controls in place to provide RQL with adequate information to license a club and other stakeholders.

Shara Reid – Senior Corporate Counsel and Peter Smith Licensing and Training Manager and Jamie Orchard – Director of Integrity Operations will be available for comment if required at the audit committee meeting.

OPTIONS:

Not applicable.

FINANCIAL IMPACT:

5 Days at \$1,640 per day = \$8,200

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

It will be important that RQL communicates any changes to licensing policies and procedures effectively and consistently to all staff by way of email, letters to employees, placed on intranet and training workshops to be held for the new policies and procedures.

DECISION REQUIRED

To be noted by the Audit Committee with an update of action items to be provided at the next meeting.

Adam Carter
CHIEF FINANCIAL OFFICER



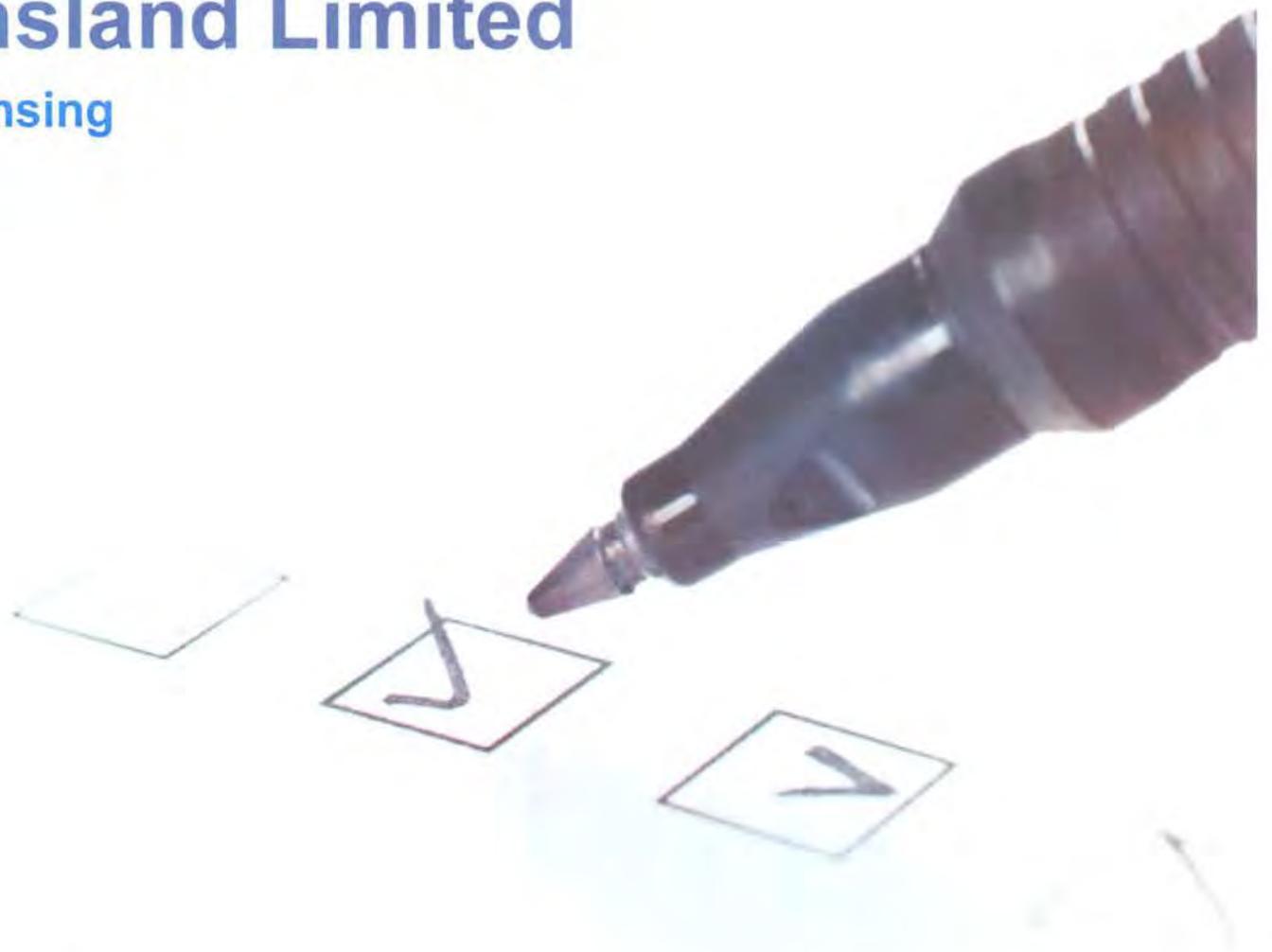
Racing Queensland Limited

Licensing and Club Licensing

March 2012

348119

Final



Distribution

Party	Title
Adam Carter	Chief Financial Officer

Mr Adam Carter
Chief Financial Officer
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

8 March 2012

Dear Adam

Re: Internal Audit – Licensing and Club Licensing

Please find attached the final report for our recently concluded internal audit relating to licensing and club licensing, which is part of the internal audit plan set by the Audit Committee for the financial year 2011-2012. The fieldwork was undertaken in September / October 2011.

We would like to take this opportunity to thank you and your staff for the co-operation we have received in performing this engagement. Should you have any questions or wish to discuss anything further, please contact Vincent Lie on (07) 3308 7343 or me on (07) 3308 7046.

Yours sincerely,



Carl Gerrard
Partner
Risk Services

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Inherent Limitations

The Services provided are advisory in nature and do not constitute an assurance engagement in accordance with Australian Standards on Review or Assurance Engagements or any form of audit under Australian Auditing Standards, and consequently no opinions or conclusions intended to convey assurance under these standards are expressed.

Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

Our work is performed on a sample basis; we cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Recommendations and suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy, or reliability is given in relation to the statements and representations made by, and the information and documentation provided by Racing Queensland Limited personnel. We have not attempted to verify these sources independently unless otherwise noted within the report.

Limitation of Use

This report is intended solely for the information and internal use of Racing Queensland Limited in accordance with our letter of engagement of September 2011, and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report. We do not accept or assume responsibility to anyone other than Racing Queensland Limited for our work, for this report, or for any reliance which may be placed on this report by any party other than Racing Queensland Limited.

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Racing Queensland Limited - Licensing and Club Licensing

1 Executive Summary

1.1 Objective and scope

Deloitte Touche Tohmatsu has completed an internal audit of the licensing and club licensing process at Racing Queensland Limited (RQL).

The purpose of the engagement was to examine the controls around the licensing and club licensing process in place at RQL and to make recommendations where opportunities for improvement in controls are identified. The engagement focused on the following areas:

- Examination of RQL's policies, procedures and controls over the licensing and registration of Queensland Thoroughbred, Harness and Greyhound racing clubs, participants and key stakeholders
- Examination of the procedures and controls in place to provide RQL with adequate information to license a club and other stakeholders.

1.2 Background

As the approved control body under the Racing Act 2002, RQL is responsible for licensing participants in the thoroughbred, harness and greyhound racing industry.

Anyone wishing to participate as a licensed person must possess a requisite level of integrity and competence in their occupation to be granted a licence by RQL.

RQL has designated licensing personnel for each racing code as each code utilises different IT systems and processes. The licensing of clubs, of which there are approximately 136, is performed by RQL's Legal Department.

The thoroughbreds, harness and greyhound racing codes had approximately 16, 4 and 5 licence categories respectively (thoroughbreds include bookmakers and bookmaker clerk licences).

1.3 Work performed

The following procedures were undertaken during the engagement:

- Developed an understanding of the licensing process through discussions with relevant personnel and examination of policy and procedure manuals, including licensing and registration for:
 - Queensland Thoroughbred, Harness and Greyhound racing clubs
 - Trainers, jockeys, bookmakers, breeders, owners and other key racing operators
- Examined the documentation requested by RQL's Licensing Department from licensees
- Evaluated verification procedures and licence authorisation / approval processes including the role and responsibilities of the Licensing Committee in the process
- Selected a sample of licensees to assess compliance with RQL's licensing policies and procedures.

1.4 Key findings and recommendations

The results indicated the following moderate risks are not being managed, due to either weaknesses in the design of control activities or because the control is not operating as designed. Where we have identified significant opportunities for business process improvement, these have been documented with the finding.

- Completion of audit activities
- Licensing Manuals
- Consistency of licensing requirements
- Greyhound licensing system (GRARUN)
- Licensing Committee application review.

In addition three low risks were identified. Further details of these risks are contained in Section 2.

A recommended course of action has been agreed with management for each of these risks.

1.5 Summary of risks addressed

Detailed Finding Ref	Finding Description	Residual Risk Rating	Primary Cause
2.1	Completion of audit activities – We were unable to determine whether required audit activities were performed as RQL has not allocated the responsibility for activities within the Audit Plan and did not periodically report against the audit plan to verify the completion of tasks. The Audit Plan is a requirement of Section 39 of the Racing Act 2002	Moderate	Compliance
2.2	Licensing Manuals – The Harness racing code did not have licensing manual describing procedures undertaken to license racing participants. In addition, the Thoroughbred racing code's licensing manual had not been finalised. Section 81 of the Racing Act 2002 requires that RQL has a policy in relation to licensing.	Moderate	Policies and Procedures
2.3	Consistency of licensing requirements – Inconsistency across the three racing codes when requesting documentation for licence applications and the process of checking for outstanding financial liabilities of applicants.	Moderate	Structure and Process
2.4	Greyhound licensing system (GRARUN) – Risks and performance limitations of the legacy Greyhound licensing system GRARUN were identified.	Moderate	Technology
2.5	Licensing Committee application review – Greyhound licence applications were not reviewed by the Licensing Committee with an instance noted whereby an applicant with criminal convictions was not reviewed by the committee prior to licensing.	Moderate	Policies and Procedures
2.6	Licensing key performance indicators – Key Performance Indicators (KPIs) relevant to licensing processing did not provide robust criteria that are clear, relevant, specific and measurable.	Low	Structure & Process
2.7	Licensing application processing – Insurance policies may not be provided by clubs as part of their licensing application. In addition, the Cairns Greyhound Racing Club's licensing application was signed off by the same individual holding both the club President and Secretary positions.	Low	Structure & Process
2.8	Communication of compliance requirements for club annual licensing - The Finance and Legal departments did not confer in relation to club's satisfying compliance requirements prior to licensing. Correspondence to clubs was inconsistent in relation to punitive actions to be taken for non compliance with RQL requirements, including financial documentation to be provided by the club annually to RQL.	Low	Structure & Process

The Residual Risk Ratings and Primary Cause Analysis provided in this report were determined by Senior Management and the Audit Committee and are set out in Appendix A.

2 Detailed Findings

2.1 Completion of audit plan activities

Residual Risk Rating	Primary Cause
Moderate	Compliance

Risk

While RQL has documented the Thoroughbred / Harness / Greyhound Audit Plan for 2011, we were unable to determine whether the routine audits, inspections, reviews and specific audit programs were performed. This was primarily due to RQL not allocating the responsibility for activities within the Audit Plan to specific personnel or departments and not periodically reporting against the audit plan to verify the completion of tasks.

Furthermore, RQL's 'Policy on the Standard required for licensing venues, including venue licensing procedures' dated July 2010, also requires that regular audits be performed for every venue category of licence based on risk management principles. The Racing and Facilities Supervisor indicated that licensed greyhound and harness venues have not been audited to ensure that the venues and clubs meet RQL minimum suitability requirements and standards.

The lack of appropriate allocation of responsibilities increases the risk of tasks not being performed and completed due to uncertainty of ownership and responsibility. RQL may not have completed all the activities committed to in the Audit Plan due to the lack of monitoring and reporting against the plan. Consequently, RQL may not be in compliance with Section 39 of the Racing Act 2002 which requires that by 31 December of each year, RQL provides the Queensland Government a copy of an audit program for the following year, which outlines how RQL will periodically audit every licensed animal, club, participant and venue to continue to be licensed. The audit program is to be implemented during the relevant year.

In addition, RQL increases the risk of licensing inappropriate applicants without appropriate reviews of licensee suitability, which may impact on RQL's and the racing industry's reputation should an adverse event occurs.

RQL should allocate the responsibility for individual audit plan activities and report the status of activities within the Audit Plan on an annual basis to the Audit Committee and Board.

Management Action Plan

Action: The Licensing Committee with Integrity Services will consider a more specific plan with allocated responsibilities and reporting dates.

Action Target Date: 31 March 2012

Action Owner: Jamie Orchard

Report / Actions

2.2 Licensing Manuals

Greyhounds

Residual Risk Rating	Primary Cause
Moderate	Policies and Procedures

Risk

Section 81 of the Racing Act 2002 (Act) requires that RQL has a policy in relation to licensing. In July 2010, RQL enacted a Licensing Scheme policy in accordance with the Act. The objective of the policy is to provide a system for assessing licence applicants and ensuring ongoing suitability of licensees in Queensland's racing industry. The following issues were identified in relation to the policy requirement that licensing processes and procedures are outlined in a licensing manual:

- **Harness Licensing Manual** – The Harness code did not have a licensing manual describing the activities and responsibilities associated with licensing harness participants. The lack of adequate procedures increases the reliance on the knowledge of the individual harness licensing officer. This overreliance has materialised with the harness licensing officer due to go on maternity leave in November 2011 with procedures needing to be drafted to allow other personnel to fill the role during the officer's absence. Without adequate licensing procedures, there is a risk that licensing activities may not be performed consistently, appropriately or in a timely manner.
- **Thoroughbred Licensing Manual** – While the Thoroughbred racing code did have a licensing manual dated June 2010, this document was not finalised and has remained in draft. This manual should be finalised to ensure that the documented procedure is appropriate and consistent with current legislative requirements.

RQL should finalise the Thoroughbred licensing manual and develop a manual for Harness licensing procedures as a priority.

Management Action Plan

Action: Mitigate by adding Thoroughbred criteria and critical requirements as addendum to policy as is now done for the other two codes.

The Licensing Policy does not require that licensing processes and procedures are set out in a licensing manual. There is a difference between criteria for licenses which applicants are entitled to know versus processes and procedures which are strictly internal documents. Criteria for Harness and Greyhound license categories are attached to the licensing policy document.

The Thoroughbred licensing manual was designed as a guide for use by licensing staff and stewards and is too complex and lengthy for use as a guide to industry- it contains both criteria and procedures.

A detailed process manual is now available for Harness as well as Greyhounds. The response to this risk is to separate the criteria for licenses from procedures and other internal checking requirements giving rise to two separate documents: criteria and requirements for all categories of license in 3 codes to be publicly available and internal manuals containing processes and procedures.

Action Target Date: 31 January 2012

Action Owner: Peter Smith, Licensing Manager

2.3 Consistency of licensing requirements

Residual Risk Rating

Moderate

Primary Cause

Structure and Process

Risk

In order to issue a licence to participate in any of the three racing codes, RQL requires minimum documentation with all completed applications including National Police Certificates (NPCs), evidence of identity and in some cases a medical certificate. We observed the following inconsistencies in relation to the documentation requirements:

- **Medical information:** Harness drivers needed a medical practitioner to complete a specific medical examination form that requires medical practitioners to comment on the applicant's general health and specific body functions / organs, provide a blood pressure reading, document urine levels, comment on the condition of the applicant's heart and provide a description of applicant's sight and hearing.

The Thoroughbred code also requires any licensee that wants to ride a thoroughbred racehorse to supply a health assessment results form. However, the form only requires medical practitioners to evaluate the risk of an applicant sustaining a work-related condition or aggravating an existing condition while undertaking the nominated role, be it a jockey or track-worker. The applicant's other medical details are not provided with the form.

- **Outstanding debts:** As part of the licensing of Thoroughbred and Greyhound applicants, licensing officers inquire with the Finance department whether applicants have any outstanding debts with RQL prior to awarding a licence.

The Harness licensing procedure did not perform the same inquiry process when licensing harness participants. This increases the risk of allowing individuals to benefit from racing activities despite having outstanding financial liabilities owed to RQL.

- **Suitability requirements:** Club committee executives are required to provide a current NPC (no older than five years) on an annual basis when the club's license is renewed.

Other than the allowable exceptions where NPCs are not required (e.g. under 18, applying for a racing bookmaker's licence, licence renewal, etc), there is no obligation for other RQL licensees to periodically provide a current NPC to ensure that licensees continue to meet suitability requirements.

- **Bookmaker licenses:** While applicants need to provide an eligibility certificate that is granted by the Gaming Executive of the Office of Liquor and Gaming Regulation, there are no further checks that the bookmakers continue to meet suitability requirements for the duration of their licences.

It is imperative that RQL consistently obtain the required information to appropriately license individuals. Furthermore, without ongoing checks, RQL may be renewing or awarding different licenses to individuals who no longer continue to meet the suitability requirements according to the Licensing Scheme Policy.

RQL should review the licensing requirements across the three codes to ensure consistency of documentation requested and procedures performed. RQL should consider requiring all licensees to provide current NPCs when applying for a new licence, even if the applicant is holding a current licence. Every five years, RQL should consider reviewing the suitability of licensees when renewing licences by requesting a current NPC (not older than five years) to ensure that licensees continue to meet suitability requirements.

Management Action Plan

Action: RQL will review consistency of requirements.

Medical information: Accept for the present and follow up the ARB Medical Officer's project for a national medical form for jockeys.

The assumption that all licenses should have consistent requirements needs to be proven. For example, are jockeys, track riders and track drivers all the same? What is the purpose of providing medical information to non -medical persons- how are they to interpret it?

Outstanding debts: All harness applications are now subject to these same finance checks.

Suitability requirements: The Licensing Committee will consider whether NPCs should be required when changing license or at some other suitable point. Balanced against this is the cost and time required by licensees especially the employers (trainers). Licensees are required to inform RQL of any charges or convictions within 14 days and this question is also posed on renewal forms except for stablehands.

Bookmaker licenses: Bookmakers are subject to the rules of racing and the close supervision of stewards including betting stewards. The betting public can complain about a bookmaker over a dispute or other allegation. Bookmakers who infringe the rules are punished. All phone bets are recorded and all written bets are audited by the betting unit and turnover data is collected. Any bookmaker who breached the rules significantly or repeatedly is subject to the same show cause for suitability actions as other licensees.

RQL will consider a risk assessment for continuing licensees by category in regard to whether a 5 year suitability review or similar is appropriate in conjunction with the audit plan.

Action Target Date: February 2012

Action Owner: Peter Smith, Licensing Manager

2.4 Greyhound licensing system (GRARUN)

Residual Risk Rating	Primary Cause
Moderate	Technology

Risk

The Greyhound racing code utilises a legacy database management system (GRARUN) to manage its licensing as well as other racing functions (nominations etc). This system continues to be used despite the amalgamation of the three racing codes. Based on discussions with RQL's Information and Communications Manager the following comments and issues relating to the system were noted:

- The GRARUN system requires regular support and development work. RQL has a service level agreement in place with Aceway Software Pty Ltd (Aceway) for the provision of IT services and system support for GRARUN. It was indicated that Aceway consisted of one individual that provided all development and technology services for GRARUN and as a result RQL has sole reliance on this individual to meet its system needs. This reliance creates a **key person risk** for RQL. In the event that the Aceway service provider (and particularly this individual) is unavailable, RQL may be faced with challenges in obtaining continuing support of the GRARUN system
- Enhancements are regularly requested due to the inflexibility of the system which results in **significant maintenance costs** to RQL. GRARUN is written in legacy COBOL programming language, which provides limited reporting capabilities and functionalities due to outdated technology. The system is unstable and requires third party software to function in a Windows server environment
- There is **no IT disaster recovery plan** for the GRARUN system. While RQL has backup and restoration mechanisms in relation to its virtual server environment, there were no recovery plans in place for GRARUN, creating a risk to the continuity of the greyhound system.
- In 2012, Greyhounds Australasia will be launching a redeveloped National Data Repository and the Frozen Semen Database system that will **no longer be compatible** with the GRARUN system.

While it is acknowledged that the GRARUN system does provide efficiencies when generating renewal notices and managing nominations, RQL should consider replacing the GRARUN system, in light of the risks associated with the system compatibility, limited functionality and ongoing support.

Management Action Plan

Action: RQL has agreed to purchase the Ozchase system from RAWA and will join WA, NSW, SA and NT on this recently developed system. This project is approved and well under way.

Action Target Date: Mid 2012

Action Owner: David Rowan (IT Manager) and Peter Smith (Licensing Manager)

2.5 Licensing Committee application review

Residual Risk Rating	Primary Cause
Moderate	Policies and Procedures

Risk

We noted that the Licensing Committee did not review license applications for Greyhound licensing, in contradiction with the Committee's charter, which is to assess all applications for RQL licenses with the authority to approve or deny an application (based on the Licensing Committee's charter that was endorsed by RQL's Board in July 2010).

Furthermore, we observed that an applicant for a greyhound owners and trainers license was not reviewed by the Licensing Committee, despite having criminal convictions recorded within the applicant's National Police Certificate.

In addition, license upgrades or award of new licences to existing licensees were not reviewed by the Licensing committee.

The lack of appropriate review of license applications increases the risk of licenses being issued to inappropriate or unqualified individuals. As outlined in the Licensing Committee's Charter, the Committee was delegated the authority and responsibility for approving license applications and therefore all license applications should be reviewed by the Committee, prior to issuing them to applicants.

Management Action Plan

Action: All Greyhound license applications will be considered by a committee process most likely an electronic one similar to stablehands and trackriders. All applicants with criminal history will be interviewed and the results considered by the Committee.

Action Target Date: 21 December 2011

Action Owner: Peter Smith, Licensing Manager

2.6 Licensing key performance indicators

Residual Risk Rating	Primary Cause
Low	Structure & Process

Risk

We noted the Key Performance Indicators (KPIs) relevant to licensing processing did not provide robust criteria that are clear, relevant, specific and measurable. In addition, the KPIs do not provide definitions of what constitutes a standard and high level licenses by which the KPIs are measured. While the KPIs included the target to submit the licence applications to the Licensing Committee within 2 weeks, the KPIs did not provide a clear measure / target on the end to end timeframe from receiving a licence application, through to the completion of processing the licence for the applicant.

The KPIs are documented in RQL's Business Plan for the 2011-12 financial year, within the Integrity and Regulatory Excellence section. These include:

- Standard licence applications responded to within 5 days. Target: >85%
- High level licence applications which are complete enough to provide to committee within 2 weeks. Target: >85%
- High level licence applications not complete enough to provide committee responded to within 2 weeks. Target: >85%

Without clear, specific, relevant and measurable KPIs, there is a lack of accountability and clear targets to be achieved by RQL's licensing functions.

RQL should improve the clarity of licensing related KPIs to include more robust measures that are more specific, measurable and relevant. The definition of standard and high level licences should be clearly described and the end to end timeframe from receiving a licence application, through to the completion of processing the licence for the applicant should be considered. The KPIs should be assessed at least annually and align with RQL's plans to reduce the manual nature of application processing to reduce the time required to complete licensing functions, including online licensing application submissions and licensing payments gateway.

Management Action Plan

Action: RQL will develop new KPIs. However, the ongoing issue with KPIs in relation to efficiency of processing is that almost all delays or impacts on processing are generated by applicant failures of one kind or another.

Action Target Date: 31 March 2012

Action Owner: Peter Smith, Licensing Manager

change the wording

2.7 Licensing application processing

Residual Risk Rating	Primary Cause
Low	Structure & Process

Risk

From examination of licensing applications across the three racing codes, we observed that RQL did not always obtain photocopies of insurance policies to verify that the club's insurance policy is valid and current at the time of licensing. The club licence application requires copies of the club's insurance policies. However, we observed that the Legal Department would accept an insurance policy number as evidence of adequate insurance coverage without reviewing the insurance policy.

We examined five licensing applications and identified:

- One instance where the insurance policy was not provided by the club
- Three instances where the insurance policies provided by the club had expired at the time of licensing.

Without examination of the insurance policy documentation, RQL may be licensing clubs that has not maintained appropriate and adequate insurance policies with sufficient coverage required by RQL.

RQL should examine the club's insurance policies prior to granting their licence to confirm that the insurance is current, valid and adequate to meet RQL's requirements. Furthermore, any exceptions observed and allowed by RQL on processed licensing applications should be documented.

Management Action Plan

Action:

In relation to insurance policies, where they are applicable, for instance WorkCover or Office Holder insurance, the Legal Department will request copies of the policies as part of the licensing process.

The implementation of the 'new' club and venue licensing was delayed by 6 months due to the natural disasters. RQL did not go back to those clubs who had already provided information by the due date of when RQL initially intended to implement the license, therefore the insurance policies provided by the club had expired.

In future, before granting a club and venue license, the legal department will ensure that the applicable insurance policies are current.

Action Target Date: Immediately

Action Owner: Shara Reid, Senior Corporate Counsel

→ RQL secures public liability insurance & voluntary workers personal accident for all Non-Tidd thoroughbred clubs

2.8 Communication of compliance requirements for club annual licensing

Residual Risk Rating	Primary Cause
Low	Structure & Process

Risk

We noted that there was no process in place for the Legal Department to consult with the Finance Department to confirm whether a club has satisfied the compliance requirements before issuing their licence. This includes documentation to be provided to Finance on an annual basis such as financial and insurance related documentation. The Legal Department grant licences to clubs as long as they have submitted the completed application forms (sent annually), with the relevant supporting documentation.

We acknowledge that RQL uses other punitive measures to encourage compliance from clubs rather than cancelling a club's licence or not renewing their licence. Nevertheless, there is inconsistent messaging sent out to the clubs by RQL internal departments around punitive actions if compliance requirements are not fulfilled. For example, the letter of documentation request sent out to the clubs from the Finance Department states that any club that fails to meet all compliance requirements in full will not be licensed. Clubs that have not fulfilled all compliance requirements may be licensed, despite the written communication that clearly states that this would not occur if compliance requirements were not achieved in full.

Club licensing was previously performed by RQL's Finance Department with the responsibility now residing with RQL's Legal Department.

RQL should implement a process or procedures for the Legal Department to obtain confirmation from the Finance Department that all compliance requirements from the Finance perspective have been fulfilled. RQL should also streamline its communication to the clubs such as by requiring the Legal Department to highlight non compliance areas to clubs at the time of issuing their licences.

Management Action Plan

Action: Prior to licensing, the Legal Department will request a 'finance clearance' from the Finance Department. This action will be done as part of the licensing process.

The current club and venue licenses expire on 31 December 2012, therefore, the Legal Department will commence the licensing process in September 2012.

Action Target Date: September 2012

Action Owner: Shara Reid, Senior Corporate Counsel

3 Appendix A – Risk Ratings

The Risk Ratings and Primary Cause Analysis provided in this report were based on the criteria below and have been determined by Senior Management and the Audit Committee as appropriate to allow allocation of resources to the areas of greatest concern.

3.1 Individual Residual Risk Ratings

Residual Risk Rating	Financial	Business continuity	Regulatory / Legal	Reputation & Image	WHS
Extreme – Poor or no controls. Pervasive and systematic weaknesses identified	Financial impact above \$1M	Loss of major service capacity for more than 2 weeks (or two days over Carnival period).	Significant legal, regulatory or internal policy failure e.g. severe sanction received.	Ongoing national and/or international media exposure. Extensive ongoing publicised attention from numerous or significant key stakeholders.	Loss of life or permanent incapacitation. Unplanned loss (or extended absence) of a senior executive, or several key staff.
Major – Significant control weaknesses identified	Financial impact between \$500K and \$1M	Loss of major service capacity for less than 2 weeks (or one day over Carnival period).	Major legal, regulatory or internal policy failure e.g. major sanction received.	Extensive ongoing state media exposure. Repeated ongoing publicised attention from numerous or significant key stakeholders.	Serious injury or incident which requires hospitalisation; incomplete rehabilitation achieved. Unexpected loss (or extended absence) of a key staff member with specialist knowledge without which the business is significantly affected.
Moderate – Several control weaknesses of concerns identified.	Financial impact between \$50K and \$500K	Loss of localised service capacity for more than 2 weeks (or up to half a day over Carnival period).	Limited legal, regulatory and internal policy failure e.g. sanction received.	Isolated state media exposure. Attention from a limited number of key stakeholders with restricted publicity.	Injury or incident requiring medical attention with full rehabilitation achieved. Unexpected loss (or extended absence) of a key staff member who is integral to the business with specialist knowledge.
Low – Small number of minor control weaknesses / opportunities for improvement identified	Financial impact between \$5k and \$50K	Loss of localised service capacity for less than 2 weeks (no impact over Carnival period).	Minor legal, regulatory and internal policy failure e.g. minor sanction received.	Local media exposure. Isolated attention from one key stakeholder or a number of minor stakeholders with little or no publicity.	Minor injury or incident which requires medical treatment and loss time. Unexpected loss (or extended absence) of a senior staff member.
Minor – minimal opportunities for improvement identified	Financial impact up to \$5k	Resolution of issue locally without disruption.	Insignificant legal, regulatory or internal policy failure. No sanction imposed.	No media exposure. Isolated attention from a minor stakeholder with no publicity.	Minor incident requiring first aid, Unexpected loss (or extended absence) of a single staff member.

3.2 Primary Causes

Primary Cause	Guidance
Compliance	Regulations or legislation with which the organisation has to comply.
Knowledge & People	Staff abilities, intellectual property.
Policies & Procedures	Anything relating to internal operational policies and procedures which have to be complied with.
Structure & Process	Organisational and business processes setup of the organisation to allow it to achieve its goals.
Technology	IT systems and networks, programs and methodologies used to conduct business, e.g. CAD/CAM.

AUDIT COMMITTEE PAPER NUMBER: 6
Internal Audit Update – Race Information Fees

PURPOSE:

To provide the Committee the Internal Audit review of the Race Information Fees process and issues highlighted by Deloitte's and to enable further discussion.

BACKGROUND AND ISSUES:

As part of the internal audit plan for FY1112, Deloitte were asked to conduct a review of the RQL Race Information Fees process and the integration of the 3 racing codes and advise on business improvement opportunities. The last review was conducted in January 2010.

The report with management comments as at March 12, 2012 is attached for reference for detailed key findings and management comments. There has been a significant improvement since the last review where there were 5 moderate risks and 4 low risks

A summary of the findings are:

Ref	Finding	Residual Risk rating	Primary Cause	Status since Audit
1.	Validity of information submitted by wagering operators	Major	Policies & Procedures / Technology	Conditions being reviewed and going to April 2012 board meeting
2.	Manual processing of race information fees	Moderate	Policies & Procedures	Conditions being reviewed and going to April 2012 board meeting
3.	Invoicing threshold	Moderate	Policies & Procedures	Conditions being reviewed and going to April 2012 board meeting
4.	Interest charges	Moderate	Knowledge & People	Conditions being reviewed and going to April 2012 board meeting

Residual Risk Rating
Extreme – Poor or no controls. Pervasive and systematic weaknesses identified
Major – Significant control weaknesses identified
Moderate – Several control weaknesses of concerns identified.
Low – Small number of minor control weaknesses / opportunities for improvement identified
Minor – minimal opportunities for improvement identified

PURPOSE

The purpose of the engagement is to examine the controls around RQL's race information fees process and to make recommendations where opportunities for improvement in controls are identified.

SCOPE

The scope of our engagement is to examine the following areas of the race information fees process:

- Policies and procedures around RIF have been set up appropriately to meet the objectives of the scheme
- The distribution and collection / recording of RIF is in accordance with the Conditions and relevant policies and procedures

- There are adequate controls around the systems and processes to ensure relevant RQL personnel understand and adhere to the policies, particularly around invoicing / revenue process (received from the wagering operators to RQL).

MANAGEMENT COMMENTS

The key findings which have not been addressed since the last review will be considered in the revised conditions which will go to the board for approval at the April 2012 board meeting.

The Automation of the calculation of race information fees and billing will be implemented on July 1, 2012 when the new FY12 conditions and potential fees are implemented.

OPTIONS:

Not applicable.

FINANCIAL IMPACT:

5 Days at \$1,640 per day = \$8,200

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

It is important that RQL communicates any changes to fee structure or conditions of authority to all current and future authority holders

DECISION REQUIRED

To be noted by the Audit Committee with an update of action items to be provided at the next meeting.



Adam Carter
CHIEF FINANCIAL OFFICER



Racing Queensland Limited (RQL)

Race Information Fees

March 2012

348119

Distribution

Party	Title
Adam Carter	Chief Financial Officer

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Member of Deloitte Touche Tohmatsu Limited

Mr Adam Carter
Chief Financial Officer
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

14 March 2012

Dear Adam

Re: Internal Audit – Race Information Fees (RIF)

Please find attached the report for our recently concluded internal audit engagement relating to Race Information Fees, which forms part of the internal audit plan set by the Audit Committee for the 2011-2012 financial year. The fieldwork was completed in February 2012.

We would like to take this opportunity to thank you and your staff for the co-operation which we have received in performing this engagement. Should you have any questions or which to discuss anything further, please contact Vincent Lie on (07) 3308 7343 or me on (07) 3308 7046.

Yours sincerely

Carl Gerrard
Partner
Risk Services

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The Services provided are advisory in nature and do not constitute an assurance engagement in accordance with Australian Standards on Review or Assurance Engagements or any form of audit under Australian Auditing Standards, and consequently no opinions or conclusions intended to convey assurance under these standards are expressed.

Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

Our work is performed on a sample basis; we cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Recommendations and suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy, or reliability is given in relation to the statements and representations made by, and the information and documentation provided by Racing Queensland Limited personnel. We have not attempted to verify these sources independently unless otherwise noted within the report.

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Racing Queensland Limited (RQL) - Race Information Fees

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1 Executive Summary

1.1 Objective and scope

Deloitte Touche Tohmatsu has completed an internal audit of the Race Information Fees (RIF) process at Racing Queensland Limited (RQL).

The purpose of the engagement was to examine the controls around RQL's race information fees process and to make recommendations where opportunities for improvement in controls were identified.

The scope of the engagement was to examine the following areas of the RIF process:

- Policies and procedures around RIF have been set up appropriately to meet the objectives of the scheme
- The distribution and collection / recording of RIF is in accordance with the Conditions and relevant policies and procedures
- There are adequate controls around the systems and processes to ensure relevant RQL personnel understand and adhere to the policies, particularly around invoicing / revenue process (received from the wagering operators to RQL).

A follow-up of all major and moderate findings from the prior year's RIF internal audits was also performed.

We did not examine the following:

- The completeness of fee revenue obtained for race information
- Legal and other issues being disputed in court by wagering operators regarding RIF
- Determination of revised formula or calculation methods for RIF.

1.2 Background

Following amendments to the Racing Act and regulations, Race Fields legislation now applies in Queensland. All wagering operators using Queensland race information from any of the three codes of racing must obtain an Authority to Use Queensland Race Information and, where applicable, pay fees.

RIF are based on a percentage of Gross revenue. The user of the RIF must pay to RQL fees in relation to each authority period for an amount calculated in accordance to the following formula:

$$\text{RIF} = (\text{Gross Revenue} - \text{GST Adjustment}) \times \text{Rate}$$

A rate of 10% is applicable for all the months except for May and June 2012. The rate for the months of May and June 2012 is 15%.

1.3 Work performed

The following work was undertaken during the engagement:

- Developed an understanding of recent changes to the RIF processes, including the recording, distribution and invoicing process, through discussions with key personnel and by performing walkthrough the relevant conditions, guidelines, policies and procedures
- Analysed the records and procedures for the licensing and approval process, including the document management system in place surrounding this process
- Selected a sample of 12 wagering operators' application forms (7 for wagering operators with less than \$5 million annual wagering turnover and 5 for operators with more than \$5 million annual wagering turnover) and:

- Verified the validity of the application, by identifying and assessing the signed declarations on the application
- For the wagering operators which have more than \$5 million annual wagering turnover, re-performed the calculations of the RIF payable monthly by the operator for 3 randomly selected months, against the calculation methodology outlined in the Conditions.
- Assessed the timeliness of transactions between the wagering operators, RQL and TattsBet (Product Co), against the Conditions.
- Prepared recommendations / agreed action plans to improve controls where required
- Discussed findings (where applicable) with relevant engagement sponsors and accountable personnel.

1.4 Key findings and recommendations

RQL has progressed with developing the centralised wagering operator listing and continues to identify wagering operators to be added to the list, which potentially use Queensland race information.

However, some findings from the last RIF internal audit in 2011 have recurred and therefore re-raised in this report, with little progress made on the relevant management action items from 2011. These include the following:

- Validity of information submitted by wagering operators
- Automation of the calculation of race information fees, billing and threshold analysis
- Interest charges to wagering operators.

Descriptions of the above risks are included in Section 1.5 (Summary of Key Findings). Further details of these risks are contained in Section 2. A recommended course of action has been agreed with management for each of these risks.

Section 3 of this report outlines the follow up progress / status of prior year RIF internal audit findings. Recurring findings have been noted accordingly.

1.5 Summary of risks addressed

Detailed Finding Reference	Finding Description	Residual Risk Rating	Primary Cause
2.1	Validity of information submitted by wagering operators - There is a lack of clarity regarding the annual verification process of wagering operators' revenue data. For example, there is no requirement to submit a certified / audited statement of the revenue data submitted to RQL.	Major	Compliance
2.2	Manual processing of race information fees - The process for receiving revenue data and the determination of the RIF payable continues to be a manual process. RQL should consider automating the calculation of RIF, where wagering operators can submit the monthly revenue data via an online portal.	Moderate	Technology
2.3	Invoicing threshold – RQL has billed 101 of 329 wagering operators for amounts below \$100, from July to December 2011. RQL should consider performing threshold analysis on the RIF and only bill monthly for operators above the threshold, or based by entity type (e.g. Totes and Corporates). For the wagering operators below the threshold or for certain entity types (e.g. oncourse bookmakers) RQL should consider billing quarterly or six-monthly.	Moderate	Knowledge & People
2.4	Interest charges - RQL has not billed and recovered interest charges for late payments of RIF from wagering operators. This is not in accordance with Section 9 of the RIF Conditions.	Moderate	Compliance

The Residual Risk Ratings and Primary Cause Analysis provided in this report were determined by Senior Management and the Audit Committee and are set out in Appendix A.

2 Detailed Findings

2.1 Validity of information submitted by wagering operators

Residual Risk Rating	Primary Cause
Major	Compliance

Risk

There is a lack of verification process of wagering operators' revenue data apportioned between the three racing codes (wagering gross revenue), which are required to be provided to RQL on a monthly basis per the RIF Conditions. This is a recurring finding from prior years. Specifically, there is no requirement to submit an independently certified / audited statement of the revenue data submitted to RQL for the financial year (similar to what was required in the preceding RIF guidelines from prior years).

Under the existing RIF Conditions the licensed wagering operators are required to submit an annual statement setting out gross revenue for all codes for the Financial Year within 60 days of the end of the financial year. RQL then compares the total wagering turnover and the gross revenue amounts detailed in the annual statements to the monthly statements. We noted that Corporates and Totes submit their audited annual financial statements to RQL. However, RQL has limited ability to match / verify the monthly gross revenue submitted by the wagering operators across the three codes to the submitted annual statements.

RQL should consider modifying the current RIF Conditions to include the requirement to submit an independent, audited annual statements of the revenue data that is certified as true and correct by an accountant / auditor. RQL may require this from wagering operators which are already required to prepare audited financial statements under the Corporations Act 2011 (Cth). The RIF Conditions should provide RQL with the right to engage an independent auditor at its discretion to verify the wagering operators' wagering revenue data, for wagering operators not required to prepare audited financial statements.

Management Action Plan

Issue:- Given the transition midway through previous financial year from turnover based to gross revenue based operators (Totes specifically) supplied annual turnover verification only. Corporate bookmakers entered into Deeds of Agreement therefore no verification by third party issued.

Action: – Conditions currently being assessed to incorporate controlled random auditing e.g. All Totes and Corporate Bookmakers to supply 3rd party verification, random selection of oncourse bookmakers (this would need to be reviewed as appropriate by Senior Corporate counsel).

Action Target Date: 30 June 2012

Action Owner: Senior Corporate Counsel/Business Analyst/Business Services Manager

① Part of conditions going forward.

2.2 Manual processing of race information fees

Residual Risk Rating	Primary Cause
Moderate	Technology

Risk

The process of receiving the revenue data and determination of the RIF payable continues to be a manual process. Wagering operators provide monthly gross revenue amounts on the Race Information Form, sent to RQL by email or in hard copy by the 5th working day of the month, or the 10th working day for wagering operators who choose to use a Recipient Created Tax Invoice (RCTI) to pay RQL. This information is entered into the spreadsheet which calculates the amount of RIF payable by the wagering operator. This is then copied to the 'All Codes Racefields Authorities Master FY1112' spreadsheet under the appropriate racing code. The Executive Business Service Administrator is responsible for manually entering the details of the calculated RIF in the spreadsheet and invoicing the wagering operator accordingly.

RQL should continue to consider automating the calculation of RIF, where wagering operators can submit their monthly revenue data via an online portal. This would reduce the risk of manual errors from entering and manipulating the spreadsheet, improve the audit trail and reduce time spent by RQL staff calculating, filing and invoicing the wagering operators.

Management Action Plan

Action: The process is not duplicated as the same master spreadsheet is utilised. A copy is used to capture a given financial year of data. There is no copy and paste process as the master file remains the primary source of information.

– Currently at testing stage to be incorporated and released in conjunction with the next authority period from 1 July 2012 given the possible changes to the calculation and requirements.

Action Target Date: 30 June 2012

Action Owner: Business Services Manager

① Due for release under the new conditions with the new fee

2.3 Inventory threshold

Residual Risk Rating	Primary Cause
Moderate	Knowledge & People

30%

Risk

We observed 101 instances out of 329 RCTI / invoices issued, where RQL had billed RIF to wagering operators for amounts below \$100 between July to December 2011. This is a recurring finding from prior years. For example, an invoice was issued to Mr Jeffrey Down in October 2011 for 70 cents. The RIF payable amount is determined by the RIF tracking spreadsheet utilised by RQL's Finance Department to track and bill RIF to wagering operators. We noted that RQL must not differentiate / discriminate between wagering operators based on their RIF fees in line with the Productivity Commission Report, thus requiring RQL to bill all the wagering operators regardless of the amount payable.

During the engagement we observed that Totes and Corporates generally have higher RIF fees as compared to on-course bookmakers. RQL should consider either performing a threshold analysis on the RIF and only bill monthly for operators above the threshold, or based on the type of entity such as Totes and Corporates. Quarterly or six-monthly billing can be done for wagering operators below the threshold, or if based by entity type, for oncourse bookmakers.

Management Action Plan

Action: – this has been assessed and in conjunction with the new database would not provide any benefits as the same amount of data would still be required to be entered as there is no consolidation of data therefore data would be required to be entered individually whether on a monthly, quarterly or annual basis. There may be a benefit to the on course operators to only make 1, 2 or 4 submissions a year however RQL could be open to further risks of tampering with data to offset between codes and months. To be considered in the new conditions going to the RQL Board meeting in April 2012

Action Target Date: 30 June 2012

Action Owner: Senior Corporate Counsel and Business Services Manager

- No threshold, look at AIC model for BAS or PAYG, small submit quarterly / 6 monthly or Annually.
- Amounts going forward will large monthly

2.4 Interest charges

Residual Risk Rating	Primary Cause
Moderate	Compliance

Risk

RQL does not bill and recover interest charges for late payments of RIF. This is a recurring finding from prior years.

This is not in accordance with Section 9 of the RIF Conditions which state that the wagering operator must pay RQL interest calculated based on the current Reserve Bank of Australia's cash target rate plus 2% for any amounts not received by RQL by the due date of payment being the 10th day of the following month. In February 2012, RQL has a debtor totalling \$31,190.24 owing between 30 and 150 days.

Discussions with Finance staff confirmed that RQL has not charged interest on late payments of RIF. We noted in the majority of instances, that RQL is unable to calculate the amount payable (and therefore the interest charge for late payments) due to the late or non-submission of revenue data from the wagering operators. The Executive Business Service Administrator follows up with the wagering operators regarding non-submission of revenue data by the due date. The follow-up is prioritised based on the amount of RIF payable to RQL. We acknowledge that RQL continues to face challenges in obtaining the revenue data despite this follow-up process.

Late-paying operators are a financial risk which may result in lost revenue. RQL should establish a process to charge interest on late payment. A record of interest waived should be maintained. RQL should consider collecting interest charges for late payment, if they are too lax with the enforcement of these charges, RQL will be forced to deal with chronically late-paying customers that may increase the risk of incurring bad debt.

Management Action Plan

Action: To be assessed to see if we are able to set a \$ threshold for interest charges to be incurred over a set amount. The majority of bookmakers outside credit terms are insignificant in amounts and interest on this would equate to a small dollar figure in comparison to the work and cost required to administer this process. Any authority of significant outstanding amounts would be charged the penalty; to date this has not been the case. To be considered in the new conditions going to the RQL Board meeting in April 2012.

Action Target Date: 30 June 2012

Action Owner: Senior Corporate Counsel and Business Services Manager

① To ACTION

3 Follow-up of prior RIF internal audit findings

Legend for Status column:

<i>Completed</i> – task completed as agreed, risk addressed.	<i>Partly completed</i> – task completed, but issues remain; or task still in progress.	<i>Not commenced</i> – still intended to commence, in progress or revised date.	<i>Not done</i> – task not undertaken due to other priorities, or not intended to be undertaken. Task outstanding.	<i>Not applicable</i> – issue was re-raised in next year's audit therefore task
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Finding	Finding description	Management action plan, owner and due date	Status	Follow-up observation	Management comment
Race Information Fees Internal Audit report – May 2010					
1 Development of wagering operators listing (Moderate)	<p>QRL has not obtained the listing of all interstate wagering operators (except for those in Victoria), or a listing of national and international corporate bookmakers. QRL's Licensing Department currently performs ad hoc Internet searches to identify corporate bookmakers using Queensland race information. The listing of interstate wagering operators is being sourced from relevant racing authorities in each state / territory.</p> <p>QRL has limited capability to collect and earn revenue, without identifying all wagering operators who may be liable to pay the RIF to QRL. Furthermore, the unidentified wagering operators may be unaware of their potential obligations to pay RIF, as they have not received the RIF application forms and information packs.</p> <p>Furthermore, with the Initial RIF Authority Period expiring on 30 June 2010, there are increased risks of pushback from wagering operators who may be subjected to pay RIF retrospectively back to September 2008.</p> <p>The 31 March 2009 deadline was neither documented in the Guidelines or Conditions of RIF.</p>	<p>QRL will prioritise working with all relevant racing authorities and legislative bodies in Australia to obtain listing of all wagering operators (corporate and non-corporate) licensed in each state/territory, including their contact details and monthly wagering turnover amounts.</p> <p>Where possible, QRL should propose information sharing with other racing authorities and legislative bodies to identify wagering operators operating outside Australia.</p> <p>QRL will investigate the deadline of 31 March 2009 and remove it from the website, if appropriate.</p> <p>Action owner: Adam Carter / Peter Smith</p> <p>Due date: 31 December 2009</p>	Not applicable	<p>This finding was raised again in the September 2011 internal audit report and is therefore not applicable.</p> <p>Refer RIF report (September 2011) finding 1 below for more details.</p>	N/A

Finding	Finding description	Management action plan, owner and due date	Status	Follow-up observation	Management comment
<p>2 Follow-up of outstanding wagering operator submissions / payments (Moderate)</p>	<p>There appears to be limited follow-up process of outstanding submissions and payments from wagering operators by the relevant QRL departments, as follows:</p> <ul style="list-style-type: none"> • Application forms: limited follow-up has been performed by QRL's Licensing Department, on outstanding application forms not yet received back from wagering operators listed on the "incoming spreadsheet" • Monthly wagering return forms: We noted that the RIF Authorisation Committee is finalising the process of whether or not smaller non-corporate bookmakers are required to submit wagering return data on a monthly basis • Certified annual statements: We noted that a number of corporate and non-corporate bookmakers' submissions have been received by QRL both before and after the deadline. • RIF payments: QRL has not imposed the penalties for breaching the RIF payment deadlines, including additional administration payment fees and the referral to debt-collection agencies. This is not in accordance with the requirements of the Guidelines. <p>We also observed a lack of centralised tracking of the above (except application forms) to determine who, when and how many follow-up reminders have been sent to the wagering operator.</p>	<p>The upcoming Horses system upgrade will automate the follow-up process, by automatically sending reminders for outstanding monthly wagering data and RIF payments to wagering operators. QRL will utilise the Licensing Department's incoming spreadsheet to track and initiate follow-up in the interim.</p> <p>Action owner: Adam Carter / Peter Smith</p> <p>Due date: 31 December 2009</p>	<p>Not applicable</p>	<p>This finding was raised again in the September 2011 internal audit report therefore not applicable.</p> <p>Refer RIF report (September 2011) finding 3 below for more details.</p>	<p>N/A</p>

Finding	Finding description	Management action plan, owner and due date	Status	Follow-up observation	Management comment
<p>3 Document management (Moderate)</p>	<p>There appears to be no centralised document management system across QRL departments. We specifically observed the following:</p> <ul style="list-style-type: none"> • Hard-copy correspondence with wagering operators: There was no centralised document repository area for hard-copy documents to be shared across multiple departments in QRL. This particularly involves Licensing, Finance and Legal. We observed instances where multiple copies of the same document had been filed by different departments. We also observed instances where correspondence that may be of interest to multiple departments, had only been filed by a single department • Electronic correspondence with wagering operators: We noted instances where electronic correspondence was not filed on the network drive, requiring staff to locate the documents in personal email inboxes or sent items. Furthermore, electronic copies of correspondence may be overwritten on the network drive, particularly for follow-up reminder letters • Monthly wagering return forms: We noted that QRL's Licensing Department filed the forms that have been requested from the wagering operator as part of their initial application, if they were submitted to QRL after March 2009. <p>In the Finance department, we observed that monthly wagering return forms for non-corporate bookmakers have not been filed centrally, with forms being kept by both the Business Analyst and the Senior Prize Money Officer.</p>	<p>QRL will set up a centralised document repository area for all correspondence with wagering operators. This includes developing procedures for retrieving archived correspondence and filing of new correspondence items.</p> <p>Correspondence sent electronically by email should be saved onto the shared network drive and/or printed out to be filed.</p> <p>As the Licensing Department is the central point of contact at QRL to receive all correspondence from wagering operators, all correspondence will be tracked using the Licensing Department's "incoming spreadsheet". This includes incoming correspondence items such as the receipt of application forms, monthly wagering return forms and annual statements. Outgoing correspondence to be tracked includes annual statement, turnover or payment reminders.</p> <p>Action owner: Adam Carter / Peter Smith</p> <p>Due date: 31 December 2009</p>	<p><i>Completed</i></p>	<p>RQL has developed an electronic centralised spreadsheet 'All Codes Racefields Authorities Master FY1112' to capture wagering operators operating nationally, that may be using Queensland Products.</p> <p>The spreadsheet captures details of the wagering operators' addresses, correspondence sent, application status and monthly invoice dates. This spreadsheet is saved onto the shared network drive.</p> <p>Further all electronic correspondence received from wagering operators is filed on the network drive and manual correspondence are kept on the wagering operators file.</p>	<p>N/A</p>

Finding	Finding description	Management action plan, owner and due date	Status	Follow-up observation	Management comment
<p>4 Communication of Standard Term of Race Information Authority (Moderate)</p>	<p>Section 5.0 of the Guidelines states, "The Relevant Control Bodies will communicate the standard term of an Authority to each Licensed Wagering Operator holding an Authority at least 12 months prior to expiration of the Initial Authority Period". The Initial Authority Period is 1 September 2008 to 30 June 2010.</p> <p>We noted that no terms or strategies have been agreed by QRL to date. In addition, QRL has not established rules and strategies to process RIF applicants who will be submitting their applications close to the end of the Initial Authority Period. This primarily includes interstate and overseas wagering operators.</p> <p>We noted the 12-month requirement may appear to be excessive, given the total duration of the authority period of 22 months. Nevertheless, QRL has not complied with the Guidelines and should have developed the standard term and other strategies and plans around RIF.</p>	<p>QRL will develop and agree on a standard term of race information authority as soon as possible. This will be communicated to all licensed wagering operators immediately, with notification that QRL will abide by the requirements of the Guidelines in communicating standard terms of authority in future.</p> <p>QRL will consider making amendments to the Guidelines if necessary, to reduce the time period to communicate the standard term of an authority from 12 down to a more practicable/achievable period of 6 months.</p> <p>Action owner: Adam Carter / Peter Smith</p> <p>Due date: 28 February 2010</p>	<p><i>Not applicable</i></p>	<p>No longer applicable, as the RIF Guidelines have been superseded by the existing RIF Conditions.</p>	<p>N/A</p>

Finding	Finding description	Management action plan, owner and due date	Status	Follow-up observation	Management comment
5 Tracking and threshold analysis of all wagering operators (Moderate)	QRL has not been tracking and performing threshold analysis on all other wagering operators. This increases the risk of QRL not identifying and following up on RIF payments from wagering operators which may have exceeded or are close to exceeding the threshold. This risk is more likely to occur for unidentified interstate or overseas operators, with no historical wagering turnover records maintained by QRL	<p>QRL will ensure the Horses system operates effectively in tracking all wagering operators and identify those who have exceeded the \$5 million threshold.</p> <p>In the interim, QRL will integrate the RIF Calculations Spreadsheet with QRL Licensing Department's "incoming spreadsheet" register, to track all wagering operators that have been identified by QRL to date.</p> <p>Action owner: Adam Carter / Peter Smith</p> <p>Due date: 31 December 2009</p>	Not Applicable	No longer applicable, as RIF is no longer determined by turnover.	N/A

Race Information Fees Internal Audit report – September 2011

Finding	Finding description	Management action plan, owner and due date	Status	Follow-up observation	Management comment
<p>1 Centralised list of wagering operators (Major)</p>	<p>RQL has not obtained the listing of all interstate wagering operators (except Victoria and Northern Territory) and corporate bookmakers nationally and internationally that use Queensland race information. RQL's Legal Department currently performs ad hoc Internet searches to identify wagering operators using Queensland race information.</p> <p>RQL has limited capability to source the listing of interstate wagering operators from the relevant racing authorities in each state/territory. Without identifying all wagering operators who may be liable to pay the RIF, RQL has limited ability to collect and earn the potential revenue that it is entitled to.</p> <p>This issue was raised in the previous RIF internal audit report dated May 2010.</p>	<p>All PRA's have been contacted and responses are currently being captured.</p> <p>Action owner: Shara Murray – Senior Corporate Counsel/Company Secretary</p> <p>Due date: Ongoing</p>	<p><i>Partly completed</i></p>	<p>RQL continues to identify and communicate with new wagering operators to determine if RIF is applicable to them. This information is captured in the centralised spreadsheet 'All Codes Racefields Authorities Master FY1112'.</p> <p>This spreadsheet however does not contain international wagering operators that use Queensland race information. It was communicated by the Chief Financial Officer (CFO) that RQL have identified a number of international wagering operators that may use Queensland products and the Legal Department is currently in the process of contacting them.</p>	<p>On going process, reviewing respective Principal Racing Authorities websites, wagering websites and the Northern Territory's regulatory regime for wagering website and racing forum websites</p>
<p>2 Annual verification of wagering operators' revenue data (Moderate)</p>	<p>There is lack of clarity regarding the annual verification process of wagering operators' revenue data apportioned between the three racing codes (wagering turnover and gross revenue), which are required to be provided to RQL on a monthly basis per the RIF guidelines. For example, there is no requirement to submit an audited financial statement (per the preceding RIF guidelines in 2010).</p>	<p>Annual returns are to be sent out and returned within two months of the end of the financial year, and verified by a qualified third party.</p> <p>Action owner: Adam Carter – Chief Financial Officer</p> <p>Due date: 30 September 2011</p>	<p><i>Not Applicable</i></p>	<p>No longer applicable, as the finding is recurring and has been re-raised as a finding in this report.</p> <p>Refer to finding 2.1 of this report</p>	<p>N/A</p>

Finding	Finding description	Management action plan, owner and due date	Status	Follow-up observation	Management comment
3 Manual processing of race information fees (Moderate)	Wagering operators provide monthly turnover and gross revenue amounts on the 'Monthly Return Form', sent to RQL by email or in hard copy by the 5 th working day of the month, or the 10 th working day for wagering operators who choose to use a Recipient Created Tax Invoice (RCTI) to pay RQL. This information is entered into a spreadsheet which calculates the amount of RIF payable by the wagering operator. The Executive Business Service Administrator is responsible for manually entering the details of the calculated RIF in the RIF tracking spreadsheet and invoicing the wagering operator.	Implement a centralised licensee database utilising the current RQL HORSES system and corresponding RQL website portal for an online system where wagering operators can submit their monthly revenue. Action owner: Adam Carter – Chief Financial Officer Due date: 30 September 2011	Not applicable	No longer applicable, as the finding is recurring and has been re-raised as a finding in this report. Refer to finding 2.2 of this report	N/A
4 Inventory threshold (Moderate)	We observed 15 instances out of 62 RCTI / invoices issued, where RQL had billed RIF to wagering operators for amounts below \$500 for the months of January and February 2011. We observed invoices with amounts as small as an invoice to Bell Manning for February 2011 for 9 cents. The RIF payable amount is determined by the RIF tracking spreadsheet utilised by RQL's Finance Department to track and bill RIF to wagering operators.	Currently under review although due to current legislation impediments this may not be viable. RQL will consider performing a threshold analysis to evaluate whether invoice amounts of less than \$250 per month could be billed quarterly. Action owner: Shara Murray – Senior Corporate Counsel/Company Secretary Due date: 31 December 2011	Not applicable	No longer applicable, as the finding is recurring and has been re-raised as a finding in this report. Refer to finding 2.3 of this report	N/A

Finding	Finding description	Management action plan, owner and due date	Status	Follow-up observation	Management comment
<p>5 Interest charges (Moderate)</p>	<p>RQL does not currently bill and recover interest charges for late payments of RIF. This is not in accordance with Section 9 of the RIF guidelines which state that the wagering operator must pay RQL interest calculated based on the current Reserve Bank of Australia's cash target rate plus 2% for any amounts not received by RQL by the due date of payment being the 10th day of the following month.</p> <p>Discussions with Finance staff confirmed that RQL has not historically charged interest on late payments of RIF. We noted in the majority of instances, RQL is unable to calculate the amount payable (and therefore the interest charge for late payments) due to the late or non-submission of revenue data from the wagering operators. The Executive Business Service Administrator follows up with the wagering operators regarding non submission of revenue data by the due date. The follow up is prioritised based on the amount of RIF payable to RQL.</p>	<p>RQL will establish a process to charge interest on late payment. A record of interest waived will be maintained. RQL will consider collecting interest charges for late payment.</p> <p>Action owner: Adam Carter – Chief Financial Officer</p> <p>Due date: 1 July 2011</p>	<p><i>Not applicable</i></p>	<p>No longer applicable, as the finding is recurring and has been re-raised as a finding in this report.</p> <p>Refer 2.4 of this report</p>	<p>N/A</p>

4 Appendix A – Risk Ratings

The Risk Ratings and Primary Cause Analysis provided in this report were based on the criteria below and have been determined by Senior Management and the Audit Committee as appropriate to allow allocation of resources to the areas of greatest concern.

4.1 Individual Residual Risk Ratings

Residual Risk Rating	Financial	Business continuity	Regulatory / Legal	Reputation & Image	WHS
Extreme – Poor or no controls. Pervasive and systematic weaknesses identified	Financial impact above \$1M	Loss of major service capacity for more than 2 weeks (or two days over Carnival period).	Significant legal, regulatory or internal policy failure e.g. severe sanction received.	Ongoing national and/or international media exposure. Extensive ongoing publicised attention from numerous or significant key stakeholders.	Loss of life or permanent incapacitation. Unplanned loss (or extended absence) of a senior executive, or several key staff.
Major – Significant control weaknesses identified	Financial impact between \$500K and \$1M	Loss of major service capacity for less than 2 weeks (or one day over Carnival period).	Major legal, regulatory or internal policy failure e.g. major sanction received.	Extensive ongoing state media exposure. Repeated ongoing publicised attention from numerous or significant key stakeholders.	Serious injury or incident which requires hospitalisation; incomplete rehabilitation achieved. Unexpected loss (or extended absence) of a key staff member with specialist knowledge without which the business is significantly affected.
Moderate – Several control weaknesses of concerns identified.	Financial impact between \$50K and \$500K	Loss of localised service capacity for more than 2 weeks (or up to half a day over Carnival period).	Limited legal, regulatory and internal policy failure e.g. sanction received.	Isolated state media exposure. Attention from a limited number of key stakeholders with restricted publicity.	Injury or incident requiring medical attention with full rehabilitation achieved. Unexpected loss (or extended absence) of a key staff member who is integral to the business with specialist knowledge.
Low – Small number of minor control weaknesses / opportunities for improvement identified	Financial impact between \$5k and \$50K	Loss of localised service capacity for less than 2 weeks (no impact over Carnival period).	Minor legal, regulatory and internal policy failure e.g. minor sanction received.	Local media exposure. Isolated attention from one key stakeholder or a number of minor stakeholders with little or no publicity.	Minor injury or incident which requires medical treatment and loss time. Unexpected loss (or extended absence) of a senior staff member.
Minor – minimal opportunities for improvement identified	Financial impact up to \$5k	Resolution of issue locally without disruption.	Insignificant legal, regulatory or internal policy failure. No sanction imposed.	No media exposure. Isolated attention from a minor stakeholder with no publicity.	Minor incident requiring first aid. Unexpected loss (or extended absence) of a single staff member.

4.2 Primary Causes

Primary Cause	Guidance
Compliance	Regulations or legislation with which the organisation has to comply.
Knowledge & People	Staff abilities, intellectual property.
Policies & Procedures	Anything relating to internal operational policies and procedures which have to be complied with.
Structure & Process	Organisational and business processes setup of the organisation to allow it to achieve its goals.
Technology	IT systems and networks, programs and methodologies used to conduct business. e.g. CAD/CAM.

AUDIT PAPER NUMBER: 7
Control Self-Assessment – Control Track Update

PURPOSE:

To provide the audit committee with an update on the RQL and club control self-assessment tool (Control Track) from Deloitte following the audit committee meeting on 10 June 2011 and the presentation by Deloitte on 11 August 2011.

BACKGROUND AND ISSUES:

As part of the review of race clubs corporate governance and financial management assessments, RQL, and the previous thoroughbreds control body QRL, engaged in a program of independent periodic assessments of key thoroughbred racing clubs with Deloitte acting as the independent assessor.

These assessments commenced in 2005 and were carried out to assist clubs in identifying strengths and weaknesses in operating policy and procedures by way of on-site reviews. The findings and recommendations of these reviews were then presented to club officials, to give guidance on the remediation of any resulting deficiencies highlighted and to also highlight areas in which clubs were well on track in best practice.

Club officials were then given the opportunity to officially respond to the findings contained in the Deloitte assessment report. Any mitigating circumstances or remedial processes put in place by club officials to address the issues outlined in the report formed the basis of the management response from clubs.

As a natural progression in this process Deloitte in conjunction with RQL finance department has developed an extension of this process by way of a web based self-assessment portal for clubs to review and rate current policies and procedures and compliance against the *Racing Act 2002*, Queensland Rules of Racing, the clubs licensing conditions, the club's constitution, ASIC, Associations and Incorporations Act against those same criteria as the prior on-site assessments conducted.

In implementing this self-assessment tool it is envisaged that clubs will engage in a more proactive process of developing and maintaining operational policy and procedures. Clubs can focus efforts based on the results of their own reviews and ratings, and RQL can assess those responses against previous reports as well as conducting on-site visits.

It is a requirement under the *Racing Act 2002* that:-

39 Obligation to have program to audit licensed animals, clubs, participants and venues

(1) By 31 December each year, a control body must give to the chief executive a copy of its program, for the following year, to audit periodically the suitability of every licensed animal, club, participant and venue to continue to be licensed.

(2) The control body must implement the program during the relevant year

This self-assessment process may also serve to remove the assumption that RQL is imposing unrealistic targets on clubs as they themselves will be conducting the assessments.

Key Highlights are:

- Key Clubs will be allowed two (2) users to access the web portal to conduct and review assessments
- RQL will have access to all club assessments
- The need for costly and intrusive on-site reviews by Deloitte will be reduced significantly
- Clubs can be benchmarked
- Clubs will be able to utilise the tool for a more strategic approach to developing operational policy and procedures

- System can be expanded to include additional clubs as necessary

Attached is an updated implementation plan of Control Track.

It is also proposed as good corporate governance that Control Track is implemented in RQL to assist the internal and external audit process. Updates can be provided to the audit committee. It is proposed that there is more of an internal audit focus by RQL staff to ensure compliance. RQL is currently working with Deloitte on the work plan and will provide this to the external auditors BDO as well.

OPTIONS:

Consider the implementation of the web based Club Control Self-Assessment Proposal, with a more interactive approach, and where deemed necessary on an adhoc basis conduct random on-site Corporate Governance and Financials assessments.

FINANCIAL IMPACT:

As discussed on the 19 August 2011 the self-assessment tool has been included in the budget. Implementation will be from 1 July 2012.

It is proposed to focus on the 8 Thoroughbred TAB clubs initially.

The approximate costs as outlined in the attached Deloitte proposal would see the initial outlay for RQL to be as follows and has been factored into the FY12 budget;

Costs (based on RQL proposal supplied 4 August 2011)	YR 1	GST	Total
Implementation Fees (base cost)	25,000.00	2,500.00	27,500.00
Base Fee (Hosting & Support)	12,500.00	1,250.00	13,750.00
Annual Licensing @ \$70 per user	1,540.00	154.00	1,694.00
	39,040.00	3,904.00	42,944.00

With subsequent per annum fees to be as follows;

Per Annum Cost (based on 2 users Clubs & 6 users RQL)	12,500.00	1,250.00	13,750.00
TAB Clubs licensing (@ \$70 per user)	1,120.00	112.00	1,232.00
RQL licensing (@ \$70 per user)	420.00	42.00	462.00
Annual Fee for TAB Clubs & RQL	14,040.00	1,404.00	15,444.00

The system developed by Deloitte could be further developed to include additional strategically significant clubs from Harness and Greyhounds as well as the strategic Non TAB Thoroughbred clubs as the need arises as well as additional operational areas within RQL.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

No major staff impacts for RQL as finance representatives have been involved in the on-site assessment process and would continue involvement as previously.

OTHER STAKEHOLDER IMPACTS:

Impact to clubs would be the requirement to complete the self-assessments and review processes in a timely manner. Clubs would be able to schedule the various elements of the

assessments to suit their individual scheduling constraints. RQL will be looking at 6 monthly self assessments to be completed by the clubs.

COMMUNICATION STRATEGY:

Communication would be by way of direct presentation to club officials as well as letters outlining proposed self-assessment procedures and requirements and training would be provided. An email will be sent to all clubs with a link to a short video of the product.

DECISION REQUIRED:

- RQL audit committee to note the progress of the report and provide feedback.



ADAM CARTER
Chief Financial Officer
Actioning Officer: Ron Mathofer

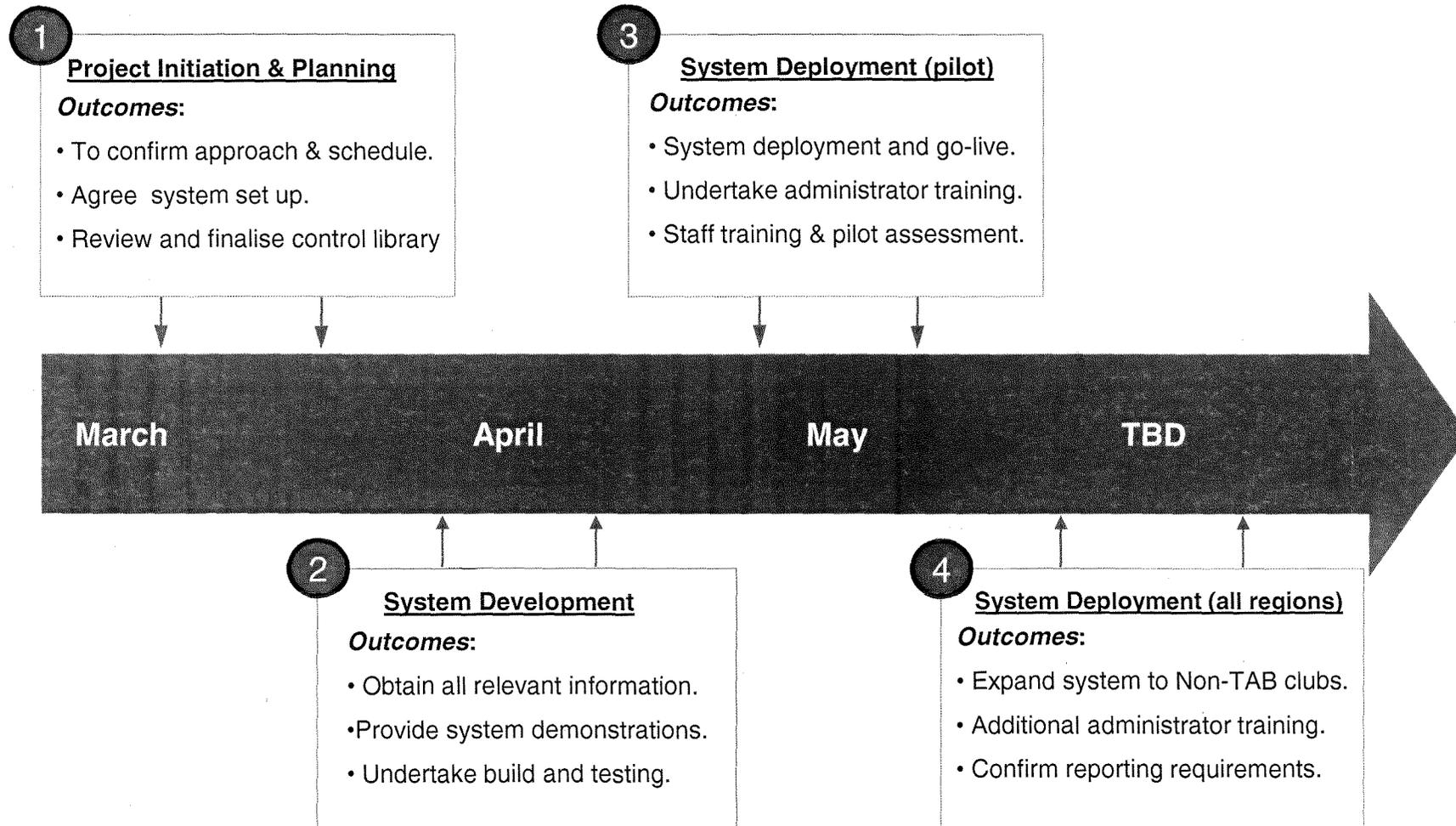
Deloitte.

ControlTrack
Racing Queensland
Project Plan



March 2012

Project Implementation Schedule - Summary



Key Project Milestones and Activities

- Confirmation of system set up and implementation schedule – **(Completed)**
- System information and project overview to be provided to clubs – **mid to late March.** *Deloitte will provide comms template to RQL.*
- Confirmation of control library for Clubs and details of assessors and reviewers to be provided – **end of March**
- Confirmation of control library for RQL Corporate and details of assessors and reviewers to be provided – **mid April**
- System build and testing to be completed – **end of April**
- System deployment and 'go-live' – **first week of May**
- System administrator training (RQL) – **mid/late May**
- Staff training and pilot assessment (4 business processes), including both RQL Corporate + Club Representatives – **mid/late May**
- Formal assessment by Clubs commence – **July**

Auditing Benefits of ControlTrack

Audit Planning

- It may provide the external auditors with greater confidence that clubs are complying with FMPM
- Allows external auditors to plan audit procedures based on the controls being exercised, their effectiveness and their relative importance.

Audit Procedures

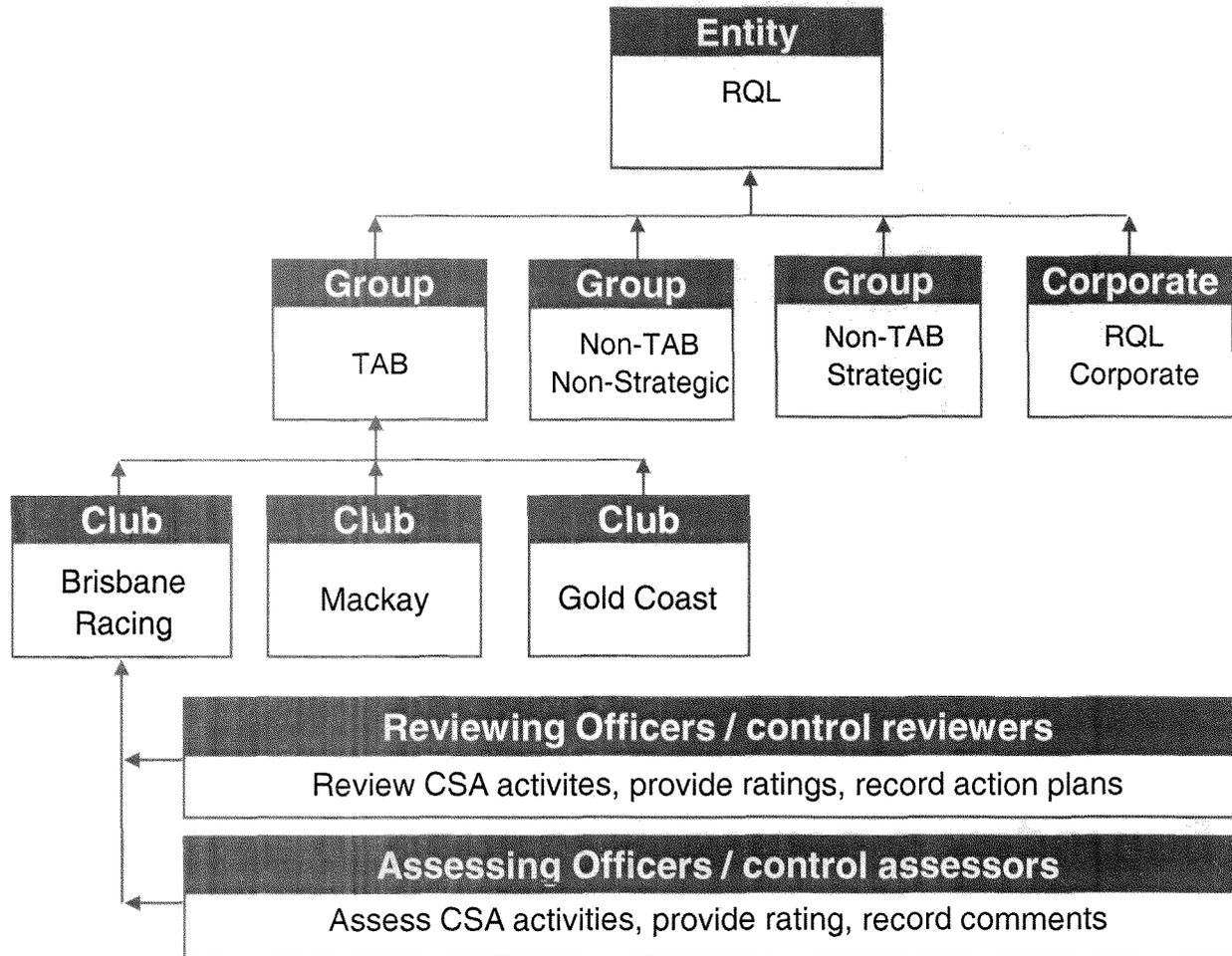
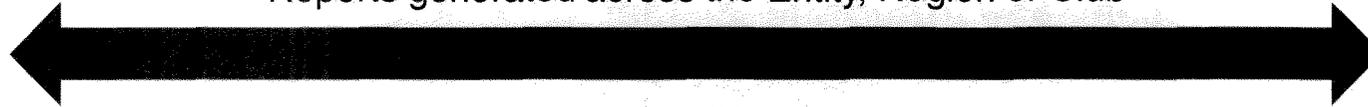
- Substantive testing to be focused on those controls of relatively high importance or rated as being effective
- Consistency between the auditors procedures and ControlTrack results can provide increased confidence over the effectiveness of controls and financial management and corporate governance procedures
- May reduce the level of audit procedures carried by auditors.

Control Issues and Follow-up on improvements

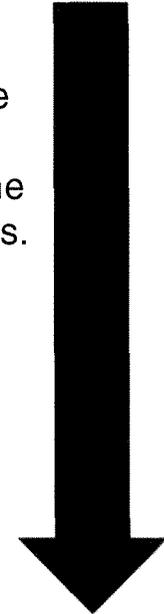
- Auditors can follow up issues identified by staff to understand the root causes and
- Can assess the improvement plans to ensure they correctly root causes
- Perform subsequent follow up procedures to ensure improvement plans have been implemented correctly and have resulted in an improvement in the effectiveness of control environment.

Representation of ControlTrack system and Operational Structure

Reports generated across the Entity, Region or Club

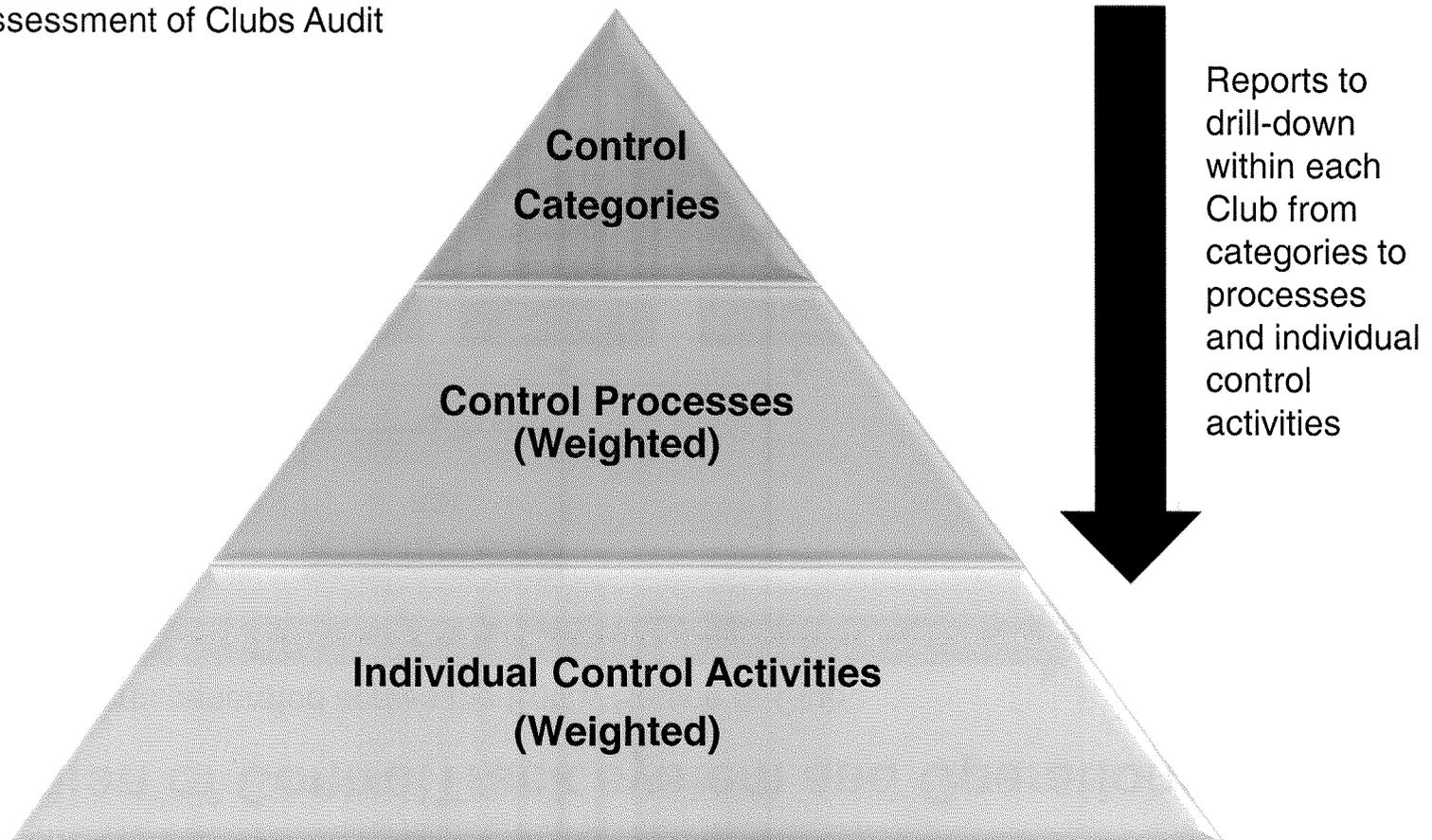


Reports to drill-down from the Entity wide level through each of the Regions and Clubs.



Structure of Control Activities & Reporting

Structure of controls to replicate the Corporate Governance and Financial Management Assessment of Clubs Audit Work Program



Assessment Process & System configuration

Deloitte ControlTrack@ Welcome Pascal Marrot Sign Out
Brisbane Racing Club

DASHBOARD ASSESSMENT ACTION PLANS REVIEW ACTION PLANS REVIEW REPORTS AD

Pascal Marrot - Self Assessment

2012 First Assessment > Self Assessment

Save and Close Without Saving

Corporate Governance

Internal Control Environment - Your Controls	Your Rating (i)	Score	Score Description	Comments
The main server (where club data is stored) is kept in a secure and appropriate room and access to the server room is limited to selected key persons.	<input type="range" value="5"/>	5	Effective	
Changes in key positions such as the Finance Manager Club Treasurer are supported by formal handover procedures and adequately recorded.	<input type="range" value="4"/>	4	Majority effective	There is no clear evidence that changes to key positions have been documented or
Sub-Committees are established to assist the Full Committee in overseeing key areas of the club operation.	<input type="range" value="3"/>	3	Partially effective	

Performance Ev... ting (i) Score Score Description Comments

Budgets are reviewed...

Link to display assessment required, e.g. verify policy has been developed / approved

Assessors record observations, findings from assessments and propose any action plans.

System configuration

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DASHBOARD | ASSESSMENT | ACTION PLANS | **REVIEW** | ACTION PLANS REVIEW | REPORTS | ADMIN | EMAIL

Pascal Marrot - Review Corporate Governance Business Planning

2012 First Assessment > Review > Corporate Governance - Business Planning

Save and Close | Close Without Saving

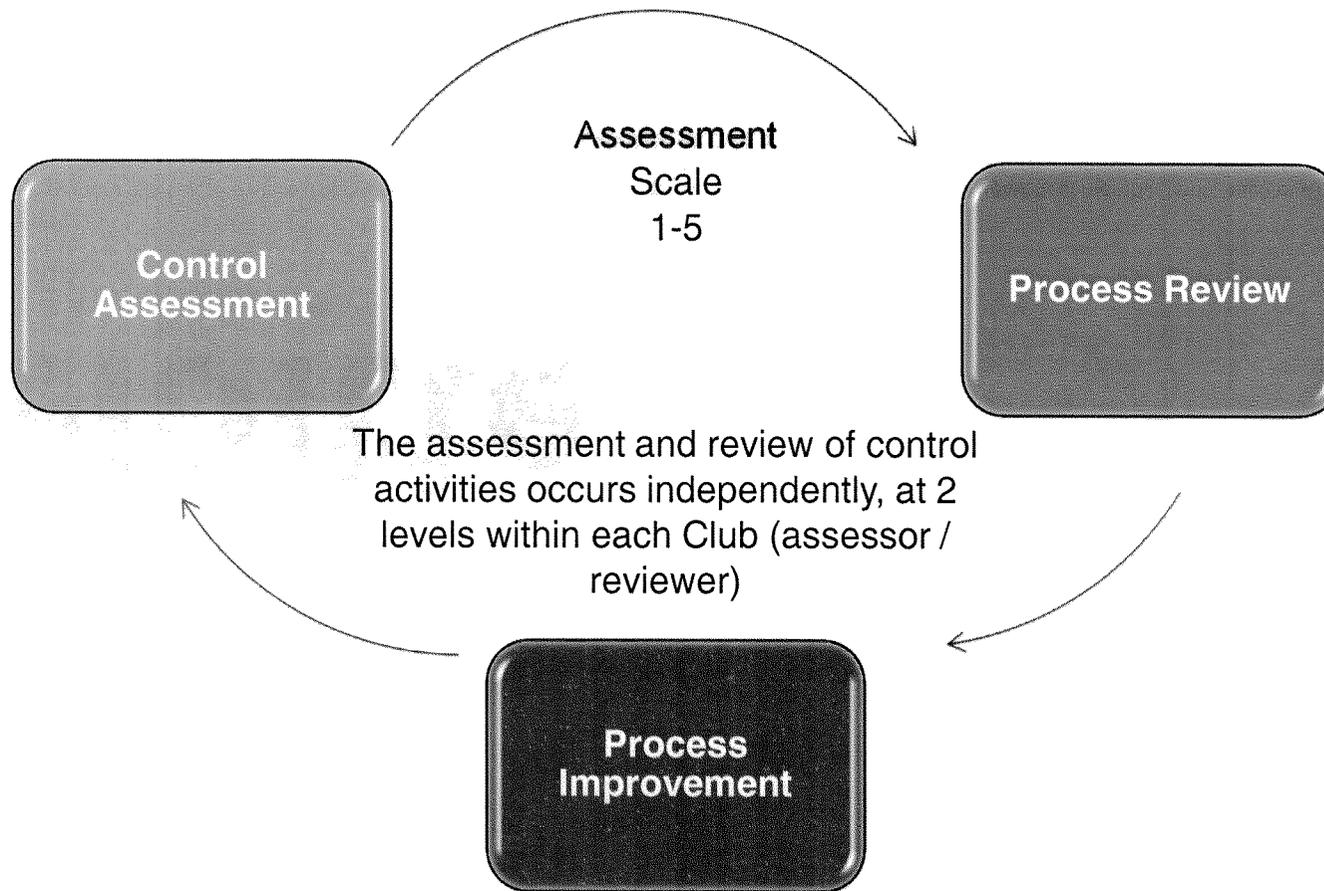
Process: Corporate Governance - Business Planning

Control	Rating (i)	Score	Action Plan	Comments
A Strategic / Business Plan is in place and this is updated regularly (at least annually).	Taher Kamrudeen	3	Due Date: 31/03/2012 Priority: High The Senior Finance Officer is to prepare the SBP and present to the CFO for approval.	
Assessor Comments: There is no evidence to substantiate that the Strategic Business Plan has been updated this year.	Your rating:	3	Sample test	
Formal plans are developed for major race-days.	Taher Kamrudeen	3	Due Date: 31/03/2012 Priority: High Formal plans to be developed for major race days.	
Assessor Comment: It was noted that formal plans developed for major race days of human resources.		3	Sample test	

Link to display assessment required, e.g. verify policy has been developed / approved

Reviewers confirm action plans, priority status and review Assessments performed

Control Assessment, Improvement & Reporting Cycle



Six monthly assessment cycle which includes three separate and distinct activity periods



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Mr Adam Carter
Chief Financial Officer
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

2 March 2012

Dear Adam,

Re: Deloitte Control Self Assessment System ('ControlTrack') Engagement Letter

Thank you for the opportunity to assist Racing Queensland Limited (RQL) with your risk management and internal control needs and the oversight of TAB clubs' internal controls. This will enable Senior Management and staff across RQL and TAB clubs to play an important role in the ownership and development of risk management processes. We understand that you will be the nominated contact and will instruct us on the implementation of ControlTrack.

1 Background

Deloitte invests substantial resources to develop innovative solutions to better serve our clients. We are acutely aware of the need to ensure your solutions are 'fit for purpose' with the ControlTrack system being developed to enhance the management of internal controls and assist you to become a leading organisation in internal control and risk management practices.

In order to achieve this, we will undertake the configuration, implementation and on-going support of the ControlTrack system that is tailored to meet the needs of RQL.

For the services ('the Services') relating to the ControlTrack system, we will provide RQL with the implementation and on-going support of the ControlTrack System. This letter sets out our understanding of the Services required and the terms and conditions under which we will provide the Services to RQL.

2 Our Services

The purpose of the Services is to implement ControlTrack at RQL and TAB clubs and to provide training sessions to ControlTrack 'super users' and other stakeholders within the organisation.

2.1 Scope

We will perform the following in delivering the services to you:

- **Phase 1: Planning** – This will include the following activities:
 - Confirm the implementation approach, project plan and the project schedule with the Chief Financial Officer
 - Confirm ControlTrack operational structure, control activities, sample testing (if any), assessment & review process for relevant club and RQL staff members and reporting requirements.
- **Phase 2: ControlTrack System Development** – This will include the following activities:
 - Obtain all required information regarding control activities, weightings and assignment of controls to relevant assessors and reviewers for RQL and each TAB club.

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- Provide demonstration workshops to stakeholders and key staff to introduce them to the ControlTrack system and communicate the implementation process and pilot assessment
- Undertake system build & testing and develop Product Information Document (PID) and instruction manuals.
- **Phase 3: ControlTrack System Deployment (TAB clubs and RQL Corporate)** – This will include the following activities:
 - ControlTrack system go-live and deployment
 - Undertake training sessions with System Administrators and key staff
 - Undertake pilot assessment as part of the system training
 - Confirm reporting requirements and System Administrator responsibilities.

We understand that RQL plans to roll out ControlTrack to Non-TAB clubs in the longer term. The phase below will be conducted in a future date to be determined.

- **Phase 4: ControlTrack System Deployment (Non-TAB clubs)** – This will include the following activities:
 - Provide additional training to System Administrators to ensure self management and administration for the ControlTrack system
 - Assist System Administrators to expand ControlTrack system to include other Non-TAB clubs.

Our fees for this phase will be based upon our contract rates as outlined in the RQL Strategic Internal Audit Plan.

2.2 Scope Exclusions

- a) We will not test the controls that we import into ControlTrack.
- b) We will not provide feedback on the quality or effectiveness of the information imported into ControlTrack.

2.3 Assumptions

We will provide the Services on the following assumptions. Our Services:

- a) Will be based on the relevant *Accounting Professional And Ethical Standards* issued by the Australian Accounting Professional Ethical Standards Board
- b) Cannot be relied upon to disclose irregularities, including fraud, other illegal acts, or errors which may exist; however, we will inform you of any such matters as come to our attention in the performance of our Services
- c) Will be purely of a consulting and advisory nature
- d) Will be based on the Information¹ provided by you. We will assume that the Information provided is true, correct and complete and not misleading
- e) The scope of the engagement, the time frames for completion and the Fees have been prepared on the following assumptions:
 - There are no undue complications or delays in performing the Services
 - The scope of the Services is the same as that which is outlined in this document
 - You meeting your responsibilities as outlined in this document in a timely manner.

¹ as defined in the attached Terms and Conditions

Additional assumptions or conditions may be included in the deliverable.

2.4 Your Responsibilities

1. In addition to the responsibilities set out in clause 11 of the attached Terms and clause 10 of the ControlTrack Standard Terms and Conditions ("ControlTrack Terms"), you acknowledge that the RQL is, and will continue to be, solely responsible for:
 - a) Making all management decisions and performing all management functions
 - b) All decisions in connection with the implementation of any advice and recommendations raised as part of the Services
 - c) Establishing and maintaining an effective system of internal control over its operations and financial reporting, including, without limitation, systems designed to achieve its control objectives and its compliance with applicable laws and regulations, including, without limitation, monitoring of ongoing activities.
2. In connection with the Services, Deloitte shall be entitled to rely on all decisions and approvals of RQL.
3. You acknowledge that our ability to perform the Services is dependent on you meeting your responsibilities, as well as you providing us with instructions and making timely decisions.
4. Regardless of any support or assistance we provide to facilitate the upload of your information to ControlTrack, you remain responsible the accuracy of all information contained in it and for confirming its appropriateness for your needs.

2.5 Deliverables

We will provide you with services and materials ("Work") described below:

1. A library of internal controls implemented by RQL relevant to the processes outlined in Section 2.1 'Scope'
2. System demonstrations and workshops – briefing sessions with nominated staff
3. System set up, review and testing, including:
 - a. Set up initial user accounts in ControlTrack to permit your users access to ControlTrack
 - b. Assist you with the initial upload of your information into ControlTrack
4. Training workshops and materials – detailed training for System Administrators and key staff, a Product Information Document and training materials (provision of four training sessions)
5. Assist you with changes to your information in the ControlTrack System, as requested by you from time to time, but not more than two changes a month after initial load. These changes to data will be charged at a time and materials basis. We will provide you an estimate of the number of hours required before starting work. However, RQL will be able to make changes to the data through the administrator console for which we will provide full training on its operation
6. Provide technical support to you and your users to facilitate access to ControlTrack. This support is limited to ensuring that ControlTrack is functioning in accordance with the Documentation (as defined in the Deloitte ControlTrack Terms) and is accessible over the Internet.

As described above, we are providing you access to ControlTrack. Access to ControlTrack is provided in accordance with the ControlTrack Terms enclosed with this letter and we specifically draw your attention to your responsibilities as set out in clause 10 of the ControlTrack Terms.

Provision of access to ControlTrack will commence on a 1 July each year ("Commencement Date") for a length of one year ("Initial Term") or part thereof. At the end of each year your access will automatically be

renewed for a further year ("Renewal Term") unless terminated in accordance with clause 15 of the ControlTrack Terms.

As noted in section 9 of the attached Terms, our Work is for your exclusive use and must be used only by you and only for the Purpose. We accept no responsibility to anyone (apart from you) who is provided with or obtains a copy of our Work without our written agreement. We reserve the right to include in our Work a statement limiting the use to which the report may be put, any limitations on the scope of the Services performed and setting out the respective responsibilities of RQL and Deloitte.

The scope of our engagement is limited to the tasks set out above. If the scope or the Services do not meet your needs, please let us know so that we can vary this letter and our fees accordingly.

During the term of this engagement, RQL may request that Deloitte perform additional Services that are not encompassed by this engagement letter. Deloitte may perform such additional Services subject to the approval of the Chief Financial Officer either under a variation to this letter, or if necessary on receipt of a separate signed engagement letter with terms and conditions that are acceptable to RQL.

3 Our Team

Carl Gerrard is the partner who is primarily responsible for the project described above, and will be supported by the following staff in the performing the Services:

- Pascal Marrot-Castellat, National Product Manager - ControlTrack
- Vincent Lie, Client Manager
- Christian Boyd, Senior Online Developer

Various analysts will also be used on this project subject to their scheduling and availability.

4 Our Fees

Setup and training

We will charge you according to the time our team spend on providing the Services to you at the rates set out below. These exclude the annual hosting fees for access to ControlTrack detailed below. The actual fees charged by us will reflect the seniority and expertise of the staff involved as well as factors such as the time spent on the Services and the complexity of the Services.

We estimate that the total cost of the initial set-up and training will be \$25,000 (excluding GST). If you require us to provide additional services please let us know and we can provide you with an indication of the likely fees involved.

Out of pocket expenditure will be billed at cost in addition to the fees set out in this letter. Any significant out of pocket expenditure will be agreed with RQL management prior to being incurred. An administration, overhead and telecommunications charge (calculated at two per cent of our Fees) will also be charged.

Annual hosting

The annual fee including software licence, hosting and support are based on the number of named users of the system. There is no limit on the number of processes or controls created in the system.

In consideration for providing access to ControlTrack you will pay us the Fees as outlined below. We will bill you for these fees upfront and on an annual basis.

The annual costs are determined as follows:

- The base hosting, support and user access fee is \$12,500 per annum (excluding GST)
- The annual user access fee is \$70 per user per annum (excluding GST).

Payment of these Fees entitles you to access ControlTrack as well as any updates made by Deloitte from time to time.

4.1 Billing Schedule

We will issue our invoices to Adam Carter, Chief Financial Officer, based on the billing schedule below:

Milestone	Fees to be billed
Conclusion of planning (Phase 1)	20% of the estimated setup and training fee
Commencement of the system development (Phase 2)	30% of the estimated setup and training fee
Conclusion of system deployment (Phase 3)	Balance of the estimated setup and training fee Annual hosting fee

5 Standard Business Terms and Conditions

This letter and our standard terms and conditions (the "Terms") set out the basis on which we will provide our Services to you. Where an inconsistency arises between this letter and the attached ControlTrack Terms, the terms set out in this letter will prevail.

In addition to the terms set out in this letter, as mentioned in section 3 above, we provide you access to ControlTrack in accordance with the ControlTrack Terms which are enclosed.

6 Timing

We will use all reasonable efforts in our provision of the project to work with you in meeting the indicative timetable below. If at any stage it looks unlikely that these timeframes will be achievable, we will draw this to your attention and agree a suitable alternative.

Activity	Target Date
Phase 1: Planning	February / March 2012
Phase 2: System Development	Late March / early April 2012
Phase 3: System Deployment	Mid April 2012
System Training and Pilots to TAB clubs and RQL Corporate	May 2012
Formal Assessment Cycle commence	1 July 2012

7 Acceptance

Please confirm that you agree to these terms by signing, dating and returning the enclosed copy of this letter to us. However, if you do not do this, we will treat you as having accepted our offer to provide the Services if you continue to instruct us after you receive it. Please contact Carl Gerrard if you would like to discuss this letter and the terms of engagement with us.

We look forward to working with you.

Yours sincerely



Carl Gerrard
Partner
Deloitte Touche Tohmatsu

8 Sign off by recipient:

RQL agrees to the terms of the engagement. Signed for and on behalf of RQL by its duly authorised representative:

Signature

Date

Name

Title



ControlTrack™

Standard Terms and Conditions

Effective from October 2011

1. This Agreement

1.1 This Agreement is a contract between us. It sets out the terms and conditions on which we will provide you the use of the Tool. Where there is any inconsistency between the Letter and these terms and conditions, the Letter will prevail. Where the Letter is addressed to more than one Addressee, each Addressee is a party to, and is bound by, the terms of this Agreement. We will treat you as having accepted this Agreement if you continue to instruct us after you receive it.

1.2 We will treat you as having accepted this Agreement if you or any of your Users use the Tool once you have received details on how to use and access the Tool from us.

2. Term

2.1 This Agreement commences on the Commencement Date and continues for the initial term set out in the Letter (Initial Term) unless it is terminated earlier in accordance with clause 15.

2.2 Upon completion of the Initial Term, the Agreement will automatically renew on each anniversary of the Commencement Date for a further term as set out in the Letter (each a Renewal Term) on the same terms and conditions as this Agreement, subject to any variations as agreed between the parties.

3. Tool

3.1 Upon execution of this Agreement and payment of the Fees, we grant you and your Users a revocable, non-exclusive, royalty-free, non-transferable licence to use the Tool for the Term and only for the Purpose.

3.2 You must not distribute, market, re-license, sub-license, rent, lease, adapt, translate, enhance, modify, reproduce, decompile, disassemble, reverse engineer, create derivative works of or translate the whole or any part of the Tool, nor shall you merge the Tool into any other Tool other than in accordance with this Agreement.

3.3 Except for the licence grant set out in this clause 3, you shall have no rights or interest in the Tool. Nothing in this Agreement shall constitute a licence or grant of any rights to you or your Users, with respect to any trade mark, service mark, trade name, patent, copyright, trade secret or any other intellectual property right in relation to the Tool.

4. Fees and Costs

4.1 In consideration of us providing you and your Users access to the Tool, you must pay us the Fees.

4.2 We will issue one Tax Invoice for the Fees which you must pay within 14 Business Days of receiving a valid Tax Invoice.

4.3 We will review and adjust the Fees:

- (a) annually on the anniversary of the Commencement Date;
- (b) on the review date set out in the Letter;
- (c) where an Unexpected Delay occurs;
- (d) you ask us to change the scope of the Tool; or
- (e) you do not accept this Agreement within three months of the date of the Letter.

4.4 Unless otherwise stated in the Tax Invoice, all Fees exclude GST. You agree to pay any GST imposed on us in relation to this Agreement. Where GST is payable, you agree that the Fees will be increased by an amount equivalent to the GST payable by us.

4.5 We may, on 10 Business Days notice, suspend access to the Tool if you fail to pay any Fees in accordance with the terms of this Agreement.

4.6 Each of us shall be responsible for our own costs incurred in preparing and performing its obligations under this Agreement.

5. Assignment

5.1 Subject to clause 5.2, neither of us may assign, novate or transfer this Agreement, or any rights and obligations hereunder, to another party, in whole or in part, without the prior written consent of the other party, such consent not to be unreasonably withheld.

5.2 We may, at any time, by notice to you, assign, novate or transfer our rights and/or obligations under this Agreement to a Related Body Corporate or Associated Entity.

5.3 The parties acknowledge that an assignee or transferee of our rights and/or obligations under this Agreement may in turn exercise the rights set out in clause 5.2 and assign, novate or transfer its rights and/or obligations under this Agreement to any Related Body Corporate or Associated Entity.

6. Confidentiality

6.1 Each of us acknowledges that all Confidential Information disclosed or made available by one party (the Disclosing Party) to the other party (the Recipient) in connection with this Agreement is to be considered confidential and the proprietary property of the Disclosing Party. The Recipient agrees to:

- (a) maintain the Disclosing Party's Confidential Information in trust and confidence and limit its use to the Purpose set out in this Agreement;
- (b) use at least the same degree of care as it employs in protecting its own trade secrets, proprietary and confidential information from disclosure and unauthorised use, but always at least a reasonable degree of care; and
- (c) not disclose all or any portion of the specifications, techniques and information relating to the Tool (including the use, functionality or performance of the Tool) to any third parties, other than as permitted by this Agreement.

6.2 The Recipient may disclose Confidential Information of the Disclosing Party:

- (a) that is required to be disclosed by law, order of any court, tribunal, authority or regulatory body, rules of any stock exchange or any professional standard, as long as the Recipient:
 - (i) discloses only the minimum amount of Confidential Information required to satisfy the law or rules; and
 - (ii) before disclosing any Confidential Information, gives a reasonable amount of notice to the Disclosing Party and takes all reasonable steps (whether required by the other party or not) to maintain that Confidential Information in confidence; and
- (b) to officers and employees of the Recipient who:
 - (i) have a need to know (and only to the extent that each has a need to know) the Confidential Information for the Purpose of this Agreement; and
 - (ii) have been directed and have agreed to keep confidential the Confidential Information on terms not inconsistent with this Agreement.

6.3 The Recipient acknowledges that the Confidential Information disclosed to it constitutes valuable and proprietary information of the Disclosing Party.

6.4 The Recipient acknowledges that damages may not be a sufficient remedy for the Disclosing Party for any breach of this Agreement and the Disclosing Party and its Representatives are entitled to seek specific performance or injunctive relief (as appropriate) as a remedy for any breach or threatened breach of this Agreement by the Recipient or any of its Representatives, in addition to any other remedies available at law or in equity.

6.5 Your observations, feedback or comments on the Tool may be your Confidential Information. We may use such observations, feedback and comments for the purpose of updating the Tool.

7. Personal Information and Privacy

We may collect Personal Information about your Representatives, your clients or others when we provide the Tool to you. If we do, you agree to work with us to ensure that we both meet any obligations we may each have under the Privacy Act including, where relevant, notifying the individual to whom the Personal Information relates of who we are and how we propose to use their information. Where you provide us with any Personal Information, you confirm that you have collected this Personal Information in accordance with the Privacy Act, that you are entitled to provide this Personal Information to us and that we may use and disclose this Personal Information for the Purpose. We will handle Personal Information in accordance with the Privacy Act.

8. Warranty

8.1 Each party represents and warrants that it:

- (a) is entitled to enter into this Agreement and perform its obligations under this Agreement;
- (b) has all licences, authorisations, consents, approvals and permits required by applicable laws in order to perform its obligations under this Agreement;
- (c) will at all times comply with any applicable laws; and
- (d) will at all times have in place appropriate security and virus detection software and processes (such as firewalls).

8.2 To the extent permitted by law, we disclaim all warranties and conditions, either express or implied, in relation to the Tool other than any written warranty made in this Agreement. This includes, without limitation, any warranties in relation to accuracy or availability of the Tool. Our total liability for any breach of a term, condition or warranty implied by law and which cannot be excluded is limited to providing the Tool again for either the Initial Term or the Renewal Term (as applicable).

8.3 You will, and warrant that you will, ensure that any information any User acquires by reason of that User utilising the Tool, is used only for the Purpose and otherwise in accordance with the terms of this Agreement.

8.4 We represent and warrant that:

- (a) in performing our obligations under this Agreement, we will exercise the degree of care, diligence and skill expected of a professional providing the same kind of services;
- (b) the Tool shall perform materially in accordance with the Documentation.

9. Assumptions and Terms of Use of the Tool

9.1 You acknowledge that the use of the Tool by you and your Users are subject to the following terms:

- (a) the results produced by the Tool depend on information provided by your Users and You.
- (b) the Tool is provided only for you and your Users.
- (c) failure by you or your Users to use the Tool in accordance with this Agreement, or where information provided you or your Users is incomplete or inaccurate, could result in erroneous results or guidance.
- (d) We will not be responsible for any Loss which may result from a failure by you or your Users to use the Tool in accordance with this Agreement.
- (e) unless otherwise agreed in writing under a separate agreement, we will not carry out any form of penetration testing or other security testing regarding the interoperability, compatibility or coexistence of the Tool with your operating system or particular network environment or hardware.

10. What You Agree to Do

10.1 You are responsible for:

- (a) procuring any hardware, software or applications which you require to use or view the Tool;
- (b) the accuracy of the information your Users input into the Tool;

- (c) any dealings with Users accessing the Tool, including advising the User of their obligations under this Agreement as if they were you under this Agreement as well as the limitations on use which apply to the Tool;
- (d) notifying us of any problems you encounter in using the Tool;
- (e) complying with any internet regulations, policies and procedures that apply to use of the Tool;
- (f) ensuring that you only use the Tool in accordance with the requirements in this Agreement;
- (g) providing your Users with information on how to make full and proper use of the Tool; and
- (h) the use of the Tool, including:
 - (i) documenting control frameworks;
 - (ii) assigning weightings to controls;
 - (iii) defining the rating scale for assessment of controls;
 - (iv) recording, monitoring and reporting on the assessment of the effectiveness of the controls;
 - (v) implementing action plans for the remediation of control deficiencies; and
 - (vi) the allocation of controls to users.
- (i) notifying us of the number of Users, as well as any changes to User accounts.
- (j) in the event that you becomes aware of any breach of the terms of the Dealings you have with your Users, you will immediately:
 - (i) notify us of the breach; and
 - (ii) communicate with your Users and advise them to remedy or cease any breach.

11. Intellectual Property

11.1 All intellectual property rights existing prior to the date of this Agreement shall belong to the party that owned such rights immediately prior to execution of this Agreement. Neither party shall gain by virtue of this Agreement any intellectual property rights owned by the other.

11.2 We will retain ownership of all intellectual property in the Tool, any Documentation, and variations (including any amendments, enhancements, modifications or updates in the Tool).

11.3 You must notify us immediately of becoming aware of any suspected infringement or alleged infringement by a User or anyone else of the intellectual property rights in the Tool. You agree to co-operate with us in relation to any suspected or alleged misuse or infringement involving your Users.

12. Our Responsibility to You

12.1 We are not responsible:

- (a) if you or a User fails to use the Tool in accordance with this Agreement;
- (b) if any equipment or software including any browser or server software provided or operated by a third party fails;
- (c) if a computer virus enters your system as a result of the Tool, except to the extent it was caused or contributed to by us;
- (d) for any damage to equipment, hardware, programs or data, whether stored or used with the Tool or otherwise, including the costs of repairing such equipment or hardware and the costs of recovering such programs or data, except to the extent it was caused or contributed to by us.

12.2 To the extent permitted by law, other than to the extent expressly set out in this Agreement, we make no representations or warranties either express or implied:

- (a) in relation to the quality, merchantability, performance or fitness for a particular purpose of the Tool;
- (b) that the Tool will meet your requirements;
- (c) that your use of the Tool will be uninterrupted or error-free;

- (d) or that any errors or defects in the Tool will be corrected; or
- (e) regarding the interoperability, compatibility or coexistence of the Tool with your operating system or particular network environment or hardware.

12.3 Where the law requires it, our liability to you will not be limited. In all other cases, our aggregate liability to you for any Loss or causes of action arising in relation to this Agreement, including for negligence, is limited as set out below:

- (a) where a scheme approved under Professional Standards Legislation applies, in the manner provided by that scheme; or
- (b) where a scheme or the Professional Standards Legislation does not apply, to the amount paid by you under this Agreement in the previous 12 month period.

12.4 In either case, we will be liable to you only for that proportion of the total Loss that we have caused or to which we have contributed.

12.5 A party will not be liable for any Loss, or failure to provide the Tool (in the case of Deloitte), which is caused by an Unexpected Delay or which arises as a result of us relying on any false, misleading or incomplete Information or any Consequential Losses.

12.6 The limit on aggregate liability set out above applies to you and any Related Body Corporate or Associated Entity. It is up to you to agree how the limit is allocated between you and any of your Related Body Corporate or Associated Entity. You agree not to dispute the limit if you are unable to agree on how it will be allocated between yourself and any of your Related Body Corporate or Associated Entity.

13. Your feedback

We value your feedback. We aim to obtain, either formally or informally, a regular assessment of our performance. Your client service partner will always be pleased to hear any suggestions as to how our service can be improved. If you wish to make a complaint, please refer to the Complaints Management Policy available on our website (www.deloitte.com.au) or write to the Complaints Officer (complaints@deloitte.com.au).

14. Publicity

14.1 Neither party may issue press releases relating to this agreement without the other party's prior written consent.

15. Termination

15.1 Either party may terminate this Agreement immediately by prior written notice to the other party if:

- (a) the other party commits a breach of this Agreement which is capable of remedy, and fails to remedy that breach within 30 Business Days from the date the first party notifies the other party of that breach;
- (b) the other party commits a material breach of any of its obligations under this Agreement, which is not capable of remedy;
- (c) there is a change of circumstances beyond our reasonable control (such as a conflict of interest or regulatory related developments) that prevents us from providing the Tool to you; or
- (d) an Insolvency Event occurs in relation to the other party.

15.2 Either party may terminate this Agreement at its convenience upon 30 Business Days prior written notice. Any such termination by us will result in a pro-rata rebate of the Fees which have been paid in advance.

15.3 If this Agreement is terminated in whole or in part under this clause 15, you must, at your own cost:

- (a) pay any outstanding Fees to us up to the date of termination;
- (b) cease using the Tool and ensure Users cease using the Tool; and
- (c) where requested by us, return or destroy any Documentation or any of our property to us.

15.4 The provisions of this Agreement that survive its termination include those relating to: clause 6, *Confidentiality*; clause 11, *Intellectual Property*; clause 12, *Our Responsibility to You*; clause 17, *About Deloitte*; clause 18, *Disclosure of Tax Advice*; clause 19, *Reports Arising from Tool*, and clause 28, *Dispute Resolution*.

16. Conflict of Interest

16.1 We have relationships with many clients. This means that after this Agreement starts we may identify circumstances that could cause us to have a conflict of interest. If this happens, we will evaluate the potential conflict and, depending on the circumstances, apply appropriate safeguards to manage it. For example, we may notify you of a relationship that causes us a conflict and ask for your consent to continue to provide you with the Tool. However, you acknowledge that we may need to terminate this Agreement if we are unable to resolve or manage a conflict of interest satisfactorily.

17. About Deloitte

17.1 We are a Member Firm of DTTL. Accordingly, you acknowledge that:

- (a) each of the Member Firms is a separate and independent legal entity operating under the names "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu" or other related names;
- (b) the Services are provided by us and not by DTTL or any other Member Firm; and
- (c) neither DTTL nor any of the Member Firms is liable for each other's acts or omissions.

17.2 Sometimes we may use other Member Firms to help us to provide the Tool to you. Where this happens, we will be responsible for any work undertaken by another Member Firm and you agree that:

- (a) none of the Member Firms, apart from us, will be responsible to you; and
- (b) you will not bring any claim or proceedings in connection with the Tool or this Agreement against any of the other Member Firms that we may use to provide the Tool to you.

17.3 Any Member Firm that helps us to provide the Tool to you will rely on this clause 17, *About Deloitte*, and is, to the extent permitted by the Law of any relevant jurisdiction, an intended third-party beneficiary of, and entitled to enforce, this Agreement in its own right.

17.4 If we provide you with Licensed Services, you acknowledge that:

- (a) the relevant Licensed Entity will provide the Licensed Services directly to you;
- (b) Deloitte enters into this Agreement as agent for the Licensed Entity; and
- (c) the terms of this Agreement apply to the Licensed Services.

18. Disclosure of Tax Advice

18.1 In relation to Tax Advice and in compliance with Disclosure Laws, it is acknowledged and agreed that nothing contained in this Agreement shall be construed as limiting or restricting your disclosure of Tax Advice. It is also understood that none of your other advisers will or have imposed any conditions of confidentiality with respect to Tax Advice. Copies of any Tax Advice provided to others is on the basis that such recipients may not rely on such Tax Advice and that we owe no duty of care or liability to them, or any other persons who subsequently receive the same., Except as set out in this clause 18, *Disclosure of Tax Advice*, all other terms of this Agreement remain unamended.

19. Reports Arising from Tool

19.1 Any Reports are for your exclusive use and must be used only by you and only for the Purpose.

19.2 Unless we give our Consent:

- (a) any Reports must not be used or disclosed for any other purpose or made available to any other person, (except your Professional Advisers), on the terms discussed in subclause 19.3
- (b) any Reports and the Tool may not be relied on by anyone other than you; and

- (c) you must not name us or refer to us, any Reports or the Tool in any written materials (other than to your Professional Advisers), or any publicly filed documents, except as required by law.

19.3 You may provide a copy of any Report to your Professional Advisers, provided that you ensure that each Professional Adviser:

- (a) is aware of the limits placed on the use of the Report by this Agreement, including that they may not rely on the Report;
- (b) uses the Report only to advise you in relation to the Tool; and
- (c) treats the Report as confidential and does not use or disclose the Report in a manner that is not expressly permitted by this Agreement.

20. Waivers

20.1 The failure of either party to insist upon strict performance of any of the provisions contained in this Agreement will not constitute a waiver of its rights as set forth in this Agreement, at law or in equity, or a waiver of any other provisions or subsequent default by the other party of any of the terms or conditions in this Agreement.

21. Survival

21.1 All clauses in this Agreement relating to licence and ownership, confidentiality, privacy, warranties, indemnities, non-exclusivity and waiver will survive the expiry or termination of this Agreement, to the extent permitted by law.

22. Relationship between the parties

22.1 We are engaged as an independent contractor to provide the Tool. Neither party is an agent or representative of or has the authority to bind the other. Neither party will act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other. This Agreement is not intended and will not be taken to constitute a partnership, agency, employment, joint venture or fiduciary relationship between the parties.

23. Entire Agreement

23.1 This Agreement supersedes all prior agreements, arrangements and undertakings between the parties and constitutes the entire agreement between the parties relating to the provision of and use of the Tool.

24. Variation

24.1 This Agreement may be varied only by an agreement executed by the parties to this Agreement.

25. Governing Law

25.1 This Agreement takes effect, is governed by, and shall be construed in accordance with, the laws of New South Wales. Both parties irrevocably submit to the non-exclusive jurisdiction of the courts of New South Wales.

26. Severability

26.1 If any provision of this Agreement is declared or found to be illegal, unenforceable, or void, then such provision will be null and void, but each other provision hereof not so affected will be enforced to the full extent permitted by applicable law.

27. Electronic communication

Each of us agrees that we may communicate with each other electronically. You acknowledge that electronic transmissions are inherently insecure, can be corrupted or intercepted, may not be delivered and may contain viruses. Neither of us is responsible to the other for any loss suffered in connection with the use of e-mail as a form of communication between us.

28. Dispute Resolution

28.1 Each of us agrees to use reasonable endeavours to resolve any dispute that arises in connection with this Agreement by mediation before bringing a legal claim or starting legal proceedings against the other.

28.2 Nothing in this clause 28, prevents either party from seeking any urgent interlocutory, injunctive or equitable relief in relation to its rights under this Agreement.

29. Force Majeure

29.1 Neither of us shall be liable for any delay or failure to perform our obligations pursuant to this Agreement if such delay is due to Force Majeure.

29.2 If a delay or failure of a party to perform its obligations is caused by, or anticipated because of, Force Majeure, the performance of that party's obligations will be suspended.

29.3 If a delay or failure by a party to perform its obligations because of Force Majeure exceeds 60 days, either party may immediately terminate the Agreement on providing notice in writing to the other party.

30. Interpretation and Definitions

30.1 Interpretation, in this Agreement:

- (a) headings are for convenience only and do not affect how this Agreement is interpreted;
- (b) the singular includes the plural and conversely;
- (c) if a word is defined its other grammatical forms have a corresponding meaning;
- (d) the use of words such as includes or including to introduce a list does not limit what may be included in that list;
- (e) the word person includes an entity, a firm, a body corporate, an unincorporated association or an authority;
- (f) a reference to this Agreement or an act or instrument is to this Agreement, or that act or instrument as amended, varied, novated or replaced from time to time;
- (g) a reference to dollars or \$ means Australian dollars;
- (h) a reference to a clause or subclause means to a clause or subclause in this Agreement;
- (i) if there is any conflict between these terms and any other part of this Agreement, the following order of priority will apply:
 - (i) the Letter;
 - (ii) the ControlTrack Standard Terms and Conditions.
- (j) Capitalised terms used in this Agreement have the following meanings unless the context otherwise requires:

30.2 Definitions

Agreement means this ControlTrack Standard Terms and Conditions and the Letter.

Associated Entity has the meaning given to that term in the *Corporations Act 2001* (Cth).

Business Day means a day which is not a Saturday, Sunday, a public holiday or a bank holiday in New South Wales.

Commencement Date means the date set out in the Letter.

Confidential Information means any information:

- (a) in relation to the Tool, the Documentation and all specifications, techniques and information relating to the use of the Tool and function of the Tool that are disclosed or made available to you in connection with this Agreement;
- (b) regarding the business or affairs of a party or its affiliates;
- (c) regarding the customers, employees or contractors of, or other persons doing business with, a party or its affiliates;
- (d) which is by its nature confidential or which is designated as confidential by that party;
- (e) which is Personal Information and which either party holds, creates or receives in relation to the Tool; or
- (f) which a party knows, or ought to know, is confidential, but excluding the Excluded Information.

Consequential Losses means any loss or damage which is indirect, consequential, special, exemplary or incidental, any loss of profits, revenue, anticipated saving or business opportunity, damage to goodwill or loss of data, however caused or arising.

Dealings means you advising the Users of the terms and restrictions on use of the Tool as set out in this Agreement.

Deloitte means the Deloitte Australia entity or entities entering into this Agreement as identified in the Letter and its Representatives, as the context requires.

Deloitte Australia means the Australian Partnership of Deloitte Touche Tohmatsu, each of the entities under its control and any of their respective predecessors, successors or assignees.

DTTL means Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee.

Disclosing Party has the meaning given to that term in clause 6.1.

Disclosure Laws means Rule 3501(c)(i) of PCAOB Release 2005-014, or US Internal Revenue Code sections 6011 and 6111 and related Internal Revenue Service guidance, or any equivalent legislation, statute or subordinate legislation or guidance in any relevant jurisdiction relating to the disclosure of Tax Advice which applies to you or any Tax Advice we may give you.

Documentation means any manuals including release notes, reference guides, specifications or other documents relating to the Tool provided to you by us, including the ControlTrack Documentation.

Excluded Information means Confidential Information:

- (a) which is in or becomes part of the public domain otherwise than through breach of this Agreement or an obligation of confidence owed by a party or any of its Representatives or Professional Advisers to the other party or any Representative of that other party;
- (b) which a party can prove was already known to it at the time of disclosure by the other party or its Representative (unless the party is aware of or ought reasonably be aware that such knowledge arose from disclosure of information in breach of an obligation of confidentiality);
- (c) which the party acquires from a source other than the other party or any Representative of the other party where such source is entitled to disclose it; or
- (d) to which the other party has consented to the form, content and context of the disclosure by the party.

Fees is the fees payable for the Tool and is set out Letter.

Force Majeure means an act of God, fire, storm, flood, earthquake, explosion, accident, acts of the public enemy, terrorist acts, war, rebellion, insurrection, sabotage, epidemic, quarantine restriction, transportation embargo, change of law, and strikes.

GST has the meaning given to that term in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Law has the meaning given by the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Initial Term has the meaning given to that term in clause 2.1.

Insolvency Event in relation to a party (insolvent party) means:

- (a) the insolvent party ceases or takes steps to cease to conduct its business in the normal manner;
- (b) the insolvent party enters into or resolves to enter into any arrangement, composition or compromise with or assignment for the benefit of its creditors or any class of them;
- (c) the insolvent party is unable to pay its debts when they are due or is deemed under the *Corporations Act 2001* (Cth) to be insolvent;
- (d) a liquidator or provisional liquidator is appointed to the insolvent party or a receiver, receiver and manager, administrator, trustee or similar official is appointed over any of the assets or undertakings of the insolvent party; or
- (e) an application or order is made or a resolution is passed for the winding up of the insolvent party.

Letter means the engagement letter between you and us to which these terms and conditions are attached.

Licensed Entity means a Deloitte Australia entity that holds a licence or registration. For example, a Registered Tax Agent registration as defined in the *Income Tax Assessment Act 1936*

(Cth) or an Australian Financial Services licence under the *Corporations Act 2001* (Cth).

Licensed Services means that part of the Services that are required to be provided by a Licensed Entity.

Loss means any direct losses, liabilities, claims, damages, costs or expenses (including interest where applicable), judgment or order however caused or arising.

Member Firm means a partnership or an entity that is a member of DTTL and each of that partnership's or entity's controlled entities, predecessors, successors, assignees, partners, principals, members, owners, directors, employees and agents.

Personal Information has the meaning given to that term in the Privacy Act.

Privacy Act means the *Privacy Act 1988* (Cth).

Professional Advisers means your lawyers or other professional advisers, such as your accountant, who are advising you in relation to the Tool but excludes any investor, agent, intermediary, underwriter, syndicate participant, lender or other financial institution or anyone who may provide you with any credit enhancement or credit rating.

Professional Standards Legislation means a law providing for the limitation of occupational liability by reference to schemes that are formulated and published in accordance with that law and includes the *Professional Standards Act 1994* (NSW) and any similar legislation in each state and territory in Australia.

Purpose means the use of the Tool to:

- (a) document your control framework;
- (b) record, monitor and report on your assessment of the effectiveness of your controls; and
- (c) create, monitor and report on action plans for remediation of control deficiencies.

Recipient has the meaning given to that term in clause 6.1.

Related Body Corporate has the meaning given to that term in the *Corporations Act 2001* (Cth).

Renewal Term has the meaning given to that term in clause 2.2.

Report means any documents or reports generated by the Tool that either we provide to you, or you obtain, in connection with the Tool under this Agreement.

Representative means any officer, employee, consultant, agent, contractor or subcontractor of either of us, who is involved in the activities to which this Agreement relates and in the case of Deloitte, includes a partner.

Tax Advice means any advice, whether written or oral, relating to tax, tax structuring or tax treatment provided by us as a result of the Tool but excludes any tax due diligence work which we prepare as a result of the Tool.

Tax Invoice has the meaning given by the GST Law.

Term means the Initial Term together with any Renewal Terms.

Tool means ControlTrack™ created by Deloitte.

Unexpected Delay means any delay in providing the Tool that is caused or contributed to by an act or event (including the non-performance of your obligations) that is beyond our control or was not reasonably foreseeable by us at the date of this Agreement.

User means an employee (as that term is defined in the *Fringe Benefits Tax Assessment Act 1986*), or prospective employee, of you who accesses the Tool for the Purpose.

We, us and our means Deloitte and the members of Deloitte Australia and any of their Representatives.

Working Papers means any files or working papers created by us as our record of the Tool, in any form.

You and your means each Addressee and where applicable, each of your Related Bodies Corporate each Addressee's Representatives or advisers.



Standard terms and conditions

1. This Agreement

This Agreement is a contract between us. It sets out the terms and conditions on which we will provide the Services to you. Where there is any inconsistency between the Letter and the Terms, the Letter will prevail. Where the Letter is addressed to more than one Addressee, each Addressee is a party to, and is bound by, the terms of this Agreement. We will treat you as having accepted this Agreement if you continue to instruct us after you receive it.

2. Term

This Agreement starts on the date you sign and return the Letter to us or when we first start work on the Services for you, whichever is first. Unless it is terminated earlier, this Agreement terminates when we have completed providing the Services to you and you have paid us our Fees.

3. Our Services

3.1 We will provide the Services to you in accordance with this Agreement and with the degree of skill, care and diligence expected of a professional providing services of the same kind.

3.2 We will use all reasonable efforts to complete the Services within any agreed time frame.

4. Our team

4.1 We will use reasonable efforts to ensure that our Representatives named in the Letter are available to provide the Services. However, if we need to, we may replace or reassign any Representative at any time on reasonable notice to you.

4.2 Each of us agrees that, during the term of this Agreement and for a period of six months after it ends, neither of us will directly or indirectly solicit for employment any Representative of the other who is involved with the Services. However, both of us may advertise or recruit generally in the media.

5. About Deloitte

5.1 We are a Member Firm of DTTL. Accordingly, you acknowledge that:

- (a) each of the Member Firms is a separate and independent legal entity operating under the names "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu" or other related names;
- (b) the Services are provided by us and not by DTTL or any other Member Firm; and
- (c) neither DTTL nor any of the Member Firms is liable for each other's acts or omissions.

5.2 Sometimes we may use other Member Firms to help us to provide the Services to you. Where this happens, we will be responsible for any work undertaken by another Member Firm and you agree that:

- (a) none of the Member Firms, apart from us, will be responsible to you; and
- (b) you will not bring any claim or proceedings in connection with the Services or this Agreement against any of the other Member Firms that we may use to provide the Services to you.

5.3 Any Member Firm that helps us to provide the Services to you will rely on this clause 5, *About Deloitte*, and is, to the extent permitted by the Law of any relevant jurisdiction, an intended third-party beneficiary of, and entitled to enforce, this Agreement in its own right.

5.4 If we provide you with Licensed Services, you acknowledge that:

- (a) the relevant Licensed Entity will provide the Licensed Services directly to you;
- (b) Deloitte enters into this Agreement as agent for the Licensed Entity; and
- (c) the terms of this Agreement apply to the Licensed Services.

6. Confidentiality

6.1 Each of us agrees to protect and keep confidential any Confidential Information that is given to us by the other.

6.2 Except as set out in this Agreement, or where both of us agree otherwise in writing, we will only use or disclose your Confidential Information to provide the Services to you.

6.3 Where relevant, we may disclose your Confidential Information to other Member Firms, who will use and disclose it only to provide the Services to you or to our own professional advisers and insurers on a confidential basis.

6.4 Subject to subclause 6.5, either of us may disclose any Confidential Information to the extent that it is required to be disclosed by Law, order of any court, tribunal, authority or regulatory body, rules of any stock exchange or any professional obligations or requirements.

6.5 A party disclosing any Confidential Information under subclause 6.4 must where practical and to the extent permitted by Law, notify the other of the requirement to disclose and only disclose the minimum Confidential Information required to comply with the Law or requirement.

6.6 We will return your Information to you at any time at your request. We may also destroy it if you ask us to. However, we are entitled to retain a copy of any Information you provide to us or which forms part of our Work or our Working Papers, provided that we will continue to keep this Information confidential in accordance with this Agreement.

7. Personal Information and privacy

We may collect Personal Information about your Representatives, your clients or others when we provide the Services to you. If we do, you agree to work with us to ensure that we both meet any obligations we may each have under the Privacy Act including, where relevant, notifying the individual to whom the Personal Information relates of who we are and how we propose to use their information. Where you provide us with any Personal Information, you confirm that you have collected this Personal Information in accordance with the Privacy Act, that you are entitled to provide this Personal Information to us and that we may use and disclose this Personal Information for the Purpose. We will handle Personal Information in accordance with the Privacy Act.

8. Intellectual Property

8.1 Unless we agree otherwise, we will retain ownership of the Intellectual Property in our Work. We give you a royalty-free, non-exclusive, perpetual, world-wide licence to use and reproduce any Reports for the Purpose for which the Report was prepared and any related incidental internal purposes in accordance with the terms of this Agreement.

8.2 You agree we can use your logos and marks on our Work, unless you tell us otherwise.

9. Our Work

9.1 Our Work is for your exclusive use and must be used only by you and only for the Purpose.

9.2 Unless we give our Consent:

- (a) our Work must not be used or disclosed for any other purpose or made available to any other person, except your Professional Advisers and Auditor, on the terms discussed in subclause 9.3, or except to the extent permitted by subclause 6.4;
- (b) our Work and the Services may not be relied on by anyone other than you; and
- (c) you must not name us or refer to us, our Work or the Services in any written materials (other than to your Professional Advisers and Auditor), or any publicly filed documents, except as required by Law.

9.3 You may provide a copy of our Report to:

- (a) your Professional Advisers and Auditor, provided that you ensure that each Professional Adviser and Auditor:
 - (i) is aware of the limits placed on the use of our Report by this Agreement, including that they may not rely on the Report;
 - (ii) for the Professional Adviser, uses our Report only to advise you in relation to the Services or, for the Auditor, uses our Report only to refer to it in conducting the Audit; and
 - (iii) treats our Report as confidential and does not use or disclose our Report in a manner that is not expressly permitted by this Agreement;
- (b) any other person who is acceptable to us, with our Consent, but only where that person has first executed an agreement provided by us.

9.4 We are not responsible to anyone (apart from you) who is provided with or obtains a copy of our Work without our Consent.

9.5 If we give you our Work in draft form or orally, we do so only on the basis that you may not rely on it in that form. Accordingly, we will not be responsible if you or anyone else relies on our draft Work or oral comments or advice.

- 9.6 You acknowledge that the final or signed copy of our Report is the definitive version.
- 9.7 Sometimes, circumstances may change after we have provided our final Work to you; unless we agree with you otherwise, we will not update any final Work we have provided to you.
- 9.8 You acknowledge that any use of or reliance on our Work that is contrary to this Agreement may expose us to a claim from someone with whom we have no relationship or whose interests we have not considered in providing the Services.
- 9.9 Accordingly, you agree to indemnify us against any Loss we may suffer or incur in respect of any claim or action by a third party that arises as a result of:

- (a) any use or distribution of, or reliance on, our Work that is contrary to the terms of this Agreement or a Consent; or
- (b) any access to, or use of our Work, by any of your Professional Advisers or Auditor.

- 9.10 This indemnity does not apply to any Loss incurred in defending a claim or action by a third party:

- (a) that results from any wilful misconduct or fraudulent act or omission by us;
- (b) where that third party has signed an agreement with us that provides that it can rely on our Work; or
- (c) where we have agreed in writing that our Work may be included in publicly available documents.

10. Our Fees

- 10.1 The Fees and the basis on which they are calculated are set out in this Agreement. We may review the Fees where:

- (a) an Unexpected Delay occurs;
- (b) there is a change in the scope of the Services we agreed to provide to you; or
- (c) you do not accept this Agreement within three months of the date of the Letter.

- 10.2 You agree to pay us the Fees for the Services in accordance with this Agreement.

- 10.3 Unless we state otherwise, our Fees exclude GST. You agree to pay any GST imposed on us, now or in the future, in relation to this Agreement. Where GST is payable on any taxable supply made under this Agreement, you agree that the Fee payable for this supply will be increased by an amount equivalent to the GST payable by us in respect of that supply.

- 10.4 We will charge you at cost for any expenses we incur in providing the Services to you. For example, we will charge you for any costs for travel associated with the Services or for goods or services we buy on your behalf. We will tell you what these expenses are before we incur them if they are anything other than incidental.

- 10.5 Unless we agree with you otherwise, we will use business class (or equivalent) for travel overseas and between the east and west coasts of Australia, and economy class for travel within the rest of Australia.

- 10.6 We will also charge you an administration, overhead and telecommunications charge, which is calculated at 5% of our Fees. This charge covers all our out-of-pocket expenses such as telecommunications, stationery and postage.

- 10.7 We will invoice you monthly in arrears for the Fees (unless we agree with you otherwise) and you agree to pay our invoice within 14 days of receiving it. You agree to pay any undisputed portions of an invoice even if there is a dispute between us about that invoice or another invoice. Where amounts remain due and unpaid we may charge you interest at an annual rate of 2% over the Bank Bill Swap Rate published in the Australian Financial Review on the date payment is due.

- 10.8 Without limiting any other rights we may have, we are entitled to suspend or terminate the Services, in whole or part, or to retain or withhold any Information we may hold in relation to the Services or any Work we have done for you if you do not pay our invoices on time.

11. What you agree to do

- 11.1 You agree to co-operate with us and provide us with all reasonable and necessary assistance so that we can provide the Services to you. This includes providing us with timely and reasonable access as appropriate, to your premises, facilities, Information and Representatives.

- 11.2 In addition to any responsibilities you may have that are set out in the Letter, you are responsible for:

- (a) the performance of your Representatives;

- (b) making timely decisions in connection with the Services;
- (c) designating a competent employee to oversee the Services;
- (d) evaluating the adequacy of the Services, as they have been described in the Letter, for your particular purposes and needs;
- (e) providing us with accurate and complete Information. Where any Information that we require in order to provide the Services is to be provided by someone else, you are responsible for ensuring that Information is provided to us. You will need to give us all Information that is relevant to the Services, even if the same Information has been given to us previously during another engagement; and
- (f) updating any Information where there has been a material change to that Information, including telling us if any of your circumstances change during the course of the Services.

- 11.3 You acknowledge that:

- (a) the Services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations will be your responsibility, and made by you;
- (b) our ability to provide the Services depends on you meeting your responsibilities under this Agreement and instructing us or responding to our requests in a timely and effective manner; and
- (c) we are entitled to and will rely on Information provided by you, the decisions you make and any approvals you give.

12. Our responsibility to you

- 12.1 Where the Law requires it, our liability to you will not be limited. In all other cases, our aggregate liability to you for any Loss or causes of action arising in relation to this Agreement, including for negligence, is limited as set out below:

- (a) where a scheme approved under Professional Standards Legislation applies, in the manner provided by that scheme; or
- (b) where a scheme or the Professional Standards Legislation does not apply, to the amount that is the lesser of ten times our Fees and \$20 million.

- 12.2 In either case, we will be liable to you only for that proportion of the total Loss that we have caused or to which we have contributed.

- 12.3 We will not be liable for any Loss, or failure to provide the Services, which is caused by an Unexpected Delay or which arises as a result of us relying on any false, misleading or incomplete Information.

- 12.4 Neither of us shall be liable to the other for any Consequential Loss.

- 12.5 The limit of liability set out above applies to all Addressees as a group. It is up to you to agree how the limit is allocated between you. You agree not to dispute the limit if you are unable to agree on how it will be allocated between you.

- 12.6 Please contact us if you require a copy of a scheme.

13. Your feedback

We value your feedback. We aim to obtain, either formally or informally, a regular assessment of our performance. Your client service partner will always be pleased to hear any suggestions as to how our service can be improved. If you wish to make a complaint, please refer to the Complaints Management Policy available on our website (www.deloitte.com.au) or write to the Complaints Officer (complaints@deloitte.com.au).

14. Unexpected Delay

- 14.1 We are not responsible to you or anyone else for any failure in providing the Services caused by an Unexpected Delay. We will tell you if there is a delay that will affect the Services and the cause of the delay, if known. You acknowledge that this Agreement will be varied to include any change to the scope of the Services, the Fees or the timeframes for completion of the Services if any delay requires it.

- 14.2 If we are required to perform additional services because of an Unexpected Delay, then this Agreement will also be varied to include those additional services and any additional Fees that apply.

15. Conflict of interest

We have relationships with many clients. This means that after this Agreement starts we may identify circumstances that could cause us to have a conflict of interest. If this happens, we will evaluate the potential conflict and, depending on the circumstances, apply appropriate safeguards to manage it. For example, we may notify you of a relationship that causes us a conflict and ask for your consent to continue to provide you with the Services. However, you acknowledge that we may need to terminate this Agreement if we are unable to resolve or manage a conflict of interest satisfactorily.

16. Insurance

We will maintain appropriate insurance in relation to the Services, including professional indemnity insurance in an amount of not less than \$10 million during the term of this Agreement and for a period of seven years after it ends.

17. Termination

17.1 Either of us may terminate this Agreement:

- (a) at any time by giving the other 30 days' written notice; or
- (b) immediately if the other suffers an Insolvency Event, is unable to pay all of its debts as and when they become due and payable, suspends payment of such debts or otherwise ceases to carry on business; or
- (c) immediately if the other commits any material breach of this Agreement that is either incapable of being remedied or is not remedied within 14 days of receipt of a notice requiring the breach to be remedied.

17.2 We may terminate this Agreement if:

- (a) you fail to meet your obligations under this Agreement including to pay our Fees within the time specified or to provide us with adequate Information or instructions; or
- (b) there is a change of circumstances beyond our reasonable control (such as auditor independence or regulatory related developments) that prevents us from providing the Services to you.

17.3 If this Agreement is terminated:

- (a) you agree to pay us the Fees for any work we have done and any expenses we have incurred up to the date of termination;
- (b) where relevant, each of us will return to the other any documents or property of the other, except that we may retain one copy of all Information to allow us to satisfy our professional obligations and record keeping requirements;
- (c) the termination does not affect any accrued rights of either of us or any provision of this Agreement that continues to apply.

17.4 The provisions of this Agreement that survive its termination include those relating to clause 5, *About Deloitte*; clause 6, *Confidentiality*; clause 8, *Intellectual Property*; clause 9, *Our Work*; clause 12, *Our responsibility to you*; clause 16, *Insurance*; clause 18, *Dispute resolution*; and clause 19, *Disclosure of Tax Advice*.

18. Dispute resolution

18.1 Each of us agrees to use reasonable endeavours to resolve any dispute that arises in connection with this Agreement by mediation before bringing a legal claim or starting legal proceedings against the other.

18.2 Nothing in this clause 18, *Dispute resolution*, prevents either of us from seeking any equitable relief in relation to our rights under this Agreement.

19. Disclosure of Tax Advice

In relation to Tax Advice and in compliance with Disclosure Laws, it is acknowledged and agreed that nothing contained in this Agreement shall be construed as limiting or restricting your disclosure of Tax Advice. It is also understood that none of your other advisers will or have imposed any conditions of confidentiality with respect to Tax Advice. Copies of any Tax Advice provided to others is on the basis that such recipients may not rely on such Tax Advice and that we owe no duty of care or liability to them, or any other persons who subsequently receive the same. Except as set out in this clause 19, *Disclosure of Tax Advice*, all other terms of this Agreement remain unamended.

20. Relationship between the parties

We are engaged as an independent contractor. Neither of us is an agent or representative of or has the authority to bind the other. Neither of us will act or represent ourselves, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other. This Agreement is not intended and will not be taken to constitute a partnership, agency, employment, joint venture or fiduciary relationship between us.

21. Entire agreement

21.1 This Agreement is the entire agreement between us for the Services. It supersedes all prior communications, negotiations, arrangements and agreements, either oral or written between us in relation to its subject matter.

21.2 Any changes to this Agreement must be agreed to in writing by both of us.

22. Assignment

Neither of us may transfer, assign or novate this Agreement without the Consent of the other. However, we may assign this Agreement to any entity in Deloitte Australia or any successor to our business.

23. Electronic communication

Each of us agrees that we may communicate with each other electronically. You acknowledge that electronic transmissions are inherently insecure, can be corrupted or intercepted, may not be delivered and may contain viruses. Neither of us is responsible to the other for any loss suffered in connection with the use of e-mail as a form of communication between us.

24. Severability

If any of the terms of this Agreement are not legally enforceable then that term or the relevant part of it will be either amended as appropriate to make it enforceable or ignored, but in all other respects this Agreement will have full effect.

25. Governing Law

This Agreement is governed by the Laws of New South Wales and each party irrevocably submits to the jurisdiction of the courts exercising jurisdiction in that State.

26. General

26.1 A waiver by one of us of a breach by the other party of any term of this Agreement does not operate as a waiver of another term or a continuing breach by the other of the same or any other term of this Agreement.

26.2 To the extent permitted by Law, we disclaim all warranties, either express or implied, in relation to the Services and the Work other than any written warranty made in the Terms.

26.3 The rights and remedies in this Agreement are cumulative and not exclusive of any rights or remedies provided by Law.

27. Reading this Agreement

In this Agreement:

- (a) headings are for convenience only and do not affect how this Agreement is interpreted;
- (b) the singular includes the plural and conversely;
- (c) if a word is defined its other grammatical forms have a corresponding meaning;
- (d) the use of words such as *includes* or *including* to introduce a list does not limit what may be included in that list;
- (e) the word person includes an entity, a firm, a body corporate, an unincorporated association or an authority;
- (f) a reference to this Agreement or an act or instrument is to this Agreement, or that act or instrument as amended, varied, novated or replaced from time to time;
- (g) a reference to dollars or \$ means Australian dollars;
- (h) a reference to an Annexure or clause or subclause is to an Annexure to, or clause or subclause in this Agreement;
- (i) an Annexure forms part of this Agreement; and
- (j) if there is any conflict between these Terms and any other part of this Agreement, the following order of priority will apply:
 - (i) the Letter;
 - (ii) the Annexure; and
 - (iii) the Terms.

28. Definitions

In this Agreement the following words have the meanings set out below:

Addressee means each person to whom the Letter is addressed and includes, where relevant, any additional parties who may agree to the terms of this Agreement.

Agreement means the Letter and the Terms.

Annexure means a document which is annexed or attached to the Letter and identified as an annexure or attachment to it and includes a schedule, appendix or attachment to the Letter.

Audit means an audit under the Corporations Act 2001 (Cth) or an equivalent Law, conducted in accordance with relevant auditing standards.

Auditor means an auditor who is appointed to conduct an Audit of you.

Confidential Information means and includes:

- (a) the terms of this Agreement and the details of the Services;
- (b) any information or material which is proprietary to or deemed to be proprietary to a party;
- (c) any Intellectual Property and methodologies and technologies that:
 - (i) you use in your business, and to which we are exposed in the course of providing the Services; or
 - (ii) we use to provide the Services;
- (d) any information designated as confidential by either of us;
- (e) any Work we provide to you; and
- (f) any information acquired by either of us solely as a result of the Services,

but excludes any information that:

- (a) is or becomes publicly available, except by a breach of this Agreement;
- (b) is disclosed to either of us by a third party provided that the recipient reasonably believes the third party is legally entitled to disclose such information;
- (c) was known to either of us before we received it from the other;
- (d) is developed by either of us independently of any disclosures previously made by the other;
- (e) is disclosed with the other's Consent; or
- (f) is required to be disclosed as contemplated by subclause 6.4.

Consent means prior written consent which may be granted at the consenting party's discretion and which may be subject to conditions.

Consequential Loss means any loss or damage which is indirect, consequential, special, punitive, exemplary or incidental, including any loss of profit, revenue, anticipated savings or business opportunity, or damage to goodwill however caused or arising as a result of the Services or this Agreement.

Deloitte means the Deloitte Australia entity or entities entering into the Agreement as identified in the Letter.

Deloitte Australia means the Australian partnership of Deloitte Touche Tohmatsu, each of the entities under its control and any of their respective predecessors, successors or assignees.

DTTL means Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee.

Disclosure Law means Rule 3501(c)(i) of PCAOB Release 2005-014, or US Internal Revenue Code sections 6011 and 6111 and related Internal Revenue Service guidance, or any equivalent legislation, statute or subordinate legislation or guidance in any relevant jurisdiction relating to the disclosure of Tax Advice which applies to you or any Tax Advice we may give you.

Fees means the fees for the Services as stated in, or calculated in accordance with, this Agreement.

GST has the meaning given to it under *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Information means any information, documents, materials, facts, instructions or Confidential Information provided to us by you or your Representatives or anyone else at your request.

Insolvency Event means and includes:

- (a) the making of an arrangement, compromise or composition with, or assignment for the benefit of, one or more creditors of a party;
- (b) the appointment of administrators, liquidators, receivers, a bankruptcy trustee or analogous person to, or over, all or part of a party's business, assets or securities;
- (c) an application being made, or a resolution being proposed, which seeks to effect such an appointment other than for a solvent reconstruction; and
- (d) the existence of a legislative presumption of insolvency in relation to a party.

Intellectual Property means all industrial and intellectual property rights throughout the world and includes rights in respect of copyright, patents, trade marks, designs, trade secrets, know-how, our Confidential Information and circuit layouts.

Law includes the Corporations Act 2001 (Cth) and the rules of the United States Securities and Exchange Commission.

Letter means the engagement letter between us to which the Terms are attached.

Licensed Entity means a Deloitte Australia entity that holds a licence or registration, for example, a Registered Tax Agent registration as defined in the *Income Tax Assessment Act 1936* (Cth) or an Australian Financial Services licence under the Corporations Act 2001 (Cth).

Licensed Services means that part of the Services that are required to be provided by a Licensed Entity.

Loss means any losses, liabilities, claims, damages, costs or expenses (including interest where applicable and Consequential Loss), judgments or orders however caused or arising as a result of the Services or this Agreement.

Member Firm means a partnership or an entity that is a member of DTTL and each of that partnership's or entity's controlled entities, predecessors, successors, assignees, partners, principals, members, owners, directors, employees and agents.

Personal information has the meaning given to it in the Privacy Act.

PCAOB means the Public Company Accounting Oversight Board instituted under the United States Sarbanes-Oxley Act of 2002.

Privacy Act means the *Privacy Act 1988* (Cth).

Professional Advisers means your Lawyers or other professional advisers, such as your accountant, who are advising you in relation to the Services but excludes any investor, agent, intermediary, underwriter, syndicate participant, lender or other financial institution or anyone who may provide you with any credit enhancement or credit rating.

Professional Standards Legislation or **Legislation** means a Law providing for the limitation of occupational liability by reference to schemes that are formulated and published in accordance with that Law and includes the *Professional Standards Act 1994* (NSW) and any similar legislation in each state and territory in Australia.

Purpose has the meaning given to it in the Letter or our Work, or where both are silent on this, the purpose for which we provide our Work to you.

Report has the meaning given to it in the Letter or where the Letter does not set out a specific report, means any final form documents, reports or deliverables we provide to you as a result of the Services or this Agreement including those consisting of advice or opinions.

Representative means any officer, employee, consultant, agent, contractor or subcontractor of either of us, who is involved in the activities to which this Agreement relates and, in the case of Deloitte, includes a partner.

Services means the services described in the Letter.

Tax Advice means any advice, whether written or oral, relating to tax, tax structuring or tax treatment provided by us as a result of the Services but excludes any tax due diligence Work which we prepare as a result of the Services.

Terms means these standard terms and conditions.

Unexpected Delay means any delay in providing the Services that is caused or contributed to by an act or event (including the non-performance of your obligations) that is beyond our control or was not reasonably foreseeable by us at the date of this Agreement.

us means Deloitte, or both you and Deloitte, as the context requires.

we and **our** means Deloitte and, where applicable as the context requires, the members of Deloitte Australia and any of their Representatives.

Work means any advice or materials including any reports, documents, advice, opinions, e-mails, notes or other deliverables, whether in draft or final form, in writing or provided orally, that we prepare either alone or in conjunction with you or provide to you as a result of this Agreement and includes any Reports and excludes our Working Papers or any source code.

Working Papers means any files or working papers created by us as our record of the Services, in any form.

you and **your** means each Addressee, and where applicable as the context requires, each Addressee's Representative.

① More structure in France now to deliver results

② EOM now done in less than 10 days

- Streamline processes

-

AUDIT PAPER NUMBER: 8
Annual Financial Statements FY1112



PURPOSE:

To provide the audit committee with an update in regards to the 2012 Annual Financial Statements (AFS) process.

BACKGROUND AND ISSUES:
FY2012

Interim Audit: Week commencing 21st May 2012 – April Financials - 19 March AFRC meeting

Final Audit: 2 weeks commencing 20th August 2012 - Report to 21 Sept AFRC meeting

AFS will incorporate Racing Queensland Limited as an entity with the consolidation of:-

1. Queensland Race Product Co Limited – 100%
2. Sunshine Coast Racing – 84.6%
3. Rockhampton Racing – 64%

BDO Auditors will also be auditing Albion Park Harness Club, Redcliffe Harness Club and Gold Coast Harness Club.

The following key areas under review for the Annual Financial Statements have been discussed with BDO.

- ✓ 1. **Treatment of Industry Infrastructure Grants**
For RQL and the Clubs to ensure consistency – BDO Report attached (**Appendix A**)
- ✓ 2. **Confirmation of Infrastructure expenditure as at 30 June 2012 for the Office of Racing and Treasury**
- ✓ 3. **Provision for Bad Debt**
To be considered for Oncourse Bookmakers Hayden, Flynn and Gallagher approximately \$436K if not settled by final audit
4. **Impairment of assets** and work in progress accounts to be reviewed
5. Flood Insurance Recoveries
6. **Comparatives**
As this is the second year of operation there will be Comparative prior year numbers in the Annual Financial Statements.
7. **Valuations**
These need to be considered. The last valuations were conducted in June 2011 for Albion Park and Rockhampton Racing. It is proposed to undertake a full valuation of all other land and buildings both from an insurance perspective and accounting perspective and to be undertaken by AON who undertook the valuation of all Thoroughbred TAB clubs and RQL assets in 2009.
8. **Contingencies** – to be reviewed
9. **Internal Audit Reports**
Deloitte Internal Audit Reports and working papers to be provided to BDO

Directors Report

It is proposed to address the following key areas in the director's report in the AFS and some of these will be in more details in the Annual Report:

1. Country Racing Contribution
2. Queensland Community Racing Scheme
3. Synthetic Track Subsidy
4. Training Track Subsidy per club
5. Queensland Government Flood Funding per club and disclosure
6. Infrastructure Plan
7. Flood Insurance
8. Wagering
9. Race Information fees
10. 3 code efficiencies

11. Contribution to the industry over and above prizemoney in comparison to prior years

- a. Additional prizemoney
- b. QTIS and QTIS 600
- c. Operational Subsidy
- d. Sky Channel OB Subsidy \$1.1M
- e. Grants Training Tracks
- f. Industry Training – Apprentices Costs
- g. Capital Works
- h. Jockey Riding fees
- i. Drivers fees
- j. Insurances
 - i. Workcover
 - ii. Club Public Liability
 - iii. Club ISR Insurance
 - iv. Jockeys
 - v. Trainers
 - vi. Drivers
 - vii. Club Volunteers Personal Accident
- k. 1% Jockey Riding Fees
- l. RISA
 - i. Nominations and Acceptances Expenditure
- m. Awards Evenings
- n. Vets

For the AGM and prior to releasing the AFS on the RQL website a list of frequently asked questions will be prepared.

Internal Audit Update

- RIF – 20 Feb 19 March AFRC Meeting
- IT – 5 Mar 19 March AFRC Meeting
- Purchasing – 12 Mar 15 June AFRC Meeting
- Prize money – 2 Apr 15 June AFRC Meeting
- Risk Management Health Check – 23 Apr 15 June AFRC Meeting
- IPOS – 14 May 15 June AFRC Meeting
- Follow up – 4 June

FINANCIAL IMPACT:

- | | |
|-------------------------------|-------------|
| 1. Racing Queensland Limited | \$70K |
| 2. Sunshine Coast Racing | \$11K |
| 3. Rockhampton Racing | \$11K |
| 4. Queensland Race Product Co | \$6K |
| 5. 3 Harness Clubs | \$6.5K each |

Amounts quoted are GST exclusive

OTHER STAKEHOLDER IMPACTS:

Not Applicable

DECISION REQUIRED:

- RQL audit committee to NOTE the report.



ADAM CARTER
Chief Financial Officer



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Level 18, 300 Queen St
Brisbane QLD 4000,
GPO Box 457 Brisbane QLD 4001
Australia

8 March 2012

Mr Adam Carter

Queensland Racing Limited
PO Box 63
SANDGATE QLD 4017

Dear Adam

ACCOUNTING TREATMENT OF INDUSTRY INFRASTRUCTURE GRANTS

Following our recent discussions regarding the proposed use of the Industry Infrastructure government grants, we have prepared the following advice on the associated accounting treatment.

As a 'not-for-profit' entity, Racing Queensland Limited (RQL) need to comply with AASB 1004 Contributions. This accounting standard states that income shall be recognised when, and only when, all the following conditions have been satisfied:

- The entity obtains control of the contribution or the right to receive the contribution;
- The amount of the contribution can be measured reliably; and
- It is probable that the economic benefits comprising the contribution will flow to the entity.

In this case, we would advise that these three conditions would be satisfied when payment is received and an acquittal is received from the Queensland Government, and that the benefits flow to Racing Queensland and not via Racing Queensland to the associated club. Only at that point in time would the total grant balance be recognised as revenue.

We understand that there are two different proposed treatments between the Clubs with funds allocated to them and we have considered these below.

1. Accounting by RQL for Beaudesert, Logan and Rockhampton

We have been advised that it is the intention of RQL that the investment in Beaudesert, Logan and Rockhampton will become RQL assets and a lease will be provided to the club.

The accounting for this will be as follows:

(i) Dr P,P&E / Work in Progress

Cr Creditors/Cash

Being the capitalisation of the costs as they are incurred

(ii) Dr Cash

Cr Deferred revenue

Being the receipt of the funds from the Queensland Government and deferral of the grant revenue until the work is complete and acquittal received

(iii) Dr Deferred revenue

Cr Grant revenue

On completion of the work and acquittal received the grant revenue is recognised in full

In this case, where RQL are retaining ownership of the asset, the Club (i.e. Beaudesert, Logan and Rockhampton) would not have any accounting entries.

2. Accounting by RQL for other clubs

We have been advised that it is the intention of RQL that for all the remaining clubs (excluding Beaudesert, Logan and Rockhampton discussed in scenario 1), the facilities will be granted to the clubs on completion.

The accounting for this will be as follows:

(i) Dr P,P&E / Work in Progress

Cr Creditors/Cash

Being the capitalisation of the costs as they are incurred

(ii) Dr Cash

Cr Deferred revenue

Being the receipt of the funds from the Queensland Government and deferral of the grant revenue until the work is complete and acquittal received

(iii) Dr Deferred revenue

Cr Grant revenue

On completion of the work and acquittal received the grant revenue is recognised in full

(iv) Dr Grant expense

Cr P,P&E / Work in Progress

On granting the completed assets to the Club

So if the Mackay Project has not been completed as at 30 June 2012, then only entries (i) and (ii) above will have been processed.

The net impact of these transactions is simply a grant revenue and an equal grant expense.



BDO Audit (QLD) Pty Ltd
Level 15, 111 St George Street
www.bdo.com.au

BDO is a member firm of the
BDO network of independent member
firms affiliated with the BDO
Global Network of member firms.

15 February 2012

Mr Adam Carter
Queensland Racing Limited
PO Box 63
SANDGATE QLD 4017

Dear Adam

FY2012 AUDIT QUOTE

Following our recent discussions regarding the audit fees for Racing Queensland Limited and its associated entities, we have prepared a fee estimate for the audits for the year ending 30 June 2012.

We have estimated the audit fees for each of the entities to be as follows:

- Racing Queensland Limited - \$70,000 (excl GST)
- Queensland Race Product Co Ltd - \$6,000 (excl GST)
- Sunshine Coast Racing Pty Ltd - \$11,000 (excl GST)
- Rockhampton Racing Pty Ltd - \$11,000 (excl GST)
- Albion Park Harness Racing Club - \$6,500 (excl GST)
- Gold Coast Harness Racing Club - \$6,500 (excl GST)
- Redcliffe Peninsula Harness Racing Club - \$6,500 (excl GST)

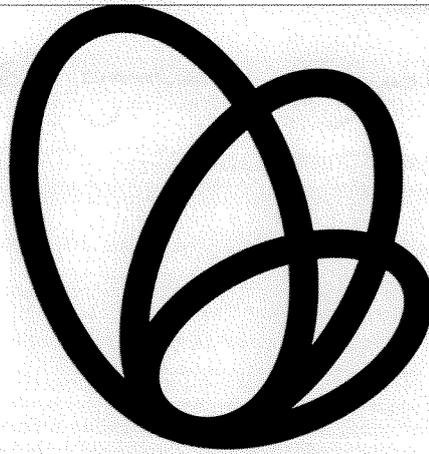
This is a fee estimate only and not a fixed price fee arrangement. We will invoice the actual costs to complete the audits. Our estimate is based on our understanding of your current operations and the required scope of the audit. If these alter, the estimate fee will need to be revised.

Should you wish to discuss any aspect of this letter, please do not hesitate to contact me.

Yours faithfully
BDO Audit (QLD) Pty Ltd

BDO

Damian Wright
Director



RACING QUEENSLAND

Agenda Item 9

EZY Bonds Payment System

For Discussion

- ① more analysis & work required
- ② possibly a good idea.
- ③ Need to look at legal implications 3rd line enforcing.

Pro's

- 1 Real time.
- 2 Possibly lower bank charges
- 3 share in the revenue

Con's

- 1 Not all licensees, stakeholders have access to internet.
- 2 3rd line enforcing
- 3 why move away from a traditional bank.
- 4

Probity



EZYBONDS (PACIFIC) L.P
Registration No: LP 00000338

Level 1, 510 Olive Street, Albury, NSW, 2640
Tel: (02) 6021 0028 Fax: (02) 6021 0037
Email: admin@ezybonds.com

13th of December 2011

Dear Wayne and the Board of Queensland Racing,

Ezybonds Co-branded Cash Cards ("Cash Cards")

Thank you for giving us the opportunity of presenting Ezybonds.

In this brief outline, it is important to note that our sole objective is to build up a dynamic membership data base that will generate valuable future earnings. In this regard, we are very excited about the prospects of working with you on this long term project.

We strongly believe that by initiating a joint marketing campaign of the Cash Cards integrated with the Ezybonds on-line global payment system ("Program"), we will create significant future value on two fronts. Firstly, by accumulating significant membership numbers on an interactive data base and secondly, generating large revenues with an enhanced corporate profile.

It is our view that your existing and new customers will eagerly embrace the Program.

It will be our mission to:

- Rapidly grow memberships for the Cash Cards.
- Develop business opportunities at no cost.
- Endorse and promote the Cash Cards within your existing data base.
- Introduce marketing opportunities with other merchants.
- Launch a powerful on-line marketing solution.
- Create long term value and future revenues.
- Strengthen membership loyalty with free Ezybonds lotteries.

Supersonic in conjunction with Ezybonds is prepared to devote significant marketing resources to establish market acceptance of your Program. Accordingly, I am pleased to confirm:

Program Initiatives:

- Designing, producing and issuing Cash Cards.
- Providing existing and new customers with both plastic and virtual Cash Cards.
- Installing free Ezybond on-line payment buttons for all merchants.
- Providing full on-line account management systems.
- Revenue sharing of all program transaction fees (ATM, POS, Online, Cash Discounts & Interest earned on funds under management).
- Exclusive loyalty merchant cash discount rebates for customers and referrers alike.
- Co-branding all Program interfaces including Cash Cards and EzyAccounts.

Program Benefits:

- Commissions paid instantly at the time of a transaction.
- Flexible terms and conditions.

I look forward to discussing Ezybonds in the near future and cordially invite you to review the additional material despite the information overload.

Yours faithfully

Jason Akermanis.

Schedule A

EzyCash Card Comparison

Functions	Debit Cards Generally	EzyCash Cards
1. To purchase goods or services at retail POS Terminal outlets worldwide.	Yes	Yes, MasterCard.
2. To withdraw funds from ATMs worldwide.	Yes	Yes, MasterCard.
3. To purchase goods or services online.	Yes	Yes, MasterCard.
4. Multi-Currency Cards	In some instances.	Available: USD, AUD, GBP, EUR, PHP. Available on Request & Subject to Volume Order: HKD, NTD, MYR, JPY, RMB
5. Security of Cardholder Funds	Deposits are regulated by local laws in jurisdiction where cards are issued.	Deposits are regulated by local laws in jurisdiction where cards are issued.
6. To top-up cards online.	No	Yes, via online e-wallets (called Ezyaccounts).
7. To top-up cards at POS.	Limited, depending on card issuer.	Yes, via affiliated POS retail outlets (called EzyBranches).
8. Transfer funds card to card	Yes	Yes, via SMS, online, Facebook or Twitter.
9. Request card balances or transaction history.	Yes	Yes, via SMS, Online, Facebook or Twitter.
10. Remittance of money overseas (i) Foreign workers repatriating money. (ii) Parents sending children money. (iii) General transfers.	N/A	Provides the most competitive multi-currency global remittance system. Lowest FX rates with instant clearance.
11. Payroll functionality for companies/governments with employees in more than one country.	N/A	Provides a very simple bulk processing management system at competitive rates.
12. Online Merchant Processing facilities	N/A	Free online payment processing with free shopping carts. No additional fees or

		installation costs. No ongoing monthly fees.
13. Merchant Revenue Sharing	N/A	<p>Significant revenue opportunity for all merchants with large customer data bases.</p> <p>Average profit per customer per annum is USD\$61.00. Revenues are generated via transaction fees, FX rates, advertising, interest earned on card balances, cash discount rebates and loyalty reward incentives. System also permits merchants to charge their customers fees over and above standard fees (called Tariffs).</p>
14. Loyalty Schemes	Banks usually run their own Loyalty programs alongside the debit card. Sometimes it is a waiver of monthly fees charged.	EzyCash Cards works in tandem with its banking partners to offer unique "Loyalty Programs" where cardholders receive reward points, instant cash discount rebates at POS or online and participate in free mega lottery draws.
15. Subscription/ Membership fees	Most debit card issuers charge monthly fees.	The online e-wallet (Ezyaccount) is free.
16. Cardholder Benefits	<ul style="list-style-type: none"> -Access cash worldwide at ATM. -Pay for goods or services worldwide at POS terminal retailer. -Pay for goods or services online 	<ul style="list-style-type: none"> -Access cash worldwide at ATM. -Pay for goods or services worldwide at POS Retailers. -Pay for goods or services online. -Lowest FX rates. -Lowest international transaction Fees -Instant transfers online, SMS texting, Facebook or Twitter. -Loyalty cash discount

		rebates. -Instant KYC & AML Compliance -Splitlock data protection. -Instant lotteries. -Multi-Currency.
17. Card Issuance	Must have a physical debit card.	Cardholders have 5 payment options:- a) Online e-wallet (Ezyaccount). b) Plastic cards. c) Virtual cards. d) Electronic cash PINS. e) Any combination of the above.
18. Security & Compliance	EMV (Europay MasterCard Visa) international standards and PCI.	EMV international standards, PCI and revolutionary Splitlock data protection.

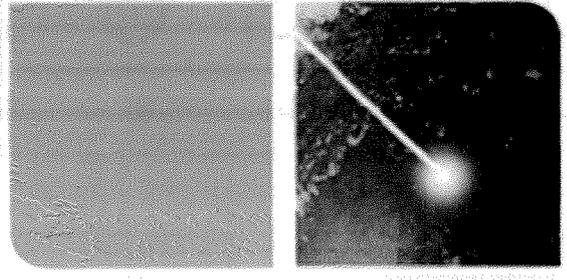
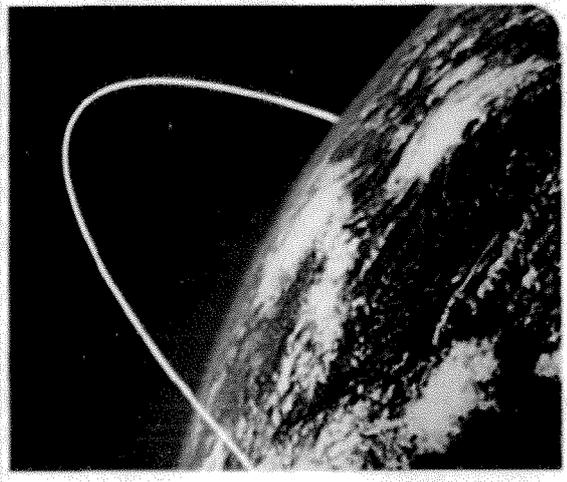
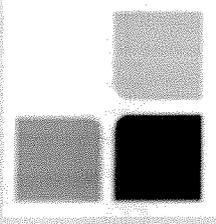
Merchant on-line Payment Processing

Merchant Account Provider	Real-Time Solution Price	Gateway Fee	Statement Fee	Monthly Minimum	Discount Rate	Transaction Fee	Revenue Sharing Opportunities	Tech. Support Fee
Ezybonds	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	YES	\$0.00
InfoMerchant	\$0.00 (must purchase a terminal)	\$29.95	\$9.95	\$15.00	1.55% (Rates Vary)	\$0.28	NO	\$0.00
Total Merchant Services	\$299	\$10/month	\$10/month	\$25/month	2.40%	\$0.35	NO	Fee not disclosed
Charge.com Merchant Services	\$195	\$15/month	\$10/month	\$25/month	2.35%	\$0.30	NO	\$0.00
CardService Intl. CardNetCo	\$499	\$30/month	\$10/month	\$15/month	2.35%	\$0.25	NO	\$0.00
Discover Merchant Services	\$49.95 Reseller of First data	\$19.95/month Authorize.net or Verisign	\$5.00/month	Fee not disclosed	2.31% + 1.25 Intl.	\$0.13 (Rates vary +Interchange)	NO	Fee not Disclosed (\$12 chargeback fee)
Merchant Accounts Express	\$179	\$14.95/month	\$9.95/month	\$25/month	2.29%	\$0.30	NO	Fee not disclosed
ECHO - Electronic Clearing House, Inc.	Fee not disclosed	\$10/month	Fee not disclosed	Fee not disclosed	Fee not disclosed	Fee not disclosed	NO	Fee not disclosed
Costco Merchant Services	\$174.99 w/cart	Reseller for Nova (Call for Quote)	\$5.95	Reseller of Nova (Call for Quote)	2.01% (Rates vary)	\$0.38	NO	\$9.99 (Shopping Cart Fee)
Nova Information Services	\$394	\$0/month	\$6/month	\$30/month	2.17% (Rates vary)	\$0.30	NO	\$10/month
Verisign Pay Flow Pro	\$249 (Limit 1000 transactions then 10 cents per each)	Fee not disclosed	Fee not disclosed	Fee not disclosed	Fee not disclosed	Fee not disclosed	NO	\$59.95/month
Wells Fargo	\$99	Fee not disclosed	Fee not disclosed	Fee not disclosed	2.35%	\$0.30	NO	\$39/month
Online Data Corp	Fee not disclosed	\$19.95/month	\$10/month	\$25/month	2.29%	\$0.30	NO	Fee not disclosed
1st American Card Service	\$359	Fee not disclosed	\$9/month	\$20/month	2.30%	\$0.30	NO	\$0.00
Jaguar PC	Fee not disclosed	\$10/month	\$10/month	Fee not disclosed	2.29%	\$0.35	NO	Fee not disclosed
Bank Card Solutions	\$345	\$20/month	\$10/month	Fee not disclosed	1.99% (Rates vary)	\$0.35	NO	Fee not Disclosed (\$25 annual fee)
EZ Merchant Accounts	\$149	\$15/month	\$5/month	\$25/month	2.25% (Rates vary)	\$0.30	NO	Fee not disclosed

WorldPay	\$299	Included	live tech support and live shopper	\$50/month	2.95% (Multi Currency)	\$0.45 (fraud screening included)	NO	\$35/month (1st 3 monthly fees waived)
Global Payments	Fee not disclosed	Fee not disclosed	Fee not disclosed	\$15/month	2.29%	\$0.30	NO	\$49.95/month + (\$15 chargeback fee)
DPI Merchant Services	\$50	\$29.95/month	\$10/month	Fee not disclosed	2.35%	\$0.30	NO	Fee not disclosed
AIS Media	\$595	\$15/month	\$10/month	\$25/month	2.29%	\$0.30	NO	Fee not disclosed
Associated Merchant Services	Fee not disclosed	\$15/month	\$10/month	\$10/month	2.28% (Rates vary)	\$0.45	NO	Fee not disclosed (Annual fee \$29)
IPaySecure	\$295.95	\$49.95/mo Cart incl.	\$10/month	\$0/month	2.25% (Rates vary)	\$0.30	NO	Fee not disclosed
Unified Merchant Services	\$49.95	Fee not disclosed	\$10/month	Fee not disclosed	2.39%	\$0.29	NO	Fee not disclosed
Priority Merchant Services	\$150-498	\$19/month	\$10/month	\$10/month	2.25 - 2.85%	\$0.30 (\$25 Chargeback fee)	NO	Fee not disclosed (Annual fee \$29)
Merchant- Systems IPayment	Fee not disclosed	\$15/month	\$10-12/mo	\$10/month	2.47%	\$0.30	NO	Fee not disclosed
Planet Payment (NetResult)	\$175	\$25/month	Fee not disclosed.	Fee not disclosed.	2.95%	\$0.35	NO	Fee not disclosed
Authorize.Net Resellers Typical Charges	\$300-600 +App Fee	\$25/month	\$10/month	\$25/month	2.50%	\$0.35	NO	Annual Fee sometimes applies
PayPal	\$0.00	\$0.00	\$0.00	\$0.00	2.90% (Rates Vary)	\$0.30	NO	\$0.00
2Checkout	\$49	\$0.00	\$0.00	\$0.00	5.05%	\$0.45	NO	\$0.00
I-Bill	Fee not disclosed	Fee not disclosed	Fee not disclosed	Fee not disclosed	15%	Fee not disclosed	NO	Fee not disclosed

ezybonds
GLOBAL PAYMENTS

Global Payment Solution



Global Opportunities

- Overseas Foreign Workers (OFWs)
- Multi-level Marketing Groups (MLMs)
- Loyalty Programs
- Government Payments
- Large Corporations B-2-B
- International Payrolls
- Individuals

Merchants

- Proprietary e-commerce software.
- No installation costs or additional hardware.
- Patented Splitlock data protection system.
- User friendly web site www.ezybonds.com
- Powerful data processing capabilities.
- Seamless merchant account integration.
- Significant Lottery Commission

Customers

- Multi-currency online processing- EzyAccount.
- Electronic multi-currency tokens - EzyCash Pins.
- Access to cash at ATMs or Ezybonds retail outlets.
- POS & online payments.
- Plastic & virtual debit cards - EzyCash Cards.
- Full mobile phone functionality.
- Free Lottery access.

Ezybonds Inc

- Proprietary Owner of the Ezybonds Global Payment System.
- Operations in Asia, Australasia, Europe and USA.
- Focused Business Strategy.
 - Online: E-commerce processing.
 - Retail Outlets: Payments & phone recharging.
 - EzyCash Cards: Fund transfers, deposits & withdrawals.
 - EzyCash Pins: Global cash remittances.
- Strategic banking & Financial partners.
- Global regulatory compliance.
- Patented Splitlock data protection system.

Ezybonds Product

*ezy*account

- Free to open.
- An extremely secure way to receive and transfer funds online or by mobile phone.
- A gateway to services including fund additions, fund transfers, cash withdrawals, online purchases and other account management functions.
- Able to offer a complete online Merchant program.

Ezybonds Product

*e*zycash Cards

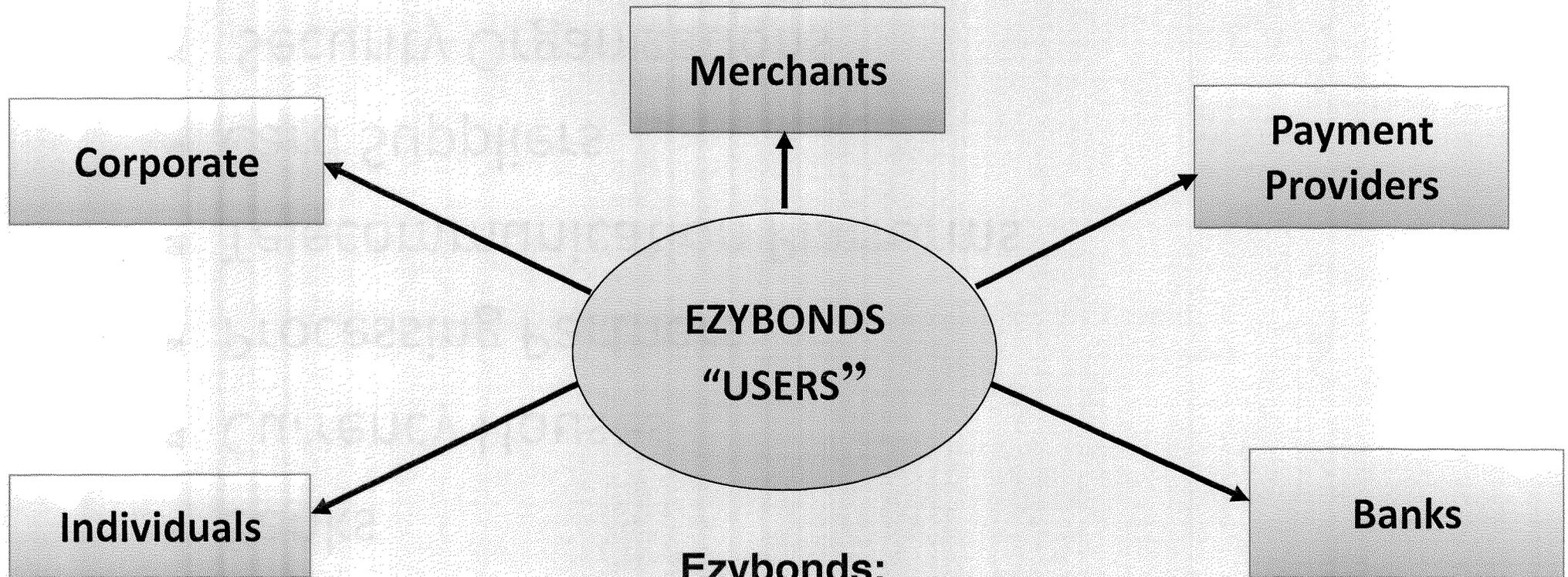
- Cirrus/Maestro enabled.
- Proprietary Debit Cards.
- Available in local currencies.
- ATM & POS accessible.
- Able to be used online for payments.
- Virtual or Plastic.
- Competitively priced.
- Revenue sharing model.

Ezybonds Product

Ezycash Pins

- A security generated number representing an amount of money in a particular currency.
- Available online or at any EzyMerchant outlet.
- Sent to customers via email, SMS or MMS.
- Accepted by any EzyMerchant for online purchases of goods and services.
- Redeemable for cash at any EzyMerchant retail outlet.

Typical Users



Ezybonds:

Is not a bank.

Provides EzyAccounts with access to Custodial Bank Accounts

Receives transaction fees.

Integrates with other global processors.

Receives interest on Funds Under Management.

Pays referral commissions.



Strategic Partners

- Banks
- Currency Houses
- Processing Partners
- Telecommunication Platforms
- Card Suppliers
- Security Organizations

Competitor Comparisons

Ezybonds provides substantial benefits over its competitors, including Western Union, PayPal, I-Remit and other major credit card processors.

These benefits include:

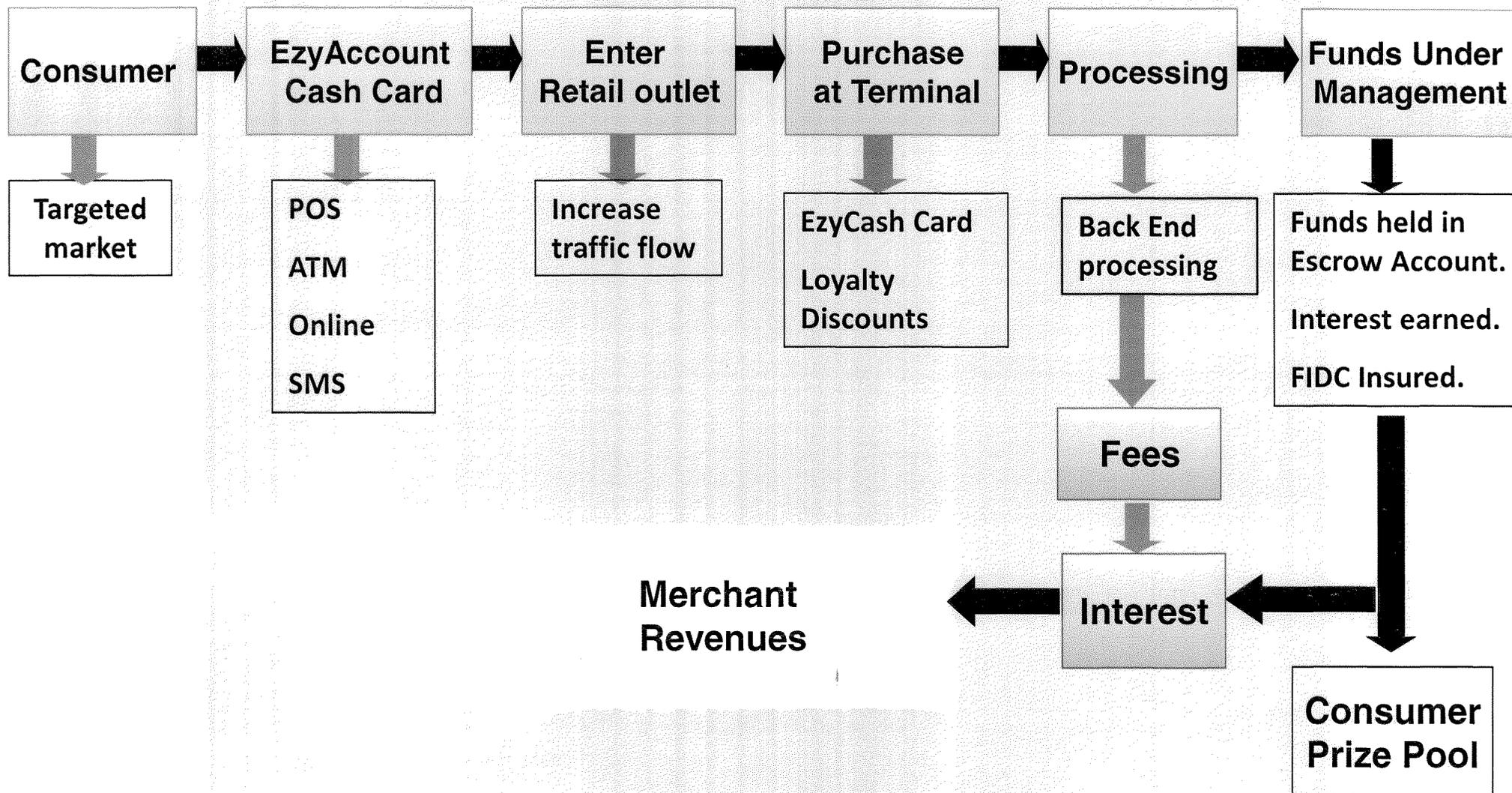
- Cost
- Security
- Mobile phone functionality
- Speed
- Flexibility
- Worldwide access

Potential Income

You will derive income from the following:

- Online Transactions
- EzyCash Card Transactions
- EzyCash PINs Transactions
- Funds Under Management
- Lottery

Processing Flows



Annual Revenue Projections

CASH LOYALTY CARDS	\$
Interest	
Funds Under Management	141,750
Fees	
ATM	36,000
POS	7,200
Card to Card	10,800
Monthly Maintenance	72,000
Total Card Revenues	\$267,750
Bank Processing	115,200
Bank Treasury	42,525
Ezybonds	26,953
Loyalty Lottery	45,765
Racing Queensland	16,335
Total Card Distributions	\$246,778
	20,972

EZYACCOUNT	\$
Interest	
Funds Under Management	157,500
Fees	
Ezyaccount Bank to Bank	10,800,000
Email Transfers	7,200
SMS Transfers	108,000
Monthly Maintenance	144,000
Merchant On line Payments	36,000
Merchant Cash Discounts	45,000
Total Ezyaccount Revenues	\$11,297,700
Customers	0
Bank Processing	21,600
Bank Treasury	47,250
Ezybonds	3,695,126
Loyalty Lottery	3,382,830
Racing Queensland	2,239,470
Total Ezyaccount Distributions	\$9,386,276
	1,911,425

Total \$
299,250
10,836,000
14,400
118,800
216,000
36,000
45,000
\$11,565,450
0
136,800
89,775
3,722,078
3,428,595
2,255,805
\$9,633,053

KEY ASSUMPTIONS					Customer Costs		
Customers 3,000					Monthly	Annually	
Cost Per Transaction Type					\$935,100	\$11,221,200	
Transaction Type	No Per Month	Bank Fee	Ezybonds Margin	Customer Cost	Bank's Share	Ezybonds Share	Monthly Cost Per Customer
					\$3.80	\$307.90	\$311.70
ATM Withdrawal - International	0	\$3.00	\$0.10	\$3.10	\$0.00	\$0.00	\$0.00
ATM Withdrawal - Domestic	2	\$0.50	\$0.00	\$0.50	\$1.00	\$0.00	\$1.00
POS Terminal - International	0	\$0.60	\$0.10	\$0.70	\$0.00	\$0.00	\$0.00
POS Terminal - Domestic	2	\$0.10	\$0.00	\$0.10	\$0.20	\$0.00	\$0.20
Card to Card Transfer	2	\$0.10	\$0.05	\$0.15	\$0.20	\$0.10	\$0.30
Monthly Maintenance	1	\$1.80	\$0.20	\$2.00	\$1.80	\$0.20	\$2.00
					\$0.00	\$0.00	\$0.00
Ezyaccount - SMS Transfer	2	\$0.10	\$1.40	\$1.50	\$0.20	\$2.80	\$3.00
Ezyaccount - Card Loads	2	\$0.10	\$1.90	\$2.00	\$0.20	\$3.80	\$4.00
Ezyaccount - Bank Loads/Unloads	3000	\$0.00	\$0.10	\$0.10	\$0.00	\$300.00	\$300.00
Ezyaccount - Email Transfers	2	\$0.00	\$0.10	\$0.10	\$0.00	\$0.20	\$0.20
Ezyaccount - Merchant Payments	2	\$0.10	\$0.40	\$0.50	\$0.20	\$0.80	\$1.00
Interest & Discount Calculation							
	Merchant Cash Discounts	Interest Rates on Deposits	Average Monthly Account Balances				
Ezyaccount		5.25%	\$1,000.00				
Cards		5.25%	\$900.00				
Average Customer Purchase	\$25.00						
Average No. of Monthly Transactions	2						
Average Merchant Discount/Rebate	2.50%						
Revenue Sharing Percentages	Establishment Fee	Card Transactions Margin	Ezyaccount Transactions	Ezyaccount Deposits Interest	Card Deposits Interest	Merchant Cash Discounts	
Customer						0.00%	
Bank	0.00%	0.00%	0.00%	30.00%	30.00%	0.00%	
Ezybonds	100.00%	33.00%	33.00%	16.50%	16.50%	33.00%	
Loyalty Lottery	0.00%	30.00%	30.00%	30.00%	30.00%	30.00%	
Ezybonds Inc.		17.00%	17.00%	13.50%	13.50%	17.00%	
Racing Queensland	0.00%	20.00%	20.00%	10.00%	10.00%	20.00%	
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

RACING QUEENSLAND LIMITED
(ACN 142 786 874)
Audit, Finance and Risk Committee Meeting
Action Sheet as at 19 March 2012



<i>NO</i>	<i>ITEM</i>	ACTION REQUIRED	<i>ACTION OFFICER</i>	<i>THIS MEETING</i>	COMMENT
5.	Common Purchasing	Provide report on the possibilities and benefits of a common purchasing system that incorporates clubs	Adam Carter	<u>21 September 2012</u>	Currently investigating options through entities such as "Localbuy"
6.	Disaster Recovery	Review Disaster Recovery Plan	Adam Carter/David Rowan	<u>15 June 2012</u>	
7.	Review of Debt Collection and Credit Policy	Review current policy and process and report thereon	Adam Carter	<u>Ongoing</u>	Meetings undertaken with Integrity, Racing and Licensing to increase communications and review internal processes.
8.	Gifts and Benefits Register	Provide to the committee	Adam Carter	<u>15 June 2012</u>	Request sent 19 September 2011 to S Murray and K Christensen.
9.	Corporate Governance and Financial Assessments – Clubs	Provide a plan and implementation strategy	Adam Carter	<u>19 March 2012</u>	Focus to ensure the clubs will embrace the initiative
10	Audit Meetings	For Noting	Adam Carter	<u>Ongoing</u>	Proposed Dates:- 19 March 2012 15 June 2012 ✓ 21 September 2012 ★ 21 December 2012



Racing Queensland Limited
A.C.N 142 786 874
Audit, Finance and Risk Committee

Date: 19 March 2012

Time: 8:00am to 9:00am

Venue: Racing Queensland Board Room

Committee Members: Bradley Ryan – Chairman
 Tony Hanmer
 Bob Lette
 Wayne Milner

Attending: Malcolm Tuttle - Chief Executive Officer
 Adam Carter - Chief Financial Officer
 Ron Mathofer – Business Analyst

Minutes: Ali Wade

A G E N D A		
Item	Business	Contact
1.	Confirmation of Minutes 10 October 2011	Chairman
2.	Compliance Report – Management Certification (Standing Item)	Adam Carter
3.	Debt Analysis Report (Standing Item)	Adam Carter
4.	Internal Audit Review – Fixed Assets	Adam Carter
5.	Internal Audit Review – Licensing and Club Licensing	Peter Smith Shara Reid
6.	Internal Audit Review – Race Information Fees	Adam Carter Shara Reid
7.	Control Self-Assessment – Control Track Update	Adam Carter
8.	External Audit - BDO – Annual Financial Statement Risks	Adam Carter
9.	Ezy Bonds Payment System (Discussion)	Adam Carter
10.	Action Sheet – Follow Up Issues	Adam Carter

Minutes of the Audit, Finance and Risk Committee
Meeting
Monday, 19 March 2012

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

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 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 Deloittes.

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

Queensland Racing Limited
Assessment of Commercial Horses
Assistance Payments Scheme
(CHAPS) Reconciliation Process

Mr Adam Carter
Finance Manager
Queensland Racing
PO Box 63
Sandgate QLD 4017

27 May 2008
Our Ref: 235135

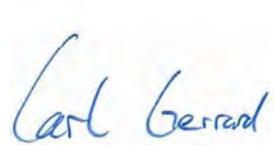
Dear Adam,

Re: Queensland Racing Limited Assessment of CHAPS Reconciliation Process

Please find attached our report relating to our recently performed independent assessment of Queensland Racing's CHAPS reconciliation process.

If you have any questions or wish to discuss any findings in the report, please contact me on 3308 7046.

Yours sincerely



Carl Gerrard
Partner

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1 Executive Summary

1.1 Introduction

Deloitte Touche Tohmatsu (Deloitte) has undertaken an independent assessment of Queensland Racing Limited's (QRL's) Commercial Horses Assistance Payments Scheme (CHAPS) reconciliation process. Reconciliation was performed at the end of CHAPS to identify any under/overpayments made to trainers that need to be reimbursed/recovered by QRL.

As part of the Internal Audit Services provided to QRL, Deloitte was engaged to provide an assessment of the CHAPS and Equine Influenza (EI) Hardship Grants in February 2008. A number of issues were identified from this engagement, which were followed-up as part of this assessment.

In performing this engagement, we have applied APS8, the Professional Statement on Management Consulting Services issued by the Australian Accounting Bodies, and the work performed did not constitute an "audit" or an "assurance engagement" as defined in Australian Auditing Standards. Consequently, no audit opinion or expression of assurance is given, and none should be inferred from our comments. Further details are contained in our Statement of Responsibility at Appendix A and Terms of Reference at Appendix B.

1.2 Background

CHAPS has been provided to enterprises in the commercial horse industry caring for horses that would otherwise have been active and potentially earning income if not for the EI outbreak and resulting standstill.

Four weeks after the outbreak of EI, QRL assumed responsibility for the delivery of the first CHAPS in Queensland. QRL also engaged with the Federal Government to arrange additional payments to all affected thoroughbred, harness and equestrian stakeholders. There have since been two additional CHAPS (CHAP II and III) phases with their corresponding dates and payment periods outlined below:

- CHAPS I (25 August 2007 – 19 November 2007) encompassing payment periods 1-5
- CHAPS II (20 November 2007 – 8 February 2008) encompassing payment periods 6-11
- CHAPS III (9 February 2008 – 13 March 2008) encompassing payment periods 12-13.

The total funding administered under CHAPS I, II and III by QRL was \$54.9 million with a total net paid (due to deductions in prizemoney, adjustments and retained fees) of \$41.3 million. Funds are distributed through the Grantee, QRL in accordance with the Funding deed for CHAPS.

QRL was responsible for:

- receiving claims for funding
- assessing each claim for eligibility against guidelines
- providing a fortnightly invoice for funding in arrears and report to the Commonwealth
- distributing funds to eligible claimants within five working days once payment was received from the Commonwealth.

It is important to place into context the following points when examining the management of CHAPS by QRL:

- the sheer volume of CHAPS applications, coupled with tight timeframes, stretched QRL resources from the start
- QRL administered CHAPS with relatively limited resources and under extremely stressful circumstances. This was exacerbated by the inability to source suitable temporary staff with the relevant skills, knowledge and industry experience
- CHAPS documentation and processes had to be developed from scratch by QRL
- QRL's existing systems and applications were not designed for the application of CHAPS and had to be modified
- the ongoing management of CHAPS was problematic due to the different rules and guidelines associated with the different CHAPS phases
- the inability of CHAPS recipients to correctly complete CHAPS documentation requirements to a sufficient standard therefore resulting in additional follow up work from QRL
- the requirement to effectively administer both CHAPS and the EI Hardship Grants simultaneously.

QRL was extremely proactive in the management and distribution of CHAPS funding. QRL retained a small proportion of the payment (agreed at not more than \$10 per horse payment made by QRL) for limited purposes such as payment of worker's compensation and public liability premiums, or to maintain the industry's skill base through payment of wages or training as appropriate. Information regarding the use of these funds will be provided to the Commonwealth.

In addition, QRL received additional funding of \$1.5 million from the Commonwealth to provide EI Hardship Grants to individuals who suffered financial difficulty as a result of the EI outbreak. Grants of up to \$1500 were to be made available for individuals whose livelihood is dependent upon the horse industry. The Hardship assistance fund was administered by QRL who assessed applications in conjunction with Harness Racing Queensland and representations from the broader horse industry.

Other EI support initiatives that QRL undertook included:

- QRL liaised with employment and community support agencies to arrange temporary/casual employment for people in financial distress as a result of the EI outbreak
- QRL assisted with petrol costs, medical prescriptions and aid packs to stakeholders struggling financially throughout the outbreak
- QRL worked in close association with *Lifeline* and often referred stakeholders seeking additional provisions
- Certain trainers and spelling owners received additional assistance from QRL in the form of horse feed and other provisions. This was due to the responsibility to care for horses unable to return to their owners due to restrictions on horse movement
- QRL provided counselling support to numerous financially and emotionally distressed people who rang and visited their offices.

1.3 Engagement Objectives

Our engagement objective was to examine the following processes compared to CHAPS funding agreement with the Federal Government:

- the reconciliation process for CHAPS I, II and III used to identify any under/overpayments made to trainers
- management actions taken to address the issues identified in the Assessment of CHAPS and EI report (February 2008).

1.4 Procedures Performed

To meet our objectives we performed the following:

- developed an understanding of the CHAPS I, II and III reconciliation process through discussion with relevant QRL officers, and assessment of relevant policies and procedures
- identified and analysed key procedures and corresponding controls involved in the CHAPS I, II and III reconciliation process, including the reimbursement/recovery process for under/overpayments respectively
- selected 30 random samples (20 random samples of CHAPS recipients from the red zone and amber zones and 10 random samples of CHAPS recipients from the green zone) of trainers for both CHAPS I, II & III
 - verified the inputs to the reconciliation process (e.g. number of statutory declarations) are accurate by verifying against the original application and/or follow-up forms
 - identified and assessed the relevant statutory declarations for completeness and validity
 - re-performed the CHAPS calculation to verify the accuracy of the reconciliation calculations
 - verified the amount of reimbursement/recovery for under/overpayments (if any) are accurate
- revisited prior issues raised in the Assessment of CHAPS and EI Hardship Grant report dated 29 February 2008
 - through interviews with relevant personnel, assessed whether appropriate management actions had been taken to resolve the issues, including any implementation of internal and/or system controls
 - where recommendations have been implemented, sighted evidence of their implementation.

During this initial engagement 61 random samples of CHAPS applications were tested to determine the validity of the application by identifying and assessing the relevant statutory declarations. For the EI Hardship Grant 55 random samples were tested from approved applications to verify the validity of the application.

- through discussion with relevant personnel and sample testings above, we assessed QRL's compliance with the requirements of its CHAPS funding agreement with the Federal Government.

- discussed findings (where applicable) with relevant engagement sponsors and accountable personnel
- issued a report detailing any findings and recommendations for improvements.

We have documented the CHAPS I, CHAPS II and EI Hardship Grant end to end business process flow provided separately to QRL. The controls surrounding the processes and the improvement opportunities identified have also been documented in the process maps.

1.5 Findings

The procedures performed during the engagement were aimed at assessing the controls and processes QRL exercised over the distribution of the funding from CHAPS and the EI Hardship fund, the controls in place to ensure QRL personnel understood and adhered to the policies and that the distribution of CHAPS and EI Hardship was in accordance with the funding agreements.

In the course of the engagement we noted that:

CHAPS

- ongoing adjustments of under and over payments have occurred on a frequent basis and a final reconciliation of all CHAPS phases was completed in May 2008
- over payments resulting from incomplete, inaccurate or illegible applications were addressed by obtaining new copies of the relevant documents
- under and over payments identified during CHAPS were corrected with modified subsequent payments. The CHAPS III reconciliation involved the invoicing of over paid recipients and additional payments to under paid recipients
- both system and manual controls were in place to verify that the minimum amount of documentation had been submitted by the trainers, before payments were released. Systems and controls were improved with each subsequent CHAPS phase resulting in a cycle of continual improvement in the administration of CHAPS
- QRL implemented various system controls in transitioning between CHAPS phases to minimise the occurrence of over and under payments to trainers
- all CHAPS applications and follow-up forms were filed alphabetically, allowing QRL staff to quickly assess applications and information submitted for all of the phases of CHAPS.

EI Hardship Grant

- QRL maintained an incoming applications register to record all received applications. This detailed the invoices, the applicants' connection to the horse industry and the amount of funding granted, or the reason why the application was denied
- food vouchers distribution was tracked in a register and regularly reconciled, allowing QRL to monitor the remaining balance of food vouchers available to be distributed
- an invoice authorisation sheet was created and attached to a copy of each invoice to be processed for payment. The authorisation sheet was signed off by a QRL finance officer and also approved signatories, including the Business Analyst and the Finance Manager, before a cheque/EFT transaction could be generated for payment
- The approval committee consisted of representatives from Thoroughbred, Harness, Equestrian Sport and QRL.

During our engagement the following over and under payments were noted:

CHAPS

- Prizemoney deductions were not being applied by the HORSES System on horses that had won prizemoney during CHAPS I and had remaining prizemoney deduction balances to be deducted in CHAPS II. The initial assessment of CHAPS report (29 February 2008) noted six trainers out of the 61 samples tested were overpaid, amounting to a total overpayment of \$6,820. This improved to only one over payment to a trainer amounting to \$1360 noted during the follow up testing.
- The initial assessment of CHAPS report (29 February 2008) noted three out of 61 samples of trainers which did not submit all the required documentation to QRL by 17 December 2007 and therefore have been overpaid for 31 days of Period 1. No instances of over payment were subsequently noted due to incomplete documentation. A single overpayment of \$600 was noted due to the incorrect use of a claim form. We also noted a single overpayment of \$480 due to the incomplete checking of transition payment listing.
- The initial assessment of CHAPS report (29 February 2008) noted 20 instances out of 61 samples of trainers where statutory declarations did not meet the 51% ownership requirement, were not signed by a witness with appropriate qualifications, or not completed by the registered owner of the horse. The initial assessment of CHAPS report also noted eight instances where first owners/managers failed to complete the correct statutory declaration form. This improved to only seven trainers identified during testing having incomplete or incorrect forms submitted. It was also noted that four statutory declaration forms were illegible.
- The initial assessment of CHAPS report (29 February 2008) noted that the system configuration of the HORSES System was incorrectly set to 1 July 2006 to 30 June 2007. 20 horses were incorrectly paid as a result of this issue, amounting to a total overpayment of \$48,695. The initial assessment of CHAPS report also noted that four trainers have either been underpaid or overpaid due to a change in entry and/or exit dates being entered into the HORSES System. This improved to no overpayments due to incorrect dates in HORSES and four instances of over and under payments due to manual oversight errors in entry and exit dates with a net over payment \$2145.

All of the over and under payments noted during testing have been corrected or are in the process of being corrected by QRL.

EI Hardship Grant

- We also noted some additional minor overpayments. It was noted that the overpayments were minor in nature and were offset through cost savings achieved from food voucher discounts.

1.6 Acknowledgement

We wish to place on record our appreciation of the assistance and cooperation received from the management and staff of QRL.



Deloitte Touche Tohmatsu

May 2008

Deloitte: Assessment of CHAPS

2 Detailed Findings

2.1 Prizemoney Deductions Carryover

2.1.1 Background

Any prizemoney earned by a horse was offset against CHAPS payments made after the 24 September 2007 (Period 2 of CHAPS I onwards). Subsequent CHAPS payments following the receipt of prizemoney will be suspended until the equivalent amount of prizemoney has been recovered. This includes payments in CHAPS I, II and III phases.

It was identified in the initial assessment of CHAPS report (29 February 2008) that six trainers out of the 61 samples tested were overpaid a total overpayment of \$6,820 due to the lack of prizemoney deductions.

The initial assessment also acknowledges QRL management was addressing this issue in conjunction with the outsourced IT contractors for HORSES.

2.1.2 Findings

A final CHAPS reconciliation was completed by QRL in May 2008.

We noted that the above overpayments have been recovered by either corresponding deductions to subsequent CHAPS payments and/or invoices issued to trainers for the remainder overpaid amount.

From the 30 samples taken during the engagement fieldwork we noted a single overpayment of \$1360. The relevant trainer has been invoiced to recover the overpaid amount.

2.1.3 Management Action

QRL acknowledges the findings and has recovered or is in the process of recovering outstanding amounts identified during the engagement.

2.2 CHAPS Documentation Completeness

2.2.1 Background

An initial payment was made to all eligible horses for 31 days in Period 1 of CHAPS I (25 August 2007 to 24 September 2007). QRL was instructed by the Federal Government to make the initial funding injection as soon as possible. This first payment was made on the 8 October 2007 by QRL.

As most trainers at this stage had not yet submitted their CHAPS I application forms, the initial payment amount was calculated based on the best available source of information for horse numbers.

QRL's key performance indicators outlined in the Funding Deed for CHAPS included the responsibility to recover the initial funding from trainers who failed to provide the required information:

- CHAPS application form
- fortnightly follow-up claim forms
- the owners' statutory declarations.

QRL carried out a reconciliation of CHAPS I payments in December 2007 to identify any over/underpayments to trainers in relation to Period 1.

It was identified in the initial assessment of CHAPS report (29 February 2008) that three out of 61 samples of trainers did not submit all the required documentation to QRL by the submission deadline and therefore have been overpaid in relation to Period 1.

In examining the reconciliation process for CHAPS I, we noted none of these trainers were identified as overpayments to be recovered by QRL. We noted the reconciliation was only performed for trainers that had been identified as submitting the application forms to QRL.

2.2.2 Findings

A final CHAPS reconciliation was completed by QRL in May 2008. In addition, a casual QRL employee is going through all documentation to highlight any discrepancies or deficiencies.

We noted that the above overpayments have been recovered by either corresponding deductions to subsequent CHAPS payments and/or invoices issued to trainers for the remainder overpaid amount. Where applicable documentation has been corrected and resubmitted in order to negate the overpayment.

From the 30 samples taken during the engagement fieldwork we noted a single overpayment of \$600 due to the incorrect use of a claim form and a single overpayment of \$480 due to the incomplete checking of transition payment listing. The relevant trainers have been invoiced to recover the overpaid amounts.

2.2.3 Management Action

QRL acknowledges the findings and has recovered or is in the process of recovering outstanding amounts identified during the engagement.

2.3 Verification of Statutory Declarations

2.3.1 Background

There are three types of statutory declaration forms available for download from QRL's website; First Owner/Manager, Controlling Interest, and Individual Owner.

As outlined in the Funding Deed for CHAPS, QRL must verify the validity of all statutory declarations being received to verify that the following criteria had been met:

- declaration that the owner's net liquid assets are less than \$300,000
- be signed by owner(s) controlling at least 51% of the horse's ownership
- be signed by a qualified witness such as the Justice of Peace.

20 instances were identified in the initial assessment of CHAPS report (29 February 2008) where the statutory declarations had been accepted and processed by QRL when incomplete or absent.

It was also acknowledged that QRL had hired temporary staff to perform the statutory declarations verification since the end of CHAPS I.

2.3.2 Findings

A final CHAPS reconciliation was completed by QRL in May 2008. In addition, a casual QRL employee is going through all statutory declarations to highlight any discrepancies or deficiencies.

Where statutory declarations were incomplete or absent as identified in the initial assessment of CHAPS report, QRL has taken action through correspondence to trainers to re-submit the applicable statutory declaration.

From the 30 samples taken during the engagement fieldwork we noted:

- five statutory declarations did not meet the 51% ownership requirement due to incomplete forms or use of incorrect forms
- two statutory declarations were not signed by a witness with appropriate qualifications
- four statutory declarations faxed to QRL were illegible.

Where statutory declarations were incomplete or absent as from the above 30 samples, QRL has taken action through correspondence to trainers to re-submit the applicable statutory declaration.

2.3.3 Management Response

QRL acknowledges the findings, is retrospectively checking the validity of all statutory declarations, and has directed relevant trainers to resubmit non-complying statutory declarations.

2.4 CHAPS HORSES System

2.4.1 Background

CHAPS II included additional eligibility requirements for trainers as follows:

- horses must be in stable/in work on or before 3 December 2007 and capable of earning an income
- all CHAPS horses 5 years and older must have had a race start in the 2006-2007 racing season or 2007-2008 up to 3 December 2007 (1 August 2006 to 3 December 2007)
- unraced horses must be 4 years or younger and intending to start in the current season.

In conjunction with external contractors, QRL enhanced the HORSES System to manage CHAPS, which was adapted from QRL's Centralised Prizemoney System. In CHAPS II, the HORSES System was used to validate each horse against the additional requirements, before processing CHAPS II payments for the horse. Horses that did not meet these additional requirements were not paid.

It was identified in the initial assessment of CHAPS report (29 February 2008) that 20 horses had been incorrectly paid an overpayment of \$48,695 due to HORSES system configuration date issues.

It was also identified that four trainers had either been underpaid or overpaid due to a change in entry and/or exit dates being entered into the HORSES System after the CHAPS payment relating to the affected CHAPS period had been made. A net figure of \$760 was underpaid to the trainers. A change in horse entry/exit dates relate to a number of possible scenarios, including the transfer of horses between licensed trainers or horses being spelled/retired from racing

2.4.2 Findings

A final CHAPS reconciliation was completed by QRL in May 2008.

We noted that the above over payments have been recovered by either corresponding deductions to subsequent CHAPS payments and/or invoices issued to trainers for the remainder overpaid amount.

We noted that the above under payments have been corrected through reimbursement to trainers.

From the 30 samples taken during the engagement fieldwork we noted no overpayments due to incorrect dates in HORSES but did identify four instances of over and under payments due to manual oversight errors in entry and exit dates with a net over payment \$2145. The relevant trainers have been invoiced to recover the overpaid amounts and under payments reimbursed accordingly.

2.4.3 Management Action

QRL acknowledges the findings, has recovered or is in the process of recovery of outstanding amounts and reimbursed under payments.

2.5 EI Payments Exceeding \$1,500 Threshold

2.5.1 Background

EI Hardship Grants were provided to those in the horse industry to help meet urgent household expenses. Examples of household expenses include food, vehicle maintenance, school expenses, electricity, rates, telephone expenses and dental and medical, such as gap payments or cost of travel to access treatment. In paying for these expenses, late fees were paid by QRL on behalf of the applicant only in cases where the third party institution would not accept a part payment, such as Brisbane City Council and Queensland Transport.

Food vouchers were also distributed by QRL. The amount of food vouchers distributed depends on a number of factors, including the number of dependants the applicant has. Food vouchers were also used to reimburse the applicant where QRL was unable to pay the invoice on behalf of the applicant. For example, credit card bills cannot be paid by QRL, as these funds can potentially be accessed by the applicant to obtain cash.

It was identified in the initial assessment of CHAPS report (29 February 2008) that one applicant had been paid \$15 in excess of the \$1,500 limit imposed by the Federal Government in the signed agreement letter. This \$15 related to late fees on a Brisbane City Council rates invoice.

We acknowledge that QRL has no longer been receiving new applications, as the \$1.5 million funds for EI Hardship Grant was spent by 31 December 2007.

2.5.2 Findings

A final CHAPS reconciliation was completed by QRL in May 2008.

We noted that the above overpayment of \$15 was not recovered as this was impractical in terms of the amount and the inability to recover off third parties.

We also noted some additional minor overpayments with the largest amount being \$537. It was noted that the overpayments were minor in nature and are offset through total cost savings from food voucher discounts.

2.5.3 Management Action

QRL acknowledges the findings and the impracticability of recovering any overpaid amounts from either vendors or individual trainers.

Appendix A – Statement of Responsibility

This engagement was performed in accordance with the terms of reference dated March 2008. In performing this service, Deloitte applied APS8, the Professional Statement on Management Consulting Services issued by the Australian Accounting Bodies.

Where Deloitte has provided advice to QRL, we are not responsible for whether, or the manner in which, suggested improvements, recommendations, or opportunities are implemented. The management of QRL, or their nominees, will need to consider carefully the full implications of each of these suggested improvements, recommendations, or opportunities, including any adverse effects and any financing requirements, and make such decisions, as they consider appropriate.

The work performed did not constitute an assurance engagement in accordance with Australian Auditing Standards.

The matters detailed in our paper are only those which came to our attention during the course of performing our procedures and did not necessarily constitute a comprehensive statement of all the weaknesses or issues that exist or actions that might be taken.

Accordingly, management should not rely on our paper to identify all weaknesses and issues that may exist in the systems and procedures discussed. The paper should be read in the context of the scope of our work. Had we performed additional procedures or had we performed an assurance engagement in accordance with Australian Auditing Standards, other matters might have come to our attention that would have been reported to you.

In so far as our work related to project forecasts, we have conducted procedures in order to report whether they have been prepared on the basis of the underlying assumptions. However, those forecasts, including the basis and assumptions, are the sole responsibility of QRL. We have commented on the basis and assumptions to the forecasts but accept no responsibility for them, or the ultimate accuracy and the realisation of the forecasts. Furthermore, you should note that there will usually be differences between the forecast and actual results, as events and circumstances frequently do not occur as expected, and those differences may be material.

This paper and all deliverables have been prepared solely for the use of QRL, and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the paper has not been prepared, and is not intended, for any other purpose.

Liability limited by a scheme approved under Professional Standards Legislation.

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Appendix B – Terms of Reference

Introduction

Commercial Horse Assistance Payments Scheme (CHAPS) has been provided to enterprises in the commercial horse industry caring for horses that would otherwise be active and potentially earning income if not for the Equine Influenza (EI) outbreak and resulting standstill.

QRL may retain a small proportion of the payment (agreed at not more than \$10 per horse payment made by QRL) for limited purposes such as payment of worker's compensation and public liability premiums, or to maintain the industry's skill base through payment of wages or training as appropriate. Information regarding the use of these funds will be provided to the Commonwealth. QRL must not use funds from the Commonwealth for professional services such as accounting and legal services to the industry or QRL.

Reconciliation is performed at the end of both CHAPS I, II and III to identify any under/overpayments made to trainers that needs to be reimbursed/recovered by QRL respectively.

As part of the services provided to QRL, Deloitte Touche Tohmatsu (Deloitte) has been requested to undertake an assessment of QRL's CHAPS I, II and III reconciliation process. Deloitte was engaged to provide an assessment of the CHAPS and EI Hardship Grants in February 2008. A number of issues were identified from this engagement, which has been followed-up as part of this engagement. The scope, objectives, methodology, deliverables, and timetable for this engagement are set out below.

Engagement Objectives

Our engagement objective was to examine the following processes compared to CHAPS funding agreement with the Federal Government:

- the reconciliation process for CHAPS I, II and III used to identify any under/overpayments made to trainers
- management actions taken to address the issues identified in the Assessment of CHAPS and EI report (February 2008).

Scope

The scope of our engagement focused on the reconciliation process for CHAPS I, II, and III including the following areas:

- identification of under/overpayments to trainers
- distribution of retained fund payments
- follow-up of recommendations and other actions taken by management to address the Assessment of CHAPS and EI Hardship Grants report findings.

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AUDIT COMMITTEE PAPER NUMBER:

**Commercial Horse Assistance Payment Scheme (CHAPS) and EI Hardship Grant
Assessment Review**

PURPOSE:

To provide the Committee the Assessment review of the Commercial Horse Assistance Payment Scheme (CHAPS) and EI Hardship Grant by Deloitte's and to enable further discussion.

BACKGROUND AND ISSUES:

QRL (the grantee) were requested to be a delivery agency on behalf of the **Commonwealth of Australia** represented by and acting through the Department of Agriculture, Fisheries and Forestry (**Commonwealth**) (DAFF) to administer CHAPS as well as the Equine Influenza (EI) hardship grant fund from the outbreak of EI on Aug 25, 2007 to March 13, 2008 or until movement restrictions were lifted whichever was sooner.

- Commercial Horse Assistance Payments are to be provided to primary carers of commercial horses who would otherwise be active and potentially earning an income if not for the Equine Influenza outbreak and resulting standstill.
- A per-horse, per-day payment will provide for the welfare and ongoing training of horses to ensure they remain fit and healthy so as to ensure they can return to normal activity as soon as the standstill is lifted. In the case of horses that have contracted Equine Influenza, this assistance will ensure that appropriate close veterinarian attention and medication required is able to be provided to horses throughout the standstill period.
- Commercial Horse Assistance Payments are to be administered by the Grantee under the Terms outlined in the Deed.

The funding agreement stipulates that:-

“An independent third-party will be required to undertake a financial and performance audit at the completion of the programme or at the end of the financial year should the programme extend over financial years.

This report must be provided within 60 days of the end of the Term. The Grantee must, at the Grantee's own cost, provide the Commonwealth with a report from an independent auditor verifying that:

- a. the auditor has reviewed the Grantee's books and records and financial statements, including those relating to the receipt, holding, expenditure and commitment of the Funding and Other Contributions; and
- b. The Funding and Other Contributions were spent in accordance this Deed.

In addition, should the Australian National Audit Office (ANAO) choose to undertake a performance audit, the delivery agencies have to provide access to all programme documentation as requested, including financial records.

The Commonwealth will make funding available pay for an independent third-party audit report.”

The DAFF appointed auditors started on their review on Monday May 26 to Wednesday 28 May. Their verbal exit interview on Wednesday 28 May did not raise any material issues and highlighted that the review was also used as a lessons learnt exercise for DAFF. A request was made to provide a report in order to be tabled at the audit committee meeting. To date this has not been received.

A final report will be sent to DAFF for all the delivery agencies on 12 June 2008.

Deloitte have finalised the independent assessment review of CHAPS at 27 May 2008 as attached. The recommendations from the Audit committee review in March have been taken into account. The report was provided to the DAFF auditors.

The Final Report has been finalised and signed off by the Chairman on May 15, 2008 for CHAPS I, II and III. The Report, as per the funding deed, contained:

- An explanation of how activities, outcomes and milestones specified in the Deed were conducted or achieved:
- Financial statements for the receipt, holding, expenditure and commitment of the Funding during the period covered by the Report.

OPTIONS:

Not Applicable

FINANCIAL IMPACT:

QRL has paid approximately 1,000 trainers with over 6,000 horses for each period of CHAPS I and CHAPS II. Approximately 450 trainers and 3,600 horses were paid for CHAPS III. Total CHAPS paid to date for the 3 periods is approximately \$55M. From the \$10 retained from Trainers and Owners \$9.6M was paid out to Feb 8, 2008 to Jockeys, Breeders, Farriers, Float Companies, Clubs and other to maintain industry skills through wages and training and maintain payment of workers compensation and public liability insurances. There were no retained funds for CHAPS III.

A final reconciliation and key statistics of CHAPS and EI Hardship Grant is attached.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

Not Applicable

DECISION REQUIRED

For the audit committee's noting.



Adam Carter
FINANCE MANAGER

AUDIT COMMITTEE PAPER NUMBER: 1

Commercial Horse Assistance Payment Scheme (CHAPS) Assessment Review

PURPOSE:

To provide the Committee the Assessment review of the Commercial Horse Assistance Payment Scheme (CHAPS) by the DAFF appointed auditors – Acumen Alliance and to enable further discussion.

BACKGROUND AND ISSUES:

QRL (the grantee) were requested to be a delivery agency on behalf of the **Commonwealth of Australia** represented by and acting through the Department of Agriculture, Fisheries and Forestry (**Commonwealth**) (DAFF) to administer CHAPS as well as the Equine Influenza (EI) hardship grant fund from the outbreak of EI on Aug 25, 2007 to March 13, 2008 or until movement restrictions were lifted whichever was sooner.

The funding agreement stipulates that:-

“An independent third-party will be required to undertake a financial and performance audit at the completion of the programme or at the end of the financial year should the programme extend over financial years.

This report must be provided within 60 days of the end of the Term. The Grantee must, at the Grantee's own cost, provide the Commonwealth with a report from an independent auditor verifying that:

- a. the auditor has reviewed the Grantee's books and records and financial statements, including those relating to the receipt, holding, expenditure and commitment of the Funding and Other Contributions; and
- b. The Funding and Other Contributions were spent in accordance this Deed.

The Commonwealth will make funding available pay for an independent third-party audit report.”

The DAFF appointed auditors started on their review on Monday May 26 to Wednesday 28 May. Their verbal exit interview on Wednesday 28 May did not raise any material issues and highlighted that the review was also used as a lessons learnt exercise for DAFF. A request was made to provide a report in order to be tabled at the audit committee meeting and this has finally been obtained as per attachment.

The DAFF appointed auditors Acumen Alliance have finalised the independent assessment review of CHAPS at 28 May 2008 as attached. The areas highlighted have been addressed by management comments. The Deloitte report of CHAPS was provided to the DAFF auditors.

Acumen Alliance has stated in the conclusion of their report:-

Overall, Queensland Racing successfully implemented the CHAPS programme on behalf of the Commonwealth. Queensland Racing devoted many resources to the programme which included hotline employees, systems expert, internal auditors and several Queensland Racing employees full time.

Queensland Racing utilised current processes and systems to assist in the administration of the program. All processes and procedures were documented. No major issues were identified from the review and internal controls around CHAPS payment processing were strong.

Opportunities for improvement have been identified if Queensland Racing were to undertake a similar program in the future. These are discussed within the body of the report.

QRL incurred excessive administrative costs in excess of \$700K in setting up the software specifications, contract labour, and additional communication costs in administering CHAPS, internal audit review and vaccinations and veterinarian fees. These have not been reimbursed to date.

The final report will be sent to DAFF for all the delivery agencies in early August 2008.

OPTIONS:

Not Applicable

FINANCIAL IMPACT:

The attached CHAPS audit report was funded by DAFF. QRL paid approximately 1,000 trainers with over 6,000 horses for each period of CHAPS I and CHAPS II. Approximately 450 trainers and 3,600 horses were paid for CHAPS III. Total CHAPS paid to date for the 3 periods is approximately \$55M. From the \$10 retained from Trainers and Owners \$9.6M was paid out to Feb 8, 2008 to Jockeys, Breeders, Farriers, Float Companies, Clubs and other to maintain industry skills through wages and training and maintain payment of workers compensation and public liability insurances. There were no retained funds for CHAPS III.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

Not Applicable

DECISION REQUIRED

For the audit committee's noting.



Adam Carter
FINANCE MANAGER

AUDIT COMMITTEE PAPER NUMBER: 6
Internal Audit Update – Payroll Processing Review

PURPOSE:

To provide the Committee the Internal Audit review of the QRL Payroll Policies and issues highlighted by Deloitte's and to enable further discussion.

BACKGROUND AND ISSUES:

As part of the internal audit plan for FY08/09, Deloitte were asked to conduct a review of the QRL Payroll Policies and advise on business improvement opportunities.

The draft report with management comments as at June 19, 2008 is attached for reference for detailed key findings and management comments

The engagement objective was to evaluate selected controls taking into consideration as to whether the controls have been adequately designed, communicated and are operational where appropriate.

The review areas included:

- Payroll calculations (including charges and insurances)
- Compliance with policies and procedures
- Assessing controls over access restrictions to the payroll system
- Testing a random sample of employees and payroll adjustments including additions, deletions, modifications and payroll disbursements
- Maintenance of the payroll master files.

A summary of the findings are:

	Finding	Importance Level	Status since Audit
1	Consistency in employee terminations	Important	Underway – To be finalised by July 2009
2	New employee payment details	Minor	Completed
3	Updating of policies and procedures	Minor	Underway – To be finalised by July 2009

	Minor - Minimal opportunities for improvement identified.
	Minor - A small number of minor control weaknesses / opportunities for improvement identified.
	Important - Several control weaknesses of concern identified.
	Significant - Significant control weaknesses found in a number of areas.
	Significant – Poorly controlled. Pervasive, significant weaknesses in controls identified.

The findings noted can be summarised as follows:

Finance will work with the QRL management team to address the recommendations and incorporate these into QRL's existing policies.

OPTIONS:

Not applicable.

FINANCIAL IMPACT:

5 Days at \$1,420 per day = \$7,100

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

It will be important that QRL communicates the any changes to payroll policies and procedures effectively and consistently to all staff by way of email, letters to employees, placed on intranet and training workshops to be held for the new policies and procedures to be embraced.

DECISION REQUIRED

To be noted by the Audit Committee with an update of action items to be provided at the July 2009 meeting.

Adam Carter
FINANCE MANAGER

AUDIT COMMITTEE PAPER NUMBER: 6
Internal Audit Update – Payroll Processing Review

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The review areas included:

- Payroll calculations (including changes and issuances)
- Compliance with policies and procedures
- Assessing controls over access restrictions to the payroll system
- Testing a random sample of employees and payroll adjustments including additions, deletions, modifications and payroll disbursements
- Maintenance of the payroll master files.

A summary of the findings are:

	Finding	Importance Level	Status since Audit
1	Consistency in employee terminations	Important	Underway – To be finalised by July 2009
2	New employee payment details	Minor	Completed
3	Updating of policies and procedures	Minor	Underway – To be finalised by July 2009

	Minor - Minimal opportunities for improvement identified.
	Minor - A small number of minor control weaknesses / opportunities for improvement identified.
	Important - Several control weaknesses of concern identified.
	Significant - Significant control weaknesses found in a number of areas.
	Significant – Poorly controlled. Pervasive, significant weaknesses in controls identified.

Finance will work with the QRL management team to address the recommendations and incorporate these into QRL's existing policies.

OPTIONS:

Not applicable.

FINANCIAL IMPACT:

5 Days at \$1,420 per day = \$7,100

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

It will be important that QRL communicates the any changes to payroll policies and procedures effectively and consistently to all staff by way of email, letters to employees, placed on intranet and training workshops to be held for the new policies and procedures to be embraced.

DECISION REQUIRED

To be noted by the Audit Committee with an update of action items to be provided at the September 2009 meeting.



Adam Carter
FINANCE MANAGER

AUDIT COMMITTEE PAPER NUMBER: 7
Internal Audit Update – Purchasing Review

PURPOSE:

To provide the Committee the Internal Audit review of the QRL purchasing policies and issues highlighted by Deloitte's and to enable further discussion.

BACKGROUND AND ISSUES:

As part of the internal audit plan for FY08/09, Deloitte were asked to conduct a review of the QRL purchasing policies and advise on business improvement opportunities.

The draft report with management comments as at June 19, 2009 is attached for reference for detailed key findings and management comments

The engagement objective was to evaluate selected controls taking into consideration as to whether the controls have been adequately designed, communicated and are operational where appropriate.

The areas of strategic review included:

- Process for purchasing across QRL, including IT, consultants and motor vehicles
- The use of panels (or preferred suppliers)
- Purchases on behalf of the industry (capital works projects)
- Purchasing policy and framework
- IPOS

A summary of the findings are:

	Finding	Importance Level	Status since Audit
1	Use of IPOS	Important	Underway – To be finalised by 1 July 2009
2	Use of panels (preferred suppliers)	Important	Underway – To be finalised by 30 September 2009
3	IPOS Items/ Supplier configuration	Minor	Underway – To be finalised by May 2010
4	Compliance with purchasing policy	Minor	Underway – To be finalised by 30 June 2009
5	Supplier EFT payment run	Minor	Completed
6	Purchasing and motor vehicle policy	Minor	Underway – To be finalised by 30 June 2009
7	IPOS reporting capabilities	Minor	Underway – To be finalised by 30 June 2009

	Minor - Minimal opportunities for improvement identified.
	Minor - A small number of minor control weaknesses / opportunities for improvement identified.
	Important - Several control weaknesses of concern identified.
	Significant - Significant control weaknesses found in a number of areas.
	Significant – Poorly controlled. Pervasive, significant weaknesses in controls identified.

Finance will work with the QRL management team to address the recommendations and incorporate these into QRL's existing policies.

OPTIONS:

Not applicable.

FINANCIAL IMPACT:

5 Days at \$1,420 per day = \$7,100

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

It will be important that QRL communicates the any changes to purchasing policies and procedures effectively and consistently to all staff by way of email, letters to employees, placed on intranet and training workshops to be held for the new policies and procedures to be embraced.

DECISION REQUIRED

To be noted by the Audit Committee with an update of action items to be provided at the September 2009 meeting.



Adam Carter
FINANCE MANAGER

Queensland Racing Limited

Third-Party Agreements Review

February 2010

Draft Version 2.0

Distribution

Party	Title
Adam Carter	Finance Manager, QRL

This is a draft document. As it is a work in progress it may be incomplete, contain preliminary conclusions and may change. You must not rely on, disclose or refer to it in any document. We accept no duty of care or liability to you or any third-party for any loss suffered in connection with the use of this document.

DRAFT

Mr Adam Carter
Finance Manager
Queensland Racing Limited
PO Box 63 Sandgate QLD 4017

February 2010

Dear Adam,

Re: Internal Audit – Third-party Agreements Review

Please find attached the report for our recently concluded internal audit engagement relating to the Third-party Agreements review, which forms part of the internal audit plan set by the Audit Committee (AC) for the 2009-2010 financial year.

We would like to take this opportunity to thank you and your staff for the co-operation which we have received in performing this engagement. Should you have any questions or which to discuss anything further, please contact Jason Swemmer on (07) 3308 7102 or me on (07) 3308 7046.

Yours sincerely

Carl Gerrard
Partner
Risk Services

DRAFT

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Inherent Limitations

The Services provided are advisory in nature and do not constitute an assurance engagement in accordance with Australian Standards on Review or Assurance Engagements or any form of audit under Australian Auditing Standards, and consequently no opinions or conclusions intended to convey assurance under these standards are expressed.

Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

Our work is performed on a sample basis; we cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Recommendations and suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy, or reliability is given in relation to the

statements and representations made by, and the information and documentation provided by QRL personnel. We have not attempted to verify these sources independently unless otherwise noted within the report.

Limitation of Use

This report is intended solely for the information and internal use of QRL in accordance with our letter of engagement of QRL, and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report. We do not accept or assume responsibility to anyone other than QRL for our work, for this report, or for any reliance which may be placed on this report by any party other than QRL.

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Executive Summary 1

1.1 Background

As part of the 2009/10 Internal Audit Plan for Queensland Racing Limited (QRL), Deloitte Touche Tohmatsu has completed an assessment of third-party agreements in place.

The project assessed the design and operating effectiveness of the business process and the internal controls over third-party agreements. The specific third-party suppliers include:

- Racing Science Centre
- Veterinary Services
- Brennan IT
- CIRA Solutions
- Ascend Sales and Sponsorship
- The Magazine Publishing Company
- SG Fleet

The scope was limited to the period January 2009 to December 2009.

1.2 Objective and scope

The objective of the review was to assess agreements in place to govern QRL's relations over third-party suppliers, and the compliance to these agreements with the company's policies and procedures, as well as with legislation.

1.3 Work Performed

To meet our objectives, we performed the following:

- Developed an understanding of the third-party suppliers through discussion with relevant staff, and examination of policy and procedure manuals
- Performed tests of the operating effectiveness of the controls.
- Evaluated the results of testing in comparison to the agreed rating scale
- Conducted a meeting with Adam Carter (Finance Manager) following completion of the fieldwork to discuss
 - The results of our work
 - Recommendations to improve procedures and controls highlighted during the project
 - Management's proposed actions to address the issues identified.

1.4 Key Strengths

We noted the following key strengths in QRL's third party agreement process:

- **Migrating to standardised vet agreement** – We noted that the vet services are currently being migrated to a standard contract with standardised fees.
- **Relationship with third parties** – Through discussions with QRL personnel, we noted that QRL maintain regular contact with their third parties with numerous third parties having long-term relationships with QRL.
- **Tender selection process** – We noted that QRL have a documented tender process including the minimum number of suppliers, approval process and tender exemption process.

1.5 Key findings and recommendations

The engagement identified the following major risks:

- **Reconciliation between the Security Document Register and Payment System** – A periodic review is not performed to ensure that contractual agreements exist and are maintained by QRL's legal department for key third-party suppliers set-up in QRL's payment system. Refer to section 2.1.
- **Monitoring and Maintenance of Contractual Agreements** – Limited reviews are performed to assess whether QRL and the third-party are complying with the contractual agreement. In addition, contracts with no expiry dates are not reviewed on a periodic basis to assess whether the services are still required by QRL. Refer to section 2.2
- **Process to renew contracts requires formalisation** – QRL has limited controls to ensure that current agreements exist for suppliers that provide services to QRL. QRL has been operating with an expired contract for one supplier. Expired or terminated third-party agreements are archived on an ad-hoc basis by the legal department.

In addition 3 moderate risks were identified. A recommended course of action has been agreed with management for each of these risks.

1.6 Summary of Risks

Scope Area	Finding Description	Detailed Finding Ref	Residual Risk Rating	Primary Cause
1	Reconciliation of Security Document Register and Payment System	2.1	Major	Structure & Process
2	Monitoring and Maintenance of Contractual Agreements	2.2	Major	Technology
3	Contract renewal	2.3	Major	Structure & Process
4	Access to third-party agreements	2.4	Moderate	Structure & Process
5	Formalised procedures for third-party agreements	2.5	Moderate	Policy & Procedures
6	Storage of tender documents	2.6	Moderate	Structure & Process

The Residual Risk Ratings and Primary Cause Analysis provided in this report were determined by Senior Management and the Audit Committee and are set out in Appendix B.

2 Detailed Findings

2.1 Reconciliation of Security Document Register and Payment System

Residual Risk Rating	Primary Cause
Major	Structure & Process

Observation

Discussions with QRL legal department indicated that it is the responsibility of the individual business owners to provide the original contracts to the legal department for storage in the secure document packets. An e-mail is sent by Debbie Toohey on a periodic basis to remind business owners to provide the original agreements for storage. However, there is a risk that all third-party agreements are not provided to the legal department for storage as there is reconciliation of QRL current suppliers to the agreements maintained by the legal department. Further, there is a risk that suppliers are used for services where no agreement or an expired agreement is in place.

A comparison between the listing of agreements ("Security Document Register") to a listing of suppliers used for the period January 2009 to December 2009 identified the following:

- Five instances where the supplier was included on the "Security Document Register" but not on the supplier listing
- Six instances where the third-party agreement was noted as expired on the "Security Document Register" but still included on the supplier listing.

The finance department previously performed the reconciliation between the legal department's agreements and the finance department's suppliers for the period July 2008 to 30 April 2009. This review identified numerous discrepancies which needed to be followed-up.

In addition, QRL has developed a standard contract for suppliers of veterinary services on race days. Our review of the payments list for vet services on race days noted that standardised veterinary services agreements did not exist for twelve of the vets.

QRL should:

- a) Perform the reconciliation between the legal department's agreements and the finance department's suppliers on a periodic basis. Any discrepancies should be followed up with the relevant QRL business owners.

To minimise discrepancies in the reconciliation process, QRL should implement the following:

- b) The legal department send notification to the finance department of contracts that have expired and have not been renewed. The finance department should then flag these suppliers from being used until a formal agreement is sighted.
- c) The finance department should prevent new suppliers over a specified dollar threshold from being set-up in IPOS unless confirmation has been received from the legal department that an agreement has been received.

Management Action Plan

To commence, it should be noted that the Secure Documents Register (SDR) is a listing of all documents that are kept in the safe in Malcolm Tuttle's (COO) office. These documents include not just supply contracts, but any document of value that QRL staff believe should be stored there, such as deeds of execution.

Recommendation (a)

Action: It is agreed that a reconciliation between the SDR and suppliers should be done on a regular basis. A reconciliation between the SDR and suppliers used will be conducted on a monthly basis. The first reconciliation will encompass the full year to 31 January 2010, monthly thereafter. A listing of suppliers without agreements on the secure documents register and an annual spend of over \$10,000, will be sent to Department Managers to provide comments as to whether or not it is anticipated that a formal agreement is required to be entered into in accordance with QRL purchasing policy.

Action Target Date: 28 February 2010

Action Owner: Sarah Walker

Recommendation (b)

Action: These suppliers will be identified during the reconciliation process. As agreements come up for renewal, the legal department will continue to identify these to the respective Department Managers. However once the expiry date has passed, the contracts/agreements all fall to a month by month basis. This expiry clause is included in all agreements that QRL enters into.

Action Target Date: The next "bring up" date is scheduled for May 2010.

Action Owner: Debbie Toohey

Recommendation (c)

Action: Upon setting up a new supplier in IPOS the AP department require detailed information on the supplier. This information is requested from the staff member requesting the new supplier in a standard email template. This form has been updated to include details on existing supply agreements and the expected value to the supplier

Action Target Date: The email has been updated and is ready to be sent for the next supplier to be set up in IPOS.

Action Owner: Su Agate

2.2 Monitoring and Maintenance of Contractual Agreements

Residual Risk Rating	Primary Cause
Major	Technology

Observation

Completeness of Security Document Register

The “Security Document Register” is used by the legal department to keep track of third-party agreements entered into by QRL. The register details the:

- Contract parties
- Start Date
- Expiry Date (where applicable)
- Comments
- Taken by
- Archiving (currently not populated)
- Department (responsible for the original contract)
- Bring Up Date (Date the contract renewal process starts)

Our review of the “Security Documents Register” identified the following:

- Three instances where the contract did not have an expiry date listed.
- Nine instances where the contract had expired but no commentary had been provided on the action taken by QRL (renew or allow to expire)
- One instance where the “Department” assigned referenced a specific QRL employee
- Four instances where an expiry date was listed, however no “Bring Up” date had been specified

Further, information is entered into the “Security Document Register” by a single person in the legal department and is not subject to review by a secondary party. This increases the risk of data entry errors and may result in the contract not being appropriately monitored.

In addition, from our sample of seven third-party agreements we noted one instance (SG Fleet) where the contract had not been included in the Security Documents Register. As a result, the lease was not centrally stored in a secure document packet by the legal department. The SG Fleet lease was entered into on 8 May 2008.

Review of Third-party Agreements

QRL's legal department only monitors contracts listed on the Security Document Register to identify contracts which require renewal. As a result, only contracts with fixed end dates are monitored. Limited review or monitoring is performed over agreements which have no expiry date. This increases the risk that QRL maintains contracts for services no longer required.

Further, there is no review performed to assess whether QRL or the third-party are adhering to the contractual terms. This increases the risk of non-compliance with contractual arrangements and may result in legal disputes.

It is the responsibility of the business owners to manage the contracts assigned to their division. A sample of divisions (Finance, Stewards and IT) was selected and the documents listed on the "Security Document Register" assigned to those divisions were selected as well. Through discussions with the relevant business owners, the following was noted:

- One instance (Frontier Software Pty Ltd) where the contract had expired but notification was not sent to the legal department.
- One instance (Knox and Postle Ptd Ltd) where the business owner was unaware that the contract had been re-signed. The business owner responsible for monitoring the contract was not involved in the contract negotiation process and no communication was sent to the business owner to inform them of the new contract.
- Three instances (Plastic Card Solutions, FRAMA and Kyocera Mita) where the contract had been renewed but had not been updated on the Security Document Register. The original contracts were provided to the legal department.

QRL should:

- a) Utilise the existing electronic system (SharePoint) to monitor third-party agreements and other key contracts entered into with QRL. The electronic system should at least be used to store the signed third-party agreement for easy retrieval, and assign key dates which would trigger a review of contractual terms or contract renegotiation.
- b) Monitor contracts with no expiry date on a periodic basis to assess currency. Contracts no longer required by QRL should be terminated.
- c) Populate missing data in the "Security Document Register" to correct the identified exceptions.
- d) Implement a peer review process to confirm that data entered into the "Security Document Register" is complete and accurate.

Management Action Plan

Recommendation (a)

Action: Investigations are currently being undertaken to locate the SDR in SharePoint. This will include the upload of the documents on the register and limiting access to staff as required.

Action Target Date: 30 June 2010

Action Owner: Debbie Toohey

Recommendation (b)

Action: Additional information will be included in the SDR to ensure that documents that have no expiry date are reviewed on a periodic basis. Additional dates will be included in the "bring up date" column. It is anticipated that all documents will be reviewed at least annually.

Action Target Date: 28 February 2010

Action Owner: Debbie Toohey

Recommendation (c)

Action: The SDR will be updated to include all information that is currently missing.

Action Target Date: 28 February 2010

Action Owner: Debbie Toohey

Recommendation (d)

Action: The SDR will be reviewed by Shara Murray (Corporate Counsel) to ensure that information on the SDR is complete and accurate. Reviews will be completed, at a minimum, when new documents are added and when there is a change to existing information.

Action Target: The first review will be completed after the update of information as noted in recommendation (b), 28 February 2010.

Action Owner: Shara Murray and Debbie Toohey.

2.3 Process to renew contracts

Residual Risk Rating	Primary Cause
Major	Structure & Process

Observation

Discussions with QRL management indicated that the “Security Documents Register” is reviewed on a monthly basis by a single person in the legal department to identify agreements which are close to expiry, with 1-2 months remaining. The legal personnel will then notify the relevant business owner who is responsible for either renewing the contract or allowing the contract to expire. It is difficult to determine those contracts where the business owner has been notified as limited comments are recorded on the “Security Document Register”. Further, due to the lengthy negotiation procedures required for some contracts, we understand that the 1-2 month timeframe may be insufficient to renegotiate a contract.

It is the responsibility of the business owner to inform the legal department on whether the contract will be renewed or expired. However, no follow-up is performed where a response is not received. Our review of the “Security Documents Register” identified the following:

- Twelve contracts where the dates had lapsed but there was no information recorded as to whether the contract was renewed or expired. For one of the contracts (QLD Department of Treasury – Training Track Subsidy Scheme) the funding is received at year-end and backdated for the previous financial year.
- One instance (Joltlawn Pty Ltd t/a Townsville Veterinary Clinic) where the “Security Document Register” listed the supplier as having no expiry date; however the physical contract listed an expiry date. As a result, the contract could not be flagged for renewal.
- One instance (The State of Queensland – Funding Agreement – The Queensland Community Racing Scheme) where the dates listed on the “Security Document Register” differed from the original contracts.

A further sample of seven third-party agreements was selected for detailed testing and found one instance (The Magazine Publishing Company) where the contract had expired on 1 April 2007, yet was still in use by QRL. Discussion with QRL management indicated that the contract was not renewed due to pending changes to the magazine format and audience. The total amount paid to TMPC for the period July 2009 to December 2009 was approximately \$150,000. QRL’s Purchasing Policy does not specify the treatment of expired or terminated contracts.

In addition, expired or terminated third-party agreements are archived on an ad-hoc basis by the legal department. There is no formal timeframe on when agreements should be archived. In addition, we understand that the agreements requiring archive are maintained on the desk of a person in the legal department.

QRL should:

- Implement an electronic system to monitor third-party agreements and other key contracts entered into with QRL. The electronic system should at least have the capability to store the signed third-party agreement for easy retrieval, and assign key dates which would trigger a review of contractual terms or contract renegotiation.
- Develop a process to follow-up on the status of contracts which are close to their renewal or expiry date. An escalation process should be invoked where no

communication has been received once the expiry date has passed.

- c) Consider categorising time required for contract negotiation. For example, a higher dollar-value contract should have longer than 1-2 months prior notification of expiry, possibly 6 months.
- d) Store contracts which require archiving in a secure location when the QRL employee is absent from their desk
- e) Negotiate a contract with an external party to publish QRL's Magazine. The contract should be negotiated in accordance with the QRL Purchasing Policy.
- f) Update the Purchasing Policy to prohibit the purchase of goods and services from suppliers with expired or terminated contracts.

Management Action Plan

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Recommendation (a)

Action: Investigations are currently being undertaken to locate the SDR in SharePoint. This will include the upload of the documents on the register and limiting access to staff as required.

Action Target Date: 30 June 2010

Action Owner: Debbie Toohey

Recommendation (b)

Action: A process will be developed and documented to ensure that documents that are close to a renewal or expiry date are followed up. However, as noted in the Management Responses document, there are mitigating controls to ensure that should an agreement require an unexpected amount of time to renegotiate, the terms of the lapsed agreement still stand.

Action Target Date: 30 June 2010

Action Owner: Debbie Toohey

Recommendation (c)

Refer to comments at Recommendation (b).

Recommendation (d)

Action: Contracts are to be stored in a lockable filing cabinet, if access to the safe is unavailable.

Action Target Date: Immediately.

Action Owner: Debbie Toohey.

Recommendation (e)

Action: Comments made by Deloitte will be taken on board when a new contract is being sort for the publishing of the magazine.

Action Target Date: Mid to late 2010

Action Owner: David Rowan

Recommendation (f)

Action: Update the Purchasing Policy to include information regarding supplier agreements.

Action Target Date: 28 February 2010

Action Owner: Sarah Walker

2.4 Access to third-party agreements

Residual Risk Rating	Primary Cause
Moderate	Structure & Process

Observation

Discussions with QRL's legal team indicated that QRL employees are required to provide the original third-party contracts to a QRL legal team representative (Debbie Toohey) once the contract has been finalised. The contracts are initially stored on the QRL employee's desk. The contracts are recorded on the "Security Documents Register" and then stored in a secure document packet. The "Secure Document Register" is maintained on an employee's personal drive and cannot be accessed by any other party. Further, contracts which have not been included in "Security Document Register" are maintained on the QRL's employee desk. This increases the risk of missing contracts.

In addition, third-party agreements are stored centrally in the Company Secretary's (Shara Murray) office which is locked when the office is unattended. We understand that QRL employees are requested to seek approval from the legal department prior to obtaining any of the secure document packets. However, there is no process for determining which contracts have been "checked out" for use by a QRL employee. Conversely, there is no process for "checking in" a document once it has been returned. As a result, QRL are unable to monitor the location or person who has the contract.

We selected a sample of seven third-party agreements and noted the following:

- We were unable to sight the physical signed copy of the agreement for Ascend Sales and Sponsorship as the secure document packet was missing. We acknowledge that an electronic copy of the agreement was sighted; however this contract had not been signed by QRL or the third-party.
- One of the contracts maintained on file (Brennan IT) had not been signed by the third-party. We noted that this contract is currently being used by QRL.

QRL should:

- Verify that a third-party agreement has been kept in a Secure Document packet by the legal department for all currently third-party suppliers. Where a contract does not exist, QRL should track down the agreement within the business.
- Store physical contracts which have not been entered into the "Secure Document Register" in a secure location when the QRL employee is absent from their desk.
- Move the "Security Documents Register" to a location accessible by limited personnel. To improve security of the "Security Documents Register", we recommend the use of password-protection.
- Implement an electronic system to store third-party agreements and other key contracts entered into with QRL to allow for easy retrieval of third-party agreements.
- Formalise the process for borrowing the physical agreements from the legal department e.g. authorisation slips.

Management Action Plan

Recommendation (a)

Action: During the reconciliation process identified at Section 2.1 (a) a listing of high value suppliers with no agreements in place will be identified. Lists of these suppliers will be taken to management to discuss the requirement of having an agreement in place. Suppliers of this nature will continue to be identified through this reconciliation process.

Action Target Date: 31 March 2010

Action Owner: Sarah Walker

Recommendation (b)

This will be carried out in line with Section 2.3 (d).

Recommendation (c)

This will be carried out in line with Section 2.2 (a)

Recommendation (d)

This will be carried out in line with Section 2.2(a)

Recommendation (e)

Action: A formal procedure will be developed outlining the process for managing third-party agreements, including the borrowing of agreements from the safe. As mentioned in the report above, additional reconciliations and reviews will be undertaken to ensure that information in the SDR is complete and accurate.

Action Target Date: 30 June 2010

Action Owner: Debbie Toohey

2.5 Formalised procedures for third-party agreements

Residual Risk Rating	Primary Cause
Moderate	Policies & Procedures

Observation

A formal procedure has not been developed to outline the process for managing third-party agreements. Further, there is only one QRL employee (Debbie Toohey) responsible for maintaining the third-party contracts. Discussions with QRL management indicated that a secondary QRL employee does not take on the responsibility for third-party contracts when Debbie is absent or on leave.

This creates a lack of transparency into the third-party agreement process and creates a key person risk. There is a potential for inconsistencies in the third-party agreement process, particularly when the nominated QRL employee is absent.

QRL should develop a third-party agreement procedure which documents at least the following:

- Creation of third-party agreement (including linkages to the purchasing policy)
- Storage of third-party agreements
- Process to review third-party agreements
- Process to renew, terminate or expire third-party agreements
- Maintenance of the security document register
- Storage of the security document register (including any systems used)
- Delineation of responsibilities between legal and the contract's business owner

Management Action Plan

Action: A formal procedure will be developed outlining the process for managing third-party agreements, including the borrowing of agreements from the safe. As mentioned in the report above, additional reconciliations and reviews will be undertaken to ensure that information in the SDR is complete and accurate.

Action Target Date: 30 June 2010

Action Owner: Debbie Toohey

2.5.1.1

2.6 Storage of tender documents

Residual Risk Rating	Primary Cause
Moderate	Structure & Process

Observation

Our review of the “Purchasing Policy, version 1.04, dated May 2009” noted the absence of a clause which specified when tender documents are to be stored. From our sample of third-party agreements we found one instance (SG Fleet) where the tender documents were stored with the QRL business owner.

Tender documents or Board approval for the following third-party agreements were unable to be sighted:

- Racing Science Centre
- Veterinary Services
- CIRA Solutions
- The Magazine Publishing Company

It is understood that some of these contracts were negotiated prior to the current business owner commencing employment with QRL.

QRL should:

- a) Consider utilising the document management system for storing third-party agreements and supporting tender documents.
- b) Store all original tender documents including any QRL Board or business manager approval in a secure, centralised location e.g. finance department. This will assist QRL in demonstrating due diligence and provide a reference point for selecting new suppliers or reappointing the existing supplier.
- c) Update the purchasing policy to specify the process for storing tender documents.

Management Action Plan

Recommendation (a)

This will be reviewed in line with Section 2.2 (a).

Recommendation (b)

Action: Agreed. An email will be circulated noting that all original tender documentation is to be sent to finance for storage.

Action Target Date: 31 March 2010

Action Owner: Sarah Walker

Recommendation (c)

Action: The Purchasing Policy will be updated to ensure the process for storing tender documentation is included.

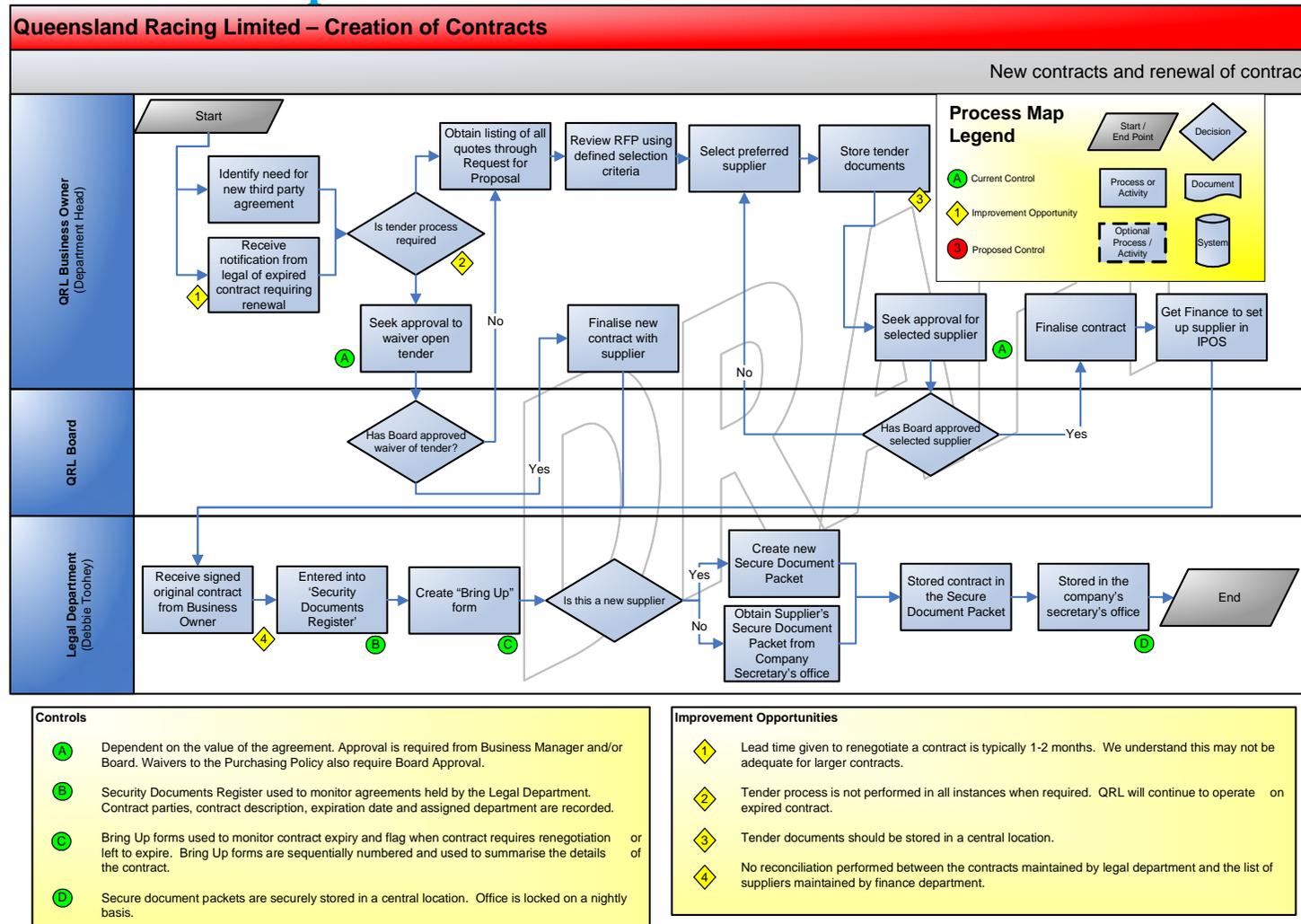
Action Target Date: 28 February 2010

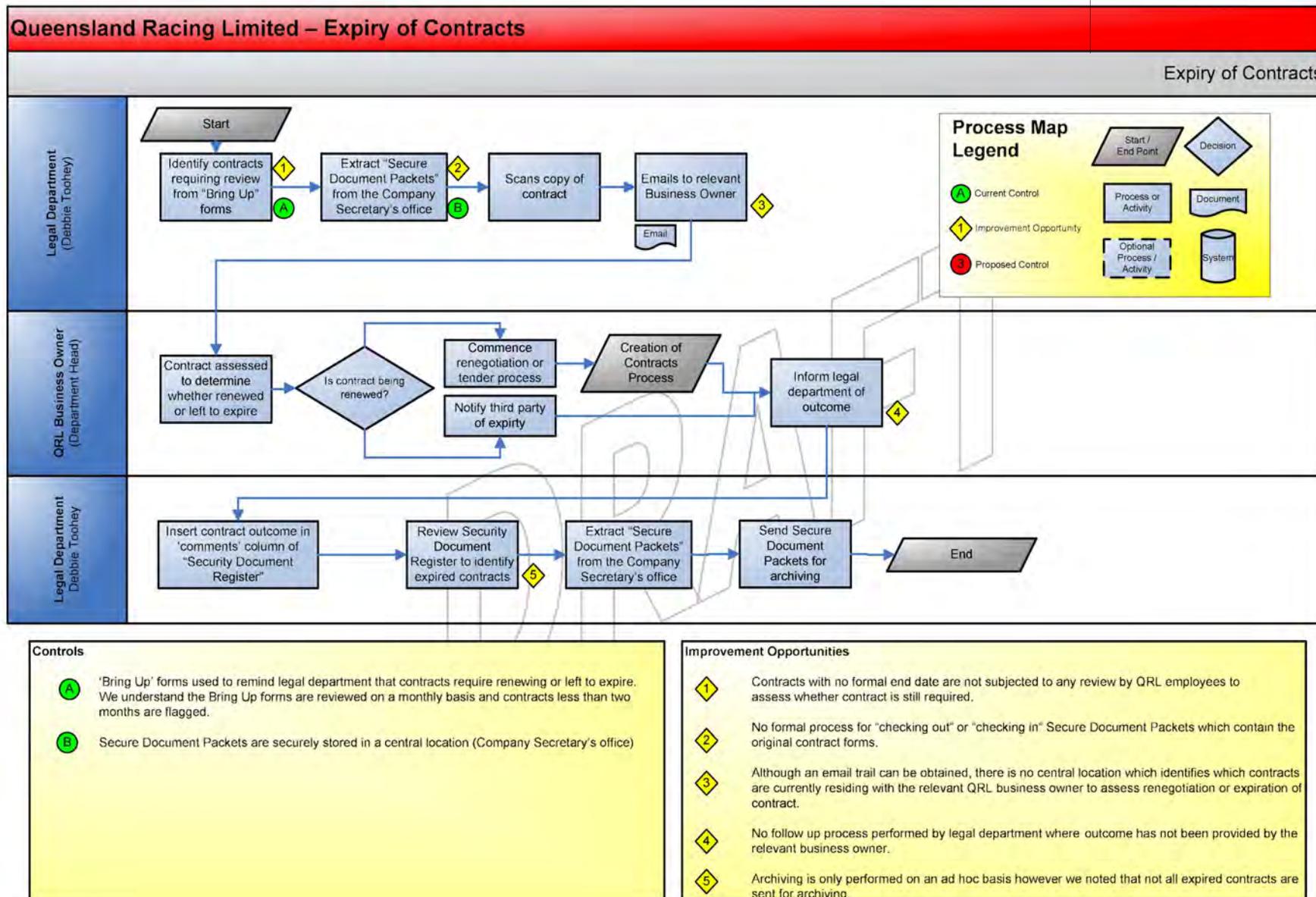
Action Owner: Sarah Walker

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3 Appendix A – Process Maps

3.1 Process Map





4 Appendix B – Residual Risk Ratings

The Risk Ratings and Primary Cause Analysis provided in this report were based on the criteria below and have been determined by Senior Management and the Audit Committee as appropriate to allow allocation of resources to the areas of greatest concern.

Individual Residual Risk Ratings

Residual Risk Rating	Financial	Business continuity	Regulatory / Legal	Reputation & Image	WHS
Extreme – Poor or no controls. Pervasive and systematic weaknesses identified	Financial impact above \$1M	Loss of major service capacity for more than 2 weeks (or two days over Carnival period).	Significant legal, regulatory or internal policy failure e.g. severe sanction received.	Ongoing national and/or international media exposure. Extensive ongoing publicised attention from numerous or significant key stakeholders.	Loss of life or permanent incapacitation. Unplanned loss (or extended absence) of a senior executive, or several key staff.
Major – Significant control weaknesses identified	Financial impact between \$500K and \$1M	Loss of major service capacity for less than 2 weeks (or one day over Carnival period).	Major legal, regulatory or internal policy failure e.g. major sanction received.	Extensive ongoing state media exposure. Repeated ongoing publicised attention from numerous or significant key stakeholders.	Serious injury or incident which requires hospitalisation; incomplete rehabilitation achieved. Unexpected loss (or extended absence) of a key staff member with specialist knowledge without which the business is significantly affected.
Moderate – Several control weaknesses of concerns identified.	Financial impact between \$50K and \$500K	Loss of localised service capacity for more than 2 weeks (or up to half a day over Carnival period).	Limited legal, regulatory and internal policy failure e.g. sanction received.	Isolated state media exposure. Attention from a limited number of key stakeholders with restricted publicity.	Injury or incident requiring medical attention with full rehabilitation achieved. Unexpected loss (or extended absence) of a key staff member who is integral to the business with specialist knowledge.
Low – Small number of minor control weaknesses / opportunities for improvement identified	Financial impact between \$5k and \$50K	Loss of localised service capacity for less than 2 weeks (no impact over Carnival period).	Minor legal, regulatory and internal policy failure e.g. minor sanction received.	Local media exposure. Isolated attention from one key stakeholder or a number of minor stakeholders with little or no publicity.	Minor injury or incident which requires medical treatment and loss time. Unexpected loss (or extended absence) of a senior staff member.
Minor – minimal opportunities for improvement identified	Financial impact up to \$5k	Resolution of issue locally without disruption.	Insignificant legal, regulatory or internal policy failure. No sanction imposed.	No media exposure. Isolated attention from a minor stakeholder with no publicity.	Minor incident requiring first aid. Unexpected loss (or extended absence) of a single staff member.

Primary Causes

Primary Cause	Guidance
Compliance	Regulations or legislation with which the organisation has to comply.
Knowledge & People	Staff abilities, intellectual property.
Policies & Procedures	Anything relating to internal operational policies and procedures which have to be complied with.
Structure & Process	Organisational and business processes setup of the organisation to allow it to achieve its goals.
Technology	IT systems and networks, programs and methodologies used to conduct business.

5 Appendix C – Statement of Responsibility

Management’s Responsibility for the engagement

The management of Queensland Racing Limited are responsible for the preparation and presentation of the third-party agreements in accordance with signed terms of reference. This responsibility includes establishing and maintaining processes and internal controls relevant to the preparation and presentation of the third-party agreements to ensure that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate policies; and making estimates that are reasonable in the circumstances.

Assurance Practitioner’s Responsibility

Our responsibility is to express a conclusion on third-party agreements based on our review. We conducted our review in accordance with Australian Standard on Assurance Engagements ASAE 3000, “*Assurance Engagements Other than Audits or Reviews of Historical Financial Information*,” in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that third-party agreements are not in accordance with the criteria listed above.

A review consists primarily of making enquiries, primarily of persons responsible for the preparation of third-party agreement processing and its underlying information, applying analytical and other review procedures, and examination of evidence for a small number of transactions or events. A review is substantially less in scope than a reasonable assurance “audit” conducted in accordance with ASAE 3000. Accordingly, we do not express an *audit opinion*. Had we performed a reasonable assurance “audit” as defined by ASAE 3000 or an audit as defined by Australian Standards on Auditing, additional information may have come to our attention, which would have been reported to you.

Inherent Limitations

Our Work is subject to the following limitations:

- Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout the period and the tests performed are on a sample basis.

- Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.
- The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management’s responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

Suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

Limitations on use

This report is made solely to the management of Queensland Racing Limited in accordance with our terms of reference dated December 2009 for the purpose outlined in the signed terms of reference dated December 2009 and should not be quoted in whole or in part without our prior written consent. We disclaim any assumption of responsibility for any reliance on this report to any person other than the management of Queensland Racing Limited or for any purpose other than that for which it was prepared.

We disclaim all liability to any other party for all costs, loss, damages, and liability that the other party might suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party, or the reliance on our report by the other party.

Independence, Competence, and Experience

All professional personnel involved in this engagement have met the independence requirements of the Australian professional accounting bodies. Our team has been drawn from our Risk Services Practice and has the required competencies and experience for this engagement.

**AUDIT COMMITTEE PAPER NUMBER:
Internal Audit Update – Third Party Agreements**

PURPOSE:

To provide the Committee the Internal Audit review of the third party agreement process and issues highlighted by Deloitte's and to enable further discussion.

BACKGROUND AND ISSUES:

As part of the internal audit plan for FY09/10, Deloitte were asked to conduct a review of the third party agreement process and advise on business improvement opportunities.

The draft report with management comments as at 19 March, 2010 is attached for reference for detailed key findings and management comments

The engagement objective was to assess third-party suppliers, the agreements in place to govern relations with these, and the compliance of these relations and agreements with the company's policies and procedures, as well as with legislation.

The scope was limited to the period January 2009 to December 2009.

The approach undertaken by Deloitte was:

- develop an understanding of the third-party suppliers through discussion with relevant staff, and examination of policy and procedure manuals
- identify and assess the adequacy of the design of internal controls in place that address the key risks identified above
- perform a test of one transaction or operation of the control in order to confirm that the controls identified have been implemented and operate as designed
- perform tests of the operating effectiveness of the controls. Sample sizes will depend upon the nature and frequency of operation of the controls identified, as set out in the Appendix
- evaluate the results of testing in comparison to the agreed rating scale
- conduct a meeting with Adam Carter (Finance Manager) following completion of the fieldwork to discuss:
 - the results of the testing
 - recommendations to improve procedures and controls highlighted during the project
 - management's proposed actions to address the issues identified.

A summary of the findings are:

Detailed Finding Ref	Finding Title	Residual Risk Rating	Status Since Audit
2.1	Reconciliation of Security Document Register and Payment System	2.1	Major
2.2	Monitoring and Maintenance of Contractual Agreements	2.2	Major
2.3	Contract renewal	2.3	Major
2.4	Access to third-party agreements	2.4	Moderate
2.5	Formalised procedures for third-party agreements	2.5	Moderate
2.6	Storage of tender documents	2.6	Moderate

Residual Risk Rating
Extreme – Poor or no controls. Pervasive and systematic weaknesses identified
Major – Significant control weaknesses identified
Moderate – Several control weaknesses of concerns identified.
Low – Small number of minor control weaknesses / opportunities for improvement identified
Minor – minimal opportunities for improvement identified

Management comments in regards to the report are as follows:-

- 2.1 There are a number of suppliers currently in use (and recorded on the Secure Documents Register) that have agreements passed their expiry date. As a mitigating control, QRL Legal Counsel ensures a clause is added to all agreements noting should the contract pass the expiry date, the agreement will continue on a month to month basis until the agreement is officially terminated.
- 2.2 Management acknowledges that the Secure Document Register should be populated in its entirety, with as much information as possible included for each entry.
- 2.3 Management accepts that additional information regarding the status of contracts in the renewal phase needs to be included in the Secure Documents Register. Additionally, management agrees that that the process of archiving expired or terminated agreements should be documented.
- 2.4 It was agreed by Management that eventually, SharePoint would become the location of the secure documents register and access to the agreements and the register would be given to limited staff.
- 2.5 Management has agreed that a formal procedure should be established.
- 2.6 Management has agreed that details pertaining to the storage of tender documents should be included in purchasing policy and that these documents be included in the secure documents register.

Finance will work with the QRL management team to address the recommendations and incorporate these into QRL's existing policies and procedures.

OPTIONS:

Not applicable.

FINANCIAL IMPACT:

10 Days at \$1,490 per day = \$14,900

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

It will be important that QRL communicates any changes to key stakeholders as soon as possible. All policies and procedures will be communicated effectively and consistently to all staff by way of email and placed on intranet and training workshops to be held for the new policies and procedures to be embraced.

DECISION REQUIRED

To be noted by the Audit Committee with an update of action items to be provided at the June 2010 meeting.



Adam Carter
FINANCE MANAGER



CONTOUR
CONSULTING ENGINEERS

Our Reference: 0432-03

25 September 2008

Queensland Racing Limited
PO Box 63
SANDGATE QLD 4017

Attention: Reid Sanders

Dear Sir,

RE: DETAIL SURVEY OF CLIFFORD PARK RACECOURSE, TOOWOOMBA

Please find enclosed a tax invoice from Definium for the abovementioned services.

Andrew Davis from this office has confirmed that the invoice amount is correct.

If you have any questions regarding the above, please do not hesitate to contact Nadene Townsend at our Kawana Waters office on (07) 5493 9777.

Yours faithfully

Nadene

Nadene Townsend
PA to Directors
for CONTOUR CONSULTING ENGINEERS PTY LTD

OK [Signature] 30/9/08
Approved for payment
as noted has been
confirmed.
[Signature]
20/9/08

P 07 5493 9777 F 07 5493 6888 E admin@ContourCE.com.au A PO Box 474, Buddina 4575, Qld | Building A, Suite 2 Level 1, 6 Innovation Parkway, Birtinya, Sunshine Coast, Qld.

QUEENSLAND RACING LIMITED



OPTIMISATION REVIEW PROFESSIONAL ADVANTAGE

Author: Jody Barnes
Date: 23 June 2006
Updated:
Version: 1.0
Status: Unapproved

Professional Advantage
Jody Barnes
Project Manager

Queensland Racing Limited
Adam Carter
Finance Manager

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DOCUMENT CONTROL

Change Record

Date	Author	Version	Change Reference
23 June 2006	Jody Barnes	0.01	First Draft
23 June 2006	Jody Barnes	1.0	Final

Reviewers

Name	Position
Adam Carter	Finance Manager
Murray Dyke	Accountants
Brad Meehan	Account Manager - PA

References

Document Type	Name	Author	Dated

Dates

Version 0.01	
Date Sent for Approval	
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Date Received	

Commercial in Confidence

Queensland Racing Limited

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1. EXECUTIVE OVERVIEW

An Optimisation Review (OR) was conducted by Professional Advantage (PA) at Queensland Racing Limited (QR) over a period of two (2) days. The OR comprised of a series of discussions on key business areas and processes of QR. PA has been advised that cost is a major factor of consideration for QR as the objective is to achieve maximum gains for minimal cost.

This first section of this document provides the Executive Overview including a summary of key recommendations and the addressing of the audit findings.

The second section outlines the business and systems context for this review. The final section details the scope of the review and the recommended solutions.

Professional Advantage would like to thank all the staff at QR who participated in the study for their hospitality and openness.

1.1. The Optimisation Objectives

The Optimisations Review of SunSystems 4 is an initiative of QR targeted at addressing specific audit findings and optimising the use of SunSystems, in particular in the areas of:

- Addressing specific audit points
- Streamlining processes so that staff can focus on value add tasks
- Reducing double handling
- Reducing human error in processes
- Improving controls
- Improving data integrity
- Reducing manipulation of source data
- Improving the usage of SunSystems
- Increasing accountability of department heads
- Cost effectiveness

1.2. Summary of Recommendations

This section provides a summary of the recommendations made in the document for QR and the options for QR to consider in the longer term.

1.2.1. SunSystems Software Maintenance and Support (Important Audit Finding)

Audit Finding - SunSystems is near its end of life and is supported under an annually expiring licence agreement.

Systems Union, the authors of SunSystems has confirmed that SunSystems 4.2.6 is a fully supported platform and offers continual support and product development. At present there is no termination of support date for this product and the next version, SunSystems 4.3 is due for release in 2007.

PA recommends that QR continue with SunSystems 4.2.6, upgrading to the latest service pack. This will enable QR to focus on implementing processes and software which will provide true value add to the business.

To update the look and feel of the software PA recommends QR implement the Graphical Menu Option Pack available from SP10 to introduce a 'Windows' look and feel to the product.

All recommendations in this document are made on the assumption that QR continue with SunSystems 4.2.6.

1.2.2. Segregation of Duties (Significant Key Audit Finding)

Audit Finding - all users of SunSystems have been assigned to the administrator user group giving them full access to all menus and functions of the application

SunSystems offers many levels of functional and data security, such as:

- Operator Definitions - individual operator definitions should be set for each user.
- Operator Permissions - used to set menu level options, including the level of access, ie, Amend, Create, Delete etc. Security may be set by database. Operator Permissions are attached to an Operator Definition, thereby enabling either groups of users, or permissions specific to a user.
- Data Access Groups - Associated with Operator Permissions. A member of a Data Access Group can be either included or excluded from a certain function or code. Data Access Groups can be attached to account codes, analysis definitions, analysis codes, payment profiles, and journal types.
- Business Rules - can be used to set, validate or block certain types of data entry or combinations of codes.

QR has scheduled PA to assist in creating a controlled security matrix to improve the functional and data set security.

1.2.3. Training

Through out the review it was noted that training had been undertaken when the users were new to both SunSystems and QR. It is recommended that refresher training be held to consolidate the use of SunSystems.

1.2.4. General Ledger

To assist QR in improving their reconciliation process, PA recommends a half day workshop to understand the requirements for reconciliations and to provide recommendations for improvements to the process.

1.2.5. Interfaces

When QR implements the Meridian (Micropay) payroll system PA recommends the implementation of the Micropay Interface module. The module is a file conversion process used to automate the transfer of payroll data from the Micropay payroll software into the SunSystems general ledger.

1.2.6. Accounts Payable and Purchasing

The implementation of iPOS, a web-based purchase requisitioning system which manages the purchasing process from requisition through to invoicing, and is fully integrated with SunSystems, will provide QR with the following benefits:

- Browser based invoice entry.
- Approval based on QR approval criteria, including approval exception management.
- Timeliness- invoices are entered as received.
- Improved data integrity and reduced duplication of entry data.
- Completeness of data - Transactions are posted to the various ledgers with ledger analysis codes, creditor account codes, expense or balance sheet account codes, asset codes etc. which have been defaulted or entered manually during invoice entry.

PA recommends QR consider the implementation of Workflow for SunSystems in the longer term. The benefits of this module are:

- Centralised maintenance of new account codes and analysis codes, including creditors.
- Approval of changes and additions prior to the updating of the target systems.
- Improved audit control over changes to the system.

To address the issue of changes to reference records, PA recommends the switching on of the Audit Control function for those areas subject to change, eg chart of accounts, addresses etc.

PA also recommends the entry of payment terms for all creditors to reduce the keying of the due date during data entry.

To address the issue of not understanding which creditors are used for a particular expense type, PA recommends the creation of a new T-code to be used on expense accounts. The creditor account code can be populated into this T-code field enabling QR to analyse expenses by creditor.

PA recommends the implementation of eRemit for the electronic issue of remittance advises from EFT payments generated in SunSystems.

1.2.7. Prize Money

Amending the HORSES process so that prize money for swabbed horses is withheld until the swab is cleared will enable the payments to be made at the time the swab is cleared from SunSystems. This will improve cash flow and will reduce the likelihood of recalled or lost cheques.

1.2.8. GST & BAS

PA recommends QR consider the implementation of the BAS Interface module if the separate payment for each owner's of prize money is introduced.

1.2.9. Sales Invoicing

PA recommends the following with regard to sales invoicing:

- Rationalise the sales definitions in the database for each of maintenance.
- Re-writing of the Nominations Exclusion List report for improved usability and reduced number of steps.
- Use of A-codes for identification of clients on the Exclusions List.
- Use of due date entry for improvements to the client payments processing.

1.2.10. Accounts Receivable

Implementation of SunSystems Collect will provide QR with a complete debtor management system which is fully integrated with SunSystems. Specific benefits include:

- Centralised, electronic record of all notes on a client debt management history.
- Notes are attached to transactions.
- Automated generation and deployment of statements and reminder letters.
- Configurable to meet QR requirements.

1.2.11. Fixed Assets

The following changes are recommended for the fixed assets module:

- Record all assets on the SunSystems Asset Register, including Portable and Attractive Items for completeness and to remove the inherent risks in using MS Excel spreadsheets.
- Configure the Asset Analysis for each asset to eliminate the manual intervention to achieve the correct depreciation allocation posting.
- Use SunSystems Business Rules to enforce the use of an asset code and asset indicator on particular accounts.

1.2.12. Reporting

PA recommends the delivery of report writing assistance to help QR improve their reporting suite.

1.2.13. Corporate Allocations

PA recommends that QR consider using the Corporate Allocations module to allocate costs to eliminate manual allocations calculations made during the data entry process and the reduction in double entry, thereby improving data integrity.

1.2.14. Bank Reconciliation

The bank reconciliation module should be configured to utilise all the available functionality not currently used at QR, for example, automated journals.

1.2.15. Budgeting and Forecasting

SunSystems Budgeting and Forecasting provides a powerful tool for the preparation and management of budgets and forecasts. PA recommends QR consider the use of this module at a later phase.

1.3. Project Investment Summary

1.3.1. Software

Module	Users	\$
Upgrade to the latest SunSystems 4 service pack and upgrade all existing modules to the latest versions	16 concurrent	0
iPOS less discount 18%	25 named	15,000 (2,700)
SunSystems Collect Less discount 18%	5 concurrent	10,000 (1,800)
eRemit Less discount 18%	1 user	1,600 (288)
MicrOpay interface Less discount 18%		3,000 (540)
Total Software Investment (ex GST) *		\$24,272

Note: The Graphical Menu Option Pack is included as part of SunSystems SP10.

Annual maintenance is calculated at 20% of the software licence fee paid and includes all upgrades and support.

The discount extended is only valid for 30 days and if all of the proposed software is ordered.

1.3.2. Services

This section outlines the services costs by process:

Process	\$
Upgrade to the latest SunSystems service pack and upgrade all other modules to latest versions	2,240
Sales Invoicing	3,580
Accounts Receivable	5,935
Asset Register	1,760
Bank Reconciliation	650
General Ledger	2,980
Interfaces	1,255
iPOS implementation	23,055
Accounts Payable	1,395
Prize Money	350
Report Writing assistance	2,240
Project Initiation	540
Total Services Investment (ex GST)	\$45,980

2. BUSINESS AND SYSTEMS CONTEXT

This section of the report provides an overview of the background context of the proposed change.

2.1. Business Overview

Queensland Racing is the commercial and regulatory control body for thoroughbred racing in Queensland. The business turns over approximately \$100 million per annum and has 120 staff (60 full-time), and offices throughout the state.

The Queensland thoroughbred racing industry is one of the largest in Australia. The industry stakeholders are many and varied and include the state government, horse owners and breeders, trainers, jockeys, bookmakers, race clubs, the Queensland TAB (UNiTAB), Queensland Racing staff, the national industry and the general public.

The core functionality of QR is to receive wagering turnover from UNiTAB into ProductCo. ProductCo is an administrative company which receives 100% of racing income and allocates 60% to QR, 14.5% to the Harness Racing Board and 9.5% to the Greyhound Racing Board regardless of where money comes from. This agreement is in place until 2013.

QR's major functions are:

- Administration of the rules of racing.
- Enforcement of integrity and safety standards.
- Preparation of annual race programs for the entire state.
- Administration of pre-race activities such as handicapping.
- Licensing industry participants.
- Registering race clubs and monitoring their activities.
- Race course development and industry capital works.
- Administration of industry funding, prize money and commercial arrangements.
- Representing Queensland on the Australian Racing Board and in other national forums.
- Research and promotional activities.

QR pays out prize money to owners, trainers and jockeys (76%). 8 to 11% of the 76% is administration costs. Each body pays out to its own trainers etc. QR aims to improve efficiencies and return as much prize money as possible to industry by reducing administrative costs.

QR receives other revenue from the licencing of jockeys, trainers and other stakeholders, eg stablehands, clubs, bookies (QR maintains a central telephone system where a person calls for a bookie and then is distributed out), issue racing colours and leases to jockeys and syndicates. In addition, QR sets the calendars for race dates for the 123 TAB and non-TAB clubs.

QR's training arm offers training to track proprietors and trainers (core skills package through funding received from the Department of Education and Training for courses completed at the Deagon facility.).

From 1 July 2006 the existing thoroughbred control body will cease to be a statutory authority and will be incorporated as Queensland Racing Limited.

The Organisational structure of QR is:

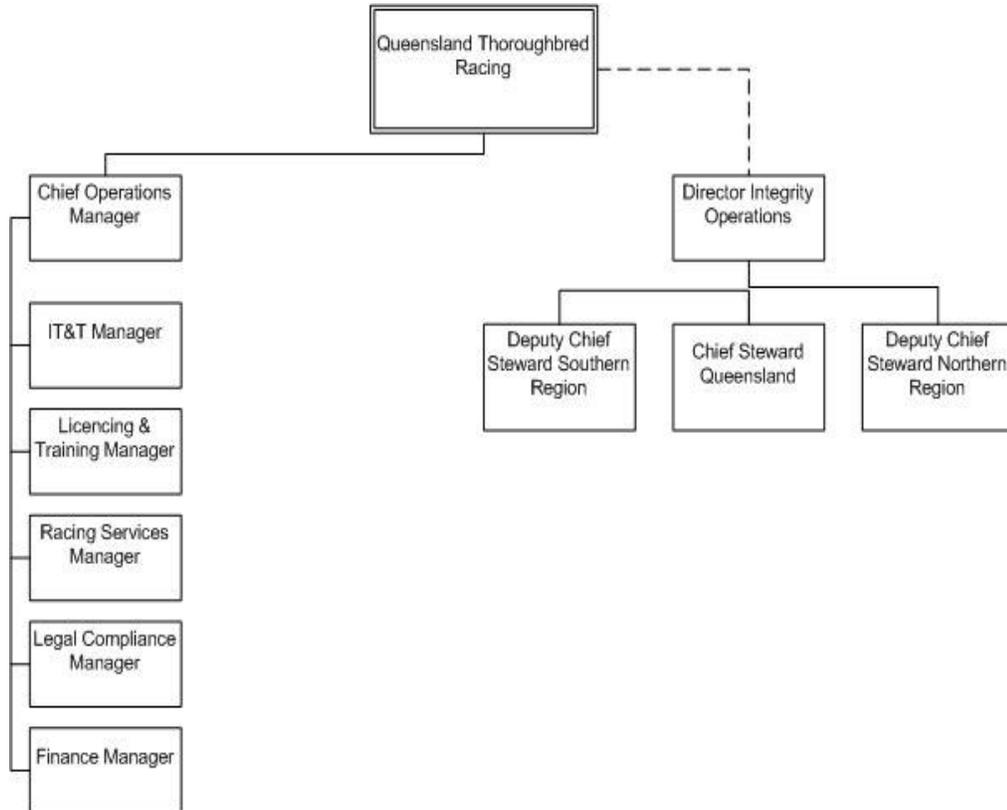


Figure 1-Organisational Structure

There are five (5) board members on the QR Board.

The Directory Integrity Operations is in charge of the Stewarding Department which enforces the rules of racing. The Integrity function administers fines, appeals and legal processes for jockey's from incidents arising on race day.

QR also assists members of the industry through audit and best practice advice.

2.2. Systems Overview

QR does not control all of the information that they have to deal with, relying heavily on external parties, eg HORSES, IRIS etc which provide the transactional data that is used for weekly prize money runs.

2.2.1. RISA - Racing Information Services Australia.

RISA is the bureau that controls racing services and IRIS. QR is anticipating fully participating by 1 July 2006. The IRIS system is used to maintain owner information and is managed by NSW Racing. A centralised system is used so that the owner's do not have to register in each state. QR is a deputy registrar so it can contribute to IRIS (restricted levels of information only). When an owner registers their information is recorded in IRIS as the centralised body and then passed through HORSES into SunSystems.

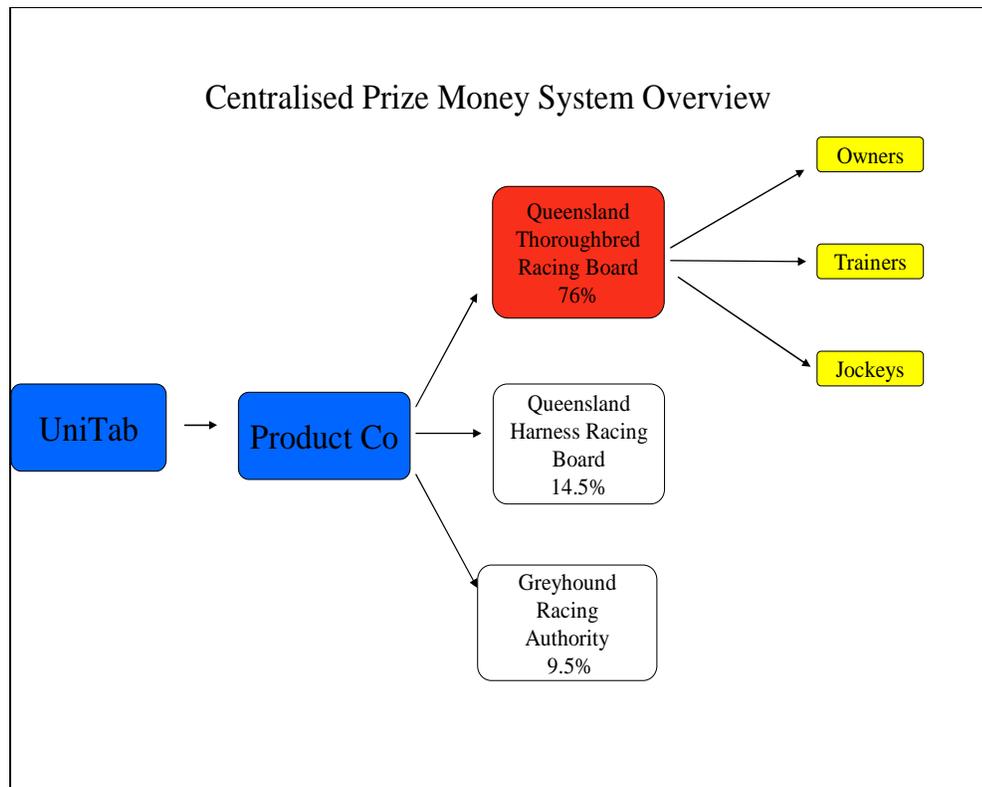
2.2.2. HORSES

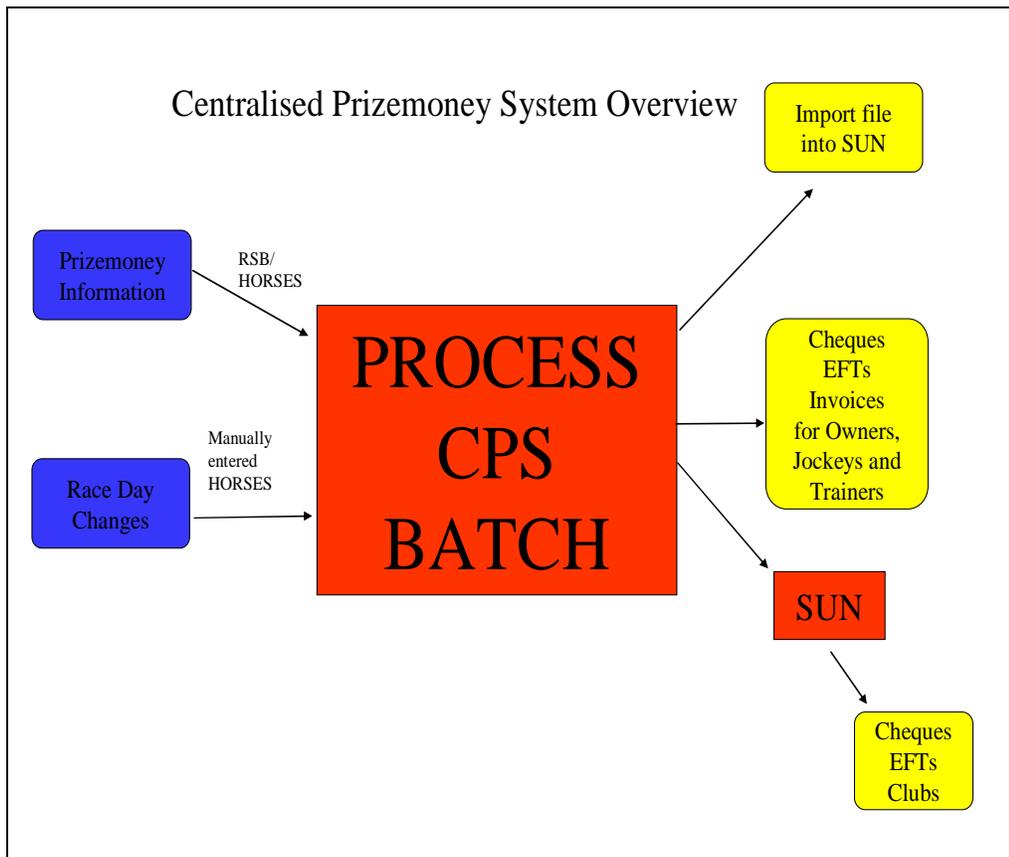
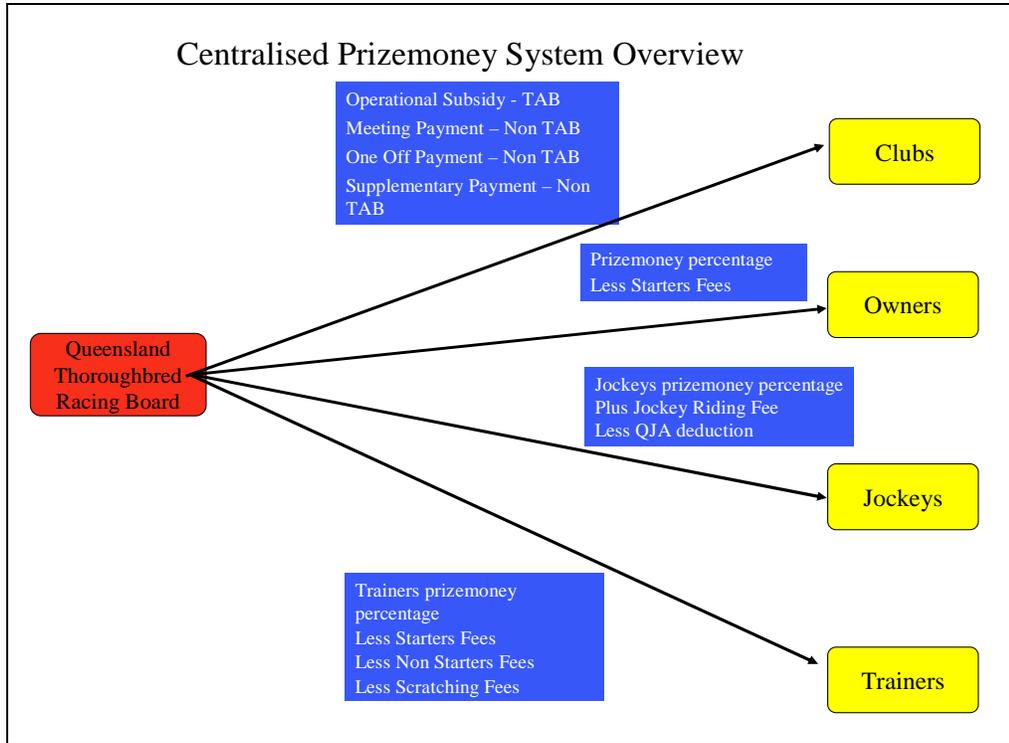
QR's largest number of transactions is prize money which is imported from the external system, HORSES.

2.2.3. Centralised Prize Money System (CPS)

CPS is used as follows:

- Meeting is approved and created in programs database.
- Nominations and acceptances made.
- Meeting is conducted.
- Weekly – prizemoney details are finalised.
- Prizemoney batch is processed.
- Invoices/remittances/cheques/eft payments are issued.
- Summary information is imported into sun financial systems.
- Adjustments are undertaken – if necessary.
- Monthly – club payments are issued.
- General ledger reconciliations are undertaken.





2.2.4. SunSystems

The following SunSystems (version 4.2.6a) modules are used:

- Ledger Accounting
- Fixed Assets
- Corporate Allocations
- Sales Invoicing
- Purchase Invoicing
- Vision Suite v5.1.5 (SP4) – Vision Executive, Vision XL Financials and Business
- Bank Reconciliation
- Creditor \ Debtor Maintenance
- ePay

The following SunSystems modules are owned by QR, but not used:

- Purchase Order
- Spreadsheet Interface
- Jockey (a bespoke programme created by Eclipse)

QR is not a high transaction volume user of SunSystems.

3. SCOPE

The Scope Section presents the detailed findings of the review by business process. Each business process is discussed separately and includes a section identifying any implementation considerations and a solution recommendation. The highlight subheadings point you to the key value proposition proposed. PA and QR deliverables are also summarised.

3.1. Database Structure

3.1.1. Current Usage and Requirements

The current databases used by QR are:

Database	Comment
QPC	Queensland Racing
Queensland Harness Racing Board	Has a service level agreement with QR, but is responsible for maintaining their database.
Queensland Race Training	This company no longer trades however it has not been closed down to date.
ProdcutCo Ltd	Maintained by QR
APR	Albion Park Raceway
APT	Albion Park Trust
Greyhounds Association	Has a service level agreement with QR, but is responsible for maintaining their database.

While the solutions recommended in this document relate to QR they must also consider the service level agreements held with QR.

3.2. General Ledger

3.2.1. Current Usage and Requirements

QR's Chart of Accounts is considered good as it is simple and it is easy to designate accounts by their numbers. It was noted that some account codes have different lengths. QR are not sure why the chart was set up with varying lengths, but as the chart currently works well QR do not want to change these accounts.

QR has thousands of Client accounts and uses different account ranges for owners (starts with TH), trainers (TT), jockeys (TJ) and others. These account codes must be seven (7) digits long and QR requires some controls to be implemented to ensure that the account codes for Clients are this length and include a numeric. Not all Client account codes are created in SunSystems, with many of them created in HORSES and interfaced into SunSystems. This is related to the register of horse names.

The following Analysis Codes are on the QPC database:

Analysis Code	Usage
T1	Cost Centre
T3	Function
T4	FBT
T5	Race

Analysis Code	Usage
T6	GST
T7	IT Projects
A1	GST Registered
A2	Region

M-codes are the same as for T-codes (except M7 which is not used).

The following business rules were identified from the QR SunSystems database:

Rule Code	Name	Description
QAPEI	QPC and PDC Entry / Import Rules	Used to: <ul style="list-style-type: none"> • Ensure cost centres starting with a 1 to 6 have a function and those from 7 to 11 don't • Sets GST account rules
QHREI	QHR Entry / Import Rules	Used by Harness Racing
QAPSE	QPC and PDC Sales Entry / Import	Checks GST entry in the sales invoicing module
QHRSE	QHR Sales Entry / Import	Used by Harness Racing
QAPPE	QPC & PDC Purchase Entry	Checks GST entry in the purchasing module
QHRPE	QHR Purchase Entry	Used by Harness Racing
QAPVE	QPC & PDC Invoice Entry	Checks GST entry in the purchase invoice module
QHRVE	QHR Invoice Entry	Used by Harness Racing
QHRVE	QHR Invoice Entry	Used by Harness Racing
HRS	Harness Racing System	Used by Harness Racing
QHRAT	Amend Account Types for Clients	Sets the account type to T for accounts in the range T to Tzzzzz
QPCAT	QPC Amend Account Types for Clients	Sets the account type to T for accounts in the range T to Tzzzzz

QR's target is for financials to be finalised in 10 working days from the end of the month, or under. This requirement is not currently met. The main issue with achieving this target is Club Funding and AP process. RCTI's are received from UNiTAB on the 5th day to ProductCo. ProductCo only makes payment for these invoices when the funding is received from UNiTAB which is currently on the 15th day of the month. Another issue for QR in achieving their target month end closure is the number new staff involved in the process.

QR would like to automate their revenue recognition journal. This is a standard monthly journal, with only the amounts changing. Information is obtained from the Balance Sheet, calculating revenue from the Revenue in Advance Accounts. Money is posted to the Revenue in Advance account and accumulated with all other monies posted into that account. The total of the account is divided by the number of remaining period to obtain the current period revenue allocation which is posted to the P&L. The remaining balance is accumulated in the next period. This method is used to smooth out revenue over the year.

QR currently uses the SunSystems Rough Book, usually to assist in correcting the analysis of journals, however this is not really required and QR would like to remove the Rough Book. QR has Rough Book set to 1, meaning analysis codes can't be changed after posting the journal.

Reconciliations need to be automated and improved.

Vision XL is widely used for data entry. This method is used for QFleet, fuel cards, credit cards. There are approximately 10 to 15 weekly imports.

QR issue invoices to Greyhound Racing and Harness Racing for IT services and few other 'bits and pieces', eg invoices paid on behalf of the other boards. Generally the amount invoiced is based on a fixed amount agreed in the Service Level Agreements. Invoices are raised in the sales invoicing module. There is a low volume and low dollar value for the intercompany transactions and QR do not consider it sufficient to implement an intercompany module.

3.2.2. Solution Recommendation

This section only covers solution recommendations for the QR databases QPC and PDC where the solution will not affect all databases configured in SunSystems.

The core structure of the QR databases works well for QR and therefore PA recommends the basic structure remain unchanged.

To assist QR in improving their reconciliation process, PA recommends a half day workshop to understand the requirements for reconciliations and to provide recommendations for improvements to the process.

SunSystems business rules can be utilised to enforce a structure and length on account codes, eg for the Client accounts, however as the majority of Client accounts are created in HORSES unless the same controls are implemented in that system, the business rule will cause errors when these 'incorrectly' structured codes are interfaced into SunSystems.

3.2.3. PA Deliverables

- Facilitate reconciliations workshop
- Remove the rough book

3.2.4. QR Deliverables

- Identify general ledger reconciliations required
- Define the client account code business rule

3.3. Interfaces

3.3.1. Requirements

The following interfaces were identified:

- CPS - receives information from HORSES which is then interfaced into SunSystems on a weekly basis and at month end using the SunSystems Journal Import functionality. Each transaction is posted in the correct calendar month. If errors occur the transactions are posted to a nominated Suspense account.
- Payroll is currently outsourced. The provider uses Chris payroll which is Journal Imported into Sun through Vision XL on a monthly basis. If errors occur, QR fix the errors in a text editor, eg account codes etc. QR is currently reviewing this process with the target of bringing payroll back in house. MicroPay will be the likely payroll package used if brought back in-house.

- POS is used for the receiving of monies. Transactions from POS are interfaced into SunSystems from the Brisbane front desk and regions (Townsville and Rockhampton) on a daily basis. To create the import file for SunSystems the 'end of day' function is performed in POS. The SunSystems Journal Import is done next morning and reconciled to POS transaction reports. If the receipt is paying an invoice the Client account is cleared and off-setting entry posted to bank. Time lags may occur for cash and chq which creates timing issues on the bank reconciliation. Transaction Matching is then used to allocate the Client account transactions. Sometimes revenue transactions are received from POS for ad hoc or miscellaneous transactions, ie calendar, however most transactions are normally allocated against an invoice.

3.3.2. Solution Recommendation

No recommendations are made for this process. Refer section 3.8.2 for recommendations on changes made to the POS interface into SunSystems.

When QR implements the Meridian (MicOpay) payroll PA recommends the implementation of the MicOpay Interface module. The module is a file conversion process used to automate the transfer of payroll data from the MicOpay payroll software into the SunSystems general ledger. It allows for the importing of information including Account Code, Transaction Analysis, payroll values and accrued payroll values. Accrued payroll values are reversed automatically in the following period.

3.3.3. PA Deliverables

- Install and configure the MicOpay interface module to meet QR requirements
- Train end users on the module

3.3.4. QR Deliverables

- Define the interface requirements for payroll into the SunSystems general ledger

3.4. Accounts Payable and Purchasing

3.4.1. Requirements

The QR purchasing process starts when the invoice is received from the supplier. When the invoice is received it is entered into the SunSystems Purchase Invoice module with the status of matched. This means that the invoice is entered into SunSystems, however the general ledger is not updated. Invoices are entered into SunSystems two to three times per week and on Friday's before making payments.

Purchase Orders are usually raised after the invoice is received from the supplier. The invoice approver is usually the same person who raises the purchase order, so they are aware of any differences between the order and the invoice in advance. Invoices are usually not entered until they have been approved. Sometimes Accounts Payable are requested to hold invoices after they have been entered and approved to stop payment.

Following the entry of the invoice they are given to the Accountant for review and approval leaving each line as matched, Murray reviews and signs the PM sheet. Following the approval Accounts Payable 'Approves' the invoices in SunSystems and the general ledger is updated.

To avoid posting of both sales invoices and purchase invoices at the same time QR has periods of time when they release each type of invoice and post to the general ledger.

Item codes and Goods Receipting are not used at QR. QR do not purchase many items. Most purchases are for services.

At QR purchases are only recorded in the QPC database.

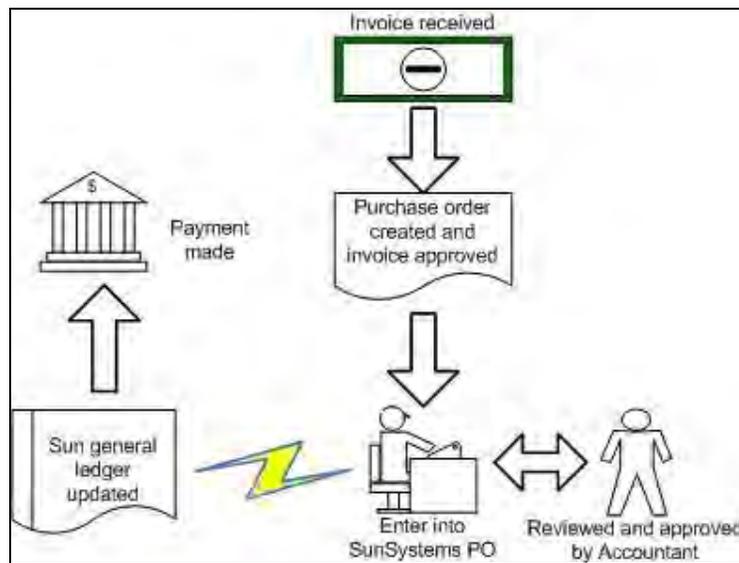


Figure 2 - Current Accounts Payable process

QR has 10 purchase definitions configured in SunSystems but only the PIG and RIG (Adjustment note) types are used. Header presets only set the delivery address. Detail presets are not used. The purchase definitions calculate GST for the invoice. Rounding of GST is not an issue. Only two GST rates, G (10%) and PE (exempt) are used and discounts are not implemented.

Payments terms are used, however have not been entered on all creditor accounts so the due date is entered during data entry.

QR is in the process of developing relationships with their suppliers and is looking to implement supplier agreements where possible.

Currently QR cannot extract information on what is spent with each creditor on an expense.

Payment of employee expenses are included in general accounts payable processing. The employee completes a standard form and attaches copies of invoices. The claim is approved by the department head and then given to Accounts Payable. There are no payment terms for employees.

3.4.2. Payment of Suppliers

All creditors are paid within the month of receiving the invoice, with the weekly cheque and EFT runs performed on Friday. Payments total roughly \$150,000 to \$200,000 per week, made up of around 50 payments, however this amount includes some prize money from Accounts Receivable and the large Telstra bills.

During invoice entry the due date for payment is entered and the invoices are filed by due date for the week. Generate payments is run in validation mode and the report from the payment run is checked that it agrees to the invoices filed for payment. Advice is made of the total value of payment run to the Finance Officer and approval is given. The final step is the re-run generate payment in final mode with the cheques or EFT generated. The final step is to file all paid invoices.

Remittances are printed out of SunSystems and photocopied onto letterhead paper and subsequently fax or scanned and e-mail to supplier. Once the cheques have been generated the ePay payment run is performed. The Finance Officer picks up the payment file from bank directory. The payment is approved and signed off by two signatories. The ePay report prints out the file path where payment file is held. This is an audit issue. QR would like to increase the number of users able to run ePay but they should not see where payment file has gone.

A 'dummy' payment run is made on Wednesday to see how many cheques will be generated.

QR is in the process of moving as many creditors from cheque payments to EFT payments as possible. To facilitate this process a dummy payment run is performed on Wednesday's to see how many cheques payments are required. Accounts Payable then rings the creditor to obtain their bank details.

Accounts Payable reconcile creditor accounts to statements when possible, creating contacts for all suppliers (in Excel). This reconciliation is done manually in MS Excel by typing in the statement and then comparing the balance in SunSystems.

Sundry creditor accounts are not used.

3.4.3. Supplier Maintenance

Accounts Payable often find out about new creditors when they receive an invoice. If the creditor account doesn't exist in SunSystems a standard form is completed and additional information such as ABN, bank details etc are obtained but Accounts Payable. A copy of the invoice is attached to the form. The form is checked and approved by the Accountant and the creditor account is created in SunSystems using the Creditor Maintenance module and the additional information added, such as bank details and purchasing address analysis etc. A screen dump of the Names and Addresses is taken to record what information was provided at that time. Priority codes are entered for the creditor but are not really used in processing.

When there are changes to creditor details, bank details etc, Accounts Payable completes the creditor form (refer above) and makes the change of address or bank details. The Accountant approves the changes.

Creditor ageing is not required as everything is paid soon after the invoice is received. If an 'old' invoice exists this is usually because the invoice has been received late.

Accounts Payable tends to use Advanced Inquiry to look at creditor transaction history. Only the current information is viewed from the PO module.

3.4.4. Solution Recommendation

PA believes that some of the greatest processing efficiencies to be gained at QR are in the area of Accounts Payable. The following areas of current process were noted for improvement:

- Purchase orders are generally raised after the creditor invoice is received. When an invoice is received the service or product that it is for is usually supplied and therefore QR is legally committed to pay the invoice.
- As the invoice received goes to the person who purchased the item there is no segregation of approval and purchasing and there can be time lags between receiving the invoice and recording it. Sometimes Accounts Payable are requested to 'hold' invoices which has a P&L affect.
- Approval process is cumbersome and can cause time lags due to the manual process of entering invoices into SunSystems, printing out a listing and then manual approval of the invoices.
- Creditors are often created after the invoice is received. There are no controls on the creditors used.

The purpose of raising purchase orders is to record commitments and \ or accruals to suppliers at the time that they are incurred. The benefits of implementing the full purchase order system are:

- Allows QR to approve purchases before they are committed.
- Enables QR to approve suppliers before a commitment is raised with them.
- Enable QR to record the committed expenditure, therefore obtaining greater accuracy in the recording of expenses.
- Electronic procurement will enable the coding of transactions when they are created, reducing the amount of work required by Accounts Payable at the time of receiving the invoice and the checking work done by the Accountant for accuracy in processing.
- Invoices are matched to the purchase order. QR may elect to allow the automatic approval of the invoice if it falls within a specified tolerance, thereby reducing the manual movement of the invoices.
- The invoices are not entered for payment to the general ledger until they are approved so QR does not require the check of the invoices prior to payment.

PA recommends the implementation of iPOS, a web-based purchase requisitioning system which manages the purchasing process from requisition through to invoicing and is fully integrated with SunSystems. Different steps can be switched on or off, for example goods receipting or commitment accounting. It is fully workflow enabled, providing for approvals to be implemented whenever required by QR.

The benefits provided by iPOS include:

- Browser based invoice entry.
- Approvals based on QR approval criteria, including approval exception management.
- Invoices cannot be paid until approved.
- Timeliness- invoices are entered as received.

- Improved data integrity and reduced duplication of entry data.
- Completeness of data – Transactions are posted to the various ledgers with ledger analysis codes, creditor account codes, expense or balance sheet account codes, asset codes etc. which have been defaulted or entered manually during invoice entry. iPOS is fully integrated with SunSystems negating the need to administrator an interface process. iPOS parameters are used to assign and define the ledger interface into SunSystems. Several options are available for how and when transactions are posted to the ledger based on the method of accruals required. All transactions can be posted at a detailed or summarised level to SunSystems. A single transaction can be written to the creditor / GST accounts.
- Enables creditor management.

iPOS 'reads' SunSystems creditors so duplication of data entry is not required.

The SunSystems purchasing module will not be required if iPOS is implemented.

PA can also provide a workflow solution which can assist QR with the creation of suppliers. Workflow for SunSystems will enable QR to implement approved process rules across the business.

Some benefits of implementing Workflow for SunSystems are:

- Centralised maintenance of new account codes and analysis codes, including creditors.
- Approval of changes and additions prior to the updating of the target systems.
- Improved audit control over changes to the system.

PA recommends that QR review Workflow for SunSystems at a later phase of the project.

To address the issue of changes to reference records, PA recommends the switching on of the Audit Control function for those areas subject to change, eg chart of accounts, addresses etc.

PA also recommends the entry of payment terms for all creditors to reduce the keying of the due date during data entry.

To address the issue of not understanding which creditors are used for a particular expense type PA recommends the creation of a new T-code to be used on expense accounts. The creditor account code can be populated into this T-code field enabling QR to analyse expenses by creditor.

PA recommends the implementation of eRemit for the electronic deployment of remittance advices for EFT payments generated in SunSystems.

3.4.5. Highlight

iPOS is a web-based procurement solution which will assist QR in improving its purchasing and accounts payable processes and reduce the amount of manual intervention required in this process, thereby improving data integrity and auditability.

3.4.6. PA Deliverables

- Install and configure iPOS to meet QR requirements
- Train QR on iPOS
- Install and configure EFT and eRemit
- Configure SunSystems for the creditor analysis code
- Implement other suggested recommendations as above
- Provide templates for creating the new creditor analysis codes

3.4.7. QR Deliverables

- Identify which creditors are current and that will be required for analysis purposes
- Have a defined purchasing policy for implementation
- Provide sample purchase order formats

3.5. Prize Money

3.5.1. Requirements

Prize money is allocated and managed in HORSES and race nominations are recorded in HORSES. When a horse is flagged as being nominated, there are different types of fees that can be associated with the race, eg by race, by jockey, owner, or trainer.

A horse can have multiple owners but only the nominated owner is paid out of HORSES and they are responsible for distributing the winnings to the other owners. QR compares a print-out from central prize money against the racing calendar to check that the total prize money is correct. QR checks that the owners name is correct, the prize money for each race, the acceptance fees and that there are no exclusions.

If there are exclusions or exceptions this information is sent to Licencing or Racing to correct. The information is corrected in HORSES.

The prize money batch is run from HORSES on a weekly basis which generates and Recipient Created Tax Invoice (RCTI) and the EFT and run cheque payments from HORSES. The EFT file is sent to the bank and journal of payments are imported into SunSystems weekly.

QR is trying to reduce the number of prize money cheques issued and are encouraging all payments through EFT. A \$10 fee has been introduced where cheques are issued for prize money to encourage clients to provide bank account details. All cheques are pre-signed and around 1000 remittances are sent out a week over the course of year. A large number of cheques don't make it to their destination.

The transactions information from HORSES is summarised, that is, prize money and fees are not recorded as separate transactions. There is an expense line for the total amount of prize money and revenue for total amount of fees. For example:

DR Expenses	500
CR Revenue	50
CR Client account	450

No further analysis of prize money is required.

Where a horse is swabbed following a race the prize money cheque is generated but is not issued to the owner until the swab cleared. The cheques are held in a drawer for about two weeks until the swab is cleared and the cheque posted out. QR would also like to hold EFT payments for swabs. QR would like advice on improving this process.

QR advises that changes to HORSES can be made in-house.

3.5.2. Solution Recommendation

To resolve the issue of the held prize money cheques, QR would like to make the payments out of SunSystems were the horse is subject to a swab. During the workshop it was identified that when a horse is swabbed a flag is set in HORSES indicating the swab. This flag could be used to trigger the following:

- Do not issue the prize money cheques,
- Send the transactions to SunSystems with a 'W' Withhold allocation marker on the client account transaction. The effect of the 'W' allocation marker is to stop the payment being made to the client.

PA recommends writing a report that QR can use to identify all client transactions with a 'W' allocation marker (filtered to include only prize money transactions).

When the swab is cleared the 'W' allocation marker should be removed to make the transaction available for payment

The discussions held with QR IT indicated that this would be possible.

3.5.3. PA Deliverables

- Test the amended interface from HORSES
- Create the Withheld transactions report

3.5.4. QR Deliverables

- Amend HORSES to stop payment of prize money for swabbed horses
- Amend the HORSES interface file to send Client account transactions with a 'W' allocation marker
- Test the interface into SunSystems

3.6. GST & BAS

3.6.1. Requirements

GST is a large component in the racing industry. The ATO reviews participants in the industry regularly, data matching information provided by QR against the participants' returns. QR has also been reviewed for GST.

PA has created a Vision BAS report and BAS returns are lodged using the ATO ECI client.

The major issue for automated preparation of the BAS return is due to the way payments are made from HORSES. Prize money is paid for the horse. Where a horse has a couple of owners only the managing owner is paid from HORSES and it is up to him to distribute the money to the other owners in the correct proportion. Each of these owners may have different statuses with regard to GST registration, eg one may be GST registered and another not. This information is recorded in HORSES and payment made accordingly, so the GST amount included in may not be a straight 10% of the total amount. For example:

Horse A has three owners, two of whom are GST registered and one who isn't. They are equal share owners.

Horse A wins a race where the prize money is \$1,200. The payment made to the managing owner is \$1,280 with a GST component of \$80.

In the future each owner may be paid separately, however an implementation decision on this has not yet been made.

3.6.2. Solution Recommendation

The BAS Interface module could assist QR to streamline its BAS reporting and lodgement process. The module includes the following features:

- Automatically transfers SunSystems details to the ATO via the internet
- Generation of BAS returns by individual companies or by a group of companies
- Allows the storage of external non-GST related information required to be reported on BAS
- Provides an audit trail of previous BAS returns
- Posts journals back to the SunSystems ATO creditor account
- Can be used to lodge monthly or quarterly statements, depending on requirements, including quarterly statements of non-GST information for companies lodging monthly

However, until all prize money payments are made separately the BAS module will not provide sufficient efficiencies. PA recommends QR review the use of the SunSystems BAS Interface module should individual owner payments be implemented.

3.7. Sales Invoicing

3.7.1. Requirements Sales Invoicing

QR receives the information for sales invoices from multiple sources in multiple formats, however much of the invoicing information is received in Excel format and much of the information received can be the same. When invoice advices are received in Excel format the data is usually manipulated before it can be imported into SunSystems. Examples of invoices received include Book makers invoicing, Club funding, rent for stables, training fees, licences, fines etc.

Much of the information received for invoicing is kept in HORSES or is received from the Licencing department. For example, information for the renewals of jockey licences is received from the Licencing Department who obtain the information from HORSES.

Fines from the Stewards reports are received in MS Word format.

QR is working on improving recurring invoicing that is, the set things done each month.

The number of invoices processed varies greatly each week depending on time of the year. On average there are:

- Fines around 30 per week, prepared on Wednesday, but can get invoicing details every day
- Jockey licencing around 600 (once a year)
- Training 30 per month
- Bookmakers telephone betting around 60 per month
- Acceptance fees around 50 per week for a couple of months a year only
- Invoice trainer for facilities around 50 per month
- Prize money around 1500 per week

QR maintains a large number of sales invoice definitions in SunSystems however only a small number of definitions are used with the OTHxx (where xx indicates the cost centre number) type used for most invoice types. It is rare for QR users to enter a sales invoice directly into SunSystems, rather the invoices are created in MS Excel and imported into the SunSystems Sales Invoice module using the Sales Import function as the Excel environment is considered 'easier'.

Different Sales Definitions are used for each cost centre code. The Sales Definition inserts a prefix to the invoice number which corresponds to the cost centre code. It also set the M1-Cost Centre code.

Invoices are approved by the Accountant, however questions generally relate to the data entered rather than why raising the invoice. If the invoice request comes from Racing they are signing off on the why and how of the invoice.

3.7.2. Requirements Adjustments

Adjustment notes usually arise from phone queries and are generated following investigation of the call. QR would like to do one run a week for adjustments because they are having issues with the import. A new Vision XL sales invoice format was configured by PA but it seems to throw out errors. The RCTAP sales definition is used for all Adjustment notes. Four to five invoice formats are used for adjustments.

For Prize money, one adjustment can affect first, second and third place and the owners, trainers and jockeys for each place getter.

If an entire race is being adjusted or a major adjustment is required, AR will do a specific adjustment run, otherwise will try to batch run for all adjustment types once a week. QR is considering whether to enter directly into SunSystems for small adjustments and create them in SunSystems as they come up rather than one weekly batch. This would require a file note approval of the adjustment.

All adjustments are created in SunSystems and are not reflected in HORSES.

3.7.3. Prize Money Invoices and Adjustments

Prize money payments to clients include a deduction for any sales invoices issued. Therefore, if the sales invoice was overstated the prize money payment to the client would not have been enough and the client therefore needs to be reimbursed for the underpayment. The underpayment is paid in the next Accounts Payable payment run. However an issue with paying the correct amount sometimes arises because since the adjustment note has been issued another sales invoice has been generated. This amount should not be offset against the payment as they have 30 days to settle their sales invoices.

For example:

- 1 June – Client earns prize money of \$1000. At the same time a nomination fee invoice is issued for \$500.
- 3 June – Payment is issued from HORSES for \$500 (The prize money less the nomination fee).
- 3 June – A new sales invoice is issued, say for a fine of \$100.
- 4 June – realise that the nomination fee is overcharged so issue an adjustment note for \$500 and raise the sales invoice for the correct amount \$50.
- The amount of the underpayment is \$450 however Accounts Payable may pay \$350 because of the fine sales invoice that was issued, but should be ignored for the purposes of the under payment.

Note: Nomination fees sales invoices are part of the RCTI issued from HORSES with the prize money. The amount of fees may be greater than the prize money. Therefore the HORSES payment is only the balance of the RCTI, not other fees.

3.7.4. Nominations Exclusion List

The Nominations Exclusions List is used to reduce debt and to make sure all trainers are making payments. A trainer can be put on the list when their oldest payment becomes over six (6) weeks old. The effect of being put on the list is that they are unable to nominate to race anywhere in Australia.

The following process is used in preparing the Nominations Exclusions List:

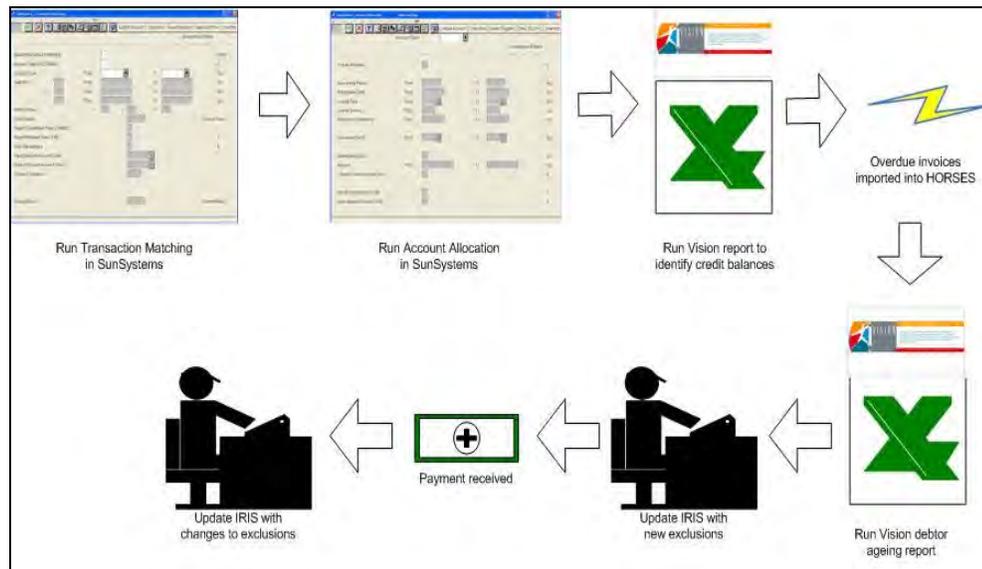


Figure 3 - Nominations Exclusion List Process

- Run Automatic Transaction Matching in SunSystems to match prize money, nomination invoices and payments from HORSES or other adjustment notes issued from SunSystems. This step is done on Wednesday and Friday.
- Perform manual Account Allocations to match payments received (either in part or whole) through POS or through the bank.
- To identify where unmatched credits exist QR runs a Vision XL report which extracts the account balance, debit balance and credit balance for all Client

accounts (eg trainers, jockeys, etc). Where there is a credit balance QR investigates that account in SunSystems to see if they can match the credit to any debit transactions and then allocate in the SunSystems Account Allocation function. Usually the investigation discovers that no match should be made.

- When an invoice is greater than 6 weeks overdue that information is provided to HORSES. Before the list is updated in HORSES AR reviews the list The invoices greater than 6 week old are imported into HORSES and that invoice is printed on the next RCTI issued for that client. When payment is made the amount is offset against any prize money due. Typically the new list of people to add, can be quite long.
- On Friday QR run nomination exclusions using a Vision XL debtor ageing report. This report is based on today's date for ageing with ageing bands of weekly starting from 6 weeks ago. The report includes credits but the preference is not to have this on the report. QR would also like to exclude amounts that are over 6 weeks overdue that are less than \$10.
- The new exclusions are entered into IRIS. This stops the client etc from nominating anywhere in Oz.
- When the debt is paid, there is a manual process to remove the client from the list. Generally when a client knows they are on the list they'll ring and make a payment and will be removed from the list immediately.

3.7.5. Solution Recommendation

PA recommends that QR undertake an audit of the sales definitions that exist in SunSystems to determine if the use of those types would assist QR in reporting or managing the sales process. QR should also consider whether the multiple types of each definition created which presets the invoice prefix and M1 codes is required or whether a single definition may be used with the user entering the M1 code (this already occurs on the spreadsheets used to import the sales invoices).

If this option is undertaken, the sales invoice document must be amended to output the M1 code in the prefix of the invoice number.

This option will reduce the number of types available for the user to select from and therefore reduce confusion due to choice, and reduce the on-going maintenance of the sales definitions.

PA recommends the Nominations Exclusion List report be re-written so that only client accounts with a credit balance are extracted and also to provide drill down functionality. This will reduce the number of lines that have to be reviewed to select the clients with credit balances and enable QR to review the transactions on those accounts, therefore only having to use SunSystems for the Account Allocation function.

PA also recommends the use of A codes to indicate if a client is on the nominations list. This will enable QR to extract reports of clients on the nomination exclusion list from within SunSystems. The report should also include the balance overdue greater than six weeks. A business rule could be used to stop the creation of sales invoices where the client appears on the list. C analysis codes would be required also to facilitate this rule. QR would then manually remove the analysis code when the client is removed from the list.

SunSystems allows for the use of due date entry in sales invoice entry. PA recommends the use of this field for sales invoices so that the 'payment terms' for each type of invoice can be entered and interfaced into the general ledger. This will assist QR in excluding sales invoices from payment runs (refer section 3.7.3).

3.7.6. Highlight

Reducing the number of sales definitions will reduce the maintenance on this area of SunSystems and provide QR with a better understanding of which type document should be used and when.

3.7.7. PA Deliverables

- Facilitate a workshop to review the sales definitions and document the usage of each type
- Delete unused sales definitions (considering historical invoices if appropriate)
- Amend the sales invoice document for changes to the prefix field
- Re-write the Nominations Exclusion List credit balances report
- Create A-codes for Nominations list and update client records where applicable
- Amend the existing aged debtors report used for the Nominations Exclusion List
- Amend sales definitions for due date entry

3.7.8. QR Deliverables

- Attend sales definitions workshop and advise on requirements
- Provide format design for revised Nominations Exclusion report
- Provide list of clients currently on the Nominations Exclusion list
- Provide format design for amendments to Nominations Exclusion list debtors ageing report

3.8. Accounts Receivable

3.8.1. Requirements

New debtor and client accounts are created in HORSES and imported into SunSystems. However, the Accounts Receivable team do not always get notification of new debtors eg bookmakers and so create them manually. The debtor maintenance module is used to create the new debtor accounts and account numbers are allocated manually. The information required to set the account up is normally found in HORSES or IRIS.

Bank information is entered through the Licencing Department for segregation of duties.

PA has written a business rule so that all accounts starting with a D must have a 'D' Account Type.

Most receipts are recorded on the front desk system POS which retrieves the debtor and invoices from SunSystems. POS receipts record the invoice number in the SunSystems Transaction Reference field when interfaced into the SunSystems general ledger, however the receipt number is not transferred into SunSystems. Recording the receipt number in SunSystems would be useful as POS does not have a search function so tracing a receipt is difficult. When money received via direct debit it is entered into POS, POS issues the receipt and sends out to client if requested.

Payments and invoices are allocated against each other using Transaction Matching. If a part payment is received the allocation is manually posted. The receipt number doesn't come into SunSystems.

A Vision XL debtors ageing report is used by QR, however allocation timing issues sometimes occur as QR can receive a payment for a client in one period but allocate it in another.

QR currently has a manual process for recording the history of debt collection. This is used to note what people say when they call about their accounts however it is hard to keep a complete record of the history. QR would like to have a complete history of debtor management including a link to SunSystems for account balances and invoice history.

QR find it difficult to obtain a debtors statement that gives an opening balance, movements during the month and closing balance from SunSystems and generally use the statement that displays balances.

3.8.2. Solution Recommendation

SunSystems Collect is a debtor management module designed to provide credit management and debt collection functionality. SunSystems Collect is fully integrated with SunSystems allowing QR to view all the transactions relating to a client \ debtor.

The specific QR issues which SunSystems Collect will address include:

- Centralised, electronic record of all notes recorded for a client
- Attaches relevant transactions to notes and allows for documents to be attached where required
- Allows for as many document formats as required, allowing QR to output the debtor statements in their required format
- Automatically produce and electronically send reminder letters and statements
- Configurable to meet QR's requirements for status flags and follow up action
- User diaries that can be used to record the days' tasks for a user
- Unlimited contact details for a client
- Both functional and data security to ensure the integrity of data
- Range of standard report available, for example debtor ageing, statistical analysis etc

PA recommends including the Nominations Exclusion List process in the workshops when discussing SunSystems Collect to improve this process.

Refer Appendix D for further information on SunSystems Collect

PA recommends the inclusion of the receipt number in the interface from POS into SunSystems to facilitate the tracing of receipts. A non-validating T-code should be used so that each receipt number does not have to be created as an analysis code. QR IT advised during the workshops that it should be possible to export the receipt number from POS.

3.8.3. Highlight

SunSystems Collect will provide QR with a centralised debtor management system providing greater control over the debtor management process.

3.8.4. PA Deliverables

- Install and configure SunSystems Collect to meet QR requirements
- Prepare Collect design document following workshop
- Facilitate SunSystems Collect training
- Test POS interface including the receipt number

3.8.5. QR Deliverables

- Define requirements for the debtor management system (SunSystems Collect) prior to design workshop
- Amend file exported from POS to include the receipt number
- Define which T-code to be used for the receipt number

3.9. Club Funding

3.9.1. Current Process and Requirements

There are two types clubs, TAB clubs and non-TAB Clubs. Club funding is money funded by QR so that the clubs can be run. The amount funded depends on how many race meetings a club holds a year. The Club Funding system is intertwined with the prize money system.

The nine (9) TAB clubs calendar doesn't change and they receive the same amount of funding each month. The amount to be paid is signed off by the Board before the end of the previous financial year. The 120 non-TAB or country clubs funding varies depending on how many race meetings they have in a year.

Information from various systems is entered into an Excel spreadsheet by IT and the Country Racing Manager and given to Kees in hard copy (Kees receives a monthly snapshot of the information contained in the spreadsheet).

There are two (2) elements to the Club Funding process which are the same for both TAB and non-TAB: QR generates a RCTI invoice where they have to make payment to the clubs and sales tax invoice if they need to invoice the clubs.

TAB clubs – RCTI payments for the operational subsidy are made around the middle of the month. This amount is known in advance and not subject to much change. The invoice transactions are entered into a Vision XL spreadsheet and imported into the SunSystems General Ledger. The RCTI is produced after running Generate Payments in SunSystems. Each club will get a payment fixed for year, but it is usually adjusted for rounding for the last payment of the year. This process is quick.

Not all non-TAB clubs race every month so this import changes each month. There also can be different funding streams which can affect the payment amount. The amount to be paid is provided to Kees in spreadsheet format, who keys it into a template spreadsheet and uses the Vision XL export \ SunSystems Journal Import function to import into the SunSystems general ledger. Prior to importing into SunSystems the Client account code is added, but this could be added to the template from IT and Country Manager. The balancing entry is posted to the Operational Subsidy P&L account.

QR need to be able to separate non-TAB and TAB clubs RCTI's.

Both TAB and non-TAB clubs are invoiced where they offer prize money in excess of their allotted allocation (value add). These sales invoices are issued out of SunSystems. When this occurs QR pay out the offered prize money and invoice the club for the difference. Not every club will value add. The information for value add invoices is provided on the same spreadsheet as the RCTI information and they are entered into SunSystems using Vision XL. The same process is used for both types of clubs.

3.9.2. Solution Recommendation

QR is satisfied with the current process for managing Club Funding subject to some small changes to be made to the template provided to Accounts Receivable. No recommendations are made for the importing process.

To enable QR to separate TAB and non-TAB RCTI's, PA recommends the use of separate generate payment runs for each type of club. This will enable QR to produce distinct RCTI invoices, although the Generate Payments function will use the same journal type for both when posting the journal entry. A-codes may also be implemented to identify the client account as either TAB or non-TAB. A-codes can be used for reporting purposes and in the generate payments function. It is assumed that QR will create the separate payment profiles itself.

3.10. Fixed Assets

3.10.1. Requirements

QR has approximately 200 to 300 assets on the asset register. Portable and Attractive Items are recorded in a spreadsheet and expensed immediately.

Depreciation is calculated monthly however as the ratios in the Asset Analysis function are not configured correctly a manual adjustment (using Vision XL) is done to reverse out the postings and allocate depreciation to the correct cost centre and function.

The following asset analysis categories are used:

- F1 - Cost Centre
- F2 - Category

A journal type is used for asset entry, including the asset number and indicator exists. All assets are posted to a capital WIP account and clearing out to the balance sheet accounts for each asset category. The transaction description is used to identify the asset in the capital WIP account. QR does not consider using this method an issue due to low volume of assets. This method is used to ensure that the invoice is paid while waiting for the asset record to be created.

QR expects to be making more capital expenditure in the new financial year. Usually purchases are one off, but QR does have some constructed assets (but these only have a couple of invoices usually).

Straight line depreciation is used for all assets.

QR is not a taxable entity so tax depreciation is not required.

It is very rare for QR to sell assets and there are very few write-offs. However a full asset stocktake will be performed before the end of this financial year.

All asset reports are produced in Vision Executive except for the Asset Register report which is produced from SunSystems. QR has developed a number of reports over the last year, eg report to ensure register and general ledger balance. Asset movement reports are used for management and statutory reporting purposes.

3.10.2. Solution Recommendation

PA recommends the following changes to the current use of the Fixed Asset module.

- Record all assets on the SunSystems asset register, including Portable and Attractive Items for completeness and data integrity. These assets do not have to be depreciated.
- Configure the Asset Analysis for each asset record correctly in SunSystems so that the system is able to calculate the correct allocation for depreciation and no manual intervention is required.
- Use SunSystems Business Rules to enforce use of an asset number and indicator for the balance sheet assets accounts.

3.10.3. Highlight

Recording of Portable and Attractive Items on the SunSystems asset register will provide QR with a complete picture of assets owned. Using the Asset Analysis functionality will improve the data integrity of the depreciation postings and reduce the amount of manual re-work required.

3.10.4. PA Deliverables

- Configure Attractive and Portable Items on the SunSystems Asset Register
- Upload the Asset Analysis ratios into SunSystems for all assets
- Provide templates for the upload of Attractive and Portable Items and Asset Analysis records
- Configure business rules in SunSystems to ensure an asset number and indicator is entered on all transactions posted to the asset balance sheet accounts

3.10.5. QR Deliverables

- Provide a list of Attractive and Portable Items in the template format provided by PA
- Provide all Asset Analysis ratios in the template format provided by PA
- Provide PA with list of asset accounts to be affected by the business rule

3.11. Reporting

3.11.1. Requirements

QR has a large number of Vision Executive reports which need to be rationalised. QR would also like to streamline their statutory accounting process.

Statutory reports, balance sheet and other reports are generated in Vision Executive and then are transferred into MS Word and MS Excel.

Reports identified by QR are:

- Trial Balance – run in both SunSystems Financial report writers and Vision Executive. The system trial balance is not used as the other report writers are neater and can be better summarised. However the two trial balances don't always agree. Each day, the current trial balance is opened. QR has a drill path configured so the detail can be viewed. There are variations of the trial balance: basic trial balance, trial balance with budget, quarterly trial balance. The Accountant compares budget to actual on the trial balance at month end to check that all postings have been done and reviews historical data to see trends. Also break up by function.
- Journal listings are printed out (standard SunSystems format). All journals are printed.
- Account Listings are generated in Vision XL, but are sometimes printed from Account Listing in SunSystems. Transactions are also listed by cost centre
- P&L by Function, Cost Centre.
- Functions – chart of accounts specific to functions sent to manager. Export to Excel and send out to managers.
- Board papers – couple a month, written in Word and add some Excel figures. Ad hoc analysis is sometimes required by the Board. ProductCo reports to the Board quarterly.
- Statutory reports are only generated at year end but QR would like to get to half yearly reports. Includes cash flow, balance sheet, P&L, notes to accounts. Cash flows are difficult to produce.

QR would like to have suite of reports configured so they only have to generate with the updated information. At year end there are constant little changes, but these changes take while to filter through to all reports.

QR use Vision XL Extract Transactions for inquiry purposes and are happy with that solution.

The major users of Vision Executive are the Finance Manager (20%) and Accountant (80%) but would like to get the other users using Vision for extracting data. QR would like to increase the use of Vision XL for reconciliations.

3.11.2. Solution Recommendation

PA recommends QR staff be trained on the Vision suite to improve the reporting capability within the business. Following this, PA recommends two days report writing assistance to assist QR in rationalising their existing reports and develop the reporting suite.

PA also recommends QR consider implementing Vision Word which can be used to replace the reports currently typed into MS Word with transactions inserted from Vision XL or Vision Executive. This has not been costed as part of this document.

QR has indicated that they may wish to develop their Corporate Performance Management capabilities in the future which may involve developing a Balanced Scorecard or KPI Reporting Framework.

PA is pleased to confirm that we offer the necessary consulting skill set supported by a range of products which can deliver this capability. Please find below some information regarding PA's Business Intelligence and Corporate Performance Management capabilities;

- Developing and deploying Business Intelligence solutions for over six years
- Microsoft BI Gold Certified since 2002
- Microsoft's Asia / Pacific BI partner of the Year 2002 / 2004
- OEM BI Developer for Microsoft
- MS Analysis Services & MIS Alea accreditations for data warehousing and OLAP cube development
- Implementation experience with MIS OnVision, Executive Viewer, Actuate and Microsoft Reporting Services
- BI/CPM Consultants implement using a best practice approach and a balanced scorecard methodology for development of strategy maps and KPI's

3.11.3. PA Deliverables

- Two days assistance with report writing

3.11.4. QR Deliverables

- Decide what existing reports can be removed
- Draft the reporting suite

3.12. Corporate Allocations module

3.12.1. Requirements

Allocations are configured in SunSystems but are not run. All costs are allocated through journal import, broken up by cost centre, on an historical percentage basis during journal entry of the source transaction. For example cars, BP cards, rates etc are split between cost centres prior to importing into SunSystems.

Invoice or direct debits are received and then entered into the spreadsheet to allocate at the required percentage.

3.12.2. Solution Recommendation

PA recommends that QR consider using the Corporate Allocations module to allocate costs for the following reasons:

- Percentages are entered by an authorised user into the Corporate Allocations module thereby restricting users from amending the percentages, either through error or otherwise.

- The original transactions are posted to the ledger 'in tact' making tracing of transactions easier.
- Improved data integrity as only the source transaction is entered. The system is used to allocate costs out based on pre-defined ratios.

3.12.3. QR Deliverables

- Decide if the Corporate Allocations module will be used

3.13. Consolidation

3.13.1. Requirements

ProdcutCo is consolidated into QR. Previously Queensland Race Training was also consolidated into QR but this company is now in the process of being wound up and is not required for consolidation purposes.

QR's consolidations process is manual using Vision Executive reports which combine the two DB's but the consolidation is not made in SunSystems. Some eliminations are made. If all transactions are posted to the operational databases the consolidation only takes a couple of hours to end up with the consolidated reports.

QR currently only consolidates at year end but will consider half yearly (or possibly quarterly) when incorporated.

3.13.2. Solution Recommendation

PA offers a Consolidations module, however does not recommend the implementation of this module at this time. QR should review the use of the Consolidations module at a later time.

3.14. Bank Reconciliation

3.14.1. Requirements

QR uses the SunSystems Bank Reconciliation module. The bank statement is downloaded from Corporate On-Line (Westpac) daily or as required. Payment transactions are generated from SunSystems, and receipts are interfaced into SunSystems from POS. QR do not believe they are using automatic journal presets for direct debits etc.

QR has a general bank account used for all payments and receipts which is maintained in the Queensland Racing general ledger. Both this account and the Apprentice Trust Account are reconciled through the bank reconciliation module.

Another bank account in ProductCo is reconciled using the module.

When deposits are received on the bank statement the transactions are entered into POS so that QR can issue a receipt for the deposit.

3.14.2. Solution Recommendation

PA recommends QR utilise the automatic journal generation functionality in the bank reconciliation module to further automate this process.

3.14.3. PA Deliverables

- Configure the bank reconciliation module for automated journal entries

3.14.4. QR Deliverables

- Identify bank statement transactions that can be automated for journal entry

3.15. Budgeting and Forecasting

3.15.1. Requirements

QR's budgeting cycle starts in March each year. Most costs are centralised but this has been spread out to departments more this year. Budgets are created in MS Excel.

The budgeting process starts by extracting actual transactions from SunSystems and using pivot tables to summarise. Transactions are extracted so that 'one offs' that wont be required this year can be identified.

Budgets are made up of the following sources:

- 95% income from one source
- 80% expenditure is prize money
- Payroll
- Fleet
- Admin costs
- Insurances

The full P&L budgets \$12m revenue from licence.

QR looks at number of races to be held and adjusts costs for CPI increases.

QR budgets look at trends, eg number of Saturday's in a year. Phasing is set by reviewing the last two years actual phasings and using a model to calculate the percentage per month for each expense by year. The model then shows the average percentage of the two years and this is used in the current budget. Some costs are averaged out for whole year.

Departmental budgets are prepared for certain costs, eg payroll including estimates of increases, travel allocation, however full P&L budget are not prepared at this level. Each department is given a budget allocation and has minimal input into it.

QR would like more accuracy in their budgets as they are looking for cost reductions and efficiencies. In addition, mangers are starting to take more interest in their budget and actual comparative reports.

Budgets will be re-structured differently next year with more granularity in the chart of accounts structure this year being reflected in the budget.

From July 1 2006 QR will start reporting performance against budget. Historically the budget was looked at as a whole, but now is being broken up into departments. Finance will prepare budgets but it will be a more interactive process when reviewing budget vs actual.

QR don't re-forecast during the year as forecasts are affected by prize money and wagering fees. For reporting purposes Y-T-D actuals and remaining budget are used, with adjustments made if budgeted expenditure is not being spent. It is considered that there are too many variables to have relevant forecasts, eg wagering revenue, racing events in other states and wash-outs. QR would like to improve this process.

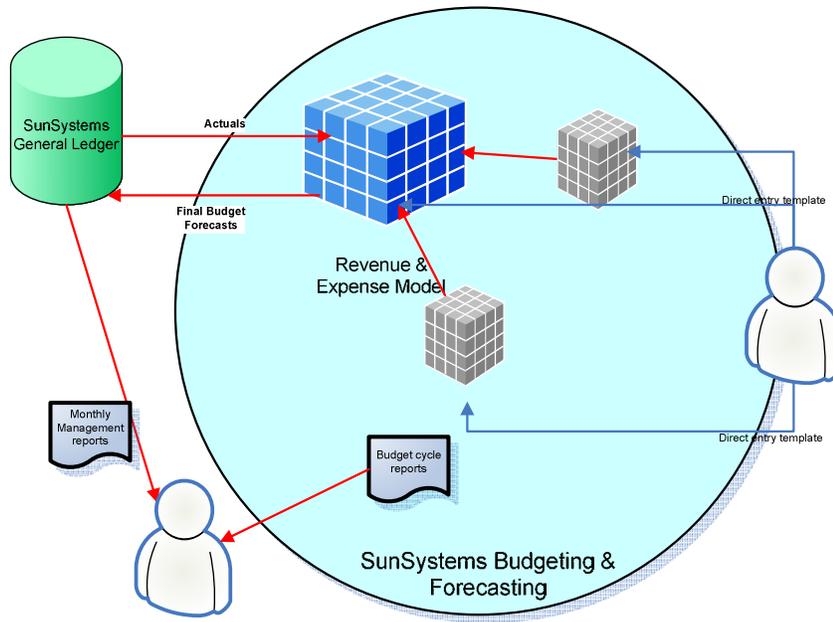
QR stated that the Balanced Scorecard and KPI dashboard would be more important than budgets but would probably be excluded because of cost.

3.15.2. Solution Recommendation

The SunSystems Budgeting the Forecasting module eliminates reliance on MS Excel and the risks inherent in using spreadsheets for the budgeting process and enables the development of robust budgeting and forecasting. Particular benefits are as follows:

- Aggregations, consolidations, roll ups, such as roll up by cost centre and function, are supported just as different views of the same data without the need for supplementary independent models and the risks they carry with reconciliation and duplicate data sets.
- Ability to create forecasts, combining actual and budget to create new versions to measure and report on.
- Removes the need for spreadsheet reliance accommodating logic, data, structure and security in a robust, secure and manageable way that can be relied in terms of data integrity, no macros' or links to maintain.
- Can hold a virtually unlimited number of budget versions or forecast scenarios.
- Accommodates "what if" scenarios to predict future outcomes based on revised assumptions.
- Flexible security controls access to budget data by user, data area and budget process stage in any combination.
- Includes basic workflow to manage budgetary process through to closure.
- Tight audit control.
- Flexible/configurable look and feel.

The SunSystems budgeting and forecasting process can be depicted as follows:



PA recommends that QR consider the use of the SunSystems Budgeting and Forecasting module at a later time.

APPENDIX A BENEFITS REALISATION

Issue / Process	Recommendation	Benefit
Supported Platform	Continue on SunSystems 4	QR are able to spend budget on areas that will provide greater operational benefits and generate a better ROI
Purchasing \ Accounts Payable	Implementation of iPOS	Electronic procurement will assist QR in streamlining the purchasing process and provide greater controls and improved data integrity
Prize money cheques	Amend the HORSES payment cycle so payments for swabbed horses are not made until the swab is cleared	Improve the integrity of prize money payments and the requirement to hold cheques
Graphical Menu User Option	Implement the Graphical Menu option	Updates the look of SunSystems 4 to a 'Window's look and feel
Debtor management	Implementation SunSystems Collect	Provides QR with a centralised, electronic debtor management system which is integrated with SunSystems

APPENDIX B PROJECT PLAN

See MS Project Plan

QR Project Schedule V1.0.mpp

APPENDIX C TERMS and CONDITIONS

All cost figures are exclusive of GST, unless otherwise stated.

The attached project plan (Appendix B) outlines the workdays and resources against each project phase. A summary by PA services rates is as follows;

PA RESOURCE	MS Project Ref	\$ Hourly Rate
PA Project Manager	PA-PM	\$180
PA Senior Consultant	PA-SCT	\$140
PA Technical Consultant	PA-TC	\$140
PA Administration	PA-AD	\$100

The consulting rates for this project have been discounted. Upon completion of this project the standard PA rates will apply.

All Hours are charged assuming work is completed by PA within the 8 hour standard working day.

Expenses incurred for travel will be recharged at cost.

Payment terms are 14 days after order placement for software and 14 days after invoice date for services.

After hours work (after 6 p.m.) will be charged at 1.5 times the standard rate on weekdays and 2.0 times for weekends.

Hard copy Training Materials will be charged at \$20 per copy.

All time estimates include work conducted on and off-site by the consultant on behalf of the client. This includes and is not restricted to: preparation, telephone conversations and administration in relation to the work being completed.

Cancellation or postponement of any services must be notified to Professional Advantage in writing; email jody_barnes@pa.com.au or fax to 07 3018 2442. Cancellation or postponement within two complete working days of commencement will incur the full consulting service charge, a maximum of five days. Cancellation or postponement within five working days of commencement will incur half the consulting service charge.

In the event that any invoice remains unpaid after it has become due for payment, PA becomes entitled to withdraw all services.

Failure to pay invoices within our credit terms will result in cessation of work and withdrawal of other Professional Advantage services.

APPENDIX D SUNSYSTEMS COLLECT BROCHURE

QUEENSLAND RACING LIMITED



IPOS SYSTEM DESIGN DOCUMENT

Author: Geoff Catsicas
Date: 2nd February 2009
Updated:
Version: 1.00

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Reviewers

Name	Company	Position
Paul Barter	Professional Advantage	Project Manager
Adam Carter	Queensland Racing Limited	Finance Manager
Murray Dyke	Queensland Racing Limited	Accountant

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1 INTRODUCTION

1.1 Executive Overview

This document outlines the iPOS design developed for Queensland Racing Limited (QR) by Professional Advantage (PA) as a result of the design workshops we ran with you recently.

PA undertook the workshop to determine how QR will utilise iPOS. Acceptance of the contents by QR provides a basis for proceeding with the implementation of iPOS.

The implementation will provide QR with the opportunity to support and enforce their purchasing policy and assist in meeting audit requirements.

This document provides an overview of the purchasing process to be implemented at QR and details of the design elements discussed and agreed during the workshop.

Initially iPOS will be configured for the Queensland Racing Limited entity only. Appendix B includes a list of the items, to be actioned, which were identified during the workshop and preparation of this document.

Business Process Management functionality (iPOS 3P) will be implemented as phase 2 of the project. The detailed requirements of iPOS 3P during phase 2 are not covered in this document.

Other future requirements which are not in the scope of the initial iPOS project (ie planned phases 1 and 2) are:

- The use of Punchout for electronic data exchange when purchasing from Corporate Office Supplies (COS)
- The implementation of iPOS for entities other than Queensland Racing Limited.

1.2 Acknowledgements

The success of the design workshop is largely attributed to the input from QR. Professional Advantage would like to thank all the staff at QR who participated in the workshops.

2 IPOS OVERVIEW

2.1 Key Elements

iPOS is an internet-based purchase order system that provides a web based requisitioning system for SunSystems. The business processes covered by iPOS include:

- Requisition entry
- Requisition approval
- Purchase order creation
- Goods Receipting
- Invoice entry and matching
- Invoice approval.

The primary features in iPOS are:

- iPOS provides intuitive user interface at all stages of purchasing
- iPOS shares the suppliers with SunSystems to allow you to maintain a single supplier master list
- iPOS allows you to create multiple addresses and contacts for each supplier
- iPOS allows you to create unlimited requisition lines
- iPOS allows groups of items be created with a standard template
- iPOS allows you to access and reference catalogue information online while creating requisitions
- iPOS has a multi-dimensional line level approval matrix for requisitions and invoices
- iPOS allows you to control over-expenditure
- iPOS allows you to automatically create a purchase order from online requisitions
- iPOS allows electronic delivery of purchase orders to suppliers
- iPOS provides security over the functionality that is available on the browser and iPOS administration
- iPOS integrates with SunSystems
- iPOS accommodates commitment and accrual accounting.

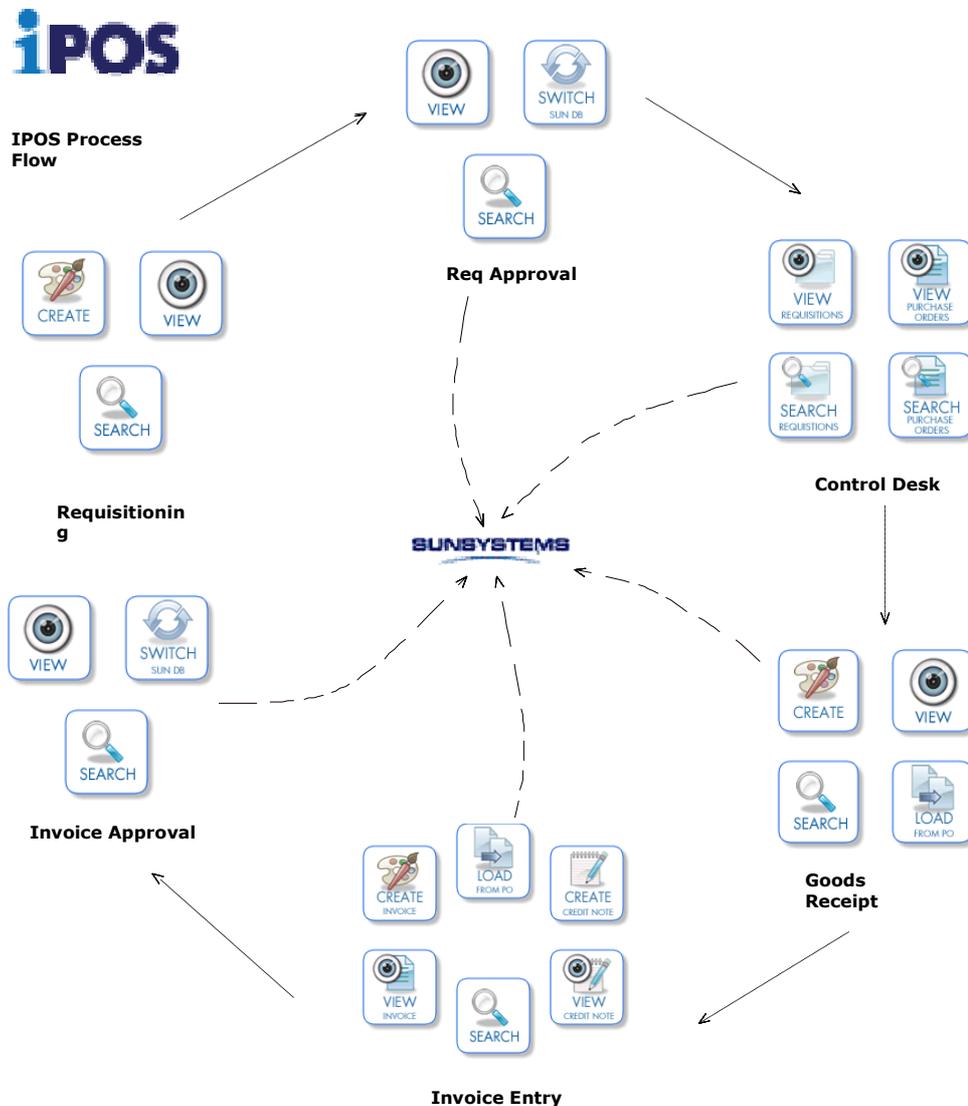
2.2 iPOS Process Flow

The iPOS solution encompasses the business processes for requisitioning, purchase order generation, goods receipting and invoice entry. Once complete, the next step is to generate payments in SunSystems (cheque or EFT).

The iPOS home page, displays the six main menu options available. See below:

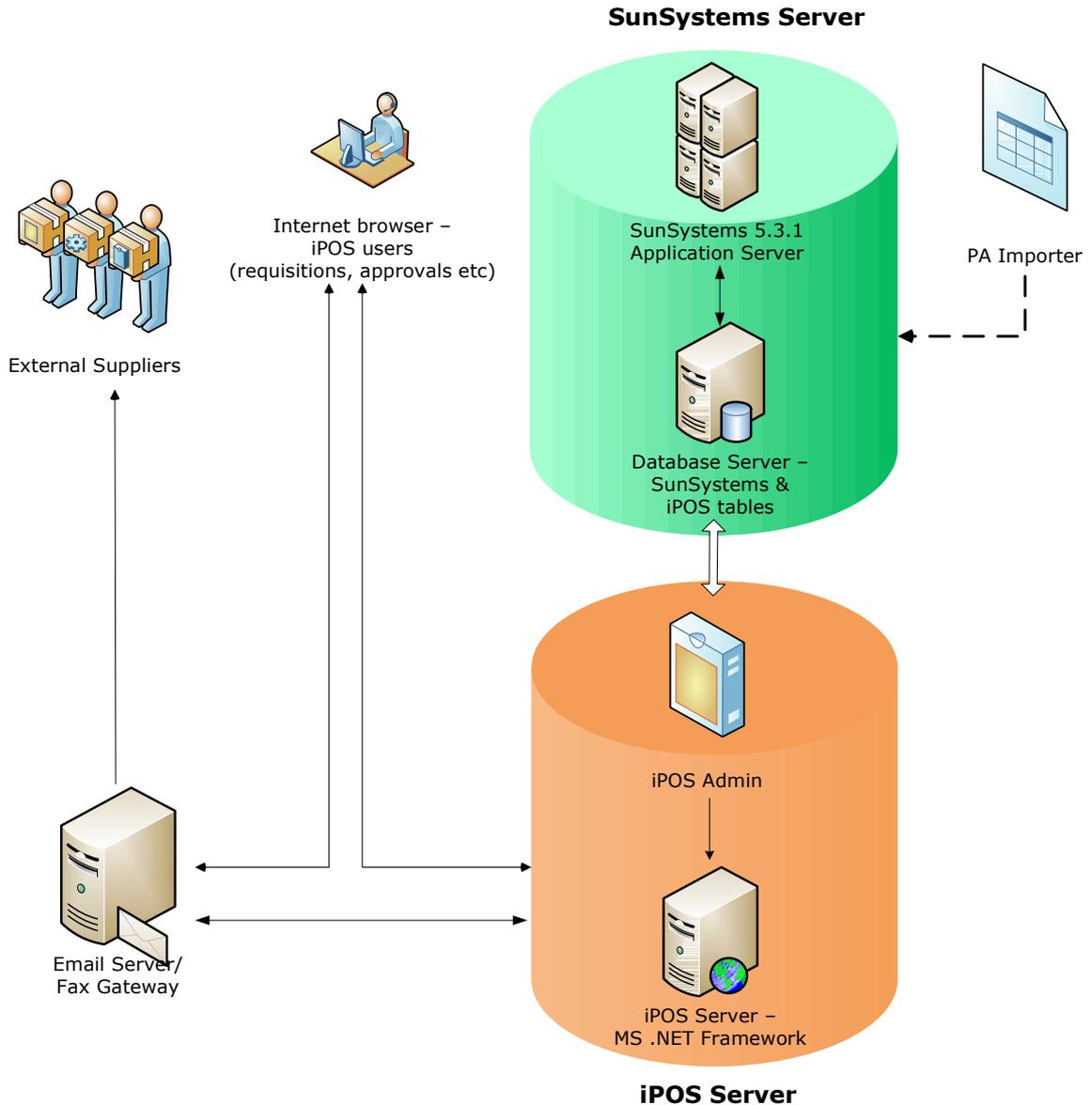


The diagram below illustrates the iPOS steps:



2.3 iPOS Infrastructure Diagram

The diagram below shows an overview of how the iPOS infrastructure inter-relates.



The majority of this document deals with the iPOS design/configuration elements. The iPOS Administration function (iPOS Admin) is used as the method to update the database design/configuration tables, as illustrated above, which reside on the SunSystems server.

PA will provide data migration templates to QR for the purpose of initially populating the iPOS Administration design/configuration element.

3 PURCHASING WITH IPOS

3.1 Overview

The workflow for corporate purchasing at QR will consist of the following:

- Requisitioning and Approval
- Purchase Order Generation
- Goods Receipting (selected items)
- Supplier Invoice Entry and Approval.

QR confirmed these workflows during the workshop. The following sections detail diagrams and main findings. PA used these findings as the basis for the iPOS design as defined in Sections 3 and 4.

The current QR purchasing policy was referred to frequently during the workshop. The policy was used as the basis for formulating the iPOS design. QR indicated that a number of changes will need to be made to the purchasing policy to reflect decisions made during the workshop. QR will also amend their purchasing procedures to reflect the changes in policy and also the implementation of iPOS.

This document describes the way QR will use iPOS based on discussion during the design workshop. The aim of the design is to meet the requirements of QR. This document does not cover exceptions to the purchasing policy.

QR identified the followings as the main use of iPOS:

- Central purchases (from within the Brisbane office)
- Regional purchases (Rockhampton, Townsville and Toowoomba).

The current purchasing workflow at QR involves a large number of manual procedures as highlighted in the Electronic Procurement Requirements Review issued in May 2008. With the implementation of iPOS, one of the main objectives for QR is to improve control and efficiencies with the aim to reduce manual procedures. QR has proposed the purchasing procedure outlined in the review document and as detailed in Appendix A.

Each of the following sections describes a key element of the purchasing process and how QR will complete it. In some instances QR will need to consider modifying some business processes / practises to encourage compliance.

3.2 Requisitioning

The procurement process begins with the request for an item or selection of items, known as a requisition. Using iPOS:

- Eliminates the need to have paper based requisitions as all submissions are online
- Online entry allows users to create requisitions with minimal initial data entry
- Automatically creates distribution details based on the information selected by the user, wherever possible (ie user id, item, etc)
- Online requisitioning provides QR with the basis to negotiate and enforce preferred supplier agreements
- Enforces the approval process and allows QR to manage purchasing centrally
- Up to 6 level of sequential approval are available on a line by line basis.

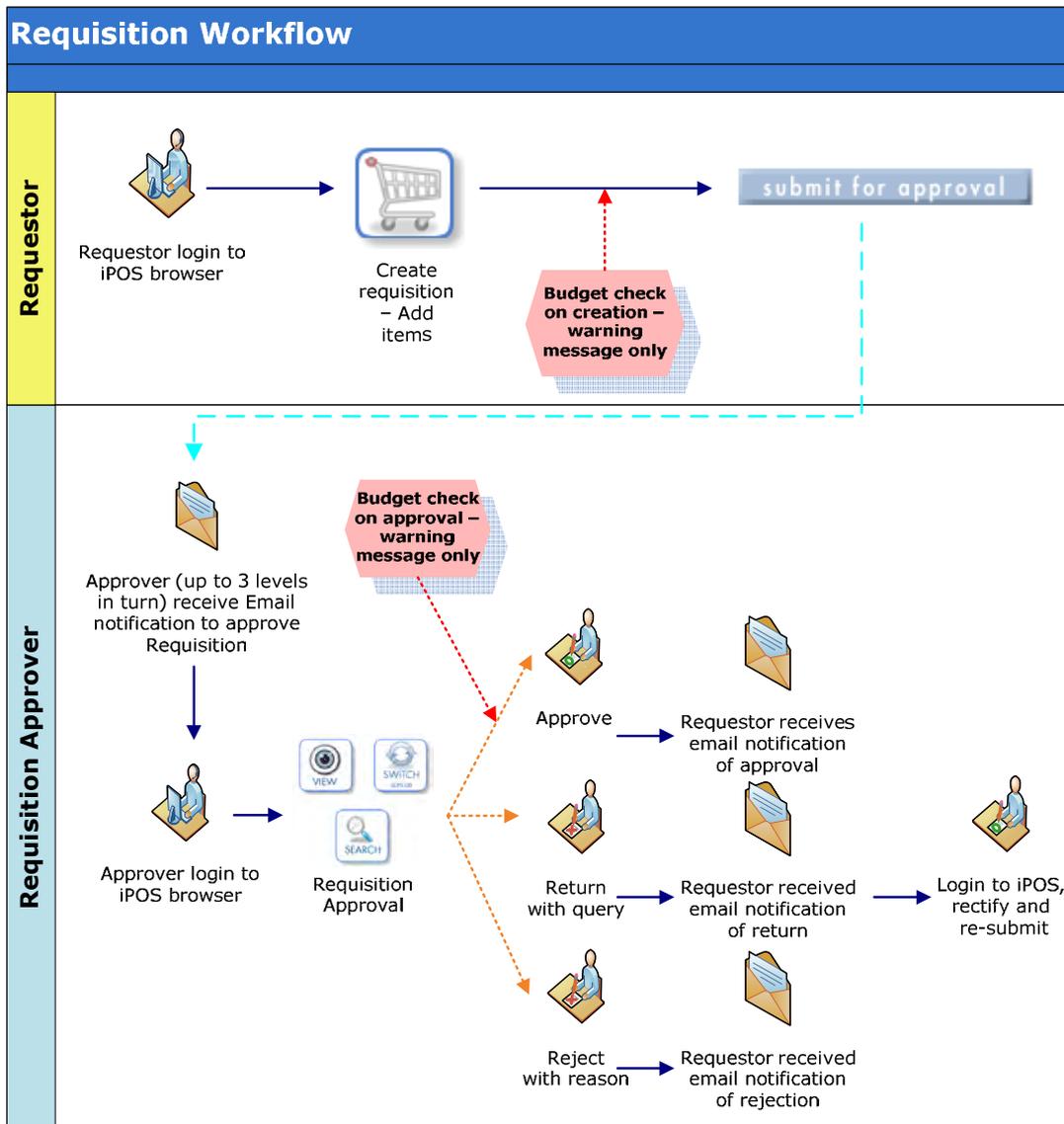
In addition, iPOS will allow QR to:

- Distribute expenses across Cost Centres and Functions
- Use requisition templates for frequently requested items
- Source requisitioned items from catalogues using approved supplier lists
- Cancel requisitions for goods that are no longer required.

The next section describes the activities involved in the requisitioning cycle for QR.

3.2.1 Requisitioning Workflow

The following diagram describes the requisitioning process at QR:



The major points were:

- QR need to identify exceptions to the overall purchasing policy and will need to develop manual procedures to administer these exceptions
- All QR requisitioners will have access to iPOS which means a reduction in manual procedures and paper work from existing workflow
- QR does not require soft commitments posting at requisition entry or approval.
- The requisition approval matrix will be based on a combination of Account, Cost Centre (Transaction Analysis 1), Function (Transaction Analysis 3) and line value

- QR will activate budget checking warnings (ie over budget check) when requisitions are created and on requisition approval against Year To Date amounts in the QR budget (F ledger), actual ledger (A ledger) and hard commitments from outstanding orders(C ledger)
- Initially users will be able to override the budget checking warning however from July 2009 QR will prevent this override (budget warning messages will show over budget amounts)
- Budget checking is to be performed at Account, Cost Centre (Transaction Analysis 1), Function (Transaction Analysis 3) and Project (Transaction Analysis 2) level
- It will be QR's responsibility to ensure that budgets are loaded at the correct level of detail
- The hard commitment ledger (C ledger) currently contains history and will need to be cleared
- Restriction are to be imposed on which suppliers can be used by regional offices
- Requisition document printing is not required by QR
- For purpose of identifying late approvals, QR require notifications to be sent to administrators after 5 days of submitting a requisition (to be reviewed during acceptance testing and after go live)

3.2.2 Requisition Creation

Brisbane and regional users will create a requisition in iPOS for goods and services to be procured from external suppliers only. Internal suppliers (eg a stationery store room) are not required at this stage.

Requisition delivery address will default for each user from the user's group profile settings. The user will be able to select alternative delivery locations depending on permissions. Users can add special delivery instructions in the free text item description field if required.

Distribution codes (ie combination of Cost Centre, Function and Project Transaction Analysis codes) will also default for users from the user's group profile settings. The user will be able to select from alternative distribution codes depending on permissions at both the requisition header and line item level. Note: the Transaction Analysis codes attached to distribution codes are used by the requisition approval process and when entries are posted to SunSystems.

While iPOS allows free format lines (ie no item code selected) to be entered on a requisition, QR will enforce the entry item codes. This will enable a number of line entry fields to be preset such as GST code, account code and description for ease of entry.

The user can select an item in several ways:

- By selecting an item from the item list
- By selecting an item from a catalogues
- By selecting an item from a templates
- By selecting an item from the user’s own favourites

The quantity will default to one on requisition lines however may be overridden and users will enter the unit purchase price when completing the line. QR indicated that item unit prices will not be predefined for items and supplier.

On most occasions, the requisitioner will amend the line description. The description is to be posted in ledger entries to SunSystems and QR have indicated that it must contain a description related to the specific purchase not a generic item description.

Depending on the item selected and the delivery address, the supplier details will default. This feature will assist in the enforcement of preferred supplier agreements. QR will need to identify the preferred supplier for each item.

Restriction are to be imposed on which suppliers can be used by regional offices. iPOS Address Locations will be assigned to delivery and supplier addresses to enforce this requirement.

Users will be forced to enter the required delivery date on requisitions, this will allow QR to identify and return goods received after the required date if required.

The user is also able to input notes to the approver, receiver and buyer, as well as attach documents which may support the purchase request ie quotes, prior authorisation etc.

When the user submits the requisition for approval, the system will perform budget checking and then send an email to members of the first approval group specified in the requisition approval matrix based upon account code, Cost Centre (Transaction Analysis 1), Function (Transaction Analysis 3) and line value.

3.2.3 Requisition Approval

The requisition approval matrix defines the requisition approval process.

QR has a number of approval requirements that will determine the required approval levels. These include:

- Account code
- Transaction Analysis 1 – Cost Centre
- Transaction Analysis 3 – Function
- Value.

QR has delegation levels according to value for each Cost Centre/Function combination. Examples are:

Account	Cost Centre	Functions	Value	1 st Level Approval Groups	2 nd Level Approval Groups	3 rd Level Approval Groups
All except 6113 and	01 (IT)	IT, MA (Marketing) and	<= \$2,000	IT Manager		



Account	Cost Centre	Functions	Value	1 st Level Approval Groups	2 nd Level Approval Groups	3rd Level Approval Groups
6123		VG (Videographer)				
All except 6113 and 6123	01 (IT)	IT, MA and VG	>\$2,000 and <=\$10,000	IT Manager	Finance Manager	
All except 6113 and 6123	01 (IT)	IT, MA and VG	>\$10,000	IT Manager	Finance Manager	Chief Operations Officer
6113 and 6123	All	All	<= \$2,000	Company Secretary and Legal Compliance Officer		
6113 and 6123	All	All	>\$2,000 and <=\$10,000	Company Secretary and Legal Compliance Officer	Finance Manager	
6113 and 6123	All	All	>\$10,000	Legal Manager	Finance Manager	Chief Operations Officer
All except 6113 and 6123	All	RC (Racing) and HC (Handicapping)	<= \$10,000	Racing Manager or Finance Manager		
All except 6113 and 6123	All	RC (Racing) and HC (Handicapping)	>\$10,000	Racing Manager or Finance Manager	Chief Operations Officer	

iPOS will send an email to members of the first level approval groups notifying them that a submitted requisition line is awaiting for approval. When approved by any member of these approval groups, an email is sent to members of the second level approval groups (if applicable). When approved by any member of these approval groups, an email is sent to members of the third level approval groups (if applicable). The process continues until all levels of approval have provided.

An approver has the ability to approve, reject or return the requested line. The system will send an email notification to inform the requestor of the requisition line status when the final approval level has been provided or when the requisition has been returned (eg approver needs more information) or reject (eg request denied).

The system will perform budget checking when a requisition is approved (and at requisition creation as mention previously).

Where a requisition line does not match any of the approval matrix criteria, the requisition is to be forwarded to the Accountant and Finance Manager as Administrative Users.

In addition, should a requisition line not be approved within five calendar days, an email notification will be sent to the Accountant and Finance Manager as Administrators of the system. The Administration Authority has the responsibility of ensuring that the requisition line is actioned by either approving (within delegation) or redirecting to another approver.

This will be achieved by creation of the following Administration Authority Matrix in iPOS.

Account	Cost Centre	Functions	Value	1 st Level Approval Groups
All	All	All	>=\$0	Finance Manager and Accountant

3.2.4 Requisition Maintenance

While the system does allow users to amend, cancel and delete approved requisitions; QR will restrict access to this functionality to designated user groups only.

3.2.5 Future Requirements

During the design workshops, the attendees recognised the following as process automations which should be included in phase 2 of this project:

- New Supplier approval and creation process
- Inclusion of iPOS Supplier Address details in the new supplier creation component of the above process
- Inclusion of iPOS Address Location details in the new supplier creation component of the above process
- New Item creation request.

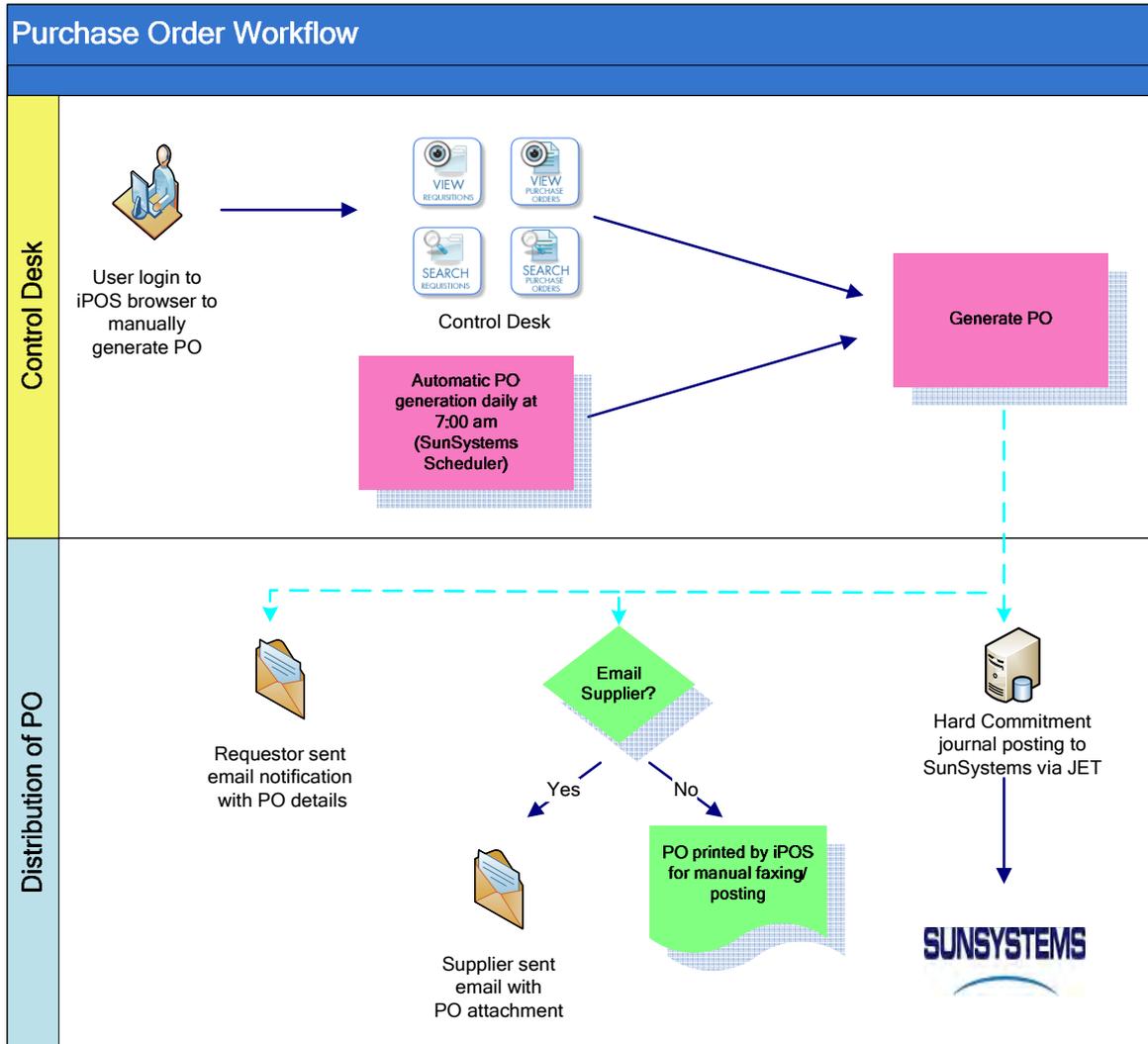
3.3 Purchase Orders

iPOS allows Purchase Orders related to approved requisitions to:

- Be generated manually by designated user groups
- Be generated automatically by a scheduled system process
- Be printed, emailed or faxed (if fax gateway available) to suppliers
- Consolidate requisitions for the same supplier and delivery address on to one order.

3.3.1 Purchase Order Workflow

QR described their purchase order process requirements as follows:



The major points were:

- Using the iPOS Administration function, QR will nominate for each supplier address whether the purchase order is to be mailed (ie print and manually fax or post) or emailed automatically to the supplies
- All requestors will have the ability to enter the control desk and manually generate purchase orders
- Orders for approved requisitions will be generated at 7:00 am each working day and will include only those requisitions for which an order has not been manually generated
- Automatic faxing will not be required as QR do not have a fax gateway
- The system will not consolidate multiple requisitions having the same supplier address on a single purchase orders
- When a purchase order is generated, the system will record a hard commitment and post a journal to the 'C' ledger in SunSystems

- Commitments will be posted excluding GST
- Commitment journal entries will be posted to SunSystems at the time the order is generated (batching not required)
- QR has provided PA a copy of the existing manual Purchase Order form and indicated that this will not be used as the basis for the iPOS generated Purchase Orders
- PA has provided a sample PO layout for consideration
- QR to provide PA with the required PO layout prior to commencing the iPOS configuration.

3.3.2 Purchase Order Generation

QR intends to send purchase orders to suppliers by e-mail, or fax/mail using a printed hard copy. This will be achieved by indicating the appropriate Documents By option on the supplier address details using the iPOS Administration function.

Once the approver approves a requisition, QR will manually generate an order if it required immediately using the Control Desk function or the system will generate orders automatically at 7:00 each morning (will only include approved requisitions which have not had an order created previously).

The auto-generation of purchase orders feature in SunSystems Scheduler will be activated.

All orders printed (not those emailed) are to be printed on the Finance Printer in the Deagon office (this includes regional orders). If users wish to print a copy of the PO, they can print 'PDF' versions of the purchase order via viewing on the web browser.

QR will need to communicate order processing changes to their suppliers to ensure disruption of supply is minimal. QR may consider including a statement on the purchase order to advise their suppliers that order is generated electronically and does not require a signature.

QR will not consolidate requisitions by supplier since different locations could purchase from the same supplier.

Upon generation of the purchase order, the system will post hard commitment transactions to the 'C' ledger in SunSystems.

3.3.3 Purchase Order Maintenance

Requestors are able to view the status of their purchase orders at any stage of the purchasing cycle.

Requestors will also be able to cancel (ie delete) purchase orders.

iPOS allows requestors to modify and/or add a line to an existing purchase order. When these changes are made, the line(s) will go through the approval process as a new requisition. Once the approver approves it, the system will update the existing PO. QR would like to disable this feature for all users/groups to avoid sending duplicated PO to the supplier.

3.3.4 Future Requirements

QR indicated that they would like to implement electronic data interchange between themselves and Corporate Office Supplies (COS) for the purpose of obtaining current product catalogued prices during the requisition process and electronic lodgement of the order once approved. QR anticipates that this should be implemented by the end of December 2009.

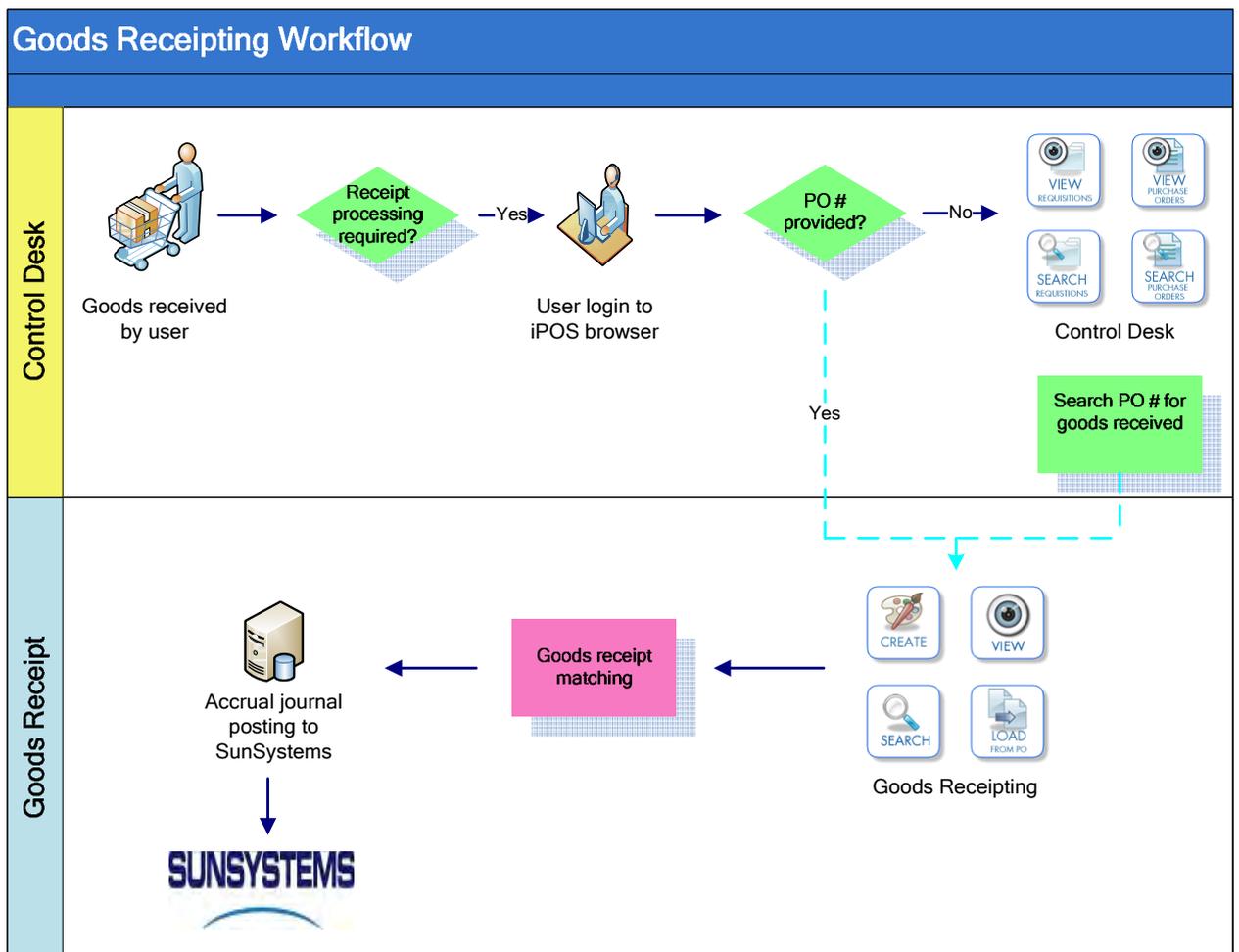
3.4 Goods Receipting

Goods and services items which have been ordered from supplier are able to be receipted. Supplier invoices for these items will not be accepted unless the goods and services have been received.

Implementation of goods receipt minimises the communication required between Accounts Payable staff and the receiver.

3.4.1 Goods Receipting Workflow

QR describes their goods receipting process as follows:



The major points were:

- QR will require goods receipting for purchase of most items
- QR will set goods receipting tolerances with 10% or up to \$100
- QR requires accrual entries to be posted to the actual ledger in SunSystems
- Accrual journal entries will be posted to SunSystems at the time the goods receipt is submitted (batching not required)
- Goods receipt document printing is not required by QR
- QR requisitioners will need to know which goods require receipting
- For purpose of identifying late receipts, QR require notifications to be sent after 2 days following the expected delivery date (to be reviewed during acceptance testing and after go live).

3.4.2 Goods Receipting

The GRN process in iPOS allows QR to maintain controls on items purchased through the receipting process. iPOS allows for variances (from the Purchase Order) depending on tolerance level nominated for the goods receipting process.

QR will also be able to record delivery details for each receipt (eg delivery docket numbers).

QR decided that selected (and will be most) items purchased will require goods receipting. QR will ensure the item established will reflect this requirement when populating the data migration templates and when performing ongoing maintenance.

It will be the responsibility of requestors to complete the goods receipt matching process. The goods receipting tolerance will be established as 10% and up to \$100.

QR requires accrual entries posting to the actual ledger in SunSystems at the time the goods receipt is submitted. Accrual posting entries will not be batched. Upon invoice line approval (automatic or by an approver), iPOS will also reverse the purchase order hard commitment entries in the commitment ledger.

3.4.3 Goods Receipt Maintenance

QR will restrict the ability to modify a GRN to administrators only.

3.5 Supplier Invoice Processing

Supplier invoices associated with a Purchase Order will not be accepted by iPOS unless the goods have been received. Items which do not require receipting are the exception to this rule. Invoices not associated with a Purchase Order are also able to be entered.

Either all invoice lines or only invoice lines which exceed a specified tolerance from the original order can be re-approved. Up to 6 levels of invoice approval are available within iPOS. Approvers are notified by email of invoice lines requiring approval.

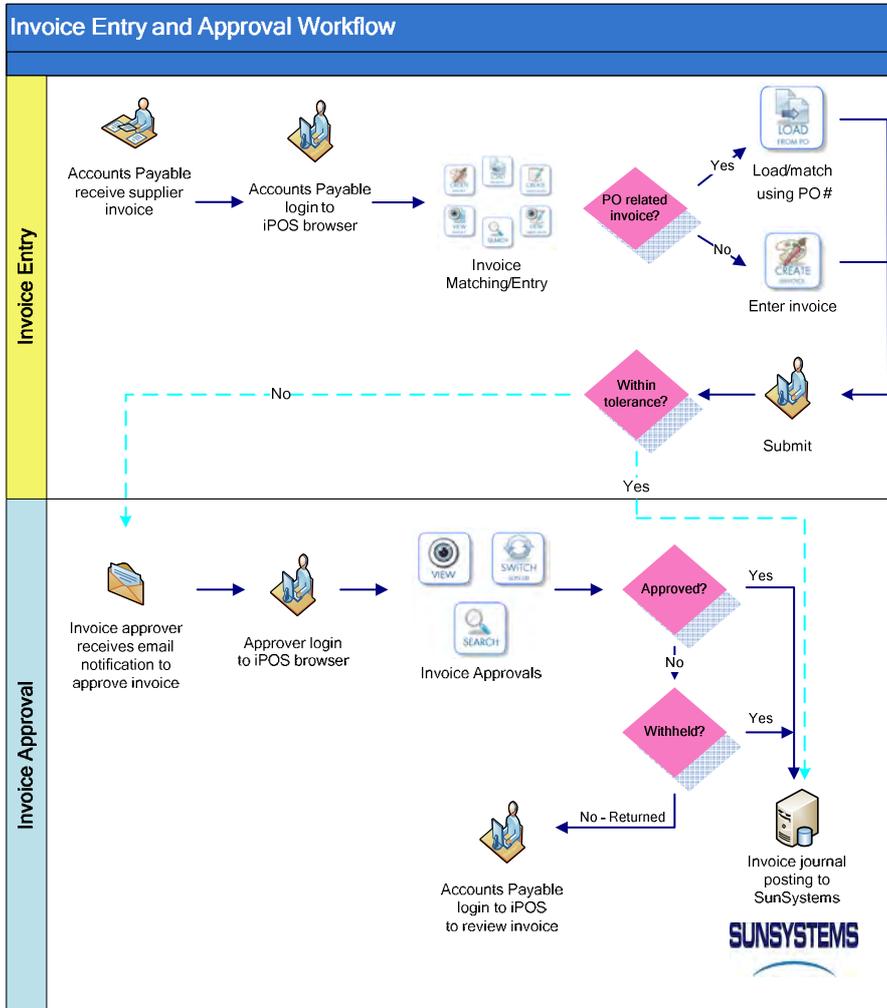
SunSystems invoice related entries can be posted at invoice matching/entry stage (ie an accrual) and also on approval of the invoice.

Suppliers are paid from SunSystems via the Accounts Payable module.

Credit note entry is also available in iPOS.

3.5.1 Invoice Entry/Approval Workflow

QR described their supplier invoice entry approval process as follows:



The major points were:

- QR will use invoice approval tolerances of 10% up to \$100
- All order related invoice lines that are outside of the set tolerance will require additional approval
- All invoice lines entered into iPOS that are not related to an order will be outside the tolerances and will require approval
- Credit card and petty cash purchase processing will continue to as current, QR will ensure purchasing policy is upheld for these purchases
- QR does not require approvals for invoices lines that match purchase orders within the tolerance specified

- QR will define the invoice approval matrix (this will be the same as the requisition approval matrix)
- Only the Accounts Payable department will have the ability to input a supplier invoice (with or without a purchase order)
- Invoice journal entries will be posted to SunSystems at the time the invoice receipt is approved (batching not required)
- Invoice accrual journal entries which are able to be posted by iPOS when an invoice is submitted, and prior to approval, are not required by QR
- Invoice document printing is not required by QR
- For purpose of identifying late approvals, QR require notifications to be sent to administrators after 5 days of submitting an invoice (to be reviewed during acceptance testing and after go live).

3.5.2 Supplier Invoice Entry

Accounts Payable staff will match (for order related invoices) or enter (for non-order related invoices) supplier invoices.

This process relies heavily on suppliers displaying purchase order numbers on invoices as such the notification to suppliers suggested previously is extremely important.

Any invoice line entered which is associated with a purchase order will only require approval if it is outside the tolerances nominated. The approver will be determined by the invoice approval matrix (same as the requisition approval matrix). The system will automatically approve those invoices within the tolerances.

Any invoice line entered which does not have a purchase order will require approval. The approver will be determined by the invoice approval matrix.

QR Account Payable staff will not be able to perform invoice matching for any purchase order lines, that require a goods receipting, if the receipt has not been processed. They will need to contact the requisitioner and notify them that the receipt must be processed before the invoice can be processed.

The system will allow Accounts Payable staff to enter additional lines on invoices (eg for delivery charges).

QR Account Payable staff will enter a description in the invoice header Comments field of all invoices. This will be used as the description on creditor entries posted to SunSystems (subsequently printed on payment remittances).

Utilities (eg Electricity and rates) are examples of invoices not related to a purchase order. QR will use the capability of distribution codes to automatically distribute these utilities to a number of Cost Centre and Functions. During the workshop, QR indicated that the basis for the distribution may either be number of staff or a percentage.

3.5.3 Supplier Invoice Approval

iPOS will automatically approve a supplier invoice lines that matches a purchase order provided the invoice is within the tolerance levels. Invoice entries will be posted to SunSystems and made available for consideration during normal payment processing.

Approvers will receive an email notification of invoice lines outside tolerance. They will need to review these invoice lines and take one of the following actions:

- Approve – invoice entries will be posted to SunSystems
- Withhold – invoice entries will be posted to SunSystems with a status of withheld from payment
- Return – approver requires more information regarding the requisition, order or invoice, no SunSystems invoice entries are posted.

Upon invoice line approval (automatic or by an approver), iPOS will reverse the goods receipt accrual entries in the SunSystems actual ledger for items which require goods receipting. For items which do not require goods receipting, the hard commitment entries in the SunSystems commitment ledger will be reversed.

3.5.4 Credit Note Entry

Credit notes will be entered only by Accounts Payable staff.

QR indicated that all credit note entered in iPOS require approval. The approver is to be determined using the invoice approval matrix.

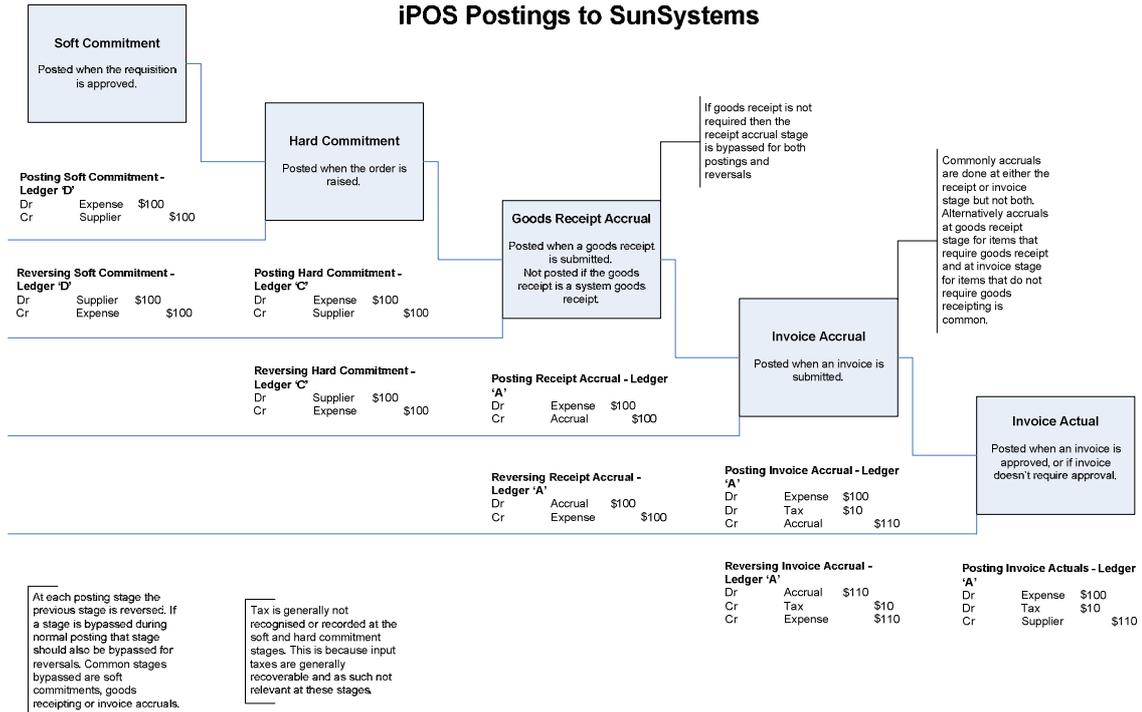
Credit notes can be associated with an existing invoice (ie amounts in dispute) or independent of an existing invoice.

3.6 Accounting

3.6.1 SunSystems Ledger Postings

QR has nominated the stages of the electronic procurement process where ledger entries are to be posted to SunSystems (ie purchase order generation, goods receipting and invoice approval). The following diagram explains all possible stages in iPOS at which SunSystems ledger entries may be posted.

iPOS Postings to SunSystems



The iPOS configuration can be amended to post SunSystems ledger entries at any of the stages described above should QR determine that they are required in the future. Entries which will be posted to SunSystems are:

Account	Trans. Date	Period	Trans. Ref.	Trans. Desc.	Amt	Debit/Credit
Purchase Order – Commit. Ledger C						
Accrual – 21103	Order Date	Based on Process Date	"iPOS" + iPOS Order No.	Line Desc.	Net	Credit
Account from line item	Order Date	Based on Process Date	"iPOS" + iPOS Order No.	Line Desc.	Net	Debit
Goods Receipt – Actual Ledger						
Accrual – 21103	Process Date	Based on Process Date	"iPOS " + iPOS Order No.	Line Desc.	Net	Credit
Expense/Capital from line item	Process Date	Based on Process Date	"iPOS " + iPOS Order No.	Line Desc.	Net	Debit

Account	Trans. Date	Period	Trans. Ref.	Trans. Desc.	Amt	Debit/Credit
Invoice Approval – Actual Ledger						
Supplier	Supplier Invoice Date	Based on Process Date	Supplier Invoice Ref.	Comment (from Invoice header)	Gross	Credit
Expense/Capital from line item	Supplier Invoice Date	Based on Process Date	Supplier Invoice Ref.	Line Desc.	Net	Debit
GST Account – 11204	Supplier Invoice Date	Based on Process Date	Supplier Invoice Ref.	Comment (from Invoice header)	GST	Debit
Credit Note Approval – Actual Ledger						
Supplier	Supplier Invoice Date	Based on Process Date	Supplier Invoice Ref.	Comment (from Invoice header)	Gross	Debit
Expense/Capital from line item	Supplier Invoice Date	Based on Process Date	Supplier Invoice Ref.	Line Desc.	Net	Credit
GST Account – 11204	Supplier Invoice Date	Based on Process Date	Supplier Invoice Ref.	Comment (from Invoice header)	GST	Credit

While expense/capital and accrual ledger entries identified above should always be posted in detail (ie one for each requisition/distribution line), Supplier and GST entries should be summarised.

Commitment and goods receipt accrual entries will be reversed automatically at the next stage of the purchasing cycle in iPOS.

QR also requires the following:

	Journal Type	Journal Source	Other
Purchase Order	1GJ	iPOS	
Goods Receipt	1ACR	iPOS	
Invoice Approval	3APIP	iPOS	SunSystems Transaction Analysis 8 (Creditor Code) to be populated with the creditor code on expense/capital and GST lines SunSystems Transaction Analysis 0 (POS Receipt Reference) to be populated with the iPOS Purchase

	Journal Type	Journal Source	Other
			Order number on all invoice entries
Credit Note Approval	3APIP	iPOS	SunSystems Transaction Analysis 8 (Creditor Code) to be populated with the creditor code on expense/capital and GST lines

QR will ensure that Journal Type "3APIP" allows Transaction Analysis 0 to be posted in SunSystems.

Requisitions, receipts and invoices will not be raised against Fixed Asset in SunSystems. A clearing account will be used for these purchases. Entries in the clearing account will be reversed and posted to the appropriate assets via SunSystems.

3.6.2 JET and Validation Strings

Journal Entry Thin (JET) is the posting engine used by iPOS in order to post entries to the SunSystems ledger. All journals generated by iPOS are passed through JET.

JET has the ability to perform validation of all journal components against the SunSystems reference data. One of these validation abilities is the use of 'Analysis Strings' to define combinations of transaction analysis codes (T-codes) and accounts that are acceptable. These strings can be defined and maintained within JET. iPOS will refer to the 'analysis string' when it attempts to post into SunSystems. If the combination of analysis on the requisition is not available as a valid string in JET, iPOS will be unable to create the journal and will give an error message. The user can then alter the distribution as required in order to select a valid string.

JET validation strings will not be required by QR.

3.7 Reporting

Below is a list of the standard iPOS reports. QR also has the ability to use Advanced Inquiry and Query and Analysis to interrogate iPOS data. QR will evaluate the standard reports during acceptance testing and after go live. If changes to the standard reports are required, a change request will need to be raised.

No.	Report Name
1	Aged Outstanding Goods Receipts
2	Aged Invoices Requiring Approval
3	Aged Outstanding Purchase Orders
4	Approval Matrix Details
5	Approval Group Users
6	Cancelled or Deleted Orders
7	Catalogues by Group Profile
8	Delivery Addresses by Group Profile

No.	Report Name
9	Distribution Listing Code
10	Distribution Listing Detail
11	Distributions by Group Profile
12	Group member listing
13	Invoice Audit Detail
14	Invoice Listing
15	Invoice without Purchase Order Listing
16	Invoices Exceeding Tolerance
17	Invoice Barcode
18	Invoices Pending Approval
19	Items by Catalogue
20	Items by Template
21	Items not in a Catalogue
22	Open Orders
23	Order Audit Detail
24	Orders with dates later or equal to Invoice Date
25	Purchases by Period by Purchase Account
26	Purchases by Period by Supplier
27	Purchase Order
28	Purchases by value
29	Purchases by Item
30	Purchases by Period
31	Purchases by Period by Item
32	Purchase Orders Raised
33	Purchase by Supplier - Detailed
34	Purchases by Supplier - Summary
35	Receipt Audit Details
36	Report Folders by Group Profile
37	Requisitions by User
38	Requisition Profiles by Group Profile
39	Requisition Audit Details
40	Requisition Line Status
41	Requisition Listing
42	Requisitions approved
43	Requisitions pending Approval
44	Templates by Group Profile
45	Users approving own requisitions
46	Users by Group Profile

3.8 Automated Tasks

The SunSystems Scheduler function will be installed and configured so that certain (iPOS browser) tasks are regularly performed. iPOS tasks that can be scheduled to run automatically are:

- Administration Authority and late goods receipt email notifications
- Automatic generation of purchase orders
- Requisition updates following changes to the approval matrix.

3.8.1 iPOS Send Email

This enables the Administration Authorities specified in the approval matrix to be notified where late approval are present and also sends overdue goods receipt reminders to users.

This function will be activated and scheduled to run Monday through Friday at 10:00 am.

3.8.2 iPOS Generate Orders

Automatically generates purchase orders for approved requisitions which have not been generated manually.

This function will be activated and scheduled to run Monday through Friday at 7:00 am.

3.8.3 Update Approvers

This function reviews submitted requisitions and invoices which have not been approved in iPOS. It will correct the approver(s) if changes have been made to the approval matrices.

This function will be activated and scheduled to run Monday through Friday at 5:30 pm.

3.9 General Administration

3.9.1 Items, Item Analysis, Templates and Catalogues

Creation of predefined Item codes allows product information and transaction codes to be defaulted during requisition entry record. An item can be as detailed or generic as desired. Information such as the unit of measure, description, status, supplier item code, purchase account, GST code, receipting method and other details can be recorded against each item. This information is then defaulted when the item is used in requisition, invoice or credit note entry. This will reduce coding errors, ensure correct approval processes are followed and significantly speed up data entry.

Purchase prices including price breaks based on number of units and pricing for a limited date range can be recorded and applied in the system.

Items can be linked and ranked against Suppliers.

iPOS introduces Q Codes (Q-00, Q-01 etc) which can be used to analyse or group Items. Item codes can be selected a number of ways in iPOS, via a full item list, based on their item category, or from a template or catalogue list.

During the workshop, QR did not identify any requirements for Q Codes.

Specific SunSystems Transaction Analysis Code values can also be associated with an item. These values are used when accounting entries related to the item are posted to SunSystems. QR only requires the use of the GST Transaction Analysis Code on items.

A catalogue is a list of selected items. For example, legal and consultancy items could be included in a catalogue. All items need to be part of at least one catalogue. Access to catalogues can be restricted at a group profile level. Therefore, access to legal and consultancy items could be given to a specific group of users (eg Finance and Legal).

Users have the ability to create a list of commonly used items. These are stored in the 'My Favourites' area and linked to the user id.

Administrators are able to create combinations of items which are frequently purchased at the same time. These are known as Templates and are used by requisitioners during requisition creation. Initially Templates will not be used by QR, however, purchasing trends will be monitored to determine the templates required and which items should be included in each.

Below are examples of the setup required for QR items.

Item Code	Description	Account	GST Code	Catalogue	Receipt Required
LEGALFEES	Legal Fees	6123	G	Legal and Consultancy	Yes
CONSFEESSWARE	Consultancy Fees – Software	6113	G	Legal and Consultancy	Yes
CONSFEESSACCT	Consultancy Fee - Accounting	6113	G	Legal and Consultancy	Yes
PAPERWHITE	White Paper	TBA	G	General Items	Yes
PAPERPINK	Pink Paper	TBA	G	General Items	Yes

Each item in iPOS must be included in an Item Catalogue. All legal and consultancy items will be included in a "Legal and Consultancy" catalogue while all remaining items will be included in a "General Items" catalogue.

QR will provide complete list of Item codes using the data migration templates provided by PA.

3.9.2 Distributions

Distribution Codes are created to identify combinations of SunSystems Transaction Analysis codes required during requisition entry. Entries posted to the SunSystems ledger can then include this analysis, and the leader analysis specified on item codes, to ensure financial and management reports are complete and accurate.

The Transaction Analysis Codes can also be incorporated in the requisition and invoice approval matrices when determining the appropriate approval group.

Below are the SunSystems Transaction Analysis Codes and their applicability to iPOS Distribution Codes.

Transaction Analysis Code	Required for iPOS Distribution Codes
Point of Sale Receipt Number (T0)	No
Cost Centre (T1)	Yes
Project (T2)	Yes
Function (T3)	Yes
FBT Applicability (T4)	No
Marketing Event (T5)	No
GST Flag (T6)	No
IT Location (T7)	No
Creditor Code (T8)	No
Transaction Analysis 9 (T9)	Not used

On implementation of iPOS, Distribution Codes will need to be created to accommodate the purchasing for current Cost Centres and Function. To illustrate, below is an example of a Distribution Code which might be created for this purpose.

Distribution Code	Description	Cost Centre	Project	Function
SEST	South-East Qld Stewarding	01 (Brisbane)		ST (Stewarding)
SESTST	South-East Qld Stewarding Synthetic Track	01 (Brisbane)	ST (Synthetic Track)	ST (Stewarding)

When a new Project has been approved, new Distribution Code(s) will be created.

QR will provide complete list of Distribution Codes using the data migration templates provided by PA.

3.9.3 Suppliers

Supplier information is read directly from SunSystems, therefore for a supplier to be available in iPOS it will need to be created in SunSystems first.

Suppliers will only be created in SunSystems as specified by QR's purchasing policy in regard to suppliers.

Accounts Payable will ensure all SunSystems Supplier accounts to be used in iPOS will have an account analysis code (A Code) value of "S" (ie iPOS Supplier). All other suppliers will not be accessible in iPOS. SunSystems Account Analysis Code 4 (A-Code 4) will be created in SunSystems and labelled iPOS Account Type and used for this purpose.

Finance will need to nominate in iPOS order distribution method (ie mail, email or facsimile) required for each supplier.

iPOS also allows for multiple suppliers to be linked to multiple items, and ranked in order of preference. QR will nominate the preferred suppliers for items as required.

QR will provide complete list of items for each Supplier using the data migration templates provided by PA.

3.9.4 Internal Suppliers

Suppliers can be defined as internal or external supplier. Internal suppliers can be used as an internal location where no costs are incurred. Thus we can raise requisitions against an internal 'store' eg stationary supplies etc.

No postings to SunSystems are made when transactions are processed against internal suppliers. In addition, internal supplier orders cannot be processed past the raising of the purchase order.

QR has elected not to utilise internal suppliers within iPOS.

3.9.5 Purchasing Accounts

Finance will ensure Profit and Loss and Balance Sheet accounts to be used in iPOS have an iPOS Account Type account analysis code (A Code) value of "P" (ie iPOS purchasing account). All other profit and loss, balances sheet and debtor accounts will not be accessible in iPOS. SunSystems Account Analysis Code 4 (A-Code 4) mention previously will be created in SunSystems and used for this purpose.

3.9.6 Delivery Addresses

Delivery addresses will be created in iPOS by Accounts Payable staff. These addresses will be used only by specific iPOS users. QR will ensure the following delivery addresses are provided in the data migration templates.

Office	Restriction applied
Deagon	Deagon user only
Rockhampton	Deagon and Rockhampton users only
Townsville	Deagon and Townsville users only
Toowoomba/Downs	Deagon and Toowoomba/Downs users only

QR will provide complete list of user groups able access each Delivery Address using the data migration templates provided by PA.

3.9.7 Approval Groups

Approval groups are referred to in the approval matrices and used to direct the approval as required. During the workshop the following Approval Groups were identified:

Approval Group	Members	Comment
Finance Manager	Adam Carter	approval limit =\$10,000
Company Secretary and Legal Compliance Officer	Shara Murray	approval limit =\$2,000
IT Manager	David Rowan	approval limit =\$2,000
Director Integrity and Stewarding	Jamie Orchard	approval limit =\$2,000
Racing Manager	Paul Brennan	approval limit =\$10,000
Training and Licensing Manager	Peter Smith	approval limit =\$2,000
Chief Operations Officer	Mal Tuttle	Approval limit =\$100,000 > \$100,00 with board approval

3.9.8 iPOS Administration Access

The iPOS Administration function is used to configure iPOS. User access to this function will be restricted to the Accountant (Murray Dyke), Finance Manager (Adam Carter) and Accounts Payable team (Su Agate and Kees Van der Waal).

The Accountant and Finance Manager will be able to amend all areas of the configuration. Accounts Payable should only be able to access the following areas:

- Suppliers and addresses
- Items
- Supplier items
- Distribution Codes.

3.9.9 iPOS Access and Permissions

iPOS purchasing functions will be accessed via the internet. All users of iPOS will be required to have a valid user id created in iPOS and a valid corporate e-mail address. The user id, e-mail address and password are validated upon login to iPOS. QR has decided to use current network logins as the user id in iPOS. Minimum password length and expiry period will be established as 7 and 90 respectively.

Users are managed through the iPOS Administration function. In iPOS, access to functions, eg requisition entry, requisition approval etc. is restricted through Group Profile permissions. These Group Profiles are entirely separate to the Approval

Groups discussed previously. Permissions are either enabled or disabled. Each user belongs to a single group. Below are the Group Profiles identified by QR during the design workshop:

Group Profile	Role and Membership	Permissions
Deagon Requisitioners – Finance	Requisition entry and receipting of goods.	Requisition Entry/Viewing, Purchase Order Control Desk, Receipt Entry/Viewing and View Linked Documents at all levels. Requisition/Invoice Approval, Invoice Entry and Maintenance not allowed. Access to all delivery addresses, suppliers and distribution codes.
Deagon Requisitioners – Legal	Requisition entry and receipting of goods.	Requisition Entry/Viewing, Purchase Order Control Desk, Receipt Entry/Viewing and View Linked Documents at all levels. Requisition/Invoice Approval, Invoice Entry and Maintenance not allowed. Access to all delivery addresses, suppliers and distribution codes.
Deagon Requisitioners – IT	Requisition entry and receipting of goods.	Requisition Entry/Viewing, Purchase Order Control Desk, Receipt Entry/Viewing and View Linked Documents at all levels. Requisition/Invoice Approval, Invoice Entry and Maintenance not allowed. Access to all delivery addresses, suppliers and distribution codes.
Deagon Requisitioners – Integrity and Stewarding	Requisition entry and receipting of goods.	Requisition Entry/Viewing, Purchase Order Control Desk, Receipt Entry/Viewing and View Linked Documents at all levels. Requisition/Invoice Approval, Invoice Entry and Maintenance not allowed. Access to all delivery addresses, suppliers and distribution codes.
Deagon Requisitioners – Racing	Requisition entry and receipting of goods.	Requisition Entry/Viewing, Purchase Order Control Desk, Receipt Entry/Viewing and View Linked Documents at all levels. Requisition/Invoice Approval, Invoice Entry and Maintenance not allowed. Access to all delivery addresses, suppliers and distribution codes.
Deagon Requisitioners – Training and Licensing	Requisition entry and receipting of goods.	Requisition Entry/Viewing, Purchase Order Control Desk, Receipt Entry/Viewing and View Linked Documents at all levels. Requisition/Invoice Approval, Invoice Entry and Maintenance not allowed. Access to all delivery addresses, suppliers and distribution codes.
Rockhampton Requisitioners	Requisition entry and receipting of goods.	Requisition Entry/Viewing, Purchase Order Control Desk, Receipt Entry/Viewing and View Linked Documents at all levels. Requisition/Invoice Approval, Invoice Entry and Maintenance not allowed. Access to only the Rockhampton delivery address (default) and suppliers nominated for their location. Distribution code to default to Rockhampton Stewarding. No other Distribution codes available.
Townsville Requisitioners	Requisition entry and receipting of goods.	Requisition Entry/Viewing, Purchase Order Control Desk, Receipt Entry/Viewing and View Linked Documents at all levels. Requisition/Invoice Approval, Invoice Entry and Maintenance not allowed. Access to only the Townsville delivery address (default) and suppliers nominated for their location. Distribution code to default to Townsville Stewarding. No other Distribution codes available.

Group Profile	Role and Membership	Permissions
Toowoomba Requisitioners	Requisition entry and receipting of goods.	Requisition Entry/Viewing, Purchase Order Control Desk, Receipt Entry/Viewing and View Linked Documents at all levels. Requisition/Invoice Approval, Invoice Entry and Maintenance not allowed. Access to only the Toowoomba delivery address (default) and suppliers nominated for their location. Distribution code to default to Toowoomba Stewarding. No other Distribution codes available.
Accounts Payable	Invoice matching, entry and submission for approval. This group will include the Accounts Payable Officer (Sue Agate) and Senior Finance Officer (Kees Van der Waal).	Invoice Entry/Matching, View Linked Documents at all levels.
Approver Only	Requisition and invoice approval. This group will include all members of the Approval Groups except the Finance Manager.	Requisition Approval, Invoice Approval and View Linked Documents at all levels.
Finance Manager	Requisition and invoice approval.	Requisition Approval, Invoice Approval, search/view requisitions, orders, receipts and invoices, and View Linked Documents at all levels.
Accountant	As an Administrative Authority, will be notified of late receipts, unapproved requisitions and unapproved invoices.	Able to search/view requisitions, orders, receipts and invoices. Also able to View Linked Documents at all levels.

As indicated, all users/groups will be configured to View Linked Documents from all stages of the procurement process. This is particularly important to the invoice approvers for the purpose of viewing the requisition, order and receipt.

Access to the following areas will also be restricted using the Group Profiles:

- Requisitions - QR indicated that there is no need to place restriction on the visibility of requisitions raised by other QR team members
- Catalogues – Only the Finance and Legal requisitioners will be able to use the Consultancy and Legal item catalogues
- Templates – none required at this stage
- Reports – only the Finance Manager and Accountant will have access to iPOS reports (all)

3.9.10 Multicurrency

iPOS can be configured to operate in a single currency or multicurrency mode (providing SunSystems is configured for multicurrency). This iPOS functionality will not be required as QR do not use multicurrency and do not foresee its use in the future.

4 IPOS CONFIGURATION

Setup and configuration of iPOS is achieved using:

- Data migration templates (MS-Excel spreadsheets) provided by PA to QR and populated by QR
- iPOS Administration function.

Data migration templates are normally used only during the initial stages of the project. The templates populated by QR are imported into iPOS by PA and will populate the iPOS Administration configuration (eg Workflow) and setup data (eg Items) for each database.

The iPOS Administration function is used both initially and for ongoing direct maintenance of the configuration and setup data.

The following sections detail the configuration and setup data discussed during the design workshop.

4.1 iPOS Administration Functional Security

iPOS Administration Functional Security is to be established to allow the following:

User	Access
Accountant - Murray Dyke	Access to all areas
Finance Manager - Adam Carter	Access to all areas
Accounts Payable Officer - Su Agate	Access only to: Suppliers Supplier Addresses Delivery Addresses Distribution Codes Items Catalogues Templates addresses
Senior Finance Officer - Kees Van der Waal	Same as Accounts Payable Officer

No other users will have access to the iPOS Administration function.

4.2 System Profile

The System Profile section of iPOS Administration allows various parameters and data to be specified at a global and database specific level.

These include the following:

Parameter Name	Setting	Comments
Delivery Address	Blank	Default for user if not specified at Default not required
Department Trans. Dimension	Blank	Future use field
Maximum Search Results	200	Maximum number of records returned when inquiring in iPOS.
Support URL	TBA	Address of support web page to be linked to from the base of the iPOS menu. QR indicated that they will direct to support to a QR intranet support page.
Links URL	Blank	Address of web page containing links to relevant web sites for use while in using iPOS. Not required by QR during the initial implementation.
Document Management URL	Blank	Address of Document Manage System web sites. Not required by QR during the initial implementation.
Web Server	TBA, eg http://<webservernam e>/IPOS	iPOS web server and home page URL. This will be determined after software installation.
Web Server Path	Blank	iPOS web server installation path for use by Punchout functions. Not required by QR during the initial implementation.
DUNS	Blank	Dun and Bradstreet assigned number and used by Punchout functions. Not required by QR during the initial implementation.
Allow Multi Currency	No	Indicates that multicurrency processing is required in iPOS. Not required by QR.
Current or Historical Exchange Rates	N/A	System reversals can be processed in iPOS at either the current or historical exchange rate. Not required by QR.
Decimal Rounding	Bankers Rounding	When iPOS performs calculation requiring rounding, this indicates the type of rounding required. Options are Bankers Rounding (normal), Round Up and Round Down.
Allow iPOS 3P	Blank	Indicate that iPOS 3P functions are to be accessible from iPOS. May be required in future project stages.
Homepage Message 1	Blank	Message to appear on iPOS home page. May be changed as and when required. A URL may also be nominated.
Homepage Message 2	Blank	Message to appear on iPOS home page. May be changed as and when required. A URL may also be nominated.
Homepage Message 3	Blank	Message to appear on iPOS home page. May be changed as and when required. A URL may also be nominated.

4.2.1 Corporate Address Book

iPOS use these parameters to connect the corporate email address book to iPOS. The address book can be then used with iPOS Administration to add new Users. QR will configure iPOS to read the Corporate Address Book from Microsoft Exchange with the following settings:

Parameter Name	Setting	Comments
Server	TBA	Email server name.
Mailbox	TBA	Corporate Address Book name.
Address List	TBA	Address list to use

4.2.2 Corporate Email

iPOS will use the following details when sending iPOS correspondence via email.

Parameter Name	Setting	Comments
SMTP Server	TBA	Email server name.
From	Accounts Payable – Queensland Racing	“From” name attached to external emails sent by iPOS.
Reply to	ap@queenslandracing.com.au	Address for replies to emails sent by iPOS.

4.2.3 Accounts

The settings defined in this section allow iPOS to determine which supplier, balance sheet and expense accounts are available within iPOS for processing.

4.2.3.1 Suppliers

Parameter Name	Setting	Comments
Define Suppliers	Yes	Suppliers will be identified by a Chart of Accounts Analysis Category.
Account Analysis Category (A-Code)	IPOS ACCOUNT TYPE	To be created by QR in SunSystems – Account Analysis Category 4
Code	S	The code which will identify that a supplier account is available to iPOS.

4.2.3.2 Purchase Accounts (expense/capital)

Parameter Name	Setting	Comments
Define Purchase Accounts	Yes	Expense/capital accounts will be identified by a Chart of Accounts Analysis Category.
Account Analysis Category (A-Code)	IPOS ACCOUNT TYPE	To be created by QR in SunSystems – Account Analysis Category 4 (same as that used for Suppliers).
Code	P	The code which will identify that an expense/capital account is available to iPOS.

4.2.4 Budget Checking

4.2.4.1 General Options

These settings determine the overall budget checking setup, as well as how the ledgers are combined to perform budget checking eg A (Actual) + C (Hard Commitment) vs. F (Annual Budget).

Parameter Name	Setting	Comments
Budget Checking	Yes	Enable budget checking.
Budget Ledger	F	SunSystems ledger to be used for budget checking.
Soft Commitment	Blank	SunSystems ledger where soft commitments (at Requisition stage) will be recorded. Not required by QR.
Hard Commitment	C	SunSystems ledger where hard commitments (at Purchase Order stage) will be recorded.
Check Gross Amount	No	Indicate whether the GST/tax is to be included in Budget Checking.
Period Balance	No	Budgets will be checked against period budget.
Year to Date	Yes	Budgets will be checked against the year to date budget.
Year Balance	No	Budgets will be checked against the total year budget.
Multi-Year Budget	No	Budgets will be checked against total (rolling) budget.
By Account	Yes	Budgets will be checked by Account.
By Transaction Analysis Category 1	COST CENTRE (T1)	First Transaction Analysis Category to be used when checking budgets (optional).
By Transaction Analysis Category 2	FUNCTION (T3)	Second Transaction Analysis Category to be used when checking budgets.
By Transaction Analysis Category 3	PROJECT (T2)	Third Transaction Analysis Category to be used when checking budgets.
By Transaction Analysis Category 4	Blank	Fourth Transaction Analysis Category to be used when checking budgets.
By Transaction Analysis Category 5	Blank	Fifth Transaction Analysis Category to be used when checking budgets.
Show over budget amount in budget messages	Yes	If budget checking is enabled, iPOS will warn the user that they are about to go over budget. This setting will show the user how much over budget they will go.

4.2.4.2 Budget Checking Accounts

When budget checking is performed for a range of accounts in the SunSystems actual ledger, it is possible to specify that another account in the budget ledger is checked, namely the 'Check Account'. This is used when budgets are held at a header account level rather than at a detailed account level.

QR does not require the use of mapping multiple accounts to a single budget checking account.

4.2.5 Custom Labels

This section enables QR to customise the labels on certain fields within iPOS and allows QR terminology to be used. It is also used to specify whether a field is mandatory or visible on a screen (only available on selected fields). In most instances, iPOS will use the system defaults.

PA will modify all labels that make reference to 'Tax'. They will be changed to read 'GST'.

4.2.6 Approval Hierarchy

This table identifies the SunSystems transaction analysis categories and Q-codes (iPOS Item Analysis Codes) used as the criteria for approving a requisition or supplier invoice.

Parameter Name	Setting	Comments
Approval Transaction Analysis Category 1	COST CENTRE (T1)	
Approval Trans. Dimension 2	FUNCTION (T3)	
Approval Q-Code 1	Blank	Not required by QR.
Approval Q-Code 2	Blank	Not required by QR.
Check Gross Amount	No	Indicate whether the GST/tax is to be included when determining the requisition or invoice approver for a line.

4.2.7 Approval Groups

This section enables QR to create an approval group then assign individual users to each approval group. Individuals can belong to more than one group.

QR will need to complete the approval groups section within the iPOS templates provided by PA and also the users to each group.

This feature will need to be fully tested during acceptance testing to ensure the system send requisitions and invoices to the correct groups for approval.

Approval groups discussed during the workshop (and as mentioned previously) included:

Approval Group	Members	Comment
Finance Manager	Adam Carter	approval limit =\$10,000
Company Secretary and Legal Compliance Officer	Shara Murray	approval limit =\$2,000
IT Manager	David Rowan	approval limit =\$2,000
Director Integrity and Stewarding	Jamie Orchard	approval limit =\$2,000
Racing Manager	Paul Brennan	approval limit =\$10,000
Training and Licensing Manager	Peter Smith	approval limit =\$2,000
Chief Operations Officer	Mal Tuttle	Approval limit =\$100,000 > \$100,00 with board approval

4.2.8 Requisition Approval Matrix

This determines the rules for requisition line approval. QR can assign up to six Approval Levels to any one rule.

Any member of the approval group(s) nominated as level 1 may approve the requisition line. Once this level 1 approval has been performed, any member of the approval group(s) nominated as level 2 may then approve the requisition line. This is repeated until approval at all levels nominated has been performed.

QR will need to complete the Approval Matrix within the iPOS templates provided by PA. Examples of Requisition Approval Matrix entries discuss in the workshop are as follows:

Account	Cost Centre	Functions	Value	1 st Level Approval Groups	2 nd Level Approval Groups	3rd Level Approval Groups
All except 6113 and 6123	01	IT, MA (Marketing) and VG (Videographer)	<= \$2,000	IT Manager		
All except 6113 and 6123	01	IT, MA and VG	>\$2,000 and <=\$10,000	IT Manager	Finance Manager	
All except 6113 and 6123	01	IT, MA and VG	>\$10,000	IT Manager	Finance Manager	Chief Operations Officer
6113 and 6123	All	All	<= \$2,000	Company Secretary and Legal Compliance Officer		
6113 and 6123	All	All	>\$2,000 and <=\$10,000	Company Secretary and Legal Compliance Officer	Finance Manager	
6113 and 6123	All	All	>\$10,000	Legal Manager	Finance Manager	Chief Operations Officer
All except 6113 and 6123	All	RC (Racing) and HC (Handicapping)	<= \$10,000	Racing Manager or Finance Manager		
All except 6113 and 6123	All	RC (Racing) and HC (Handicapping)	>\$10,000	Racing Manager or Finance Manager	Chief Operations Officer	

4.2.9 Requisition Approval Administrative Authorities

Administrative Authority groups are nominated for the Requisition Approval Matrix to identify the appropriate staff to be notified when exception conditions occur during the approval process. These conditions include:

- Requisitions not approved within the period (ie days) nominated in the Workflow parameters
- Requisition does not match any of the criteria specified in the requisition approval matrix.

During the design workshop the following entries were identified.

Account	Cost Centre	Functions	Value	1 st Level Approval Groups
All	All	All	>=\$0	Finance Manager and Accountant

Note, in the event that an Administrative Authority group cannot be determined by iPOS, all Administrative Users are notified of the exception condition.

4.2.10 Invoice Approval Matrix

QR indicated that the Invoice Approval Matrix will be the same as the Requisition Approval Matrix. Invoice line approval for purchase order related invoice lines will only be required if outside the tolerances nominated in the Workflow parameters. All invoice lines not associated with a purchase order will require approval.

4.2.11 Invoice Approval Administrative Authorities

QR indicated that the Invoice Approval Matrix Administrative Authorities will be the same as the Requisition Approval Matrix.

4.2.12 Transaction Analysis

These parameters identify the Transaction Analysis Categories (T Codes) used by iPOS in Distribution Codes. It also indicated which categories are visible in selected iPOS grids screens.

Parameter Name	Setting	Comments
Transaction Analysis Category 0	No	POS Receipt Reference
Show in Browser Grid	N/A	

Parameter Name	Setting	Comments
Transaction Analysis Category 1	Yes	Cost Centre
Show in Browser Grid	Yes	
Transaction Analysis Category 2	Yes	Project
Show in Browser Grid	No	
Transaction Analysis Category 3	Yes	Function
Show in Browser Grid	Yes	
Transaction Analysis Category 4	No	FBT Applicable
Show in Browser Grid	N/A	
Transaction Analysis Category 5	No	Marketing Event
Show in Browser Grid	N/A	
Transaction Analysis Category 6	Yes	GST
Show in Browser Grid	No	
Transaction Analysis Category 7	No	IT Location
Show in Browser Grid	N/A	
Transaction Analysis Category 8	No	Creditor Code
Show in Browser Grid	N/A	
Transaction Analysis Category 9		Not used
Show in Browser Grid	N/A	

4.2.13 Analysis Defaulting

iPOS Analysis Defaulting functionality allows Transaction Analysis code values (eg Project) to be defaulted, if blank, based on the value of other Transaction Analysis codes (eg Cost Centre).

QR indicated that they do not need to implement Analysis Defaulting.

4.2.14 Workflow

The workflow options used by iPOS are defined by the parameters below. This includes determining when an Administrative Authority will be notified and the default tolerances for receipting and invoice approval.

Parameter Name	Setting	Comments
Administrative Authority Notification	Yes	Determines if an administration authority is to be notified.
Days After Submission for approval	5	The number of days after a requisition has been submitted for approval and remains unapproved.
Consolidate requisitions onto orders	No	Not required by QR.
Consolidate requisitions by delivery address code	N/A	

Parameter Name	Setting	Comments
Include Requestor's Name in subject line of emails	Yes	The Requestor's name will be included in the subject line of Emails.
Email requestor on purchase order	Yes	The requestor will be advised when the purchase order is generated (useful when using the auto-generate feature).
Single Email for multiple notifications	Blank	Emails notifications will be batched.
Email order to requestor	No	PDF copy of the Purchase Order will be e-mailed to requestor on generation.
Receipts required when an item is not selected	No	Enforces goods receiving process for free format items. All QR requisitions will use items.
Email requestor on goods receipt	No	The requestor will be advised upon goods receipt.
Single Email for multiple notifications	N/A	
Late goods receipt notification	2 Days	Various people can receive an email notifying them when delivery of goods/services is overdue in terms of the delivery date held on the Purchase Order.
Notify the requestor	Yes	Notify the requestor if goods are not received in time.
Notify the creator of the purchase order	No	Also notify the creator of the purchase order when goods are not received in time.
Goods Receiving Tolerances	10% up to \$100	Receipts within these tolerances will be automatically deemed to have been approved in terms of the requisition approval process.
Always require invoice approval	No	This would enforce the approval of ALL Supplier Invoices (inside or outside tolerances).
Invoicing Tolerances	10% up to \$100	Invoices within these tolerances will be automatically deemed to have been approved in terms of the requisition approval process.
Always require credit note approval	Yes	This would enforce the approval of all credit notes.
Allow Split Requisition Approval	No	Indicates whether the approvals should be split using distribution code entries.
Always use split requisition approval	No	

4.2.15 Period Table

iPOS uses the period table to determine accounting period for transaction postings to SunSystems.

QR operates a July to June financial year. The following table reflects the 2009 financial year. QR will populate the data migration templates with periods for the years required.

Period	From Date	To Date	Comments
01/2009	01/07/08	01/07/08	July 2008
02/2009	01/08/08	31/08/08	August 2008

Period	From Date	To Date	Comments
03/2009	01/09/08	30/09/08	September 2008
04/2009	01/10/08	31/10/08	October 2008
05/2009	01/11/08	30/11/08	November 2008
06/2009	01/12/08	31/12/08	December 2008
07/2009	01/01/09	31/01/09	January 2009
08/2009	01/02/09	28/02/09	February 2009
09/2009	01/03/09	31/03/09	March 2009
10/2009	01/04/09	30/04/09	April 2009
11/2009	01/05/09	31/05/09	May 2009
12/2009	01/06/09	30/06/09	June 2009

4.2.16 Printer Profiles

The printer profiles allow QR to default a network printer at a global level to which purchase orders, receipts and invoices will print. In addition it also defaults the document layout/formats to be used for printing each of the above documents.

QR can create separate formats/layouts for re-prints, cancellations and faxes.

The setup of a fax document designed to work with a Fax Gateway is outside the scope of this project as QR do not have a Fax Gateway.

Parameter Name	Setting	Comments
Order Printing		
Printer	Finance Printer	Default printer for purchase order printing
Print Format	QR Purchase Order	Purchase order document format for initial printing. QR to provide layout to PA.
Re-Print Format	QR Purchase Order	Purchase order document format when reprinting.
Cancellation Format	Blank	Purchase order document format for cancelled orders (ie deleted) which are to be printed.
Fax Printer	Blank	Default printer for purchase order faxing
Fax Format	Blank	Purchase order document format for initial fax.
Re-Fax Format	Blank	Purchase order document format when re-faxing.
Cancellation Fax Format	Blank	Purchase order document format for cancelled orders (ie deleted) which are to be faxed.
BCC to	apo@queenslandracing.com.au	This is usually a generic email address ie PO@... Where a copy of all purchases orders despatched will be stored.

Parameter Name	Setting	Comments
		QR to ensure this mail account has been created.
On email	Yes	Email to the BCC orders which are emailed.
On Print	Yes	Email to the BCC orders which are printed.
On Fax	No	Email to the BCC orders which are faxed.
Receipt Printing		
Printer	Blank	Default printer for goods receipt printing.
Print Format	Blank	Default format for goods receipt document.
Invoice Printing		
Printer	Blank	Default printer for invoice printing.
Print Format	Blank	Default format for invoice document.

4.2.17 Currency Definitions

QR does not require multicurrency functionality in iPOS; however the Currency Definition for Australian Dollars will need to be enabled as follows:

Parameter Name	Setting	Comments
Enabled	Yes	This currency is enabled for use in iPOS.
Currency Code	AUD	Read directly from SunSystems
Currency Name	As defined in SunSystems	Read directly from SunSystems
Symbol	\$	Currency Symbol eg \$
Tolerance Enabled	No	Selecting this will allow you to define a currency tolerance in iPOS. Should a spot rate be outside this tolerance it would be rejected.
Tolerance %	N/R	Currency tolerance %

4.2.18 Security

QR will establish the rules for iPOS user passwords using these parameters. Note that passwords defined in iPOS are not linked to Windows or SunSystems passwords.

Parameter Name	Setting	Comments
Minimum Password	7	3 is the default value

Parameter Name	Setting	Comments
Length		
Password Expiry Days	90	90 is the default value

4.3 Ledger Interface

The Ledger Interface defines the way iPOS posts transaction to SunSystems using Transaction Rules, Posting Rules and Posting Rule Options (optional).

4.3.1 Posting Rules

Posting Rules are used in iPOS to nominate the journals (ie Transaction Rules) to be posted at each stage of the purchasing cycle. A Posting Rule is specified at database level (ie the System Posting Rule) and is considered the default rule. If a user group requires different postings, a Posting Rule can also be specified at Group Profile level and overrides the Systems Posting Rule. QR requires only a System Posting Rule as follows:

Parameter Name	Setting	Comments
Rule Code	MAIN	User defined.
Rule Name	MAIN Posting Rule	Rule name.
Append to Journal import file	Blank	Defines if transactions are to be appended to an existing journal import file. Not required by QR.
File Path	Blank	If Append = Yes, then the path and filename of the file to be appended is mandatory. Not required by QR.
Analysis Default / Validation	Blank	Determines if Journal Entry Thin transaction analysis defaulting and validation will be used. Not required by QR.
Suspense Account	TBA	Allows the user to select an account into which errors are to be posted at the requisition stage if a supplier account has not been entered.
Requisitions		
Soft Commitment Posting	Blank	Specify the Transaction Rule to be used to post ledger entries on submission of a requisition. Not required by QR.
Approved Requisition Recall	Blank	Specify the Transaction Rule to be used to post ledger entries on recall of an approved requisition (normally a reversal). Not required by QR.
Soft Commitment Reversal	Blank	Specify the Transaction Rule to be used to post ledger entries when the next stage in the purchase cycle has completed (eg Purchase Order produced).

Parameter Name	Setting	Comments
		Not required by QR.
Purchase Orders		
Hard Commitment Posting	HCA	Specify the Transaction Rule to be used to post ledger entries on creation of a Purchase Order
Reverse Line for Amendment	HCAR	Specify the Transaction Rule to be used to post ledger entries which reverse the original value of an amended Purchase Order line.
Submit Amended Line	HCA	Specify the Transaction Rule to be used to post ledger entries which reflect the value of an amended Purchase Order line.
Purchase Order Recall	HCAR	Specify the Transaction Rule to be used to post ledger entries when a Purchase Order is recalled (normally a reversal).
Purchase Order Line Cancel	HCAR	Specify the Transaction Rule to be used to post ledger entries when a Purchase Order line is cancelled (normally a reversal).
Purchase Order Deletion	HCAR	Specify the Transaction Rule to be used to post ledger entries when a Purchase Order is deleted (normally a reversal).
Hard Commitment Reversal	HCAR	Specify the Transaction Rule to be used to post ledger entries when the next stage in the purchase cycle has completed (eg Goods Receipt submitted).
Goods Receipts		
Accrual Posting	GRA	Specify the Transaction Rule to be used to post ledger entries on submission of a Good Receipt.
XML Accrual Posting	Blank	Specify the Transaction Rule to be used to post ledger entries on submission of an XML Good Receipt (imported). Not required by QR.
Goods Receipt Recall	GRAR	Specify the Transaction Rule to be used to post ledger entries when a Goods Receipt is recalled (normally a reversal).
Accrual Reversal	GRAR	Specify the Transaction Rule to be used to post ledger entries when the next stage in the purchase cycle has completed (eg Invoice submitted).
Invoices		
Accrual Posting	Blank	Specify the Transaction Rule to be used to post ledger entries on entry and submission of an Invoice. Not required by QR.
Accrual Reversal	Blank	Specify the Transaction Rule to be used to post ledger entries when the next stage in the purchase cycle has completed (eg Invoice approval). Not required by QR.
Invoice Posting	IN	Specify the Transaction Rule to be used to post ledger entries on approval of an Invoice.

Parameter Name	Setting	Comments
Invoice Recall	INR	Specify the Transaction Rule to be used to post ledger entries when an Invoice is recalled or deleted (normally a reversal).
Credit Note Posting	CRN	Specify the Transaction Rule to be used to post ledger entries on submission of a Credit Note.

4.3.2 Transaction Rules

Transaction Rules defines how QR requires iPOS to generate journals in each stage of the purchasing cycle. All parameters available in iPOS for each Transaction Rule are defined below.

Parameter Name	Comments
Transaction Rule Code	As required.
Transaction Rule Name	As required.
Hold Journals for manual posting	Determines whether the transaction is to be held in JET for manual posting.
Post zero value line	Determines whether zero value transactions will be posted to SunSystems.
Source	Options are: Requisition Purchase Order Goods Receipt Invoice
Ledger	Select a valid SunSystems Ledger.
Journal Type	Select a valid SunSystems Journal Type
Journal Source	Options are: iPOS Free Text Operator
Transaction Reference	Transaction Reference options are: Free Text Free Text + Purchase Order No. Purchase Order No. Purchase Order No. + Free Text Purchase Order No. + Line No. Creditor Account Creditor Address Item Code Item Description Goods Receipt No. Goods Receipt No. + Line No. Free Text + Goods Receipt No.

Parameter Name	Comments
	Goods Receipt No. + Free Text Invoice No. Invoice No. + Line No. Free Text + Invoice No. Invoice No. + Free Text Supplier Invoice No. Supplier Invoice No. + Line No. Free Text + Supplier Invoice No. Supplier Invoice No. + Free Text IPOS Invoice + Invoice No. IPOS Receipt + Goods Receipt No. Specify a value
Rounding Threshold	Multicurrency usage, not required by QR.
Credit Balancing Account	Multicurrency usage, not required by QR.
Debit/Net Balancing Account	Multicurrency usage, not required by QR.
Line No.	Sequential line number as required.
Account Code	Account Code options are: Creditor Account Tax Account Item Expense Account Specify a value
Transaction Date	Transaction Date options are: Today Order Date Delivery Date Goods Receipt Date
Period	Defines the date to be used to calculate the correct posting period. Period options are: Ledger Transaction Date Purchase Order Date Ledger Due Date Delivery Date Goods Receipt Date
Amount	Amount (Base) options are: Gross Line Amount Net Line Amount Tax Amount
Debit / Credit	Debit or Credit indicator.
Description	Description options are: Item Description

Parameter Name	Comments
	Purchase Order No. Purchase Order No. + Line No. iPOS Username iPOS Order + Purchase Order No. Supplier Name Account Code Requisition No. Requisition No. + Line No. iPOS Requisition + Requisition No. Goods Receipt No. Goods Receipt No. + Line No. Supplier Code Comments Specify a value
Due Date	Due date options are: Today Calculated Purchase Order Date Delivery Date
Other Amount	Multicurrency not used.
Conversion Code	Multicurrency not used.
Asset Code	Assets not entered in iPOS.
Transaction Analysis Codes 0	Allows default values to be specified for this analysis code. An iPOS field, a specific value or blank can be used. Only replaces blank values in the analysis code. Valid iPOS fields are: Purchase Order No. Purchase Order No. + Line No. Item Code Creditor Account Creditor Address Item Expense Account SunSystems Database Code Originator User Login
Transaction Analysis Codes 1	Same as Transaction Analysis Code 0.
Transaction Analysis Codes 2	Same as Transaction Analysis Code 0.
Transaction Analysis Codes 3	Same as Transaction Analysis Code 0.
Transaction Analysis Codes 4	Same as Transaction Analysis Code 0.
Transaction Analysis Codes 5	Same as Transaction Analysis Code 0.
Transaction Analysis Codes 6	Same as Transaction Analysis Code 0.
Transaction Analysis Codes 7	Same as Transaction Analysis Code 0.
Transaction Analysis Codes 8	Same as Transaction Analysis Code 0.
Transaction Analysis Codes 9	Same as Transaction Analysis Code 0.
Distribute	Indicate that postings are to be at Distribution Code apportionment

Parameter Name	Comments
	level.
Consolidations by:	Allows the user to nominate if and where transactions can be consolidated/summarised at different levels.
Account Code	
Dr/Cr Marker	
Period	
Transaction Date	
Due Date	
Transaction Reference	
Transaction Analysis Code 0	
Transaction Analysis Code 1	
Transaction Analysis Code 2	
Transaction Analysis Code 3	
Transaction Analysis Code 4	
Transaction Analysis Code 5	
Transaction Analysis Code 6	
Transaction Analysis Code 7	
Transaction Analysis Code 8	
Transaction Analysis Code 9	

The following specific Transaction Rules will be created based on the requirements discussed during the design workshop. Reversal rules have not been included below as they are the same as the originating rules with the opposite sign.

Hard Commitment Accrual

Parameter Name	Comments
Transaction Rule Code	HCA
Transaction Rule Name	Hard Commitment Accrual Posting
Hold Journals for manual posting	No
Post zero value line	No
Source	Purchase Order
Ledger	C
Journal Type	1GJ
Journal Source	iPOS
Transaction Reference	Purchase Order No.
Rounding Threshold	Blank
Credit Balancing Account	Blank
Debit/Net Balancing Account	Blank

Parameter Name	Comments
Line No.	1
Account Code	21103
Transaction Date	Today
Period	Ledger Transaction Date
Amount	Net Line Amount
Debit / Credit	C
Description	Item Description
Due Date	Today
Other Amount	Blank
Conversion Code	Line Value
Asset Code	Blank
Transaction Analysis Codes 0	Blank
Transaction Analysis Codes 1	Blank
Transaction Analysis Codes 2	Blank
Transaction Analysis Codes 3	Blank
Transaction Analysis Codes 4	Blank
Transaction Analysis Codes 5	Blank
Transaction Analysis Codes 6	Blank
Transaction Analysis Codes 7	Blank
Transaction Analysis Codes 8	Creditor Account
Transaction Analysis Codes 9	Blank
Distribute	Yes
Consolidations by:	
Account Code	No
Dr/Cr Marker	No
Period	No
Transaction Date	No
Due Date	No
Transaction Reference	No
Transaction Analysis Code 0	No
Transaction Analysis Code 1	No
Transaction Analysis Code 2	No
Transaction Analysis Code 3	No
Transaction Analysis Code 4	No
Transaction Analysis Code 5	No
Transaction Analysis Code 6	No
Transaction Analysis Code 7	No
Transaction Analysis Code 8	No
Transaction Analysis Code 9	No

Parameter Name	Comments
Line No.	2
Account Code	Item Expense Account
Transaction Date	Today
Period	Ledger Transaction Date
Amount	Net Line Amount
Debit / Credit	D
Description	Item Description
Due Date	Today
Other Amount	Blank
Conversion Code	Line Value
Asset Code	Blank
Transaction Analysis Codes 0	Blank
Transaction Analysis Codes 1	Blank
Transaction Analysis Codes 2	Blank
Transaction Analysis Codes 3	Blank
Transaction Analysis Codes 4	Blank
Transaction Analysis Codes 5	Blank
Transaction Analysis Codes 6	Blank
Transaction Analysis Codes 7	Blank
Transaction Analysis Codes 8	Creditor Account
Transaction Analysis Codes 9	Blank
Distribute	Yes
Consolidations by:	
Account Code	No
Dr/Cr Marker	No
Period	No
Transaction Date	No
Due Date	No
Transaction Reference	No
Transaction Analysis Code 0	No
Transaction Analysis Code 1	No
Transaction Analysis Code 2	No
Transaction Analysis Code 3	No
Transaction Analysis Code 4	No
Transaction Analysis Code 5	No
Transaction Analysis Code 6	No
Transaction Analysis Code 7	No
Transaction Analysis Code 8	No



Parameter Name	Comments
Transaction Analysis Code 9	No

Goods Receipt Accrual

Parameter Name	Comments
Transaction Rule Code	GRA
Transaction Rule Name	Goods Receipt Accrual Posting
Hold Journals for manual posting	No
Post zero value line	No
Source	Goods Receipt
Ledger	A
Journal Type	1ACR
Journal Source	iPOS
Transaction Reference	Purchase Order No.
Rounding Threshold	Blank
Credit Balancing Account	Blank
Debit/Net Balancing Account	Blank
Line No.	1
Account Code	21103
Transaction Date	Today
Period	Ledger Transaction Date
Amount	Net Line Amount
Debit / Credit	C
Description	Item Description
Due Date	Today
Other Amount	Blank
Conversion Code	Line Value
Asset Code	Blank
Transaction Analysis Codes 0	Blank
Transaction Analysis Codes 1	Blank
Transaction Analysis Codes 2	Blank
Transaction Analysis Codes 3	Blank
Transaction Analysis Codes 4	Blank
Transaction Analysis Codes 5	Blank
Transaction Analysis Codes 6	Blank
Transaction Analysis Codes 7	Blank
Transaction Analysis Codes 8	Creditor Account
Transaction Analysis Codes 9	Blank

Parameter Name	Comments
Distribute	Yes
Consolidations by:	
Account Code	No
Dr/Cr Marker	No
Period	No
Transaction Date	No
Due Date	No
Transaction Reference	No
Transaction Analysis Code 0	No
Transaction Analysis Code 1	No
Transaction Analysis Code 2	No
Transaction Analysis Code 3	No
Transaction Analysis Code 4	No
Transaction Analysis Code 5	No
Transaction Analysis Code 6	No
Transaction Analysis Code 7	No
Transaction Analysis Code 8	No
Transaction Analysis Code 9	No
Line No.	2
Account Code	Item Expense Account
Transaction Date	Today
Period	Ledger Transaction Date
Amount	Net Line Amount
Debit / Credit	D
Description	Item Description
Due Date	Today
Other Amount	Blank
Conversion Code	Line Value
Asset Code	Blank
Transaction Analysis Codes 0	Blank
Transaction Analysis Codes 1	Blank
Transaction Analysis Codes 2	Blank
Transaction Analysis Codes 3	Blank
Transaction Analysis Codes 4	Blank
Transaction Analysis Codes 5	Blank
Transaction Analysis Codes 6	Blank
Transaction Analysis Codes 7	Blank
Transaction Analysis Codes 8	Creditor Account

Parameter Name	Comments
Transaction Analysis Codes 9	Blank
Distribute	Yes
Consolidations by:	
Account Code	No
Dr/Cr Marker	No
Period	No
Transaction Date	No
Due Date	No
Transaction Reference	No
Transaction Analysis Code 0	No
Transaction Analysis Code 1	No
Transaction Analysis Code 2	No
Transaction Analysis Code 3	No
Transaction Analysis Code 4	No
Transaction Analysis Code 5	No
Transaction Analysis Code 6	No
Transaction Analysis Code 7	No
Transaction Analysis Code 8	No
Transaction Analysis Code 9	No

Invoice Posting

Parameter Name	Comments
Transaction Rule Code	IN
Transaction Rule Name	Invoice Posting
Hold Journals for manual posting	No
Post zero value line	No
Source	Invoice
Ledger	A
Journal Type	1APIP
Journal Source	iPOS
Transaction Reference	Supplier Invoice No.
Rounding Threshold	Blank
Credit Balancing Account	Blank
Debit/Net Balancing Account	Blank
Line No.	1
Account Code	Creditor Account
Transaction Date	Invoice Date

Parameter Name	Comments
Period	Invoice Approval Date
Amount	Gross Line Amount
Debit / Credit	C
Description	Comment
Due Date	Calculated
Other Amount	Blank
Conversion Code	Line Value
Asset Code	Blank
Transaction Analysis Codes 0	Blank
Transaction Analysis Codes 1	Blank
Transaction Analysis Codes 2	Blank
Transaction Analysis Codes 3	Blank
Transaction Analysis Codes 4	Blank
Transaction Analysis Codes 5	Blank
Transaction Analysis Codes 6	Blank
Transaction Analysis Codes 7	Blank
Transaction Analysis Codes 8	Blank
Transaction Analysis Codes 9	Blank
Distribute	No
Consolidations by:	
Account Code	Yes
Dr/Cr Marker	Yes
Period	Yes
Transaction Date	Yes
Due Date	Yes
Transaction Reference	Yes
Transaction Analysis Code 0	Yes
Transaction Analysis Code 1	Yes
Transaction Analysis Code 2	Yes
Transaction Analysis Code 3	Yes
Transaction Analysis Code 4	Yes
Transaction Analysis Code 5	Yes
Transaction Analysis Code 6	Yes
Transaction Analysis Code 7	Yes
Transaction Analysis Code 8	Yes
Transaction Analysis Code 9	Yes
Line No.	2
Account Code	Tax Account (11204)

Parameter Name	Comments
Transaction Date	Invoice Date
Period	Invoice Approval Date
Amount	Tax Amount
Debit / Credit	D
Description	Comment
Due Date	Today
Other Amount	Blank
Conversion Code	Line Value
Asset Code	Blank
Transaction Analysis Codes 0	Blank
Transaction Analysis Codes 1	Blank
Transaction Analysis Codes 2	Blank
Transaction Analysis Codes 3	Blank
Transaction Analysis Codes 4	Blank
Transaction Analysis Codes 5	Blank
Transaction Analysis Codes 6	Blank
Transaction Analysis Codes 7	Blank
Transaction Analysis Codes 8	Blank
Transaction Analysis Codes 9	Blank
Distribute	No
Consolidations by:	
Account Code	Yes
Dr/Cr Marker	Yes
Period	Yes
Transaction Date	Yes
Due Date	Yes
Transaction Reference	Yes
Transaction Analysis Code 0	Yes
Transaction Analysis Code 1	Yes
Transaction Analysis Code 2	Yes
Transaction Analysis Code 3	Yes
Transaction Analysis Code 4	Yes
Transaction Analysis Code 5	Yes
Transaction Analysis Code 6	Yes
Transaction Analysis Code 7	Yes
Transaction Analysis Code 8	Yes
Transaction Analysis Code 9	Yes
Line No.	3

Parameter Name	Comments
Account Code	Item Expense Account
Transaction Date	Invoice Date
Period	Invoice Approval Date
Amount	Net Line Amount
Debit / Credit	D
Description	Item Description
Due Date	Today
Other Amount	Blank
Conversion Code	Line Value
Asset Code	Blank
Transaction Analysis Codes 0	Blank
Transaction Analysis Codes 1	Blank
Transaction Analysis Codes 2	Blank
Transaction Analysis Codes 3	Blank
Transaction Analysis Codes 4	Blank
Transaction Analysis Codes 5	Blank
Transaction Analysis Codes 6	Blank
Transaction Analysis Codes 7	Blank
Transaction Analysis Codes 8	Creditor Account
Transaction Analysis Codes 9	Blank
Distribute	Yes
Consolidations by:	
Account Code	No
Dr/Cr Marker	No
Period	No
Transaction Date	No
Due Date	No
Transaction Reference	No
Transaction Analysis Code 0	No
Transaction Analysis Code 1	No
Transaction Analysis Code 2	No
Transaction Analysis Code 3	No
Transaction Analysis Code 4	No
Transaction Analysis Code 5	No
Transaction Analysis Code 6	No
Transaction Analysis Code 7	No
Transaction Analysis Code 8	No
Transaction Analysis Code 9	No

Credit Note Postings

Parameter Name	Comments
Transaction Rule Code	CRN
Transaction Rule Name	Credit Note Posting
Hold Journals for manual posting	No
Post zero value line	No
Source	Invoice
Ledger	A
Journal Type	1APIP
Journal Source	iPOS
Transaction Reference	Supplier Invoice No.
Rounding Threshold	Blank
Credit Balancing Account	Blank
Debit/Net Balancing Account	Blank
Line No.	1
Account Code	Creditor Account
Transaction Date	Invoice Date
Period	Invoice Approval Date
Amount	Gross Line Amount
Debit / Credit	D
Description	Comment
Due Date	Calculated
Other Amount	Blank
Conversion Code	Line Value
Asset Code	Blank
Transaction Analysis Codes 0	Blank
Transaction Analysis Codes 1	Blank
Transaction Analysis Codes 2	Blank
Transaction Analysis Codes 3	Blank
Transaction Analysis Codes 4	Blank
Transaction Analysis Codes 5	Blank
Transaction Analysis Codes 6	Blank
Transaction Analysis Codes 7	Blank
Transaction Analysis Codes 8	Blank
Transaction Analysis Codes 9	Blank
Distribute	No
Consolidations by:	
Account Code	Yes
Dr/Cr Marker	Yes

Parameter Name	Comments
Period	Yes
Transaction Date	Yes
Due Date	Yes
Transaction Reference	Yes
Transaction Analysis Code 0	Yes
Transaction Analysis Code 1	Yes
Transaction Analysis Code 2	Yes
Transaction Analysis Code 3	Yes
Transaction Analysis Code 4	Yes
Transaction Analysis Code 5	Yes
Transaction Analysis Code 6	Yes
Transaction Analysis Code 7	Yes
Transaction Analysis Code 8	Yes
Transaction Analysis Code 9	Yes
Line No.	2
Account Code	Tax Account (11204)
Transaction Date	Invoice Date
Period	Invoice Approval Date
Amount	Tax Amount
Debit / Credit	C
Description	Comment
Due Date	Today
Other Amount	Blank
Conversion Code	Line Value
Asset Code	Blank
Transaction Analysis Codes 0	Blank
Transaction Analysis Codes 1	Blank
Transaction Analysis Codes 2	Blank
Transaction Analysis Codes 3	Blank
Transaction Analysis Codes 4	Blank
Transaction Analysis Codes 5	Blank
Transaction Analysis Codes 6	Blank
Transaction Analysis Codes 7	Blank
Transaction Analysis Codes 8	Blank
Transaction Analysis Codes 9	Blank
Distribute	No
Consolidations by:	
Account Code	Yes

Parameter Name	Comments
Dr/Cr Marker	Yes
Period	Yes
Transaction Date	Yes
Due Date	Yes
Transaction Reference	Yes
Transaction Analysis Code 0	Yes
Transaction Analysis Code 1	Yes
Transaction Analysis Code 2	Yes
Transaction Analysis Code 3	Yes
Transaction Analysis Code 4	Yes
Transaction Analysis Code 5	Yes
Transaction Analysis Code 6	Yes
Transaction Analysis Code 7	Yes
Transaction Analysis Code 8	Yes
Transaction Analysis Code 9	Yes
Line No.	3
Account Code	Item Expense Account
Transaction Date	Invoice Date
Period	Invoice Approval Date
Amount	Net Line Amount
Debit / Credit	C
Description	Item Description
Due Date	Today
Other Amount	Blank
Conversion Code	Line Value
Asset Code	Blank
Transaction Analysis Codes 0	Blank
Transaction Analysis Codes 1	Blank
Transaction Analysis Codes 2	Blank
Transaction Analysis Codes 3	Blank
Transaction Analysis Codes 4	Blank
Transaction Analysis Codes 5	Blank
Transaction Analysis Codes 6	Blank
Transaction Analysis Codes 7	Blank
Transaction Analysis Codes 8	Creditor Account
Transaction Analysis Codes 9	Blank
Distribute	Yes
Consolidations by:	

Parameter Name	Comments
Account Code	No
Dr/Cr Marker	No
Period	No
Transaction Date	No
Due Date	No
Transaction Reference	No
Transaction Analysis Code 0	No
Transaction Analysis Code 1	No
Transaction Analysis Code 2	No
Transaction Analysis Code 3	No
Transaction Analysis Code 4	No
Transaction Analysis Code 5	No
Transaction Analysis Code 6	No
Transaction Analysis Code 7	No
Transaction Analysis Code 8	No
Transaction Analysis Code 9	No

4.3.3 Posting Rule Options

Posting Rule Options allow you to customise the ledger posting requirements for specific Items. Once created, the Posting Rule Options are attached to the appropriate Items and will override the system default and group profile specific Posting Rules.

QR does not require the use of Posting Rule Options.

4.4 Group Profiles

Group Profiles allow QR to apply security permissions, default distribution codes, document formats and print devices for a group of users.

Below is a list of the Groups Profiles and details of each as agreed during the workshop: Details of only one requisitioner group have been included. All requisitioner groups will have the same permissions however the default Delivery Address and Distribution Code will be different for each.

QR will complete the templates provided with the detail of permissions and defaults for each group profile. PA will review and update the template when the information becomes available.

QR also indicated that all users should be able to view requisitions raised by any other user. They will require all Group Profiles to be listed as the Requisition Profiles available to each Group Profile. The templates will be populated accordingly.

Group Profile	Description
---------------	-------------

Group Profile	Description
Deagon Requisitioners – Finance	Requisition entry and receipting of goods.
Deagon Requisitioners – Legal	Requisition entry and receipting of goods.
Deagon Requisitioners – IT	Requisition entry and receipting of goods.
Deagon Requisitioners – Integrity and Stewarding	Requisition entry and receipting of goods.
Deagon Requisitioners – Racing	Requisition entry and receipting of goods.
Deagon Requisitioners – Training and Licensing	Requisition entry and receipting of goods.
Rockhampton Requisitioners	Requisition entry and receipting of goods.
Townsville Requisitioners	Requisition entry and receipting of goods.
Toowoomba Requisitioners	Requisition entry and receipting of goods.
Accounts Payable	Invoice matching, entry and submission for approval.
Approver Only	Requisition and invoice approval.
Finance Manager	Requisition and invoice approval. As an Administrative Authority, will be notified of late receipts, unapproved requisitions and unapproved invoices.
Accountant	As an Administrative Authority, will be notified of late receipts, unapproved requisitions and unapproved invoices.

Deagon Requisitioners – IT

Parameter Name	Setting	Comments
General		
Profile Name	Deagon Requisitioners – IT	
Distribution	Blank	Default Distribution Code for members of this group can be specified.
Amend Distributions	Yes	Can amend distribution details during requisition entry.
Delivery Address	TBA	Delivery address can be defaulted here otherwise Global setting will be used. QR will nominate the appropriate Delivery Address code for this group.
Use address locations	No	Allows users to use supplier address locations. "No" indicates all supplier address locations are available for use by this group. QR will nominate whether Supplier Address Locations are applicable to this group. It is anticipated that this will only apply to regional requisition groups to ensure they use only suppliers nominated for their location.
Default to internal suppliers	No	Will display only internal suppliers in default Supplier selection lists.
Force requisition delivery date entry	Yes	Will require the group profile members to enter a valid delivery date.

Parameter Name	Setting	Comments
Posting Rule	Blank	Allows a posting rule to be applied to the group profile. This overrides the global default.
Posting Periods From	Blank	Period as calculated. This will be controlled via SunSystems Open Periods.
Posting Periods To	Blank	Period as calculated. This will be controlled via SunSystems Open Periods.
Allow Post Period Override	No	Allows goods receiving or invoice period to be overridden.
Allow Multicurrency Rate Override	No	Allows group profile users to override the returned rates.
Allow Multicurrency Tolerance Override	N/A	Allows group profile users to override the iPOS tolerance % for multicurrency.
Permissions		
Requisitions		
Create requisitions	Yes	Users can create requisitions.
Allow exception authority	Yes	Users can send requisitions directly to an exception authority.
Edit template	Yes	Users can edit requisition template details during requisition entry.
Approve requisitions	No	Users can approve requisitions.
Allow exception authority	No	Users can forward a requisition to an exception authority at time of approval.
Approve own requisitions	No	Users can approve their own requisition
Edit approved requisitions	No	Users can edit an approved requisition.
Tolerance	N/A	Users can edit approved requisitions within a tolerance.
% up to \$	N/A	If an approved requisition is edited, and the amounts are changed in excess of this tolerance, then approval will be required
Delete approved requisitions	No	Indicate whether approved requisitions can be deleted by users in this group.
Allow linked document view	Yes	Allow users within this group to view all documents associated with the requisition (eg the purchase order).
Force item code	Yes	Ensure items codes are used during requisition entry instead of using free format items.
Allow Punchout	No	Not applicable
Control Desk		
Allow linked document view	Yes	Allow users within this group to view all documents associated with the purchase order (eg the requisition).
Search Only	No	Users in this group can be restricted to viewing/searching for orders only.
Create purchase orders	Yes	Users can generate Purchase Orders manually.

Parameter Name	Setting	Comments
Add lines to purchase orders	No	Users can add Lines to an existing Purchase Order.
Amend Order Delivery Date	No	Users can modify delivery dates.
Delete purchase orders	No	Users can delete Purchase Orders
XML Requisitions		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML Requisitions only.
Amend XML Requisitions	N/R	Users can amend XML Requisitions.
Delete XML Requisitions	N/R	Users can delete XML Requisitions.
XML Orders		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML Order only.
Amend XML Orders	N/R	Users can amend XML Orders.
Delete XML Orders	N/R	Users can delete XML Orders.
Goods Receipt		
Force item code	Yes	Ensure items codes are used during goods receipt entry instead of using free format items.
Allow linked document view	Yes	Allow users within this group to view all documents associated with the goods receipts (eg the requisition).
Search only	No	Users in this group can be restricted to viewing/searching for receipts only.
Match goods receipt	Yes	Users can perform Goods Receipting matching.
Match goods receipts without PO	No	Users can perform Goods Receipt entry where a Purchase Order does not exist.
Amend goods receipts	No	Users can amend line details (eg distribution codes) during Goods Receipting.
XML Receipts		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML receipts only.
Amend XML Receipts	N/R	Users can amend XML Receipts.
Delete XML Receipts	N/R	Users can delete XML Receipts.
XML Receipt Matching	N/R	Users can manually match XML Receipts if required.
Force XML Receipts	N/R	Creation of an XML Receipts can be enforced if a there is no matching order.
Force XML Receipt Line	N/R	Creation of an XML Receipts line can be enforced

Parameter Name	Setting	Comments
		if the receipt line does not match the order line.
Invoices		
Force item code	Yes	Ensure items codes are used during invoice and credit note matching/entry instead of using free format items.
Approve invoices	No	Indicate that users are able to approve invoices and credit notes.
Allow linked document view	Yes	Allow users within this group to view all documents associated with invoices (eg the requisition) and credit notes.
Search only	Yes	Users in this group can be restricted to viewing/searching for invoices and credit notes only.
Enter invoices	No	Allow users to enter/matching invoices. Only the Accounts Payable Group will have the ability to enter/match invoice and credit notes.
Enter invoices without purchase orders	No	Allow users to enter an invoice which is not related to a purchase order.
Amend invoices	No	Users can amend line details (eg distribution codes) during invoice and credit note entry/matching.
Edit item description	No	Allow amendment of line item descriptions during invoice and credit note entry/matching.
XML Invoices		
Search Only	N/R	Users in this group can be restricted to viewing/searching for XML invoices only.
XML Invoice matching	N/R	Allow users to manually match XML invoices if required.
Force XML Invoice	N/R	Creation of an XML Invoice can be enforced if a there is no matching order/receipt.
Force XML Invoice line	N/R	Creation of an XML Invoice line can be enforced if the invoice line does not match the receipt/order line.
Amend XML Invoices	N/R	Users can amend XML Invoices.
Delete XML Invoices	N/R	Users can delete XML Invoices.
Budget Checking		
On requisition creation	Yes	Budgets will be checked upon requisition creation.
Allow override	Yes	Group Profile members will be able to override budget checking on requisition entry. QR will amend this from 1/7/2009.
On submit for approval	No	Budgets will be checked upon submit for approval.
Allow override	N/A	Group Profile members will be able to override

Parameter Name	Setting	Comments
		budget checking on submitting for approval.
On requisition approval	Yes	Budgets will be checked upon approval of the requisition.
Allow override	Yes	Group Profile members will be able to override budget checking at requisition approval. QR will amend this from 1/7/2009.
On order creation	No	Budgets will be checked upon order create in control desk.
Allow override	N/A	Group Profile members will be able to override budget checking. On order creation.
On Invoice entry	No	Budgets will be checked upon entry of invoice.
Allow override	N/A	Group Profile members will be able to override budget checking on invoice entry.
Only check sponsor distribution lines	Yes	Indicates that the budget will be checked using analysis codes nominated on the sponsor line only.
Order Printing		This will override any global definitions.
Printer	Blank	Printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Format for Group Profile when printing/emailing initial order otherwise Global setting will be used.
Re-Print Format	Blank	Format for Group Profile when reprinting/re-emailing orders otherwise Global setting will be used.
Cancellation Format	Blank	Format for Group Profile when printed/emailed order lines are cancelled otherwise Global setting will be used.
Fax Printer	Blank	Fax Gateway printer for Group Profile otherwise Global setting will be used.
Fax Format	Blank	Format for Group Profile when faxing order otherwise Global setting will be used.
Re-Fax Format	Blank	Format for Group Profile when re-faxing orders otherwise Global setting will be used.
Cancellation Fax Format	Blank	Format for Group Profile when faxed order lines are cancelled otherwise Global setting will be used.
BCC to	Blank	BCC Email address for Group Profile otherwise Global setting will be used.
On email	No	BCC emailed orders for Group Profile otherwise Global setting will be used.
On print	No	BCC printed orders for Group Profile otherwise Global setting will be used.
On fax	No	BCC faxed orders for Group Profile otherwise Global setting will be used.
Requisition Printing		This will override any global definitions
Printer	Blank	Requisition document printer for Group Profile otherwise Global setting will be used.

Parameter Name	Setting	Comments
Print Format	Blank	Requisition document format for Group Profile otherwise Global setting will be used.
Receipt Printing		
This will override any global definitions		
Printer	Blank	Receipt document printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Receipt document format for Group Profile otherwise Global setting will be used.
Invoice Printing		
This will override any global definitions		
Printer	Blank	Invoice document printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Invoice document format for Group Profile otherwise Global setting will be used.
Browser Options		
View past requisition approvers	Yes	Indicate whether members of the Group Profile are able to view who approved the previous requisition approvers.
View past invoice approvers	Yes	Indicate whether members of the Group Profile are able to view who approved the previous invoice approvers.
Define browser grid options	Blank	Indicated which transaction analysis categories are enabled on distribution codes for this group. It also indicates which categories are visible in iPOS on selected iPOS grids screens. If not defined, Global settings will be used (ie Transaction Analysis).

Accounts Payable

Parameter Name	Setting	Comments
General		
Profile Name	Accounts Payable	
Distribution	Blank	Default Distribution Code for members of this group can be specified.
Amend Distributions	Yes	Can amend distribution details during requisition entry.
Delivery Address	Blank	Delivery address can be defaulted here otherwise Global setting will be used.
Use address locations	No	Allows users to use supplier address locations. "No" indicates all supplier address locations are available for use by this group.
Default to internal suppliers	No	Will display only internal suppliers in default Supplier selection lists.
Force requisition delivery date entry	Yes	Will require the group profile members to enter a valid delivery date.

Parameter Name	Setting	Comments
Posting Rule	Blank	Allows a posting rule to be applied to the group profile. This overrides the global default.
Posting Periods From	Blank	Period as calculated. This will be controlled via SunSystems Open Periods.
Posting Periods To	Blank	Period as calculated. This will be controlled via SunSystems Open Periods.
Allow Post Period Override	Yes	Allows goods receiving or invoice period to be overridden.
Allow Multicurrency Rate Override	No	Allows group profile users to override the returned rates.
Allow Multicurrency Tolerance Override	N/A	Allows group profile users to override the iPOS tolerance % for multicurrency.
Permissions		
Requisitions		
Create requisitions	No	Users can create requisitions.
Allow exception authority	N/A	Users can send requisitions directly to an exception authority.
Edit template	N/A	Users can edit requisition template details during requisition entry.
Approve requisitions	No	Users can approve requisitions.
Allow exception authority	No	Users can forward a requisition to an exception authority at time of approval.
Approve own requisitions	No	Users can approve their own requisition
Edit approved requisitions	No	Users can edit an approved requisition.
Tolerance	N/A	Users can edit approved requisitions within a tolerance.
% up to \$	N/A	If an approved requisition is edited, and the amounts are changed in excess of this tolerance, then approval will be required
Delete approved requisitions	No	Indicate whether approved requisitions can be deleted by users in this group.
Allow linked document view	Yes	Allow users within this group to view all documents associated with the requisition (eg the purchase order).
Force item code	Yes	Ensure items codes are used during requisition entry instead of using free format items.
Allow Punchout	No	Not applicable
Control Desk		
Allow linked document view	Yes	Allow users within this group to view all documents associated with the purchase order (eg the requisition).
Search Only	Yes	Users in this group can be restricted to viewing/searching for orders only.
Create purchase orders	No	Users can generate Purchase Orders manually.

Parameter Name	Setting	Comments
Add lines to purchase orders	No	Users can add Lines to an existing Purchase Order.
Amend Order Delivery Date	No	Users can modify delivery dates.
Delete purchase orders	No	Users can delete Purchase Orders
XML Requisitions		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML Requisitions only.
Amend XML Requisitions	N/R	Users can amend XML Requisitions.
Delete XML Requisitions	N/R	Users can delete XML Requisitions.
XML Orders		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML Order only.
Amend XML Orders	N/R	Users can amend XML Orders.
Delete XML Orders	N/R	Users can delete XML Orders.
Goods Receipt		
Force item code	Yes	Ensure items codes are used during goods receipt entry instead of using free format items.
Allow linked document view	Yes	Allow users within this group to view all documents associated with the goods receipts (eg the requisition).
Search only	No	Users in this group can be restricted to viewing/searching for receipts only.
Match goods receipt	Yes	Users can perform Goods Receipting matching.
Match goods receipts without PO	No	Users can perform Goods Receipt entry where a Purchase Order does not exist.
Amend goods receipts	No	Users can amend line details (eg distribution codes) during Goods Receipting.
XML Receipts		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML receipts only.
Amend XML Receipts	N/R	Users can amend XML Receipts.
Delete XML Receipts	N/R	Users can delete XML Receipts.
XML Receipt Matching	N/R	Users can manually match XML Receipts if required.
Force XML Receipts	N/R	Creation of an XML Receipts can be enforced if a there is no matching order.
Force XML Receipt Line	N/R	Creation of an XML Receipts line can be enforced

Parameter Name	Setting	Comments
		if the receipt line does not match the order line.
Invoices		
Force item code	Yes	Ensure items codes are used during invoice and credit note matching/entry instead of using free format items.
Approve invoices	No	Indicate that users are able to approve invoices and credit notes.
Allow linked document view	Yes	Allow users within this group to view all documents associated with invoices (eg the requisition) and credit notes.
Search only	No	Users in this group can be restricted to viewing/searching for invoices and credit notes only.
Enter invoices	Yes	Allow users to enter/matching invoices. Only the Accounts Payable Group will have the ability to enter/match invoice and credit notes.
Enter invoices without purchase orders	Yes	Allow users to enter an invoice which is not related to a purchase order.
Amend invoices	Yes	Users can amend line details (eg distribution codes) during invoice and credit note entry/matching.
Edit item description	Yes	Allow amendment of line item descriptions during invoice and credit note entry/matching.
XML Invoices		
Search Only	N/R	Users in this group can be restricted to viewing/searching for XML invoices only.
XML Invoice matching	N/R	Allow users to manually match XML invoices if required.
Force XML Invoice	N/R	Creation of an XML Invoice can be enforced if a there is no matching order/receipt.
Force XML Invoice line	N/R	Creation of an XML Invoice line can be enforced if the invoice line does not match the receipt/order line.
Amend XML Invoices	N/R	Users can amend XML Invoices.
Delete XML Invoices	N/R	Users can delete XML Invoices.
Budget Checking		
On requisition creation	Yes	Budgets will be checked upon requisition creation.
Allow override	Yes	Group Profile members will be able to override budget checking on requisition entry. QR will amend this from 1/7/2009.
On submit for approval	No	Budgets will be checked upon submit for approval.
Allow override	N/A	Group Profile members will be able to override

Parameter Name	Setting	Comments
		budget checking on submitting for approval.
On requisition approval	Yes	Budgets will be checked upon approval of the requisition.
Allow override	Yes	Group Profile members will be able to override budget checking at requisition approval. QR will amend this from 1/7/2009.
On order creation	No	Budgets will be checked upon order create in control desk.
Allow override	N/A	Group Profile members will be able to override budget checking. On order creation.
On Invoice entry	No	Budgets will be checked upon entry of invoice.
Allow override	N/A	Group Profile members will be able to override budget checking on invoice entry.
Only check sponsor distribution lines	Yes	Indicates that the budget will be checked using analysis codes nominated on the sponsor line only.
Order Printing		This will override any global definitions.
Printer	Blank	Printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Format for Group Profile when printing/emailing initial order otherwise Global setting will be used.
Re-Print Format	Blank	Format for Group Profile when reprinting/re-emailing orders otherwise Global setting will be used.
Cancellation Format	Blank	Format for Group Profile when printed/emailed order lines are cancelled otherwise Global setting will be used.
Fax Printer	Blank	Fax Gateway printer for Group Profile otherwise Global setting will be used.
Fax Format	Blank	Format for Group Profile when faxing order otherwise Global setting will be used.
Re-Fax Format	Blank	Format for Group Profile when re-faxing orders otherwise Global setting will be used.
Cancellation Fax Format	Blank	Format for Group Profile when faxed order lines are cancelled otherwise Global setting will be used.
BCC to	Blank	BCC Email address for Group Profile otherwise Global setting will be used.
On email	No	BCC emailed orders for Group Profile otherwise Global setting will be used.
On print	No	BCC printed orders for Group Profile otherwise Global setting will be used.
On fax	No	BCC faxed orders for Group Profile otherwise Global setting will be used.
Requisition Printing		This will override any global definitions
Printer	Blank	Requisition document printer for Group Profile otherwise Global setting will be used.

Parameter Name	Setting	Comments
Print Format	Blank	Requisition document format for Group Profile otherwise Global setting will be used.
Receipt Printing		
Printer	Blank	Receipt document printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Receipt document format for Group Profile otherwise Global setting will be used.
Invoice Printing		
Printer	Blank	Invoice document printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Invoice document format for Group Profile otherwise Global setting will be used.
Browser Options		
View past requisition approvers	Yes	Indicate whether members of the Group Profile are able to view who approved the previous requisition approvers.
View past invoice approvers	Yes	Indicate whether members of the Group Profile are able to view who approved the previous invoice approvers.
Define browser grid options	Blank	Indicated which transaction analysis categories are enabled on distribution codes for this group. It also indicates which categories are visible in iPOS on selected iPOS grids screens. If not defined, Global settings will be used (ie Transaction Analysis).

Approvers Only

Parameter Name	Setting	Comments
General		
Profile Name	Approvers Only	
Distribution	Blank	Default Distribution Code for members of this group can be specified.
Amend Distributions	No	Can amend distribution details during requisition entry.
Delivery Address	Blank	Delivery address can be defaulted here otherwise Global setting will be used.
Use address locations	No	Allows users to use supplier address locations. "No" indicates all supplier address locations are available for use by this group.
Default to internal suppliers	No	Will display only internal suppliers in default Supplier selection lists.
Force requisition delivery date entry	Yes	Will require the group profile members to enter a valid delivery date.

Parameter Name	Setting	Comments
Posting Rule	Blank	Allows a posting rule to be applied to the group profile. This overrides the global default.
Posting Periods From	Blank	Period as calculated. This will be controlled via SunSystems Open Periods.
Posting Periods To	Blank	Period as calculated. This will be controlled via SunSystems Open Periods.
Allow Post Period Override	No	Allows goods receiving or invoice period to be overridden.
Allow Multicurrency Rate Override	No	Allows group profile users to override the returned rates.
Allow Multicurrency Tolerance Override	N/A	Allows group profile users to override the iPOS tolerance % for multicurrency.
Permissions		
Requisitions		
Create requisitions	No	Users can create requisitions.
Allow exception authority	N/A	Users can send requisitions directly to an exception authority.
Edit template	N/A	Users can edit requisition template details during requisition entry.
Approve requisitions	Yes	Users can approve requisitions.
Allow exception authority	Yes	Users can forward a requisition to an exception authority at time of approval.
Approve own requisitions	No	Users can approve their own requisition
Edit approved requisitions	No	Users can edit an approved requisition.
Tolerance	N/A	Users can edit approved requisitions within a tolerance.
% up to \$	N/A	If an approved requisition is edited, and the amounts are changed in excess of this tolerance, then approval will be required
Delete approved requisitions	No	Indicate whether approved requisitions can be deleted by users in this group.
Allow linked document view	Yes	Allow users within this group to view all documents associated with the requisition (eg the purchase order).
Force item code	Yes	Ensure items codes are used during requisition entry instead of using free format items.
Allow Punchout	No	Not applicable
Control Desk		
Allow linked document view	Yes	Allow users within this group to view all documents associated with the purchase order (eg the requisition).
Search Only	Yes	Users in this group can be restricted to viewing/searching for orders only.
Create purchase orders	No	Users can generate Purchase Orders manually.

Parameter Name	Setting	Comments
Add lines to purchase orders	No	Users can add Lines to an existing Purchase Order.
Amend Order Delivery Date	No	Users can modify delivery dates.
Delete purchase orders	No	Users can delete Purchase Orders
XML Requisitions		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML Requisitions only.
Amend XML Requisitions	N/R	Users can amend XML Requisitions.
Delete XML Requisitions	N/R	Users can delete XML Requisitions.
XML Orders		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML Order only.
Amend XML Orders	N/R	Users can amend XML Orders.
Delete XML Orders	N/R	Users can delete XML Orders.
Goods Receipt		
Force item code	Yes	Ensure items codes are used during goods receipt entry instead of using free format items.
Allow linked document view	Yes	Allow users within this group to view all documents associated with the goods receipts (eg the requisition).
Search only	Yes	Users in this group can be restricted to viewing/searching for receipts only.
Match goods receipt	No	Users can perform Goods Receipting matching.
Match goods receipts without PO	No	Users can perform Goods Receipt entry where a Purchase Order does not exist.
Amend goods receipts	No	Users can amend line details (eg distribution codes) during Goods Receipting.
XML Receipts		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML receipts only.
Amend XML Receipts	N/R	Users can amend XML Receipts.
Delete XML Receipts	N/R	Users can delete XML Receipts.
XML Receipt Matching	N/R	Users can manually match XML Receipts if required.
Force XML Receipts	N/R	Creation of an XML Receipts can be enforced if a there is no matching order.
Force XML Receipt Line	N/R	Creation of an XML Receipts line can be enforced

Parameter Name	Setting	Comments
		if the receipt line does not match the order line.
Invoices		
Force item code	Yes	Ensure items codes are used during invoice and credit note matching/entry instead of using free format items.
Approve invoices	Yes	Indicate that users are able to approve invoices and credit notes.
Allow linked document view	Yes	Allow users within this group to view all documents associated with invoices (eg the requisition) and credit notes.
Search only	Yes	Users in this group can be restricted to viewing/searching for invoices and credit notes only.
Enter invoices	No	Allow users to enter/matching invoices. Only the Accounts Payable Group will have the ability to enter/match invoice and credit notes.
Enter invoices without purchase orders	No	Allow users to enter an invoice which is not related to a purchase order.
Amend invoices	No	Users can amend line details (eg distribution codes) during invoice and credit note entry/matching.
Edit item description	No	Allow amendment of line item descriptions during invoice and credit note entry/matching.
XML Invoices		
Search Only	N/R	Users in this group can be restricted to viewing/searching for XML invoices only.
XML Invoice matching	N/R	Allow users to manually match XML invoices if required.
Force XML Invoice	N/R	Creation of an XML Invoice can be enforced if a there is no matching order/receipt.
Force XML Invoice line	N/R	Creation of an XML Invoice line can be enforced if the invoice line does not match the receipt/order line.
Amend XML Invoices	N/R	Users can amend XML Invoices.
Delete XML Invoices	N/R	Users can delete XML Invoices.
Budget Checking		
On requisition creation	Yes	Budgets will be checked upon requisition creation.
Allow override	Yes	Group Profile members will be able to override budget checking on requisition entry. QR will amend this from 1/7/2009.
On submit for approval	No	Budgets will be checked upon submit for approval.
Allow override	N/A	Group Profile members will be able to override

Parameter Name	Setting	Comments
		budget checking on submitting for approval.
On requisition approval	Yes	Budgets will be checked upon approval of the requisition.
Allow override	Yes	Group Profile members will be able to override budget checking at requisition approval. QR will amend this from 1/7/2009.
On order creation	No	Budgets will be checked upon order create in control desk.
Allow override	N/A	Group Profile members will be able to override budget checking. On order creation.
On Invoice entry	No	Budgets will be checked upon entry of invoice.
Allow override	N/A	Group Profile members will be able to override budget checking on invoice entry.
Only check sponsor distribution lines	Yes	Indicates that the budget will be checked using analysis codes nominated on the sponsor line only.
Order Printing		This will override any global definitions.
Printer	Blank	Printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Format for Group Profile when printing/emailing initial order otherwise Global setting will be used.
Re-Print Format	Blank	Format for Group Profile when reprinting/re-emailing orders otherwise Global setting will be used.
Cancellation Format	Blank	Format for Group Profile when printed/emailed order lines are cancelled otherwise Global setting will be used.
Fax Printer	Blank	Fax Gateway printer for Group Profile otherwise Global setting will be used.
Fax Format	Blank	Format for Group Profile when faxing order otherwise Global setting will be used.
Re-Fax Format	Blank	Format for Group Profile when re-faxing orders otherwise Global setting will be used.
Cancellation Fax Format	Blank	Format for Group Profile when faxed order lines are cancelled otherwise Global setting will be used.
BCC to	Blank	BCC Email address for Group Profile otherwise Global setting will be used.
On email	No	BCC emailed orders for Group Profile otherwise Global setting will be used.
On print	No	BCC printed orders for Group Profile otherwise Global setting will be used.
On fax	No	BCC faxed orders for Group Profile otherwise Global setting will be used.
Requisition Printing		This will override any global definitions
Printer	Blank	Requisition document printer for Group Profile otherwise Global setting will be used.

Parameter Name	Setting	Comments
Print Format	Blank	Requisition document format for Group Profile otherwise Global setting will be used.
Receipt Printing		
Printer	Blank	Receipt document printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Receipt document format for Group Profile otherwise Global setting will be used.
Invoice Printing		
Printer	Blank	Invoice document printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Invoice document format for Group Profile otherwise Global setting will be used.
Browser Options		
View past requisition approvers	Yes	Indicate whether members of the Group Profile are able to view who approved the previous requisition approvers.
View past invoice approvers	Yes	Indicate whether members of the Group Profile are able to view who approved the previous invoice approvers.
Define browser grid options	Blank	Indicated which transaction analysis categories are enabled on distribution codes for this group. It also indicates which categories are visible in iPOS on selected iPOS grids screens. If not defined, Global settings will be used (ie Transaction Analysis).

Finance Manager

Parameter Name	Setting	Comments
General		
Profile Name	Finance Manager	
Distribution	Blank	Default Distribution Code for members of this group can be specified.
Amend Distributions	No	Can amend distribution details during requisition entry.
Delivery Address	Blank	Delivery address can be defaulted here otherwise Global setting will be used.
Use address locations	No	Allows users to use supplier address locations. "No" indicates all supplier address locations are available for use by this group.
Default to internal suppliers	No	Will display only internal suppliers in default Supplier selection lists.
Force requisition delivery date entry	Yes	Will require the group profile members to enter a valid delivery date.

Parameter Name	Setting	Comments
Posting Rule	Blank	Allows a posting rule to be applied to the group profile. This overrides the global default.
Posting Periods From	Blank	Period as calculated. This will be controlled via SunSystems Open Periods.
Posting Periods To	Blank	Period as calculated. This will be controlled via SunSystems Open Periods.
Allow Post Period Override	No	Allows goods receiving or invoice period to be overridden.
Allow Multicurrency Rate Override	No	Allows group profile users to override the returned rates.
Allow Multicurrency Tolerance Override	N/A	Allows group profile users to override the iPOS tolerance % for multicurrency.
Permissions		
Requisitions		
Create requisitions	No	Users can create requisitions.
Allow exception authority	N/A	Users can send requisitions directly to an exception authority.
Edit template	N/A	Users can edit requisition template details during requisition entry.
Approve requisitions	Yes	Users can approve requisitions.
Allow exception authority	Yes	Users can forward a requisition to an exception authority at time of approval.
Approve own requisitions	No	Users can approve their own requisition
Edit approved requisitions	No	Users can edit an approved requisition.
Tolerance	N/A	Users can edit approved requisitions within a tolerance.
% up to \$	N/A	If an approved requisition is edited, and the amounts are changed in excess of this tolerance, then approval will be required
Delete approved requisitions	Yes	Indicate whether approved requisitions can be deleted by users in this group.
Allow linked document view	Yes	Allow users within this group to view all documents associated with the requisition (eg the purchase order).
Force item code	Yes	Ensure items codes are used during requisition entry instead of using free format items.
Allow Punchout	No	Not applicable
Control Desk		
Allow linked document view	Yes	Allow users within this group to view all documents associated with the purchase order (eg the requisition).
Search Only	Yes	Users in this group can be restricted to viewing/searching for orders only.
Create purchase orders	No	Users can generate Purchase Orders manually.

Parameter Name	Setting	Comments
Add lines to purchase orders	No	Users can add Lines to an existing Purchase Order.
Amend Order Delivery Date	No	Users can modify delivery dates.
Delete purchase orders	No	Users can delete Purchase Orders
XML Requisitions		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML Requisitions only.
Amend XML Requisitions	N/R	Users can amend XML Requisitions.
Delete XML Requisitions	N/R	Users can delete XML Requisitions.
XML Orders		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML Order only.
Amend XML Orders	N/R	Users can amend XML Orders.
Delete XML Orders	N/R	Users can delete XML Orders.
Goods Receipt		
Force item code	Yes	Ensure items codes are used during goods receipt entry instead of using free format items.
Allow linked document view	Yes	Allow users within this group to view all documents associated with the goods receipts (eg the requisition).
Search only	Yes	Users in this group can be restricted to viewing/searching for receipts only.
Match goods receipt	No	Users can perform Goods Receipting matching.
Match goods receipts without PO	No	Users can perform Goods Receipt entry where a Purchase Order does not exist.
Amend goods receipts	No	Users can amend line details (eg distribution codes) during Goods Receipting.
XML Receipts		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML receipts only.
Amend XML Receipts	N/R	Users can amend XML Receipts.
Delete XML Receipts	N/R	Users can delete XML Receipts.
XML Receipt Matching	N/R	Users can manually match XML Receipts if required.
Force XML Receipts	N/R	Creation of an XML Receipts can be enforced if a there is no matching order.
Force XML Receipt Line	N/R	Creation of an XML Receipts line can be enforced

Parameter Name	Setting	Comments
		if the receipt line does not match the order line.
Invoices		
Force item code	Yes	Ensure items codes are used during invoice and credit note matching/entry instead of using free format items.
Approve invoices	Yes	Indicate that users are able to approve invoices and credit notes.
Allow linked document view	Yes	Allow users within this group to view all documents associated with invoices (eg the requisition) and credit notes.
Search only	Yes	Users in this group can be restricted to viewing/searching for invoices and credit notes only.
Enter invoices	No	Allow users to enter/matching invoices. Only the Accounts Payable Group will have the ability to enter/match invoice and credit notes.
Enter invoices without purchase orders	No	Allow users to enter an invoice which is not related to a purchase order.
Amend invoices	No	Users can amend line details (eg distribution codes) during invoice and credit note entry/matching.
Edit item description	No	Allow amendment of line item descriptions during invoice and credit note entry/matching.
XML Invoices		
Search Only	N/R	Users in this group can be restricted to viewing/searching for XML invoices only.
XML Invoice matching	N/R	Allow users to manually match XML invoices if required.
Force XML Invoice	N/R	Creation of an XML Invoice can be enforced if a there is no matching order/receipt.
Force XML Invoice line	N/R	Creation of an XML Invoice line can be enforced if the invoice line does not match the receipt/order line.
Amend XML Invoices	N/R	Users can amend XML Invoices.
Delete XML Invoices	N/R	Users can delete XML Invoices.
Budget Checking		
On requisition creation	Yes	Budgets will be checked upon requisition creation.
Allow override	Yes	Group Profile members will be able to override budget checking on requisition entry. QR will amend this from 1/7/2009.
On submit for approval	No	Budgets will be checked upon submit for approval.
Allow override	N/A	Group Profile members will be able to override

Parameter Name	Setting	Comments
		budget checking on submitting for approval.
On requisition approval	Yes	Budgets will be checked upon approval of the requisition.
Allow override	Yes	Group Profile members will be able to override budget checking at requisition approval. QR will amend this from 1/7/2009.
On order creation	No	Budgets will be checked upon order create in control desk.
Allow override	N/A	Group Profile members will be able to override budget checking. On order creation.
On Invoice entry	No	Budgets will be checked upon entry of invoice.
Allow override	N/A	Group Profile members will be able to override budget checking on invoice entry.
Only check sponsor distribution lines	Yes	Indicates that the budget will be checked using analysis codes nominated on the sponsor line only.
Order Printing		This will override any global definitions.
Printer	Blank	Printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Format for Group Profile when printing/emailing initial order otherwise Global setting will be used.
Re-Print Format	Blank	Format for Group Profile when reprinting/re-emailing orders otherwise Global setting will be used.
Cancellation Format	Blank	Format for Group Profile when printed/emailed order lines are cancelled otherwise Global setting will be used.
Fax Printer	Blank	Fax Gateway printer for Group Profile otherwise Global setting will be used.
Fax Format	Blank	Format for Group Profile when faxing order otherwise Global setting will be used.
Re-Fax Format	Blank	Format for Group Profile when re-faxing orders otherwise Global setting will be used.
Cancellation Fax Format	Blank	Format for Group Profile when faxed order lines are cancelled otherwise Global setting will be used.
BCC to	Blank	BCC Email address for Group Profile otherwise Global setting will be used.
On email	No	BCC emailed orders for Group Profile otherwise Global setting will be used.
On print	No	BCC printed orders for Group Profile otherwise Global setting will be used.
On fax	No	BCC faxed orders for Group Profile otherwise Global setting will be used.
Requisition Printing		This will override any global definitions
Printer	Blank	Requisition document printer for Group Profile otherwise Global setting will be used.

Parameter Name	Setting	Comments
Print Format	Blank	Requisition document format for Group Profile otherwise Global setting will be used.
Receipt Printing		
This will override any global definitions		
Printer	Blank	Receipt document printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Receipt document format for Group Profile otherwise Global setting will be used.
Invoice Printing		
This will override any global definitions		
Printer	Blank	Invoice document printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Invoice document format for Group Profile otherwise Global setting will be used.
Browser Options		
View past requisition approvers	Yes	Indicate whether members of the Group Profile are able to view who approved the previous requisition approvers.
View past invoice approvers	Yes	Indicate whether members of the Group Profile are able to view who approved the previous invoice approvers.
Define browser grid options	Blank	Indicated which transaction analysis categories are enabled on distribution codes for this group. It also indicates which categories are visible in iPOS on selected iPOS grids screens. If not defined, Global settings will be used (ie Transaction Analysis).

Accountant

Parameter Name	Setting	Comments
General		
Profile Name	Accountant	
Distribution	Blank	Default Distribution Code for members of this group can be specified.
Amend Distributions	No	Can amend distribution details during requisition entry.
Delivery Address	Blank	Delivery address can be defaulted here otherwise Global setting will be used.
Use address locations	No	Allows users to use supplier address locations. "No" indicates all supplier address locations are available for use by this group.
Default to internal suppliers	No	Will display only internal suppliers in default Supplier selection lists.
Force requisition delivery date entry	Yes	Will require the group profile members to enter a valid delivery date.

Parameter Name	Setting	Comments
Posting Rule	Blank	Allows a posting rule to be applied to the group profile. This overrides the global default.
Posting Periods From	Blank	Period as calculated. This will be controlled via SunSystems Open Periods.
Posting Periods To	Blank	Period as calculated. This will be controlled via SunSystems Open Periods.
Allow Post Period Override	No	Allows goods receiving or invoice period to be overridden.
Allow Multicurrency Rate Override	No	Allows group profile users to override the returned rates.
Allow Multicurrency Tolerance Override	N/A	Allows group profile users to override the iPOS tolerance % for multicurrency.
Permissions		
Requisitions		
Create requisitions	No	Users can create requisitions.
Allow exception authority	N/A	Users can send requisitions directly to an exception authority.
Edit template	N/A	Users can edit requisition template details during requisition entry.
Approve requisitions	No	Users can approve requisitions.
Allow exception authority	Yes	Users can forward a requisition to an exception authority at time of approval.
Approve own requisitions	No	Users can approve their own requisition
Edit approved requisitions	No	Users can edit an approved requisition.
Tolerance	N/A	Users can edit approved requisitions within a tolerance.
% up to \$	N/A	If an approved requisition is edited, and the amounts are changed in excess of this tolerance, then approval will be required
Delete approved requisitions	Yes	Indicate whether approved requisitions can be deleted by users in this group.
Allow linked document view	Yes	Allow users within this group to view all documents associated with the requisition (eg the purchase order).
Force item code	Yes	Ensure items codes are used during requisition entry instead of using free format items.
Allow Punchout	No	Not applicable
Control Desk		
Allow linked document view	Yes	Allow users within this group to view all documents associated with the purchase order (eg the requisition).
Search Only	Yes	Users in this group can be restricted to viewing/searching for orders only.
Create purchase orders	No	Users can generate Purchase Orders manually.

Parameter Name	Setting	Comments
Add lines to purchase orders	No	Users can add Lines to an existing Purchase Order.
Amend Order Delivery Date	No	Users can modify delivery dates.
Delete purchase orders	No	Users can delete Purchase Orders
XML Requisitions		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML Requisitions only.
Amend XML Requisitions	N/R	Users can amend XML Requisitions.
Delete XML Requisitions	N/R	Users can delete XML Requisitions.
XML Orders		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML Order only.
Amend XML Orders	N/R	Users can amend XML Orders.
Delete XML Orders	N/R	Users can delete XML Orders.
Goods Receipt		
Force item code	Yes	Ensure items codes are used during goods receipt entry instead of using free format items.
Allow linked document view	Yes	Allow users within this group to view all documents associated with the goods receipts (eg the requisition).
Search only	Yes	Users in this group can be restricted to viewing/searching for receipts only.
Match goods receipt	No	Users can perform Goods Receipting matching.
Match goods receipts without PO	No	Users can perform Goods Receipt entry where a Purchase Order does not exist.
Amend goods receipts	No	Users can amend line details (eg distribution codes) during Goods Receipting.
XML Receipts		
Search only	N/R	Users in this group can be restricted to viewing/searching for XML receipts only.
Amend XML Receipts	N/R	Users can amend XML Receipts.
Delete XML Receipts	N/R	Users can delete XML Receipts.
XML Receipt Matching	N/R	Users can manually match XML Receipts if required.
Force XML Receipts	N/R	Creation of an XML Receipts can be enforced if a there is no matching order.
Force XML Receipt Line	N/R	Creation of an XML Receipts line can be enforced

Parameter Name	Setting	Comments
		if the receipt line does not match the order line.
Invoices		
Force item code	Yes	Ensure items codes are used during invoice and credit note matching/entry instead of using free format items.
Approve invoices	Yes	Indicate that users are able to approve invoices and credit notes.
Allow linked document view	Yes	Allow users within this group to view all documents associated with invoices (eg the requisition) and credit notes.
Search only	Yes	Users in this group can be restricted to viewing/searching for invoices and credit notes only.
Enter invoices	No	Allow users to enter/matching invoices. Only the Accounts Payable Group will have the ability to enter/match invoice and credit notes.
Enter invoices without purchase orders	No	Allow users to enter an invoice which is not related to a purchase order.
Amend invoices	No	Users can amend line details (eg distribution codes) during invoice and credit note entry/matching.
Edit item description	No	Allow amendment of line item descriptions during invoice and credit note entry/matching.
XML Invoices		
Search Only	N/R	Users in this group can be restricted to viewing/searching for XML invoices only.
XML Invoice matching	N/R	Allow users to manually match XML invoices if required.
Force XML Invoice	N/R	Creation of an XML Invoice can be enforced if a there is no matching order/receipt.
Force XML Invoice line	N/R	Creation of an XML Invoice line can be enforced if the invoice line does not match the receipt/order line.
Amend XML Invoices	N/R	Users can amend XML Invoices.
Delete XML Invoices	N/R	Users can delete XML Invoices.
Budget Checking		
On requisition creation	Yes	Budgets will be checked upon requisition creation.
Allow override	Yes	Group Profile members will be able to override budget checking on requisition entry. QR will amend this from 1/7/2009.
On submit for approval	No	Budgets will be checked upon submit for approval.
Allow override	N/A	Group Profile members will be able to override

Parameter Name	Setting	Comments
		budget checking on submitting for approval.
On requisition approval	Yes	Budgets will be checked upon approval of the requisition.
Allow override	Yes	Group Profile members will be able to override budget checking at requisition approval. QR will amend this from 1/7/2009.
On order creation	No	Budgets will be checked upon order create in control desk.
Allow override	N/A	Group Profile members will be able to override budget checking. On order creation.
On Invoice entry	No	Budgets will be checked upon entry of invoice.
Allow override	N/A	Group Profile members will be able to override budget checking on invoice entry.
Only check sponsor distribution lines	Yes	Indicates that the budget will be checked using analysis codes nominated on the sponsor line only.
Order Printing		This will override any global definitions.
Printer	Blank	Printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Format for Group Profile when printing/emailing initial order otherwise Global setting will be used.
Re-Print Format	Blank	Format for Group Profile when reprinting/re-emailing orders otherwise Global setting will be used.
Cancellation Format	Blank	Format for Group Profile when printed/emailed order lines are cancelled otherwise Global setting will be used.
Fax Printer	Blank	Fax Gateway printer for Group Profile otherwise Global setting will be used.
Fax Format	Blank	Format for Group Profile when faxing order otherwise Global setting will be used.
Re-Fax Format	Blank	Format for Group Profile when re-faxing orders otherwise Global setting will be used.
Cancellation Fax Format	Blank	Format for Group Profile when faxed order lines are cancelled otherwise Global setting will be used.
BCC to	Blank	BCC Email address for Group Profile otherwise Global setting will be used.
On email	No	BCC emailed orders for Group Profile otherwise Global setting will be used.
On print	No	BCC printed orders for Group Profile otherwise Global setting will be used.
On fax	No	BCC faxed orders for Group Profile otherwise Global setting will be used.
Requisition Printing		This will override any global definitions
Printer	Blank	Requisition document printer for Group Profile otherwise Global setting will be used.

Parameter Name	Setting	Comments
Print Format	Blank	Requisition document format for Group Profile otherwise Global setting will be used.
Receipt Printing		
Printer	Blank	Receipt document printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Receipt document format for Group Profile otherwise Global setting will be used.
Invoice Printing		
Printer	Blank	Invoice document printer for Group Profile otherwise Global setting will be used.
Print Format	Blank	Invoice document format for Group Profile otherwise Global setting will be used.
Browser Options		
View past requisition approvers	Yes	Indicate whether members of the Group Profile are able to view who approved the previous requisition approvers.
View past invoice approvers	Yes	Indicate whether members of the Group Profile are able to view who approved the previous invoice approvers.
Define browser grid options	Blank	Indicated which transaction analysis categories are enabled on distribution codes for this group. It also indicates which categories are visible in iPOS on selected iPOS grids screens. If not defined, Global settings will be used (ie Transaction Analysis).

4.5 Groups

Groups are used to associate the Users with the appropriate Group Profile. Firstly, a Group name is created which is then assigned to a Group Profile (ie to identify the permissions and other parameters of the Group). Each user must then be assigned to a Group.

QR will complete the templates with the appropriate Groups and Group Users.

4.5.1 Groups

During the design workshop, QR decided that each Group will link to a specific Group profile and the Group and Group Profile coding and naming will be the same to facilitate easy maintenance and identification.

4.5.2 Group Users

Examples of the Group Users discussed during workshop are as follows.

Group Profile	Group Users
Deagon Requisitioners – IT	Andrew Willis.
Accounts Payable	Su Agate and Kees Van der Waal.
Approver Only	Mal Tuttle, Paul Brennan, Peter Smith, Shara Murray and David Rowan.
Finance Manager	Adam Carter.
Accountant	Murray Dyke.

4.6 Users

PA will upload the initial list of users into iPOS which is provided by QR using the data migration templates. This initial list will contain user name and email address. QR is also able to identify which users are Administrative Users, Exception Authorities as well as defining default printer and document formats (this will override Group Profile and global defaults).

The main function of an Administrative User is to be notified and action exception conditions. When processes fail, the system sends them e-mails to advise them of the failure eg posting errors, if there is a 'hole' in the requisition approval matrix and the approval administration authority matrix etc. Murray Dyke and Adam Carter have been nominated as the sole Administrative Users.

Exception Authorities can be referred to for approval a requisition or invoice. This will bypass the rules of the approval matrix. All members of the "Approvers Only" and "Finance Manager" groups will be nominated as Exception Authorities.

There are two types of users, namely Active and Inactive users. Inactive users are those which are no longer required in iPOS. This ensures that transactions raised by inactive users are still available in iPOS.

Below is an example of a User identified during the workshop and it also illustrates all parameters available for a User in iPOS.

Parameter Name	Setting	Comments
Login Name	MDyke	Name used by user to login to iPOS via the browser.
Change Password	Blank	Nominate the password for this user.
Confirm Password	Blank	Repeat/confirm the password for this user.
Last Name	Dyke	Users Surname.
First Name	Murray	User's First name.
Email	mdyke@queenslandracing.com.au	Users email address.
Full name	Murray Dyke	Full name.
Options		
Active user	Yes	

Parameter Name	Setting	Comments
Locked user	No	
Administrative User	Yes	Will be notified of system errors (eg deficiencies in the approval matrices)
Change password at next logon	Yes	Requires that the user to change their password
Exception Authority	Yes	Allowed to be referred to as an exception authority for requisition and invoice approval.
Group	N/R	Displays when users have been assigned to a group.
Group Profile	N/R	Displays when users have been assigned to a group profile.
Order Printing		This will override any Group Profile or Global definitions.
Printer	Blank	Printer for user otherwise Group Profile or Global setting will be used.
Print Format	Blank	Format for User when printing/emailing initial order otherwise Group Profile or Global setting will be used.
Re-Print Format	Blank	Format for User when reprinting/re-emailing orders otherwise Group Profile or Global setting will be used.
Cancellation Format	Blank	Format for User when printed/emailed order lines are cancelled otherwise Group Profile or Global setting will be used.
Fax Printer	Blank	Fax Gateway printer for User otherwise Group Profile or Global setting will be used.
Fax Format	Blank	Format for User when faxing order otherwise Group Profile or Global setting will be used.
Re-Fax Format	Blank	Format for User when re-faxing orders otherwise Group Profile or Global setting will be used.
Cancellation Fax Format	Blank	Format for User when faxed order lines are cancelled otherwise Group Profile or Global setting will be used.
BCC to	Blank	BCC Email address for User otherwise Group Profile or Global setting will be used.
On email	N/R	BCC emailed orders for User otherwise Group Profile or Global setting will be used.
On print	N/R	BCC printed orders for User otherwise Group Profile or Global setting will be used.
On fax	N/R	BCC faxed orders for User otherwise Group Profile or Global setting will be used.

Parameter Name	Setting	Comments
Requisition Printing		
		This will override any Group Profile or Global definitions.
Printer	Blank	Requisition document printer for User otherwise Group Profile or Global setting will be used.
Print Format	Blank	Requisition document format for User otherwise Group Profile or Global setting will be used.
Receipt Printing		
		This will override any Group Profile or Global definitions.
Printer	Blank	Receipt document printer for User otherwise Group Profile or Global setting will be used.
Print Format	Blank	Receipt document format for User otherwise Group Profile or Global setting will be used.
Invoice Printing		
		This will override any group profile definitions
Printer	TBA	Invoice document printer for User otherwise Group Profile or Global setting will be used.
Print Format	Blank	Invoice document format for User otherwise Group Profile or Global setting will be used.

4.7 Distributions

Distribution Codes allows QR to define valid transactions analysis codes combinations to be used during requisition entry and invoice entry/matching in iPOS. A Distribution Code is able to be attached to Group Profiles and as such becomes the default for members of the group during requisition entry and invoice entry/matching.

The parameters specified for each Distribution Code are:

Parameter Name	Comments
Distribution Code	
Name	Name of distribution.
Lines	
Cost Centre	Select from a list of valid Transactions Analysis 1
Project	Select from a list of valid Transactions Analysis 2
Function	Select from a list of valid Transactions Analysis 3
Ratio	Where costs are to be split between Transaction Analysis Code

Parameter Name	Comments
	combinations the user can define the ratios by which the amount will be split (eg number of staff or percentage) otherwise use 1.
Sponsor Line	When costs are split, you can select which line is the budget sponsor. If that line passes budget checking requirements all lines pass, if it fails, all lines fail.

QR will complete the template supplied by PA to confirm this requirement. Below is an example of a Distribution Codes discussed during the workshop. The code used will be an abbreviation of the Cost Centre, Function and Project to which they relate. PA suggests that those used for distributing overheads (eg electricity) are prefixed with "Z" to place them at the end of the list when searching is performed by normal requisition users.

Dist. Code	Name	Line	Cost Centre	Project	Function	Ratio	Sponsor Line
SEST	South-East Qld Stewarding	1	01 (Bris.)	Blank	ST (Stewarding)	1	Yes
SESTST	South-East Qld Stewarding Synthetic Track	1	01 (Bris.)	ST (Synthetic Track)	ST (Stewarding)	1	Yes
ZBRELECT	Brisbane Electricity	1	01 (Bris.)	Blank	ST (Stewarding)	9	Yes
		2	01 (Bris.)	Blank	FA (Finance)	8	No
		3	01 (Bris.)	Blank	LE (Legal)	1	No
		4	01 (Bris.)	Blank	IT (Information Technology)	3	No

Ratios nominated for the Brisbane Electricity distribution are examples only and Ratios used reflect staff numbers in each area.

Users are allowed access to a Distribution Code if their Group Profile has been nominated for the Distribution Code. QR will populate the data migration templates accordingly. Below are examples of these requirements discussed during the design workshop.

Dist. Code	Group Profile
SEST	Deagon Requisitioners – Integrity and Stewarding Accounts Payable Deagon Requisitioners – Finance
SESTST	Deagon Requisitioners – Integrity and Stewarding Accounts Payable Deagon Requisitioners – Finance

Dist. Code	Group Profile
ZBRELECT	Accounts Payable

4.8 Catalogues

A Catalogue is a group of items. Catalogues provide QR with the ability to create/maintain customisable lists of items from which requisitions can be created. Items can be members of multiple catalogues.

Users are able to select from the Catalogues that they have been given access to. It will be the responsibility of QR to create and maintain catalogues.

QR will complete the template provided with the Catalogues required and also the list of Items for each Catalogue. QR will also assign these catalogues to particular user Group Profiles so users can access relevant items.

QR identified that the following Catalogues will be created:

Catalogue Names	Items
Legal and Consultancy Items	Legal Fee and Consultancy items.
General Items	All other items.

Users are allowed access to a Catalogue if their Group Profile has been nominated for the Catalogue. QR will populate the data migration templates accordingly. Below are examples of these requirements discussed during the design workshop.

Catalogue Names	Group Profile
Legal and Consultancy Items	Deagon Requisitioners – Legal Deagon Requisitioners – Finance Accounts Payable
General Items	Deagon Requisitioners – Finance Deagon Requisitioners – Integrity and Stewarding Deagon Requisitioners – Finance Deagon Requisitioners – IT Deagon Requisitioners – Integrity and Stewarding Deagon Requisitioners – Racing Deagon Requisitioners – Training and Licensing Rockhampton Requisitioners Townsville Requisitioners Toowoomba Requisitioners Accounts Payable

4.9 Templates

Templates allow users to create a predefined list of items. QR can define templates according to their requirements for frequently purchase groups of items. QR indicated they do not require templates initially.

4.10 Item Analysis

Items Analysis codes in iPOS (Q Codes) are used to categorise items. These categories can be used to select items when creating requisitions and also incorporated in the requisition and invoice approval matrices.

The design workshop identified no requirement for Q Codes.

4.11 Items

4.11.1 Item Grouping

These options allow Items to be grouped by Item code and Description within the iPOS Administration function to assist with the maintenance process. These options allow QR to nominate the basis for the groupings. Initially, QR will use the below default setting.

Parameter Name	Settings	Comments
By Description		
Start Character	1	Items will be grouped by the first ten (10) characters of the description.
Length	10	
Group Count	100	Number of items in each group.
By Code		
Start Character	1	Items will be grouped by the first ten (10) characters of the code.
Length	10	
Group Count	100	Number of items in each group.

4.11.2 Analysis Hierarchy

Not required as no Item Analysis Codes (Q Codes) will be created.

4.11.3 Units of Measure

iPOS allows QR to maintain a list of Units of Measure. Units of Measure can be assigned to each Item. When an Item is used to create a requisition, the Unit of

Measure will default. Alternatively the Unit of Measure can be entered manually during requisition creation. The Unit of Measure can then be printed on documents (eg purchase order).

During the workshops QR indicated that standard Units of Measure would be required (eg Each, Kgs -Kilograms, Mtrs -Metres, Ltrs -Litres, Hrs -Hours). The list below contains examples of units of measure. You can also indicate that the Unit of Measure weight based. It is QR’s responsibility to use the data migration template to identify the Units of Measure required.

Unit of Measure Code	Description	Weight
EACH	Each	No
BAG	Bag	No
BOTTLE	Bottles	No
BOX	Boxes	No
HRS	Hours	No
DAYS	Days	No
KGS	Kilograms	Yes
RMS	Reams	Yes
LTRS	Litres	Yes
MTRS	Metres	Yes
MT	Metric Tonnes	Yes

4.11.4 Items

Items allow QR to specify a number of details relating to each item. These details are used as default values during the entire procurement process when an item is used on requisitions, orders, receipts and invoices. For example, the GST Code specified on an item will become the default value when the item is used on a requisition.

Initially, PA will upload this list from the data migration template. QR will be responsible for completing this template.

Below is an example of an item discussed during the design workshops. It also illustrates the options which can be specified for each item.

Parameter Name	Settings	Comments
Item Code	CONSFEESSWARE	Up to fifteen (15) character code.
Item Description	Software Consultancy Fees	Free format Description field.
Status	Open	Open, Suspended or Closed
General		

Parameter Name	Settings	Comments
Unit of Measure	HRS	Selected from the Units of Measure list.
Unit of Weight #	Blank	Number of Units of Measure that the item weighs.
Unit of Weight	Blank	Selected from the Units of Measure list.
Whole Units	No	Restrict purchases to whole units only.
Alternate Item	No	Not currently in use.
Preceded Item	No	Not currently in use.
Purchase Account	TBA	Selected from the list of valid SunSystems P&L and B/S accounts.
Tax	G	Selected from the list of valid SunSystems GST Codes.
Start Date	Blank	The date from which the item can be used on requisition and invoices.
Expiry Date	Blank	The date after which the item can no longer be used on requisitions and invoices.
Split By	A	Defines how an item can be split when processing receipts. Options are: A - Amount (normally used for Services) Q - Quantity (normally used for Goods)
Default Buyer	Blank	Not currently in use.
Average Cost	Blank	Information only - calculated by the system.
Last Cost	Blank	Information only - calculated by the system.
Service	Yes	Identifies the item as service related.
Return	Blank	Identifies return items. The 'sign' is reversed for return items.
Quotes Required	No	Not currently in use.
Receipt Required	Yes	Nominate that the item requires goods receipts to be processed.
Inspection Required	No	Not currently in use.
Budget Checking Required	Yes	Nominate that the item requires budget checking to be performed by iPOS. QR will nominate all items to require budget checking.
Invoice Approval Required	No	Enforce invoice approval of this item regardless of invoice tolerance allowances.
Asset Required	No	Determines if a SunSystems Asset Code is required when using this item.
Force approved Supplier	Yes	Specify if only purchasing from approved suppliers for this items are allowed.
Allow Substitutes	No	Not currently in use.
Extended Description		
Extended Description	Blank	Free format field for additional item information to be recorded.

Parameter Name	Settings	Comments
Comments		
Comments	Blank	Free format field for comments relating to the item to be recorded.
Analysis		
Item Analysis Categories	Blank	No Q Codes are requires
Posting		
Posting Rule Options	Blank	Allows postings other than that specified at database or Group Profile level to be applied to this item.
Trans. Anal. Code 1	Blank	Cost Centre code to be defaulted for this item. Not required at item level by QR.
Trans. Anal. Code 2	Blank	Project to be defaulted for this item. Not required at item level by QR.
Trans. Anal. Code 3	Blank	Function code to be defaulted for this item. Not required at item level by QR.
UNSPC		
Classification	Not Used	Not required for implementation of iPOS however may be required when Punchout functionality implemented for purchasing from Corporate Office Supplies.

4.11.5 Item Suppliers

QR is able to attach Suppliers to Items using these items. If QR indicates that only approved Suppliers are to be used for an Item, only the Suppliers nominated can be used when creating requisition or invoice lines. This enforces QR’s preferred supplier policy.

iPOS provides the ability to input additional information relating to the Items which are specific to a Supplier. For example, supplier item code, ranking, pricing, start date, expiry date. Attendees of the workshop agreed that QR does not have a requirement for this additional information.

Below are the details available when associating Items with Suppliers (and an example). QR will only need to nominate the Item Code, SunSystems Supplier Account Code and SunSystems Name and Address Code combinations in the data migration templates provided by PA.

Parameter Name	Settings	Comments
Item Code	TTHALLT001	Item code.
Supplier Code	TTHALLT001	SunSystems Supplier Account Code.
Supplier Address	TTHALLT001	SunSystems Name and Address Code (normally the same as the Supplier Account Code).
Supplier Item Code	Blank	Item code provided by the supplier.
Status	Open	Open, Closed or Suspended.
Tax	Blank	Default Tax Code for this supplier for this item.
Rank	Blank	1,2,3 ... Maximum of 9 Ranked.
General		
Start Date	Blank	The date from which the Item for this Supplier can be used on requisition and invoices.
Expiry Date	Blank	The date after which the Item for this Supplier can no longer be used on requisitions and invoices.
Comments		
Comments		Free format field where comments relating to the Item and Supplier can be recorded in this area.

4.11.6 Item Pricing/Discounts

Once a supplier is attached to an Item, QR also has the ability to input pricing and discount information relating to the item. QR does not have a requirement for this information.

4.12 Suppliers

4.12.1 Grouping

These options allow Suppliers to be grouped by Supplier Code and Name within the iPOS Administration function to assist with the maintenance process. These options allow QR to nominate the basis for the groupings. Initially, QR will use the below default setting.

Parameter Name	Settings	Comments
Define Suppliers		
Supplier Account Dimension	IPOS ACCOUNT TYPE	Chart of Accounts Account Analysis Code 4 (determined from the System Profile Accounts details).
Value	S	Only supplier account flagged with this value will be available in

Parameter Name	Settings	Comments
		iPOS (determined from the System Profile Accounts details).
By Name		
Start Character	1	Suppliers will be grouped by the first ten (10) characters of the name.
Length	10	
Group Count	100	Number of suppliers in each group.
By Code		
Start Character	1	Suppliers will be grouped by the first ten (10) characters of the code.
Length	10	
Group Count	100	Number of suppliers in each group.

4.12.2 Suppliers

iPOS obtains Supplier details directly from SunSystems. Supplier details do not need to be created in iPOS however QR will need to ensure that all Supplier accounts to be used in iPOS are flagged in SunSystems with iPOS Account Type (Account Analysis Code 4) value of "S".

It is possible to define a Supplier as an Internal Suppliers within iPOS and set a default inventory location for these internal Suppliers. QR will not use this functionality.

The Supplier Output options also allow QR to define output files every time an order, receipt or invoice is processed against a specific supplier account. This is especially useful where the files to be output are only required for some suppliers, or have different format requirements for each supplier. For example, QR may output XML orders from this screen as well as allowing XML transform files to change the format of the XML file to fit the supplier requirements. QR will not be using the Supplier Output options at this stage.

4.13 Addresses

Internal Addresses refer to QR's own delivery addresses, whereas External Addresses are supplier addresses. The preferred method of delivering documents (eg purchase orders) is also defined as part of the address details in iPOS. Delivery method options are by mail (print), email or fax.

Address Locations can be used to ensure that only specific Suppliers are used when deliveries are requisitioned for an internal Delivery Address (eg the regional offices). Where Group Profiles indicate that Supplier Address Locations are to be used, the user will only be able to select a Supplier with an address which is associated with the same Address Location as the Delivery Address.

4.13.1 Grouping

These options allow Addresses to be grouped by Address Code and Name within the iPOS Administration function to assist with the maintenance process. These options allow QR to nominate the basis for the groupings. Initially, QR will use the below default setting.

Parameter Name	Settings	Comments
By Name		
Start Character	1	Addresses will be grouped by the first ten (10) characters of the name.
Length	10	
Group Count	100	Number of addresses in each group.
By Code		
Start Character	1	Addresses will be grouped by the first ten (10) characters of the code.
Length	10	
Group Count	100	Number of addresses in each group.
Supplier Name to Display		
Supplier Name for Display Held In	Chart of Account	Options are: Company Name/Trade As or Chart of Account

4.13.2 Address Locations

QR has identified the need to restrict Suppliers able to be used by regional requisitioners. As such, the following Address Locations will be established. These locations will be associated with Delivery Addresses and Supplier Addresses to facilitate the restrictions.

Location Code	Location Name
TOOWOOMBA	Toowoomba
TOWNSVILLE	Townsville
ROCKHAMPTON	Rockhampton

4.13.3 External Addresses (Supplier Addresses)

iPOS will need to be populated with Supplier Addresses. The External Addresses function in iPOS Administration is used to create Supplier Addresses. Initially this will be achieved using the data migration templates. Details required for each Supplier Address includes:

Parameter Name	Comments
Supplier Code	Supplier code. Must be a valid supplier in SunSystems.
Address Code	iPOS Address code.
Default	Indicate whether this is the default address for the supplier. Options are Yes or No.
Company Name	
Trading As	
Address Line 1	
Address Line 2	
Address Line 3	
Suburb	
State	
Postcode	
Country	
E-mail	
Web Page	
Phone	
After Hours	
Support	
Fax	
Documents By	Indicate the delivery method for documents. Valid value are: Blank – printed Mail – printed Email – emailed Fax – no fax gateway available.
Disable printing during order generation	If Documents By is blank or Mail, orders are not printed for this supplier by the automatic order generation function.
Notes	

QR will also be required to populate the data migration templates to associate the Supplier Address Codes with an Address Locations to ensure that regional offices use only the appropriate suppliers. This is only required for those suppliers to be used by regional offices. Examples of the details required are:

Supplier Address Code	Address Location
CTDOWNS001	TOOWOOMBA
CTCORPO001	TOOWOOMBA
CTCORPO001	ROCKHAMPTON
CTCORPO001	TOWNSVILLE

4.13.4 Internal Addresses (Delivery Addresses)

iPOS will need to be populated with addresses to be nominated as the Delivery Address on requisitions (ie Internal Addresses). The Internal Addresses function in iPOS Administration is used to create these addresses. Initially this will be achieved using the data migration templates. Details required for each Delivery Address includes:

Parameter Name	Comments
Address Code	iPOS Address code, normally use "0000000000" for head office delivery address and "0000000001", "0000000002" etc for regional address.
Trading As	
Address Line 1	
Address Line 2	
Address Line 3	
Suburb	
State	
Postcode	
Country	
E-mail	
Web Page	
Phone	
After Hours	
Support	
Fax	
Documents By	Not used.
Disable printing during order generation	Not used.
Notes	

QR will also be required to populate the data migration templates to associate the Delivery Address Codes with an Address Locations to ensure that regional offices use only the appropriate suppliers. This is only required for the region office delivery addresses. Examples of the details required are:

Delivery Address Code	Address Location
0000000001	TOOWOOMBA
0000000002	ROCKHAMPTON
0000000003	TOWNSVILLE

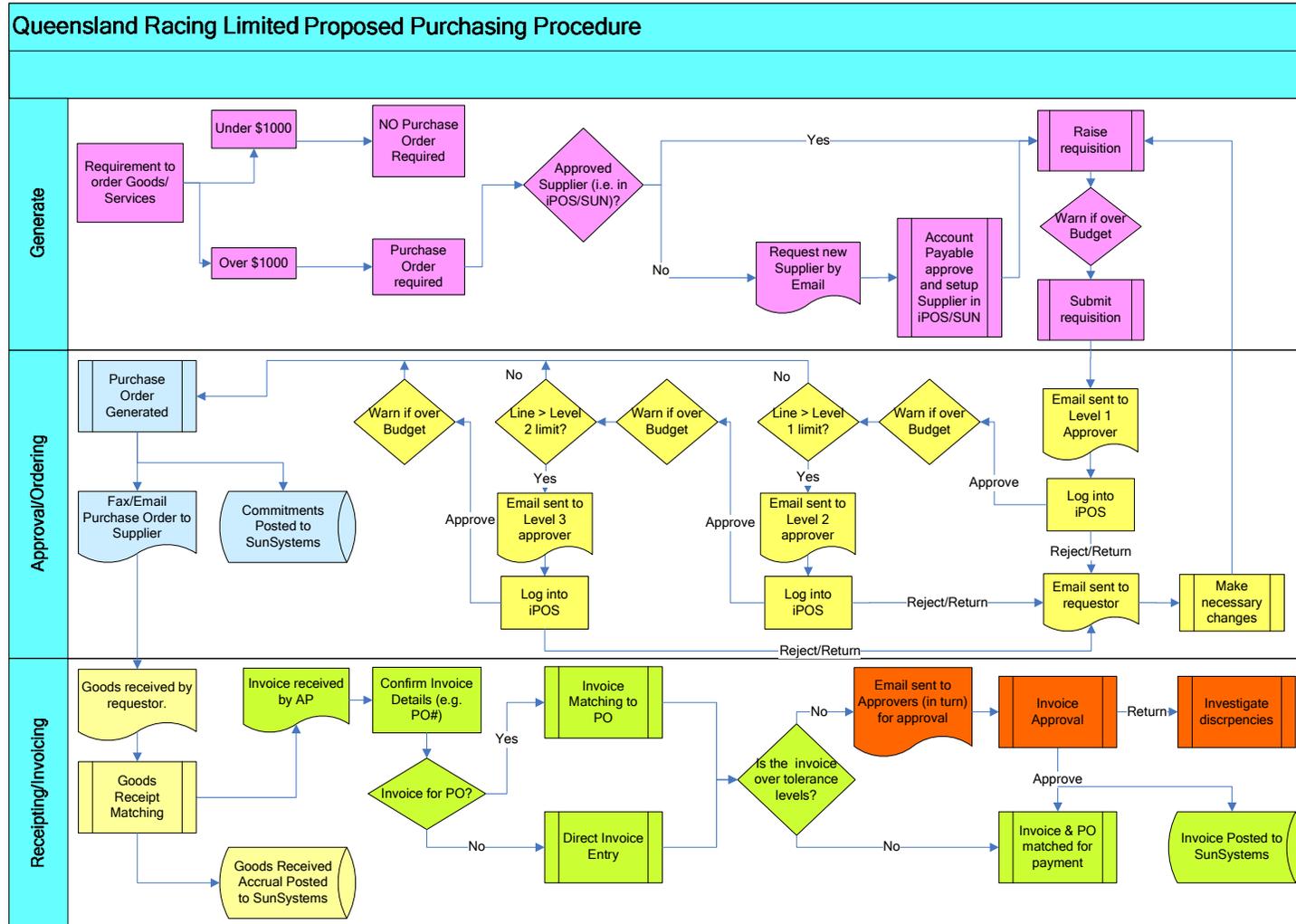
4.13.5 Supplier Contacts

QR indicated that they do not require the use of Supplier Contact details in iPOS.

4.14 SunSystems Scheduler

The system requires the installation and configuration of the SunSystems Scheduler application so that it will regularly perform certain background tasks at the required intervals. Refer Automated Task section **Error! Reference source not found.** of this document for an overview and the QR requirements for SunSystems Scheduler.

5 APPENDIX A – QR PROPOSED PURCHASING PROCEDURE



6 APPENDIX B – ACTION ITEMS

Ref	Date Logged	Module/ Deliverable	Short Title	Description	Assigned To	Status	Due By	Action / Reported to
1	29/1/2009	iPOS	Purchase Order	Provide required purchase order layout.	QR	Open		
2	29/1/2009	iPOS	Purchase Order	Review purchase order layout provided by QR and confirm data requirements are consistent with current design.	PA	Open		
3	29/1/2009	iPOS	System Design Document	Review iPOS System Design Document and signoff as required.	QR	Open		
4	29/1/2009	iPOS	Data Migration Templates	Populate data migration template in preparation for system configuration.	QR	Open		
5	29/1/2009	iPOS	Build/configuration	Identify support URL to be specified within iPOS home page.	QR	Open		
6	29/1/2009	iPOS	Build/configuration	Identify testing and live web server and mail server	QR	Open		
7	29/1/2009	iPOS	Build/configuration	Identify testing and live iPOS Web server and Mail (SMTP) server details including mailbox and address list.	QR	Open		
8	29/1/2009	iPOS	Other	Create new apo@queenslandracing.com.au mail account for BCC emails from iPOS	QR	Open		
9	29/1/2009	iPOS	Build/configuration	Nominate the Suspense Account to be used when interfacing transactions from iPOS to SunSystems.	QR	Open		
10	29/1/2009	iPOS	Build/configuration	Ensure printers to be used within iPOS are available on the iPOS Web server in both the test and live environments.	QR	Open		





INDUSTRY INFRASTRUCTURE PLAN CONTROL GROUP CHARTER

1.0 OBJECTIVES

The purpose of the Industry Infrastructure Plan Control Group (**IIPCG**) is to manage the internal “end to end” process of individual industry infrastructure projects being implemented by Racing Queensland Limited (**RQL**) as part of its Industry Infrastructure Asset Plan.

This Charter details the aims and procedures of the IIPCG.

2.0 DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the IIPCG are to:

- (a) Overview the contract tender process
- (b) Approve tenderers and claims
- (c) Consent to the provision of documents
- (d) Report to Queensland Government
- (e) Manage Audit Reports.
- (f) Develop business cases for each Project and seek Board approval prior to submission to the Queensland Government.
- (g) Provide monthly reports to the RQL Board and request for RQL Board approvals on variances to budgets and programs, and
- (h) Adhere to the requirements of the Funding Agreements between RQL and the Queensland Government.

3.0 COMPOSITION AND MEETINGS

3.1 COMPOSITION OF THE IIPCG

The IIPCG will comprise of five (5) members, these being:

- (a) Malcolm Tuttle: Chief Executive Officer
- (b) Mark Snowdon: Infrastructure Plan – Project Director

- (c) Paul Brennan: Director of Product Development
- (d) Adam Carter: Chief Financial Officer, and
- (e) Shara Murray: Senior Corporate Counsel/Company Secretary

or otherwise as determined by the Chair from time to time.

Blair Odgers (Marketing Manager) may be invited to attend from time to time.

This membership will provide a mix of relevant skills from within RQL.

3.2 CHAIR

The Chair of the IIPCG will be Malcolm Tuttle.

The Chair of the IIPCG has charge of the general conduct of the meeting and of the procedures to be adopted at the meeting.

3.3 SECRETARIAL

The Secretary of the IIPCG will be Kearra Christensen.

The Secretary will be responsible for drawing up and circulating the agenda supported by documents where necessary to IIPCG members prior to each meeting.

The Secretary will also be responsible for recording and keeping the action items of each meeting and circulating them to IIPCG members.

3.4 MEETING PROCEDURES

The quorum for any meeting of the IIPCG will be three (3) members of the IIPCG.

The Chair of the IIPCG is to preside at all meetings of the IIPCG, at which the Chair is present.

Should the Chair be absent from an IIPCG meeting, the Members of the IIPCG present at the meeting shall choose one of the other Members of the IIPCG to chair that particular meeting.

Meetings of the IIPCG will be convened on a monthly basis to ensure that the internal processes and general action items are being carried out.

The proceedings of all meetings will be minuted by way of an Action Sheet.

The IIPCG may invite other persons to attend meetings, as it deems necessary.

3.5 CIRCULAR RESOLUTION

A resolution in writing agreed by all IIPCG Members in Australia is as valid and effectual as if it had been passed at a meeting of the IIPCG duly convened and held. Any such resolution may consist of several documents in like form, each agreed by one or more of the IIPCG Members.

4.0 REPORTING

The IIPCG will report to the RQL Board each month in relation to the IIPCG and the progress of the Industry Infrastructure Plan.

The Chair or a person appointed by the Chair will report to the RQL Board.

5.0 CONTRACT APPROVAL PROCESS

Contract Approval Process:

- (a) Mark Snowdon to submit an Industry Infrastructure Plan – Contract Approval Form (**Approval Form**) to Adam Carter. Mark Snowdon to ensure that the successful tender application is compliant with approved project timelines and approved scope of works.
- (b) Adam Carter to complete Approval Form and send to Shara Murray. Adam Carter to ensure that the successful tender application:
 - i. Satisfies RQL risk assessment
 - ii. Complies with RQL purchasing policy
 - iii. Complies with RQL budget, and
 - iv. Complies with RQL business plan approved by State Government.
- (c) Shara Murray to complete the Application Form and attach the approved contract and send to Kearra Christensen.
- (d) Kearra Christensen to discuss and provide the Application Form and attached documents to Malcolm Tuttle.
- (e) Malcolm Tuttle to determine to hold an IIPCG Meeting to approve the successful tender application or to approve by circular email.
- (f) Contract to be executed by parties.

6.0 AMENDING THIS CHARTER

This Charter can be amended by a majority decision of the IIPCG Members.

Attachments:

- [1] Flow Chart – Internal Processes, and
- [2] Industry Infrastructure Plan – Contract Approval Form.

Version	Date	Description
1.01	30 September 2011	IIPCG Approved

Adam Carter

From: Gerrard, Carl (AU - Brisbane) <cgerrard@deloitte.com.au>
Sent: Wednesday, 5 October 2011 7:40 AM
To: Adam Carter
Cc: Lie, Vincent (AU - Brisbane)
Subject: Infrastructure Plan - IA assistance

Adam,

As discussed yesterday a few dot points on what we can do re the infrastructure plan:

Project Governance and Risk Management

- Review project governance
- Review project risk management framework
- Select a sample of risks from selected projects risk registers and perform the following:
 - Conduct interviews with key project stakeholders and risk owners and assess the effectiveness of documented risk action plans
 - Evaluate compliance with RQL's Risk Management Framework.

Effectiveness of controls for contract management

- Contract creation and implementation
- Contractual documentation requirements
- Delegations of authority and documented management signoff procedures
- Based on a sample of contracts (extracted from projects within scope) related to Purchase Orders, determine whether appropriate reviews, supporting documentation and signoff are evident. In addition, determine whether contracts align with RQL contract management policies and procedures.

Compliance of project expenditure against contractual terms

- Based on a sample of project expenditures for projects within scope (including a sample of contractor payments), determine whether purchase orders are raised and invoices paid are in accordance with contractual terms and conditions
- Assess the procedures surrounding recording and approving contract variations.

Adequacy of Payments Tracking

Monitoring and reporting on contractual financial commitments including periodic payments and expenditure commitments for significant milestones

- Level of detail of project expenditure reports and adequacy of project reporting distribution paths
- Authorisation of payment of invoices to suppliers.

If you could sign the approval for Control Checker before you go we can schedule the necessary resources so we can commence upon your return.

Have a good holiday

Carl

Carl Gerrard

Partner | Risk Services | Business Process Improvement
Deloitte Touche Tohmatsu
Riverside Centre, Level 25, 123 Eagle Street, Brisbane QLD 4000
GPO Box 1463, Brisbane QLD 4001, Australia
Direct: +61 (0)7 3308 7046 | Fax: +61 (0)7 3308 7082
cgerrard@deloitte.com.au | www.deloitte.com.au

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

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.

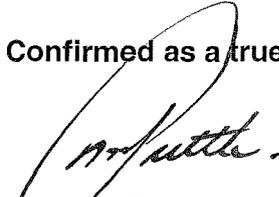
Deagon

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.



MALCOLM TUTTLE

Chairman

Dated 17 / 11 / 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

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

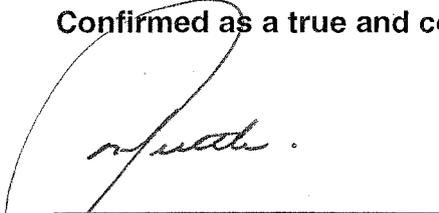
Mr Brennan advised that after meeting with Mackay on December 7, 2011, the business case at Mackay has now progressed, however, it should be noted that racing will be delayed until mid-April 2012, due to a delay associated with the grass. This will result in the loss of three race meetings.

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

IIPCG Audit Review IIPLN

PURPOSE:

To provide the Committee the Audit review of the procurement for the projects for the Industry Infrastructure Plan and to enable further discussion.

BACKGROUND AND ISSUES:

On 19 July 2011, the Queensland Government approved the amended infrastructure plan and extended the Wagering Tax relief from 4 to 5 years.

In the preparation of the business cases to the Office of Racing and Queensland Treasury there were a number of external consultants engaged and RQL internal costs utilised.

RQL developed an addendum to the existing RQL purchasing policy to ensure compliance. This policy was formally adopted at the RQL Board meeting on the 19th December 2011.

In correspondence dated December 5, 2011, the Deputy Premier and Treasurer, the Hon. Andrew Fraser MP, confirmed approval of funds up to \$2,750,000 for the purpose of engaging external consultants assisting in the preparation of the business cases and in addition up to \$200,000 per annum in funding for internal Racing Queensland Limited (RQL) resources dedicated to this purpose.

In accordance with this advice, the summary of costs to date of \$2,596,290.58 for external consultants for the development of the business cases, with the detail per project, as well as copies of all invoices received that are currently being processed in our system. The cost of wages for RQL employees who have the relevant expertise and have directed either all or part of their time to this purpose is \$200,000.00. Therefore, the total amount claimed is \$2,796,290.58 excl. GST.

In preparation of the acquittal of the reimbursement of \$2,596,290-58 RQL ensured every invoice was signed by the appropriate delegation of financial authority in line with the purchasing policy. The CFO signed a declaration for every single invoice stating and

% Used for allocation based on total Cost of the Project

Cairns	2.00%
Townsville	6.25%
Mackay	7.50%
Rockhampton	1.50%
Deagon	40.00%
Gold Coast	35.50%
Beaudesert	7.25%
	100.00%

Note Columns marked in green have not been claimed totalling \$149,728-58
Mackay allocation is claimed through the approved funding agreement
Doomben has not been claimed
Albion Park has not been claimed
Corbould Park has not been claimed

A number of areas were reviewed and not limited to:-

1. Xx
2. Xx
3. Xx
4. Xx
5. Xx
- 6.

A summary of the findings are:

PREFERRED SUPPLIER

If creditors on system before IIPLN started based on Mackay approval of 15/7/11 are preferred supplier. The below are the exceptions:-

Beaudesert

Mununjali Aboriginal Elders Group - Not constituted as a supplier
Douglas Partners

Cairns

Cairns Plan Printing
Charles O'Neill Pty Ltd
Local Direct Network Pty Ltd

Rockhampton

Douglas Partners

Mackay

Barcam Commercial
Strathayr Turf Systems Ltd (Have a signed contract and approved by the IIPCG)

INVOICES

There is a copy of every invoice which has been claimed on the "Mop Up" claim

INVOICES APPROVED BY PROJECT DIRECTOR

The below is the analysis of invoices originally signed off by PD. Before sending any documentation to Office of Racing, all invoices had the correct delegation of financial authority on it.

Project	No of Inv	No of Inv Approved	No of Inv App. %
Beaudesert	47	28	60%
Cairns	25	12	48%
Deagon	51	30	59%
Gold Coast	35	19	54%
Ipswich	10	6	60%
Logan	10	4	40%
Rockhampton	21	10	48%
Townsville	20	7	35%



Mackay	51	144	55%
	270	144	53%

NB - There are some double up of invoices that relate to more than one project where one invoice is allocated across a number of projects.

INVOICES AUTHORISED BY DELEGATION OF FINANCIAL AUTHORITY (DFA)

The below is the analysis of invoices originally signed off by DFA. Before sending any documentation to Office of Racing, all invoices had the correct delegation of financial authority on it.

Project	No of Inv	No of Inv Approved	No of Inv App. %
Beaudesert	47	23	49%
Cairns	25	15	60%
Deagon	51	34	67%
Gold Coast	35	27	77%
Ipswich	10	7	70%
Logan	10	9	90%
Rockhampton	21	19	90%
Townsville	20	13	65%
Mackay	51	37	73%
	270	184	68%

NB - There are some double up of invoices that relate to more than one project where one invoice is allocated across a number of projects.

PURCHASE ORDERS

Project	No of Inv	No of Inv Approved	No of Inv App. %
Beaudesert	47	3	6%
Cairns	25	2	8%
Deagon	51	7	14%
Gold Coast	35	2	6%
Ipswich	10	0	0%
Logan	10	0	0%
Rockhampton	21	1	5%
Townsville	20	1	5%
Mackay	51	6	12%
	270	22	8%

NB - There are some double up of invoices that relate to more than one project where one invoice is allocated across a number of projects.

In regards to the review of quotes the Project Director and Contour Consulting Engineers either used existing suppliers and there was not strict adherence to the purchasing policy



Ref	Finding	Residual Risk rating	Primary Cause	Status since Audit
1.	Purchase Orders	Major	Policies & Procedures / Technology	
2.	Quotations	Moderate	Knowledge & People	
3.	Preferred Suppliers	Moderate	Knowledge & People	
4.	Letters/emails of engagement and contracts signed by both parties	Low	Knowledge & People	
5.	???	Minor	Knowledge & People	

Residual Risk Rating
Extreme – Poor or no controls. Pervasive and systematic weaknesses identified
Major – Significant control weaknesses identified
Moderate – Several control weaknesses of concerns identified.
Low – Small number of minor control weaknesses / opportunities for improvement identified
Minor – minimal opportunities for improvement identified

Status since the review the following controls have been/and/or are being implemented:-

1. Purchase orders are now raised for all work
2. Internet Purchasing System (IPOS) will be fully implemented by 31 March 2012 to ensure compliance
3. All invoices are signed off by the project director first
4. The IIPCG review all tender documents as per the Charter and conduct a rigorous review before approval
5. Preferred Supplier forms have been developed and have been approved by the IIPCG and have been sent out to potential suppliers of the projects which will be reviewed for compliance on return
6. Quotes will now be obtained from all non-preferred suppliers for goods and services over \$10,000

OPTIONS:

1. Conduct further review and “mop up” and obtain further information and declarations
2. Leave as is

FINANCIAL IMPACT:

Meals have been disallowed by the Office of Racing even though that they were flagged as part of the projects in the budgets and are a cost of doing business.

RQL has since received the funds of \$2,596,290-58 and \$200,000 for the preparation of the business cases.

The amount of funds which RQL could not claim but will form part of the cap[ital] expenditure for the project funding agreements was \$

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

It will be important that RQL communicates any changes to policies and procedures effectively and consistently to all staff by way of email, letters to employees, placed on intranet and training workshops to be held for the new policies and procedures.

DECISION REQUIRED

To be noted by the Audit Committee with a further update of action items to be provided at the March 29th IIPCG meeting following the Deloitte Audit which starts on March 12, 2012



Adam Carter
CHIEF FINANCIAL OFFICER

Actioning Officer – Jeff Zeppa – Project/Compliance Accountant

Monday, 19 March 2012

Board Room, Racing Queensland
Racecourse Road, Deagon

Meeting Commenced at 9:15am
Meeting Concluded at 2:10pm

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 Shara Reid Adam Carter Jamie Orchard Paul Brennan David Rowan Mark Snowdon Peter Smith Debbie Toohey	- <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 & Communications Manager</i> - <i>Project Director</i> - <i>Licensing & Training Manager</i> - <i>Board Secretary</i>
Minutes:		

The Chairman opened the Meeting at 9:15am.

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.

Mr Bob Lette declared a potential conflict of Interest in nominating for the position of Chairman of the Tattersall's Club. Mr Lette is investigating the conflict and will inform the Board of the outcome.

There were no other additional Declarations of Conflicts of Interest. (See Attachment 'A')

1.3 Confirmation of Minutes of RQL Board meeting of 17 February 2012

The Board **RESOLVED** that the RQL Board Meeting Minutes of 17 February 2012 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

There was no correspondence for noting.

1.6 Confirmation of Flying Minutes

The Board **NOTED** the following Flying Minute:

- Withdrawal of the existing Deagon 'Material Change of Use' development application
6 February 2012

The above Flying Minute was **CONFIRMED** by the Board.

1.7 Workplace Health & Safety Report (WH & S)

Ms Shara Reid updated the Board in relation to the Workplace Health & Safety performance for the period 1 January 2012 to 17 February 2012.

Ms Reid reported that there had been nil incidents and nil workcover claims.

Ms Reid has received the report from Chubb on the security of Deagon, which she will review and bring to the Board at the April 2012 Board meeting.

Ms Reid informed the Board that there has been two people so far nominate for the Health and Safety Representative Roles.

This was **NOTED** by the Board.

2.1 CEO's Report

Mr Malcolm Tuttle updated the Board in relation to the CEO's report.

2013-15 Inter Dominion Championships

Mr Tuttle informed the Board that the recent Inter Dominion Championships were the last under the current format. Harness Racing NSW will conduct the Inter Dominion from 2013 – 2015 under a new set of conditions. Mr Damian Raedler is working through the draft conditions from NSW.

Christmas at the Races

Mr Tuttle updated the Board in relation to the 'Christmas at the races' concept held in New Zealand, at both Thoroughbred and Harness race meetings.

Mr Tuttle informed the Board that more investigation was being undertaken by Mr Blair Odgers into this concept and that Mr Odgers will report back to the Board.

Monte Concept

Mr Blair Odgers is exploring this as a cross code initiative and if there is any value in further developing this concept in Queensland he will report back to the Board.

HRA Rules of Association – Executive Membership

Mr Tuttle updated the Board in relation to the rule amendment concerning the executive membership. The change to the rule provides that representatives to the HRA executive be the Chairman of each control body or the Chairman's nominee.

Australasian Grand Circuit – Harness Racing

Mr Tuttle updated the Board in relation to the Australasian Grand Circuit. HRA had agreed that the grand circuit be reviewed with regard to the clashes that occur. HRA are also looking at developing a set of principles that govern the eligibility of races into the grand circuit.

RISE Agreement

The Board noted that RQL has entered into a RISE Agreement and provided to RISE a list of RQL's authorised wagering operators. This approach to further commercializing industry information was noted with approval by the Board.

Stewards/Camera Tower Assessments

Mr Tuttle informed the Board that a team has been assembled to undertake an assessment of the stewards/camera towers at each of the thoroughbred racecourses.

Harness and Greyhounds will also be assessed.

Mr Lette suggested looking at reducing resources at race meetings in the future.

Mr Lette suggested that an investigation be carried out with a cost benefit analysis of converting the stewards role at race meetings as currently conducted to all electronic as occurred in the USA with cameras placed strategically around the track manned and controlled from a stewards control room by the stewards thus cutting down the human resources required at meetings.

The Board **RESOLVED** to proceed with the review and advance the report for further discussion.

Greyhounds Australasia Limited (GA) – Future Funding Model

Mr Tuttle informed the Board that the Board of Greyhounds Australasia has agreed that a more significant review ought to be undertaken before future funding models are considered.

GA – Communication and Welfare

Mr Tuttle indicated that issues regarding the welfare of animals was extending across all codes and that Animals Australia is stepping up its campaign with recent correspondence sent to all greyhound jurisdictions in Australia. GA will be arranging a collective response.

GA – Computer Project update

This project has been put on hold until late March 2012, with a view to completion by 1 July 2012.

HR Report

Ms Reid informed the Board, that Mr Bevan Turner had lodged a Workcover Claim. Once, Ms Reid has received all correspondence, RQL will be lodging an objection.

Mr Tony Hanmer has requested information on what RQL is paying HRBS.

The HR Report was **NOTED** by the Board.

2.2 Legal & Compliance Report

First Level Appeals

The Board **NOTED** that there have been no appeals held for the period February 2012 – March 2012.

Litigation Matters

- **Qld Harness Racing Limited v RQL & Anor**

Ms Reid informed the Board that an assessor has been engaged in terms of costs.

- **John Maguire v Greyhound Racing Authority [8110/09] (Supreme Court)**

Ms Reid advised the Board that Mr Anthony Harding SC is of the view that RQL is now in a position to make an application for the dismissal of the proceedings in its entirety.

On 27 March 2012 – Application for Strike Out to be heard. Majority of the Plaintiff's claim is statute barred.

Ms Reid will keep the Board updated on this matter.

- **Race Information – Debt Recovery x 3**

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.

There has been no mediation or trial date set as yet.

Ms Reid to keep the Board updated.

- **Gold Coast Greyhound Racing Club**

On 10 February 2012 a response was received by the GCGRC – the GCGRC state that no accounts have been prepared since 2008. If that is so, this is a factor which would support an application for security for costs.

A failure to prepare accounts is a breach of the obligations of a registered club. This is an issue that RQL may want to pursue after the question of security for costs is resolved.

However, in this correspondence, the GCGRC assert that the GCGRC maintains ownership of previous assets that were distributed by the previous greyhound control body in 2008. I note that RQL holds on file conflicting correspondence.

It is intended that further correspondence be sent to the GCGRC pressing this issue, before considering making application to the Court that the GCGRC provide security for costs.

The GCGRC's failure to identify any assets which might be available to satisfy a costs order is of course a powerful consideration to the court in considering such an application. However it would be of assistance if RQL could demonstrate to the court that the failure to respond is a deliberate approach by the club rather than a mere oversight, particularly given the Christmas / New Year holiday period.

The outcome of any application seeking security for costs depends heavily upon the GCGRC's current asset position.

Ms Reid to keep the Board updated.

Recovery of Legal Costs – Bookmaker's Matter

The costs statement seeks recovery of approximately \$50,237.85.

This amount may be the subject to objection by Messrs Rolfe & McHarg and possible reduction upon assessment. The amount calculated includes an allowance for Roger Derrington SC's fees but excludes an allowance for GST as RQL is registered for GST. Any objections are due within 21 days. Messrs Rolfe & McHarg proposed an extension until Friday, 16 March 2012. This extension was granted.

Ms Reid to keep the Board updated and advise if an objection is received.

RQL Internal HR Policies

Ms Reid sought the Board's approval for the following policies:

- Code of Conduct
- Confidentiality and Intellectual Property
- Employee Handbook
- Harassment, Discrimination and Bullying
- Induction
- Leave
- Motor Vehicle
- Parental Leave
- Payroll
- Privacy
- Relocation
- Social Media
- Study Assistance

- Termination of Employment
- Travel – General
- Working Hours

The Board **APPROVED**:

1. *That the Board of RQL approve the amended RQL Employee Policies and Procedures*
2. *That the amended RQL Employee Policies and Procedures be provided to all RQL 'Workers.'*
3. *That HRBS draft a Training Agreement as an attachment to RQL's Study Assistance Policy, and*
4. *That HRBS draft a RQL Mobile Phone Policy.*

MOVED by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

Motion carried

Mr Hanmer raised the issue of whether there was a need for the "Working from Home Policy" as RQL was a service organisation. This would inflict high and additional costs to RQL. Mr Hanmer suggested a 'one on one' contractual agreement could be put in place on a case by case basis.

The Board did not approve the "Working from Home" Policy.

Section 81 Policies

Ms Reid updated the Board in relation to the previous Board paper of 19 December 2012, where the Office of Racing conducted a review of RQL's section 81 policies. The recommended amendments from the Office of Racing were made to the following policies:

- Policy on Disposal of Tangible Assets by Non-Proprietary Licensed Clubs, and
- Code of Racing Policy Development.

Ms Reid sought the Board's endorsement of the above policies.

*The Board **RESOLVED**:*

1. *That the Board of RQL endorses the draft 'Policy on Disposal of Tangible Assets (other than interests in Land) by Non-Proprietary Licensed Clubs', for consultation.*
2. *That the Board of RQL endorses the amended 'Code of Racing Policy Development', for consultation.*

Motion 1 and 2 carried

Mr Lette suggested that the definition of 'email submission' be included in the definitions in the Code of Racing Policy Development.

Costs associated with Winding up of Queensland Racing Limited

Ms Reid sought the Board's approval for the winding up of Queensland Racing Limited and the costs involved.

Mr Lette recommended whether the Winding up of RQL could be done through ASIC at a fraction of the cost.

Ms Reid to investigate this avenue first, before applying to the Supreme Court.

The Board **APPROVED**:

That the costs associated, approximately \$5,000 - \$7,500, with the winding up of QRL, will be paid by RQL and therefore, QRL will incur no fees in relation to the winding up of QRL.

Motion 1 and 2 carried

2.3 Finance Report

Audit & Risk Committee

Mr Adam Carter updated the Board in relation to the Audit & Risk Committee meeting held on Monday, 19 March 2012.

- Quarterly reports are being prepared by the Finance Department
- RQL is chasing more debt
- Internal audit review by Deloitte – fixed assets, club licensing and Race Information Fees
- Race Information Fees – Validity of information eg. Turnover or gross revenue

Key areas

- The committee is looking at a self assessment tool for the 8 TAB Thoroughbred Clubs for their corporate government assessment. This will be rolled out to other Clubs. Implementation by 1 July 2012.
- Infrastructure grants – how are they implemented
- Valuation of assets
- Flood insurance recovery - \$70,000 for quote – this is in line with last year. The Board resolved that the Flood insurance of \$70,000 to be paid.
- Banking review of NAB and Westpac – looking at this pre 30 June 2012. The Board suggested also looking at Suncorp and Commonwealth Banks.

Mr Milner suggested that all departments in their Board reports to include a quick report and colour code it to flag anything urgent for the Board's attention.

Mr Carter updated the Board in relation to the management accounts for the period ending 29 February 2012.

Update for period ending 29 February 2012:

- The overall result for year to date February 2012 is a surplus of \$6.1M which is an increase against budget of \$3.4M. Wagering revenue is above budget by \$1.5M with overall revenue being up \$195K. Expenditure is down \$3.8M on budget, with prizemoney contributing \$2.8M to this variance.
- \$1.8M deficit for FY2012 Forecast.

The Chairman requested Mr Carter to break down the legal fees per department as the grouping of legal fees distorts the actual situation.

The Chairman sought confirmation of previous discussions held in 2010 when framing the budget for the 2011/12 year and any shortfall would be funded from reserves.

MOVED by Mr Bradley Ryan **SECONDED** by Mr Tony Hanmer

Motion carried

Mr Carter is in the process of building the budget for next year and will be available at the April Board meeting.

RQL Purchasing Policy and Infrastructure Plan Addendum

Mr Carter sought the Board's approval for the amendments to the Purchasing Policy and Infrastructure Plan Addendum.

The Board **APPROVED** the Purchasing Policy as presented.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

Motion carried

The Board **NOTED**:

1. The February 2012 management report
2. The Forecast 2012 management report, and
3. The Industry Infrastructure Plan Expenditure to 29 February 2012.

2.4 Product Development Report

Mr Paul Brennan presented his monthly report.

2012/13 3-Code Race Date Schedule

Mr Brennan sought the Board's approval for the 2012/13 3-Code Race Date Schedule as presented, with alterations to Thoroughbred and Greyhound Codes that were distributed to the Board.

Mr Lette advised he wished to have recorded that he did not support the reduction in Non TAB Harness races. In his view, the strategy of less TAB meetings and races had not worked in increasing or maintaining betting turnover, that there should be a return of Monday TAB meetings and an increase in dates but less prizemoney per race.

The Board discussed the Race Date Schedule at length.

This was **APPROVED** by the Board.

MOVED by Mr Bill Ludwig **SECONDED** by Mr Bradley Ryan

Motion carried

Mackay Funding and Granting of Facility Upgrades

Mr Brennan updated the Board in relation to the upgrade to the Mackay facilities, including the management model for the facility and the costs associated with the establishment and consolidation of the new track.

Mr Brennan sought the Board's approval of the following:

1. That the infrastructure upgrade at Ooralea Park, Mackay be treated as a grant to the Mackay Turf Club.
2. That Racing Queensland will provide \$300,000 to assist the Club in maintaining and establishing the course proper and that the funds be distributed as follows:
 - a. Racing Queensland to expend \$50,000 in 2011/12 on the purchase of maintenance equipment for the Mackay Turf Club, which will be granted to the Club.
 - b. The Mackay Turf Club to invoice Racing Queensland for \$31,250 + GST in July 2012, October 2012, January 2013, April 2013, July 2013, October 2013, January 2014 and April 2014, for track maintenance requirements.
3. That Racing Queensland develops a maintenance schedule for the course proper and equipment that must be adhered to by the Club for them to continue to be eligible for the aforementioned payments. Mr Warren Williams will visit the venue monthly to ensure compliance.
4. The Chairman advised that the funding is contingent on Mackay being compliant with the maintenance schedule and RQL would only pay against invoice.

This was **APPROVED** by the Board.

MOVED by Mr Wayne Milner **SECONDED** by Mr Bob Lette

Motion carried

Mr Ryan asked why the Club couldn't share the cost? Mr Brennan responded that the Club could not afford it. Mr Carter is currently looking at the Club's financials. Mr Milner does not want the Club to end up like Toowoomba Turf Club in 2 years time.

BRC Stabling

The Board noted the report on the BRC stabling.

Sky Racing Review

The Board noted the report on the Sky Racing Review. Mr Milner advised that the review should be over the 3 codes not just thoroughbreds.

Payments by Gold Coast and Albion Park Harness Racing Club

Mr Brennan updated the Board in relation to the recovery of costs associated with the audio and visual coverage by Sky Channel at Gold Coast Harness Club and Albion Park Harness Racing Club. The Harness Clubs are claiming that there is no agreement in place.

Mr Brennan tabled the letter to the Gold Coast Harness Racing Club dated 29 June 2011 and advised the Board that he considered that there was no reason that these Clubs should not honour their verbal commitment.

The Board requested Mr Carter to continue to invoice the Clubs as a debtor.

Mr Brennan to keep the Board updated.

Capital Works Strategy

The Board noted the report, but more discussion is required on the Strategy.

Wagering Report YTD February 2012

The Board noted the Wagering report.

The Board **NOTED** the Product Development Report.

2.5 Integrity Services Report

Mr Orchard presented his monthly report.

Warning off of Clive Peckett

Mr Orchard updated the Board in relation to the submission he received from Mr Clive Peckett requesting the Board to overturn their “warning off” decision.

Mr Orchard advised the Board there was still significant debts outstanding and that there was not sufficient evidence to disturb the decision of the Board.

The Board reaffirmed its decision.

Robert Stewart

Mr Orchard indicated that he had received no correspondence prior to the Board meeting from Mr Robert Stewart’s lawyers.

The Board resolved that Mr Stewart had been given a proper opportunity to make representations and determined to warn Mr Stewart off all racecourses subject to any representations which may subsequently be received.

Amendments to Australian Harness Racing Rules

Mr Orchard sought the Board’s approval to adopt amendments to the Australian Harness Racing Rules as presented.

The Board **APPROVED** the adoption of the Australian Harness Racing Rules.

MOVED by Mr Bob Lette **SECONDED** by Mr Bill Ludwig

Motion carried

FOL Review

Mr Orchard sought the Board’s approval to adopt the recommendations for the finish on lure greyhound racing system as presented.

This was **APPROVED** by the Board.

MOVED by Mr Bradley Ryan **SECONDED** by Mr Tony Hanmer

Motion carried

Raymond Cole

Mr Orchard will keep the Board updated.

Arthur “Nippy” Seymour

Mr Orchard informed the Board that the Stewards were finalising the inquiry and that Mr Seymour was likely to get 3-6 months. Integrity is continuing to work with the Police and WH& S.

Mr Orchard advised that either himself or Mr Kevin Carr will attend the coronial inquiry.

Terry Butts

Mr Orchard updated the Board in relation to Terry Butts.

Mr Orchard will keep the Board informed.

Integrity Human Resources Issue

Mr Orchard informed the Board that he intended to revert back to the previous roles of having a Chief Steward for Harness and a Chief Steward for Greyhounds.

He has appointed internal applicants, these being Mr David Farquarson – Harness and Ms Gail Harrison – Greyhounds. These appointments fit within the integrity budget with no additional staff will be appointed.

This was **NOTED** by the Board.

Harness Racing NSW Authority

Mr Orchard updated the Board in relation to the discussions held with the Regulatory Manager of Harness Racing NSW in respect of RQL Stewards having authority across the border at the Tweed Heads Harness Facility.

Mr Orchard sought the Board's approval for the arrangement to be formalised into an agreement.

The Board **APPROVED** the arrangement.

Drug ITPP

Mr Orchard tabled the magazine extract concerning the advertisement of ITPP drug supplement.

Mr Orchard informed the Board that customs in NSW had intercepted the importation of this drug which was bound for Queensland. Customs are aware of the recipients - one Harness person and one Greyhound person in Queensland.

This drug is not able to be swabed.

Mr Orchard advised the Board that jockeys in Victoria is requesting assurances off the trainers that this drug has not been used in their horses.

Mr Orchard to keep the Board updated.

Brisbane Greyhound Racing Club

Mr Orchard tabled a report concerning the current situation at the Brisbane Greyhound Racing Club.

Mr Janet Flowers a staff member has been charged with stealing and falsifying records of approximately \$384,833.00 over a two financial year period. There may also be another staff member involved, which is being investigated.

Mr Orchard is seeking the approval to appoint an external forensic team from Deloitte as they are familiar with the racing industry.

The Board **RESOLVED** to appoint Deloitte.

MOVED by Mr Wayne Milner **SECONDED** Mr Bill Ludwig

Motion carried

Licensing Report

The Board **NOTED** the Licensing Report and no amendments are required.

2.6 Industry Infrastructure Report

Mr Mark Snowdon updated the Board in relation to the Industry Infrastructure Plan.

Gold Coast Turf Club

- Synthetic track will be delivered after Magic Millions 2013
- Public facilities will be delivered prior to Magic Millions 2013
- A brief is being constructed and ready in the next few weeks for a design team to design both tracks

Mr Brennan queried who will determine what track goes at the Gold Coast. Has the civil designer a role or someone internal. Mr Tuttle suggested that the Chairman, Mr Ludwig and Mr Hanmer be involved as they were involved in the tracks at Corbould Park and Toowoomba. Different track companies to present and Gold Coast Turf Club and a number of stakeholders to also be involved in determining the track.

Mackay Turf Club

- Track is in fine condition considering how much rainfall there has been. Trying to get the mounting yard completed.

Cairns Turf Club

- "Design and Construct" tender has commenced and due 22 March 2012.
- 12 inquiries so far
- Cairns stable repairs – as previously advised RQL that the repairs could be carried out as soon as practicable and for the CJC committee members not be excluded from quoting on this work. The committee advised that some of the CJC committee would be able to make the repairs in a timely fashion and would be prepared to complete the work at rates less than market to ensure those horses displaced due to the flood and damaged stables could be located back to the complex at the earliest possible time.

The Chairman advised that any work carried out needed to comply with the rules of the IIP and RQL's purchasing policy, but that RQL could advance the Cairns Turf Club sufficient funds to enable the works to be completed to ensure horses could be returned to the stables as soon as possible.

Currently, the stables have been under water and all horses removed.

Logan

- Mr Snowdon is working up a brief, which is a few weeks away
- Start building – 4-6 months for the track – 6-7 months for the buildings
- Design due for completion in September 2012

Beaudesert Turf Club

- Finalising the civil design
- 29 December 2012 for completion
- RQL to forward a letter of offer for the Beaudesert race club to confirm a monthly payment \$12,500 plus GST while the club is closed down for redevelopment. This payment to continue till the completion of works approved under the IIP.

Rockhampton

- Design team appointed

Townsville

- The Townsville business case has been completed and forwarded to government, unfortunately the Townsville greyhounds and thoroughbred business cases were delayed due to the timing of the finalisation of the heads of agreement with the Townsville Turf Club not being completed.

General Report

Mr Snowdon advised the Board that business cases to the value of \$83M was approved prior to government going into caretaker mode. The Ipswich Turf Club business case had been rejected and a meeting had been held with Mr Booker of Treasury and Mr Patch of the Ipswich Turf Club.

Mr Booker of Treasury was unconvincing in his reasons for not approving Ipswich business case.

- (a) Deagon – lodged 8 March 2012
- (b) Brisbane Racing Club – lodged 6 March 2012
- (c) Albion Park Raceway – lodged 6 March 2012
- (d) Townsville Greyhounds – lodged 6 March 2012
- (e) Townsville Thoroughbreds – lodged 6 March 2012
- (f) Beaudesert, Cairns, Mackay, Rockhampton (revised budget – lodged 6 March 2012

The Board further **NOTED** correspondence received from the Office of Racing that “the business cases will not be considered during the caretaker period”.

The Board **NOTED** the Report.

Albion Park – MOU with the Bombers

The chairman raised the issue of the Bombers MOU, in light of the current political situation. The Board noted that the court's decision. The Board **RESOLVED** not to proceed with the Bombers MOU.

3.1 QROA Prizemoney Campaign

Mr Wayne Milner spoke to the paper on the QROA Prizemoney Campaign.

This was **NOTED** by the Board.

3.2 Latest Action in Training & Workplace Development

The Board advised changing the name of the “Queensland Racing & Equine Academy” as we are no longer Queensland Racing. Mr Hanmer suggested “Racing & Equine Queensland Academy. Mr Smith to consider a number of suggested names to the Academy.

Mr Hanmer requested Mr Smith to look at the duplication of licensing requirements across all codes in the Licensing Department and eliminate the duplication.

Mr Peter Smith sought the Board’s approval for the operating costs of the new racing industry portal on the TAFE system of \$6,000 for 2012 and \$20,000 for 2012/2013.

This was **APPROVED** by the Board.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bob Lette

Motion carried

3.3 Sustainability Review

Mr Tuttle spoke to the paper on Sustainability Review. Mr Tuttle sought the Board’s approval to engage Deloitte as the successful tenderer to undertake the Sustainability Review.

The Board **APPROVED** the appointment of Deloitte.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

Motion carried

3.4 Industry Infrastructure Plan – Additional Resources

Mr Snowdon spoke to the paper on Industry Infrastructure Plan – Additional Resources and sought the Board’s approval for the appointment of Mr Brian Moss and the appointment of a senior project Manager to the IIP Department until mid 2013.

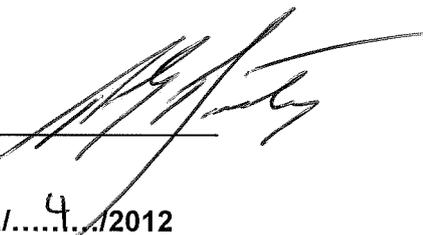
Mr Snowdon indicated that the new appointments will be covered under the project management costs of \$2.1M.

The appointment of Mr Brian Moss and a senior project manager was **APPROVED** by the Board.

MOVED by Mr Wayne Milner **SECONDED** by Mr Bill Ludwig

Motion carried

Confirmed as a true record.



R G Bentley
Chairman

Dated...16.../...4.../2012

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

Racing Queensland Limited (RQL)

Purchasing & Infrastructure planning

April, 2012

348119

Draft Version 1

Distribution

Party	Title
Adam Carter	Acting Chief Executive Officer
Sharon Drew	Acting Chief Financial Officer

This is a draft document. As it is a work in progress it may be incomplete, contain preliminary conclusions and may change. You must not rely on, disclose or refer to it in any document. We accept no duty of care or liability to you or any third party for any loss suffered in connection with the use of this document.

Mr Adam Carter
Acting Chief Executive Officer
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

13 April 2012

Dear Adam

Re: Internal Audit – Purchasing and Infrastructure planning

Please find attached the report for our recently concluded internal audit engagement relating to Purchasing and Infrastructure planning, which forms part of the internal audit plan set by the Audit Committee for the 2011-2012 financial year. The fieldwork was completed in March 2012.

We would like to take this opportunity to thank you and your staff for the co-operation which we have received in performing this engagement. Should you have any questions or which to discuss anything further, please contact Vincent Lie on (07) 3308 7343 or me on (07) 3308 7046.

Yours sincerely

Carl Gerrard
Partner
Risk Services

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Inherent Limitations

The Services provided are advisory in nature and have not been conducted in accordance with the standards issued by the Australian Auditing and Assurance Standards Board and consequently no opinions or conclusions under these standards are expressed.

Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

Our work is performed on a sample basis; we cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Recommendations and suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy, or reliability is given in relation to the statements and representations made by, and the information and documentation provided by RQL personnel. We have not attempted to verify these sources independently unless otherwise noted within the report.

Limitation of Use

This report is intended solely for the information and internal use of RQL in accordance with our letter of engagement of February 2012, and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report. We do not accept or assume responsibility to anyone other than RQL for our work, for this report, or for any reliance which may be placed on this report by any party other than RQL.

Confidential - this document and the information contained in it are confidential and should not be used or disclosed in any way without our prior consent.

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This is a draft document. As it is a work in progress it may be incomplete, contain preliminary conclusions and may change. You must not rely on, disclose or refer to it in any document. We accept no duty of care or liability to you or any third party for any loss suffered in connection with the use of this document.

1 Executive Summary

1.1 Objective and scope

The purpose of the engagement was to examine the controls around the purchasing and infrastructure planning process in place at RQL and to recommend opportunities for improvement in controls where insufficiencies exist.

The following activities within the purchasing and infrastructure planning processes were examined:

- Purchasing (excluding IPOS), including:
 - Procurement policy and framework, from purchase requisition, purchase order, to payment of suppliers (including the relevant approval processes)
 - Use of panel arrangements
 - Purchases made on behalf of the industry
 - Common purchasing arrangements for clubs
- Directors and staff expense reimbursement
- Credit cards (for staff expenses)
- Capital works expenditure on behalf of clubs
- Infrastructure planning, including:
 - Payments are in line with existing agreements and contracts
 - Approval process
 - The use of preferred suppliers
- Compliance with RQL policies and procedures for the above processes.

1.2 Background

As part of the purchasing and infrastructure planning process, RQL has developed a purchasing policy and an addendum (relating to the infrastructure project) that sets out the criteria that need to be followed when purchases are required.

Contour Consulting Engineers was engaged by RQL to act as the project management team for the development and construction of infrastructure at the Mackay Turf Club. RQL recently decided to complete all project management tasks in-house. A process is currently underway to recruit an additional project manager to assist in the infrastructure projects.

RQL has recently completed an internal review of the purchasing process to identify outstanding and missing purchase orders, invoices and approvals.

1.3 Work Performed

The following tasks were performed:

Purchasing

- Developed an understanding of RQL's procurement framework through discussion with relevant staff, and examined relevant policy and procedures. This included the use of panel arrangements
- Performed a walkthrough of processes for generating and approving purchase requisitions
- Examined common purchasing arrangements for clubs and performed a walkthrough of purchase transactions made on behalf of the industry, including the approval and authorisation process

- Extracted purchasing transactions data from Sun finance system (including all key fields) and through data analytics identified anomalies such as transactions with invoice date that is before the purchase order date

Directors and staff expense reimbursement

- Developed an understanding of RQL's expense reimbursement policy and processes for its directors and staff
- Selected samples of Director expense claims (1 per board member) and staff expense claims and verified that claims have been approved by authorised personnel and that expenses were for business purposes in line with RQL policy
- Tested that Director expenses reimbursed were in line with RQL's expense reimbursement policy requirements (depending on data availability and content)

Credit cards

- Developed an understanding of RQL's credit card policy and processes
- Examined whether staff issued with RQL credit card requires it to perform their roles and responsibilities effectively
- Tested that expenses paid were in line with RQL's credit card / expense reimbursement policy requirements, including the approval of the transactions.

Capital works expenditure on behalf of clubs

- Developed an understanding of RQL's capital works expenditure policy and processes relevant for capital expenditures made on behalf of clubs
- Examined the forms and templates relevant to obtaining the capital works approval when incurring the expenditure on behalf of clubs
- Selected samples of capital works expenditure on behalf of clubs and confirmed the required approval process have been adhered to

Infrastructure planning

- Selected samples of key projects funded under the infrastructure plan and performed the following:
 - Examined the controls around contract management process including:
 - Contracts are aligned with RQL contract management and policies and procedures, including contract creation, implementation and contractual documentation requirements
 - Delegations of authority and documented management sign off procedures
 - Adequate supporting documents including purchase orders, engagement confirmation and sign off existed.
 - Compliance of project expenditure against contractual terms:
 - Determined whether purchase orders were raised and invoices paid in accordance with contractor terms and conditions and invoices were authorised
 - Examined the procedures surrounding recording and approving contractor variations
 - Adequacy of payments tracking:
 - Examined the monitoring and reporting processes on contractual financial commitments including periodic payments and expenditure commitments for significant milestones
 - Examined the level of detail of project expenditure reports and adequacy of project reporting distribution paths.

1.4 Key findings and recommendations

The results indicated the following major and moderate risks due to either weaknesses in the design of control activities or because the control is not operating as designed. Where we have identified significant opportunities for business process improvement, these have been documented with the finding.

- Procurement and Contract Management Framework
- Policy and procedures

Further details of these risks are contained in Section 2.

A recommended course of action has been agreed with management for each of these risks.

DRAFT

1.5 Summary of Risks Addressed

Detailed Finding Ref	Finding Description	Residual Risk Rating	Primary Cause
2.1	Procurement and contract management framework – No signed contract could be identified for Contour Consulting Engineering. A lack of a contract management policy and procedures and the need for a Procurement Officer has also been identified.	Major	Policy and Procedure
2.2	Policy and procedures - The current purchasing policy needs to be revised as it is unclear with regard to certain processes and the use of relevant forms.	Moderate	Policy and Procedure
2.3	Credit cards – A large number of employees have corporate credit cards.	Low	Process
2.4	Conflicts of interest - There is currently no requirement for members on the tender committee to declare any conflict of interest prior to evaluating tenders submitted.	Low	Process
2.5	Warranties and drawings - No process has yet been developed for storing and managing warranties and building drawings received as part of the infrastructure expenditure project.	Low	Policy and Procedure

The Residual Risk Ratings and Primary Cause Analysis provided in this report were determined by Senior Management and the Audit Committee and are set out in Appendix A.

2 Detailed Findings

2.1 Procurement and contract management framework

Residual Risk Rating	Primary Cause
Major	Policy and Procedures

Risk

DRAFT

The infrastructure projects that are currently being planned and undertaken by RQL will increase the number of tenders, purchases and contract agreements that RQL will need to perform. These processes will need to be closely monitored and reviewed to ensure they are carried out effectively and efficiently.

During our investigation of the procurement and contract management processes we identified the following:

1. There is a need for a Procurement Officer who has responsibility for reviewing and monitoring the purchasing process and ensuring compliance with the purchasing policy and procedure for both general purchasing and infrastructure planning.
2. We observed the lack of documented guidelines relating to the contract management process. We could obtain a signed contract between RQL and Contour Consulting Engineers (Contour) for the infrastructure projects managed by Contour. A signed contract was provided to Internal Audit on the 13th April, the contract was signed by the Chairman on the 29th March.

With the increase of purchases as a result of infrastructure development there is an increased risk of non-compliance with procurement and contract terms. The absence of documented contract management guidelines further increases the risk of having an ineffective contract management process and contracts not being finalised appropriately. Not obtaining and securing a copy of a signed contract can lead to disputes and legal action.

The addition of a dedicated Procurement Officer will provide oversight over all RQL's purchasing processes and ensure compliance with the purchasing policy. The Procurement Officer will also be responsible for reviewing and monitoring all infrastructure project tenders and ensuring relevant agreements are in place. This will increase the effectiveness of the purchasing process as well as ensure relevant quotes and tenders are obtained where required.

Formal contract management policy and procedures should be developed to ensure that contracts are finalised, managed and filed appropriately. Contract management should be the responsibility of a dedicated employee, and be included in the individual's job description and key performance indicators. Alternatively, the Procurement Officer should be responsible for ensuring that all contracts are managed in compliance with the required policy and procedure and that all contract terms are being adhered to as part of the agreement in place.

Management Action Plan

Action:

[Action should be management's statement to either accept risks associated with this issue, or a plan to mitigate]

Action Target Date:

Action Owner:

DRAFT

2.2 Policy and procedures

Residual Risk Rating	Primary Cause
Moderate	Policy and Procedure

Risk
<p>RQL's Purchasing Policy was developed to provide guidelines and procedures around the management of purchasing activities. We identified the following improvement opportunities in RQL's Purchasing Policy:</p> <ul style="list-style-type: none"> Inconsistent terminology around forms: The policy describes the use of two different forms, the Expense Reimbursement form and the General Claim form. Both these forms serve the same purpose, to claim expenses incurred. This inconsistency in the policy causes confusion. The policy also does not stipulate when this form needs to be used. Unclear Purchase Order process: According to the Purchasing Policy, a Purchase Order (PO) is required for all purchases with the exception of utilities and petty cash expenses. During our examination of the compliance with the use of POs, we identified that POs are being used inconsistently. Of the 12 transactions tested for Infrastructure Planning that specifically required a PO, no PO could be identified. We identified the use of fee proposals and engagement forms where POs could not be obtained. From our sample of 12, 11 were accompanied by either a fee proposal or engagement form. There is however no reference in the Purchasing Policy to fee proposals or engagement forms as an acceptable alternative to a raised PO. Of the ten General Purchases transactions tested, four did not have a PO raised. This result is due to the lack of clarity regarding POs in the policy and procedure manual. Exception to the standard tender / quote process: The Purchasing Policy states that three quotes are required for purchases between \$10,000 and \$100,000 and three tenders are required for purchases over \$100,000. However, the Purchasing Policy does not address the process that has to be followed when there are only limited (i.e. less than three) industry specialists who can provide the required goods / services. Use of the Request for Capital Works Expenditure form: We identified the inconsistent use of the Request for Capital Works Expenditure (RCWE) form. The Purchasing Policy does not clearly outline the definition of capital expenditure or when the RCWE form is required. Sample testing of Capital Works expenditure revealed that POs were raised but no RCWE forms were used. This indicates that there is confusion as to the use of the RCWE form. The lack of the definition and use of the RCWE form increases the risk of employees not following the appropriate approval process and leads to an inefficient process. <p>The purchasing policy and procedure needs to be reviewed and updated to ensure that all definitions and descriptions are appropriately defined and explained. An employee needs to be assigned the responsibility for ensuring all purchasing processes and forms relating to Infrastructure Planning purchases, Capital Expenditure and General Purchases are completed and appropriately approved.</p>

Management Action Plan

Action:

[Action should be management's statement to either accept risks associated with this issue, or a plan to mitigate]

Action Target Date:

Action Owner:

DRAFT

2.3 Credit Cards

Residual Risk Rating	Primary Cause
Low	Process

Risk

RQL's Purchasing Policy states that corporate credit cards are to be restricted to the Chairman, Deputy Chairman, Executive Officers and authorised staff and are only to be used for expenditure incurred for business operations, entertainment and travel.

On examination of the Credit Card Listing as at 22 February 2012, we noted that 53 employees have a corporate credit card, with two linked to billing accounts. Employees who do not have corporate credit cards can use another employee's corporate card by completing and obtaining approval on the Corporate Card Usage form. The Purchasing Policy does not outline whether the credit card holder or the person using the card needs to complete the Corporate Card Usage form. Therefore there is a risk in that the Credit Card Usage form is completed by the person borrowing the credit card and that the owner of the card has no knowledge of its use.

RQL should annually review the number of employees that have corporate credit cards (to ensure a continued business need) in order to minimise the number of assigned credit cards. Decreasing the number of credit cards will reduce the risk of RQL reimbursing employees for expenditure that is not authorised by the Purchasing Policy.

RQL clears the credit card account every month. Employees who are assigned corporate credit cards have to submit their expenses in order for RQL to be able to reconcile the amount outstanding in the credit card account with the expenses charged. This process does not however place any responsibility on employees to submit their claims in a timely manner.

In order to increase employee responsibility for the use of their corporate credit cards, RQL should consider removing credit cards to key employees if they constantly fail to submit their claims.

Management Action Plan

Action:

[Action should be management's statement to either accept risks associated with this issue, or a plan to mitigate]

Action Target Date:

Action Owner:

2.4 Conflicts of interest in tender evaluation panel

Residual Risk Rating	Primary Cause
Low	Process

Risk
<p>As part of the infrastructure planning and approvals process, RQL currently conducts all contract management procedures in-house. This includes conducting the tender evaluation process and all related probity activities.</p> <p>We identified that there is currently no requirement for personnel on the tender evaluation panel to sign a conflicts of interest declaration before commencing the evaluation process. Without completing a Conflicts of Interest Declaration form, there is a risk that panel members may not declare their interest in the tenderer and this will result in noncompliance with the Purchasing Policy and be an unfair selection process.</p> <p>RQL should develop and implement a Conflicts of Interest Declaration form and ensure that this declaration is signed off by every person that sits on the tender evaluation panel prior to commencing the tender process. Until a Procurement Officer is appointed it should be the responsibility of the Project Director to ensure that the Declaration is signed and that all conflicts identified are appropriately handled.</p>
Management Action Plan
<p>Action: <i>[Action should be management's statement to either accept risks associated with this issue, or a plan to mitigate]</i></p> <p>Action Target Date:</p> <p>Action Owner:</p>

2.5 Warranties & drawings

Residual Risk Rating	Primary Cause
Low	Policy and Procedure

Risk
<p>As part of the infrastructure redevelopment and improvement process taking place at all the clubs, new buildings will be developed and existing buildings will potentially be refurbished. This will result in warranties and drawings of new and refurbished buildings being provided to RQL. RQL will be responsible for ensuring that they comply with all warranty recommendations and that all building drawings are stored and updated where relevant.</p> <p>Our assessment identified that RQL currently does not have a management system in place for when warranties and drawings are received. If warranties are not appropriately monitored it can result in assets not being appropriately maintained and any refunds or rectification period being voided. Drawings need to be obtained for when buildings obtain structural damaged, further renovations, or extensions need to be made at a later date.</p> <p>In order to be prepared and set up for the management of the drawings and warranty documents, RQL should consider developing a document management and warranty monitoring process to ensure that all maintenance is carried out as prescribed by warranty conditions.</p>
Management Action Plan
<p>Action: <i>[Action should be management's statement to either accept risks associated with this issue, or a plan to mitigate]</i></p> <p>Action Target Date:</p> <p>Action Owner:</p>

3 Appendix A – Risk Ratings

The Risk Ratings and Primary Cause Analysis provided in this report were based on the criteria below and have been determined by Senior Management and the Audit Committee as appropriate to allow allocation of resources to the areas of greatest concern.

3.1 Individual Residual Risk Ratings

Residual Risk Rating	Financial	Business continuity	Regulatory / Legal	Reputation & Image	WHS
Extreme – Poor or no controls. Pervasive and systematic weaknesses identified	Financial impact above \$1M	Loss of major service capacity for more than 2 weeks (or two days over Carnival period).	Significant legal, regulatory or internal policy failure e.g. severe sanction received.	Ongoing national and/or international media exposure. Extensive ongoing publicised attention from numerous or significant key stakeholders.	Loss of life or permanent incapacitation. Unplanned loss (or extended absence) of a senior executive, or several key staff.
Major – Significant control weaknesses identified	Financial impact between \$500K and \$1M	Loss of major service capacity for less than 2 weeks (or one day over Carnival period).	Major legal, regulatory or internal policy failure e.g. major sanction received.	Extensive ongoing state media exposure. Repeated ongoing publicised attention from numerous or significant key stakeholders.	Serious injury or incident which requires hospitalisation; incomplete rehabilitation achieved. Unexpected loss (or extended absence) of a key staff member with specialist knowledge without which the business is significantly affected.
Moderate – Several control weaknesses of concerns identified.	Financial impact between \$50K and \$500K	Loss of localised service capacity for more than 2 weeks (or up to half a day over Carnival period).	Limited legal, regulatory and internal policy failure e.g. sanction received.	Isolated state media exposure. Attention from a limited number of key stakeholders with restricted publicity.	Injury or incident requiring medical attention with full rehabilitation achieved. Unexpected loss (or extended absence) of a key staff member who is integral to the business with specialist knowledge.
Low – Small number of minor control weaknesses / opportunities for improvement identified	Financial impact between \$5k and \$50K	Loss of localised service capacity for less than 2 weeks (no impact over Carnival period).	Minor legal, regulatory and internal policy failure e.g. minor sanction received.	Local media exposure. Isolated attention from one key stakeholder or a number of minor stakeholders with little or no publicity.	Minor injury or incident which requires medical treatment and loss time. Unexpected loss (or extended absence) of a senior staff member.
Minor – minimal opportunities for improvement identified	Financial impact up to \$5k	Resolution of issue locally without disruption.	Insignificant legal, regulatory or internal policy failure. No sanction imposed.	No media exposure. Isolated attention from a minor stakeholder with no publicity.	Minor incident requiring first aid. Unexpected loss (or extended absence) of a single staff member.

3.2 Primary Causes

Primary Cause	Guidance
Compliance	Regulations or legislation with which the organisation has to comply.
Knowledge & People	Staff abilities, intellectual property.
Policies & Procedures	Anything relating to internal operational policies and procedures which have to be complied with.
Structure & Process	Organisational and business processes setup of the organisation to allow it to achieve its goals.
Technology	IT systems and networks, programs and methodologies used to conduct business, e.g. CAD/CAM.

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CONTOUR Consulting Engineers

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A PO Box 474, Buddina 4575, Queensland
Building A, Suite 2 Level 1, 6 Innovation Parkway, Bilingya 4575, Queensland

Consulting Services Agreement

Agreement between Contour Consulting Engineers Pty Ltd (ABN 62 117 061 659) and the Client (detailed below) for the provision of Consultancy Services in accordance with the Fee Proposal and Terms of Agreement attached.

CLIENT DETAILS: (ENTITY RESPONSIBLE FOR PAYMENT OF FEES)	
Client Name:	ABN:
	Phone:
Contact:	Mobile:
Registered Address:	Fax:
Postal Address:	Email:
SITE DESCRIPTION:	
Location:	Lot Number(s):
	Plan Number(s):
Parish:	County:
FEE AGREEMENT:	

The Client, confirms instructions to Contour Consulting Engineers Pty Ltd to proceed with the scope of services and agrees to pay the fees (listed below), as detailed in the fee proposal (CIV0790-FP-03, dated 31 August 2011).

Sub-Project	Budget FEE	Sub-Project	Budget FEE	Sub-Project	Budget FEE
Cairns	\$130,000.00	Rockhampton	\$80,000.00	Gold Coast	\$150,000.00
Townsville	\$100,000.00	Deagon	\$1,650,000.00		
Mackay	N/A	Beaudesert	\$650,000.00		

All fees listed above exclude GST.

The Client hereby agrees that the Consultancy Services shall be carried out under the terms and conditions hereto attached. The Client accepts the offer and agrees to the scope of services and fees as offered in the Contour Consulting Engineers Fee Proposal (as referenced above).

The Client is to read this document carefully and understand the terms of agreement, as it is legally binding. If you have any questions, we ask that you contact our Kawana Waters office on (07) 5493 9777.

Signed

for and on behalf of the Client by its duly authorised officer:

Full Name: A.G. JENREY

Position: _____

Signature: [Signature]

Date: 29th March 2012.

*Confirming the Fee that
Proposed And That
Fees Were Paid In
Line With Proposal.
And Subsequently Issued.*

[Signature]



Terms of Agreement

1. Contour Consulting Engineers (hereinafter referred to as CCE) shall provide to the Client the consulting services described in the accompanying letter or proposal.
2. The fees provided in the accompanying proposal are valid for 90 days only. Upon commissioning, fees for services that extend beyond 12 months will be subject to rise in line with Consumer Price Index (CPI) or 6%, whichever is greater.
3. In providing the services, CCE shall exercise the degree of skill, care and diligence normally exercised by consultants in similar circumstances. CCE invites the Client the opportunity to provide feedback regarding the performance of the services at any time.
4. The Client shall provide to CCE at the briefing, all information concerning the Client's requirements for the commission. CCE shall not be liable for incomplete or inaccurate information provided by the client, the client's consultants, or the client's agents.
5. The Client shall pay CCE the fees and the reimbursable expenses as set out in the accompanying letter or proposal.
6. Payment terms for interim invoicing are strictly 14 days from date of invoice. Invoices will be raised on a monthly basis in arrears and/or upon completion of services. Invoices will be issued prior to delivery of tangible outputs including, delivery of draft and/or completed documentation, lodgment of applications, and/or receipt of approvals as required. **Contour Consulting Engineers Pty Ltd will cease services immediately if payment of invoices fall outside the payment terms.**
7. CCE will not release design drawings and/or documentation prior to payment of fees being received in full (cleared funds).
8. All monies payable by the Client to CCE shall be paid Cash on Delivery (COD), or within fourteen (14) days of invoice if arranged prior to commissioning. Monies not paid within fourteen (14) days of invoice shall attract interest from the due date until payment, at the rate of 2% per month or part thereof.
9. If payment of services is not received within the specified payment terms, the Client will be liable for all debt collection costs and associated costs incurred to recover debts outside of the payment terms.
10. If any of CCE's delivered products and services are shown to be unsuitable for the intended purpose, the product or service shall be rectified at no cost to the client. This warranty is limited to work carried out by CCE only.
11. **Limit to Liability:**
 - a) To the maximum extent permitted by law, any liability CCE have to the client is limited (in the aggregate) to the lesser of AUD2 million, or the fees paid under the agreement, and the client releases CCE from any further liability.
 - b) To the extent that CCE are not permitted by law to limit our liability as detailed in the previous clause, any liability CCE have to you is limited to re-supplying the services.
 - c) On the date that is one year after the date CCE send the client final invoice for the services, the client releases CCE and our servants, employees, agents and sub-consultants from all liability. For the purposes of this clause, CCE contract on our own behalf and also on behalf of each of our servants, employees, agents and subconsultants.
 - d) CCE shall not be held liable for any claim whatsoever by any third party arising out of or in relation to the services or the project works, and the client indemnifies CCE accordingly.
 - e) CCE shall not be liable for any liability or loss to the extent that negligence or omission is the fault of the client. Where negligence is found to have been contributory, each party shall bear responsibility in accordance with that party's proportional fault.
12. The provisions of the above clauses are subject always to the provisions of Part V of the Trade Practices Act 1974 (as amended) or any other law which cannot be excluded, restricted or modified by agreement.
13. Contour Consulting Engineers deliverables are copyright protected. On receipt of full payment of invoice, Contour Consulting Engineers grants permission (license) to the client to use deliverables (in unaltered form only) for the purpose as stated in the accompanying letter or proposal.
14. Copyright in all documents, including but not limited to; drawings, reports, specifications, bill's of quantity, calculations, certifications and other documents provided by CCE in connection with the project shall remain the property of CCE.
15. Subject to above, the Client alone shall have a licence to use the documentation provided by CCE.
16. if the Client is in breach of any obligation to make a payment to CCE, CCE will revoke the licence referred to above and the Client shall then cause to be returned to CCE all documents as referred above, and all copies thereof. Approvals and/or Certifications from Authorities born from the licence will cease to be supported by revoked deliverables.
17. Any dispute between the Client and CCE shall first be the subject of mediation provided that this provision shall not prevent CCE from instituting legal action at any time to recover monies owing by the Client to CCE.



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Terms of Agreement

18. The Client may terminate its obligation under this Agreement:
 - a) In the event of substantial breach by CCE of its obligations hereunder, which breach has not been remedied within thirty (30) days of written notice from the Client requiring the breach to be remedied; or
 - b) Upon giving CCE sixty (60) days written notice of its intention to do so.
19. CCE may suspend or terminate its obligations under this Agreement:
 - a) In the event of:
 - (i) Monies payable to CCE hereunder being outstanding for more than 30 days;
 - (ii) Other substantial breach by the Client of its obligation hereunder, which breach has not been remedied within thirty (30) days of written notice from CCE requiring the breach to be remedied;
 - (iii) The client becomes insolvent or appears to be unable to pay their debts to CCE and/or others;
 - b) Upon giving the Client thirty (30) days notice (written) of its intention to do so, or
 - c) The client displays an intention not to be bound by the terms of this agreement.
20. The client grants automatically to CCE an extension of time to the Date of Completion of services equivalent to the duration of any delay to the provision of those services caused by any matter outside CCE's control.
21. If the scope of works varies significantly from the original commission, CCE reserves the right to adjust fees accordingly. With changes of scope, CCE shall inform the Client of changes to fees.
22. Neither party may assign, transfer or sublet any obligation under this Agreement without the written consent of the other. Unless stated in writing to the contrary, no assignment, transfer or subletting shall release the assignor from any obligation under this Agreement.
23. In addition to any other methods of services of notices permitted by law, notices shall be properly served if sent via prepaid mail, personal delivery, email, or facsimile.



**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

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.

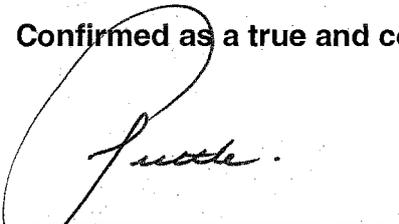
It was noted that the first session was a bit fiery, with the majority of the attendees being racing participants.

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



CONTOUR Consulting Engineers

ABN: 62 117 061 659

P 07 5493 9777 F 07 5493 6888 E admin@ContourCE.com.au
A PO Box 474, Buddina 4575, Queensland
Building A, Suite 2 Level 1, 8 Innovation Parkway, Birinya 4575, Queensland

TAX INVOICE

DATE: 10/11/2011
INVOICE #: INV02196
ABN: 62 117 061 659
PROJECT #: CIV00377

BILL TO:
Racing Queensland Limited
PO Box 63
Sandgate QLD 4017

ATTENTION: Mr Mark Snowdon

DESCRIPTION	PREVIOUSLY INVOICED	THIS INVOICE
BEAUDESERT RACECOURSE		
Engineering services in accordance with our Fee Proposal for Beaudesert Racecourse		
For professional services rendered to 21/10/2011.		
0. IIP Concept Engineering and Management	\$231,511.72	-
1. Project Co-ordination and Management	\$60,752.90	\$29,562.10 11P4
2. Concepts Engineering	\$38,068.31	\$55,371.49 11P2
3. Civil Engineering	\$11,000.00	\$67,083.75 11P3
4. Environmental Engineering	\$18,688.08	\$880.17 11P4
5. Architecture (Minor)	\$27,000.00	\$9,570.00 11P5
6. Structural Engineering	\$9,975.00	\$2,010.00 11P6
7. Building Hydraulics	\$4,700.00	-
8. Flooding and Drainage	\$16,196.34	\$1,197.66 11P8
9. Traffic Engineering	-	-
10. Architecture (Major)	-	\$22,200.00 11P8
11. Building Mech/Elec/Fire	-	\$4,465.00 11P6
12. Variations VO1 Specialist sub-consultant input to Aboriginal Cultural Heritage	\$18,083.75 \$1,670.00	- \$1,075.00 11P1
	Subtotal	\$193,415.17
	GST	\$19,341.52
	Total	\$212,756.69

INVOICE CHECKED: 11/31/11
ACCOUNT NO: 11331.22.02 AB.02
DATE: 28/11/11
AMOUNT: \$212,756.69
PASSED FOR PAYMENT:

[Handwritten signature and initials]

[Handwritten signature]
Project Manager

PAYMENT METHOD: Cash, Cheque or Direct Deposit
Make all cheques payable to 'Contour Consulting Engineers Pty Ltd'

ACCOUNT DETAILS: WESTPAC
ACCOUNT NAME: CONTOUR CONSULTING ENGINEERS PTY LTD
BSB: 034-676
ACCOUNT #: 341 775

[Handwritten note: all have passed in hold.]

Total due in 14 days. Overdue accounts shall be subject to an interest charge of 2% per month from due date.

THANK YOU FOR YOUR BUSINESS!

This invoice is issued under the Building and Construction Industry Payment Act 2001, with payment in 14 days.



CONTOUR Consulting Engineers

ABN: 62 117 061 659

P 07 5493 9777 F 07 5493 6888 E admin@ContourCE.com.au
A PO Box 474, Buddina 4575, Queensland
Building A, Suite 2 Level 1, 6 Innovation Parkway, Birtinya 4575, Queensland

TAX INVOICE

DATE: 10/11/2011
INVOICE #: INV02196
ABN: 62 117 061 659
PROJECT #: CIV00377

BILL TO: Racing Queensland Limited
PO Box 63
Sandgate QLD 4017

ATTENTION: Mr Mark Snowdon

DESCRIPTION	PREVIOUSLY INVOICED	THIS INVOICE	
BEAUDESERT RACECOURSE			
Engineering services in accordance with our Fee Proposal for Beaudesert Racecourse			
For professional services rendered to 21/10/2011.			
0. IIP Concept Engineering and Management	\$231,511.72	-	
1. Project Co-ordination and Management	\$60,752.90	\$29,562.10	11P46
2. Concepts Engineering	\$38,068.31	\$55,371.49	11P2
3. Civil Engineering	\$11,000.00	\$67,083.75	11P3
4. Environmental Engineering	\$18,688.08	\$880.17	11P4
5. Architecture (Minor)	\$27,000.00	\$9,570.00	11P5
6. Structural Engineering	\$9,975.00	\$2,010.00	11P6
7. Building Hydraulics	\$4,700.00	-	
8. Flooding and Drainage	\$16,196.34	\$1,197.66	11P8
9. Traffic Engineering	-	-	11P8
10. Architecture (Major)	-	\$22,200.00	11P10
11. Building Mech/Elec/Fire	-	\$4,465.00	11P10
12. Variations	\$18,083.75	-	
VO1 Specialist sub-consultant input to Aboriginal Cultural Heritage	\$1,670.00	\$1,075.00	11P19
Subtotal		\$193,415.17	
GST		\$19,341.52	
Total		\$212,756.69	

INVOICE CHECKED:
ACCOUNT NO: 11331.22.02.AB.02
DATE: 25/11/11
AMOUNT: \$212,756.69
PASSED
FOR PAYMENT:

Alfano
Project Manager

PAYMENT METHOD: Cash, Cheque or Direct Deposit
Make all cheques payable to 'Contour Consulting Engineers Pty Ltd'

ACCOUNT DETAILS: WESTPAC
ACCOUNT NAME: CONTOUR CONSULTING ENGINEERS PTY LTD
BSB: 034-676
ACCOUNT #: 341 775

Total due in 14 days. Overdue accounts shall be subject to an interest charge of 2% per month from due date.

THANK YOU FOR YOUR BUSINESS!

This invoice is issued under the Building and Construction Industry Payment Act 2001, with payment in 14 days.



CONTOUR

Consulting Engineers

ABN: 62 117 061 659

P 07 5493 9777 E 07 5493 6888 E admin@ContourCE.com.au

A PO Box 474, Buddina 4575, Queensland
Building A, Suite 2 Level 1, 6 Innovation Parkway, Birinya 4575, Queensland

TAX INVOICE

DATE: 10/11/2011
INVOICE #: INV02196
ABN: 62 117 061 659
PROJECT #: CIV00377

BILL TO: Racing Queensland Limited
PO Box 63
Sandgate QLD 4017

07 FEB 2012

ATTENTION: Mr Mark Snowdon

DESCRIPTION	PREVIOUSLY INVOICED	THIS INVOICE
BEAUDESERT RACECOURSE		
Engineering services in accordance with our Fee Proposal for Beaudesert Racecourse		
For professional services rendered to 21/10/2011.		
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1. Project Co-ordination and Management	\$60,752.90	\$29,562.10 IIP4
2. Concepts Engineering	\$38,068.31	\$55,371.49 IIP2
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8. Flooding and Drainage	\$16,196.34	\$1,197.66 IIP5
9. Traffic Engineering	-	- IIP10
10. Architecture (Major)	-	\$22,200.00 IIP1
11. Building Mech/Elec/Fire	-	\$4,465.00 IIP
12. Variations	\$18,083.75	-
VO1 Specialist sub-consultant input to Aboriginal Cultural Heritage	\$1,670.00	\$1,075.00 IIP1
<div style="border: 1px dashed black; padding: 5px; display: inline-block;"> INVOICE CHECKED: ACCOUNT NO: 11331.22.02 AD.02 DATE: 28/11/11 AMOUNT: \$212,756.69 PASSED FOR PAYMENT: <i>CZ CONTOUR</i> </div>		
Project Manager: <i>[Signature]</i>		
Subtotal		\$193,415.17
GST		\$19,341.52
Total		\$212,756.69

~~INVOICE ON HOLD - DO NOT PAY~~

PAYMENT METHOD: Cash, Cheque or Direct Deposit
Make all cheques payable to 'Contour Consulting Engineers Pty Ltd'

ACCOUNT DETAILS: WESTPAC
ACCOUNT NAME: CONTOUR CONSULTING ENGINEERS PTY LTD
BSB: 034-676
ACCOUNT #: 341 775

Total due in 14 days. Overdue accounts shall be subject to an interest charge of 2% per month from due date.

THANK YOU FOR YOUR BUSINESS!

This invoice is issued under the Building and Construction Industry Payment Act 2001, with payment in 14 days.

Re: Contour Beaudesert

From: Malcolm Tuttle <mtuttle@racingqueensland.com.au>
To: Adam Carter <acarter@racingqueensland.com.au>
Cc: Mark Snowdon <msnowdon@racingqueensland.com.au>, Shara Reid <sreid@racingqueensland.com.au>, Paul Brennan <pbrennan@racingqueensland.com.au>, Sharon Drew <sdrew@racingqueensland.com.au>, Ali Wade <awade@racingqueensland.com.au>, Jeffrey Zeppa <jzeppa@racingqueensland.com.au>, R Bentley <crossmore13@yahoo.co.uk>
Date: Thu, 01 Mar 2012 08:49:02 +1000

Adam
pls list as agenda item for IIPCG meeting
Tks Mal

On 01/03/2012, at 6:36 AM, "Adam Carter" <acarter@racingqueensland.com.au> wrote:

> Dear IIPCG
> It has come to my attention that the 2 invoices totaling circa \$280k to Contour for Beaudesert were paid on 10 February 2012. Invoices were approved and submitted to Office of Racing.

> Finance is currently working with Mark on options given the risk of the \$2.8m of the reimbursement of expenses for the business cases not forthcoming to date.

> I will provide an update at a later date.
> Thanks
>
> Adam Carter
> Chief Financial Officer
> Racing Queensland Limited
> 38699702
> 0400761700
>



Queensland
Government

Hon Andrew Fraser MP
Member for Mount Coot-tha

Deputy Premier and Treasurer
Minister for State Development
and Trade

TRX-17947

05 DEC 2011

Mr R G Bentley
Chairman
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

See Bob

I refer to issues you have recently raised regarding the delivery of racing infrastructure under the Racing Industry Capital Development Scheme (RICDS).

I have considered your comments in relation to the cost of preparing business cases for proposed racing infrastructure and have decided to provide access to limited funds from the RICDS to meet external costs incurred on those projects which are significant and have associated delivery risks. This will assist in accessing relevant expert advice necessary where the project scale and risks merit investment in those resources.

I approve funds of up to \$2,750,000 to be drawn for the purpose of reimbursing Racing Queensland Limited (RQ) for the cost of engaging external consultants assisting in the preparation of business cases, and capped internal costs of \$200,000 p.a of internal RQ resources dedicated to this purpose. Requests for reimbursement may be submitted to the Office of Racing in the Department of Employment, Economic Development and Innovation at the end of each calendar quarter.

Note that this will however reduce the funds available for direct investment in capital infrastructure under the RICDS.

Should you require any further information, please contact Mr Stuart Booker, Assistant Under Treasurer on telephone (07) 3238 3059.

Yours sincerely

ANDREW FRASER

Level 9 Executive Building
100 George Street Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone +61 7 3224 6900
Facsimile +61 7 3229 0642
Email deputypremierandtreasurer@qld.gov.au
ABN 65 959 415 158



DRAFT FOR DISCUSSION PURPOSES ONLY RACING
QUEENSLAND



RACING
QUEENSLAND

Status Report - Contour

As at 23 November 2012



Background

The previous Board of Racing Queensland Limited (**RQL**) initiated a number of Capital Projects over the past few years. These included, but are not limited to thoroughbred facilities at Corbould Park in Caloundra, Callaghan Park in Rockhampton and Ooralea Racecourse in Mackay.

RQL has recently undertaken a review of these projects. Work performed by a Sunshine Coast based consulting engineering firm trading under the name Contour Consulting Engineers Pty Ltd (**Contour**), warranted closer inspection.

For the period 1 July 2007 to 31 October 2012, Contour was awarded contracts and undertook other works on behalf of the consolidated entities of RQL to the approximate value of \$158 million. Of this, \$58 million was completed, the remaining \$100 million placed on hold with the change in State government. The direct consulting fees earned from this work by Contour amounted to approximately \$5.99 million inclusive of GST.

- RQL's procurement policy requires all work in excess of \$10,000 to be competitively tendered to at least three suppliers. Despite this, it appears RQL awarded a substantial volume of work to Contour without RQL undertaking a competitive tender process.
- RQL's policies also require a contractor's register to be kept for all payments. Only \$3.19 million of Contour's \$5.99 million fees were logged to the register.

The RQL executives charged with the procurement process and responsible for ensuring adherence to the procurement rules were the Chief Executive Officer, Mr Malcolm Tuttle, and the Director of Product Development, Mr Paul Brennan.

All projects awarded, notwithstanding the non-adherence to policy, were approved by the then-Chairman, Mr Robert Bentley, and subsequently ratified by the RQL Board.

Immediately following his resignation (the Monday following the 2012 State Election), Mr Brennan took up a senior executive role with Contour and Mr Tuttle has since also taken up a senior executive role with Contour.

Purpose and Scope

The purpose of this review was to confirm any suspected fraudulent behaviour, determine the extent thereof, and identify any further similar instances, both regarding work performed by Contour and by other similar consulting engineering firms, regarding Capital Projects undertaken on behalf of RQL.



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The scope of this audit was to focus on:

- The procurement process
- The engagement contracts
- The performance against contract
- Value for money,

for all Capital Projects for the period 1 July 2007 to 31 October 2012, for Contour and noting similar possibly fraudulent transactions for other similar consulting engineering firms.

Key Risks for the Audit

The key risks for this audit include:

- Fraudulent transactions
- Inability to recoup financial damage from fraudulent activity
- Ineffective corporate governance
- Ineffective anti-fraud programs resulting in fraud and/or financial misstatement
- Board conflict of interest and/or lack of independence
- Inappropriate decision-making and delegation of authorities
- Inadequate attention to strategy and execution
- Non-compliance with purchasing / procurement policy and procedures
- Reputation damage / public perception
- Inability to effectively allocate and manage contract risk.

Methodology

We performed the following tasks:

- Identified Capital Projects for which engineering consulting was undertaken by Contour
- Determined whether or not the purchasing / procurement policy was complied with, and where not, detail the instances and extent of the non-compliance, for each engagement contract (where those are in place) against the prescribed procurement steps and value for money
- Determined whether or not authorised approval was obtained
- Determined whether or not Board approval was obtained
- Scrutinised Board meeting minutes where applications for approval were tabled, and document minutes where approval was granted
- Identified and secured all and any communications between RQL and Contour, and between Contour and Messrs Tuttle and Brennan (run search functionality over the e-mail boxes of these individuals)
- Reconciled payments per financial records to the contractor's register



- Followed audit trail on exceptions.

Findings

1) Contract

There is no contract or agreement in place with Contour, for RQL. An internal audit report by Deloitte (dated April 2012; fieldwork March 2012) noted the absence of this contract; they were subsequently sent a signed version dated March 2012. This despite the fact that Contour have been engaged since 2007.

To date (23 November 2012) we have found proposed contracts for Corbould Park, unsigned by RQL. We also have strategic asset management plans for Corbould Park, Ooralea Park, Cluden Park, Cannon Park, Beuadesert, Gold Coast, Deagon Clifford Park, Calaghan Park and Bundamba. We are continuing to obtain archived information.

RQL uses consulting services and implements industry capital works projects each year. Parties to these agreements are contracted, and the process is transparent and competitive in accordance with the purchasing policy.

We found e-mail documentation that implied the existence of a Contour contract at least circulated in draft form. The email is dated 27 Oct 2011 and refers to several clauses requiring clarification.

This is non-compliance with the purchasing policy and poor corporate governance from a probity perspective, as well as an inability to effectively allocate and manage contract risk.

2) Tendering process

Initial contact was made with Contour when they tendered for the role of civil designer for synthetic track surface in June 2007. Project managers were Arben, Contour were the lowest of the three tenderers and winning tenderer.

Subsequently, Contour appears to have replaced Arben as project managers. The 1 Feb 2008 Board minutes note this as being under deliberation, as Arben were thought to be spending too little time on site.

We could find no other tender documents for any Contour transactions. Tendering is a requirement of the purchasing policy for amounts exceeding \$10,000. This represents non-compliance with the purchasing policy.



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3) Board Approval

The waiver of an open tender is at the discretion of the Board for amounts exceeding \$100,000 and must be minuted. We found an amendment to Item 3.2 of the Feb 2008 Board meeting whereby the initial Board-approved amount of \$100,000 to repair flood damage to the Beaudesert track was increased to \$200,000 based on the strategic importance of Beaudesert.

This occasion was thus minuted. However, an extension can be understood, but to double the amount is questionable, without going out to tender again based on revised quotes.

In the Board meeting minutes for 4 Nov 2011 it was put forward that Contour had submitted a contract for their appointment to provide planning services for the Industry Infrastructure Plan. We also found in the same Board minutes from 4 Nov 2011 where concerns regarding probity were raised, and that these were to be addressed but that work had already commenced. The motion was carried, presumably to address probity issues. Work meanwhile continued.

These points place doubt over the corporate governance procedure, and the independence of the Board.

4) Invoices

Payments to Contour far exceed the Contract Register entries. Payments of \$5.99m were made but only \$3.19m are recorded.

Eight invoiced payments to Contour were uncovered, for which the GST-inclusive total exceeded \$50,000. One of these exceeded \$180,000 and another exceeded \$220,000. The payments were all approved by the officials with the correct delegations and authorisation levels, but the absence of a contract effectively renders this non-compliance with the purchasing policy.

5) Fraud program

There do not appear to be any fraud programs or procedures in place to prevent or help detect behaviour counter to the policies and procedures of RQL, particularly at Board level. There is a draft procedure but this has awaited Board approval for some time.



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Contracts and payments made

The discrepancy between the amounts owing to Contour per the Contract Register, and the actual amounts paid over are shown below. The amount paid is almost double that per the register.

Contour Contracts								
Project Name	Contract Number	Project Value	Project Management Value	Documentation on File	Date of Signing	Approx Project Cost \$M	Complete	Put on Hold
Rockhampton track upgrade	0373		126,000	Budget	n/a	6.5	6.5	
Sunshine Coast Track	0270		65,800	Contract	6/15/2007	5.5	5.5	
Toowoomba Track	0432			Engagement letter	12/17/2008	11.8	11.8	
Sunshine Coast (other)	0417			Engagement letter	3/13/2008			
IIS - Cairns	0709		130,000	Contract	3/29/2012	2		
IIS - Townsville	0709		100,000	Contract	3/29/2012	6		
IIS - Rockhampton	0709		80,000	Contract	3/29/2012	2		
IIS - Deagon	0709		1,650,000	Contract	3/29/2012	45		
IIS - Beaudesert	0709		650,000	Contract	3/29/2012	8		
IIS - Gold Coast	0709		150,000	Contract	3/29/2012	38		
Stables	0318	12,263,248	240,000	Budget	n/a	12	12	
Miscellaneous Works - Sunshine Coast	0546					6	6	
IIS - Mackay						8	8	
Miscellaneous Works Scoping								
Sunshine Coast Lighting						7.2	7.2	
		12,263,248	3,191,800			158	57	101



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Payments Made to Contour (inclusive of GST)				
	RQL	SCR	RKR	Total
FY 07/08	222,025	10,527	-	232,552
FY 08/09	990,145	66,843	-	1,056,988
FY 09/10	741,794	174,624	-	916,418
FY 10/11	1,070,073	201,133	45,709	1,316,915
FY 11/12	2,295,400	39,412	2,883	2,337,695
YTD October 2012	73,898	54,022	1,605	129,525
	5,393,334	546,561	50,198	5,990,093
			ex GST	5,445,539

High-value invoices

Entity	Trans. Date	Description	Amount	Jrnl. Src.	Reference
RQL	10/13/2011	Payment	-259,822.55	Invoice	AP131011
RQL	9/6/2011	ENG SERVICES MKY 21/8/11	-224,006.75	Invoice	INV02132
RQL	9/29/2011	ENG SERV MACKAY	-180,773.53	Invoice	INV02173
RQL	9/6/2011	ENG SERVICES BEAU 21/8/11	-84,366.70	Invoice	INV02130
RQL	7/27/2011	ENG SER @ DEAGON 21/07/11	-77,504.64	Invoice	INV02096
RQL	9/6/2011	ENG SERVICES DGN 21/8/11	-68,160.40	Invoice	INV02131
RQL	12/13/2011	ENGINEERING SER DGN TO 30/11,	-59,215.34	Invoice	INV02231
RQL	6/30/2009	Proj Mgmt Srvs Jun 09	-58,828.28	Invoice	INV01147
RQL	7/27/2011	ENG SER @ MKY 21/07/11	-50,780.41	Invoice	INV02098



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QUEENSLAND

Conclusion

As at 23 November 2012, RQL are still investigating this matter and will compile a timeline of key events as part of that process. RQL also intends the involvement of an independent third party to verify and progress the investigation.

Racing Queensland Limited
Final Report

Examination of Procurement Processes
29 April 2013

Adam Carter
Acting CEO
Racing Queensland Limited
Racecourse Road
Deagon
Qld 4017

29 April 2013

Dear Adam

I refer to our engagement letter dated 3 December 2012 in which you have asked Deloitte Touche Tohmatsu (Deloitte) to assist Racing Queensland Ltd (RQL) in the conduct of an examination into certain procurement processes.

We are pleased to provide you with our attached final report. If you have any questions in relation to this report, please do not hesitate to contact me on (07) 3308 7080 or 0410 340 145.

Yours sincerely



Graham Newton
Partner
Deloitte Touche Tohmatsu

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1 Executive Summary

1.1 Introduction

The main role of Contour Consulting Engineers Pty Ltd (Contour) was to act as project manager overseeing infrastructure projects on behalf of RQL. In addition to this Contour prepared costings and estimates in relation to infrastructure projects that RQL relied on to apply for government funding. For the period 1 July 2007 to 31 October 2012, Contour was appointed to manage projects on behalf of the consolidated entities of Racing Queensland Ltd (RQL) to the approximate value of \$158 million. Of this, \$58 million was completed with the remaining \$100 million placed on hold as at March 2012¹. The direct fees earned from this work by Contour amounted to approximately \$6.02 million.

RQL has since become aware that former RQL senior executives, Mr Malcolm Tuttle (Mr Tuttle) and Mr Paul Brennan (Mr Brennan) accepted senior roles at Contour in 2012. RQL are now seeking to understand the process by which contracts were awarded and payments made to Contour and the extent to which Mr Brennan and/or Mr Tuttle may have been involved to the extent that their actions may have provided any unauthorised benefit to themselves or detriment to RQL.

The key purpose of our work was to conduct an objective forensic investigation into the procurement process applied by RQL in respect of the services performed by Contour and all associated payments made to them. We have also undertaken a comparative sample analysis of a separate contractor (Blacklaw Civil Contractors Pty Ltd) used by RQL and a separate project (Beaudesert Racing Club) not managed by Contour to provide further insight into the overall procure-to-pay process at RQL. This was to identify if any deficiencies in process with regard to Contour were isolated or reflective of wider organisational gaps. We have also reviewed overall expenditure of all project management contractors employed by RQL and reviewed links between these organisations and key personnel.

At the instruction of RQL we have not approached Mr Tuttle or Mr Brennan to seek their assistance in relation to these matters.

1.2 Summary of findings

Detailed findings appear throughout this report. A summary of our key findings appears below.

1.2.1 Overall findings in relation to Mr Tuttle and Mr Brennan and their respective dealings with Contour

- Contour received a large volume of work from RQL whilst Mr Tuttle and Mr Brennan were in senior management roles. We identified a number of process and procedure breaches in relation to appropriate delegation approvals that were not properly applied in relation to Mr Brennan and Mr Tuttle.
- We identified through our email analysis a potential personal relationship between Contour employees/management and Mr Brennan. It was evident that Contour employees had performed building appraisals on private properties that Mr Brennan was considering purchasing.
- Our review did identify gaps in the documentation and application to associated procurement processes, in particular as this applies to Contour. However, these gaps were not isolated to Contour and were also evident across other contracts and arrangements examined which we

¹ Based on information supplied to Deloitte from RQL

understand from RQL is due, in part, to the merging of three racing bodies and RQL now having the responsibility to update historical gaps in information that was originally held by other racing bodies.

- Based on the documents and emails we reviewed, we did not find any information to indicate that Mr Tuttle or Mr Brennan received inappropriate or unauthorised benefits in relation to their dealings with Contour whilst employed at RQL. As outlined previously we did identify information to indicate Mr Brennan was communicating with Contour in a personal capacity to perform work for him. Our recommendations in this regard address this at Part 7 of this report.

1.2.2 Remediation of issues

- RQL have identified that remediation was necessary to correct the process and procedural issues and as such have appointed outside consultants to provide risk management, process improvement and structuring advice to ensure there are both efficiencies and compliance by the managers and their teams. Part 5 of this report provides further detail of the work undertaken by RQL in this regard.

1.2.3 Procurement Framework

From policies reviewed, discussions with management and our contract and payment analysis, we identified some gaps in RQL's procurement framework in relation to what should be happening and the practice applied, compared to policy requirements. This makes it difficult for RQL to benchmark against its six key purchasing principles. The key observations are as follows:

- The majority of the projects reviewed did not have detailed design, costing and project plan documentation on file to support and help understand expenditure.
- All of the projects reviewed did not contain any reporting addressing the outcomes of the project, including cost to budget, quality of product and timeliness, although some discussions were identified in board meeting minutes.
- From the documents reviewed, the majority of the contractors were not subject to a tender process overseen by RQL as per the RQL Purchasing Policy, where they were evaluated against at least two other contractors.
- Many of the transactions reviewed only contained payment documentation such as invoices. There were a limited number of purchase orders or contracts to verify if payments and approvals were in line with original agreements.
- The contracts register is currently incomplete according to the Acting RQL Legal Counsel, with documents missing. We were advised this is predominately due to the merging of the three codes in 2010², which required a single source register to be created. RQL subsequently inherited registers that were incomplete and/or missing documentation. The issue was further compounded with changes in management. This situation was confirmed from the contracts and projects reviewed as part of this engagement.

1.2.4 Project Managers – Expenditure & Relationships

- It is evident from the examination that Contour was awarded the majority of project management contracts during the five year period of our analysis. The contractors RQL have engaged other than Contour, Dalton Consulting Engineers (Dalton) and HBO & EMTB, have only conducted

² In July 2010 the three racing codes in Queensland of Thoroughbred, Harness and Greyhound Racing merged to form Racing Queensland Limited.

work relatively recently. As a result the expenditure for Dalton and HBO & EMTB combined is \$211,571.25 compared to \$6,016,702.98 for Contour.

- We did not identify any relationships of concern between Mr Tuttle and/or Mr Brennan and any of the entities we reviewed.
- There was a relationship between Mr Thomas Maxwell Blacklaw (Mr Blacklaw) and the Sunshine Coast Turf Club. Mr Blacklaw is a Director, Secretary and Shareholder of Blacklaw Civil Contractors Pty Ltd (Blacklaw) and is also on the Board of the Sunshine Coast Turf Club. Blacklaw, amongst other projects undertaken for RQL, constructed the stables and cushion track at the Sunshine Coast Turf Club. It is beyond the scope of this investigation to consider the procurement and approval processes in respect of this project.
- See Appendix A for a full breakdown of relationships.

1.2.5 Contract & Payment analysis for Contour

- Based on the documentation available to us there was only one instance identified where a tender process was followed involving the engagement of Contour. Arben Management Pty Ltd (Arben) conducted a tender process for the construction of the synthetic track at Sunshine Coast Racetrack on behalf of RQL. Arben later recommend Contour for the engagement as they submitted the lowest tender.
- Of the Contour invoices examined there is a reference to 37 contract numbers. We were able to locate six documents referred to as ‘contract documentation’ and two documents referred to as ‘letters of engagement’. We also identified three documents referred to as ‘fee proposals’. We note however that the contracts register refers to only four of these namely, one ‘contract documentation’, two ‘letters of engagement’ and one ‘fee proposal’. See Appendix B for a full breakdown.
- On 27 October 2011, Mr Tuttle emailed Mr Snowdon and CC’d Mr Brennan, Ms Shara Murray (Ms Murray) and Ms Debbie Toohey (Ms Toohey) in relation to the ‘Contour Board Paper’ (see Appendix D - Email #2). He raises concerns on what appears to be the lack of a signed contract with Contour, he comments:

‘I am also acutely aware of the audit committees position and the current mood of government. Whilst you are managing this I strongly suggest that you make an arrangement for the Board to deal with this as soon as possible. An outsider might form the view that we put ourselves in a position where we left ourselves with no option but to sign a belated contract for services.’

- On Thursday 29 March 2012 Mr Brennan on behalf of Contour emailed Mr Adam Carter (Mr Carter) and Mr Snowdon of RQL and CC’d Mr Brett Thomson (Mr Thomson), Mr Chris Fulcher (Mr Fulcher) and Ms Amy Hayne (Ms Hayne) of Contour. In the email he outlines monies owing to Contour and that the fee proposal sent to RQL on 31 August 2011 constitutes a binding contract (see Appendix D – Email #3).
- There were 468 transactions involving payments to or on behalf of Contour totalling \$6,016,702.98.
- We have not been able to locate 33 Contour invoices amounting to \$638,974.15.
- We identified a total of eight purchase orders relating to 11 invoices of the 468 examined amounting to \$227,967.58.
- There were 40 Contour invoices amounting to \$577,131.37 paid with no authorising signature on the invoice showing appropriate delegation approval. These range in value from \$100.00 to \$167,475.00.
- There are seven invoices amounting to \$481,252.21 that appear to have been authorised and paid without adherence to the appropriate delegation being applied in respect of Mr Brennan.

- We have not been able to accurately calculate variations, if any, between payments and contracts in all of our work due to limitations in the documentation³.

1.2.6 Contract & Payment analysis for Blacklaw and Beaudesert

We selected another contracting party, Blacklaw. This was to identify if any deficiencies in process with regard to Contour were isolated or reflective of wider organisational gaps. We noted similar gaps in the application of proper procurement and contracting procedures.

- Of the Blacklaw invoices examined there is reference to seven contract numbers. We were only able to locate one document referred to as a 'contract' on the contracts register.
- There are 71 transaction records attributable to Blacklaw amounting to \$10,115,934.62.
- We have not been able to locate five Blacklaw invoices amounting to \$488,008.07.
- Of the 71 transaction records we sighted six purchase orders.
- We identified authorisation signatures but we have been unable to confirm who the details refer to on 14 invoices. The total value of these invoices amounted to \$3,941,816.96.
- There are 11 invoices that appear to have been authorised and paid without adherence to the appropriate delegation being applied in respect of Mr Brennan or Mr Tuttle. Of these, eight appear to have been approved by Mr Brennan totalling \$1,265,125.24 and three appear to have been approved by Mr Tuttle totalling \$1,017,488.84.
- We have not been able to accurately calculate variations, if any, between payments and contracts due to limitations in the documentation⁴.

We also reviewed the documentation provided by RQL in relation to the track upgrade project at Beaudesert Racing Club. This was to identify if any deficiencies in process with regard to Contour were isolated or reflective of wider organisational gaps. The main findings were:

- Brisbane Racing Club (BRC) was appointed as project directors as per a signed agreement on 28 August 2012. The total value of the project outlined in this document is \$2,846,947. Prior to 2012 Contour was contracted by RQL to undertake concept design and project management duties from 2010 until March 2012. There is no tender evaluation or contract documentation on file in relation to Contour's appointment to this role.
- There are 58 transaction records attributable to the Beaudesert project amounting to \$2,196,677.13.
- Seven invoices amounting to \$391,024.37 were paid to Contour and the last Contour invoice was issued on 5 July 2012 for \$7,662.58.
- We identified seven purchase orders relating to the track upgrade project. Six were appropriately approved. On one we could not confirm the signature. None of the purchase orders relate to Contour.
- Four invoices were authorised outside of delegation limits amounting to \$419,452.28. These invoices were issued by various companies and were authorised by various RQL employees.
- One Contour invoice for \$84,366.70 was authorised by Mr Mark Snowden (Mr Snowden)⁵ outside of his delegation limit.

³ For an example see section 5.3.1

⁴ For an example see section 5.4.1

⁵ Mr Snowden's authorisation limit was \$50,000. This invoice should have gone to Mr Tuttle for approval.

- We have not been able to accurately calculate variations, if any, between payments and contracts due to limitations in the documentation⁶.

1.2.7 Email analysis

- There are a number of emails throughout May and June 2011 from Mr Brennan to real estate agents relating to properties he appears to be negotiating to purchase in a personal capacity. Mr Brendan Lowther (Mr Lowther) and Mr David McDougall (Mr McDougall) from Contour appear to have performed building inspections on the properties and recommended repairs and/or modifications totalling \$40,000 to \$50,000 in some cases. We did not identify any information to indicate whether or not Mr Brennan had paid for these services and/or if the transactions may therefore have been at arms length.

⁶ For an example see section 5.5.1

2 Terms of Reference

2.1 Objective

The key objective of our work was to conduct an objective forensic investigation into the procurement process applied to the contract services performed by Contour and all associated payments made to them.

2.2 Scope

Deloitte performed the following work as part of our investigation:

- Developed an investigation plan outlining the detail of work to be performed
- Conducted background checks on companies, staff members and contractors of interest to identify any inappropriate relationships
- Reviewed RQL's Purchasing Policies and Addendum
- Reviewed RQL's contracts register
- Reviewed available Contour tender documents, contracts, transactions, purchase orders and invoices held by RQL
- Reviewed available Blacklaw tender documents, contracts, transactions, purchase order and invoices held by RQL
- Reviewed tender documents, transactions, purchase orders and invoices held by RQL in relation to the track upgrade project at Beaudesert Racing Club
- Reviewed RQL and Sunshine Coast Racing Board meeting minutes which referred to Contour and Blacklaw
- Conducted an examination of email accounts relating to Mr Tuttle and Mr Brennan to identify communication relevant to contracts and arrangements entered into with Contour and other contractors
- Held discussions with the following individuals in order to understand the procurement framework at RQL and the contract services performed by Contour and other contractors
 - Ms Sharon Drew – Finance Manager
 - Mr Jason Swemmer – Risk Consultant
 - Mr Adam Carter – Acting CEO
 - Mr Warren Williams – Racecourse Development Manager
 - Ms Michelle Hutchinson – Acting Legal Counsel
 - Ms Sarah Camenzind – Compliance Accountant
 - Mr Russell Thompson – Senior Project Manager

3 Limitations

This report has been prepared using resources from the Australian Deloitte Forensic practice.

Deloitte Forensic staff are not lawyers, and our report should not be relied upon as legal advice.

This report has been prepared based on work completed as at 29 April 2013. Deloitte has not updated its work since that date. Deloitte assumes no responsibility for updating this report for events and circumstances occurring after the date of this report.

This report has been prepared exclusively for the internal use of Racing Queensland Limited. The distribution of this report is limited to authorised recipients of Racing Queensland Limited and will not be otherwise distributed without the written consent of Deloitte, other than we consent that Racing Queensland Limited may provide this report to the Crime and Misconduct Commission and the Queensland Audit Office. This report is not intended to and should not be used or relied upon by anyone else (including the Crime and Misconduct Commission and the Queensland Audit Office) and we accept no duty of care to any other person or entity.

The report has been prepared for the purpose of investigating the procurement process applied to services performed by Contour and all associated payments made to them. You should not refer to or use our name or the advice for any other purpose.

We reserve the right to alter the findings reached in this report should information that is relevant to our findings subsequently become available after the date of this report.

For the purposes of preparing this report, reliance has been placed upon the material, representations, information and instructions provided to us. Deloitte has not interviewed all of the persons identified as possibly being in possession of relevant information, and as a result, our investigative work could be incomplete. Original documentation has not been seen (unless otherwise stated) and no audit or examination of the validity of the documentation, representations, information and instructions provided has been undertaken, except where it is expressly stated to have been. Had Deloitte undertaken further investigation work, our findings may have been different.

4 Background

On 26 March 2012 the Chief Executive Officer, Mr Tuttle and Director of Product Development, Mr Brennan resigned from RQL. Immediately following their resignations Mr Brennan took up a senior executive role with Contour. Mr Tuttle has since also accepted a senior executive role with Contour.

For the period 1 July 2007 to 31 October 2012, Contour undertook a number of capital infrastructure projects on behalf of the consolidated entities of RQL as project manager. These included, but are not limited to thoroughbred facilities at Corbould Park in Caloundra, Callaghan Park in Rockhampton and Ooralea Racecourse in Mackay.

In early November 2012, RQL became aware of Mr Tuttle's appointment at Contour, and also identified some potential anomalies in RQL's procurement process with certain projects involving Contour. On 7 November 2012 RQL wrote to the Minister for National Parks, Recreation Sport and Racing, Mr Stephen Dickson, to advise the Minister of the identified issues and RQL's proposed action.

On 20 November 2012 RQL advised the Crime and Misconduct Commission (CMC) to notify them of their concerns, in accordance with its obligations under the Crime and Misconduct Act when the matter may involve official misconduct. They also outlined their proposed response.

On 29 November 2012 the CMC responded to RQL, agreeing with the proposed response, and for Deloitte Forensic to undertake the forensic investigation on behalf of RQL.

Deloitte were subsequently engaged on 3 December 2012 to conduct an independent forensic investigation in relation to this matter.

5 Remediation of issues

It must be noted that the observations made in this report in relation to RQL's processes and procedures are in direct relation to the period we examined when Mr Tuttle and Mr Brennan held senior positions. RQL has since reviewed and updated many of their processes and procedures. This is an ongoing project and from the discussions we have had with RQL staff these process and procedure changes appear to be contributing to an ongoing improvement. The following summary is based on discussion with RQL personnel. Deloitte has not performed any work as to the effectiveness of the changes, whether they are sufficient for RQL's purposes, or whether they are being complied with in practice.

RQL has identified that remediation was necessary to correct the process and procedural issues and as such have appointed outside consultants including Mr Jason Swemmer (Risk Management Consultant) and Ms Michelle Hutchinson (Acting Legal Counsel). RQL have advised Mr Jason Swemmer has assisted with the following tasks:

- Address risk management, process improvement and structuring advice to ensure there are both efficiencies and compliance by the managers and their teams. Amongst other things, this role has assisted in changing policies and procedures and writing the charters for the four code Boards⁷.

RQL have advised that Ms Michelle Hutchinson has assisted with the following tasks:

- Updating RQL's contract register
- Preparation of template contracts
- Review of RQL's policies and procedures
- Development and implementation of a governance and compliance plan for the organisation
- Training.

In addition to the measures RQL have advised they have also implemented the following:

- A Cost Control Group was implemented in October 2012 to review non-recurring capital and project costs in excess of \$2,000.
- RQL created an addendum to the Purchasing Policy which, along with the Purchasing Policy form the basis upon which the Industry Infrastructure Plan/Strategy Committee is guided in the procurement of goods and services relating to the projects that make up the Industry Infrastructure Plan.
- RQL has made a greater effort enforcing IPOS use with the business, as this provides added control that the appropriate officers have the delegated authority to order as per the Purchasing Policy.

⁷ The fourth code board is the Queensland All-Codes Racing Industry Board created on 28 November 2012, which is an overarching control body across the three racing codes.

6 Investigation undertaken

6.1 Procurement Framework

6.1.1 Purchasing Policy

The RQL Purchasing Policy was implemented and approved on 13 April 2007 and updated on 1 July 2010, 1 July 2011, 4 November 2011, 19 March 2012, 16 July 2012 and 16 November 2012.

An addendum was created on 19 December 2011 to deal specifically with the Industry Infrastructure Plan.

From all documents reviewed, we identified six key principles that RQL are required to adhere to when undertaking and managing purchasing activities to meet the organisation's operational requirements and also meet the objectives of the policy⁸.

1. Value for money
2. Quality of product, services 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
6. Suppliers are compliant with all taxation requirements

The above principles form the basis in developing policy for key purchasing activities including Capital Works projects and Consulting services. For the purpose of investigation, we have focused on the Capital Works and Consulting policies, and the processes RQL employees are expected to abide by.

Capital Works

RQL's policy states that once projects are given preliminary approval through the annual capital budgeting process, race clubs are expected to provide detailed design and costing information, and a project plan, prepared by a suitably qualified and experienced independent consultant.

Variations greater than 10% from the preliminary estimate are to be referred back to the Board of RQL.

Following establishment of the works contracts, RQL will make payment to the club, equivalent to the agreed industry contribution.

Following completion of the project, the club is required to provide RQL with a report addressing the outcomes of the project, including cost to budget, quality of product and timeliness.

Consulting

RQL uses consulting services in a number of aspects of its operations, with the above six key operating principles to be applied at all times.

RQL's policy states that Contracts between \$10,000 and \$100,000 requires a tender process with at least three preferred contractors. Preferred contractors were described as 'those in the system', although there is no formal register in place. As per the policy, the only due-diligence for a new supplier to be placed in the system is an ABN check. Evaluation of tenders is to be conducted by two

⁸ Deloitte are not commenting on these objectives as part of this report

accountable officers and approved by a delegated officer (CEO/General Manager of Corporate Services).

Contracts over \$100,000 are subject to open tender unless waived by the board. Tenders are to be evaluated, in accordance with the six key operating principles, by a panel of no less than two accountable officers, and be approved by no less than a delegated officer.

6.1.2 Finance

During the period reviewed, the payment process has been a combination of manual and electronic purchasing procedures. The electronic (currently in place) procedure called IPOS is custom built to meet RQL's needs and provides improvements in relation to tighter controls, reporting and operational efficiencies. The manual process involved manual purchase order generation and invoice approvals.

RQL's policy outlines the procedure, beginning with a purchase order being raised, through to an invoice being received and paid. Naturally there are variations dependent on if a purchased order is required, if the supplier is already approved or if there are discrepancies between documents because of value, order numbers etc.

There are also a number of controls outlined within the policy document such as delegation limits, only dealing with suppliers with a valid ABN and required signatures. The policy also states that RQL should perform an annual supplier analysis to review expenditure to determine that value for money is being achieved. We also reviewed a delegation of authority document that outlined all of the limits for key staff members. This included limits for Mr Tuttle, which was \$150,000 and for Mr Brennan, which was \$50,000.

6.1.3 Contracts register

The contracts register is currently maintained by the legal department, with original contracts being kept securely in a safe. A legal officer currently sends out an email once a month to managers requesting that any new contracts be passed to legal and updated onto the register. The Acting RQL Legal Counsel advised that the register is currently incomplete, with documents missing. We were advised this is predominately due to the merging of the three codes in 2010⁹, which required a single source register to be created. RQL subsequently inherited registers that were incomplete and/or missing documentation. The issue was further compounded with changes in management. We were also advised that the management of the contracts register is not governed by, or incorporated in an existing RQL policy. There is also very little existing contract templates in place, that would help guide managers in ensuring that contracts are appropriately developed.

Management also believed that the merging of the three codes under RQL meant that the appropriate knowledge and experience might not be currently in place in the business. It was commented that training should be delivered to relevant staff on topics such as procurement, governance and fraud to help ensure that management have the required level of knowledge.

6.1.4 Findings

From the policies reviewed, discussions with management and review of our analysis, we identified some gaps with what RQL's procurement framework stipulates should occur compared to the practice applied. This makes it difficult for RQL to benchmark against the six key purchasing principles. The key observations are as follows:

⁹ In July 2010 the three racing codes in Queensland of Thoroughbred, Harness and Greyhound racing merged to form Racing Queensland Limited.

- The majority of the projects reviewed did not have detailed design, costing and project plan documentation on file to support and help understand expenditure.
- All of the projects reviewed did not contain any reporting addressing the outcomes of the project, including cost to budget, quality of product and timeliness, although some discussions were identified in board meeting minutes.
- From documents reviewed, the majority of the contractors did not appear to have been subject to a proper tender process, where they were evaluated against at least two other contractors.
- Many of the transactions reviewed only contained payment documentation such as invoices. There were a limited number of purchase orders or contracts to verify if payments and approvals were in line with original agreements.
- The contracts register is currently incomplete according to the Acting RQL Legal Counsel, with documents missing. This was confirmed from the contractors and projects reviewed as part of this engagement.

6.2 Project Managers – Expenditure and Relationships

We conducted an examination of expenditure for a sample of contractors that perform project management activities, identified by RQL, including Contour. See Table 1 below for a full analysis of these entities.

Table 1 - Examination of Contour expenditure when compared to other project management companies

Name	Date Range	Total Payment Amount
Contour	Jul 2007 – Oct 2012	\$6,016,702.98
Dalton Consulting Engineers	Aug 2012 – Nov 2012	\$26,268.00
Ridgemill Project Management	Not used by RQL	Not used by RQL
WSP	Not used by RQL	Not used by RQL
AECOM	Not used by RQL	Not used by RQL
HBO & EMTB	Aug 2012 – Oct 2012	\$185,303.25
Jones Nicholson Pty Ltd	Not used by RQL	Not used by RQL

It is evident from the examination that Contour was awarded the majority of project management contracts. The contractors RQL have engaged other than Contour, Dalton Consulting Engineers and HBO & EMTB, have only conducted work relatively recently. As a result the expenditure for Dalton and HBO & EMTB combined is \$211,571.25 compared to \$6,016,702.98 for Contour.

Appendix A shows relationship maps relating to entities of interest and also additional entities deemed relevant by RQL. No links were identified between Mr Tuttle, Mr Brennan and Contour or the other entities reviewed.

There was a relationship between Mr Blacklaw and the Sunshine Coast Turf Club. Mr Blacklaw is a Director, Secretary and Shareholder of Blacklaw and is also on the Board of the Sunshine Coast Turf Club. Blacklaw, amongst other projects undertaken for RQL, built the stables and cushion track at the Sunshine Coast Turf Club. It is beyond the scope of this investigation to consider the procurement and approval processes in respect of this project.

6.3 Contour Consulting Engineers Pty Ltd

Contour provided direct design and engineering services to RQL in addition to project managing various infrastructure projects. Where Contour was engaged to manage projects on behalf of RQL we have not been able to identify or examine any RQL documentation outlining the process by which Contour considered and then selected the various service providers for the projects. We examined Contour transactions between 1 July 2007 and 31 October 2012 to understand the type and monetary value of work performed by Contour, and if approvals and payments of work were in line with existing policies and guidelines set down in RQL's Procurement Framework. We also compared Contour rates with other similar contractors.

In 2011 and 2012 Contour also assisted RQL in preparing costings and estimates that RQL used to apply for funding to government for various infrastructure projects. These applications were in the form of business cases for approval by government after which RQL entered into various funding deeds with government to apply the funding to the projects. We understand from RQL that Contour provided this assistance on the following six projects:

Description	Value (ex GST)	Execution date of deed
Ooralea Park, Mackay	\$7,443,426	15/07/11
Cronulla Park, Logan	\$23,503,915	16/02/12
Bundall, Gold Coast	\$34,953,297	16/02/12
Canon Park, Cairns	\$1,859,339	16/02/12
Callaghan Park Rockhampton	\$1,518,111	16/02/12
Beaudesert	\$6,502,063	16/02/12

6.3.1 RQL contracts with Contour

Based on the documents examined there was one identified instance where a tender process was followed involving the engagement of Contour. In June 2007 Arben Management Pty Ltd (Arben) conducted a tender for the construction of the synthetic track at Sunshine Coast Racetrack and recommended Contour as they submitted the lowest tender. We were unable to find any documentation engaging Arben to perform this role.

It appears from Board minutes reviewed that Arben were later removed from managing the project and replaced by Contour, without a tender process. Arben appear to have subsequently worked under the instruction of Contour on other projects.

We identified the following meeting minutes that appear to reflect determinations involving Contour:

- In the Sunshine Coast Racing Board meeting minutes on 25 July 2008, the Chairman stated that the investment in the lights was an investment in the future and part of RQL's strategic direction however a business case could not justify expenditure. The board resolved to proceed with Option 1 (Lights on synthetic and course proper), the largest of the options proposed, and engaged Contour to project manage the engagement.
- In the Industry Infrastructure Plan Control Group (IIPCG) meeting minutes of 8 March 2012, Mr Snowdon recommends the appointment of Mr Russell Thompson (Mr Thompson) as Project Manager for RQL. Mr Thompson took up this role as a contractor to RQL but was, at the time, a contractor for Contour. Mr Snowdon advised he could not foresee any conflict of interest. This

seems to be confirmed from discussions with Mr Thompson, who has his own business and was purely in a contracting role for both organisations. Mr Thompson also explains that there was no overlap in the roles and he was purely in an operational role. The Mackay projects were managed by Mr Thompson on behalf of RQL.

The Contour transactions refer to 37 separate ‘contract’ numbers in their invoice and progress certificates.

We were only able to locate 11 Contour documents in total. Six documents referred to as ‘contract documentation’ and two as ‘letters of engagement.’ We also identified three documents referred to as ‘fee proposals’. For a list of these documents please refer to Table 2.

One document referred to as ‘contract documentation’ and two documents referred to as ‘Letters of Engagement’ are included in the contracts register. One referred to as a ‘Fee proposal’ are also included.

The fee proposal document #0709 in relation to the Industry Infrastructure Plan was signed on 29 March 2012 by Mr Bob Bentley (Mr Bentley) the Chairman of RQL. It was noted that this document had been signed after the work had been completed.

We have been unable to accurately calculate variations, if any, between payments and contracts due to limitations in the documentation. In particular:

- The majority of the projects do not have contracts providing a breakdown of services undertaken and agreed fee amounts
- Invoice numbers and descriptions do not match the documentation we have reviewed

For example, with contract number 0318-PC S1 outlined in Table 2 below, we found no invoices directly matching this contract number. However, there are invoices with contract number 0318, but these relate to the construction of stables and engineering services at the Sunshine Coast Racecourse. These issues have impaired our ability to compare contracts to invoices for variations and/or overspend.

Table 2 – Documents sourced that reference potential arrangements in place or proposals with Contour

Number	Type	Site	Description of services	Contract Amount	Contour Fee Amount	Document included on contract register?
0318-PC S1	Contract	Sunshine Coast Racecourse	Bulk Waste Storage and Disposal	\$306,300		
0709-02-B	Contract	Mackay Racecourse	Consulting contract		Schedule of rates	
					1. Hourly Rates	
					2. 1.25% of construction cost	
0417	Letter of engagement	Sunshine Coast Racecourse	No Information		3. 1.75% of construction cost	Yes
					4. TBA	
					5. Hourly Rates	
0432	Letter of engagement	Toowoomba Racecourse	No Information		1.9% of construction cost	Yes
0270-FP	Fee	Sunshine	Synthetic Track		\$65,800	

Number	Type	Site	Description of services	Contract Amount	Contour Fee Amount	Document included on contract register?
	Proposal	Coast Racecourse	Construction			
0709	Fee Proposal	Industry Infrastructure Plan	Fee Proposal to provide consulting services		\$2,760,000	Yes
0436-FP-01	Fee Proposal	Sunshine Coast Racecourse	Track Lighting for Night Racing		Item 1 – Hourly Rates Item 2 – 1.25% of Construction Cost	
0550-06	Contract (DRAFT)	Mackay Racecourse	Judges Tower Relocation	\$138,605		
0550	Contract	Mackay Racecourse	Track Improvements	\$2,991,223.42		Yes
0550-03	Contract	Mackay Racecourse	Function Facility Building	\$1,966,511		
0550-02	Contract	Mackay Racecourse	Stewards and Jockey Facility and Swab Stall	\$643,019		

For four of the five projects at Mackay Racecourse that we have documentation for, it appears Contour have conducted the tender process and provided recommendations on behalf of RQL.

6.3.2 Contour transaction analysis

- We examined 468 Contour transactions amounting to \$6,016,702.98
- We were unable to locate 33 Contour invoices amounting to \$638,974.15
- We identified a total of eight purchase orders relating to 11 invoices of the 468 examined amounting to \$227,967.58.
- We identified authorisation signatures but we have been unable to confirm who the details refer to on 3 invoices, the total value of these invoices amounted to \$14,937.13.
- There were 40 invoices amounting to \$577,131.37 that were paid with no authorising signature on the invoice.
- There are 10 invoices that appear to have been be paid without adherence to the appropriate delegation amounting to \$693,903.96. Of these, seven appear to have been approved by Mr Brennan amounting to \$481,252.21. See Table 3 below:

Table 3 – Details of Contour invoices that appear to have been approved without proper delegation

Invoice Number	Invoice Date	Invoice Amount	Project Code	Invoice Description	Signature	Position	Delegation limit
INV00921	18/12/2008	119,570.00	0373	Preliminary design services for the Rockhampton Racecourse upgrade	Paul Brennan	Director of Product Development	50,000
INV00922	18/12/2008	70,010.33	0432	Engineering services in accordance with fee proposal sated 29 May 2008 and 07 July 2008 for synthetic track at Clifford Park racecourse	Paul Brennan	Director of Product Development	50,000
INV01069	30/04/2009	50,600.00	0318	Stabling and associated works at Corbould Park racecourse	Paul Brennan	Director of Product Development	50,000
INV01729	30/09/2010	53,317.06	Multiple	Preliminary engineering services - engineering advice into master plan development for various racecourses	Paul Brennan	Director of Product Development	50,000
INV01833	12/01/2011	51,674.70	0426	Upgrade works at Gold coast racecourse	Paul Brennan	Director of Product Development	50,000
INV01854	23/12/2010	79,154.54	0377	Track upgrade works at Beaudesert racecourse	Paul Brennan	Director of Product Development	50,000
INV01946	31/03/2011	56,925.58	0426	Track upgrade works at Gold Coast racecourse	Paul Brennan	Director of Product Development	50,000

In relation to all work performed by those engaged by Contour, some subcontractors appear to invoice through Contour who then invoice RQL (there is no on-cost). However, some appear to have invoiced RQL direct. We have not found any evidence of double payments in relation to these invoices.

6.3.3 Comparison of Contour rates to a similar contractor

RQL selected a number of contractors and advised they were providing or had costed similar services to that performed by Contour . We were then asked to compare the schedule of rates outlined in Contour contract *0709-02-B Mackay Racecourse* to these contractors. In performing our analysis we sought to, where possible, compare the rates applied to the same or similar positions across the different suppliers e.g. Engineer. Whilst we were able to provide some comparative analysis across certain positions we were unable to do so for others due to the positions being unclear. The contractors that were ultimately selected for comparison were as follows:

- Dalton Consulting Engineers
- WSP
- AECOM
- Jones Nicholson Pty Ltd

The rates outlined by Contour are dated December 2011, therefore we have applied a CPI increase (1.7% for Brisbane as at September quarter 2012¹⁰) in order to achieve an up to date comparable rate.

The comparative analysis indicates some differences in rates applied to similar positions across the various contractors. As we did not examine the detail of work performed by each contractor or the background for engagement we are unable to comment on the reason for the difference in rates applied for these positions. Please see Appendix C for a full breakdown.

6.3.4 Findings

There were 37 contract numbers in invoice and payment certificate documents reviewed, however we were only able to locate 11 Contour documents that appear to be linked to contracts. Only four of these appeared on RQL's contracts register.

Due to the majority of projects not having contracts providing a breakdown of services undertaken and agreed fee amounts, and invoice numbers and descriptions not matching documentation we have reviewed, we have not been able to calculate variations, if any, between payments and contracts.

Of the 468 Contour transactions examined, 33 invoices were missing, 40 had no authorising signature and only 11 had purchase orders. 10 of the invoices also appear to have been paid without the appropriate delegation level. Of these, seven appear to have been approved by Mr Brennan amounting to \$481,252.21.

Contour rates were compared to a number of other contractors. The comparative analysis indicates some differences in rates applied to similar positions across the contractors. As we did not examine the detail of work performed by each contractor or the background for engagement we are unable to comment on the reason for the difference in rates applied for some positions.

6.4 Blacklaw Civil Contractors Pty Ltd

We conducted a detailed examination of all Blacklaw transactions between 30 June 2006 and 31 January 2012 to determine if the process applied to Blacklaw was consistent with the process that was applied to Contour.

6.4.1 RQL contracts with Blacklaw

Blacklaw refers to seven separate contract numbers in their invoice and progress certificates. We were only able to locate one Blacklaw document which was referred to as 'contract documentation' (see Table 4). This document is included in the contracts register.

We have not been able to accurately calculate variations, if any, between payments and contracts due to limitations in the documentation. In particular:

- Many of the projects do not have contracts providing a breakdown of services undertaken and agreed fee amounts
- Invoice numbers and descriptions do not match the documentation we have reviewed
- Many of the invoices did not include contract numbers in the description

For example, the only contract we have been able to locate relates to the construction of the synthetic track at the Sunshine Coast Turf Club. Although there was no contract number, we did identify 11 invoices that included reference to *construction of the synthetic track* amounting to \$2,465,469.88.

¹⁰ Consumer Price Index, September Quarter 2012: Source ABS 6401.0, Released 24 October 2012 10.30am AEST.

This is \$173,091.55 more than the original contract amount. We have not seen any documentation approving these variations.

Table 4 – Documents sourced that reference potential arrangements in place with Blacklaw

Number	Type	Site	Description	Contract Amount	Contour Contract Amount
No Information	Contract	Sunshine Coast Racecourse	Synthetic Track Construction	\$2,292,378.33	N/A

6.4.2 Blacklaw transaction analysis

- We examined 71 Blacklaw transactions amounting to \$10,115,934.62.
- We were not able to locate five Blacklaw invoices amounting to \$488,008.07.
- We identified six purchase orders relating to six of the 71 invoices examined.
- We identified authorisation signatures but we have not been able to confirm who the details refer to on 14 invoices, the total value of these amounted to \$3,941,816.96.
- There were seven invoices amounting to \$1,086,228.78 that were paid with no authorising signature on the invoice.
- There are 15 invoices that appear to have been paid without adherence to the appropriate delegation. Of these, eight appear to have been approved by Mr Brennan totalling \$1,265,125.24 and three appear to have been approved by Mr Tuttle totalling \$1,017,488.84. See Table 5 below.

Table 5 – Details of Blacklaw invoices that appear to have been approved without proper delegation

Invoice Number	Invoice Date	Invoice Amount	Project Code	Invoice Description	Signature	Position	Delegation limit
164	12-Oct-07	222,770.11	Job no. 99107	Corbould Park, Caloundra New synthetic race track Payment certificate no.1	Malcolm Tuttle	CEO	150,000
176	12-Nov-07	618,291.62		Corbould Park, Caloundra New synthetic race track Payment certificate no.2	Malcolm Tuttle	CEO	150,000
620	16-Jul-10	84,341.00	0546 - Zone C	Corbould Park Racecourse misc. upgrade works Zone C - committee carpark	Paul Brennan	Director of Product Development	50,000
621	16-Jul-10	260,181.13	0546 - Zone 1	Corbould Park Racecourse misc. upgrade works Zone 1 - western carpark	Paul Brennan	Director of Product Development	50,000

Invoice Number	Invoice Date	Invoice Amount	Project Code	Invoice Description	Signature	Position	Delegation limit
627	29-Jul-10	213,141.27	Contract 0432	Clifford Park Racecourse, Toowoomba Track redevelopment Payment certificate - final - retention release	Paul Brennan	Director of Product Development	50,000
637	11-Aug-10	195,072.97	0645-PC-4	Corbould Park Racecourse Sewer Works (Claim #4)	Paul Brennan	Director of Product Development	50,000
782	03-May-11	172,728.53	Contract 546	Corbould Park stables complex civil works Phase A - Stage 1 Payment certificate no.1	Paul Brennan	Director of Product Development	50,000
794	24-May-11	105,992.47	0546 - RQL 09	Corbould Park Racecourse misc. upgrade works RQL 09 - maintenance area Progress claim #2	Paul Brennan	Director of Product Development	50,000
805	15-Jun-11	93,788.18	0546 - Zone 6	Corbould Park Racecourse misc. upgrade works Zone 6 - Raceday walkways & parade area Progress claim #1	Paul Brennan	Director of Product Development	50,000
817	27-Jun-11	139,879.69	Contract 546 - RQL 09	Corbould Park - misc. upgrade works RQL 09 - maintenance area Progress certificate no.3	Paul Brennan	Director of Product Development	50,000
890	21-Oct-11	176,427.11	Contract 318-PA S1	Corbould Park stables complex civil works Phase A - Stage 1 Payment Certificate 15 - final	Malcolm Tuttle	Chief Executive Officer	150,000

6.4.3 Findings

There were seven contract numbers in invoice and payment certificate documents reviewed, however we were only able to locate one Blacklaw contract document. This was included on RQL's contracts register.

The majority of the projects examined do not have contracts providing a breakdown of services undertaken and agreed fee amounts. Invoice numbers and descriptions also do not match documentation reviewed therefore we have not been able to calculate variations, if any, between payments and contracts. The exception is the construction of the synthetic track, with an overspend of \$173,091.55, however we have not seen any documentation approving this variation

Of the Blacklaw transactions examined, five invoices were missing, seven had no authorising signature and only six had purchase orders. Fifteen of the invoices also appear to have been paid without the appropriate delegation level. Of these, eight appear to have been approved by Mr Brennan totalling to \$1,265,125.24 and three appear to have been approved by Mr Tuttle totalling to \$1,017,488.84.

6.5 Beaudesert Racing Club

We conducted a detailed examination of all transactions and documentation relating to the track upgrade project at the Beaudesert Racing Club between 27 July 2011 and 19 November 2012. This was to determine if the process applied to this project was consistent with that applied to Contour. We observed similar gaps to that in the Contour documentation.

6.5.1 RQL Contracts relating to the Beaudesert project

It appears from the timeline prepared by Mr Todd Martindale (Mr Martindale) that Contour was contracted by RQL to undertake concept design and project management duties from 2010 until March 2012. There is no tender evaluation or contract documentation on site in relation to Contour's appointment. Brisbane Racing Club (BRC) was subsequently appointed as project directors as per a signed agreement on 28 August 2012. The total value of the project outlined in this document is \$2,846,947.00, See Table 6. This document is included in the contracts register.

We have been unable to accurately calculate variations, if any, between payments and contracts due to limitations in the documentation. In particular:

- We do not have a contract for the original work carried out by Contour prior to BRC's appointment. Invoice numbers and descriptions also do not match the BRC contract
- Invoices reviewed did not include contract numbers

The total value of invoices we examined that relate to the Beaudesert project amount to \$2,196,677.13. This is \$650,269.87 less than the contract value of \$2,846,947.00.

Table 6 – Documents sourced that reference potential arrangements in place with BRC

Number	Type	Site	Description	Contract Amount	Contour Contract Amount
No Information	Contract	Beaudesert Racecourse	Track Upgrade	\$2,846,947.00	N/A

6.5.2 Beaudesert project transaction analysis

- We examined a total of 58 transactions amounting to \$2,196,677.13. These were submitted by various suppliers, including Contour, between 27 July 2011 and 19 November 2012.
- We identified seven purchase orders relating to the Beaudesert project. Six were appropriately approved. We could not confirm the signature on one. None of the purchase orders relate to Contour.
- Seven invoices amounting to \$391,024.37 were paid to Contour. Their last invoice was issued on 5 July 2012 for \$7,662.58.
- Four invoices were authorised outside of delegation limits amounting to \$419,452.28. These invoices were issued by various companies and were authorised by various RQL employees.

- One Contour invoice for \$84,366.70 was authorised by Mr Snowden outside of his delegation limit, see Table 7 below:

Table 7 – Details of Contour invoices that appear to have been approved without proper delegation

Invoice Number	Invoice Date	Invoice Amount	Project Code	Invoice Description	Signature	Position	Delegation limit
INV02130	6/09/2011	84,366.7	CIV00377	Engineering Services in accordance with our Fee Proposal for Beaudesert Racecourse	Mark Snowden	Infrastructure Manager	50,000

6.5.3 Findings

We identified a contract in place with BRC for the course upgrade at Beaudesert. This document was included on RQL's contracts register. There was no documentation in relation to Contour.

The total value of invoices we received that relate to the Beaudesert project amount to \$2,196,677.13. This is \$650,269.87 less than the contract value of \$2,846,947.00.

Of the transactions examined, only seven had purchase orders. Four of the invoices also appear to have been paid without the appropriate delegation level. Of these, one Contour invoice for \$84,366.70 was authorised by Mr Snowden outside of his delegation limit.

6.6 Email review

We received the following data files from Mr Swemmer, Risk Management Consultant at RQL marked as follows:

- 'All email Mar 2005 -May 2008'
- 'Mal Tuttle Apr 2008 – Nov 2012'
- 'Paul Brennan Apr 2008 – Nov 2012'

We applied the following search terms across the data and reviewed approximately 2,000 emails:

Keyword	Number of files [emails & attachments]
Contour AND Extension	80
Contour AND Contract	279
Contour AND Relationship	27
Contour AND Election	11
Job AND Election	225
Contour AND Due diligence	22
Contour AND Tender	144
Contour AND Procurement	21
Contour AND Ignore	27

Keyword	Number of files [emails & attachments]
Contour AND Arben	138
Blacklaw AND Contour	143
Blacklaw AND Extension	46
Blacklaw AND Contract	94
Blacklaw AND Relationship	2
Blacklaw AND Election	5
Blacklaw AND Due diligence	4
Blacklaw AND Tender	52
Blacklaw AND Procurement	0
Blacklaw AND Ignore	8
Blacklaw AND Arben	197
Delivery of industry infrastructure plan	3
Contour board paper	1
Audit AND Contour	57
Audit AND Blackwell	20
Dave - dthomme@bigpond.com	3
TOTAL	1609

The main items of interest are as follows (see Appendix D for copies of these emails):

1. There are a number of emails throughout May and June 2011 from Mr Brennan to real estate agents in relation to properties he appears to be in negotiations to purchase in a personal capacity. Mr Brendan Lowther (Mr Lowther) and Mr David McDougall (Mr McDougall) from Contour Consulting Engineers (Contour) appear to have performed building inspections and recommend repairs and/or modifications totalling \$40,000 to \$50,000 in some cases We did not identify any information to indicate if Mr Brennan paid for these services and/or if any such transaction/s were therefore at arms length.
2. On 27 October 2011 Mr Tuttle emailed Mr Snowdon and CC'd Mr Brennan, Ms Murray and Ms Toohey in relation to the 'Contour Board Paper'. He raises concerns on what appears to be the lack of a signed contract with Contour, he comments:

'I am also acutely aware of the audit committees position and the current mood of government. Whilst you are managing this I strongly suggest that you make an arrangement for the Board to deal with this as soon as possible. An outsider might form the view that we put ourselves in a position where we left ourselves with no option but to sign a belated contract for services.'
3. On Thursday 29 March 2012 Mr Brennan emailed Mr Carter and Mr Snowdon of RQL and CC'd Mr Thomson, Mr Fulcher and Ms Hayne of Contour. In the email he outlines monies owing to Contour and that the fee proposal sent to RQL on 31 August 2011 constitutes a binding contract.
4. On 5 November 2011, Mr Tuttle emailed Mr Snowdon and CC'd RQL Board, Mr Brennan and Ms Murray in relation to the delivery of the Industry infrastructure plan. Mr Tuttle outlines the following tasks that he wishes Mr Snowdon to address:

IP and copyright – Not negotiable this is the property of RQL (To be outlined to all consultants as a matter of urgency)

Write to Government advising what has occurred to date re the engagement of consultants to satisfy Government timelines (re Mackay) also advising how we have satisfied ourselves in terms of value for money and probity. Provide document to RQL Board ensuring Board is aware of what has occurred.

Engagement of Contour for Mackay (dealing with IP ownership)

Confirm work by Contour for the development of business cases is minimal and nothing further is required in terms of engagement

Re-confirm with all relevant consultants (including Contour) No work without engagement

Pair out all work subsequent to the business cases (This is not just a roll over for Contour – competitive tender to apply)

Competitive tender processes required as per RQL purchasing standards and compliant with any/all requirements of Government

Settle with RQL Board probity standards required re the engagement of consultants (Ensure probity standards are applied, met, and satisfy Government as required)

Ensure appropriate separation of disciplines with the engagement of consultants (ie project management, civil engineering, structural engineering, environmental etc)

Deal with tender process on a project by project basis (If this is not the case there needs to be an open, transparent, justifiable and competitive process highlighting why projects have been conjoined)

Evaluate and report to the Board on the competitive engagement of a quantity surveyor highlighting the value that will be brought to the projects

Re-evaluate project timelines and impact on commitments already given

Mr Snowdon responds on the 7 November 2011 in relation to the tasks:

I agree re the IP & copyright, this will be the first item that needs to be addressed with Contour. I suggest that if ownership is to remain with Contour (as per the disclosure on their plans) then they provide us with full freedom to do with the information as we please.

Letter to government is complete and has been sent off. I intend to do a note to the board along the following lines and will forward to you in draft when available.

When we meet with Contour we will deal with the IP (above) and their contract on Mackay. The contract will require additional content such as a clear description of their role and responsibilities on the project.

The limit of Contours work on the business cases has been made clear in the past and can be reaffirmed. As most business cases are complete they will only be required to carry out additional work if Office of Racing or Treasury require anything else on the business cases.

This has been made clear in the past and can be done again.

This will be carried out subject to what response Bob gets on Beaudesert and Cairns.

This will be done unless Beaudesert and Cairns are fast tracked like Mackay. If fast tracked probity will be compromised.

Probity standards as per the "Internal Financial Process". I assume this has gone to the board, and as I mentioned this morning today is the first time I have seen this version (19th September update).

Agreed and has been my recommendation to have independent Project Management. Other disciplines can be by the same consultant as long as they are procured through the appropriate process.

Agreed and is currently being implemented.

I can prepare something for the board once I know the direction of Beaudesert and Cairns. If they are to be fast tracked they will be dealt with in the same way as Mackay.

This can be done and will require the input of Paul as the impact on race dates will be the most significant.

5. On 7 November 2011 Mr Tony Hanmer (Mr Hanmer), Non-Executive Board Director, in response to Mr Tuttle's original email above states:

'At the audit, finance and risk committee meeting 10th October, I tabled 2 items, one of which was ensuring that all RQ suppliers comply with several fairly simple criteria. This was born out of a concern that the board needed comfort in the suppliers our consulting engineers were subcontracting as well as having confidence that the consulting engineers we chose would be in a position to deliver on their contractual arrangements.'

6. On 6 December 2011 Mr Brennan emailed Mr Fulcher (Contour) and CC'd Mr Thomson (Contour) and Mr Snowdon with regard to the Cairns projects. He states the following:

'Following receipt of your fee proposal I have discussed this internally, but unfortunately due to the costs associated with finalising the detail design this will require Government approval, which will dictate one of the below approaches:

- a. RQL to proceed with Contour to undertake the detail design without going to the market and prior to Government approval of the business case;*
- b. RQL to go to the market for the detailed design, prior to the Government approval of the business case;*
- c. RQL to await business case approval and then engage Contour to have the work undertaken; or*
- d. RQL to await business case approval and then go to market to have the work undertaken.*

As the release of funds is contingent upon RQL meeting all Government probity requirements it is imperative that RQL has Government approval if there is to be any deviation from agreed protocols. Bob met with Government last Friday and we are awaiting a response in relation to the approach we are able to take on Cairns.'

Mr Thomson from Contour responds to Mr Brennan's email with:

'With regard to Paul's email below, we would consider the situation to fall well within the auspices of the "SOLE SUPPLIER" criteria of the State Government Procurement Policy, especially in the context of the "critical" nature of the sub-project, the relationship between customer and supplier and the 3 Foundation Concepts of the State Procurement Policy and the limited risk and relative low cost of this component of this sub-project.'

7. There is email correspondence between RQL and both Arben and Contour relating to the lack of supervision of the projects under their control. Both appear to be in relation to their lack of presence on site.

7 Recommendations

7.1 Overall recommendation

We recommend RQL seek independent legal advice in relation to any consideration of further action it may consider to be appropriate based on the findings outlined in this report.

7.2 Procurement Framework

The review of the Procurement Framework unveiled several gaps between policy and practice. To tighten up the framework and provide further protection to RQL, they may want to consider the following:

- Developing and delivering appropriate training on expected procurement processes with management. This may include a number of key areas expected to be considered such as value for money, when to gain competitive quotes, providing awareness of the contracts register, understanding of conflicts of interest and completing appropriate documentation.
- Updating and maintaining RQL's contract register (we understand this process is underway). This could include developing appropriate KPI's for personnel responsible, ensuring management are aware of their responsibilities and incorporating the register into the Purchasing Policy.
- Developing appropriate contract templates (we understand this process is underway) to provide consistency and completeness.
- Conduct analysis on the procurement system to identify potential duplicate and/or false payments, in particular when changing or updating systems there can be significant potential for errors and system manipulation.

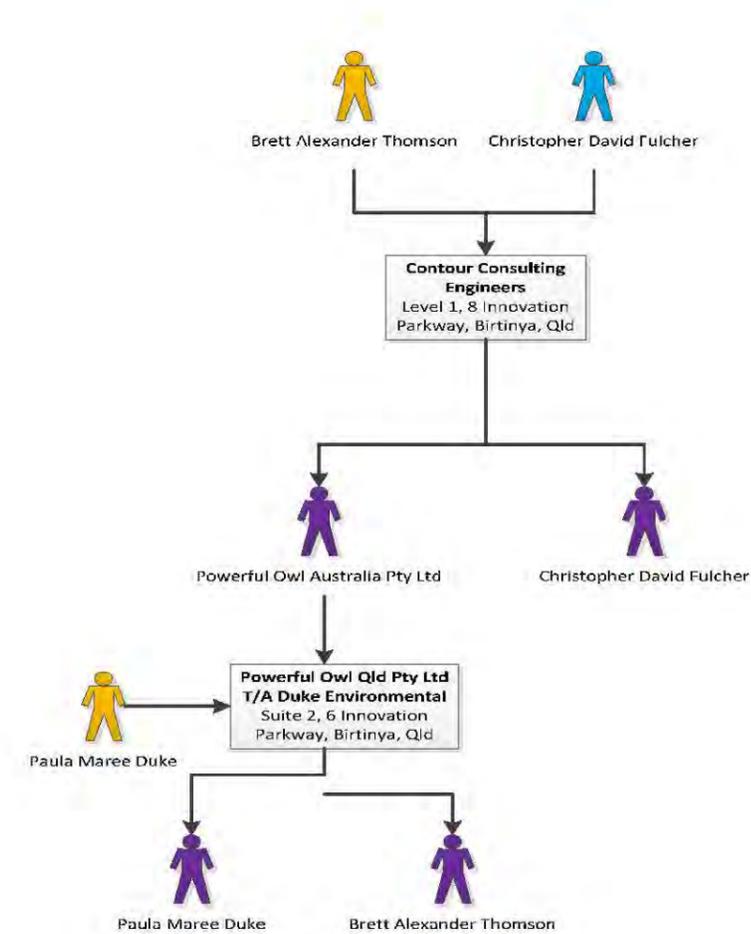
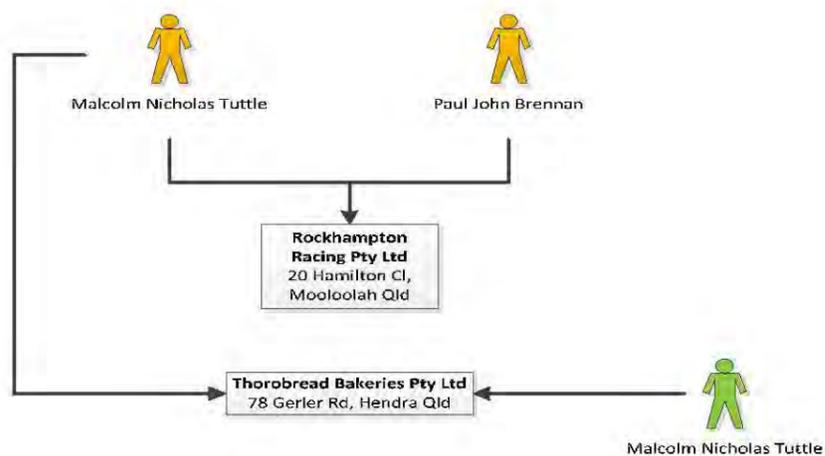
7.3 Using Subcontractors

- The review of Contour being initially engaged by RQL suggested there was no tender process undertaken, purely a straight swap with another engineering firm. RQL may want to consider reviewing the process for engaging new contractors.
- RQL may want to consider reviewing the process for how subcontractors are managed under Project Management firms like Contour, to ensure appropriate due diligence is conducted, and RQL's six procurement principles are being adhered to.
- RQL may want to consider developing and tightening the process between procure and pay, to help ensure that variations between contract and payment identified and appropriately approved. This could include stricter expectations on paperwork produced before payment is released.

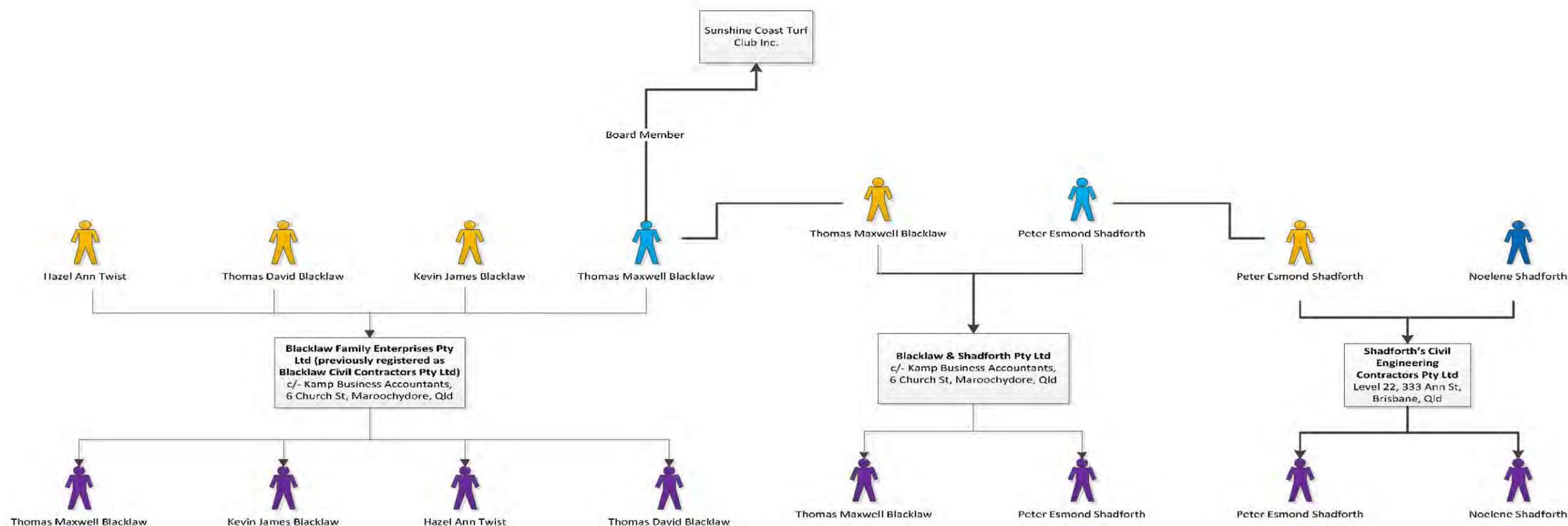
Appendix A

Relationship maps

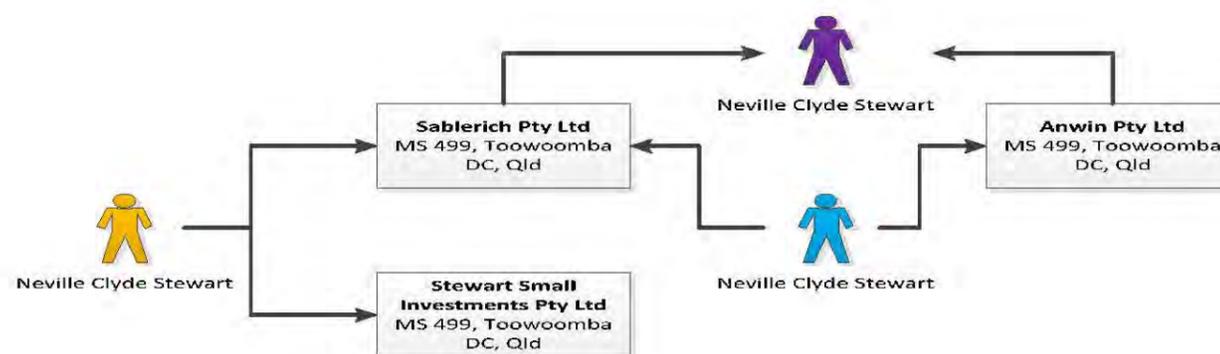
**Racing Queensland Limited –
Key persons of interest and Contour Consulting
Engineers Pty Ltd**



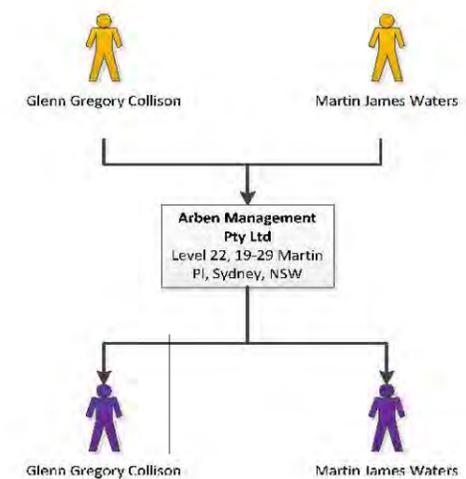
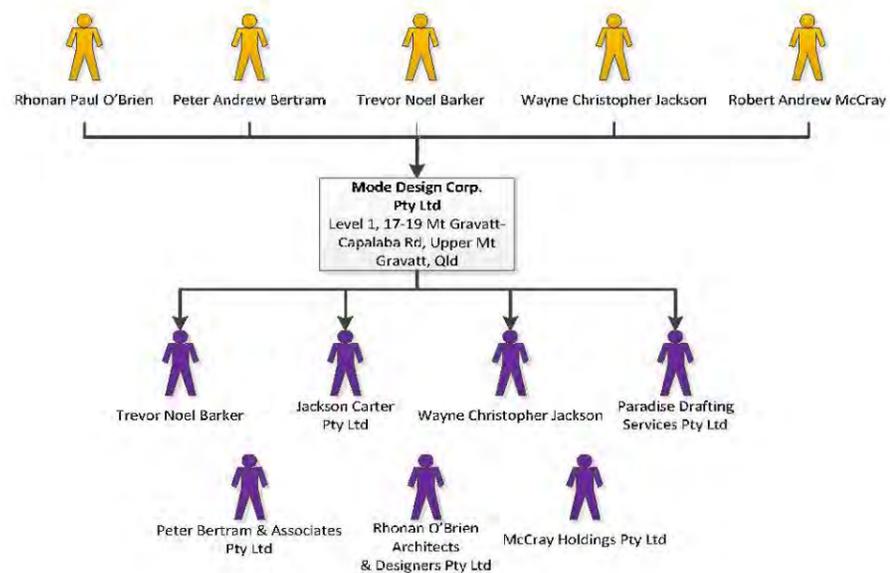
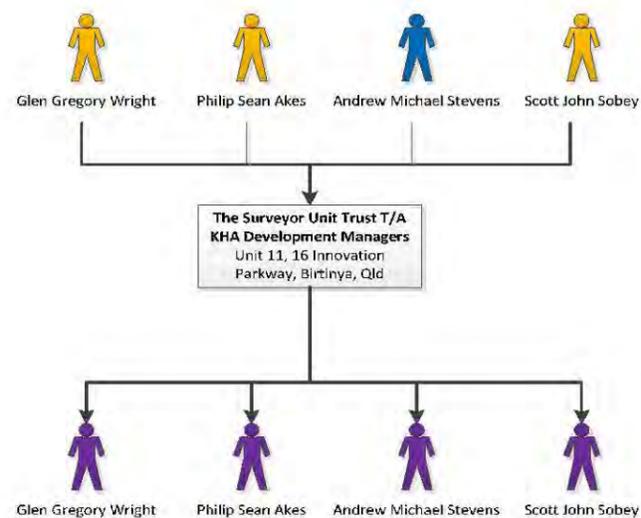
**Racing Queensland Limited –
Blacklaw Civil Contractors and related entities**



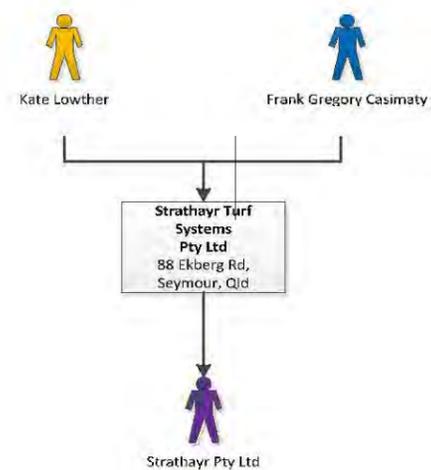
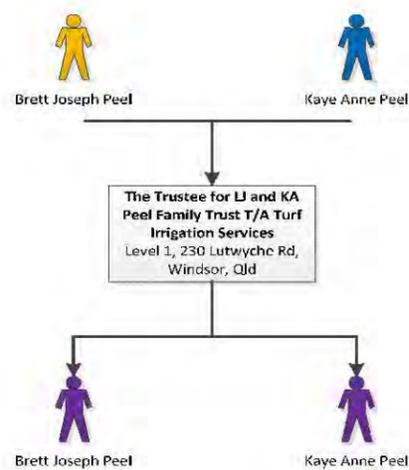
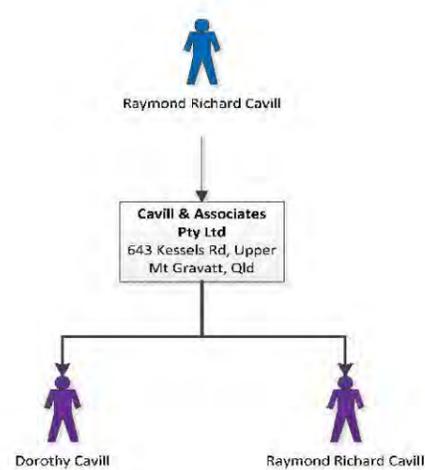
**Racing Queensland Limited –
Former Toowoomba Chairman – Neville Stewart**



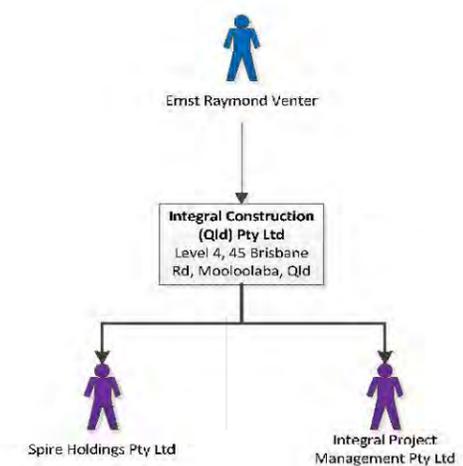
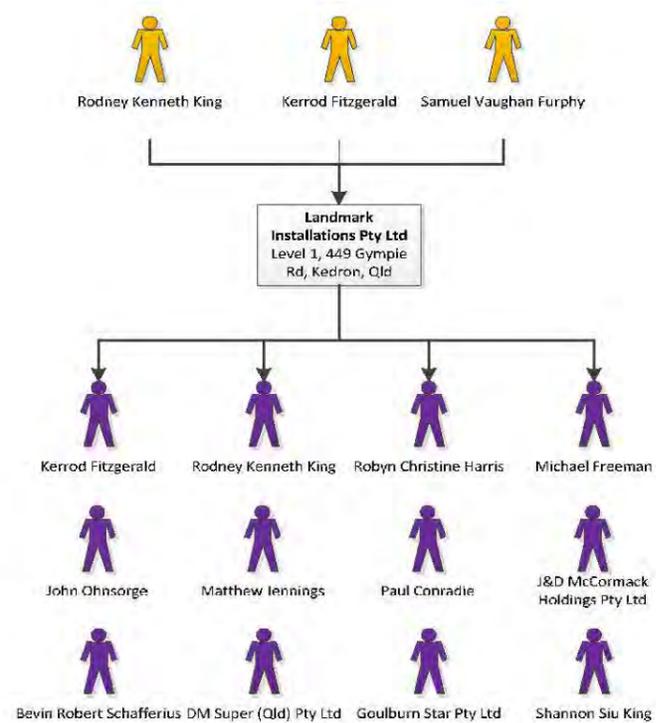
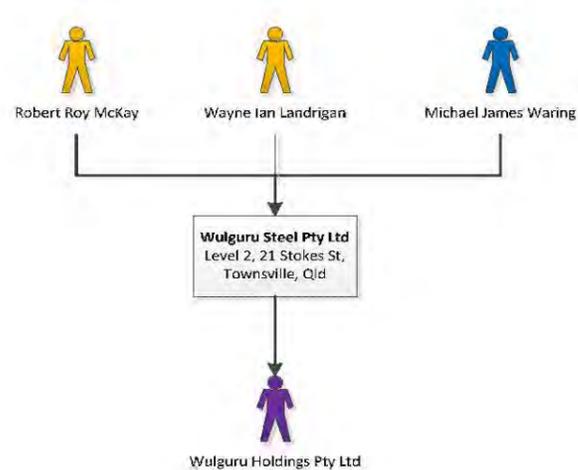
**Racing Queensland Limited –
Additional Entity Searches**



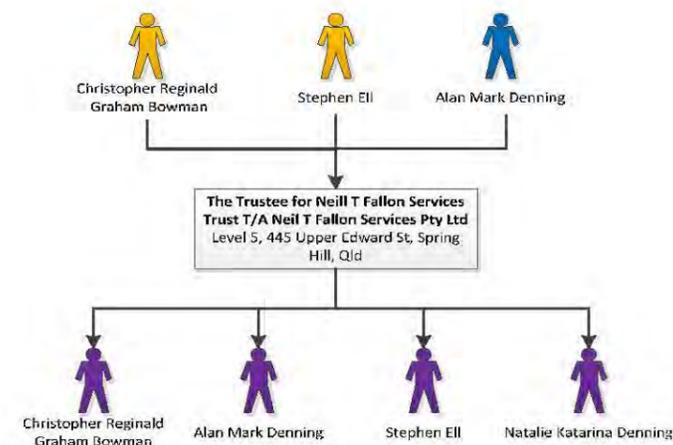
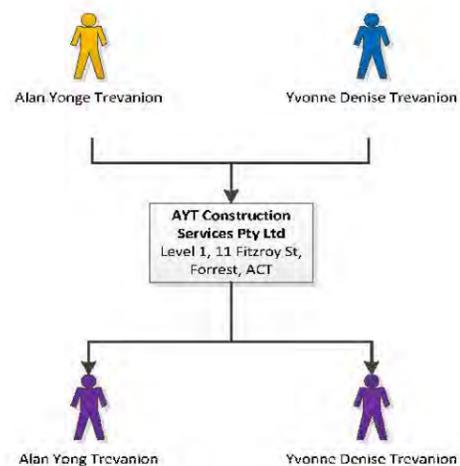
**Racing Queensland Limited –
Additional Entity Searches**



**Racing Queensland Limited –
Additional Entity Searches**



**Racing Queensland Limited –
Additional Entity Searches**



Appendix B

Contract code and descriptions of Contour invoices

Project Code	Invoice Description	Amount Paid to Contour	Amount as per Contract	Difference
0621	Upgrade works Engineering advice/services	\$35,756.80		
CIV00778	Proposed NRL bid at Albion Racecourse	\$23,287.28		
DE1019	Investigations into Aboriginal cultural heritage issues	\$10,427.45		
0377	Track flood damage at Beaudesert racecourse Upgrade works	\$752,152.59		
0691	Harness racing facility at Bundamba racecourse Engineering services Engineering advice into master plan development	\$61,911.31		
0557	Proposed upgrade to Cannon Park racecourse, Cairns Engineering services Engineering advice into master plan development	\$79,870.13		
0432	Synthetic track at Clifford Park Racecourse Engineering services Engineering advice into master plan development Lighting installation	\$486,777.89	1.9% of construction cost	N/A
0535	Racetrack redesign works at Cluden Park Racecourse Engineering services Engineering advice into master plan development	\$57,838.22		
0318	Preliminary estimate of construction costs Stabling and associated works at Corbould Park racecourse Engineering services	\$353,865.67		
0436	Project management services for proposed track lighting for night racing at Corbould Park racecourse	\$184,387.31		
0417	Stabling and associated works at Corbould Park racecourse	\$230,342.89	Hourly Rates	N/A
0449	Engineering services for Corbould Master Plan	\$12,005.13		
0714	Engineering advice into master plan development Corbould Park, Community Open Space Area	\$4,365.35		
0546	Miscellaneous works Corbould Park upgrade	\$345,111.46		

Project Code	Invoice Description	Amount Paid to Contour	Amount as per Contract	Difference
0645	Engineering services as per your agreement with Brett Thomson for the sewer/pump station design at Corbould Park Racecourse	\$58,185.44		
CIV00710	Engineering services: Advertising signage at Corbould Park Racecourse	\$6,884.63		
CIV00714	Engineering services for the proposed community open space area at Corbould Park Racecourse	\$14,145.18		
5206	Proposed storage bin for synthetic material stored on-site at Corbould Park Racecourse	\$11,556.88		
0438	Fire hydrant design at Corbould Park Racecourse	\$2,550.63		
0714/0270	Engineering advice into master plan development: Corbould Park racecourse	\$8,059.15		
0270	Synthetic track Sunshine Coast	\$119,788.13		
0380	Engineering services for Deagon racecourse. Phase A - heads of agreement on water recycling Upgrade works Engineering services Engineering advice into master plan development	\$467,684.45		
STR05249	Proposed facility extension at Racecourse Road, Deagon	\$49,472.50		
CIV00704	Office relocation Deagon to Corbould Park	\$38,159.28		
0601	Upgrade works at Eagle Farm racecourse Engineering advice into master plan development	\$19,626.76		
0426	Track upgrade at Gold Coast racecourse Engineering advice into master plan development	\$455,705.33		
0550	Upgrade works at Mackay Racecourse	\$1,037,163.74	\$2,991,223.42	\$1,954,059.68
0496	Engineering services for proposed Sunbus satellite depot at Pierce Avenue, Caloundra	\$2,310.00		
CIV00719	Redcliffe Harness Track - Building assessment report	\$4,647.89		
0373	Preliminary design services for the Rockhampton Racecourse upgrade Engineering services Engineering advice into master plan development	\$317,606.01		
0675	Engineering services in accordance with fee proposal for Rockhampton racecourse	\$72,270.00		
CIV00645	Engineering services for sewerage pump station	\$907.50		
CIV00417	Professional services - Sunsouth Power Project	\$3,107.50		

Project Code	Invoice Description	Amount Paid to Contour	Amount as per Contract	Difference
5171	Engineering services for the structural design of the judges tower lighting frame Engineering advice into master plan development	\$16,500.00		
0556	Preliminary engineering advice on issues relating to future upgrades and additions to Wadham Park and Wadham Park 2 Proposed track upgrade	\$26,523.75		
CIV00550	Engineering services in accordance with fee proposal for Mackay Racecourse	\$44,746.36		
Multiple Codes		\$54,257.06		
Blank		\$546,745.33		
TOTAL		\$6,016,702.98		

Appendix C

Comparison of Contour rates to similar contractors

Contour Classification	Rate per hour (ex GST)	Rate per hour with CPI increase (ex GST)	Dalton Classification	Rate per hour (ex GST)	Rate with CPI increase variance (%)	WSP Classification	Rate per hour (ex GST)	Rate with CPI increase variance (%)
Director/Principal Engineer	\$265	\$269.51	Senior Engineer Director	\$260	3.53%	Director	\$270	-0.18%
Associate Director	\$245	\$249.17	N/A			N/A		
Senior Project Manager	\$235	\$239.00	Senior Associate/ Project Manager	\$210	12.13%	N/A		
Senior Engineer/ Scientist	\$220	\$223.74	N/A			Senior Engineer	\$190	15.08%
Engineer/ Scientist	\$205	\$208.49	N/A			N/A		
Senior Designer/ Technician	\$210	\$213.57	Senior Design Manager	\$210	1.67%	N/A		
Designer	\$190	\$193.23	Design Engineer	\$160	17.20%	N/A		
Engineering/ Scientific Technician	\$190	\$193.23	N/A			N/A		
Graduate Engineer/ Designer/ Technician	\$175	\$177.98	N/A			N/A		
Senior Drafter	\$155	\$157.64	N/A			N/A		
Drafter	\$135	\$137.30	Design Drafting Staff	\$120	12.60%	N/A		
Undergraduate	\$125	\$127.13	N/A			N/A		
Administration	\$95	\$96.62	N/A			N/A		

Contour Classification	Rate per hour (ex GST)	Rate per hour with CPI increase (ex GST)	AECOM Classification	Rate per hour (ex GST)	Rate with CPI increase variance (%)	Jones Nicholson Classification	Rate per hour (ex GST)	Rate with CPI increase variance (%)
Director/Principal Engineer	\$265	\$269.51	Principal Engineer	\$225	16.52%	Director	\$277	-2.78%
Associate Director	\$245	\$249.17	N/A			N/A		
Senior Project Manager	\$235	\$239.00	N/A			N/A		
Senior Engineer/Scientist	\$220	\$223.74	Senior Engineer	\$200	10.61%	N/A		
Engineer/Scientist	\$205	\$208.49	Engineer	\$175	16.06%	Project Engineer	\$198	5.03%
Senior Designer/Technician	\$210	\$213.57	N/A			Senior Design Engineer	\$178	16.56%
Designer	\$190	\$193.23	N/A			Design Engineer	\$153	20.59%
Engineering/Scientific Technician	\$190	\$193.23	N/A			N/A		
Graduate Engineer/Designer/Technician	\$175	\$177.98	N/A			N/A		
Senior Drafter	\$155	\$157.64	N/A			Senior Drafter	\$149	5.80%
Drafter	\$135	\$137.30	N/A			Drafter	\$129	6.26%
Undergraduate	\$125	\$127.13	N/A			N/A		
Administration	\$95	\$96.62	N/A			Office Staff	\$84	12.91%

Appendix D

Emails of interest

Email #1A

From: Paul Brennan <pbrennan@racingqueensland.com.au>
Sent: Thursday, 12 May 2011 2:04 PM
Subject: FW: 254 Glenview Road, Glenview - Building Inspection Findings
Attachments: P1010163.jpg; P1010164.jpg; P1010165.jpg; P1010168.jpg; P1010169.jpg; P1010171.jpg; P1010176.jpg; P1010177.jpg; P1010184.jpg; P1010190.jpg; P1010191.jpg; P1010192.jpg; P1010195.jpg; P1010196.jpg; P1020039.jpg

From: Brendan Lowther [<mailto:Brendan@contource.com.au>]
Sent: Thursday, 12 May 2011 12:54 PM
To: Paul Brennan
Cc: Brett Thomson
Subject: 254 Glenview Road, Glenview - Building Inspection Findings

Hi Paul,

Based on our brief visual inspection of the residence located at 254 Glenview Road, we offer the following information regarding the potential problems that we see:

1. The sub-floor space is not adequately ventilated and has no drainage capability whatsoever. The subfloor space is very damp and this needs to be rectified.
2. It appears that water has and can pond in the sub-floor space, particularly in the south-eastern corner (See water mark on brick in attached photos ending in numbers 176 and 177).
3. A floor bearer under the entry area has been propped up on a masonry block pier, but this pier does not appear to have any sort of footing.
4. The bowed internal wall beside the kitchen/dining area appears to be caused by swelling of the elevated timber floor. If our assumption is correct, we believe that the swelling of the timber floor has pushed the brick wall over toward the kitchen and has caused cracking damage in the brick wall, damage to the internal wall, plus rotation of the floor bearers along the eastern end of the house. This issue really looks like it needs to be rectified smartly, and would require the temporarily propping the roof and floor, cutting out both the damaged brick and internal gyprock walls, reconstruction of walls and tidying up other associated damage. We believe this is likely to cost in the order of \$20k.
5. Some of the brick piers along the eastern side of the residence, which support the lounge room timber floor, show signs of rotation in a general easterly direction. This is likely to be also associated with swell of the timber floor.
6. There has been some excavation in the sub-floor space to the north-western corner of the residence, which appears to have been recently undertaken to provide clearance between perimeter timber floor bearers and the outside soil. This excavation has been undertaken from within the subfloor space and looks to extend under the external concrete pavement (eg. the external concrete path has been undermined.)
7. Wall, ceiling and cornice cracking is evident at a number of junctions between the various extension areas. Although the cracks evident were fairly minor, we believe that they have still formed since the building was last painted and are evidence that some ongoing movement is occurring.
8. Doors to bedrooms and robes are out of square and ill-fitting, which is likely to be related to foundation movement.
9. The family room floor is not level.
10. Termite infestation to the kitchen/meals area has occurred and although termite damaged timber window reveals have been replaced, we cannot comment on the internal damage and structural soundness of the wall framing.
11. A number of fine vertical cracks in the render to the exterior of the residence were noted. These are likely to be caused by poor initial building practice, foundation movement or both and are likely

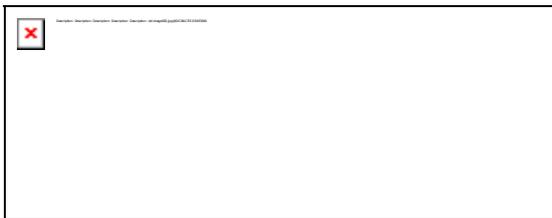
to get worse over time.

- 12. Downpipes were found to be leaking and the sewer line from the bathroom was found to have a minor break near the sub-floor access point.
- 13. The site soil was found to be fairly wet where we parked our cars on the 10th May 2011 and we expect that this may be fairly typical for this site. If you were to purchase the property, we would suggest that better surface and sub-surface drainage be installed to assist in drying up the site.
- 14. The shed to the rear of the residence was found to be in a poor condition, had asbestos roof sheeting, rotted timber roof framing members and is need of repair work or replacement.

Regards,

Brendan Lowther

Senior Structural Engineer
BEng(Hons) ADEng RPEQ MIEAust



for and on behalf of:
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Email #1B

From: David McDougall <David@contource.com.au>
Sent: Wednesday, 15 June 2011 4:38 PM
Subject: Mooloolah Property.
Attachments: img-615160126.pdf

Hello Paul,

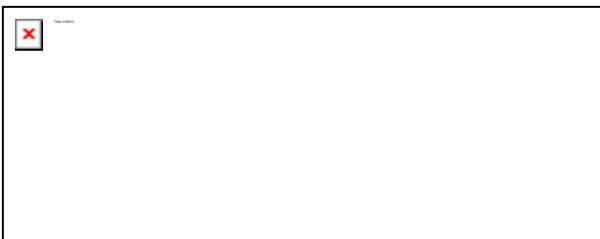
Matt in the office has done a brief check on the property at Mooloolah for you. There are two things of not that you might want to consider. Find attached an aerial which shows the contours, approximate flood line, and I have drawn in the overhead electrical lines that appear to run through the property.

Something to note is that when overhead power lines cross a property, Energex usually have conditions and/or easements on that property, that mean you are required to obtain their permission for any work within a given distance of the lines. This will most probably affect any extension or renovation works on the property.

Would you like us to do a property search through Council on the flood height for that property?

Yours sincerely,

David McDougall
BEng
Civil Engineer
for and on behalf of:
CONTOUR Consulting Engineers Pty Ltd



CONTOUR Consulting Engineers Pty Ltd
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Birtinya 4575, Sunshine Coast, Qld.

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Email #1C

From: Wes Austin <Wes@integralconstruction.com.au>
Sent: Tuesday, 21 June 2011 2:50 PM
Subject: RE: Mooloolah House

Hi Paul & Tracey

Looking at option 1 I would work on around \$17,000 to \$20,000+GST. The total costs here will depend on the re-use of the existing timber. \$20,000 should cover you either way. Contour will need to look at the existing external walls to determine if there are any load bearing members that will need to be dealt with.

Option 2 is actually fairly similar in cost, so again I think \$20,000 is a good number to work on. This makes no allowance for making-good the new floors to receive carpet. Perhaps allow a further \$1,500 to build the slab 'up' to a level finish as it most likely currently falls to an external area.

The most economical way of doing the work maybe to engage a 2man carpentry crew and pay them direct on hourly rate. They will also be able to source the materials for you. If we are comfortable with the carpentry crew that you run with, you can use our license and buy the materials, insurances etc at cost on our account.

Hope this helps, let me know if you would like me to look at anything else.

Regards
Wes

File Ref:

From: Paul Brennan [<mailto:pbrennan@racingqueensland.com.au>]
Sent: Thursday, 16 June 2011 11:16 AM
To: Justin Costanzo; Wes Austin
Cc: Tracey.Brennan@seaside realestate.com.au
Subject: Mooloolah House

Justin & Wes

As discussed on Tuesday please find attached some photographs of the house I am looking at in Mooloolah.

As mentioned the house is a little small and if I was to purchase I would be required to build in two areas.

Are you able to give me an indicative cost on the following options..

Option 1

The option is to extend both bedrooms out to incorporate the veranda. This should be achievable as I believe this has already occurred at the house with the kitchen and dining room areas, as per attached photo's.

18977066 2 Kitchen
18977066 8 Dining area

I would like a similar finish to the bedrooms with vj timber walls and ceiling. I would also like timber floorboards in this area.

This area is 7.2m long by 2.5m wide.

I suspect that it would be possible to reuse the existing windows and potentially some of the timber that would be required to be cut out on the side of the house.

I have included the following photo's

778 Under roof area
 770 Bedroom 2 wall
 771 Bedroom 1 wall
 788 Area to be enclosed
 786 Concrete posts
 787 Structural supports

Option 2

This option is to enclose a carport area. The carport was added as part of an extension that added an additional bedroom, bathroom and laundry area. The carport has a fully lined roof and I hope that this would simply require the placement of internal and external walls to this area and the inclusion of some power outlets. I would like the external wall to match the wall of the adjoining extension (as per photo), but the internal wall could just be gyprock. As far as doors and windows went, I would like windows on both sides in similar style to the windows on the adjoining extension and we would just need to install an external door into this room. This area is about 7m x 5m.

I would manage the installation of carpet separately.

I have included the following photo's

803 Carport
 804 Carport Supports
 805 Carport Ceiling
 785 External wall to adjoining extension

Without being too much of a nuisance would you be able to give me an indication what the cost of each option would be, I have outlined bands below. I would like to have a rough idea below entering into a contract.

Option 1

\$20k to \$25k
 \$25k to \$30k
 \$30k to \$35k
 \$35k to \$40k

Option 2

\$10k to \$15k
 \$15k to \$20k
 \$20k to \$25k
 \$25k to \$30k

Thank you for your assistance
 Regards
 Paul

Paul Brennan

Director of Product Development
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Email #2

From: Malcolm Tuttle <mtuttle@racingqueensland.com.au>
Sent: Thursday, 27 October 2011 9:39 AM
Subject: RE: Contour Board Paper

Mark

I understand this. I am also acutely aware of the audit committees position and the current mood of government. Whilst you are managing this I strongly suggest that you make an arrangement for the Board to deal with this as soon as possible. An outsider might form the view that we put ourselves in a position where we left ourselves with no option but to sign a belated contract for services.

Regards

Malcolm Tuttle

Chief Executive Officer



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From: Mark Snowdon
Sent: Thursday, 27 October 2011 9:34 AM
To: Malcolm Tuttle
Cc: Paul Brennan; Shara Murray; Debbie Toohey
Subject: Contour Board Paper

Mal

I've tried a few times to get hold of Bob without success.

We have a few issues with the Contour contract for services and Warren had raised a few more project issues that should definitely be resolved prior to signing off on their role so it would be best to pull it from the board agenda.

This will not affect the work progress on the projects and I am mindful of your concerns in relation to the audit committee so we will sort this out as a priority.

Mark Snowdon

Project Director



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Email #3

From: Paul Brennan <pbrennan@contource.com.au>
Sent: Thursday, 29 March 2012 6:36 AM
Subject: Business Case Agreement

Adam & Mark

After discussing the contract with Chris and Brett late yesterday afternoon, I offer the following in relation to the required agreement.

A fee proposal was sent to Racing Queensland on 31 August 2011, which included all of the relevant projects, except Ipswich.

The proposal was very clear that its aim was to provide RQL with rigorous scientific/engineering information to enable RQL to provide adequate levels of information to government in support of the business case funding applications. The proposal also provides a thorough scope of works.

The below table highlights the proposed fee schedule and the value of the fees invoiced by Contour (as provided by Mark – which was included in the Government's contribution to RQL for business case formation).

Project	Fee Budget	Total Invoiced (as provided by Mark)	Variance
Cairns	\$130,000	\$71,326	\$58,674
Townsville	\$100,000	\$47,514	\$52,486
Rockhampton	\$80,000	\$71,476	\$8,524
Deagon	\$1,650,000	\$411,203	\$1,238,797
Beaudesert	\$650,000	\$647,898	\$2,102
Gold Coast	\$150,000	\$390,787	-\$240,787

Contour is of the belief that Racing Queensland should accept this fee proposal as it forms that basis of a binding contract, which was factually provided in August 2011.

In relation to the increased expenditure on the Gold Coast and the inclusion of \$47,099 for the Ipswich project, Contour is happy to provide a further fee proposal dated March 2012 to cover these projects.

Due to the level of scrutiny that this issue may receive, Contour believes the best option is to utilise the proposal that was provided some 7 months ago and to treat the two outstanding issues by exception.

We will await your response to this email before undertaking any further work on this issue.

Regards,

Paul Brennan

CEO

For and on behalf of:

CONTOUR Consulting Engineers Pty Ltd

Phone **(07) 5493 9777** Fax **(07) 5493 6888**

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Email #4

From: Malcolm Tuttle <mtuttle@racingqueensland.com.au>
Sent: Monday, 7 November 2011 3:36 PM
Subject: RE: Delivery of industry infrastructure plan

Tks Mark

I suggest that you also discuss with Shara and Adam on his return and provide a Board report to the next Board meeting so that the Board is comfortable with all probity and compliance approaches.

Regards

Malcolm Tuttle

Chief Executive Officer



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From: Mark Snowdon
Sent: Monday, 7 November 2011 11:53 AM
To: Malcolm Tuttle
Cc: Robert Bentley; Paul Brennan; Shara Murray
Subject: RE: Delivery of industry infrastructure plan

Mal

Further to your email and our meeting this morning my comments are as follows:

1. I agree re the IP & copyright, this will be the first item that needs to be addressed with Contour. I suggest that if ownership is to remain with Contour (as per the disclosure on their plans) then they provide us with full freedom to with the information as we please.
2. Letter to government is complete and has been sent off. I intend to do a note to the board along the following lines and will forward to you in draft when available.
3. When we meet with Contour we will deal with the IP (above) and their contract on Mackay. The contract will require additional content such as a clear description of their role and responsibilities on the project.
4. The limit of Contours work on the business cases has been made clear in the past and can be reaffirmed. As most business cases are complete they will only be required to carry out additional work if Office of Racing or Treasury require anything else on the business cases.
5. This has been made clear in the past and can be done again.
6. This will be carried out subject to what response Bob gets on Beaudesert and Cairns.
7. This will be done unless Beaudesert and Cairns are fast tracked like Mackay. If fast tracked probity will be compromised.
8. Probity standards as per the "Internal Financial Process". I assume this has gone to the board, and as I mentioned this morning today is the first time I have seen this version (19th September update).
9. Agreed and has been my recommendation to have independent Project Management. Other disciplines can be by the same consultant as long as they are procured through the appropriate process.
10. Agreed and is currently being implemented.
11. I can prepare something for the board once I know the direction of Beaudesert and Cairns. If they are to be fast tracked they will be dealt with in the same way as Mackay.
12. This can be done and will require the input of Paul as the impact on race dates will be the most significant.

In summary Mal, before proceeding much further I need a direction of how we are to proceed with Beaudesert and Cairns and some direction on how we are to structure Project Management on all projects.

Thanks.

Mark Snowdon

Project Director



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From: Malcolm Tuttle

Sent: Saturday, November 05, 2011 10:17 AM

To: Mark Snowdon

Cc: RQL Board; Paul Brennan; Shara Murray

Subject: Delivery of industry infrastructure plan

Mark

Following on from your presentation yesterday to the Board there are a number of matters to be addressed as a matter of urgency. We spoke about these this morning and I undertook to get the process started with this email so we have some material to review on Monday morning. The following is in no particular order but reflect the matters that need to be attended to.

1. IP and copyright – Not negotiable this is the property of RQL (To be outlined to all consultants as a matter of urgency)
2. Write to Government advising what has occurred to date re the engagement of consultants to satisfy Government timelines (re Mackay) also advising how we have satisfied ourselves in terms of value for money and probity. Provide document to RQL Board ensuring Board is aware of what has occurred.
3. Engagement of Contour for Mackay (dealing with IP ownership)
4. Confirm work by Contour for the development of business cases is minimal and nothing further is required in terms of engagement
5. Re-confirm with all relevant consultants (including Contour) No work without engagement
6. Pair out all work subsequent to the business cases (This is not just a roll over for Contour – competitive tender to apply)
7. Competitive tender processes required as per RQL purchasing standards and compliant with any/all requirements of Government
8. Settle with RQL Board probity standards required re the engagement of consultants (Ensure probity standards are applied, met, and satisfy Government as required)
9. Ensure appropriate separation of disciplines with the engagement of consultants (ie project management, civil engineering, structural engineering, environmental etc)

10. Deal with tender process on a project by project basis (If this is not the case there needs to be an open, transparent, justifiable and competitive process highlighting why projects have been conjoined)
11. Evaluate and report to the Board on the competitive engagement of a quantity surveyor highlighting the value that will be brought to the projects
12. Re-evaluate project timelines and impact on commitments already given

Mark, I look forward to meeting with you, Paul and Shara on Monday morning. In the meantime, as we discussed, pls prepare a draft of the material for the Government and the Board.

Regards Mal.

Malcolm Tuttle
Chief Executive Officer

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Email #5

From: Malcolm Tuttle <mtuttle@racingqueensland.com.au>
Sent: Monday, 7 November 2011 8:08 AM
Subject: RE: Delivery of industry infrastructure plan

Tks Tony
 Regards

Malcolm Tuttle

Chief Executive Officer



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From: Tony Hanmer [<mailto:tonyhanmer@hotmail.com>]
Sent: Sunday, 6 November 2011 3:01 PM
To: Malcolm Tuttle; Mark Snowdon
Cc: RQL Board; Paul Brennan; Shara Murray
Subject: RE: Delivery of industry infrastructure plan

Mal, thanks for your comprehensive note on steps taken to ensure we are following best practice on not just appointment of our consulting engineers but also best practice for any subsidiary who we may employ during the implementation of the industry infrastructure plan.

At the audit, finance and risk committee meeting 10th October, I tabled 2 items, one of which was ensuring that all RQ suppliers comply with several fairly simple criteria. This was born out of a concern that the board needed comfort in the suppliers our consulting engineers were subcontracting as well as having confidence that the consulting engineers we chose would be in a position to deliver on their contractual arrangements.

In essence this suggestion was that RQ needs to have reassurance on:

Company structure and ultimate ownership

Disaster recovery plans

A statement of governance

policies in place to comply with statutory guidelines

some reassurance of financial stability

where deemed necessary an independent assessment of the organisation (probably via a process similar to racefield information provenance)

I also suggested that if this was deemed too complicated, then whatever measures were required by the QG Audit office or the Office of Racing would be adequate. This was driven by my continual concern that we are spending taxpayers money and that even with a benevolent administration, we must comply not only with our own purchasing policy but with whatever policy the civil administration of the day requires.

Risk is the major issue all boards have to manage, the infrastructure plan is an issue of major order, and consequently our exposure is high. We must minimise our exposure to criticism and your note of yesterday will go a long way towards ensuring an acceptable outcome for the racing industry and taxpayers but, I would urge that any contract documentation is at least passed -by the Board.

Tony Hanmer

Non-Executive Board Director

Board Advisor, Corporate Strategy & Marketing

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fax: (61) 7 5446 4012

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From: mtuttle@racingqueensland.com.au
 To: msnowdon@racingqueensland.com.au
 CC: RQLBoard@racingqueensland.com.au; pbrennan@racingqueensland.com.au;
smurray@racingqueensland.com.au
 Subject: Delivery of industry infrastructure plan
 Date: Sat, 5 Nov 2011 00:16:52 +0000

Mark

Following on from your presentation yesterday to the Board there are a number of matters to be addressed as a matter of urgency. We spoke about these this morning and I undertook to get the process started with this email so we have some material to review on Monday morning. The following is in no particular order but reflect the matters that need to be attended to.

IP and copyright – Not negotiable this is the property of RQL (To be outlined to all consultants as a matter of urgency)

Write to Government advising what has occurred to date re the engagement of consultants to satisfy Government timelines (re Mackay) also advising how we have satisfied ourselves in terms of value for money and probity. Provide document to RQL Board ensuring Board is aware of what has occurred.

Engagement of Contour for Mackay (dealing with IP ownership)

Confirm work by Contour for the development of business cases is minimal and nothing further is required in terms of engagement

Re-confirm with all relevant consultants (including Contour) No work without engagement

Pair out all work subsequent to the business cases (This is not just a roll over for Contour – competitive tender to apply)

Competitive tender processes required as per RQL purchasing standards and compliant with any/all requirements of Government

Settle with RQL Board probity standards required re the engagement of consultants (Ensure probity standards are applied, met, and satisfy Government as required)

Ensure appropriate separation of disciplines with the engagement of consultants (ie project management, civil engineering, structural engineering, environmental etc)

Deal with tender process on a project by project basis (If this is not the case there needs to be an open, transparent, justifiable and competitive process highlighting why projects have been conjoined)

Evaluate and report to the Board on the competitive engagement of a quantity surveyor highlighting the value that will be brought to the projects

Re-evaluate project timelines and impact on commitments already given

Mark, I look forward to meeting with you, Paul and Shara on Monday morning. In the meantime, as we discussed, pls prepare a draft of the material for the Government and the Board.

Regards Mal.

Malcolm Tuttle
 Chief Executive Officer
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Email #6

From: Brett Thomson <Brett@contource.com.au>
Sent: Monday, 12 December 2011 12:01 PM
Subject: RE: Cairns Procurement
Attachments: GOVERNMENT PROCUREMENT - CAIRNS.DOCX; img-Z12100030.pdf; img-Z12111558.pdf

PB/MS,

With regard to Paul's email below, we would consider the situation to fall well within the auspices of the "SOLE SUPPLIER" criteria of the State Government Procurement Policy, especially in the context of the "critical" nature of the sub-project, the relationship between customer and supplier and the 3 Foundation Concepts of the State Procurement Policy and the limited risk and relative low cost of this component of this sub-project.

Following on from our meeting regarding procurement policy, please take the time to review the attached "Government Procurement - Cairns.Docx". We supply this as information for your consideration.

The part of the document describes the PROCESS FOR APPLICATION FOR "SOLE SUPPLIER" that may be used to introduce the concept to the Board. This information has been generally taken from the State Government website

The Second part of the document is application of the Sole Supplier process to the specifics of the Cairns Sub-Project

The third part is an example application to Government.

(The other two attachments are supporting info from the State Government Purchasing Policy).

Note, we will be in RQL offices this afternoon at 2.30 on other matters, and would be pleased to discuss this further at that time.

Regards,

Brett Thomson
BE AdvDipBus CPEng RPEQ CEnvP CPESC
MIEAust MEIANZ MQELA GAICD
Director

For and on behalf of:
CONTOUR Consulting Engineers Pty Ltd
Mobile 0437 933 321
Phone (07) 5493 9777
Fax (07) 5493 6888

Email brett@ContourCE.com.au
PO Box 474, Buddina Qld 4575.

Bldg A Level 1, 6 Innovation Parkway,
Birtinya 4575, Sunshine Coast, Qld.

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Please consider the environment before printing this message

From all of the team at Contour we wish you a very Merry Christmas and Happy New Year.
Please note our office will be closed from 5:00pm on Thursday 22nd December, 2011 and will reopen at 8:30am on Tuesday 3rd January, 2012.

-----Original Message-----

From: Paul Brennan [<mailto:pbrennan@racingqueensland.com.au>]
Sent: Tuesday, 6 December 2011 9:31 AM
To: Chris Fulcher
Cc: Brett Thomson; Mark Snowdon
Subject: RE: Cairns

Chris

Sorry for the delayed response I had an ordinary week last week and didn't get an opportunity to respond to your email and fee proposal for Cairns. When I spoke to Brett last week I wasn't aware of the value of work still required to be undertaken to finalise the detail design and development of a full scope of works and bill of quantities.

Following receipt of your fee proposal I have discussed this internally, but unfortunately due to the costs associated with finalising the detail design this will require Government approval, which will dictate one of the below approaches:

- a. RQL to proceed with Contour to undertake the detail design without going to the market and prior to Government approval of the business case;
- b. RQL to go to the market for the detailed design, prior to the Government approval of the business case;
- c. RQL to await business case approval and then engage Contour to have the work undertaken; or
- d. RQL to await business case approval and then go to market to have the work undertaken.

As the release of funds is contingent upon RQL meeting all Government probity requirements it is imperative that RQL has Government approval if there is to be any deviation from agreed protocols. Bob met with

Government last Friday and we are awaiting a response in relation to the approach we are able to take on Cairns.

Mark and I will keep you briefed as information comes to hand.

Thanks
Paul

-----Original Message-----

From: Chris Fulcher [<mailto:Chris@contource.com.au>]

Sent: Tuesday, 29 November 2011 5:23 AM

To: Paul Brennan

Cc: Brett Thomson

Subject: Cairns

Paul,

just speaking with Thommo yesterday, if we are to finalize the track design on Cairns in quick time, I'd suggest a meeting this week between Warren & myself to review the current plans/approach. I have a meeting with Snowy around lunchtime Thursday at your office, and am also in Brisbane Friday afternoon, so I could meet with Woz either of these days.

Regards,

Chris Fulcher
Director
For and on behalf of
CONTOUR Consulting Engineers Pty Ltd
Mobile 0437 939 777
Ph (07) 5493 9777
Fax (07) 5493 6888
Email chris@ContourCE.com.au
www.contource.com.au

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Email #7A

From: Mark Snowdon <msnowdon@racingqueensland.com.au>
Sent: Thursday, 13 October 2011 6:33 AM
Subject: Re: Large Tree Directly Behind Existing Swab Stall - Now To Be Removed

Yes, I intended to raise it again Friday.

Mark Snowdon
 Project Director
 Racing Queensland Limited
 (07) 3869 9402
 0409 582613

On 13/10/2011, at 6:30 AM, "Paul Brennan" <pbrennan@racingqueensland.com.au> wrote:

Mark

Good email, I think it clearly highlights the necessity of more day to day involvement in Mackay by Contour.

We should follow this up again on Friday.

Thanks
 Paul

Paul Brennan

Director of Product Development

<image002.png> PO Box 63, Sandgate QLD 4017

P +61 7 3869 9721

F +61 7 3269 6715

M 0408 985 797

E pbrennan@racingqueensland.com.au

W www.racingqueensland.com.au

From: Mark Snowdon
Sent: Thursday, 13 October 2011 6:18 AM
To: Russell Thompson; Brett Thomson; Chris Fulcher
Cc: Paul Brennan; Warren Williams; Malcolm Tuttle
Subject: Fwd: Large Tree Directly Behind Existing Swab Stall - Now To Be Removed

Gents

Whilst I agree with Russell that Strath Ayr should not be taking instructions from Pete Birch, it is this sort of situation that we highlighted with you on Monday when we expressed our concerns about Contours lack of time on site.

Contour needs to provide sufficient site supervision on this project. Any variations of this nature on site need to be referred to RQL for approval.

Mark Snowdon
 Project Director
 Racing Queensland Limited
 (07) 3869 9402
 0409 582613

Begin forwarded message:

From: Morris Terzo <Morris@strathayr.com.au>
Date: 12 October 2011 5:08:59 PM GMT+10:00
To: Russell Thompson <russell@contource.com.au>
Cc: Warren Williams <wwilliams@racingqueensland.com.au>, "Mark Snowdon (msnowdon@racingqueensland.com.au)" (msnowdon@racingqueensland.com.au)" <msnowdon@racingqueensland.com.au>, Brett Thomson <Brett@contource.com.au>, Joe McCullagh <Joe@strathayr.com.au>
Subject: RE: Large Tree Directly Behind Existing Swab Stall - Now To Be Removed

Hi Russell,

Please be advised that unless Contour is willing to be on site at all times to make these decisions on works Contour has brought forward (Building Pad Works), then I have no choice but to take directions from those who are on site or to make an assessment myself, particularly when it comes to safety concerns and the works are already underway.

Yes, there will be an extra cost as this particular tree was the largest of all. There are many other additional smaller trees which I have been directed to remove as well because they are in the way of the new works, but I hope to absorb these extra costs.

Please also confirm the date the builder is expecting to start on site given that the building pads must have 750mm removed and replaced under Level 1 supervision and I am still waiting on approval to book a Geotechnical Engineer.

Regards,

Morris Terzo
 Consulting Engineer
 StrathAyr Turf Systems Pty Ltd
 Mob: 0407 363 952
 Email: morris@strathayr.com.au
www.strathayr.com

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From: Russell Thompson [<mailto:russell@contource.com.au>]
Sent: Wednesday, 12 October 2011 12:50 PM
To: Morris Terzo
Cc: Warren Williams; Mark Snowdon (msnowdon@racingqueensland.com.au) (msnowdon@racingqueensland.com.au); Brett Thomson
Subject: RE: Large Tree Directly Behind Existing Swab Stall - Now To Be Removed

Hi Morris,

Please be advised that Peter Birch has no authority in relation to this contract and we cannot approve any variations that arise from his instructions.

However to keep things moving, can you please advise if there is any extra cost involved to remove this tree.

Regards,

Russell Thompson

Senior Project Manager

<(null)>

For and on behalf of:

CONTOUR Consulting Engineers Pty Ltd

Phone **(07) 5493 9777** Fax **(07) 5493 6888** Mob **0488380004**

Email russell@ContourCE.com.au

PO Box 474, Buddina 4575, Qld.

Suite 2 Level 1, 6 Innovation Parkway,

Birtinya 4575, Sunshine Coast, Qld.

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From: Morris Terzo [\[mailto:Morris@strathayr.com.au\]](mailto:Morris@strathayr.com.au)

Sent: Wednesday, 12 October 2011 9:10 AM

To: Russell Thompson

Cc: Mike Lavery; Joe McCullagh

Subject: Large Tree Directly Behind Existing Swab Stall - Now To Be Removed

Hi Russell,

I confirm that Peter Birch has instructed us to remove the large tree directly behind the existing swab stall as part of our demolition this morning because it poses a safety hazard due to falling limbs etc.

This tree is currently shown on your plans as to remain but he has instructed us to proceed with its removal.

Regards,

Morris Terzo

Consulting Engineer

StrathAyr Turf Systems Pty Ltd

Mob: 0407 363 952

Email: morris@strathayr.com.au

www.strathayr.com

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Email #7B

From: Martin Waters <mwaters@arben.com.au>
Sent: Saturday, 2 February 2008 11:10 AM
Subject: RE: Synthetic Track SCTC
Attachments: RE: Cushion Track (51.6 KB)

Reid

I have not been able to get emails whilst in QLD, so I have only received the below this morning.

Like you, I too am disappointed that again drainage material is being removed from site, however, I completely refute your claims that this along with some other issues are due to a lack of Supervision on my behalf. I note the following;

Drainage Material

As you are fully aware, since the discovery of fines under the surface previously, Contour Civil Engineers has maintained a site presence and has been Supervising the rectification works to ensure that these were being carried out in accordance with their specification, as well as monitoring and inspecting the new drainage material that was being bought in. They have also been reviewing and inspecting the drainage layer as Blacklaw's had deemed it to be completed and prior to the hand over to Equestrian Surfaces (in addition to being present during inspections and handovers to Equestrian Surfaces). This process has been working successfully from the 1600m mark to the 400m mark, whereby, any isolated areas of fines discovered were being identified and replaced. In fact, I understand that Equestrian Surfaces had inspected and accepted the drainage material from the 400m mark to the 200m mark which has subsequently been defected.

I spoke with Paul Harper on Tuesday and at that time, whilst more extensive fines had been discovered from the 400m mark, the same process of removing these isolated cases was continuing. Paul was concerned at the extent of fines, however, at that stage the same system of replacement was agreed to be followed. I received an email from you at 10.38pm on Tuesday, regarding this, to which I immediately responded informing you of the process being followed (see attached). This process continued on Wednesday and it was only on Thursday morning whilst on my way to site that I was informed by Blacklaw's of their intention to replace the entire length of rock from the 400m as the extent of fines was becoming too extensive with final trimming of the rock. You state that you are of the opinion that this problem should have been rectified prior to today. I remind you that rectification was being carried out as per my advice to you.

Acceleration

I have verbally instructed Blacklaw's to accelerate and will issue a formal instruction shortly.

Other issues

I disagree with you that other issues are a result of a lack of supervision by myself. I have been to QLD and the site 3 times since returning from holidays 3 weeks ago. I also note that Contours have been on site extensively to ensure that works are being carried out in accordance with their documentation and I have been in continual contact with them, Blacklaw's and Equestrian Surfaces. I will be back on site next Monday and will continue to push the contractor to get the project completed.

With regard to items such as the rubber surface, I fail to see how this is due to a lack of supervision on my behalf. We all agreed to a product of which we were shown a sample. The product was installed, however, I was concerned at the lack of consistency of the finish and accordingly had the contractor apply more product. There was some concern at that time as to the non slip qualities of the product and it was agreed to see how this turns out after the additional material was applied. As it has now turned out, the product is now more consistent, however, Murray, Mick and yourself believe that this is slippery and does not provide the a non slip result for horses (which seems to just be an opinion as to what is slippery to a horse or not). Irrespective, I addressed the slipperiness with the contractor on Thursday and he is preparing another sample which I will inspect next week.

Similarly, the set out issue has come as a complete surprise to all of us. Blacklaw's are contracted to construct to a set of drawings which it seems that they have not with regard to set out. We have all been to site many times over the past few months (including Contours, Murray, Mick and yourself) and not once has it ever been evident or obvious that the set out may have been incorrect. To the contrary, all discussions with Blacklaw's have focussed on the winning posts lining up. Irrespective, Blacklaw's are required to rectify this as a matter of urgency.

Finally, I too am disappointed that there has been problems on site, however, I am more disappointed in your accusation that this is a result of a lack of supervision on my behalf. As you know, Contours have been on site extensively and I have been attending site approximately once a week since the start of the project. The exception to this was during the Christmas period to which I was away for one week longer than the shut down period. I have and will continue to do all I can to assist QRL with achieving their desired outcomes, however, I would request that the next time you feel the need to send me such an email, please refrain from emailing this to others.

It is my intention to visit the site twice weekly over the next couple of weeks. Please elaborate if you do not think that this will meet your instruction of "more direct supervision", until the project is finished.

Martin waters

From: Kwan Wolsey [<mailto:kwolsey@queenslandracing.com.au>] **On Behalf Of** Reid Sanders
Sent: Thursday, 31 January 2008 5:04 PM
To: Martin Waters
Cc: Robert Bentley; R Bentley; Malcolm Tuttle
Subject: Re: Synthetic Track SCTC

Dear Martin,

Following our site inspection today, let me express the following disappointment.

Again, that we have to replace 400m of rock. I am of the opinion that this problem should have been rectified well prior to today.

Given the number of concerned calls and emails you have received from both myself and Paul Harper regarding the amount of fines in the drainage layer.

Can you ensure that you issue an instruction to Blacklaw Civil to accelerate their program and if required, work nights.

Regarding a number of other problems discussed today, i.e. headwalls, rubber walkway, measuring of distances, I believe this has come about as a result of a lack of direct supervision from yourself as the project manager.

You have only visited the construction site on one occasion prior to today in 2008. The contractors returned to work on 7 December 2007, yet you were on annual leave for another week and difficult to contact. It is not easy to have problems rectified by telephone only.

I require that you provide more direct supervision of the project between now and its completion no later than 20 February 2008.

QRL require that the project be completed to allow horses to commence work on 20 February 2008.

Reid Sanders

Chief Stipendiary Steward



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SUNSHINE COAST RACING PTY LTD (ACN 120 875 363)

PURCHASING POLICY

Owner

Finance Department

Stakeholders

Corporate Wide

Revision History

Version	Date	Description of Change
1.01	April 2007	First draft (Adam Carter)

SUNSHINE COAST RACING PTY LTD

PURCHASING POLICY

Introduction

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

Sunshine Coast Racing Pty Ltd ACN 120 875 363 is a company duly incorporated having its registered office at Racecourse Road, Deagon in the State of Queensland (the Trustee), and obtaining its objects and functions from, the Deed of Trust and its Constitution. Sunshine Coast Racing Pty Ltd acts as the trustee for the Sunshine Coast Racing Unit Trust. The Deed of Trust is between Sunshine Coast Racing Pty Ltd (SCR), Queensland Racing Limited ACN 116 735 374 (QRL) and Sunshine Coast Turf Club Inc ABN 22 950 178 141 (SCTC).

Sunshine Coast Racing Pty Ltd 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 Sunshine Coast Racing Pty Ltd 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; and
- Day to day purchasing of services and supplies.

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

Sunshine Coast Racing Pty Ltd establishes an annual program of capital works, within a specified budget, following consideration of proposals from management and advice from relevant officers within the organisation.

The policy of Sunshine Coast Racing Pty Ltd, in relation to the implementation of approved projects, is briefly addressed below:

- Once projects are given preliminary approval through the annual capital budgeting process, Sunshine Coast Racing management will be required to provide detailed design and costing information, and a project plan, prepared by a suitably qualified and experienced independent consultant. Sunshine Coast Racing Pty Ltd 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 Sunshine Coast Racing Pty Ltd;
- Assuming the project cost following detailed design is contained within 10% of the preliminary estimate, and Sunshine Coast Racing Pty Ltd is satisfied with the standard of documentation provided, final approval will be given for the project to proceed (Company Secretary or Finance Manager);
- After final approval has been given, SCR management will be instructed that they can establish formal contractual arrangements for the construction works, in accordance with the approved budget. In establishing these contracts management must pay regard to the key purchasing principles contained within this policy; and
- Following completion of the project, the management will provide the SCR Board with a report, which addresses the outcomes of the project, including cost to budget, quality of product, and timeliness.

Consulting Services

Sunshine Coast Racing Pty Ltd 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, quotations or tenders should be called from at least three "preferred" contractors. The requirement for at least three "preferred" contractors for contracts between \$10,000 and \$100,000 may be waived by the Board. 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 (Company Secretary or Finance Manager);
- For contracts over \$100,000, the requirement for an open tender process on contracts in excess of \$100,000 may be waived by the Board. If a public tender is required, 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 Sunshine Coast Racing Pty Ltd, 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, an open tender process subject to board approval, as described above, must be followed.

Sponsorship Contracts

Sunshine Coast Racing Pty Ltd 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 Sunshine Coast Racing Pty Ltd'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 Sunshine Coast Racing Pty Ltd 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 Sunshine Coast Racing Pty Ltd 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

Given the advancing nature of IT and the need to upgrade hardware and systems applications on an ongoing basis, it is the policy of Sunshine Coast Racing Pty Ltd 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 unless waived by the board. 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

Sunshine Coast Racing Pty Ltd may maintain a fleet of vehicles provided for both work and private use. These vehicles are to be leased through an appropriate lease provider under the following arrangements:

- the leasing of a new vehicle must be approved by the Company Secretary or Finance Manager; 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 two years, or having travelled 40,000 kms, whichever comes first, unless the Company Secretary or Finance Manager agrees to an extension of the leasing term.

Other capital purchases

All other capital purchases (e.g. office machines) made by Sunshine Coast Racing Pty Ltd are to adhere to the following guidelines:

- The six key purchasing principles outlines 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 unless waived by the board. 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, the requirement for an open tender process on contracts in excess of \$100,000 may be waived by the Board. If a public tender is required, 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.

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 unless waived by the board;
- 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 Sunshine Coast Racing Pty Ltd's key principles are satisfied. At least three competitive quotes must be obtained for any purchase of \$10,000 or more unless waived by the board.

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Preferred Suppliers

As much as possible, Sunshine Coast Racing Pty Ltd 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. Indicative Supplier Listing

An indicative listing of preferred suppliers has been identified and is available from Finance - accounts payable through discussions with management. The list should be considered as a first cut as further work will be required to refine this list to ensure that regular purchases are defined by a supplier.

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)
- Sunshine Coast Racing'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.

ITEM	Managers	Company Secretary	Finance Manager/Accountant	Managing Director	Board of Directors
Overall Delegation	<\$2,000	<\$2,000	<\$10,000	<\$100,000	>\$100,000
Standard Purchase Orders	<\$2,000 Own Profit Centre Only – budgeted	<\$2,000 Own Profit Centre Only - budgeted	To Budget	To Budget	If outside of aggregate annual budget
Emergency Purchase Orders	<\$2,000	<\$2,000	To Budget	To Budget	Same as above
Requisition - Miscellaneous Purchases (Credit Cards)	x	<\$2,000	To Budget	To Budget	Same as above
Petty Cash	<\$100	<\$100	<\$300	<\$300	<\$300
Capital Expenditure Purchase Orders and Request Forms	x	x	Forecast projects if <\$10,000 or if satisfied Chairman has previously approved the project	Any single project <\$100,000 where included in approved annual budget	Any single project above \$100,000
Domestic (Interstate) travel	x	To budget and advise MD	To budget and advise MD	To budget	If outside of aggregate annual budget
International Travel	x	x	x	To Budget	If outside of aggregate annual budget
Official Hospitality	<\$100 <\$300 Senior Management Team	<\$300	<\$300 or other functions as approved by Chairman	To Budget	Yes
Employment of new staff	x	Negotiation only if resignation and within same salary range and approval from Board	Employment letters and contracts assuming Board approval	Yes	Yes
Execution of Contractual Agreements (All contracts to be reviewed by Legal Compliance Counsel/Company Secretary for updating of Contracts register and asses if any legal advice 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. These delegations are as follows:

Over \$100,000

- Board of Directors

Up to \$100,000

- Managing Director

Up to \$10,000

- Finance Manager

- Accountant

Up to \$2,000

- Company Secretary

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 Finance Manager 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 <\$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 48.5% 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 Sunshine Coast Racing Pty Ltd that no supplies be purchased from entities that are unable to quote an ABN;
- All suppliers to Sunshine Coast Racing Pty Ltd are to be advised that they must be able to provide a "Tax Invoice" in the form specified by the GST legislation, to enable Sunshine Coast Racing Pty Ltd to claim input credits. Under law, the supplier must supply Sunshine Coast Racing Pty Ltd with a Tax Invoice within 28 days of request. Sunshine Coast Racing 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 Sunshine Coast Racing Pty Ltd 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 must be accompanied by purchase orders that have been signed-off by a duly delegated officer. Additionally, copies of sponsorship agreement pro-formas must be provided to the Finance Manager on a timely basis; and
- The delegated officer must be satisfied that Sunshine Coast Racing Pty Ltd'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 Company Secretary or Finance Manager.

Payment Methods

Direct Debit

1.3. Business Condition

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

1.4. Business Rule

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

1. Rentals
2. Leases

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

1.5. Dependencies

Payments must be fixed frequency and price.

Cheque

1.6. Business Condition

One-off purchases that can not be paid through any other alternative option.

1.7. Electronic Funds Transfer (EFT)

All other purchases will be paid by Electronic Funds Transfer (EFT) unless previously authorised by Finance Manager

Payment Summary

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

Payment Types	Business Condition
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
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 Finance Manager

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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 >\$10,000 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 Accounts Payable\FORMS\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.

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

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SPONSORSHIP AGREEMENT

BETWEEN:

(The Sponsor)

AND SUNSHINE COAST RACING PTY LTD, a Company established 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

SUNSHINE COAST RACING PTY LTD

Full name of authorised officer

Signature of authorised officer

Signed in the presence of

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**Minutes of
Sunshine Coast Racing Pty Ltd
(ACN 120 875 393)
Board Meeting**

Wednesday, 2 May 2007

**Board Room, Queensland Racing Limited
Racecourse Road, Deagon**

**Meeting Commenced at: 10:02am
Meeting Concluded at: 12:45pm**

Board Mr Robert Bentley – Chairman
Directors Mr Graeme Fry
Present: Mr Leslie Geeves
Mr Donald Jackson
Mr Donald Moffatt
Mr William Wendt

Others Mr Adam Carter – Finance Manager, QRL
Present: Ms Debbie Toohey – Legal Administrative Assistant, QRL
Mr Andrew Hedges – Director of Integrity Operations, QRL
Mr Paul Brennan – Racing Services Manager, QRL
Mr Reid Sanders – Chief Steward, QRL

Minutes: Ms Shara Murray – Company Secretary

The Chairman commenced the meeting at **10:02am**.

SECTION 1 – STANDING ITEMS

1.1 Apologies

There were no apologies.

1.2 Additional Declarations of Conflicts of Interest

Directors are required by the *Corporations Act 2001* to disclose any material personal interest in a matter relating to the affairs of the Company.

Mr Graeme Fry declared that he is now a member of the Sunshine Coast Turf Club.

There were no other additional Declarations of Conflicts of Interest.

1.3 Confirmation of SCR Minutes of BM#3 – 7 March 2007

The Board **AGREED** that the previous minutes dated 7 March 2007 were a true reflection of the meeting.

MOVED by Mr Don Moffatt, **SECONDED** by Mr Don Jackson.

SECTION 2 – EXECUTIVE REPORTS

2.1 Finance Management Report

Mr Adam Carter updated the Board with information relating to the financial performance and results of Sunshine Coast Racing Pty Ltd (the Company) for the month ended March 2007.

Mr Carter informed the Board that there was not much movement from the previous month, the only movement was the interest the Company received from funds invested with Westpac.

- MTD, at 31 March 2007, the Company recorded a profit of \$24K mainly due to interest received from the funds invested with Westpac.
- YTD as at 31 March 2007, the Company recorded a profit of \$119K mainly due to interest received from the funds invested with Westpac.

The Board **NOTED** the finance report as presented by Mr Carter.

Mr Carter informed the Board that Public Liability insurance is currently covered for the Company by QRL through AON Risk Services, and that an insurance fee of \$2,000 per month until 30 June 2007 will be charged to the Company.

The Chairman raised that the Lease Agreement is to be drawn up in readiness for when the land sale of Corbould Park goes through. Ms Shara Murray advised the Board that a Lease Agreement has already been drawn up.

MOVED by Mr Don Moffatt, **SECONDED** by Mr Bill Wendt.

2.2 Purchasing Policy

Mr Carter presented to the Board the Purchasing Policy for the Company.

Mr Carter proposed to the Board that a Service Level Agreement be drawn up between the Company and QRL covering accounting and legal fees.

The Board **AGREED** that Ms Murray be appointed as Legal Compliance Counsel to the Company and that the Company incur the cost of a Practising Certificate for

Ms Murray.

The Board **AGREED** that Mr Carter prepare a Service Level Agreement.

The Board **APPROVED** the Purchasing Policy.

MOVED by Mr Graeme Fry, **SECONDED** by Mr Bill Wendt.

SECTION 3 – ITEMS FOR DECISION

3.1 Project Management Services

The Board conceived that the redevelopment of Corbould Park (the Project) needs to be project managed and so in turn, appointed, upon recommendation by the SubCommittee appointed by the Company, Mr Martin Waters of Arben Management to provide Project Management Services to the Company and Queensland Racing Limited in the redevelopment of the Corbould Park Racing Precinct at Caloundra.

It was **AGREED** that the Board was to be updated regularly of each stage by the Project Manager and regular monthly Board reports are to be provided. Any expenditure is to be approved by the Board.

Mr Waters will be initially responsible for:

- Preparation of a practical and affordable inception master plan for the Project.

This will identify the location of:

- (a) the stables and their site access to the training tracks, and
 - (b) the synthetic track.
- Manage the development and construction of the Synthetic Training Track including associated services, facilities and access according to the manufacturer's specifications concerning the laying of the Company's chosen synthetic surface.
 - Manage the design and construction of the stabling and associated facilities (probably 200 stables in stage 1).
 - The total fee payable for this Project by the Company to Arben Management is One Hundred and Ninety Thousand Dollars (\$190,000) (exclusive of GST).
 - Allocated office space will be provided to Arben Management at the Sunshine Coast Turf Club, Corbould Park Racecourse for its use for the duration of the Project.
 - This total fee payable is for the completion of the Project and its objectives.

The Board **AGREED** that Ms Murray was to write a letter of appointment to Arben Management outlining the Board's objectives and requirements.

MOVED by Mr Don Moffatt, **SECONDED** by Mr Bill Wendt.

3.2 Green Barrier – Main Roads

The Chairman advised the Board that the gradual removal of the tree green barrier on Caloundra Road was a safety issue and that this issue was referred to at a meeting held between the Mayor of Caloundra City Council, the Chairman and Mr Les Geeves on 18 April 2007. This matter will be referred to the Project Manager, Mr Martin Waters.

NOTED by the Board.

SECTION 4 – ITEMS FOR DISCUSSION/NOTING

4.1 Watpac

The Chairman advised the Board that the Company had received interest from Watpac in the form of an introduction letter and a Corporate Capability Statement March 2007.

The Board **AGREED** that Ms Murray was to write a reply letter to Watpac thanking them for their interest, but advising them that a Project Manager has been appointed.

4.2 Synthetic Track

Mr Reid Sanders and Mr Andrew Hedges updated the board on the progress of the Synthetic Track Project.

Mr Sanders and Mr Hedges met with the company Blacklaw who has previous experience and a good understanding of synthetic tracks.

The newly appointed Project Manager, Mr Martin Waters will be tasked with liaising with Blacklaw, especially regarding the civil works in respect of the Synthetic Track installation. In particular, Mr Waters will liaise with Blacklaw's concerning the following issues:

- soil testing
- civil works timeframe
- stakeholders feedback
- lighting design
- dam extension
- other tracks to train on, etc

Mr Reid Sanders showed videos to the Board and Mr Waters of Hollywood Park, California in relation to the synthetic track that was laid approximately 7½ months ago. Mr Sanders advised that a synthetic track provides substantial water benefits, for instance, Hollywood Park has not used any water on the track since it was first laid.

Mr Sanders stated that a cushion track was more receptive to warmer climates.

Mr Bill Wendt commented that Mr Mick Sullivan, Chief Executive Officer of Sunshine Coast Turf Club needs to be updated and consulted on the Project.

NOTED by the Board.

4.3 Sale of Corbould Park

The Chairman advised that both he and Mr Geeves met with the Mayor of Caloundra City Council (the Council) on Wednesday, 18 April 2007 at Caloundra. The Chairman enquired if the Council were prepared to offer any money to the Company for the redevelopment of Corbould Park. The Mayor declined.

The Board **AGREED** that Ms Murray write a letter to the Chief Executive Officer of the Council stating that the Company is prepared to seek a Court Ruling on the ability of the Council to make a financial grant to the redevelopment of Corbould Park.

4.4 Land Resumption

Mr Don Moffatt noted his concern in relation to the amount of land that is being resumed at Corbould Park. Mr Moffatt advised that the Board and CEO of the Sunshine Coast Turf Club have not received any notices from the Caloundra City Council concerning the resumption of any land.

The Board **AGREED** that Ms Murray was to explore the matter concerning the land resumption at Corbould Park.

SECTION 5 – GENERAL BUSINESS

5.1 Next Meeting Date

Tuesday, 5 June 2007 at 10:00am.

The meeting concluded at **12:45pm**.

Confirmed as a true record.

Mr Robert Bentley
Chairman

Dated...../...../2007

ATTACHMENT “A”

Mr Robert Bentley

- Director of UNiTAB Limited
- Director of Tattersall’s Limited
- Director/Chairman/Class ‘B’ Member of Queensland Racing Limited
- Director of the Australian Racing Board
- Chairman of the Australian National Racing Committee

Mr Graeme Fry

- Member of Sunshine Coast Turf Club

Mr Leslie Geeves

- Director/Chairman of the Sunshine Coast Turf Club

Mr Donald Jackson

- Director of the Sunshine Coast Turf Club

Mr Donald Moffatt

- Director of the Sunshine Coast Turf Club

Mr William Wendt

- Director of the Sunshine Coast Turf Club

Racing Queensland Limited

CODE OF RACING POLICY DEVELOPMENT

DATE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

Racing Queensland Limited (Racing Queensland) is authorised by law to manage the thoroughbred, harness and greyhound racing codes. Good management is enhanced by policies that provide clear guidance for action, clarify roles and responsibilities, make explicit the basis for decision-making used in managing the codes, and provide a sound framework for the development of rules and procedures made under the codes.

The desired outcome to be achieved is effective and credible policies that maintain public confidence in the Queensland racing industry, ensure integrity of persons involved, and safeguard the welfare of animals. The objective of this policy is to establish a transparent and systematic process for the development of policy by Racing Queensland that provides opportunity for those likely to be affected by the policy to have input into its development.

The purpose of this document is to establish the principles for policy making by Racing Queensland, including consultation that must be undertaken as part of the development of a policy as required by section 81(a) the *Racing Act 2002* (Act).

POLICY STATEMENT

Racing Queensland makes policies in accordance with its legislated responsibilities for the development of policies under the Act and in the interests of good management of the racing codes. Policy is made by the Racing Queensland Board and issued under the authority of the Board.

The development of policy will:

- be directed at achieving the strategic outcomes of maintaining public confidence in the Queensland racing industry, ensuring integrity of persons involved, and safeguarding the welfare of animals, through transparent and consistent decision-making
- be informed by racing practice and developments elsewhere
- provide opportunity for input by those affected by the proposed policy
- incorporate relevant legislative requirements and standards, including natural justice principles
- align with national standards and directions except where these may conflict with legislative provisions under the Act
- be based on a process that is practical and relevant in the industry context
- promote accountability by making explicit the roles and responsibilities for action under the policy, including enforcement of compliance with the policy

- include systematic review and evaluation of the policy and its effects.

Consultation is a core element. A formal consultation stage that provides for industry-wide input on policy content is built into the standard policy development process. This includes a minimum period of 28 days for comment.

Racing Queensland will also seek direct input from Queensland racing industry peak bodies where the policy matter being addressed is relevant to the area of responsibility of that peak body and directly concerns the industry group(s) that it represents. Peak body direct consultation does not preclude a peak body making additional comment or submissions as part of the industry-wide consultation process.

Racing Queensland may also choose to consult directly with particular Queensland racing industry groups other than a peak body as part of the formal consultation process. This is at the discretion of the control body, and may be determined by the nature and scope of the policy matter, the extent to which the peak body(s) represent the range of stakeholders potentially affected by the policy, diversity of interests and positions on the policy matter, timing and resource considerations, or other issues determined by Racing Queensland.

Racing Queensland may also consult with industry peak bodies or representatives and with individuals within or outside the Queensland racing industry at any other time during the development of a policy in order to become informed about issues relevant to the policy matter, policy options, potential impacts of options, or any other matters related to the making of the policy.

If exceptional circumstances require the urgent making of a policy in a timeframe that does not allow adequate time for formal consultation, the policy will be reviewed within three months and will not continue to have effect after six months unless there has been formal consultation on the review of the policy consistent with the formal consultation process applied in the development of a non-urgent policy. Exceptional circumstances relate to the making of policy on matters that require immediate attention, for example, as a result of a court ruling that affects existing policy.

Consultation submissions must be made in writing. Racing Queensland will provide feedback on written submissions made during the formal consultation process, either on an individual or group basis as considered appropriate by Racing Queensland. Confidentiality will be respected where comments have been provided on an in-confidence basis.

Consultation drafts and final policies will be publicly available, either free of charge on the Racing Queensland website or for viewing at Racing Queensland offices, or copies may be purchased at the cost of photocopying and postage. Racing Queensland may waive this charge at its discretion.

Procedures made under this policy may be amended by Racing Queensland without triggering the consultative processes required for new policy development at any time in order to promote the objectives of this policy and where the revised procedures do not constitute a change to the policy statement.

APPLICATION

This policy applies to industry policy made by the Racing Queensland Board. It does not extend to policies that relate to the management and administration of the control body's staff and resources. Because policy made by the Racing Queensland Board addresses management of the thoroughbred, harness and greyhound codes of racing, this policy has the potential to affect all persons involved in the codes of racing.

DEFINITIONS

'Industry policy' refers to policies relevant to the control body's function of managing the thoroughbred, harness and greyhound codes of racing.

'Formal consultation' refers to a process of inviting submissions on a policy proposal or draft policy being developed by Racing Queensland and made publicly available for the purpose of obtaining comment on the policy content from the Queensland racing industry and other relevant stakeholders.

PROCEDURES

The process for developing and endorsing policy by Racing Queensland will generally involve the following stages:

1. problem definition, identifying relevant issues and desired policy outcomes
2. research and assessment of options, including review of practice and policy in other Australian jurisdictions and informal consultation as appropriate
3. preparation of a draft policy on a preferred option, endorsed by the Racing Queensland Board as the basis for formal consultation
4. formal consultation, following publication of a notice of availability of a draft policy or other policy document for industry comment
5. review of consultation input, consideration of amendments to draft policy, and provision of feedback on submissions
6. policy documentation and the Racing Queensland Board endorsement of the policy
7. notification of policy decision, commencement date, and availability of policy to industry; copy of policy to the Executive Director, Office of Racing as required by the Act
8. policy implementation, including amendments to local rules where required and incorporation into Racing Queensland policy manuals, plans and other records as appropriate
9. policy monitoring and review as determined by the Racing Queensland Board

The time period for Queensland racing industry submissions is 28 days from the publication of notice of availability of a draft policy, unless Racing Queensland determines a longer period for receiving comment. The consultation document must be available for viewing on and from the first day of this 28 day period.

The notice of availability of a draft policy will normally be by publication on the Racing Queensland website and in the Racing Queensland magazine. If the notice is not published simultaneously in both the magazine and on the website, then the 28 day period commences from the later date. The notice will state, at a minimum, the name of the policy, the matters that the policy will deal with, where copies of the draft can be viewed or obtained (including any charge for providing copies), the format and contact details for submissions on the draft, and the closing date for receipt of comments and that person may comment on the draft policy to Racing Queensland by the closing date for comments. Peak bodies and licensed clubs will also be advised by post or e-mail of the availability of draft policy and invited to submit comments.

The format for submissions is at the discretion of the person or body making comment but must be in writing. E-mail submissions are an accepted format.

Racing Queensland feedback on submissions may be in the form of a verbal or written response directly to the individual or body concerned or through an article published in the Racing Queensland magazine or on the Racing Queensland website providing a general overview of the common comments put forward in industry submissions. Confidentiality must be respected where comments have been provided on an in-confidence basis.

Copies will be available free or on payment of a reasonable price at the place stated in the notice.

Policy will be drafted in the format set out at Attachment A, which accords with s.83 of the Act.

The formal endorsement of a policy must be recorded in the Racing Queensland Board minutes, specifying the name of the policy, the decision that the policy has been made by the Board under the Act, and the date that the policy was made. A copy of the policy must be referred to the Executive Director, Office of Racing within 14 days of the policy being made. Any record of decisions by the Board on policy drafts until the final endorsement of the policy does not constitute the actual making of a policy.

If an urgent policy is made that does not comply with the consultation processes outlined, the Board's minutes must record:

- the reason for the urgency of the making of the policy
- the date at which the policy will be reviewed
- the date the reviewed policy was considered by the Board
- the Board's decision on the matter.

If the policy statement is amended after review, the same notification, documentation, and other processes apply as if the policy is a new policy.

Changes to the procedures section of this policy must be authorised by the Board. Any substantive changes that affect procedures involving industry stakeholders will be published on the Racing Queensland website and the Racing Queensland magazine and/or advised directly to peak bodies and those affected. Amendments to the policy statement section require the making of a new policy.

A copy of each policy must be held in a register maintained for that purpose.

A copy must be published on the Racing Queensland website as soon as practicable after the policy has been made by the Board. Copies must be given to any person who asks for a copy, subject to payment of the price set for the policy.

Withdrawal of a Policy

To withdraw a Racing Queensland policy, the Board of Racing Queensland must resolve that it intends to withdraw the policy in question, which will cease to have effect on and from the date of the Board's resolution or on such later date as is stated in the resolution.

The above 'Withdrawal of a Policy' clause is not applicable to Section 81 policies, as they must be maintained as a requirement of the *Racing Act 2002*.

The formal withdrawal of a policy must be recorded in the Racing Queensland minutes, specifying the name of the policy. A copy of the withdrawal resolution must be referred to the Executive Director of the Office of Racing and Peak Bodies.

Roles and responsibilities

The Racing Queensland Board is responsible for ensuring all industry policies made by the Board on and after its commencement date accord with this policy.

Racing Queensland staff developing policy for consideration by the Board are responsible for drafting policy and managing consultation processes in accordance with this policy and its procedures.

Rules of racing

This document encompasses the policy and procedures for applying the policy in its entirety. Rules of racing will not be made for this policy.

Attachment A: Format of policy document

Review

Review date will be July 2012.

REVISION HISTORY

Version	Date	Description
1.01	July 2010	Board adopted under exceptional circumstances
1.02	September 2010	Board confirmed this policy continued to have effect

ATTACHMENT A: FORMAT FOR POLICY DOCUMENTS

Policy title:

The name of the policy, as recorded in the policy register.

Date of commencement:

The day the policy is made and the date it takes effect, which must not precede the date the policy was made by the Racing Queensland Board.

Purpose:

A succinct statement of why the policy is needed, the desired policy outcome, the specific policy objective making explicit how this particular policy contributes to achieving that outcome, and the purpose of the policy document.

Policy statement:

A clear statement of Racing Queensland's position and intent on the matter, separate from detailed procedures, and including the basis for control body decision-making about matters provided for in the policy.

Application:

Sets out the scope of the policy and who the policy applies to including, as required by the *Racing Act 2002* s. 83(1)(e), who will be affected by it.

Rules of Racing:

Detailed procedures for operationalising the policy, specifying key roles and responsibilities including enforcement responsibility. It includes policy review dates. This section may include cross-reference to the rules of racing where procedures relevant to the policy matter are dealt with under the rules. It must include a statement on whether or not rules of racing are to be made for the policy, as required by the Act s. 83(1)(g).

Attachments:

Used for stand-alone material such as forms, extracts from other sources, etc.

Racing Queensland Limited

POLICY ON THE FORMATION, MANAGEMENT AND LICENSING OF CLUBS

DATE THE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the industry. Section 81(i) of the Act requires Racing Queensland to make a policy on the formation and management of clubs eligible to be licensed to hold race meetings.

The racing industry depends on properly formed and soundly managed race clubs for its continued prosperity.

Proprietary race clubs are race clubs that provide facilities at which races are run for a profit. They are businesses, as opposed to not-for-profit race clubs, which exist to provide facilities at which race meetings are held for the benefit of members.

The purpose of this policy is to ensure that Queensland Race Clubs, whether they are proprietary or non-proprietary, are properly formed and soundly managed and that they provide a work environment free from unsafe work practices, harassment, unlawful discrimination, bullying, and misconduct.

POLICY STATEMENT

Club formation

Racing Queensland will ensure that race clubs are properly constituted under either the *Associations Incorporations Act 1981* (Queensland) (for clubs formed as incorporated associations), or, the *Corporations Act 2001* (Commonwealth) (for clubs formed as corporations) before it licenses these clubs.

Application for a Licence

In accordance with the Act and the Rules of Racing, clubs must apply for registration on or before 1 July each year. Accompanying their application, clubs must provide the information required by the Procedures Manual.

In accordance with the Rules of Racing, a race club committee must not contain more than two licensees as members unless the club has obtained written permission from Racing Queensland. A licensee must not hold the position of race club secretary without written permission from Racing Queensland. (For the purposes of this rule, a person holding a permit to train his or her own horses will not be deemed to be a licensee).

Race club committee members and executive officers must be of good character. In accordance with section 88 of the Act, Racing Queensland will not licence a club if a committee member or executive officer is a bankrupt or has a conviction, other than a spent conviction, for:

- An offence under the Act or previous racing legislation.
- An indictable offence or a summary offence that involved dishonesty, fraud, stealing or unlawful betting.
- An offence under another State's laws about racing or betting.

Grant of a licence and conditions

1. Licences granted by Racing Queensland to clubs carry the following conditions:
 - (a) If a club cancels or abandons the race meeting or attempts to cancel or abandon a race meeting without the consent of Racing Queensland, the club agrees that Racing Queensland's representatives who control races at race events, together with all horses, greyhounds, jockeys, owners, drivers, trainers, bookmakers and other persons involved in the conduct of race events and betting on licensed venues and in the transmission by sound or video of race events, may enter the licensed venue with all equipment, vehicles and other property for the purposes of conducting the race event, and broadcasting and telecasting that event and the conduct of betting and to do such acts and things as are necessary for or incidental or convenient for the conduct of the race meeting for the club.
 - (b) If the club cancels or abandons or attempts to cancel or abandon an event without the consent of Racing Queensland and Racing Queensland believes that it is in the best interests of the management of the code of racing for the event to be held, the club consents to an injunction restraining it from in any way interfering with the carrying of or the event under the control of Racing Queensland for the club.
 - (c) These provisions apply notwithstanding any provision of any other Policy or Rule.
2. Racing Queensland has the power to impose such other conditions on a licence issued to a club as it determines necessary.

Club management

Racing Queensland will oversee the financial management and performance of all Queensland race clubs to ensure they are properly and soundly managed.

All Queensland race clubs, whether proprietary or non-proprietary, must manage their finances according to the Act, the Rules of Racing and the Financial Management Procedures Manual for Queensland Race Clubs and section 34(2) of the Act, must comply with the direction from Racing Queensland in relation to the club's operations or racing venue. The Financial Management Procedures Manual for Queensland Race Clubs is available on the Racing Queensland website.

Non-proprietary race clubs must comply with Racing Queensland's Policy on Spending by Non-Proprietary Licensed Clubs and Policy on Disclosure of Assets by non-proprietary Licensed Clubs.

Safe working environment

Racing Queensland requires race clubs to take all reasonable steps to provide a safe working environment for its official's staff and licensees by fostering a culture of high ethical standards and support for whistleblowers and by not tolerating unlawful discrimination, harassment, bullying or unsafe work practices.

Protective action

Racing Queensland will take protective action against a club that contravenes the Act, *Associations Incorporations Act 1981*, *Corporations Act 2001* (Commonwealth), the Rules of Racing, the Financial Management Procedures Manual for Queensland Race Clubs, Racing Queensland's policies or directives or legislation providing for a safe working environment. Racing Queensland will periodically audit race clubs to ensure they continue to be suitable to be licensed.

Dissolution of a club

Before the dissolution of a club can occur that results in the disposal of the club's assets, the following is required:

1. The club is to provide a list of all the club's assets and the club's proposed disposal of such assets in writing to Racing Queensland for its consideration and approval.
2. Once Racing Queensland has considered and approved the club's proposal, the club will be required to call a general meeting of all members to agree to the disposal.
3. The club must comply with its governing document and any legislation applying to the club, including the *Associations Incorporations Act 1981* and *Corporations Act 2001* in all regards and particularly in relation to:
 - (a) the dissolution of the club;
 - (b) the disposal of its assets upon dissolution;
 - (c) the calling and holding of a general meeting of its members to approve the dissolution of the club and disposal of club assets;
 - (d) the decision of members at the general meeting called to approve the dissolution of the club and disposal of club assets; and
 - (e) notification to the relevant government departments or other bodies (as required by relevant legislation) in relation to the outcome of the general meeting and dealings with the club's assets.
4. The club must comply with the Act and any other policies of Racing Queensland in relation to the dissolution of the club and the disposal of its assets.

Club relinquishment of its race club license

A club is to adhere to the following procedures when it relinquishes its race club license:

- (a) The club is to formally advise Racing Queensland Limited in writing that it wishes to relinquish its race club license. This formal notification is to include the date it intends to relinquish its license, a copy of the Member's Minutes approving this relinquishment and the club's intentions in relation to further operations of the Association/Corporation.

(b) The club to be advised in writing by Racing Queensland that:

- i. The club's license has been relinquished [as at the relevant date]
- ii. The club will no longer be covered by Racing Queensland's public liability insurance and/or other relevant insurance coverage
- iii. The club will not be allocated any race dates
- iv. The club will not receive any funding from Racing Queensland, and
- v. Under the Australian Rules, if participants take part in an unregistered meeting they are disqualified as are their horses. [This occurs unless Racing Queensland gives dispensation – Racing Queensland would be inclined to give dispensation as long as the club advises the licensee they are not insured etc.]

APPLICATION

This policy applies to all race clubs licensed by Racing Queensland, whether they are proprietary or non-proprietary.

DEFINITIONS

'Protective action (by Racing Queensland against a club)' may include cancelling, suspending or varying the club's licence or imposing a monetary penalty.

'Discrimination' occurs when a person is treated more or less favourably than another person would be under similar circumstances. Discrimination is unlawful when it is on the basis of an attribute described in the *Anti-Discrimination Act* (i.e. sex, marital basis, pregnancy, parental status, breastfeeding, age, race, impairment, religion, political belief or activity, trade union activity, lawful sexual activity, sexuality, gender identity, family responsibilities; or association with, or relation to, a person identified on the basis of any of the above attributes).

'Non-proprietary race club' refers to a not-for-profit race club. A non-proprietary race club has a constitution that both:

- (i) provides for the application of all of the club's profits and other income for the promotion of the club's objects; and
- (ii) prohibits the payment of dividends to the members of the club.

'Procedures Manual' means the manual containing the procedures of Racing Queensland from time to time.

'Proprietary Race Club' refers to a for-profit race club

'Proprietary racing' refers to racing where the person is conducting the race meeting receive a share of the profits, instead of the profits being returned to the code of racing for use as prize money.

'Rules of Racing' means national, Australasian Rules and Local Rules for the thoroughbred, harness and greyhound codes of racing.

'Local Rules' means rules made by Racing Queensland Limited from time to time.

'Sexual harassment' is any unwanted, unwelcome or uninvited behaviour of a sexual nature that makes a person feel humiliated, intimidated or offended.

'Whistleblower' refers to a person who discloses information about official misconduct, maladministration, negligent or improper management of public funds, reprisal, or danger to persons of the environment in the public interest to an authority that is able to investigate and remedy the matter.

ROLES AND RESPONSIBILITIES

Racing Queensland

Racing Queensland will:

- assess race clubs' licence applications to ensure all the required information is provided and that the club is properly constituted;
- conduct investigations to ensure that club committee members, executive officers and other people associated with the ownership or management of race clubs are of good character and suitable to hold such positions;
- analyse race clubs' financial statements, company / committee minutes, annual reports and strategic and business plans to ensure the clubs are properly and soundly managed;
- regularly audit the operations of race clubs to ensure their continued suitability to be licensed.

Race club secretaries

Race club secretaries must ensure their club provides full documentation for its license application.

Race club treasurers

Race club treasurers must ensure their club provides its annual report, properly audited balance sheet and profit and loss statement and copies of any corporate, strategic, business or other plan the club may have adopted during the financial year.

Rules of Racing

Race clubs must comply with the Rules of Racing about the formation and management of race clubs.

Review

This policy was reviewed in September 2010.

Next review date will be September 2012.

REVISION HISTORY

Version	Date	Description
1.01	July 2010	Board adopted under exceptional circumstances
1.02	September 2010	Board confirmed subject to recommended amendments, this policy continues to have effect.

Racing Queensland Limited

POLICY ON SPENDING BY NON-PROPRIETARY LICENSED CLUBS

DATE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002 (Act)* authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the industry. Section 81(t) of the Act requires Racing Queensland to make a policy on spending by non-proprietary licensed clubs.

Licensed race clubs organise and run thoroughbred, harness and greyhound racing meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the Queensland racing industry. They generate revenue and profits and hold assets for the benefit of their members and on behalf of the Queensland racing industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the Queensland racing industry as a whole depends on race clubs instituting sound financial management practices.

Queensland race clubs range from multi-million dollar businesses with substantial administrations to those that race once or twice a year and are administered voluntarily. The corporate governance structures will therefore differ substantially from club to club but the fundamental principles of business management and control remain the same. Race clubs must ensure their expenditure is for legitimate purposes, that they receive value for money and that they have appropriate documentation to support their expenditure.

Racing Queensland helps race clubs administer their finances and monitors race clubs' financial management and performance. This includes providing a Financial Management Procedures Manual (which is available on the Racing Queensland website), a standard chart of accounts and standard annual report, and requiring race clubs to obtain authorisation before undertaking certain types of expenditure.

The purpose of this policy is to help Racing Queensland and licensed race clubs manage the Queensland racing industry's finances, and to ensure race clubs understand their financial roles and responsibilities and have the necessary tools and support to manage their finances soundly.

POLICY STATEMENT

Racing Queensland requires licensed race clubs (race clubs) to manage their finances effectively and accountably for the benefit of the club, the Queensland racing industry, and the public as a whole.

Race clubs must manage their finances, including their expenditure, in accordance with relevant legislation, including the Act, *The Associations Incorporations Act 1981 (Qld)*, and the *Corporations Act 2001 (Cth)*.

Race clubs must also manage and make disclosure about their finances in accordance with rules and procedures set down and administered by Racing Queensland, including the rules of racing, License Conditions and the Financial Management Procedures Manual prepared by Racing Queensland, which is available on the Racing Queensland website.

In relation to expenditure, race clubs should take particular note of the following requirements contained in the Act and the Financial Management Procedures Manual:

- Section 112 of the Act, provides for race clubs to incur expenditure for the encouragement of the code of racing in accordance with any relevant Control Body policies and that race clubs must seek written approval from the Control Body to expend amounts of any charitable, benevolent, patriotic or special purpose.
- Appropriate internal control systems should be established to minimise the risk of misappropriation of race club revenues or fraudulent expenditure, and to ensure that financial disclosure of expenditure is not compromised.
- Internal control systems should include clearly documented authorities for the approval of expenditure by race club officers.
- All expenditures must be supported by appropriate documentation that must be maintained in accordance with the section on "Safeguarding and Retention of Accounting Records" in the Manual.

In addition to the requirements of the Act and the Financial Management Procedures Manual, a race club must obtain prior approval in writing from the Chief Executive Officer of Racing Queensland 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, investing in property or shares, the establishment of gaming facilities and sponsoring non-racing related events.

Racing Queensland will monitor race clubs' financial management and financial performance.

Should Racing Queensland find a race club is not complying with the Financial Management Procedures Manual, relevant legislation or this policy, Queensland Racing will direct the club to take action to rectify the situation.

Should a club refuse to comply with such a direction, Racing Queensland will take appropriate action under the Act, which could include suspending or cancelling the club's license.

APPLICATION

This policy applies to all Licensed Non-proprietary Race Clubs in Queensland, including these clubs' management committees and officers.

DEFINITIONS

“Capital expenditure” refers to the application of funds toward the purchase or construction of items that will not be fully expensed through the club’s Statement of Financial Performance in the year of purchase.

“Charitable purpose” refers to a race club donating money to a benevolent cause not associated with the operations of the race club.

“Encouragement of racing” refers to the application of monies by a race club to the core business and business objectives of the race club – the conduct of thoroughbred, harness or greyhound racing.

“Financial Management Procedures Manual” refers to the publication prepared and distributed by Racing Queensland that provides comprehensive guidelines and standards for race clubs for their financial and business operations.

“Internal control systems” refer to the practices and processes established by race clubs to ensure high standards of corporate governance and financial accountability are in place, and to minimise the risk to race clubs of fraudulent activity or theft.

“Non-Proprietary Race Club” a not-for-profit race club – A non-proprietary race club has a constitution that both:

- (a) provides for the application of all of the Club’s profits and other income to the promotion of the Club’s objects, and
- (b) prohibits the payment of dividends to the members of the Club.

PROCEDURES

Racing Queensland’s Financial Management Procedures Manual details the way clubs must manage their finances, including their expenditure.

Roles and responsibilities

Club committees

Club committees must ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club committees must provide accurate, complete and timely information on club finances to Racing Queensland 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 the Financial Management Procedures Manual. Club committees must comply with a direction from Racing Queensland.

Club treasurer

Club treasurers must ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club treasurers must provide club committees with accurate, complete and timely information on club finances to help committees make decisions. They must oversee the internal accounting and stock controls and procedures of the race club and ensure that appropriate standards in that regard are being met and that the risk of misappropriation or fraudulent use of race club monies is minimised. Club treasurers must ensure that all committee members and club officials comply with the policies and practices the committee establishes for the financial operations of the club.

Club officials

Race club officials must ensure club expenditure is for legitimate purposes, represents value for money and is 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.

Racing Queensland Limited

Racing Queensland provides support and guidance to race clubs, monitors clubs' financial management and financial performance and, if necessary, intervenes to ensure clubs manage their finances appropriately.

Racing Queensland assesses proposed major Capital Expenditure by clubs and any proposed expenditure by clubs not directly related to the conduct or encouragement of racing. Racing Queensland must comply with a direction from the Minister for Racing.

Minister for Racing

~~The Minister for Racing is responsible for the overall good management of the Queensland racing industry. The Minister may give a direction to a control body relating to a policy under the Act.~~

Rules of Racing

Rules of Racing will not be made for this policy.

Racing Queensland Limited

POLICY ON DISPOSAL OF LAND BY NON-PROPRIETARY LICENSED CLUBS

DATE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Qld) (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the Queensland racing industry. Section 81(u) of the Act requires Racing Queensland to make a policy on Disposal of Assets by Non-proprietary Race Clubs. Section 113(1) (b) of the Act extends the definition of assets to an interest in real property that is used for the purposes of a licensed venue or a place for exercising, conditioning, or training licensed animals. Further, section 81(b) of the Act requires Racing Queensland to make policies for the safeguarding of the public interest in the code.

This Policy does not apply to disposals covered by other policies of Racing Queensland. This is discussed in the Application section of this policy.

Licensed race clubs organise and run thoroughbred, harness or greyhound race meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the Queensland racing industry. They generate revenue and profits and hold assets for the benefit of their members and on behalf of the industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the industry as a whole depends on race clubs instituting sound financial management practice.

Safeguards are in place in the Act to prevent any club from disposing of land without appropriate due diligence being undertaken by Racing Queensland and a request being made to the Minister responsible for racing for the ultimate Disposal approval under the Act. These provisions were included in the Act to ensure that any funds received from a Disposal were used in such a way as to benefit not only an individual race club but the wider Queensland racing industry as well.

Queensland race clubs range from multi-million dollar businesses with substantial administration to those that race once or twice a year and are administered voluntarily. The corporate governance structures will therefore differ substantially from club to club but the fundamental principles of business management and control remain the same. Race clubs must ensure their Disposal of Assets is for legitimate purposes, that they receive proper consideration for the Disposal of Assets, and that they have appropriate documentation to support any Disposal of their assets.

The purpose of this policy is to enable Racing Queensland to ensure that the proceeds of any Disposal of racecourse land is expended in accordance with this policy and provides the racing industry, stakeholders and clubs, with the best possible economic benefit.

POLICY STATEMENT

Racing Queensland requires Queensland race clubs to manage their assets effectively and accountably for the benefit of the club, the Queensland racing industry, and the public as a whole.

Race clubs must manage their assets in accordance with the relevant legislation including the Act, the *Associations Incorporation Act 1981*(Qld) and the *Corporations Act 2001* (Cth). Race clubs must also manage and make disclosures about their assets in accordance with rules and procedures set down and administered by Racing Queensland, including the Rules of Racing, Licence Conditions and the Financial Management Procedures Manual prepared by Racing Queensland, which is available on the Racing Queensland web site. In addition to this is Racing Queensland's Policy on Dealing with Intangible Assets by Non-proprietary Licensed Clubs.

Race clubs must take particular note of the following requirements contained in the Act and the Financial Management Procedures Manual:

- Race clubs must not dispose of property that is used as a licensed racing venue or a place for exercising or training race horses without first obtaining the written approval of the Board of Racing Queensland and the Minister responsible for racing and the approval of a majority of the club's members present at a meeting where the matter was considered.
- Race clubs must establish appropriate internal control systems to minimize the risk of misappropriation of assets.
- Internal control systems must include clearly documented authorities for the Disposal of Assets by race club officers.
- All disposals of assets must be supported by appropriate documentation that must be maintained in accordance with the section on "Safeguarding and Retention of Accounting Records" in the Manual.

In addition to the requirements of this Policy, the Act, the Financial Management Procedures Manual, and the Policy on Dealing with Intangible Assets by Non-proprietary Licensed Clubs, a race club which is intending on using proceeds from the Disposal of land must take into consideration the requirements under the:

- TAB Race Clubs Capital Works Policy; and
- Policy on Spending by Non-proprietary Licensed Clubs.

Racing Queensland will monitor race clubs' asset management performance.

APPLICATION

This Policy applies to all Licensed Non-proprietary Race Clubs in Queensland, including those clubs' management committees and officers.

This Policy does not apply to the Disposal of Assets of a club that is land if the Disposal is dealt with under another policy of Racing Queensland.

DEFINITIONS

'Capital Expenditure' refers to the application of funds towards the purchase or construction of items that will not be fully expensed through the club's statement of financial performance in the year of purchase.

'Disposal and Disposal of Assets' includes distribute, forfeit, relinquish possession of, sell or otherwise give up the asset.

'Financial Management Procedures Manual' refers to the publication prepared and distributed by Racing Queensland that provides comprehensive guidelines and standards for race clubs for their financial and business operations.

'Non-proprietary Race Club' refers to a not-for-profit race club - A non-proprietary race club has a constitution that both:

- (a) provides for the application of all of the club's profits and other income to the promotion of the club's objects; and
- (b) prohibits the payment of dividends to the members of the club.

PROCEDURES

A Non-proprietary Race Club wishing to dispose of land owned by the race club needs to obtain the approval of a majority of its members, the approval of Racing Queensland and the approval of the Minister responsible for racing.

Clubs will be asked to provide the following supporting documentation with any application to dispose of racecourse land:

- Latest audited financial statements of the club.
- Copy of the club's constitution.
- Current valuation of the full lands held by the club.
- Current valuation of the proposed sale portion.
- Copies of all materials considered by the club's board or committee in relation to the proposal.
- Copies of board or committee minutes relating to its consideration of the proposal.
- Current survey by registered surveyor.
- Current zoning of the land.
- Details of any covenants on the land.
- Details of any encumbrances on the land registered or unregistered.
- Copy of proposed sale documentation that the club is required to execute.
- Details of purchasers intended use of the acquired land and any proposed zoning or material change of use.
- Due diligence report on proposed purchaser and a report from the clubs bankers that the proposed purchaser can complete and satisfy the contract conditions.
- Documentation outlining all the costs legal, accounting, valuation and due diligence reports required.

- Report from the local authority on the suitability of the proposed use of the disposed land.
- Copy of documentation provided to members of the club regarding the Disposal of the land.
- Copy of the minutes of meeting approving the Disposal of the land.
- Documentation setting out the number of members of the club at the date of the resolution to approve the Disposal of the land and the number of members who voted on the motion.
- Any other information required by Racing Queensland to enable it to make a decision in relation to the application.

DETERMINING THE RECOMMENDATION

In determining the recommendation to the Minister responsible for racing, Racing Queensland will consider the following:

- Compliance with Racing Queensland policies.
- Club's strategic plan.
- Club's business plan.
- The proposed use of the funds.
- The benefit to be derived by the club and its impact on surrounding clubs and the region.
- The overall improvement to the regions infrastructure and the Queensland racing industry stakeholders generally.
- The impact on the strategic direction and advancement of the Queensland racing industry program and the impact on whole of industry wagering outcomes.

When deciding whether to approve the Disposal, Racing Queensland will have the authority to impose any conditions on the Disposal and use of the proceeds.

Each application for approval will be considered on its merits. Where necessary to properly consider a request for approval, Racing Queensland may request other information, documents or further submissions by any applicant.

A condition that Racing Queensland may impose is that the club enter into a written binding agreement with Racing Queensland which requires the club to dispose of the proceeds from the Disposal of land in a manner proposed by the club which has also been approved by Racing Queensland.

Such a written binding agreement could provide for a range of uses that could be made of the proceeds from the Disposal of land which may involve a mixture of outcomes including some contribution to the wider racing industry including an apportionment of the funds from the Disposal of the land between the club and the wider racing industry in the range of 50/50 or 30/70.

The discussion regarding possible conditions that Racing Queensland could impose above in no way limits the conditions that Racing Queensland may impose.

Where the conditions imposed by Racing Queensland on the disposal have not been approved by members of the club, the club will need to obtain further approval from its members before the Disposal occurs.

RACING QUEENSLAND LIMITED

Racing Queensland provides support and guidance to race clubs, monitors clubs' financial and asset management and financial performance and, if necessary, intervenes to ensure clubs manage their finances and assets appropriately.

Racing Queensland assesses proposed major Capital Expenditure by clubs and proposed expenditure by clubs not directly related to the conduct or encouragement of racing. Racing Queensland must comply with the directions from the Minister responsible for racing.

RULES OF RACING

Rules of racing will not be made for this policy.

REVIEW

Review date will be July 2012.

REVISION HISTORY

Version	Date	Description
1.01	July 2010	Board adopted under exceptional circumstances
1.02	September 2010	Board confirmed this policy continued to have effect

Racing Queensland Limited

POLICY ON DEALING WITH INTANGIBLE ASSETS BY NON-PROPRIETARY LICENSED CLUBS

DATE THE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy came into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the industry. Section 80 (1) (b) of the Act allows Racing Queensland to make a policy because it believes it is good management to have the policy. Racing Queensland believes it is good management to have a policy on dealing with intangible assets by non-proprietary licensed clubs. Section 81 (u) requires Racing Queensland to have a policy dealing with the disposal of assets.

This policy does not apply to the disposal of or dealings with assets which are covered by other policies of Queensland Racing.

Licensed race clubs organise and run events in conjunction with thoroughbred, harness and greyhound race meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the Queensland racing industry. They generate revenue and profits and hold assets on behalf of their members and the Queensland racing industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the Queensland racing industry as a whole depends on race clubs instituting sound financial management practices.

Licensed race clubs range from significant businesses with substantial administrations to those that race once or twice a year and are administered voluntarily. The corporate governance structures will therefore differ substantially from club to club but the fundamental principles of business management and control remain the same. Licensed race clubs must ensure their assets are dealt with for legitimate purposes, that they receive value for money and that they have appropriate documentation to support any dealing with their assets.

Racing Queensland believes that it is good management to have a policy on dealing with intangible assets so that all licensed races clubs and the industry receive optimum value for the use of their intangible assets.

The purpose of this policy is to help Racing Queensland and licensed race clubs manage Queensland racing industry's intangible assets, and to ensure licensed race clubs understand their financial roles and responsibilities and have the necessary tools and support to manage their intangible assets soundly. This policy is intended to ensure

that all clubs utilise their intangible assets in such a way as to achieve the highest possible revenue and value from those intangible assets.

POLICY STATEMENT

Racing Queensland requires licensed race clubs to manage their intangible assets effectively and accountably for the benefit of the club and the Queensland racing industry.

Licensed race clubs must manage their intangible assets in accordance with relevant legislation, including the Act, *Associations Incorporations Act 1981*, and the *Corporations Act 2001*.

Licensed race clubs must also manage and make disclosures about their intangible assets in accordance with rules and procedures set down and administered by Racing Queensland, including the rules of racing, licence conditions and the Financial Management Procedures Manual issued by Racing Queensland, which is available on Racing Queensland's website.

Licensed race clubs must take particular note of the following requirements contained in the Act and the Financial Management Procedures Manual:

- Race clubs must establish appropriate internal control systems to minimise the risk of misappropriation of assets.
- Internal control systems must include clearly documented authorities for the dealing with assets by race club officers.
- All dealings with assets must be supported by appropriate documentation that must be maintained in accordance with the section on "Safeguarding and Retention of Accounting Records" in the Manual.

Racing Queensland will monitor race clubs' asset management performance.

Should Racing Queensland find a race club is not complying with the Financial Management Procedures Manual, relevant legislation or this policy, Racing Queensland will direct the club to take action to rectify the situation under section 34 (2) (a) of the Act.

Should a club refuse to comply with such a direction, Racing Queensland will take appropriate action under section 34 (3) of the Act, which could include suspending or cancelling the club's licence.

It is a requirement of Racing Queensland that any club wishing to deal with its intangible assets must first obtain approval written approval from Racing Queensland.

APPLICATION

This policy applies to all licensed, non-proprietary race clubs in Queensland, including these clubs' management committees and officers.

DEFINITIONS

'Assets' means all assets, other than real property and includes, without limitation, intangible and tangible assets, plant and equipment, machinery, stock, stationery, furniture, fittings and fixtures, computers and electrical equipment, services and vehicles.

'Intangible assets' means all intangible assets and includes, without limitation, intellectual property rights, including, intellectual property rights in any event held, hosted, run or organised by a club or held at premises owned or occupied by a club. It includes, but is not limited to broadcast rights.

'Dealing with intangible assets' means granting a right in relation to, leasing, licensing, lending, mortgaging, charging, parting with possession of the asset.

'Encouragement of racing' refers to the application of monies by a race club to the core business and business objectives of the race club – the conduct of thoroughbred, harness or greyhound racing.

'Financial Management Procedures Manual' refers to the publication prepared and distributed by Racing Queensland Limited that provides comprehensive guidelines and standards for race clubs for their financial and business operations.

'Internal control systems' refer to the practices and processes established by race clubs to ensure high standards of corporate governance and financial accountability are in place, and to minimise the risk to race clubs of fraudulent activity or theft.

'Non-proprietary race club' a not-for-profit race club. A non-proprietary race club has a constitution that both:

- (a) provides for the application of all of the club's profits and other income to the promotion of the club's objects; and
- (b) prohibits the payment of dividends to the members of the club.

PROCEDURES

In order for Racing Queensland to consider a request for approval under this policy from a club, the club must provide the following supporting documentation with its application:

- Latest audited financial statements of the club.
- Copy of the club's constitution.
- Copies of all materials considered by the club's board or committee in relation to the proposal.
- Copies of board or committee minutes relating to its consideration of the proposal.

- Copy of proposed documentation for the dealing with the intangible asset that the club is required to execute.
- Due diligence report on other parties to the transaction.
- Documentation outlining all the costs in connection with the proposal including legal and accounting costs and costs of valuations and due diligence reports commissioned or required.

DETERMINING THE APPLICATION

In determining the application of the club, Racing Queensland will consider the following:

- Compliance with Racing Queensland's policies.
- Club's strategic plan.
- Club's business plan.
- The type of intangible asset.
- Whether Racing Queensland is dealing with the intangible asset itself on behalf of the industry.
- Whether Racing Queensland is proposing to or considering dealing with the intangible asset itself on behalf of the industry.
- Whether Racing Queensland has any legal obligations with respect to the intangible property and if so how the proposed dealing fits with those obligations
- The terms of the proposed dealing with the intangible asset by the club.
- The duration of the proposed dealing with the intangible asset.
- The benefit to be derived by the club and its impact on surrounding clubs in the region.
- The impact on and benefit to the industry as a whole.
- The legal structure of the other party to the dealing and its location.
- The return to the club in connection with the proposed dealing compared to the return to the industry if Racing Queensland were to deal with the intangible asset.

When deciding whether to approve the application for dealing with the intangible asset, Racing Queensland will have the authority to impose conditions.

Each application will be considered on its merits. Where necessary to properly consider a request for approval, Racing Queensland may request other information, documents or further submissions by any applicant.

Racing Queensland will not approve a clubs application for dealing with an intangible asset if:

- Racing Queensland is dealing with the intangible asset itself on behalf of the industry.
- Racing Queensland is proposing to or considering dealing with the intangible asset itself on behalf of the industry.
- Racing Queensland forms the view that the terms of the proposed dealing are not commercial or, the term of the proposed dealing extends beyond what is commercial and reasonable.
- Racing Queensland forms the view that the dealing is inconsistent with the rights, duties or obligations of Racing Queensland in relation to the intangible assets.
- The other party to the dealing is a foreign person or entity.
- Racing Queensland forms the view that the dealing is not for the benefit of the industry as a whole.
- Racing Queensland forms the view that the dealing with the intangible asset conflicts with the rights, needs or interests of other clubs.
- Racing Queensland forms the view that the return to the club in connection with the proposed dealing is not commercial when compared to the return to the industry if Racing Queensland were to deal with the intangible asset.

Roles and responsibilities

Club committees

Club committees must ensure club expenditure and dealing with intangible assets is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club committees must provide accurate, complete and timely information on club finances to Racing Queensland 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 the Financial Management Procedures Manual. Club committees must comply with a direction from Racing Queensland.

Club treasurer

Club treasurers must ensure club expenditure and dealing with intangible assets is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club treasurers must provide club committees with accurate, complete and timely information on club finances to help committees make decisions. They must oversee the internal accounting and stock controls and procedures of the race club and ensure that appropriate standards in that regard are being met and that the risk of

misappropriation or fraudulent use of race club monies and assets is minimised. Club treasurers must ensure that all committee members and club officials comply with the policies and practices the committee establishes for the financial operations of the club.

Club officials

Race club officials must ensure club expenditure and dealing with intangible assets is for legitimate purposes, represents value for money and is 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.

Racing Queensland

Racing Queensland provides support and guidance to race clubs, monitors clubs' financial and asset management and financial performance and, if necessary, intervenes to ensure clubs manage their finances and assets appropriately. Racing Queensland assesses proposed major capital expenditure by clubs and any proposed expenditure by clubs not directly related to the conduct or encouragement of racing.

Rules of Racing

Rules of Racing will not be made for this policy.

Review

Review date will be July 2012.

REVISION HISTORY

Version	Date	Description
1.01	July 2010	Board adopted under exceptional circumstances
1.02	September 2010	Board confirmed this policy continued to have effect

RACING QUEENSLAND LIMITED

POLICY ON THE ALLOCATION OF RACE DAYS AND PROVISION OF FUNDING TO RACE CLUBS

DATE THE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the industry. Section 81(j) of the Act requires Racing Queensland to make a policy on the allocation of race days and provision of funding to race clubs.

Importance of allocation race days

The Queensland racing industry derives much of its income from the Product and Program Agreement with UNiTAB. Race days must be allocated in such a way that maximises wagering turnover so that the Queensland racing industry receives the greatest possible return from the agreement.

Importance of provision of funding

Under section 34 of the Act, Racing Queensland may, in accordance with its policies, distribute funding to a licensed race club for a purpose relating to the club's operations. Racing Queensland is responsible for setting the rating program and prize money levels, to ensure the best possible outcomes for the industry. In addition, Racing Queensland always pays prize money to winning connections.

Racing Queensland may also allocate funding for the venue development and other relevant infrastructure.

The Queensland racing industry operates in a competitive market and must use its limited resources wisely for the benefit of the industry. Racing Queensland must allocate industry funds fairly and transparently to ensure the Queensland racing industry receives the greatest possible return on this investment.

Rationale

The purpose of this policy is to ensure Racing Queensland makes sound decisions on the allocation of race dates and the provision of funding to licensed race clubs.

POLICY STATEMENT

Allocation of race days

Each year Racing Queensland will review the racing calendar to ensure it delivers the greatest possible return to the Queensland racing industry.

Racing Queensland will abide by the terms of the Product and Program Agreement. By April each year, Racing Queensland will release the racing calendar for the next year.

Provision of funding

Each year, Racing Queensland will develop a schedule of funding to be provided to Queensland race clubs. Racing Queensland will provide funding according to the schedule. Race clubs that receive funding from Racing Queensland must use the funds for the purpose for which they are provided.

APPLICATION

This policy applies to all race clubs licensed by Racing Queensland Limited, whether they are proprietary or non-proprietary.

DEFINITIONS

'Product and Program Agreement' means an agreement dated 9 June 1999 between Totalisation Administration Board of Queensland, Queensland Race Product Co Ltd and the then Queensland control bodies.

RULES OF RACING

Race clubs must comply with the Rules of Racing that govern the allocation of race days and provision of funding to race clubs.

Racing Queensland Limited

POLICY FOR SAFEGUARDING THE PUBLIC INTEREST IN THOROUGHBRED, HARNESS AND GREYHOUND RACING

DATE THE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the Queensland racing industry. Section 81(b) of the Act requires Racing Queensland to make a policy for safeguarding the public interest in thoroughbred, harness and greyhound racing.

What is the public interest?

While stating that Racing Queensland must make a policy for safeguarding the public interest in racing, the Act does not define “public interest”. Section 81(b) of the Act requires a policy for safeguarding the wellbeing of the general public.

Some useful guidance in this regard may be drawn from the Queensland Government’s Policy Handbook:

*Government acts **in the public interest**, not in the stakeholders' interests. It is very common for different stakeholders to have competing interests and it may be impossible to reconcile the differences.*

***Public interest** cannot be measured precisely. It does not equate to pleasing everyone and it is not the same as public opinion or popularity. An action may be **in the public interest** yet unpopular. Government decisions to increase taxation are often in this category, although the purpose for which the extra revenue is used may be very popular.*

*While practitioners may give advice about the views of stakeholders, the various options and the implications, costs and benefits of each, the determination of what is **the public interest** is essentially a political decision.*

What is the public interest in racing?

The explanatory notes to the *Racing Bill 2002* refer to the public interest on a number of occasions, beginning with the policy objectives of the legislation, which are to:

- maintain public confidence in the racing of animals in Queensland for which betting is lawful;

- ensure the integrity of all persons involved with racing or betting;
- safeguard the welfare of all animals involved in racing; and
- meet National Competition Policy obligations by removing legislative restrictions on competition that cannot be justified **in the public interest**.

The explanatory notes state that it is considered justifiable and **in the public interest** that persons with convictions for dishonesty, stealing and unlawful betting and bookmaking offences, regardless of when the offences were committed, should not be eligible to be associated with the management or ownership of a control body. Only those persons of the highest integrity should be appointed as an executive officer of a control body.

The explanatory notes refer to the show cause procedure that the Minister and chief executive must comply with when taking any disciplinary action, save in exceptional circumstances where immediate suspension is warranted **in the public interest**.

The Act gives the Minister power to direct a control body to review its existing rules or to make new rules about a matter. The explanatory notes state that if a control body reviews a particular rule and decides that the rule should not be amended, the control body would need to demonstrate that the rule of racing is **in the public interest** and has sufficient regard to section 4(3) of the *Legislative Standards Act 1992*, which provides that, “*whether legislation has sufficient regard to the rights and liberties of individuals depends on whether, for example, the legislation -*

- (a) makes rights and liberties, or obligations, dependent on administrative power only if the power is sufficiently defined and subject to appropriate review; and*
- (b) is consistent with the principles of natural justice; and*
- (c) allows the delegation of administrative power only in appropriate cases and to appropriate persons....”*

According to the explanatory notes, community expectations require that entities empowered to make rules and policies, particularly rules and policies that affect the livelihoods and lives of persons, should have due regard to those principles outlined in section 4(3) of the *Legislative Standards Act 1992*, unless there are good **public interest** reasons for not doing so.

The Act provides that the Minister may request the Auditor-General to audit a control body. According to the explanatory notes, this power would only be exercised by the Minister in circumstances where the Minister has grounds to believe that it is **in the public interest** for an independent audit of the control body to be conducted.

Section 81(b) of the Act provides that a control body must make a policy about safeguarding **the public interest** in the codes. According to the explanatory notes, a control body would need to consider the need to ensure the integrity of the code’s racing in making such a policy.

Racing’s place in Queensland’s economy and society

In order to safeguard the public interest in racing, it is first necessary to attempt to gauge racing’s positive and negative effects on Queensland’s economy and society.

Racing occupies a central place in Queensland's economy and society. It is part of the Queensland and Australian folklore and psyche, even for people who have no interest in racing and have never been to a racetrack.

The Queensland racing industry is a major contributor to Queensland's Gross State Product and generates jobs of all skill levels throughout the State. The range of people making their livelihood wholly or in part through the racing industry is enormous – jockeys, drivers, trainers, stablehands, bookmakers, veterinarians, owners, attendants, scientists, farmers, breeders, stock agents, farriers, IT professionals, data entry clerks, educators, labourers, caterers, cleaners, stewards, administrators and lawyers.

The State and Commonwealth Governments derive revenue directly and indirectly from the Queensland racing industry. It is in the public interest that the Queensland racing industry fulfil its economic potential for the benefit of regional communities and the State as a whole.

The Queensland racing industry has recognised community concern about problem gambling and acknowledges it has a role to play to promote responsible gambling and minimise the harm caused by problem gambling. The Queensland racing industry has participated in the Queensland Government's initiative to work with the range of gambling providers to develop a Responsible Gambling Code of Practice and a Racing Industry Responsible Gambling Policy. Racing Queensland supports and abides by the policy and code. Information about the responsible gambling initiative is available from the website www.responsiblegambling.qld.gov.au.

Given the Queensland racing industry's importance to Queensland's society and economy, it is imperative that the public interest in racing be protected by:

- ensuring that the Queensland racing industry is managed professionally;
- promoting a positive image of racing as a legitimate form of entertainment and a rewarding industry in which to work and invest;
- ensuring the highest standards of integrity in the conduct of racing and betting;
- protecting the safety of Queensland racing industry workers and race day patrons;
- protecting the welfare of racing animals;
- minimising the harm associated with gambling;
- ensuring the industry is a "responsible citizen" and "good neighbour"; and
- providing mechanisms for people who have complaints against aspects of Queensland racing industry administration to have their problems addressed.

The purpose of this policy is to help ensure Racing Queensland safeguards the public interest in racing.

POLICY STATEMENT

Professional management

Racing Queensland will ensure that the Queensland racing industry is managed professionally by managing its own operations and overseeing race clubs' operations according to the highest professional standards.

In order to ensure its operations are efficient and effective, Racing Queensland will develop policies for:

- policy development;
- employment of officials and other staff;
- decision-making by stewards and decision-making by Racing Queensland generally;
- record keeping;
- the organisation's website;
- fees Racing Queensland charges license holders;
- forms for administration of the Queensland racing industry; and
- other matters as Racing Queensland sees fit for the proper management of the Queensland racing industry.

In order to ensure the Queensland racing industry operates professionally, Racing Queensland will develop policies for:

- licensing race clubs, racing venues, industry participants and racing animals;
- training of licensees and other industry participants;
- lawful betting;
- the allocation of race days and the provision of funding to licensed clubs;
- the standard required of licensed clubs and venues;
- the way in which races are to be held;
- handicapping/grading;
- appeals;
- other matters as Racing Queensland sees fit for the proper management of the industry.

In order to ensure race clubs operate professionally, Racing Queensland will formulate policies for:

- the formation and management of clubs;
- licensed non-proprietary race clubs to manage their finances;
- licensed non-proprietary race clubs to manage their assets; and
- other matters as Racing Queensland sees fit for the proper management of the industry.

Racing Queensland requires licensed clubs to manage their finances and assets according to Racing Queensland's Financial Management Procedures Manual.

Racing Queensland will consult stakeholders when it makes policies. It will review its policies regularly to ensure they are relevant and continue to encourage efficient and effective administration.

Professional presentation

Racing Queensland will present a positive image of racing as a legitimate, professional and lawful industry. Through its licensing of clubs, venues and licensees, Racing Queensland will encourage standards of presentation that give the public confidence in racing as a sport, a pastime and a business characterised by openness, transparency, integrity and accountability.

Racing Queensland will present a positive image of racing as a legitimate form of entertainment for adults from all walks of life. Promotions will encourage people to attend races and racing-related activities.

Racing Queensland will promote the Queensland racing industry as a rewarding industry in which to work, offering many different career opportunities, from the unskilled to the highly skilled, from country Queensland to the regional towns and cities and major metropolitan centres.

Racing Queensland will promote the Queensland racing industry as a rewarding industry in which to invest, as an owner or part owner of racing animals, or as a service provider to the industry.

Integrity assurance

In order to ensure the highest standards of integrity in the conduct of racing and betting, Racing Queensland will formulate policies for:

- licensing race clubs, racing venues, industry participants and racing animals;
- lawful betting;
- testing racing animals for illicit substances;
- standards of equipment and staffing for monitoring races and racing facilities; and
- other matters as Racing Queensland sees fit to assure integrity.

Public safety

In order to protect the safety of Queensland racing industry workers and race day patrons, Racing Queensland will formulate policies for:

- licensing race clubs, racing venues, industry participants and racing animals;
- the standard required of licensed venues;
- training of licensees and other industry participants;
- drug and alcohol use by employees and licensees; and
- other matters as Racing Queensland sees fit for the proper management of the industry.

Animal welfare

In order to protect the welfare of racing animals, Racing Queensland will formulate policies for:

- the training of thoroughbreds, harness racing horses and greyhounds;
- the welfare of thoroughbreds, harness racing horses and greyhounds; and
- other matters as Racing Queensland sees fit for the proper management of the industry.

Racing Queensland requires race clubs, racing animal owners and industry licensees to protect the welfare of racing animals under their control. Racing animals must be kept and transported in clean, secure facilities and be provided with adequate food,

water, medicines and shelter to ensure their wellbeing. Sick or injured animals must be cared for.

Minimising harm from gambling

In order to minimise the harm associated with gambling, especially the connection between problem gambling and drinking, Racing Queensland will comply with the Racing Industry Responsible Gambling Policy.

Racing Queensland will require its clubs to comply with this policy and the Responsible Gambling Code of Practice. Race clubs must develop their own responsible gambling policy based on the Racing Industry Responsible Gambling Policy and the Responsible Gambling Resource Manual. A club's responsible gambling policy must include strategies for:

- providing information to customers;
- developing links with customers and the community;
- excluding problem gamblers;
- creating an acceptable physical environment where gambling may occur;
- providing financial transaction services; and
- regulating advertising and promotions.

The policy will:

- help customers make informed decisions about their gambling;
- minimize harm from gambling to individuals and the broader community; and
- provide people adversely affected by gambling with access to timely and appropriate assistance and information.

Responsible citizenship

Racing Queensland expects and requires race clubs, racehorse owners, greyhound owners and Queensland racing industry licensees to be responsible citizens and good neighbours by minimising or eliminating the impact of their racing-related activities on the community.

This includes:

- complying with local authority environmental health and workplace health and safety regulations;
- minimising the impact of traffic, congestion and parking problems caused by race days by providing parking or public transport facilities;
- reducing noise and light pollution from racing venues;
- instituting sound animal husbandry practices;
- minimising unpleasant odour from stables/kennels in residential areas by ensuring high standards of hygiene;
- controlling vermin in stables/kennels; and
- preventing wastes from discharging from stables/kennels into the stormwater system.

Complaints mechanisms

Racing Queensland will manage the Queensland racing industry for the benefit of stakeholders and the public generally.

Racing Queensland will ensure its decision-making is fair, impartial and transparent. Racing Queensland has developed policies for its commercial decision-making and integrity-related decision-making. Racing Queensland will make commercial and integrity-related decisions in accordance with these policies.

Racing Queensland recognises that from time to time licensees, other Queensland racing industry participants and members of the public may have complaints about the administration of the Queensland racing industry. Complaints should be made in accordance with the Complaints Management Policy of Racing Queensland.

Racing Queensland will treat complaints seriously and confidentially and make every effort to resolve them in accordance with the Complaints Management Policy.

APPLICATION

This policy applies to the general public in the Queensland racing industry.

DEFINITION

'Stakeholder' means a person with an interest or concern in the Queensland racing industry.

PROCEDURES

Roles and responsibilities

Racing Queensland's department managers are responsible for preparing the policies listed above that relate to their area of management

Rules of Racing

Rules of Racing will not be made for this policy.

Review

Review date will be July 2012.

REVISION HISTORY

Version	Date	Description
1.01	July 2010	Board adopted under exceptional circumstances
1.02	September 2010	Board confirmed this policy continued to have effect

Racing Queensland Limited

POLICY FOR LAWFUL BETTING ON RACES

DATE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the industry. Section 81(f) of the Act requires Racing Queensland to make a policy for lawful betting on races under its control, including selling a product to a person lawfully conducting wagering under the *Wagering Act 1998*.

This policy should also be read in conjunction with Racing Queensland's Licensing Policy.

To protect the public interest and the interests of parties to a bet, and to guard against illicit activity, wagering and betting activities are stringently regulated. Under the Act and the *Wagering Act 1998*, lawful betting can only occur with a licensed wagering operator or a licensed racing bookmaker. Both the *Wagering Act 1998* and the Act restrict licensing of racing bookmakers and wagering operators to people and corporations of suitable character, reputation, experience and financial position.

Under section 201 of the Act, an applicant for racing bookmaker's licence must hold an eligibility certificate. Eligibility certificates are issued by the Office of Gaming Regulation after checks into the applicant's background to determine whether the applicant is a suitable person to hold a racing bookmaker's licence. The Act and the Rules of Racing regulate the way bets with racing bookmakers are made, recorded and settled and how disputes are resolved.

Under the *Wagering Act 1998*, UNiTAB is the exclusive wagering licence operator in Queensland for a 15-year period from the Act's commencement. Under the Product and Program Agreement between the Queensland racing industry and UNiTAB, Racing Queensland is required to coordinate the delivery of an approved race-wagering program. In return for providing its racing product to UNiTAB, Racing Queensland receives a fee from UNiTAB. The product fee is the Queensland racing industry's major source of income and is essential to its operation.

Under section 199 of the Act, a racing bookmaker licensed by Racing Queensland must not carry on bookmaking unless the bookmaking is at a venue of a licensed club which is under the control of Racing Queensland at a time when a race meeting is being held and the betting takes place under a direction given by the Racing Queensland steward in charge of the meeting.

Section 249 of the Act allows a racing bookmaker to make a bet with a person who is not present at the venue of a licensed club. The bet must be made through a telephone bookmaking system that has Racing Queensland's approval; the bettor must consent to recording the transaction before the transaction starts and the details of the bet must be confirmed with the bettor before the transaction ends.

Racing bookmakers are not restricted to betting on thoroughbred, harness or greyhound races – Racing Queensland may, under the circumstances set out under section 255 of the Act, declare a sporting contingency on which bookmaking is allowed.

Racing Queensland charges racing bookmakers a licence fee. Under section 35 of the *Racing Act 2002* and Racing Queensland's policy on fees, this licensing fee must reflect the reasonable cost of providing the licensing service. Racing Queensland's licensing fee differs from the standing fees and levies that race clubs may charge racing bookmakers.

The purpose of this policy on lawful betting is to ensure that wagering and betting are regulated consistently and in a way that is fair to both parties to the bet.

POLICY STATEMENT

Racing Queensland will coordinate the delivery of the Queensland racing industry's racing product to UNITAB in accordance with the Product and Program Agreement.

Racing Queensland will work with the Queensland racing industry and bodies which are holding authorities under Chapter 3, Part 6 of the Act and UNITAB to maximise the return the Queensland racing industry receives for its racing product.

Racing Queensland will regulate bookmaking and licence, supervise and monitor racing bookmakers in accordance with the Act and the Rules of Racing.

Racing Queensland will ensure high standards of integrity and fairness in racing by only issuing bookmaking licences to people or corporations that are of good character and reputation that possess appropriate skills and experience, and are in a sound financial position.

Only a person who holds an eligibility certificate from the Office of Gaming Regulation can be licensed as a racing bookmaker. The Office of Gaming Regulation undertakes background checks to determine the suitability of a person to hold an eligibility certificate. In addition to the Office of Gaming Regulation's checks, Racing Queensland may develop and implement extra standards of competency and probity that an applicant must satisfy before being granted a racing bookmaker's licence.

Racing bookmakers must conduct their bookmaking in accordance with the Act and the Rules of Racing.

In accordance with section 250 of the Act, racing bookmakers must maintain an insurance policy or bond to indemnify bettors against default by the racing bookmaker on payment of winnings to the bettor. The policy or bond must include any conditions that Racing Queensland requires. Racing Queensland will not license or renew the licence of a racing bookmaker without a policy or bond. Any licensed racing bookmaker without such a policy or bond may have their licence suspended until Racing Queensland is satisfied an appropriate policy or bond is in place.

Racing Queensland may make rules for the licensing and operations of racing bookmakers and their remote clerks, clerks and agents.

Racing Queensland will help ensure that betting with a racing bookmaker, including a licensed wagering operator, and wagering with a totalisator is conducted in such a way that encourages responsible gambling and the minimisation of harm from betting.

APPLICATION

This policy applies to Racing Queensland and racing bookmakers licensed by Racing Queensland.

DEFINITIONS

'Person' means for the purposes of the definition of "racing bookmaker" means a natural person or a corporation, the directors executive officers and shareholders of which comply with all requirements imposed by Racing Queensland on racing bookmakers who are natural persons. All provisions that apply to racing bookmakers as natural persons also apply to directors, executive officers and shareholders of a corporation licensed as a racing bookmaker.

'Product and Program Agreement' means the 1999 agreement between UNiTAB and the then three racing codes. Under this agreement, the Queensland Product Co Ltd provides a program of racing "product" to UNiTAB in return for a fee.

'Racing bookmaker' means the holder of a racing bookmaker's licence. For the purposes of the Rules of Racing, a racing bookmaker is a person licensed by Racing Queensland as a racing bookmaker or racing bookmaker's remote clerk or a person authorised to act as a racing bookmaker's agent. The Act provides that an individual or a corporation can be licensed as a racing bookmaker.

'Racing bookmaker's clerk' means the licence holder of a racing bookmaker's clerk licence.

'Racing bookmaker's clerk licence' means a licence from the control body to be employed by a racing bookmaker as a clerk in the conduct of the racing bookmaker's business at a licensed venue.

'Racing bookmaker's licence' means a licence from the control body as a racing bookmaker for the codes of racing that the control body is approved to manage.

'Sporting contingency' means a contest, contingency or event relating to animals (other than a race), an athletic meeting, exercise, fight, game, pastime or sport.

'Telephone bookmaking system' means a system approved by Racing Queensland for recording bets made between a racing bookmaker and a person not present at a race meeting as provided by section 249 of the *Racing Act 2002*. The bettor must consent to recording the betting transaction before the transaction starts and the details of the bet must be confirmed with the bettor before the betting transaction ends, including, for example, the betting ticket number, account number and amount of the bet.

'UNiTAB' means the holder of the exclusive, 15-year licence as Queensland's wagering operator.

PROCEDURES

Roles and responsibilities

Racing bookmakers and their remote clerks, clerks and agents are responsible for conducting their bookmaking in accordance with the conditions of their licence and the Rules of Racing. Racing bookmakers are responsible for the conduct of their remote clerks, clerks and agents.

Rules of Racing

This policy is consistent with the Rules of Racing for bookmaking.

Racing Queensland Limited

WEBSITE POLICY

DATE THE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the Queensland racing industry. Section 81(g) of the Act requires Racing Queensland to make a policy on its website and the information available through it.

The Act requires Racing Queensland to publish the following:

- the racing calendar
- Racing Queensland's policies
- information on consultation on policy development
- the rules of racing
- notices about the declaration of a sporting contingency.

It is in the public interest and the interest of Queensland racing industry participants that information about Racing Queensland and the Queensland racing industry is available and disseminated freely and cost-effectively. A website is an ideal way to publish information freely and cheaply.

Balanced against this is the need to protect security and privacy by preventing hacking and restricting access to confidential or personal information.

The purpose of this policy is to help ensure Racing Queensland manages the Queensland racing industry soundly by providing Queensland racing industry participants and the general public with accurate and appropriate information about the Queensland racing industry in a cost-effective manner.

POLICY STATEMENT

Racing Queensland will maintain a website that provides important, interesting, accurate and current information about Racing Queensland and the Queensland racing industry.

In accordance with section 38(3) of the Act, Racing Queensland will publish the Racing Calendar on its website. Publication will be at least seven days before the start of the calendar period and will continue for the period the calendar covers.

In accordance with sections 84(2) and 376(3) of the Act, Racing Queensland will publish its policies and information about consultation on these policies on its website. Draft policies will be published for at least 28 days to allow interested parties to make submissions. (In exceptional circumstances, a policy may have to be made without the normal consultation

period. In this case, a draft policy will not be published. However, the urgent policy will be reviewed within six months, at which time the normal consultation provisions will apply.)

In accordance with section 94(2) of the Act, Racing Queensland will publish the rules of racing on its website. Notifications of changes to rules will be made as soon as possible after the rules have been changed and before the rule change comes into effect, whenever possible.

In accordance with section 255(3) of the Act, Racing Queensland will publish any notice about the declaration of a sporting contingency on its website.

Racing Queensland will not publish confidential or personal information on its website except where this is agreed to by the parties concerned.

APPLICATION

This policy applies to Racing Queensland.

PROCEDURES

Roles and responsibilities

Racing Queensland will cause the website to publish all information required to be published under the Act is published, accurate and current.

Racing Queensland's department managers are responsible for ensuring information is posted to the website. Management will ensure information on the website is current by reviewing website content regularly.

Racing Queensland's department managers are responsible for authorising all website material originating from their departments.

Rules of Racing

Rules of Racing will not be made for this policy.



RACING QUEENSLAND

SOCIAL MEDIA Policy

Authorised By:	Remuneration and Nomination Sub-Committee	Date of Authorisation:
Last Amendment Date:		
Review Due Date:		
Policy Owner:	IT and Communications Manager	
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct▪ Harassment Discrimination and Bullying Policy▪ Grievance Handling Policy▪ Performance Counselling Policy▪ Confidentiality and Intellectual Property	<ul style="list-style-type: none">▪ Fair Work Act 2009

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

Racing Queensland Limited (Racing Queensland) is committed to ensuring that employees are aware of their obligations with respect to the use of social media in connection with their employment. Racing Queensland recognises that it is important to acknowledge an employee's right to use social media sites, whilst protecting the interests of Racing Queensland and of its employees. This policy encourages good working relationships and respect between employees. The policy is not intended to limit the legitimate personal use and privacy of employees in relation to the use of these sites.

This policy outlines the position and practice of Racing Queensland's employees with regard to the use of social media sites.

SCOPE

This policy applies to all Racing Queensland Board members, officials, other employees, workers and agents, including consultants, contractors, work experience students and other volunteers.

USE OF SOCIAL MEDIA

WHAT IS SOCIAL MEDIA?

Social media is the use of on-line or internet based technologies to communicate interactively with other people. There are several well-known internet sites which are used for social media, including Facebook, Twitter, MySpace, LinkedIn, foursquare, and website forums.

SOCIAL MEDIA AND THE WORKPLACE

Employees may be required to use and access social media as part of their role, especially in marketing related roles. All other employees are denied access to social media sites whilst on the company network. However, personal use of any social media sites during work time, either on company owned equipment on the network where the employee is specifically allowed access as part of their role, or personal equipment, or mobile phones, must be limited to authorised breaks only.

INFORMATION PUBLISHED ON SOCIAL MEDIA SITES BY EMPLOYEES

Employees have a duty to behave in a manner which promotes and protects the interests of their employer. This means that employees cannot publish information which:

- In any way disparages or harms Racing Queensland's business or reputation;
- Disparages or personally criticises their work colleagues;
- Includes any information which may offend or embarrass the employee's colleagues;
- Contains defamatory statements in relation to Racing Queensland or its employees or any person connected with Racing Queensland (including licensees) or its employees;
- Breaches an employee's obligations to keep information of a sensitive nature confidential;
- Could be perceived as representing the viewpoint or official position of Racing Queensland on any issue.
- published either during work time or outside of work time and either on company owned equipment or personal equipment or mobile phones

CONFIDENTIAL INFORMATION

Confidential information means the trade secrets and all other information regarding the Racing Queensland's affairs, which become known to the employee in circumstances where they know, or should know, that the information is to be treated as confidential. (Refer also to the Confidentiality and Intellectual Property Policy). Examples of confidential information include but are not limited to information which:

- a. Relates to the Racing Queensland's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- b. Relates to or is contained in any manuals or handbooks produced by Racing Queensland.
- c. Relates to sensitive operational issues.

AN EMPLOYEE'S OBLIGATION WITH RESPECT TO DISCRIMINATION AND HARASSMENT

Employees must keep in mind that their obligations in relation to discrimination, sexual harassment, workplace bullying and intimidation apply to their use of social media sites. That means that they cannot use social media sites to publish material in relation to their colleagues which may be construed as being embarrassing, defamatory, offensive, discriminatory or harassing. This requirement will apply even where the information is published using the employee's own equipment and/ or outside of working hours. This requirement will apply even where the material is published to a restricted group of people.

MONITORING SOCIAL MEDIA USE BY EMPLOYEES

Racing Queensland reserves the right to monitor the use of social media sites by its employees in relation to any information which relates to or has a connection with their employment.

There is no intention to restrict or interfere with the privacy or personal use of social media sites by employees outside the terms of this policy.

CONSEQUENCES OF BREACH

Breaches of this policy will not be tolerated and will be treated very seriously. Any employee found to be in breach of this policy will be subject to disciplinary action which may include dismissal from their employment.

The action Racing Queensland takes will depend on the circumstances but may include measures such as:

- Performance Counselling
- Official warning
- A performance improvement plan
- Training
- Attending mediation
- Demotion
- Dismissal.

WHAT SHOULD YOU DO IF YOU SEE MATERIAL WHICH MAY BE IN BREACH OF THIS POLICY?

If you become aware any material which you think may be in breach of this policy, please notify your manager as soon as possible.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	/5/2011	New Policy	HRBS
01.01	9/5/11	Reviewed by RQL with amendments	David Rowan/Ali Wade
01.02	22/06/2011	Reviewed by RQL with amendments	David Rowan

Racing Queensland Limited

POLICY FOR EMPLOYMENT OF NON-LICENSED STAFF

DATE THE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the industry. Section 81(l) of the Act requires Racing Queensland to make a policy for the employment of officials, staff and other persons who are not required to be licensed.

To administer the Queensland racing industry efficiently and effectively, Racing Queensland must attract and retain suitably qualified officials and other staff, as well as other service providers such as consultants.

To attract and retain staff, Racing Queensland uses fair and open recruitment and selection practices and offers attractive remuneration and conditions for employees.

To select high quality consultants, Racing Queensland uses fair and open tendering practices, including tendering for inclusion on panels of preferred suppliers.

The purpose of this policy is to ensure Racing Queensland's recruitment, selection, staff development and tendering practices are fair to all concerned and provide value for money for the organisation.

POLICY STATEMENT

Racing Queensland is an equal opportunity employer that selects officials and other staff and consultants on merit.

Racing Queensland will use fair and transparent process to recruit staff and engage consultants.

All positions within Racing Queensland will have a role profile to describe the position and selection criteria for the position to help make selection decisions more objective and transparent, and to help make selection panels accountable for their decisions.

Authority to approve the decision to recruit for a position within Racing Queensland is vested in the Chief Executive Officer.

Racing Queensland may fill vacancies by recruiting internally or externally.

Racing Queensland will initially advertise all vacancies internally.

Racing Queensland may recruit externally by using any or all of the following:

- referrals from, for example, existing staff
- files on previous applicants
- advertisements in external media, or
- recruitment consultants.

Where Racing Queensland conducts the recruitment directly, a selection panel of a minimum of two (2) officers of appropriate seniority will be responsible for assessing applications, interviewing applicants, selecting the preferred applicant and conducting referee checks. Where possible, selection panels will have gender balance.

Panel members should have:

- a comprehensive understanding of the role
- an ability to ask detailed and pertinent questions
- prior experience in interviewing
- a sound knowledge of equal employment opportunity principles, and
- a demonstrated ability to make decisions objectively.

The selection panel will contact at least two (2) referees the preferred applicant nominates.

Hiring relatives of staff or re-hiring former staff will require the Human Resources Remuneration Committee's approval.

Engagement of recruitment agencies and other consultants

Where Racing Queensland uses a recruitment agency, Racing Queensland will ensure the agency's selection processes are fair and accord with Racing Queensland's recruitment principles outlined above.

When engaging a recruitment agency or employing consultants or contractors generally, Racing Queensland will adhere to the six principles guiding its purchasing policy:

- Value for money
- Quality of product, service, and support
- Open and fair competition
- Accountability of outcomes
- Use of Queensland product where price-competitive and where quality standards are met, and
- Suppliers are compliant with all taxation requirements.

Racing Queensland may engage a recruitment consultant without calling for tenders if that consultant is a member of a panel of recruitment service providers Racing Queensland has established in accordance with its procedures for preferred suppliers (see below).

Short-term and one-off consultancies

For short-term, one-off contracts worth less than \$10,000, Racing Queensland may use preferred suppliers where the supplier has provided a high quality service, has the necessary expertise and is available. The consultant may be appointed without a formal competitive process being undertaken. If such a consultant is not available, three (3) quotes from prospective consultants will be obtained and evaluated.

For short-term, one-off contracts worth between \$10,000 and \$100,000, Racing Queensland will call tenders from at least three (3) preferred suppliers. The selection of these three (3)

preferred suppliers, and subsequent evaluation of their proposals, will take into account the six (6) purchasing principles. The evaluation of the proposals will be undertaken by the Chief Executive Officer.

For short-term and one-off contracts worth more than \$100,000, Racing Queensland will use a public tender process, including appropriate advertising. Tenders will be evaluated against Racing Queensland's six (6) purchasing principles by a panel of no less than two accountable officers and be approved by a delegated officer.

Longer-term consultancies

For longer-term consultancies that may involve a preferred supplier or suppliers undertaking a range of tasks over an extended time, Racing Queensland may select a consultant from a panel of preferred suppliers. Before such a selection, Racing Queensland will have established such a panel through a competitive process adhering to the six (6) purchasing principles. The process will be appropriately documented and be approved by a delegated officer.

Racing Queensland will not enter into preferred supplier arrangements for individual longer-term consultancy contracts worth more than \$100,000 without an open tender process.

Documentation

Racing Queensland will not purchase supplies from entities that are unable to quote an ABN. Racing Queensland requires suppliers to provide a tax invoice in the form specified by the GST legislation.

Racing Queensland will properly document all acquisitions in accordance with the six (6) purchasing principles and guidelines specified in its purchasing policy.

Racing Queensland staff with a financial delegation must ensure any expenditure they approve is within their delegation.

APPLICATION

This policy applies to Racing Queensland officials and other staff.

DEFINITIONS

'Racing Queensland official' means a person employed by Racing Queensland who, under the rules of racing, is required to be a Racing Queensland official, such as a Steward.

'Other Racing Queensland staff' means a person employed by Racing Queensland who is not a Racing Queensland official, such as a finance officer.

'Recruitment agency' means consultants Racing Queensland engages to recruit staff

'Consultants' means organisations or individuals Racing Queensland engages as needed to provide legal, human resources, information technology, technical or other specialist services.

'Human Resource and Remuneration Committee' means a Racing Queensland Board-appointed committee having a minimum of two (2) persons.

'Rules of racing' means rules of racing, rules of harness racing, and/or rules of greyhound racing.

PROCEDURES

Roles and responsibilities

Selection panel members must ensure recruitment processes they participate in are conducted according to Racing Queensland's Recruitment Policy and Procedures.

Purchasing officers must ensure their purchasing processes accord with Racing Queensland's Purchasing Policy.

Racing Queensland staff with a financial delegation must ensure any expenditure they approve is within their delegation.

The Board of Racing Queensland is responsible for approving expenditure exceeding \$100,000.

Rules of Racing

Rules of Racing will not be made for this policy.

Racing Queensland Limited

RECORD KEEPING POLICY

DATE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the industry. Section 81(o) of the Act requires Racing Queensland to make a policy on record keeping, including keeping records about decisions.

Proper record keeping is necessary for the fair and efficient administration of the Queensland racing industry and is part of good corporate governance. Poor record keeping can lead to administrative inefficiencies, poor decision making and inconsistent or unfair treatment of staff and licensees.

As the authority responsible for managing thoroughbred, harness and greyhound racing in Queensland, Racing Queensland is required to make and keep full and accurate records of its activities and to provide stakeholders with access to those records in specified circumstances.

It is in the interest of the Queensland racing industry and the public generally that Racing Queensland keeps records of its decisions and complies with its responsibilities under the:

- *Public Records Act 2002*
- Information Standards issued by the Department of Innovation and Information Economy
- *Racing Act 2002*
- *Corporations Act 2001*
- *Financial Administration and Audit Act 1977*
- *Taxation Administration Act 1953*

Racing Queensland has developed policies and procedures to guide its record keeping practices; ensuring record keeping complies with legislation and standards and help ensure its administration is efficient and effective.

The purpose of this policy is to establish a framework for the creation and management of records within Racing Queensland. Racing Queensland is committed to establishing and maintaining recordkeeping practices that meet its business needs, accountability requirements and stakeholder expectations.

POLICY STATEMENT

Racing Queensland's records are its corporate memory, and as such are a vital asset for ongoing operations, providing valuable evidence of business activities and transactions.

Racing Queensland will maintain a record keeping system that supports the professional administration of the Queensland racing industry and fulfils the organisation's legislative responsibilities.

Racing Queensland will keep minutes of its board meetings and a record of resolutions made at board meetings.

Board minutes will record any instance where a member discloses an interest in a matter the board is to consider.

Racing Queensland will make records of the decisions of appeals committees, including reasons for the decisions.

Racing Queensland employees will create records of correspondence, conversations, events, decisions and financial operations in accordance with Racing Queensland's procedure for creating records.

Racing Queensland's employees will file the records they create in accordance with the organisation's procedures for retaining records.

APPLICATION

This policy applies to Racing Queensland's:

- Executives and staff
- Board
- Contractors, and
- Agents.

This policy applies to all aspects of organisational business, all records created during business transaction, and all business applications used to create records including e-mails, database applications and websites.

Licensed race clubs should note that the same standard of record keeping practice as defined in this policy for Racing Queensland will also be applied to race clubs as part of the licensing process.

DEFINITIONS

'Public record' means any form of recorded information that provides evidence of the decisions or actions of a public authority in undertaking its business activities or in the conduct of its affairs.

'Record' is often regarded as documents in paper files or bound volumes, in fact records can exist in any physical or electronic format, such as photographs, videos, sound recordings, emails, web material and electronically stored materials. Records are more than just information; they are evidence of decisions, actions and inactions. Information may be collected in the course of business activity and support such activity, but does not, itself, provide evidence of that activity. Records possess certain characteristics that distinguish

them from other kinds of information. Records are 'fixed', that is, they are the product of particular actions that occur at particular times.

PROCEDURES

Racing Queensland will archive its records in accordance with its procedures for archiving records.

Racing Queensland will make records available to licensees, the media and other interested parties in accordance with Racing Queensland's procedures for stakeholder access to records and the Media Accreditation Policy.

Roles and responsibilities

Racing Queensland's senior managers are responsible for the implementation of this policy and its procedures.

All Racing Queensland officers are responsible for keeping appropriate records of their work, including records of their decisions, copies of emails and records of complaints, in accordance with this policy and its procedures.

Each Racing Queensland's department and regional office is responsible for the creation of files and maintenance of the document retrieval system.

Each Racing Queensland's department and regional office, if necessary is responsible for establishing and maintaining a register of correspondence they receive.

Rules of Racing

Rules of Racing will not be made for this policy.

Review

Review date will be July 2012.

REVISION HISTORY

Version	Date	Description
1.01	July 2010	Board adopted under exceptional circumstances
1.02	September 2010	Board confirmed this policy continued to have effect

Racing Queensland Limited

AWARENESS OF DUTIES POLICY, INCLUDING SEXUAL HARASSMENT, BULLYING AND UNLAWFUL DISCRIMINATION IN THE RACING INDUSTRY

DATE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the industry. Section 81(p) of the Act requires Racing Queensland to make a policy on making its officials, other staff and licensees aware of their duties under laws such as the *Anti-Discrimination Act 1991*.

It is in the interest of the Queensland racing industry and the public generally that the industry is a safe place to work, free from unsafe work practices, unlawful discrimination, sexual harassment, bullying, victimisation and misconduct. Racing Queensland will not tolerate these forms of behaviour and will take action when necessary to prevent sexual harassment, bullying, victimisation and unlawful discrimination from occurring in the industry.

Racing Queensland has developed policies and practices to make its workplace safe and productive, such as:

- A Code of Conduct and Ethics, which details the standard of behaviour expected of its employees
- A Whistleblower Policy, which gives guidance and support to employees who encounter or disclose improper conduct
- An Harassment, Discrimination and Bullying Policy that applies to all Racing Queensland Board members, officials, other employees, workers and agents, including contractors, consultants, work experience students and other volunteers
- An employment contract that states that employees have a duty to not endanger health and safety and must uphold the Code of Conduct and Ethics
- A draft Workplace Health and Safety Policy and Procedures
- Training for staff on their rights and responsibilities regarding workplace safety, harassment, discrimination and whistleblowing
- A Harassment and Discrimination Referral Officer to provide advice and support to staff that experience harassment or discrimination.

Racing Queensland also provides information and support for licensees who experience harassment and discrimination.

The purpose of this policy is to help ensure that the racing industry is free from unsafe work practices, sexual harassment, unlawful discrimination, bullying,

victimisation, and misconduct by making Racing Queensland officials, and other staff and licensees aware of their responsibilities in this regard.

POLICY STATEMENT

Racing Queensland will foster a culture of high ethical standards and support for whistleblowers and will not tolerating unlawful discrimination, sexual harassment, bullying, victimisation or unsafe work practices.

Racing Queensland will provide information and training to its officials and other staff and licensees to help ensure they are aware of their rights and responsibilities under relevant legislation, including:

- *Anti-Discrimination Act 1991*
- *Disability Discrimination Act 1992*
- *Human Rights and Equal Opportunity Commission Act 1986*
- *Public Sector Ethics Act 1994*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984*
- *Whistleblowers Protection Act 1994*
- *Workplace Health and Safety Act 1995*
- *Crime and Misconduct Act 2001*
- *Trade Practices Act 1974*

Information provided for officials and other Racing Queensland workers will take the form of an HR Policy on Harassment, Discrimination and Bullying. This will be provided as part of employee inductions and on a regular and ongoing basis and information will be posted on staff noticeboards. Officials and other Racing Queensland staff will also receive regular training about the Harassment, Discrimination and Bullying Policy and its implications for conduct and behaviour.

Racing Queensland managers and supervisors will model appropriate standards of behaviour and use staff meetings regularly to discuss ethical standards and expectations of appropriate behaviour.

Queensland Racing encourages all race clubs, licensees and other employers within the racing industry to:

- model appropriate standards of behaviour and clearly articulate expected standards of behaviour for their employees
- develop codes of conduct and policies on sexual harassment, bullying and unlawful discrimination
- provide training to staff on their rights and responsibilities regarding the prevention of sexual harassment, bullying and unlawful discrimination
- provide support for employees who have experienced sexual harassment, bullying or unlawful discrimination.

Racing Queensland stewards will use their powers under the Rules of Racing to investigate allegations of sexual harassment and discrimination made against licensees, lay charges and impose penalties.

Racing Queensland has an appointed Harassment and Discrimination Referral Officer, who provides advice and support to Racing Queensland officials, employees

and workers who experience sexual harassment, bullying and unlawful discrimination.

APPLICATION

This Policy applies to Racing Queensland officials, all licensees, race club officials and other participants in the Queensland racing industry and provides standards of conduct for them to observe.

DEFINITIONS

'Discrimination' occurs when a person is treated more or less favourably than another person would be under similar circumstances. Discrimination is unlawful when it is on the basis of an attribute described in the *Anti-Discrimination Act* (i.e. sex, marital status, pregnancy, parental status, breastfeeding, age, race, impairment, religion, political belief or activity, trade union activity, lawful sexual activity, sexuality, gender identity, family responsibilities; or association with, or relation to, a person identified on the basis of any of the above attributes).

'Licensee' refers to a person who holds a licence issued by Queensland Racing.

'Official misconduct' generally means conduct that involves:

- behaviour which is dishonest or not impartial in the exercise of powers or authority (e.g. soliciting or receiving benefits);
- behaviour which adversely affects or could adversely affect, directly or indirectly, the honest or impartial exercise of powers or authority (e.g. allowing personal relationships to affect decisions, or using sexual harassment to obtain a gain at the expense of the public);
- a breach of trust placed in a person by reason of his or her employment (e.g. to breach the confidentiality of matters of a personal nature);
- misuse by any person of information or material acquired in connection with his or her employment, either for the benefit of the person or another person (e.g. disclosing confidential or privileged information to an unauthorised other person); and
- which constitutes or could constitute a criminal offence or a disciplinary breach that provides reasonable grounds for termination of employment.

'Queensland Racing policies' refers to policies from time to time adopted by Queensland Racing.

'Race club official' includes committee members of the club and all other persons employed or remunerated by the club, whether full-time, part-time, permanent, fixed-term, contract or casual.

'Sexual harassment' refers to any unwanted, unwelcome or uninvited behaviour of a sexual nature that makes a person feel humiliated, intimidated or offended.

'Statutory obligations' refers to obligations imposed from time to time by legislation including, where relevant and without limitation, obligations imposed on licensees, race club officials and other racing industry participants by the: *Anti-Discrimination Act 1991*, *Crime and Misconduct Act 2002*, *Financial Administration and Audit Act 1977*, *Public Records Act 2002*, *Public Sector Ethics Act 1994*, *Racing Act 2002*, *Statutory Bodies Financial Arrangements Act 1982*, *Whistleblowers Protection Act 1994* and *Workplace Health and Safety Act 1995* and any relevant regulations made

pursuant to statute.

'Whistleblower' refers to a person who discloses information about official misconduct, maladministration, negligent or improper management of public funds, reprisal, or danger to persons or the environment in the public interest to an authority that is able to investigate and remedy the matter.

PROCEDURES

Racing Queensland has established a manual, which deals with sexual harassment, bullying and unlawful discrimination in the racing industry. This manual will serve as a guide for licensees and participants in the racing industry who are not Racing Queensland officials or workers. Racing Queensland officials and workers should refer to the HR Policy on Harassment, Discrimination and Bullying to obtain further detail on these matters.

Roles and responsibilities

Racing Queensland officials and other staff

In accordance with the Code of Conduct and Ethics, all Racing Queensland officials and other employees must maintain the highest standards of professionalism, probity, diligence and integrity. They must ensure they understand their responsibilities under this Policy, the Code of Conduct and Ethics, the Racing Queensland HR Policy on Harassment, Discrimination and Bullying, Awareness of Duties Policy, Whistleblowers Policy and draft Workplace Health and Safety Policy and Procedures. They have a duty to disclose breaches of the code, the policies or any official misconduct they may encounter.

Racing Queensland managers and supervisors

Racing Queensland managers and supervisors must model the highest standards of ethical behaviour; provide a work environment for their staff that is free of unsafe work practices, unlawful discrimination, bullying, victimisation and harassment. They must regularly discuss the ethical standards and behaviour expected of their staff. They must act on any ethical or behavioural breaches they become aware of and provide support to staff who experience harassment or discrimination or who disclose misconduct.

Licensees

Under the Rules of Racing, licensees have a responsibility not to act in an improper, unseemly or dishonourable way in connection with racing or to engage in conduct prejudicial to the image, interests or welfare of racing.

Review

Next review date will be July 2012.

Rules of Racing

Rules of Racing will not be made for this policy.



CREDIT POLICY

Owner

Chief Financial Officer

Stakeholders

Organisation Wide

Revision History

<i>Version</i>	<i>Date</i>	<i>Description of Change</i>
1.01	6 May 2010	First Draft
1.02	21 June 2010	Harness Comments, review AC
1.03	21 June 2010	Greyhounds feedback
1.04	22 June 2010	Review and Race Fields amendments AW - Review AC
1.04	22 June 2010	Review S Murray and review AC – Final to Board
1.05	1 July 2010	Approved by RQL Board



RACING
QUEENSLAND

CREDIT POLICY:

RQL

Introduction

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

This policy has been prepared to provide guidelines to officers of RQL in relation to the management of debtors. Debtors for the purpose of this policy include any person/body that incurs a debt to RQL or any of its authorised Racing Clubs.

Policy

This policy sets out industry policy on the standards expected of licence holders, owners, and race club officials responsible for the payment of amounts owed to RQL. It also addresses the manner in which RQL will enforce these standards.

The desired outcome is the timely payment of outstanding amounts owed to RQL.

The specific objectives of this policy are to:

- ❑ Establish credit terms in relation to the payment of amounts owing to RQL.
- ❑ Establish a standard protocol for the recovery of outstanding amounts to ensure a consistent approach to debt collection.
- ❑ Authorise RQL to place persons on the Nomination Exclusion List. Specifically to prevent Licensed Thoroughbred Trainers with monies that remain outstanding for a period longer than eight weeks after the invoice date from nominating or accepting for any race conducted in Queensland.
- ❑ Authorise RQL to place persons on the Forfeit List. The Forfeit List is a list that is maintained by RQL under:

Thoroughbred

- Governed by Australian Rules (**AR**) of Racing 75.
- Whilst an individual is on the Forfeit List they are subject to the same disabilities and penalties as are declared by AR182 to apply to persons who are disqualified.
- **Harness**
 - Governed by Australian Harness Racing Rules – Rule 291 – 296.

- Whilst an individual is on the Forfeit List they are subject to the same disabilities and penalties as are declared by Australian Harness Racing Rule 259 to apply to persons who are disqualified.
- **Greyhounds**
 - Governed by Rules of Greyhound racing of Queensland Incorporating Greyhounds Australasia Rules and Queensland Local Rules – Rule 96 – 98.
 - Unless determined otherwise by the governing authority disqualified or suspended individuals are subject to the same disabilities and penalties as declared by LR26 (QLD).
- Authorise RQL to pursue and recover funds from clients classed as a 'Licensed Wagering Operator'.
 - Governed by the *Racing Act 2002 (Qld)* (**Act**) and regulations, race information legislation.
 - Please refer to the *Act as amended Ch3 part 6 (Racing Amendment Act 2008 (Qld)) and Racing Amendment Regulation (No 1) 2009*.

Credit Terms

The approved credit terms for all clients that are classed as a 'debtor' are strictly **one calendar month or 30 days from the date of the invoice which includes Harness and Greyhounds stakeholders**.

The approved credit terms for all clients which are classed as a 'licensed thoroughbred trainer' are **two calendar months or 60 days from the date of the invoice**.

The approved credit terms for all clients which are classed as a 'Licensed Wagering Operator' are payable by the **21st day of the month following the month** to which the Race Information Fee relates.

Exception to the terms:

- In accordance with the direction from the Chief Steward and/or Director of Integrity Operations in relation to fines and other penalties.
- On approval of application for extended payment terms by the appropriate delegate (Departmental Manager, Accountant – for Centralised Prizemoney System invoicing)

In order to ensure that 'Debtors' and 'Trainers' are aware of these terms the following measures should be implemented:

- Acceptance and copy of RQL's credit terms to be included within licensing renewal applications.
- If an extension is granted by the appropriate delegate these terms should also be clearly detailed on the relevant paperwork.
- An education program that is facilitated via the RQL Website and the RQL Magazine should regularly remind 'debtors' about our credit terms.

Disputed Invoices

When an invoice amount is disputed by the debtor, a request for further information is forwarded to the department, which requested the invoice to be raised. If it transpires that an invoicing error was made, then a credit note is raised and a second invoice or adjustment note is issued if required.

Invoice Cancellation

Invoices may only be cancelled before they have been issued to the debtor. Once an invoice has been dispatched it may only be amended by a credit or adjustment note.

Credit/Adjustment Notes

A Credit/Adjustment Note may be raised with if the supply of goods or services was incomplete, or for example, if the invoice unit pricing was incorrect. Credit notes require the approval of an appropriately delegated officer within RQL which authorised the invoice to be raised. A Credit Note Request form must be completed and forwarded to the Accountant – Receivables together with all relevant supporting documentation, such as:

- a record of the return of goods or services;
- a record of a reduction in the value of an invoice raised and the reason; and
- a record of foreign currency conversion differences.

Referral to Debt Collection Agency

Debt is to be referred to a debt collection agency only once RQL's recovery process has been exhausted and the debt remains outstanding. Once the debt has been referred to the credit agency, RQL accepts that commission will be deducted on any referred debt that is recovered. This will be partly offset by the reduction in time and overheads associated with continued in house debt recovery.

Exception:

For clients that are authorised to use Queensland Race Information, recovery of debt could result in:

- removal of the Wagering Operators authority
- cease of supply of Queensland race information
- civil action, and
- notifying the Office of Racing of failure to comply with the authority issued.

Debts that are Non Recoverable

The decision to recommend the write off of a bad debt is made by the Chief Financial Officer, only under the following conditions:

- The non recovery has been authorised by an Act (e.g. Bankruptcy Act); or
- The Chief Financial Officer is satisfied that the debt is not legally recoverable; or
- The Chief Financial Officer considers that it is not economical to pursue recovery of the debt.

When the recovery of a debt would leave RQL financially worse off than it would have been had recovery not been undertaken, then the debt could be regarded as uneconomical to pursue and the debt could be recommended for write off.

Approval of Write Off of Bad Debts

The Chief Financial Officer may recommend that an invoice is written-off if debt recovery action has failed and the debt is considered highly unlikely to be recovered. In such cases Finance will advise the department or cost centre originating the invoice.

The delegated authorities for write-offs, as set below, are:

Delegate	Financial Limit (per event)
Finance and Business Manager	Up to \$1,000 (not transferable)
Chief Financial Officer	Up to \$2,500 (not transferable)
CEO	Up to \$5,000 (not transferable)
Audit Committee	Over \$5,000

Proposed write-offs are compiled and reviewed by the Chief Financial Officer. The Audit Committee is then requested to recommend to the Board that the proposed write-offs be approved. Write-off transactions are processed only following Audit Committee/Board approval, for debts over to \$2,000 per event. All bad debts are written back against the originating cost centre to cancel the original income entry. Should the amount later be recovered, the payment is allocated to the original invoice and the income adjusted to the Miscellaneous Income Account.

If a debt that was initiated by a Department/Cost Centre is written off, the amount is charged to that Department's/Cost Centre's account as bad debt expenses.

After a debt has been written off, consideration must be given to whether or not further provision of credit will be granted and whether the debt should be listed on the Forfeit List. This listing will remain on the debtors credit file for a period of five years and may affect their future credit applications anywhere in Australia.

Solicitor Fees

Fees paid by RQL to the Solicitor for debt recovery work (e.g. issuing letters of demand) will be charged to the Finance operating account.

Following consultation with the relevant Department, if legal proceedings are commenced, then all further legal costs will be charged to the nominated account specified on the invoice request form.

In circumstances where full recovery (including reimbursement of legal costs) has been received, the reimbursement of legal costs will be credited in the nominated account.

Payment by Debtor

Any invoice payment sent by a debtor to a Department or RQL is to be immediately forwarded to Finance for processing. The relevant Officer must ensure that the invoice number to which the payment relates is clearly identified.

Refund of an Overpayment

Where invoices have been overpaid, a refund (including any applicable GST) is to be processed promptly.

Minor credit accounts (e.g. less than \$20) are not normally refunded unless requested by a client. The refund of these amounts is uneconomical.

Larger credit accounts are referred to the Department concerned to ascertain whether the client in question is likely to receive further services from the RQL. If so the overpayment maybe offset against further charges, otherwise a refund will be issued.

If a refund cannot be made to a client for any reason, then application is to be made to the Chief Financial Officer to transfer the credit amount to central RQL funds.

Dishonoured Cheques

When a cheque has been applied against a debtor's invoice in the RQL Financial System and this is subsequently dishonoured by the bank, the allocation of the payment is reversed to re-establish the debt and a dishonour fee is charged to the debtor. Notification is sent to the debtor and if required recovery action on the outstanding debt then recommences.

Roles and Responsibilities

The Chief Financial Officer is responsible for:

- Establishing procedural guidelines for RQL for the management of debts owing to RQL.
- Establishing a credible system for the collection of outstanding amounts
- Establishing and maintaining record-keeping procedures that protect confidentiality of information and protect the privacy of individuals concerned
- Monitoring the implementation and adherence of this policy
- Promoting awareness among industry participants of their financial obligations to RQL and to other industry stakeholders
- Compilation of end of year Provision for Bad and Doubtful Debts.

RQL Finance Department is responsible for:

Thoroughbred Licensed Trainers:

- The maintenance of the Nomination Exclusion List – including all tasks relating to its compilation – for all trainers that have debts owing eight weeks after the invoice date.
- Trainers should be issued reminder letters for debts that remain unpaid eight weeks after the invoice date to be followed by a phone call for debt that remains unpaid at nine weeks.
- For debts that remain outstanding for a period of more than ten weeks after the invoice date, second overdue letter issued notifying trainer of debt and referral to the nominated debt collection agency if the matter is not resolved within seven days.
- For debt that remains outstanding for a period of more than eleven weeks debt to be referred to the nominated debt collection agency.
- Once debt has been referred back to RQL from the debt collection agency as irrecoverable debt is to be detailed to Director of Integrity Operations for recommendation of inclusion of the Forfeit List. The maintenance of the Forfeit List is the responsibility of the Senior Finance Officer who must have all inclusions authorised by the Director of Integrity Operations. All further decisions and actions relating to the Forfeit List including enforcement of AR182 is the responsibility of the Director of Integrity Operations and its stewards. A letter notifying the trainer of inclusion on Forfeits list is issued. Debt is to be recommended to the appropriate delegate for write off as non-recoverable.
- In addition to the letters that are issued as detailed above, in the second week of each month a statement of account will be forwarded to all trainers.

Greyhound Licensed Trainers:

The control body is responsible for maintaining a List of Defaulters.

“**Defaulter**” means a person, declared by the Controlling Body or an authorised person to be a defaulter, who is in default in respect to the payment of any money payable to the Controlling Body or a club, including any prize monies directed to be returned to the relevant Controlling Body or club.

Clubs:

- Debtors other than trainers should be issued 1st overdue reminder letters for debts that remain unpaid six weeks after the invoice date.
- For debts that remain outstanding for a period of more than eight weeks after the invoice date, any amounts due to the Club is to be offset from the outstanding amounts.
- For debt that remains outstanding for a period of more than eleven weeks:
 - Debt to be referred to Director of Product Development
 - Second overdue letter sent
- Recommendation sent to Director of Product Development requesting review of allocation of race dates and authorisation for debt to be outsourced to debt collection agency.

All other debtors (excluding Thoroughbred Licensed Trainers, Clubs and Licensed Wagering Operators):

- Debtors other than trainers should be issued reminder letters for debts that remain unpaid six weeks after the invoice date.
- For debts that remain outstanding for a period of more than eight weeks after the invoice date, second overdue letter issued notifying trainer of debt and referral to the nominated debt collection agency if the matter is not resolved within seven days.
- For debt that remains outstanding for a period of more than eleven weeks debt to be referred to the nominated debt collection agency.
- Once debt has been referred back to RQL from the debt collection agency as irrecoverable debt is to be detailed to Director of Integrity Operations for recommendation of inclusion of the Forfeit List. The maintenance of the Forfeit List is the responsibility of the Senior Finance Officer who must have all inclusions authorised by the Director of Integrity Operations or Chief Steward. All further decisions and actions relating to the Forfeit List including enforcement of rule:
 - Thoroughbreds - AR182
 - Harness – Australian Harness Racing Rule 259
 - Greyhounds – GR 96 - GR103is the responsibility of the Director of Integrity Operations and its stewards. A letter notifying the trainer of inclusion on Forfeits list is issued. Debt is to be recommended to the appropriate delegate for write off as non-recoverable.
- In addition to the letters that are issued as detailed above, in the second week of each month a statement of account will be forwarded to all clients.

RQL Regional Staff/Stewards are responsible for:

- Assisting the Finance Department with the recovery of outstanding debts.
- This may include, but is not limited to, making personal contact with the relevant debtor to request payment. Other information including contact details could also be useful in assisting the Finance Team exhaust every avenue of collection before having to refer the debt to a collection agency.

RQL Legal and Compliance Department in conjunction with the Finance Department are responsible for:

- The follow up and recovery of debt incurred by holders of an Authority to use Queensland race information, as per the 7 step plan outlined to the Office of Racing:
 - Ongoing review of operators/bookmakers utilising Queensland race information
 - Send requests for applications and follow up thereof
 - Send reminders for provision of data
 - Send reminder letters for all outstanding data and debt at 30 days
 - Removal of authority letter for debt that remains outstanding
 - Notification to the Office of Racing for debt that remains outstanding and advise of actions previously undertaken, and
 - Civil action.

Procedures

Refer to the RQL debtor procedural manual for process, timelines and conditions for each class of debtor.

STANDARD CONTACT

- Send statements as per the designated timelines
- Issue letters as per the above timeline
- Any thoroughbred licensed trainers with restrictions on their use of the Trainers Service Centre (TSC) will contact Accounts Receivable to have the ban lifted
- Regional Offices

- ❑ Regular Invoices
- ❑ Racing Magazine and website –to remind about payment terms and options

RACING QUEENSLAND LIMITED

LICENSING SCHEME POLICY

Date Policy was Made

This policy was made on 1 July 2010.

Commencement Date

This policy came into effect on 1 July 2010.

Purpose

Section 81 (c) of the *Racing Act 2002 (Act)* requires Racing Queensland Limited (Racing Queensland) to have a policy about its licensing scheme. Section 86 states the purposes of the control body licensing scheme are to ensure-

- (a) the integrity of racing activities conducted as part of the code; and
- (b) the safety of persons involved in racing or training animals; and
- (c) the welfare of licensed animals while involved in racing or training, or activities associated with racing or training

The Licensing Policy provides for a system for assessing applicants seeking to participate in the Queensland racing industry and a system for ensuring the ongoing suitability of licensees to remain licensed.

Policy Statement

It is Racing Queensland policy that persons will be licensed to participate in thoroughbred, harness and greyhound racing and race meetings supervised by Racing Queensland and training activities involving racing animals, if they:

- Satisfy relevant competency levels for the role they are performing as specified from time to time;
- Demonstrate an understanding of, commitment to and compliance with Racing Queensland's policies and rules of racing relevant to that person's occupation or function;
- Demonstrate that they can carry out their occupation or duties in a manner that ensures the safety of persons involved in thoroughbred, harness or greyhound racing; and
- Maintain the required level of integrity while engaging in racing and training activities.

Racing Queensland's licensing scheme policy establishes a system by which Racing Queensland ensures that persons involved in thoroughbred, harness and greyhound race meetings, training, and associated activities of racing animals and the breeding of greyhounds and harness horses in Queensland meet and maintain sufficient standards of probity and competency.

Any:

- individual wishing to participate as a stablehand, foreperson, kennel hand, driver, jockey, apprentice jockey, trainer, assistant trainer, track work rider, riders' agent, stud master (greyhound and harness racing only), bookmaker or bookmakers clerk;

- in addition to that above, individuals wishing to participate as a owner, attendant, or racing staff in the greyhound code of racing;
- association or corporation wishing to participate as a club; or
- harness horse or greyhound that is to participate in races,

must be licensed/registered by Racing Queensland.

Licence Types and Criteria

The types of licenses that Racing Queensland may issue are set out in Annexure 1, Items 1, 2 and 3.

Criteria, qualifications and other requirements which from time to time apply are listed in a Licensing Manual.

Item 1 contains the licenses for the Greyhound code of racing.

Item 2 contains the licenses for the Harness code of racing.

Item 3 contains the licenses for the Thoroughbred code of racing.

National Police Certificates

Racing Queensland may at any time, including on application, request that a licensee or applicant provide a current National Police Certificate. Where a corporation is the applicant, all executive officers of the corporation may be required to submit such certificates. All convictions stated in a national police certificate will be considered relevant to the application for a licence. Where convictions are recorded, the Committee may request an interview with the applicant to discuss the charges.

Applying for a Licence

The licensing process is outlined in the Licensing Manual. General requirements may be found on the relevant form

Application Form

In completing the application form, the applicant will have to complete (where applicable):

- Relevant personal information, prior license history, financial position, evidence of competence, work history and experience
- Satisfactory identification
- National Police Certificate
- Medical certificate (riders/drivers)
- Authority provided for Racing Queensland to undertake enquiries into personal and professional affairs
- Undertakings to comply with process, policies and rules of racing
- Payment of non-refundable application fee.

How Racing Queensland will Deal with Applications

Applications will be dealt with in a timely manner determined by the category or type of licence and the level of assessment required to make a decision.

- The process is outlined above
- Inquiries may be made to confirm suitability to be licensed

- Receipts for payment will be issued
- Receipt of the application will be recorded on an appropriate register
- Applications which are incomplete, in error or without payment may be returned without processing.

Further Representations

Applicants may make representations in person, in writing or electronically to assist with their applications. Applicants in specified categories may be required to attend an interview. These categories include but are not limited to: trainers, riders' agents, bookmakers, and apprentice jockeys.

Grant, Issue and Form of a Licence

A licence will be issued in the form of a licence card or badge. When the licence is issued the licensee will be provided with the details of the type of licence, the period and any special conditions.

Information Notices

Applicants will be notified in writing of the outcome of their application. Where the application is refused or varied an information notice will be issued in the appropriate form as determined by Racing Queensland. Racing Queensland may decline to give a verbal notice of information.

Licence Renewal

Each licensee may be requested, by a date prior to expiry of a licence to:

- Confirm that information contained on any "Statement of Licensee Details" or renewal document is correct – or amend where relevant.
- Complete in full any renewal form required including details of insurance.
- Attach a completed medical certificate, including but not limited to if the licensee engages in riding or driving of horses, on any racetrack or registered training track.
- Attach details of payment of the applicable licence renewal fee.
- Sign any declaration relating to staff.
- Sign any agreement to the conditions of the licence.
- Pay the required fees, levies, insurances and taxes applicable from time to time.
- Licensees who owe debts of money to Racing Queensland may not be eligible for renewal until debts are paid.
- Any licensee who fails to renew their licence by the renewal date may be suspended, fined or cancelled.
- Any licensee who allows their license to expire may be immediately prevented from participating.

Surrender of a Licence

A licensee may at any time apply to Racing Queensland in the prescribed form seeking to surrender their licence.

Racing Queensland must consider the application and respond in writing.

A request to surrender a licence will not terminate any audit commenced by Racing Queensland into the affairs of the licensee. If Racing Queensland believes a licence has been surrendered in order to avoid disciplinary action against the licensee, no further

applications will be accepted from that licensee until a satisfactory resolution of outstanding matters is achieved.

Audit Program for Licensees

Racing Queensland undertakes a regular audit program for every category of licence based on risk management principles. Audit activity applies to racing animals, clubs, venues and participants for the purpose of deciding if they are suitable to continue to be licensed. A Racing Queensland audit of racing animals, clubs, venues and participants may be commenced as a result of:

- a random audit of a category of licence or regional area
- a written complaint provided by a third party to Racing Queensland regarding a licensee
- information gathered by a Racing Queensland employee which evidences that a licensee may have failed to comply with the conditions of their licence
- routine activity by Racing Queensland officers indicating the need for an audit of individuals or categories of licence; or
- requests from or responses to Government agencies and officials.

A Racing Queensland audit of a licensee may be in relation to:

- whether the licensee has the relevant qualifications or experience to hold a licence
- whether the licensee is disqualified from holding a licence
- whether a licensee has complied with one, more or all of the licence conditions including special conditions
- whether a person is a fit and proper person to be licensed
- whether the licensee is sufficiently financial to continue.

Should Racing Queensland audit a licensee and determine at the conclusion of the audit that the licensee no longer meets the requirements of the licence (either generally or specifically) or is not a suitable person to be licensed, Racing Queensland must take disciplinary action against the licensee.

Auditing of Licensed Clubs

Auditing processes will consider the following matters:

- Current executive officers
- National Police Certificates for executive officers
- Constitution or amendment
- Listing of club financial members
- Audited financial statements including Auditors report
- Attendance numbers and other information
- Compliance with legislation
- Correct proceedings of meetings and AGM's
- Adherence to directions of Racing Queensland's stewards
- Workplace health and safety issues

In addition the audit will consider the following activities of the club during any one year licence period:

- The number of race meetings allocated
- The number of races held at each meeting
- The number of licensed (or registered) animals in each race

for the purpose of determining the effectiveness of the club.

Suitability of Licensees

All licensees and applicants for licences must meet and continue to meet suitability requirements. These requirements address whether or not a licensee is a “fit and proper person” to be licensed.

Criteria for a fit and proper person will be applied.

“Fitness”

- A person must be fit and able to perform the duties of the relevant licence
- Where a person is not physically fit to perform the duties of a particular license category in person, but is able to supervise and direct an exception may be considered provided there is no risk to other persons, animals or to the good conduct of racing and training. Such persons would require the facilities, equipment, experience, knowledge, and other personal qualities necessary for successfully functioning in this manner.
- Fit also requires the person to have the stated skills and knowledge required for a licence. Racing Queensland may require appropriate evidence of skills and knowledge through testing, training and assessment or other means.
- Fit includes the person’s mental fitness to make correct decisions in relation to behaviour by demonstrating a continuing moral commitment to good behaviour and good character.

“Propriety”

Propriety relates to the general level of integrity of the person. It is primarily concerned with general behaviour and conduct inclusive of:

- history
- reputation
- integrity
- honesty
- character

Propriety will be assessed on the basis of general behaviour and conduct, in particular:

- disciplinary history
- evidence of dishonesty
- behaviour towards officials and staff of Racing Queensland and other Queensland racing industry participants
- whether any conduct or statement likely to impact the person’s reputation and more broadly on the reputation of other licensees, Racing Queensland, officials of Racing Queensland and the Queensland racing industry
- demonstrated ability to consistently operate within the rules and policies of Racing Queensland and any other laws and regulations applicable to the conduct of the industry and its participants including gaming laws

- evidence of bad behaviour and misconduct including police records, court records and letters of complaint regarding the licensee
- A history of indebtedness particularly as a result of mismanagement or gambling problems
- A failure to adequately demonstrate sufficient and acceptable financial means to fulfil the requirements of the license
- where a licensee or applicant for a licence has been convicted of or pleaded guilty to a criminal offence in any state or territory of Australia or in any other country.

All offences will be considered, particularly those considered to have a direct impact on an applicant's suitability such as offences relating to:

- dishonesty, fraud or forgery
- cruelty to animals
- aggravated assault
- sexual assault
- possession, use or supply of illegal substances
- serious crimes

In general crimes committed in the last 10 years will be considered relevant.

Disciplinary Action against a Licensee

Should any licensee fail to comply with any condition of their licence, they may be subject to disciplinary action.

Racing Queensland may become aware that a licensee has breached a condition of their licence in a number of ways, including but not limited to:

- During the course of a race day: - on these occasions, stewards of Racing Queensland conduct an inquiry at the conclusion of a race and interview all persons involved in the incident. If a Racing Queensland steward becomes concerned that a licensee may have breached a rule of racing, the steward must notify the licensee of the rule of racing that the licensee is alleged to have breached. The licensee must be afforded the right to respond to the allegation.
- During the course of an audit: - after undertaking preliminary investigations, an employee of Racing Queensland becomes concerned that a licensee has breached a condition of their licence.
- As a result of a report or information written or verbal provided by a third party including government agencies, animal welfare groups and bodies which indicates that a licensee may have failed to comply with the conditions of a licence.

Immediate Suspension of a Licence

Racing Queensland may immediately suspend any licence issued by it if:

- Racing Queensland is notified that a licensee is an excluded person, or
- A Racing Queensland employee forms the belief that the safety of persons or animals are in danger and that belief is reviewed and adopted by the Licensing Manager, Chief Steward or Director of Integrity Operations or another person appointed by the Board of Racing Queensland, or
- A licensee fails to pay a debt owed to Racing Queensland within 30 days or such other period of time agreed between Racing Queensland and the licensee or according to the credit policy in force at that time.
- A licensee has been found guilty of or pleaded guilty to criminal acts that may bring into question the integrity of the Queensland racing industry or the safety or welfare of

persons and animals involved in the industry whether or not a conviction has been recorded. Racing Queensland is not required to take into account any punishment applied in a court or tribunal when assessing additional responses under this policy.

Examples of reasons for immediate suspension of a licence include:

- Failure by a licensee to effect appropriate insurance which protects the interests of various persons involved in the Queensland racing industry, or
- Allegations of cruelty committed by a licensee towards animals
- Failure to provide for the feeding, watering, housing and treatment of horses or greyhounds indicating a lack of care for the welfare of animals, or
- Allegations of a licensee threatening employees should they inform Racing Queensland of breaches of Racing Queensland's policies or rules of racing.
- Allegations or charges of a criminal nature which require Racing Queensland to exercise a duty of care to participants or animals or to safeguard the integrity of the Queensland racing industry or to ensure the safety and welfare of other participants or the public who may be particularly at risk: young; female; apprentices and trainees; handicapped.
- A reasonable judgement that other licensees have been threatened or intimidated and the behaviour is likely to continue and that it is likely to be disruptive of racing and/or training.
- A judgement of a court in relation to debts incurred as a result of participation in the Queensland racing industry.
- A written request from a senior integrity official of another Australian or international racing control body.

Should Racing Queensland immediately suspend a licence, Racing Queensland must:

- Inform the licensee in writing as soon as possible but within 7 days
- Provide reasons in writing to the person
- Advise the suspended person of their rights to request in writing, a show cause hearing of the matter within 28 days of the request being received by Racing Queensland
- Provide the applicant with an opportunity to be heard and to call evidence in defence of the allegations should they request a hearing
- Advise in writing the outcome and reasons for the decision resulting from any show cause hearing

Racing Queensland may:

- consider a stay of the suspension where the show cause hearing is deferred or adjourned.
- at its discretion direct the suspended licensee to attend a hearing to show cause why the licence should not be suspended.

Licensing Register

Racing Queensland will maintain or have access to a register of all licensees, their details, history and records of activity in thoroughbred, harness and greyhound racing.

Exhibiting and Producing a Licence

The licensee or trainer of the licensee must be in possession of the licence at all times while the licensee is engaged in the training and racing of racing animals and be produced at the request of Racing Queensland officials.

Lost Licences

A licensee must notify Racing Queensland in writing within 7 days of becoming aware of having lost their licence, in which case Racing Queensland will provide a replacement licence within 14 days of the licensee:

- notifying Racing Queensland of the loss of the licence; and
- paying such fee as Racing Queensland may prescribe.

Change of Details of a Licensee

Licensees must promptly notify Racing Queensland in writing of:

- changes of address
- changes of stabling/kennelling or location of racing animals
- changes to the executive of any licensed corporation
- changes to the committee of any licensed club

Appointing Officials

Racing Queensland will appoint such officials as are necessary to provide for the requirements of its policy for a licensing scheme. Officials include stewards appointed under the applicable rules of racing, with the powers and functions assigned under this policy and other Racing Queensland policies and the applicable local and national rules of racing. Officials of Racing Queensland will be issued with identity cards.

Show Cause Notice

Racing Queensland may issue a show cause notice to a licensee requiring them to attend a hearing and demonstrate why they should not be suspended, cancelled or have conditions imposed. Examples of reasons for this include:

- Failure to pay debts incurred as a result of participation in the Queensland racing industry as evidenced by a judgement of a court or signed written complaints supported by evidence of the debt.
- Failure to pay wages and entitlements in whole or part to persons engaged to perform work connected to racing and training of racing animals.
- Recommendations from an inquiry by stewards
- A direction of the Licensing Committee based on a belief that the licensee may not be meeting the requirements of the licence.

Any reason that may otherwise be grounds for an immediate suspension of the licence.

Public Notice

An applicant for a licence may be required to give notice of the application by advertisement in a newspaper, any other publication including electronic, or by signage because of the particular nature of the application.

Provisional or Temporary Licenses

An interim licence may be issued subject to subsequent ratification by the Licensing Committee. The Licensing Committee may delegate power to grant such interim licenses and impose conditions and procedures as it sees fit. Any exercise of this power must be conveyed to the Licensing Committee at its next meeting. The circumstances may vary but in general the need to exercise this power will relate to:

- The changed circumstances of a licensee and the urgency of the situation.
- The need to ensure the efficient conduct of a race meeting or training event including the approval of visiting licensees.
- The need to ensure the welfare of animals.
- Ensuring that licensees are instituting sound financial practices.
- In general the following Racing Queensland officials have such power:
 1. The Chief Executive Officer
 2. The stewards as authorised by the Chief or Deputy Chief Steward
 3. The Licensing & Training Manager
 4. The Director of Integrity Operations

Stablehand and track rider applicants may be issued with a temporary license subject to conditions including a fixed period to allow employers to replace staff at short notice and for new licensees to start work as soon as possible.

Conditions of a Licence

Racing Queensland may impose conditions on any licence particular to a licensee, a category of licence, a region or location, or in any manner it considers necessary. It is a condition of any licence that the licensee must:

- Make themselves available for any interview or inquiry if requested
- Allow access and inspection of any stable or property used for training or keeping of race horses or greyhounds
- Allow Racing Queensland officials access to staff employed in connection with the licence
- Allow Racing Queensland officials access to any licensed animal and provide details of its location and training
- Notify Racing Queensland within 14 days if charged with any criminal offence, if made bankrupt or becomes the subject of a court judgement requiring payment to a Queensland racing industry participant or provider.

Racing Queensland will, from time to time, establish for each category of licence:

- a non-refundable application fee payable upon application for a licence; and
- a licence renewal fee.

These fees may be published in the Racing Calendar and on Racing Queensland's website at: www.racingqueensland.com.au . Unless otherwise agreed, payment of these fees is a pre-condition to a licence being granted.

Right of Review

Applicants who are dissatisfied with a decision regarding a licence application may request a review of the decision by the Licensing Committee. Requests must be in writing and can only be considered if new and relevant information is provided.

Appeals may be made to the Queensland Civil and Administrative Tribunal (QCAT) as successor to the Racing Appeals Tribunal under Section 167 of the *Racing Act 2002*. This includes appeals against a decision to:

- refuse to grant or renew a licence, or
- take disciplinary action, or
- suspend or revoke a licence.

Apprenticeship Arrangements

Employers of apprentices and the apprentices have obligations to each other, to Racing Queensland, to Government bodies and to the Queensland racing industry. Racing Queensland will act to ensure that apprenticeship arrangements in general provide the necessary efficiency, flexibility and quality required for the future needs of the Queensland racing industry. Racing Queensland will implement the necessary structural arrangements to provide for the recruitment, training and employment of apprentices.

Arrangements must be equitable and not favour one party over another. Arrangements must ensure that apprentices are employed, trained and mentored satisfactorily.

Where arrangements individually or collectively fail to protect the interests of parties or the Queensland racing industry, Racing Queensland will act to enforce obligations, apply disciplinary measures, resolve issues and if necessary cancel arrangements with or without the consent of the parties. Employers cannot stand down apprentices without approval from Racing Queensland through the Training Manager or Chief Steward.

The criteria for action may include the following:

- Failure to pay the correct wages and entitlements
- Failure to complete documentation and maintain records for wages, licences and training.
- Failure to provide training, mentoring and support
- Lack of cooperation and support for the apprentice's training and development
- Lack of opportunities for the apprentice
- Poor work ethic, misbehaviour and absenteeism of the apprentice from work and training
- Mistreatment, bullying, harassment, abuse and intimidation
- Excessive working hours, inappropriate or unsafe work practices and inadequate rest.
- Serious misbehaviour by either party
- Disqualification of either party
- Breach of any apprenticeship code of conduct or similar undertaking

Mutual Recognition Agreements

Racing Queensland provides for the requirements of the Trans Tasman Mutual Recognition Arrangement and the Mutual Recognition Agreement. Successful applications under these agreements will be implemented by Racing Queensland.

Requirements for the approval of stables, kennels, registration of staff and animals must still be met under this Licensing Policy and the Rules of Racing.

In general Racing Queensland will recognise licences issued in New Zealand on completion of an application as a visiting licensee. The category of licence to be issued will be that applicable in Queensland for Queensland licensees with similar qualifications, background and experience. As stated by the legislation, conditions may be attached in order to achieve equivalence.

Intra-state or Visiting Licence Arrangements

Racing Queensland recognises licences issued by other Australian control bodies under the Australian Rules of Racing as a starting point for the issuing of visiting licences or reciprocal Queensland licences if appropriate. The normal requirements for Queensland licences will apply.

Application

This policy applies to all persons who apply for licenses, the categories of which are set out in Annexure 1.

Rules of Racing

Racing Queensland will make any rules of racing necessary to give effect to any matter contained in this policy.

Definitions

This policy adopts the terminology used in the Act. Schedule 3 of the Act contains a dictionary of words used in the Act and may be accessed via the internet at www.legislation.qld.gov.au, under the tab "R".

Other terminology used in this policy includes:

'Excluded person means a person who:

- is currently disqualified under the rules of racing;
- is currently on the Forfeit List;

'Conviction' refers to an offence, means being found guilty of the offence, on a plea of guilty or otherwise, whether or not a conviction is recorded.

'Forfeit list' means a list of names of persons who owe a debt to Racing Queensland which debt has arisen from a person's involvement in thoroughbred, harness or greyhound racing in Australia.

'Racing animal' means thoroughbred horses, harness racing horses and greyhound dogs.

Annexure 1 - Licensing Types and Criteria

ANNEXURE - LICENSING TYPES AND CRITERIA

ITEM 1 GREYHOUND RACING

Owner	<p>Licensee may own a greyhound for racing and/or breeding purposes:</p>
PARTNERSHIP	<p>Permitting the holder (2-4 persons) to own a greyhound for racing and or breeding purposes.</p> <p>Members of a partnership shall appoint one of the members as the delegated person and RQL shall treat and deal with the delegated person as if the person was the sole owner.</p> <p>Members of a partnership may also appoint the delegated person as an agent for the purposes of exercising any power, making any decision or taking any action on behalf of the Partnership or its members. Careful consideration should be given before answering question 6 on the application form. Please note that an interstate resident must be licensed with the controlling body in that state or territory as an Owner to form part of a Partnership.</p>
Syndicate	<p>Licensee may own a greyhound for racing and/or breeding purposes:</p> <p>Permitting the holder (5-19 persons) to own a greyhound for racing and or breeding purposes.</p> <p>Members of a syndicate shall appoint one of the members as the delegated person and RQL shall treat and deal with the delegated person as if the person was the sole owner.</p> <p>Members of a syndicate may also appoint the delegated person as an agent for the purposes of exercising any power, making any decision or taking any action on behalf of the Partnership or its members. Careful consideration should be given before answering question 6 on the application form. Please note that an interstate resident must be licensed with the controlling body in that state or territory as an Owner to form part of a Syndicate</p>
Licenses	<p>Racing Queensland Limited recommends that you familiarize yourself with your State Government and local council's rules and regulations in relation to animal registration and welfare issues. Council rules have precedent over the rules of Greyhound Racing.</p> <p>Animal Welfare and Ethics • Local Government - Queensland • Workplace Health & Safety - Queensland. • Racing Queensland Limited- Licencing Policy • Racing Queensland Limited- Rule Book • Racing Queensland Limited- Information booklet Fees are applicable for all licence types - please refer to fee schedule</p>
General Requirements	<p>Applicants must provide RQL with a National Police Certificate (name only). You will need to visit a local police station with proof of identity to apply for a National Police Certificate, the fee is approximately \$50.00, and also ensure that you obtain a receipt. Applicants that have been licensed in Queensland within the last 5 years of application date will not be required to provide a National Police Certificate. A photograph will be required to produce your licence. If calling into the office of RQL we will be happy to take your photograph, or you can provide RQL with a passport size photograph or email photo in .bmp or .jpeg format.</p>

ITEM 1 GREYHOUND RACING Continued

Class 4 Trainer	<p>Licensee may rear, break in or pre-train a greyhound owned by the licensee: The Licensee may not hold any other classes of licences. For the purpose of this Rule “pre-train” shall mean the care/training of a greyhound for racing, preparatory to the training of the greyhound being taken over by a licensed Class 1, 2 or 3 trainer</p> <p>Applicants must be over 18 years.</p>
Class 3 Trainer	<p>Licensee may train a greyhound owned by the Licensee or an immediate member of the Licensee’s family who resides with the Licensee.</p> <p>For the purpose of this category “owned” includes part owned and the Authority may, under any conditions it determines, dispense with the residency provision.</p> <p>Applicants must be over 18 years.</p> <p>Applicants must provide description of kennelling /housing of greyhound/s.</p> <p>If not licensed with a greyhound controlling body within the last 5 years of application date, applicants will be required to complete a competency assessment and practical assessment within 3 months of licence application date. Applicants upgrading from an Attendant’s licence will be required to compete a competency assessment only. Failure to complete the assessment/s within the 3 month period may result in your licence being suspended.</p>
Class 2 Trainer	<p>Licensee may train the number of greyhounds prescribed by the licensing body</p> <p>Applicants must be over 18 years.</p> <p>Applicants must provide description of kennelling/housing of greyhound/s.</p> <p>If not licensed with a greyhound controlling body within the last 5 years of application date, applicants will be required to complete a competency assessment and practical assessment within 3 months of licence application date. Applicants upgrading from an Attendant’s or Class 3 Trainer’s licence will be required to compete a competency assessment only. Failure to complete the assessment/s within the 3 month period may result in your licence being suspended</p>
Class 1 Trainer	<p>Licensee may train any greyhound</p> <p>Applicants must be over 18 years.</p> <p>Applicants must provide description of kennelling/housing of greyhound/s.</p> <p>If not licensed with a greyhound controlling body within the last 5 years of application date, applicants will be required to complete a competency assessment and practical assessment within 3 months of licence application date. Applicants upgrading from an Attendant’s, Class 3 or Class 2 licence will be required to complete a competency assessment only. Failure to complete the assessment/s within the 3 month period may result in your licence being suspended.</p>

ITEM 1 GREYHOUND RACING Continued

Attendant	<p>Licensee may handle a greyhound on behalf of a licensed/registered person.</p> <p>Permitting the holder to handle a greyhound on behalf of a licensed or registered person. Applicant must be 14 years or over. Applicants under 16 years will be granted a provisional licence to catch greyhounds only.</p> <p>If not licensed with a greyhound controlling body within the last 5 years of application date, applicants will be required to complete a competency assessment and practical assessment within 3 months of licence application date. Failure to complete the assessments within the 3 month period may result in your licence being suspended.</p>
Stud Master	<p>Licensee may carry out the duties of a stud master in connection with a register sire and to rear, break in or pre-train any greyhound. Applicants must be over 18 years. Applicants must provide description of kennelling/housing of greyhound/s.</p>
Racing Bookmaker	<p>Licensee may carry on bookmaking at a greyhound racing meeting.</p> <p>Certificate of eligibility must be obtained prior to application. Contact Registrations.</p>
Racing Bookmaker's Clerk	<p>Licensee may be employed by a racing bookmaker at a greyhound racing meeting.</p> <p>Applicants must be over 18 years.</p>
Racing Staff	<p>Licensee may be employed, by a club, as an official at a greyhound racing meeting.</p>
Training Track Operator	<p>Licensee may operate a public training track. Applicants must be over 18 years.</p>
Litter	<p>Greyhound is eligible for branding and subsequent naming.</p>
Naming	<p>Greyhound is eligible for racing and/or breeding.</p>
Sire	<p>Greyhound will be eligible to be used as a stud dog.</p>

ITEM 2 HARNESS RACING

Stablehand	<p>Licensee may perform the following stable duties under the supervision or instructions of a licensed trainer:</p> <ul style="list-style-type: none">track work;assisting with the training, management, care and control of horses; andassisting with the pre-race preparation and post-race procedures affecting a horse. <p><u>Qualifications:</u></p> <ul style="list-style-type: none">Attained the age of 15 years;Satisfies the Board that the applicant has the experience necessary to be granted a Stablehand licence.
Grade C Driver	<p>Licensee may perform the following duties:</p> <ul style="list-style-type: none">drive in trialscarry out track work on registered tracks; anddrive at any meeting to prepare a horse to race at that meeting other than during the horse's immediate pre-race preliminary. <p><u>Qualifications:</u></p> <ul style="list-style-type: none">Attained the age of 15 years;Held a Stablehand licence for a minimum of 6 months or provides evidence of previous experience which satisfies the Board that the applicant has the experience necessary to be granted a Grade C Driver licence; andSuccessfully completed a training course approved by HRQ.
Grade B Driver	<p>Licensee may perform the following duties:</p> <ul style="list-style-type: none">all the duties permitted for a Grade C Driver; anddrive at graduation meetings and, other than in races of a metropolitan class, at country or provincial meetings, including country or provincial class meetings at metropolitan sites. <p><u>Qualifications:</u></p> <ul style="list-style-type: none">Attained the age of 16 years;Held a Grade C Driver licence for not less than 6 months; andCompleted a minimum of 25 satisfactory drives in trials. The drives must include at least 5 standing starts and 5 mobile starts and be listed and verified by Stewards on Grade C driving record form R90-C.
Grade A Driver	<p>Licensee may perform the following duties:</p> <ul style="list-style-type: none">all the duties for a Grade C Driver and Grade B Driver; and drive at any meeting. <p><u>Qualifications:</u></p> <ul style="list-style-type: none">Held a Grade B Driver licence for not less than 12 months; andCompleted an adequate number of drives (in races other than trials) to the satisfaction of the Stewards. In addition, where the applicant has not previously held a Grade A Driver licence, a Grade B Driver's Card form R90-D must also be submitted to HRQ stewards with an adequate number of accredited satisfactory drives where applicable.

ITEM 2 HARNESS RACING Continued

Grade B Trainer	<p>Licensee may train any horse</p> <p><u>Qualifications:</u></p> <p>Attained the age of 18 years</p> <p>Hold a Stablehand licence for a minimum of 6 months or provide evidence of previous experience which satisfies the Board that the applicant has the experience necessary to be granted a Grade B Trainer Licence; and</p> <p>Successfully completed a training course approved by HRQ.</p>
Grade A Trainer	<p>Licensee may train any horse.</p> <p><u>Qualifications</u></p> <p>Attained the age of 19 years</p> <p>Held a Trainer – Grade B licence for at least 12 months</p> <p>Has had a minimum of 30 starters</p>
Bookmaker	<p><u>Qualifications</u></p> <p>Attained the age of 21 years</p> <p>Bonded with the Queensland Bookmakers Association</p> <p>Registered with Queensland Racing for phone betting</p>
Bookmaker's Clerk	<p><u>Qualifications</u></p> <p>Attained the age of 18 years</p>
Club	<p>Licensee may conduct and promote harness racing meetings in accordance with a Club Licence Agreement.</p> <p><u>Qualifications</u></p> <p>Incorporated association or corporation with promoting harness racing as primary object</p> <p>All Executive Officers are eligible individuals</p> <p>Business plan and financial stability acceptable to HRQ</p> <p>Demonstration desirability and need for the Club</p> <p>Preparedness to enter into a Club Licence Agreement acceptable to HRQ</p>
Horse	<p>Registered as per the Rules</p> <p>'100 Points'</p> <p>(a) the owner; or</p> <p>(b) if the horse is jointly owned:</p> <p style="padding-left: 20px;">(i) where it is joint ownership under the Rules, each part-owner; or</p> <p style="padding-left: 20px;">(ii) where a syndicate has been registered under the Rules, the syndicate manager.</p>

ITEM 3 THOROUGHBRED RACING



Racing Queensland Limited

COMPLAINTS MANAGEMENT SYSTEM

Date Policy was Made

This policy was made on 1 July 2010

Commencement Date

This policy came into effect on 1 July 2010.

1. Purpose

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the industry.

Racing Queensland aims to ensure a safe, harmonious and productive industry. To achieve this aim, this policy incorporates the management of complaints relating to harassment and bullying, sexual harassment, unlawful discrimination, actions and decisions of Racing Queensland official's decisions and actions and general industry complaints.

This policy will provide the mechanisms for the management of all complaints within the industry encompassing; Racing Queensland Employee's, all licensed persons, officials and all persons employed within the horse racing industry.

The ultimate aim of the policy through management mechanisms is to satisfy all parties that due process is followed in the resolution of complaints.

2. Definitions

Prior to defining the parameters of what constitutes a complaint, it is necessary to define what is not a complaint. An inquiry relating to the appropriateness of a procedure, law or perception that needs clarification is not a complaint and is usually dealt with in accordance with the normal duties of a Racing Queensland employee.

Therefore, the initial expression of dissatisfaction, whether in writing or otherwise will not be considered a complaint where the issue is settled in the ordinary course of business.

'Complaint' means any specific statement, either verbal or written, from any source including anonymous which could make a person subject to disciplinary action, legal action or both. In addition, a complaint may also encompass activities that require investigation to establish whether a procedure, process or policy requires change.

3. Principles of Fairness

The complaints process must be fair to both the complainant and the person or organisation against whom the complaint is made. All complaints will be treated as legitimate and managed without prejudice. Complainants and respondents will be afforded natural justice throughout the complaints process. Natural Justice involves the following principles:

- the person who is subject of concern must know all the allegations in relation to their behaviour and or actions
- the person who is the subject of concern must have a full opportunity to put forward their case and answer the allegations
- all parties to the complaint must have the right to be heard
- all relevant submissions and evidence must be considered
- matters which are not relevant must not be taken into account, and
- the decision maker/s must act fairly and justly.

Whilst managing complaints, Racing Queensland employees must adhere to the principles of this policy as well as the Code of Conduct and principles within the Australian and Local Rules of Racing.

4. Who Can Complain?

The approach of Racing Queensland in regard to managing complaints is designed to be as inclusive as possible in accordance with the principles of natural justice.

Complaints will be received and accepted from:

- Racing Queensland employees and officials
- Licensed persons
- Licensed Clubs, and
- Any other person.

5. Issues that fall outside this policy

Though designed to be as comprehensive as possible it is recognised that certain types of complaints are not intended to be dealt with by this complaints policy and are more appropriately dealt with through other channels. For example:

- Matters that concern civil debts or partnerships should be addressed through civil law remedies.
- Dissatisfaction with the decisions of Steward Panels must proceed through the First Level Appeals process and the Queensland Civil and Administrative Appeals Tribunal, although, complaints in relation to the way decisions were administered may be covered under this policy.
- Grievances with the decisions of the Licensing Committee are not covered under this policy as appeals of licensing decisions are dealt with through the Queensland Civil and Administrative Appeals Tribunal.

6. How to Lodge a Complaint

Racing Queensland recognises the right that an individual or organisation carries in regard to making a complaint in the way that best suits them and has formulated this policy in respect of those basic rights.

The preferred option for lodging complaints is in writing. This can be done by:

- letter addressed to the Complaints Co-ordinator at Racing Queensland, PO Box 63 Sandgate, QLD 4017
- facsimile transmission addressed to the Complaints Co-ordinator at 07 3269 8268
- email to complaints@queenslandracing.com.au.

Complaints lodged in writing should contain full contact details of the complainant, sufficient details to identify the person about whom the complaint is made and a statement of the facts giving rise to the complaint.

Complaints may also be made by telephone to the Complaints Co-ordinator on 07 3869 9747.

Another option is to lodge a complaint in person. This can be done through the Complaints Officer at Racing Queensland headquarters or through the Regional offices at Toowoomba, Rockhampton or Townsville. However, if complaints are lodged through regional offices they will still be processed and managed through the central complaints management system.

Complaints may also be lodged with the Steward in charge of any particular race meeting. If the matter cannot be dealt with at the meeting that Steward will ensure that the complaint is lodged in accordance with this policy.

If for any reason, a person wishing to lodge a complaint cannot exercise any of the above options, the person may call to the switchboard of Racing Queensland on 07 3869 9777 and ask to make a formal complaint. This complaint will be documented by a Racing Queensland employee and placed onto the Complaints Management System.

7. Complaint Service Standards

Minimum service standards in the handling of complaints have been developed to ensure that there is consistency in relation to the management of complaints.

The following represent the minimum complaint standards:

- the complaint will be recorded to assist in management and complaint analysis
- the complaint will be acknowledged promptly
- the progress of outstanding complaints will be monitored, and.
- complainants will be kept informed.

Complaints will be dealt with promptly, courteously and in accordance with their urgency. Complaints will be acknowledged by letter or telephone call within 5 working days, where practicable.

Complaints should be resolved within 30 working days where possible. If this timeframe is not achievable, complainants will be notified of any delay, either in writing or by telephone.

8. The Complaint Process

8.1 Stage 1

At the first stage of the complaints process, the complainant should direct their complaint to Racing Queensland's complaint management system by the measures outlined in the "How to Make a Complaint" section of this policy. The complaint will be acknowledged without delay.

The complaint will then be assessed by the Complaints Co-ordinator and discussed with the Director of Integrity Operations. The Complaints Co-ordinator will then either:

- refer the matter to the Chief Steward for an Inquiry to be conducted
- refer the matter to another appropriate Racing Queensland manager or Harassment Officer for remedial action
- refer the matter to the Evidence Evaluation Committee (made up of the Director of Integrity Operations, the Chief Steward and the Senior Legal Counsel) to determine further action, including commencing an investigation, referral etc
- refer the complaint, with the consent of the complainant, to another body or organisation for action, or
- advise the complainant that Racing Queensland will not be taking further action.

8.2 Stage 2

The further action will then be undertaken by the relevant manager, Steward or other relevant Queensland Racing officer. The complainant will be informed of progress of the matter and the identity of the relevant officer.

Once completed, the outcome of the matter will be recorded on the relevant Queensland Racing register and the complainant advised.

During the handling of the complaint, all relevant parties will be afforded natural justice and the findings and reasons for the findings will be conveyed.

8.3 Stage 3

If any party feels that the matter has not been appropriately investigated, the matter will be brought to the attention of the Director, Integrity Operations in letter form. This letter is to outline reasons for dissatisfaction.

The Director of Integrity Operations will consider the matter and outline the reasons for a course of action in writing to the complainant or dissatisfied party.

9. Complaints involving more than One Division

Where a complaint is complex in nature, involving more than one division or area of Racing Queensland, investigating officers within Racing Queensland will liaise with each other and provide a consolidated response to the complaint.

10. Provision for Multiple Complaints

It is recognised that a person may wish to make multiple complaints about a number of aspects within the industry. Where the complaints relate to a single service, experience or event they can be processed as being of one complaint.

If the complaints made relate to different services or events, the complaint will be dealt with as separate complaints.

11. Vexatious Complaints

Although the *Vexatious Proceedings Restriction Act 2002* specifically relates to the ability of the Courts to decide that a person has instituted or conducted vexatious proceedings, it provides a useful definition to determine when complaints are vexatious. The definition includes the below mentioned components:

- An abuse of process
- Complaints initiated to harass or annoy, to cause delay or detriment, or for any other wrongful purpose
- Complaints instituted or pursued without reasonable ground, and
- Conduct of such a manner so as to harass or annoy, cause delay or detriment or achieve any other wrongful purpose.

Vexatious complaints will not be considered by Racing Queensland. Any complaints suspected of or found to be vexatious will be brought to the attention of the Director, Integrity Operations.

Racing Queensland recognises the right of people to instigate a complaint and this right will not be unnecessarily or inappropriately curtailed.

12. Satisfaction

It is not always possible to ensure that a complainant is satisfied with the outcome of a complaint. However, Racing Queensland will ensure that the process of resolving a complaint meets all the components of the Australian Standard 4269 and will review all feedback in respect of the operation of the system.

13. No further action taken

The Manager or other person within Racing Queensland that has been tasked with handling a complaint, may assess that it is appropriate to take no further action. This could occur in the following circumstances:

- when there is a misunderstanding of the Rules of Racing or the law by the complainant
- when there is a misunderstanding of Racing Queensland procedures by the complainant

- when there has been a communication problem between the complainant and others involved
- when the matter of complaint is of a trivial nature and in the assessment of the Manager or authorised delegate, an investigation is not warranted, or
- the complaint does not identify any conduct requiring redress.

If no further action is to be taken by Racing Queensland, complainants will be advised and an explanation provided.

14. Informal Resolution

Informal resolution is intended to provide a confidential, flexible and simple procedure for dealing with complaints of a minor nature against Racing Queensland employees. The process encourages discussion between the three main parties:

- the officer handling the complaint
- the complainant, and
- the employee who is the subject of the complaint.

Informal resolution will only be used with the permission of either the CEO or Director of Integrity Operations and in circumstances where:

- the conduct complained of amounts to a breach of discipline and not misconduct, and
- the conduct appears to have been lawful and reasonable.

The purpose of the process is to obtain:

- an explanation of the incident (where the conduct of the employee appears to be both lawful and reasonable)
- an apology from the employee to the complainant if there are admissions of fault or if an apology is appropriate and warranted
- an apology on behalf of Racing Queensland to the complainant by the authorised member if complaint has substance and no apology is forthcoming from the employee, and

When there is no substantiation of either version of the incident, to explain that fact to the complainant and invite acceptance that nothing further should be done by Racing Queensland.

Whilst no adverse reference is to be recorded on the personnel file of the employee in question, the complaints system is to clearly make record of the dispute resolution process.

15. Procedures

This policy will be implemented through various Racing Queensland procedures.

16. Rules of Racing

Rules of Racing will not be made for this policy.

17. Review

This policy was reviewed in September 2010.

Next review date will be September 2012.

REVISION HISTORY

Version	Date	Description
1.01	July 2010	Board adopted under exceptional circumstances
1.02	September 2010	Board confirmed subject to recommended amendments, this policy continues to have effect.



INFORMATION SECURITY POLICY

Owner

IT Department

Stakeholders

Corporate Wide

Revision History

<i>Version</i>	<i>Date</i>	<i>Description of Change</i>
1.01	January 2009	First draft (David Rowan)
1.02	June 2010	Update for Racing Queensland

RACING QUEENSLAND LIMITED

POLICY ON INFORMATION SECURITY

COMMENCEMENT DATE

This policy comes into effect on 1 January 2011.

PURPOSE

To state the guidelines for use and protection of Racing Queensland Limited (RQL) information by its officers, employees and contractors.

RQL has a responsibility to protect the security, access, integrity, use and disclosure of information and implement policies to satisfy this.

BACKGROUND

Information is an organisation's primary asset. However, not all information has equal value and varies in degree of sensitivity and criticality. It is important to classify information and identify ownership to ensure information assets receive proper recognition for their value and are protected accordingly. This includes management implementing a policy or standard approach to securing and handling information based on its classification scheme. All organisations have legal responsibility and duty of care to protect the security, access, integrity, use and disclosure of information.

INFORMATION MANAGEMENT BENEFITS

Benefits associated with effective data protection and information classification include:

- improved information confidentiality, integrity and availability
- protection mechanisms are maximised
- emphasis on reviewing the value of company business information
- decision quality is increased from information quality being improved
- facilitates business activities by minimising information security costs
- information protected from unauthorised disclosure, use, modification and deletion
- information is disclosed on a need-to-know basis

POLICY STATEMENT

RQL has responsibility for a significant amount of information and must develop, document, implement and review appropriate security controls to protect this information from unauthorised use or accidental modification, loss and release by:

- Establishing an appropriate information security culture within the organisation;
- Satisfying the Queensland Government's mandatory information security principles as detailed in Information Standard 18;
- Implementing security measures beyond the minimum requirements commensurate with the information's value, business significance and sensitivity, and;
- Adhering to all legal and legislative requirements.

This policy addresses this responsibility and is based on the following principles:

Confidentiality	Ensuring that information is accessible only to those authorised to have access;
Integrity	Safeguarding the accuracy and completeness of information and processing methods; and
Availability	Ensuring that authorised users have access to information and associated assets when required

DEFINITIONS

Racing Queensland and RQL means Racing Queensland Limited.

Employees means any person currently or formally employed by Racing Queensland.

Information means any data, information and knowledge either recorded or otherwise held by employees that has been produced by RQL or is otherwise owned by RQL.

APPLICATION

This policy applies to all persons employed by Racing Queensland Limited.

INFORMATION CLASSIFICATION

The information classification defines a set of guidelines for the classification of sensitive information handled, created or received (in either electronic or paper-based formats) in accordance with sensitivity, confidentiality of content and business importance based on their legislative, regulatory and contractual obligations. To maintain a suitable level of protection for information, this identifies and documents major information assets and processes and assigns responsibilities for the maintenance of their security.

RQL has classified its information as shown in Appendix 1 according to its sensitivity and importance.

CLASSIFICATION DESCRIPTION

Sensitivity relates to how sensitive the data is in terms of business impact if it were to be disclosed externally. Considerations include; breach of privacy legislation, media attention, loss of consumer confidence etc. Classify as High (H), Medium (M) or Low (L).

Importance relates to how important the data and its integrity is to the continued operation of the business. High (H), Medium (M) or Low (L).

CLASSIFICATION EXAMPLES

For example the Financial details of racing participants contained within the HORSES database would be classed as highly sensitive due to the impact of it being disclosed without authorisation, and highly important since RQL uses the information to correctly pay prizemoney to the participants.

IMPACT OF MISUSE OF INFORMATION

RQL may be legally exposed to litigation as a result of misuse of information. Such an occurrence may also impact the organisations ability to successfully oversee and control the racing industry due to the political exposure and negative media coverage it would create.

ACCESS REQUIREMENTS AND RESTRICTIONS

RQL sets information access requirements and restrictions according to an employee's role and department as requested by their manager. Only an employee's direct manager or their superior may request a change to the employee's access restriction and this must be in writing.

Employee's responsibility for information security is outlined in the IT systems agreement form signed by all employees and the code of conduct which all employees agree to abide by. Accordingly it is a

offence which may lead to termination and prosecution to misuse or disclose information.

IT staff by virtue of their duties and system rights have access to all information contained in electronic format on RQL's network however they similarly have a responsibility not to access information they have not specifically been authorised to access.

Access to and manipulation of electronic documents is tracked by audit policy.

STORAGE AND ARCHIVAL OF INFORMATION

RQL stores the majority of its information in electronic format on the storage area network (SAN) which is backed up to tape to a secure offsite location and also replicated in the Disaster recovery site on a real time basis. All electronic information with the exception of previous employees email mailboxes is retained on the SAN for ease of access.

RQL utilises the Redmap Managepoint System to electronically file certain information, for example Licensing files. This system has its own security matrix and auditing which is maintained by the IT department. This system has replaced the paper based compactus filing system for Licensee files.

RQL generates a significant amount of paper based information which is filed in 'hangsel' filing systems in the Legal, Finance, Training and Integrity departments. Once this information is deemed no longer required it is sent to archive at Grace Records and retained as per the Queensland State Archives General Retention and Disposal Schedule for Administrative Records PUB-QSA-085.

Grace archives may be retrieved on demand by authorised individuals at RQL and an archive listing is maintained in a central location

LABELLING OF INFORMATION

Electronic files should be labelled clearly and descriptively and file metadata completed to enable the accurate search and retrieval of information.

RQL uses a formal 'hangsel' paper filing system which trained employees administer. All documents filed in the compactus archives should be labelled accordingly.

DISTRIBUTION, ADDRESSING, RECEIPT AND DISPATCH OF INFORMATION

DISTRIBUTION

The Code of Conduct details employee's responsibilities with respect to the confidentiality of information that they are privy to by virtue of their position within RQL.

EXTERNAL COMMUNICATIONS

External communications such as media releases and interviews must comply with the Media Communications Protocols

EMAIL

All email sent and received by RQL is automatically captured and archived into the Redmap Managepoint system. Access to this archive is restricted to IT staff.

email is a significant risk to RQL in terms of unauthorised information distribution. To mitigate this RQL employs email filtering software in order to monitor and control email and the automatic archival of all inbound and outbound email. Additionally access to web based email to circumvent this is restricted to authorised employees only.

MAIL

All incoming mail to the legal and integrity departments is receipted according to those departments' standard operating procedures.

Other mail is received, opened and distributed by Finance officers as per the Finance department's financial controls.

Outbound mail must adhere to the RQL corporate identity policy and employees should only use RQL letter head for proper and authorised uses.

RETENTION AND DISPOSAL OF INFORMATION

Destruction and disposal of information is in accordance with the Queensland Government Queensland State Archives General Retention and Disposal Schedule for Administrative Records PUB-QSA-085.

Racing Queensland maintains a document archive schedule of all archives currently in storage. This can be found at:
\\prqsrvp01\common\admin\archives

SECURITY FRAMEWORK

This framework establishes direction, coordination and management of information security within Racing Queensland based on its classification and the responsibilities for the maintenance and control of information security and interactions with third party or outsourced service providers.

OWNERSHIP ROLES AND RESPONSIBILITIES

All employees are owners of information and have a responsibility to maintain and control information as part of their duties with RQL regardless of the sensitivity and importance of that information.

Employees also have a role to play in the management of that information so it can best be used to achieve the goals of the organisation.

INFORMATION OWNER

The creator of information is typically the information owner although this may be extended by association to the department, manager or RQL.

The information owner is responsible for creation, distribution and maintenance of their information so that it can be kept current, relevant, useful and secure.

INFORMATION CUSTODIANS

Individual departments are custodians of their information and have the same responsibilities as information owners and additionally defining, implementing and monitoring information controls.

The Information and Communication Manager is the overarching custodian of RQL's information and has overall responsibility for RQL's information.

INFORMATION USERS

All employees are information users and have a responsibility to use RQL's information to the best of their ability to fulfil their duties.

IT ADMINISTRATORS

The IT department has responsibility for implementing and monitoring information security with respect to electronic storage and transmission.

MANAGEMENT

RQL Managers are responsible for defining information security parameters, information classification for their department's information and for enforcing RQL's policies and controls with respect to this.

THIRD PARTY OR OUTSOURCED SERVICE PROVIDERS

Third party or outsourced service providers may be given access to information with a high sensitivity during the course of their interaction with RQL. In such cases the third party or provider should be made to sign RQL's

standard confidentiality agreement that they will not disclose or cause to be disclosed RQL's information.

INFORMATION SECURITY MATRIX

The following matrix defines the level of control and security that should be applied to particular classified information whether that information is paper based or electronic.

Sensitivity relates to how sensitive the data is in terms of business impact if it were to be disclosed externally. Importance relates to how important the data and its integrity is to the continued operation of the business.

		SENSITIVITY		
		LOW	MID	HIGH
IMPORTANCE	LOW	<ul style="list-style-type: none"> Suitable for public consumption Open access permissions No auditing No BCM requirement 	<ul style="list-style-type: none"> Limited distribution Clearly stated as confidential Auditing No DRP requirement 	<ul style="list-style-type: none"> Limit distribution nothing electronic Clearly stated as confidential Access permissions limited to key staff Closed door discussions Detailed auditing No DRP requirement
	MID	<ul style="list-style-type: none"> Suitable for public consumption Normal security including physical Global read permissions Limited write permissions Included in BCP 	<ul style="list-style-type: none"> Limited distribution Clearly stated as confidential Auditing Global read permissions Limited write permissions Included in BCP 	<ul style="list-style-type: none"> Limit distribution nothing electronic Access permissions limited to key staff Closed door discussions Global read permissions Limited write permissions Included in BCP
	HIGH	<ul style="list-style-type: none"> Suitable for public consumption High security including physical Access permissions limited to key staff Limited read/write permissions Included in BCP and DRP 	<ul style="list-style-type: none"> Limited distribution Clearly stated as confidential Auditing High security including physical Access permissions limited to key staff Limited read/write permissions Included in BCP and DRP 	<ul style="list-style-type: none"> A very high level of care to be taken High security including physical Limit distribution nothing electronic Closed door discussions High physical security Access permissions limited to key staff Included in BCP and DRP

REFERENCES

Queensland Government’s Information Standard No. 18
<http://www.qgcio.qld.gov.au/qgcio/architectureandstandards/informationstandards/current/Pages/Information%20Security.aspx>

Queensland Government Queensland State Archives General Retention and Disposal Schedule for Administrative Records PUB-QSA-085

DEPENDENCIES

Computer systems agreement - F002 Computer Systems Agreement

Code of conduct - HR_pol001CodeofConduct

Communications Policy - MediaCommunicationsProtocols

REVIEW OF THE POLICY

This policy will be reviewed after one years’ operation.

RELEASE NOTICE		
1.1	01/01/2009	Initial release
Version Number	Date of Issue	Amendment Details
Author:	David Rowan	Date: 01/01/2009
Title:	Information and Communication Manager	
Authorised By:		Date: 01/01/2009
Name:	Malcolm Tuttle	
Title:	Chief Operations Manager	

The management of Racing Queensland approved the release of this policy on 1 January 2009. For further information contact David Rowan, Information and Communication Manager, by telephoning (07) 3869 9710 or by emailing drowan@racingqueensland.com.au

Appendix 1. RACING QUEENSLAND INFORMATION CLASSIFICATION

DEPARTMENT: LICENSING

HORSES DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Forms	N/A	N/A
Regions Information	N/A	N/A
Syndicates	N/A	H
Clubs	L	H
Tracks	L	M
Personal details	H	H
Trainer details	H	H
Bookmaker details	H	H
Bookmaker Clerk details	L	H
Stablehand details	L	H
Training agreement details	N/A	N/A
Jockey details	M	H
Rider Agent details	L	M
Colours details	L	H
Bookmaker Holds	H	H
Betting meeting	N/A	N/A
Change status	N/A	N/A
Photo queue	L	M
Photo select form	L	M
Photo by meeting	N/A	N/A
Set photo ID flag	N/A	N/A
Issue labels	N/A	N/A
Syndicate certificates	N/A	N/A
Pricing service	N/A	N/A
Speed map	N/A	N/A
Reports		
Club listing	L	H
Track listing	N/A	N/A
Submission	M	H
License	M	H
Bookmaker class	L	L
Bookmaker status	L	L
Bookmaker clerk	M	M
Bookmaker holds	H	H
Clerk class	L	L
Clerk status	L	L
Jockey class	L	H
Jockey status	L	M
Apprentice/Master	L	L
Agent/Jockey	L	L
Agent status	L	L
Trainer class	L	M
Trainer status	L	H
Trainer/Stablehand	L	H
Stablehand status	L	M
Stablehand registrations	L	M
Colours	L	M
Photo exception	N/A	N/A
Report selection	L	L
Criminal Hist Check	H	L
Licensee Calendar	H	H
Expired licensees	L	L

HARVEY DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
License Data	H	H

GARRUN DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Licensee Master File	H	H
Greyhound Master File	L	H
Registration certificates	L	M
Syndicate certificates	L	M
Breeding Master File	L	H
Frozen Semen Master File	L	H
All reports	L	M

REDMAP MANAGEPOINT INFORMATION

All information electronically filed in the Redmap system is of high sensitivity and high importance

FILE SYSTEM INFORMATION

All information stored electronically on the SAN is deemed to be of high sensitivity and high importance

DEPARTMENT: FINANCE

HORSES DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Forms		
Club rebate	H	H
Final notice (SMS)	L	L
Licensee amendments	H	H
Payments Create payment batch	H	H
Payments reprocess payment batch	H	H
Payments reprint invoices	H	H
Payments transaction enquiry	H	M
Payment processing print cheques	H	H
Payment processing print invoices	H	H
Payment processing create EFT file	H	H
Journal file	H	H
Scratchings	H	H
Final results	H	H
Bonus area	L	L
Bank Deposit/Horse Enquiry	H	M
Reports		
CPS report	H	H
CPS final report	H	H
Horse owners report	M	M
Withholding report	H	L
QJA/AJA report	H	M
Batch meeting list	L	M
Club summary	M	M
Cheque payment list	H	H
EFT payment list	H	H
Apprentice summary	H	M
Reconciliation report	H	H
QTIS batch report	M	L
QRSE batch report	L	L
Statutory order report	M	L
Finance statistics	M	L
Netting off batch report	H	H

HARVEY DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Prizemoney payment export	H	H

GRARUN DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Prizemoney payment export	H	H

FILE SYSTEM INFORMATION

All information stored electronically on the SAN is deemed to be of high sensitivity and high importance

SUN FINANCIAL SYSTEM INFORMATION

All information stored in the SUN database is deemed to be of high sensitivity and high importance

MERIDIAN PAYROLL AND CONNX EMPLOYEE PORTAL SYSTEM INFORMATION

All information stored in the Meridian and Connx databases is deemed to be of high sensitivity and high importance

DEPARTMENT: RACING

HORSES DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Forms		
Meetings	L	H
Races	L	H
Horse Nominations	M	H
Assign Weights	M	H
Race Results	L	H
Horse Comments	L	H
Shoe Report	L	H
SMS Notification	L	M
Change meeting status	L	H
Delete meeting	L	H
Reports		
TAB / Non-TAB Summary	L	H
Meeting listing	L	H
Race listing	L	H
Other nominations	L	H
Formatted Noms	M	H
Acceptance	M	H
Acceptance Sheet	M	H
Weights Sheet	M	H
Export RSB files	L	L
H'cappers performance	L	H
Racing History	L	H
Horse last starts	L	H
Mismatched trainers	L	H
Outstanding debtors by meeting	M	H
Outstanding debtors	M	H
Meeting Stats	L	H
Meeting Stats by range	L	H
Programming stats by range	M	H
Premiership report	L	H
Race results	L	H
Summary nominations by meeting	M	H

HARVEY DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Race data	L	H
Meeting data	L	H
Nominations	M	H
Weights	M	H
Form	L	H
Results	L	H
All reports	L	H

GARRUN DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Greyhound Master File	L	H
Nominations	L	H
Automated Grading	H	H
Form	L	H
Box Draw	H	H
Tracks	L	H
Meetings	L	H
Races	L	H
Dog performance	L	H
Results	L	H
Data export files	L	M
All reports	L	H

FILE SYSTEM INFORMATION

All information stored electronically on the SAN is deemed to be of high sensitivity and high importance

DEPARTMENT: STEWARDING

HORSES DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Forms		
Horses Warnings	L	M
Horses Bars	L	H
Horses Swabs	H	H
Horses Trainer History	M	L
Horses Inspections	L	L
Horses Starters	L	M
Horses Gear	L	H
Barrier certificates	L	H
Vet inspections	M	L
Licensee bans	L	H
Licensee bans Fines	L	H
Licensee bans Reprimands	L	H
Licensee bans Swabs	H	H
Jockey absenteeism	L	M
Apprentice wins	L	H
Maintain gear	NA	NA
Stables	H	M
Export stable returns	NA	NA
Stable inspections	H	M
Race falls	M	M
Auto generated reports	NA	NA
Update Swabs by meeting	H	H
Reports		
Horse summary	M	M
Horse summary Gear	L	M
Horse summary Gear History	L	M
Horse summary Swabs	H	H
Horse summary Swabs by Trainer	H	H
Horse summary All warnings	L	M
Horse summary Warnings by type	L	M
Horse summary All bars	L	M
Horse summary by type	L	M
Horses requiring Vet	M	L
Inspections	L	M
Vet inspections	M	L
Barrier tests for a horse	L	H
History of trainers	L	L
Horse Owner/Lessee	L	M
All Horses for a trainer	L	M
All banned licensees	L	H
All bans for licensee	L	H
Licensee reprimands	L	H
All fines for licensee	L	H
Licensee swabs	H	H
Jockey absenteeism	L	M
Jockey rides	L	M
Apprentice wins by name	L	H
Master gear list	NA	NA
Stable inspections	H	M
Employment report	H	M
Disciplinary Hist report	L	H
Bars and Warnings	L	H

Worksheets		
All wins	M	H
Apprentice wins	L	H
Banned licensees	L	H
Current gear for check off	NA	NA
Current gear for display	L	H
Form analysis	L	L
Gear change	L	H
Horse swabs by meeting	H	H
Horse requiring clearances	L	H
Horses without colors	L	L
Inspections required	L	H
Jockey engagements	L	H
Jockey weights	L	H
Jockeys in barrier order	L	M
Meeting summary	L	H
Racebook alterations	L	H
Scratchings due to track condition	L	H
Starters report	L	H
Stewards summary	L	H
Owner-Trainer per meeting	L	H
Speed map	NA	M
Expired licensees	L	H
Eligibility exception	NA	NA
Meeting licensees	L	M
Horse swabs by meeting	H	H

HARVEY DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Horse warnings and bars	L	H
Licensee warnings and bars	L	H
Gear	L	H
All reports	L	H

GARRUN DATABASE INFORMATION

DATA	SENSITIVITY (H, M, L)	IMPORTANCE (H, M, L)
Greyhound Master File	L	H
Kennel Inspections	M	M
Results	L	H
Performance enquiry	L	H

FILE SYSTEM INFORMATION

All information stored electronically on the SAN is deemed to be of high sensitivity and high importance

Queensland Racing Limited

Privacy Policy

Who are we and what is our business?

Queensland Racing Limited (**QRL**) is the peak control body for the thoroughbred racing industry in the State of Queensland.

It coordinates, manages, and regulates the industry through a number of distinct functions including:

1. administration of the rules of racing;
2. enforcement of standards of safety and integrity;
3. licensing industry participants;
4. registering race clubs and monitoring their activities;
5. racecourse development and capital works;
6. research and promotional activities;
7. administration of industry funding and commercial agreements; and
8. representing the Queensland Racing Industry on the peak national body, the Australian Racing Board, and its Sub-committees

Compliance with the National Privacy Principles

The *Privacy Act 1988* (Cth) (**Privacy Act**) sets out the National Privacy Principles (**NPPs**) with which most organisations must comply, including QRL.

The NPPs impose a number of obligations on QRL concerning the treatment of personal information, including obligations relating to:

- Collection
- use and disclosure
- data quality and security
- storage
- Openness
- Individual access and correction, and
- the international disclosure of personal information.

The Australian Privacy Commissioner's website contains the full text of the NPPs at <http://www.privacy.gov.au/publications/npps01.html>. This site also contains general information about privacy protection in Australia.

What is the purpose of this policy?

This policy addresses personal privacy matters. Its purpose is to explain, in general terms, what sort of personal information QRL holds and why we hold it, and how QRL collects, uses and discloses that information. In this policy, where we refer to "you" or "your", we are referring specifically to natural persons as opposed to other entities such as partnerships, trusts and companies.

QRL is committed to safeguarding the privacy of any personal information individuals are required, or may choose, to give to us. This policy represents QRL's position on the management of personal information. It also reflects the requirements of the Privacy Act and has been prepared with the assistance of publications issued by the Office of the Federal Privacy Commissioner.

What information QRL collects

1.0 Employee Personnel Records

Due to the commonality of these classes of records amongst the various business areas of QRL, they have been grouped here as one entry. This necessarily reduces the amount of detail provided. Current and former employees and other persons (for example, spouses and next of kin) who believe that QRL's personnel records may also contain personal information about them can obtain details of specific record handling practices of particular business area by contacting QRL's Privacy Officer.

It should not be assumed that all records described are kept in a common storage facility. Separate security arrangements will typically apply, depending on the sensitivity of the information.

The purpose of these records is to maintain employment history and payroll and administrative information relating to all permanent, contract and temporary staff members and employees.

1.2 Personnel and payroll

The records may include any one or more of the following:

- records relating to attendance and overtime
- leave applications and approvals
- medical records
- payroll and pay related records, including banking details
- tax file number declaration forms
- declarations of pecuniary interests
- personal history files
- performance appraisals, etc
- records relating to personal development and training
- trade, skill and aptitude test records
- completed questionnaires and personnel survey forms
- records relating to removals
- travel documentation
- records relating to personal welfare matters, and
- contracts and conditions of employment.

1.3 Recruitment

The records may include any one or more of the following:

- recruitment records
- records relating to relocation of staff and removals of personal effects, and
- records relating to character checks and security clearances.

1.4 Other

The records may include any one or more of the following:

- records of accidents and injuries
- compensation case files
- rehabilitation case files
- records relating to counselling and discipline matters, including disciplinary, investigation and action files, legal action files, records of criminal convictions, and any other staff and establishment records as appropriate
- complaints and grievances, and
- recommendations for honours and awards.

Contents of personnel records may include: name, address, date of birth, occupation, employee identification number, gender, qualifications, equal employment opportunity group designation, next of kin, details of pay and allowances, leave details, work reports, security clearance details and employment history. It may also include physical and mental health, disabilities, racial or ethnic origin, disciplinary investigation and action, criminal convictions, adverse performance and security assessments, tax file numbers, relationship details and personal financial information.

Personal information on personnel records relates to current and former staff members and employees including contract and temporary staff.

The following staff have access to personnel records: executive and senior personnel, management staff, supervisors and members of selection committees (if appropriate), and the individual to whom the record relates.

Personnel records are kept for variable periods according to the applicable provisions of the Standard Retention and Disposal schedule for staff and establishment records issued by Queensland State Archives.

Information held in personnel records may be disclosed outside QRL, as appropriate, to:

- Australian Taxation Office
- QRL's Superannuation Scheme Managers, and
- Third Party organisations such as Banks and Insurance Companies (Name and account numbers only).

Individuals can obtain information regarding access to their personal information by contacting QRL's Privacy Officer.

Records relate to all current and former employees of QRL and are stored on paper, microfiche and electronic media.

2.0 Financial Management Information System

There is commonality amongst these records across QRL, so they are grouped here as one entry.

The purpose of these records is to process and account for expenditure and revenue.

General content may include name, address and service or goods category.

Sensitive content may include financial information including debts.

The personal information relates to creditors and debtors, including outsourced service providers if they are identified personally.

The following staff have access to this personal information: Finance administration staff. The records are kept according to the categories set out in the standard Retention and Disposal Schedule issued by Queensland State Archives. Separate storage and security arrangements apply depending on which area of QRL holds the records and the sensitivity of the information. This information is not usually disclosed to other persons or organisations. Individuals can obtain information regarding access to their personal information by contacting QRL's Privacy Officer.

The records are stored on paper and electronic media.

3.0 Information Systems Personal Information

QRL's information technology information management systems network routinely carries, enables processing of, and stores, for varying periods, much of the core business and the supporting corporate service business of QRL. It encompasses both internal electronic transactions and external transactions, including telephone, e-mail, Internet and Intranet activity. The great bulk of those personal information records within that network environment are described above, or are described in the other parts of this plan that deal with the content of core business operations of business areas of QRL.

In addition to that material, there are some personal information records specifically tailored to IT system administration, namely IT system security identifiers and usage tracking records about staff users of the IT system that are held by central IT administrators and staff supervisors.

That information is not usually disclosed to persons other than staff

supervisors, system administrators and the individual officers concerned. Staff are routinely made aware of system usage rules and monitoring procedures concerning collection and use of the information.

The records are stored on paper and electronic media. Individuals can obtain information regarding access to their personal information by contacting QRL's Privacy Officer.

The records are stored on paper and electronic media.

Location: Information Technology and relevant business areas.

5.0 Licensing Records

QRL currently maintains records of personal information in relation to licensing of participants in accordance with the requirements of the *Racing Act 2002*; QRL's licensing policies and the Rules of Racing. The records may include one or more of the following:

- details of name, address, and electronic and telephone contact
- details of current and previous employment within the racing industry
- details of all racing industry licences ever held
- details of disciplinary record within the racing industry
- details of civil and criminal offences and contact with the legal system
- details of current medical and/or health conditions
- details of current financial position
- details of ownership of, or interests in, registered racehorses
- audio tapes and transcripts of disciplinary proceedings under the Rules of Racing
- ledgers and records of bets with Racing Bookmakers, and
- records of the outcome of swabs and tests of registered racehorses and registered licensees.

These records are maintained in written, magnetic and electronic form at a variety of sites.

Access to this information is restricted to authorised staff of QRL for the purpose of the discharge of functions under the *Racing Act 2002* and the Rules of Racing.

6.0 Racing Industry Support Systems

QRL currently maintains records of personal information as part of systems (HORSES, Registrar of Racehorses, etc) established to facilitate the operations of thoroughbred horse racing in Queensland, other Australian jurisdictions or elsewhere.

These records may include one or more of the following:

- details of name, address and electronic and telephone contact
- details of GST registration status and ABN number, and
- details of bank account number, branch, etc.

These records are maintained in written, magnetic and electronic form at a variety of sites.

Access to information is restricted to authorised staff of QRL for the purpose of discharge of functions under the *Racing Act 2002* and the Rules of Racing.

7.0 Public Registers Managed within Queensland Racing Limited

- Registers of all Licensees under the *Racing Act 2002*, and
- Registers of all owners of all registered race horses.

Please note that access to details in the above registers is restricted to the purpose for which the register is kept, unless legislation or regulation provides otherwise.

Access to your personal information held by QRL

If you want access to your personal information held by QRL, you should put your request in writing and clearly identify the personal information you seek access to. This is important to ensure that the information can be retrieved quickly and cheaply. All requests for access must be addressed to QRL's Privacy Officer.

Depending on the circumstances, QRL reserves the right to charge you a reasonable administrative fee. For example, QRL's reasonable administrative costs might include:

- reasonable staff costs in locating and collating the information
- reasonable reproduction or photocopying costs and
- reasonable costs involved in having someone explain the information to you.

In some instances, QRL may not release the personal information. For example, if the information reveals a formula or the fine details of a commercially sensitive decision-making process, then, in these instances, QRL may decide to give you an explanation of the commercially-sensitive decision rather than direct access to the information.

Alteration of records containing personal information

QRL will take reasonable steps to correct personal information that is inaccurate. If QRL believes it is inappropriate to delete or alter the original information, it will discuss with you alternative ways of correcting the

information that satisfies the needs of both parties.

Accountability and complaints handling

If you wish to make a complaint to QRL about a possible breach of privacy, the complaint must be in writing and clearly set out the nature of the complaint. The complaint should be addressed to QRL's Privacy Officer.

Individuals inquiring about their rights and remedies for breaches of privacy can access detailed information at the Australian Privacy Commissioner's website.

How changes to this policy will be notified

QRL may amend the QRL Privacy Policy from time to time. Amendments to the QRL Privacy Policy may be necessitated by a variety of factors, including, but not limited to, operational and procedural changes and/or the changing legal environment in which QRL operates.

When changes are effected, the QRL Privacy Policy will be updated and the amended QRL Privacy Policy posted on the intranet (for employees) and internet (for external users) websites respectively.

How to contact us

If you have any questions about the QRL Privacy Policy, our privacy practices or your personal information dealings with QRL, you can write to:

The Privacy Officer
Queensland Racing Limited
PO Box 63
SANDGATE QLD 4017

Updated: xx May 2009

Racing Queensland Limited

FEES POLICY

DATE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the industry. Section 81(v) of the Act requires Racing Queensland to make a policy on fees that it charges.

Racing Queensland provides a range of services to race clubs, industry participants and the general public for the benefit of the Queensland racing industry. Its services to coordinate, manage and regulate the Queensland racing industry include:

- administering the rules of racing
- enforcing standards of safety and integrity
- licensing industry participants and racing greyhounds
- registering/licensing race clubs and monitoring their activities
- undertaking racecourse development and capital works
- initiating research and promotional activities
- administering industry funding and commercial agreements and
- representing the Racing Queensland industry on the peak national body, the Australian Racing Board, Greyhounds Australasia, the Australian Harness Racing Council and its sub-committees.

Under the Act, Racing Queensland may charge fees for services it provides to manage the Queensland racing industry. These fees must reflect the reasonable cost of providing the service.

A decision to impose a fee by Racing Queensland as a condition of an authority granted under section 113E(3)(a) of the Act or any other fee to which section 35(2) of the Act does not apply, does not need to reflect the reasonable cost to Racing Queensland of providing any service.

The purpose of this policy is to help ensure Racing Queensland manages the Queensland racing industry soundly by charging appropriate fees for its services and to ensure race clubs, Queensland racing industry participants and the general public understand why fees are charged and how fees are calculated.

POLICY STATEMENT

Racing Queensland will charge appropriate fees for the sound management of the Queensland racing industry.

Racing Queensland's fees for services will be set according to the cost of providing the service and will be commensurate with those charged by similar organisations or

organisations providing similar services. Fees are not designed merely to raise revenue.

Racing Queensland will review its fees annually and may adjust them in accordance with changes in the cost of providing the service or movements in the Consumer Price Index (CPI), whichever is higher.

Racing Queensland will advertise changes to fees through its website and the Racing Calendar at least four weeks before the new fee comes into effect.

Fees may be paid by cash or credit card at any Racing Queensland office or by direct deposit to Racing Queensland's back account.

Fees must be paid in full by the due date. Late payment will attract an administration charge of \$25.00 to compensate Racing Queensland for its extra charges in dealing with late payments.

Unpaid fees beyond Racing Queensland's payment terms may cause the debtor to be placed on the forfeit list.

APPLICATION

This policy applies to race clubs, race venues, licensees, licensed wagering operators, holders of a race information authority and other industry participants.

DEFINITIONS

Forfeit List

Includes 'List of Defaulters as used by the greyhound code.

Persons placed on the forfeit list will be prevented from racing or training horses or greyhound dogs in Queensland. A person may only be removed from the forfeit list once the outstanding amounts are paid in full or as agreed by an authorised officer of Racing Queensland.

PROCEDURES

Roles and responsibilities

Racing Queensland Limited

Racing Queensland must set its fees according to the reasonable cost of providing the service. Racing Queensland must advertise changes in fees. Racing Queensland must review discretionary fees if these are challenged and provide reasons supporting the reviewed fee.

Industry participants

Industry participants, including race clubs, licensees, licensed wagering operators, holders of a race information authority and other industry participants must pay fees levied by Racing Queensland in full by the date they are due.

Rules of Racing

Rules of racing will not be made for this policy.

Racing Queensland Limited

POLICY FOR SAFEGUARDING THE PUBLIC INTEREST IN THOROUGHBRED, HARNESS AND GREYHOUND RACING

DATE THE POLICY WAS MADE

This policy was made on 1 July 2010.

COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

PURPOSE

The *Racing Act 2002* (Act) authorises Racing Queensland Limited (Racing Queensland) to make policies for the sound management of the Queensland racing industry. Section 81(b) of the Act requires Racing Queensland to make a policy for safeguarding the public interest in thoroughbred, harness and greyhound racing.

What is the public interest?

While stating that Racing Queensland must make a policy for safeguarding the public interest in racing, the Act does not define “public interest”. Section 81(b) of the Act requires a policy for safeguarding the wellbeing of the general public.

Some useful guidance in this regard may be drawn from the Queensland Government’s Policy Handbook:

*Government acts **in the public interest**, not in the stakeholders' interests. It is very common for different stakeholders to have competing interests and it may be impossible to reconcile the differences.*

***Public interest** cannot be measured precisely. It does not equate to pleasing everyone and it is not the same as public opinion or popularity. An action may be **in the public interest** yet unpopular. Government decisions to increase taxation are often in this category, although the purpose for which the extra revenue is used may be very popular.*

*While practitioners may give advice about the views of stakeholders, the various options and the implications, costs and benefits of each, the determination of what is **the public interest** is essentially a political decision.*

What is the public interest in racing?

The explanatory notes to the *Racing Bill 2002* refer to the public interest on a number of occasions, beginning with the policy objectives of the legislation, which are to:

- maintain public confidence in the racing of animals in Queensland for which betting is lawful;

- ensure the integrity of all persons involved with racing or betting;
- safeguard the welfare of all animals involved in racing; and
- meet National Competition Policy obligations by removing legislative restrictions on competition that cannot be justified **in the public interest**.

The explanatory notes state that it is considered justifiable and **in the public interest** that persons with convictions for dishonesty, stealing and unlawful betting and bookmaking offences, regardless of when the offences were committed, should not be eligible to be associated with the management or ownership of a control body. Only those persons of the highest integrity should be appointed as an executive officer of a control body.

The explanatory notes refer to the show cause procedure that the Minister and chief executive must comply with when taking any disciplinary action, save in exceptional circumstances where immediate suspension is warranted **in the public interest**.

The Act gives the Minister power to direct a control body to review its existing rules or to make new rules about a matter. The explanatory notes state that if a control body reviews a particular rule and decides that the rule should not be amended, the control body would need to demonstrate that the rule of racing is **in the public interest** and has sufficient regard to section 4(3) of the *Legislative Standards Act 1992*, which provides that, “*whether legislation has sufficient regard to the rights and liberties of individuals depends on whether, for example, the legislation -*

- (a) makes rights and liberties, or obligations, dependent on administrative power only if the power is sufficiently defined and subject to appropriate review; and*
- (b) is consistent with the principles of natural justice; and*
- (c) allows the delegation of administrative power only in appropriate cases and to appropriate persons....”*

According to the explanatory notes, community expectations require that entities empowered to make rules and policies, particularly rules and policies that affect the livelihoods and lives of persons, should have due regard to those principles outlined in section 4(3) of the *Legislative Standards Act 1992*, unless there are good **public interest** reasons for not doing so.

The Act provides that the Minister may request the Auditor-General to audit a control body. According to the explanatory notes, this power would only be exercised by the Minister in circumstances where the Minister has grounds to believe that it is **in the public interest** for an independent audit of the control body to be conducted.

Section 81(b) of the Act provides that a control body must make a policy about safeguarding **the public interest** in the codes. According to the explanatory notes, a control body would need to consider the need to ensure the integrity of the code’s racing in making such a policy.

Racing’s place in Queensland’s economy and society

In order to safeguard the public interest in racing, it is first necessary to attempt to gauge racing’s positive and negative effects on Queensland’s economy and society.

Racing occupies a central place in Queensland's economy and society. It is part of the Queensland and Australian folklore and psyche, even for people who have no interest in racing and have never been to a racetrack.

The Queensland racing industry is a major contributor to Queensland's Gross State Product and generates jobs of all skill levels throughout the State. The range of people making their livelihood wholly or in part through the racing industry is enormous – jockeys, drivers, trainers, stablehands, bookmakers, veterinarians, owners, attendants, scientists, farmers, breeders, stock agents, farriers, IT professionals, data entry clerks, educators, labourers, caterers, cleaners, stewards, administrators and lawyers.

The State and Commonwealth Governments derive revenue directly and indirectly from the Queensland racing industry. It is in the public interest that the Queensland racing industry fulfil its economic potential for the benefit of regional communities and the State as a whole.

The Queensland racing industry has recognised community concern about problem gambling and acknowledges it has a role to play to promote responsible gambling and minimise the harm caused by problem gambling. The Queensland racing industry has participated in the Queensland Government's initiative to work with the range of gambling providers to develop a Responsible Gambling Code of Practice and a Racing Industry Responsible Gambling Policy. Racing Queensland supports and abides by the policy and code. Information about the responsible gambling initiative is available from the website www.responsiblegambling.qld.gov.au.

Given the Queensland racing industry's importance to Queensland's society and economy, it is imperative that the public interest in racing be protected by:

- ensuring that the Queensland racing industry is managed professionally;
- promoting a positive image of racing as a legitimate form of entertainment and a rewarding industry in which to work and invest;
- ensuring the highest standards of integrity in the conduct of racing and betting;
- protecting the safety of Queensland racing industry workers and race day patrons;
- protecting the welfare of racing animals;
- minimising the harm associated with gambling;
- ensuring the industry is a "responsible citizen" and "good neighbour"; and
- providing mechanisms for people who have complaints against aspects of Queensland racing industry administration to have their problems addressed.

The purpose of this policy is to help ensure Racing Queensland safeguards the public interest in racing.

POLICY STATEMENT

Professional management

Racing Queensland will ensure that the Queensland racing industry is managed professionally by managing its own operations and overseeing race clubs' operations according to the highest professional standards.

In order to ensure its operations are efficient and effective, Racing Queensland will develop policies for:

- policy development;
- employment of officials and other staff;
- decision-making by stewards and decision-making by Racing Queensland generally;
- record keeping;
- the organisation's website;
- fees Racing Queensland charges license holders;
- forms for administration of the Queensland racing industry; and
- other matters as Racing Queensland sees fit for the proper management of the Queensland racing industry.

In order to ensure the Queensland racing industry operates professionally, Racing Queensland will develop policies for:

- licensing race clubs, racing venues, industry participants and racing animals;
- training of licensees and other industry participants;
- lawful betting;
- the allocation of race days and the provision of funding to licensed clubs;
- the standard required of licensed clubs and venues;
- the way in which races are to be held;
- handicapping/grading;
- appeals;
- other matters as Racing Queensland sees fit for the proper management of the industry.

In order to ensure race clubs operate professionally, Racing Queensland will formulate policies for:

- the formation and management of clubs;
- licensed non-proprietary race clubs to manage their finances;
- licensed non-proprietary race clubs to manage their assets; and
- other matters as Racing Queensland sees fit for the proper management of the industry.

Racing Queensland requires licensed clubs to manage their finances and assets according to Racing Queensland's Financial Management Procedures Manual.

Racing Queensland will consult stakeholders when it makes policies. It will review its policies regularly to ensure they are relevant and continue to encourage efficient and effective administration.

Professional presentation

Racing Queensland will present a positive image of racing as a legitimate, professional and lawful industry. Through its licensing of clubs, venues and licensees, Racing Queensland will encourage standards of presentation that give the public confidence in racing as a sport, a pastime and a business characterised by openness, transparency, integrity and accountability.

Racing Queensland will present a positive image of racing as a legitimate form of entertainment for adults from all walks of life. Promotions will encourage people to attend races and racing-related activities.

Racing Queensland will promote the Queensland racing industry as a rewarding industry in which to work, offering many different career opportunities, from the unskilled to the highly skilled, from country Queensland to the regional towns and cities and major metropolitan centres.

Racing Queensland will promote the Queensland racing industry as a rewarding industry in which to invest, as an owner or part owner of racing animals, or as a service provider to the industry.

Integrity assurance

In order to ensure the highest standards of integrity in the conduct of racing and betting, Racing Queensland will formulate policies for:

- licensing race clubs, racing venues, industry participants and racing animals;
- lawful betting;
- testing racing animals for illicit substances;
- standards of equipment and staffing for monitoring races and racing facilities; and
- other matters as Racing Queensland sees fit to assure integrity.

Public safety

In order to protect the safety of Queensland racing industry workers and race day patrons, Racing Queensland will formulate policies for:

- licensing race clubs, racing venues, industry participants and racing animals;
- the standard required of licensed venues;
- training of licensees and other industry participants;
- drug and alcohol use by employees and licensees; and
- other matters as Racing Queensland sees fit for the proper management of the industry.

Animal welfare

In order to protect the welfare of racing animals, Racing Queensland will formulate policies for:

- the training of thoroughbreds, harness racing horses and greyhounds;
- the welfare of thoroughbreds, harness racing horses and greyhounds; and
- other matters as Racing Queensland sees fit for the proper management of the industry.

Racing Queensland requires race clubs, racing animal owners and industry licensees to protect the welfare of racing animals under their control. Racing animals must be kept and transported in clean, secure facilities and be provided with adequate food,

water, medicines and shelter to ensure their wellbeing. Sick or injured animals must be cared for.

Minimising harm from gambling

In order to minimise the harm associated with gambling, especially the connection between problem gambling and drinking, Racing Queensland will comply with the Racing Industry Responsible Gambling Policy.

Racing Queensland will require its clubs to comply with this policy and the Responsible Gambling Code of Practice. Race clubs must develop their own responsible gambling policy based on the Racing Industry Responsible Gambling Policy and the Responsible Gambling Resource Manual. A club's responsible gambling policy must include strategies for:

- providing information to customers;
- developing links with customers and the community;
- excluding problem gamblers;
- creating an acceptable physical environment where gambling may occur;
- providing financial transaction services; and
- regulating advertising and promotions.

The policy will:

- help customers make informed decisions about their gambling;
- minimize harm from gambling to individuals and the broader community; and
- provide people adversely affected by gambling with access to timely and appropriate assistance and information.

Responsible citizenship

Racing Queensland expects and requires race clubs, racehorse owners, greyhound owners and Queensland racing industry licensees to be responsible citizens and good neighbours by minimising or eliminating the impact of their racing-related activities on the community.

This includes:

- complying with local authority environmental health and workplace health and safety regulations;
- minimising the impact of traffic, congestion and parking problems caused by race days by providing parking or public transport facilities;
- reducing noise and light pollution from racing venues;
- instituting sound animal husbandry practices;
- minimising unpleasant odour from stables/kennels in residential areas by ensuring high standards of hygiene;
- controlling vermin in stables/kennels; and
- preventing wastes from discharging from stables/kennels into the stormwater system.

Complaints mechanisms

Racing Queensland will manage the Queensland racing industry for the benefit of stakeholders and the public generally.

Racing Queensland will ensure its decision-making is fair, impartial and transparent. Racing Queensland has developed policies for its commercial decision-making and integrity-related decision-making. Racing Queensland will make commercial and integrity-related decisions in accordance with these policies.

Racing Queensland recognises that from time to time licensees, other Queensland racing industry participants and members of the public may have complaints about the administration of the Queensland racing industry. Complaints should be made in accordance with the Complaints Management Policy of Racing Queensland.

Racing Queensland will treat complaints seriously and confidentially and make every effort to resolve them in accordance with the Complaints Management Policy.

APPLICATION

This policy applies to the general public in the Queensland racing industry.

DEFINITION

'Stakeholder' means a person with an interest or concern in the Queensland racing industry.

PROCEDURES

Roles and responsibilities

Racing Queensland's department managers are responsible for preparing the policies listed above that relate to their area of management

Rules of Racing

Rules of Racing will not be made for this policy.

Review

Review date will be July 2012.

REVISION HISTORY

Version	Date	Description
1.01	July 2010	Board adopted under exceptional circumstances
1.02	September 2010	Board confirmed this policy continued to have effect

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



RACING
QUEENSLAND

Thoroughbreds

+

Harness

+

Greyhounds

+



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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 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 management¹.

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.

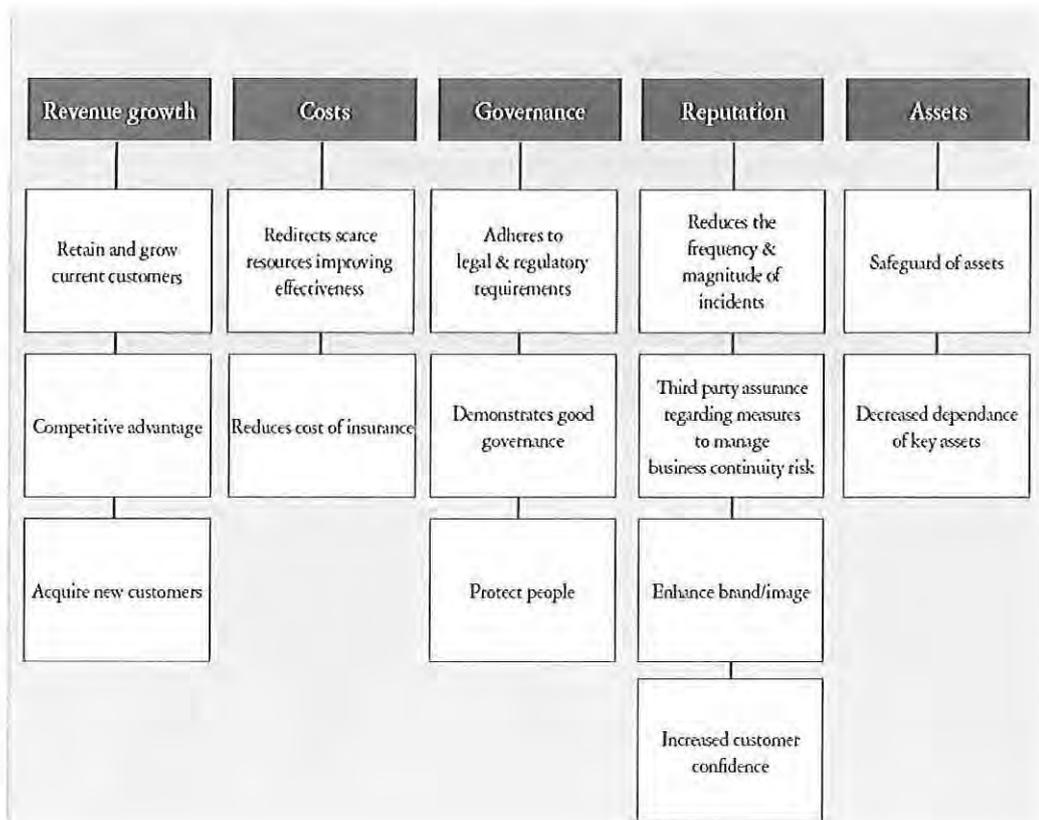
¹ Whittet, Leslie T, *Operational Risk Management and Business Continuity*, www.continuitycentral.com/feature0606.html, viewed 8 May 2009

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.

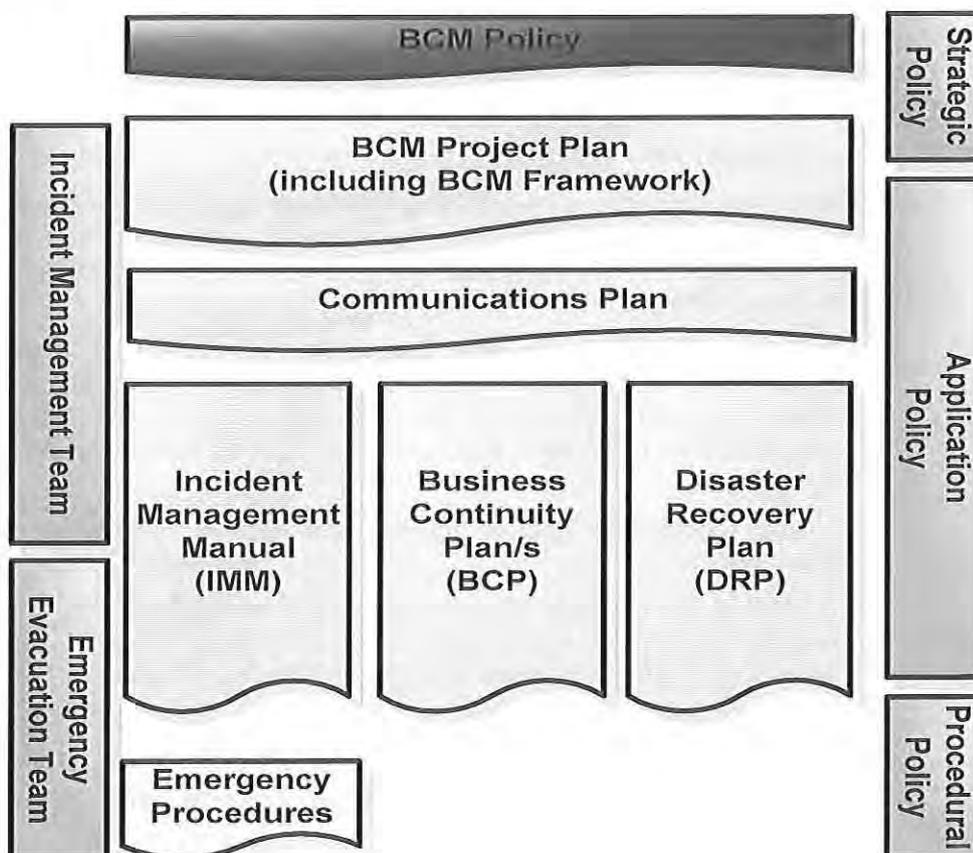
Incident

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.

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

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
- 21st 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 1/11th 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>) 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.

Income source	Accounting records to be maintained	Minimum internal controls to be implemented
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).

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"> ■ PAYG ■ Superannuation ■ Fringe Benefits Tax ■ Higher education payments ■ Child Support 	<ul style="list-style-type: none"> ■ PAYG ■ Superannuation 	<ul style="list-style-type: none"> ■ Fringe Benefits Tax

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 \(www.ato.gov.au/nonprofit/content.asp?doc=/content/33868.htm\)](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 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 provides an awards and wages website (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

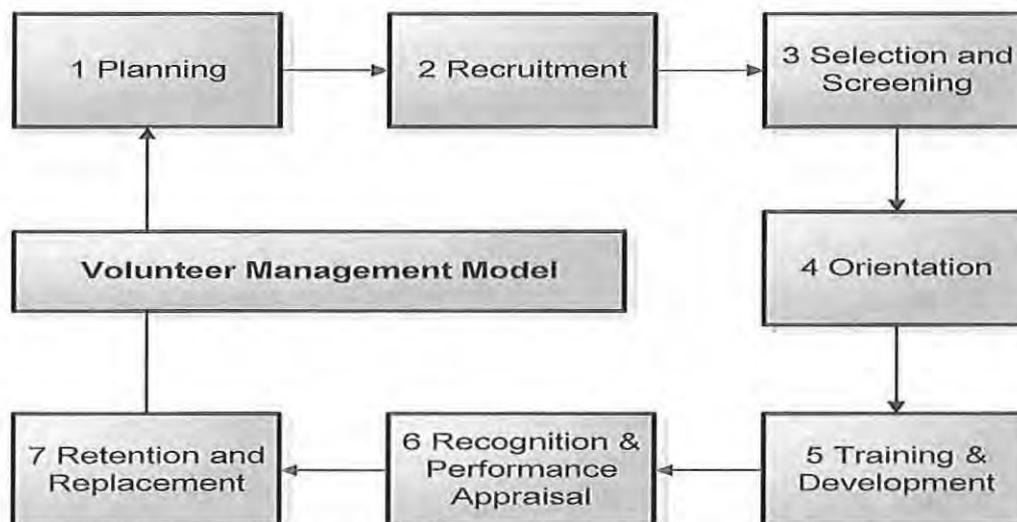
The website can be located at:-

<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 one 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

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). 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/9b7f6a570f8af210VqnVCM2000001b56f00aRCRD.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.

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 21st 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>.



RACING QUEENSLAND

WORKPLACE HEALTH AND SAFETY Policy and Procedures

Authorised By:	Remuneration and Nomination Sub-Committee	Date of Authorisation:	1 July 2010
Last Amendment Date:	10 February 2012		
Review Due Date:	12 February 2013		
Policy Owner:	Chief Financial Officer		
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct Policy▪ Workplace Rehabilitation Policy▪ Working Hours Policy▪ Grievance Handling Policy▪ Performance Counselling Policy▪ Hazard/Incident Notification Form	<ul style="list-style-type: none">▪ Work Health and Safety Act 2011 (Qld)▪ Work Health and Safety Regulations 2011 (Qld)▪ Fair Work Act 2009▪ Working From Home Policy▪ Working From Home Checklist	

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

Racing Queensland Limited (RQL) is committed to ensuring a healthy and safe workplace for all workers (including employees, contractors, sub-contractors, volunteers) and visitors. The health, safety and welfare of employees, clients and the community is the highest priority and every employee is responsible for ensuring the highest possible care in all work or work related activities.

This policy provides a clear outline of RQL's obligations and expectations in regards to the maintenance of workplace health and safety standards at RQL.

SCOPE

This policy applies to all employees, including permanent, casual and temporary personnel, of RQL, unless otherwise identified by the CEO.

The policy also applies to the following:

- Contractors and Sub-Contractors (and their employees)
- Volunteers
- Work Experience Students
- Employees engaged on labour hire arrangements

Those covered by this policy will be collectively defined as "workers".

POLICY PRINCIPLES

1.1. RQL'S RESPONSIBILITIES

RQL has a duty of care to take all reasonable measures to protect workers from foreseeable risks arising from their employment or work. This duty of care embraces provision of the following:

- ⌘ Making sure there are sufficient competent employees to perform work safely.
- ⌘ Conducting risk assessments for hazardous tasks.
- ⌘ Providing a safe method of work.
- ⌘ Provision of adequate facilities for workers.
- ⌘ Ensuring that the work environment is safe, and that all equipment is in good working order and is not misused.
- ⌘ Providing employees with adequate training, instruction and supervision.
- ⌘ Providing appropriate Personal Protective Equipment as required.

1.1.1. *Officers and Managers*

Officers and Managers (those who make decisions which effect the operation of RQL), have a duty to ensure that those conducting the business exercise due diligence and comply with their duties.

They must ensure the health and safety of workers as far as is reasonably practicable.

This means that Managers have a responsibility, within the scope of their authority, to ensure that the objectives of this policy and any safety or emergency procedures are observed at all times. They must ensure that the appropriate procedures are in place to ensure that the workplace, entering and exiting the workplace and anything arising from the workplace is without risk to the health and safety of any person.

1.1.2. **The Work Health and Safety Administrator**

The Work Health and safety Administrator under the direction of the responsible Manager, has a responsibility to ensure that:

- ✘ A register of injuries is maintained.
- ✘ The causes of accidents are assessed and recommendations are made regarding preventative measures.
- ✘ Sufficient first aid officers have been trained and that first aid equipment including stocks of materials is available.
- ✘ Any safety training is arranged as necessary.

1.2. EMPLOYEES' RESPONSIBILITIES

Employees have a responsibility to report all injuries, illnesses, hazards, dangerous events, or 'near-misses' to their manager. Employees also have an obligation under legislation to maintain healthy and safe workplace conduct; please refer to the legislation to ascertain these obligations. Employees must:

- ✘ Comply with any safety instructions given by RQL.
- ✘ Not wilfully injure yourself either through direct actions or omissions.
- ✘ Not wilfully or recklessly interfere with or misuse anything provided for workplace health and safety purposes.
- ✘ Not deliberately or wilfully place at risk the health, safety, or wellbeing of any person at the workplace or during other activities deemed to be work related.
- ✘ Work in a healthy and safe manner and encourage others to do the same.
- ✘ Ensure their personal health and safety by wearing personal protective equipment as appropriate to their job function and as instructed; and
- ✘ Cooperate with and support the promotion of workplace health and safety as normal practice within RQL.

1.3. WORKPLACE HEALTH AND SAFETY TRAINING

Health and safety training will be conducted during employees' induction, when they commence with RQL.

Employees will also participate in job specific training including all relevant safe operating procedures and hazard specific training. Managers and workplace health and safety representatives will undertake more specific training to enable them to meet their responsibilities

During the course of employment, employees will participate in annual workplace health and safety training to ensure that they understand their responsibilities and are competent to meet those responsibilities.

PROCEDURE

1.4. INCIDENT RECORDING

Employees who see a physical hazard, risk or hazardous activity, must record it on an *Incident Notification Form* and submit it to their manager immediately.

RQL must notify WorkCover Queensland of the following incidents within twenty-four (24) hours of becoming aware that the event has happened:

- ✘ Death of a person.

- ⌘ **Serious Injury or illness:** this includes where a person is required to have:
 - Immediate treatment as an in-patient in hospital
 - Immediate treatment for:
 - Amputation of any part of the body
 - Serious head injury
 - Serious eye injury
 - Serious burn
 - Separation of skin from underlying tissue
 - Spinal injury
 - Loss of bodily function
 - Serious lacerations
 - Medical treatment with 48 hours of exposure to a substance
 -
- ⌘ .
- ⌘ **Dangerous Incident** where an incident occurs at the workplace which exposes a person to a serious risk to their health or safety due to exposure to:
 - An uncontrolled escape, spillage or leak of a substance
 - An uncontrolled implosion, explosion or fire
 - Uncontrolled escape of gas or steam or pressurised substance
 - Electric shock
 - Fall from height
 - Collapse, overturning or failure of plant or structure (wholly or in part)
 - Collapse of any excavation or any shoring supporting an excavation
- ⌘ **Major incident under the Dangerous Goods Safety Management Act 2001**

In the case of death, notification must be made immediately after RQL is aware of the death.

1.5. FIRST AID

On-site first aid officers are trained to provide basic treatment to people suffering injury or illness at work. Injured employees are required to complete an *Incident Notification Form* prior to or directly after first aid is administered. The first aid kits are located in the employee lunch room in the Head Office and will be maintained and replenished by the First Aid Officers. Information on other locations are available on the Intranet, under the First Aid Officers.

1.6. HEALTH AND SAFETY REPRESENTATIVES

A health and safety representative (“HSR”) may be nominated from each work group in RQL. If there is more than one nomination in a work group, an election will be held.

A HSR will be appointed for a maximum three year term and their role is to:

- represent workers;
- monitor the workplace

- assist in the investigation of complaints and incidents
- participate on the Safety Committee

RQL will provide training for the HSR as required under regulation (5 day course with external provider with additional one day refresher course each year).

1.7. SAFETY COMMITTEE

A Safety Committee will be formed at the request of workers or RQL.

The Purpose of the committee will be to provide a forum to raise safety issues and implement safety initiatives across RQL's operations.

The Committee will meet at least every three months or where half of the members of the Committee request a meeting.

The Committee will represent all work groups at RQL and at least half of the members of the committee will be volunteers from the workgroup rather than RQL nominees.

All HSRs will be included as part of the safety committee.

1.8. CONSULTATION

RQL will as far as is reasonably practicable, consult with workers on any matter which are likely to affect the health and safety of those workers. Consultation will occur in relation to the following matters:

- Identifying hazards and assessing risks arising from work at RQL
- When deciding how to eliminate risks
- When making decisions about the adequacy of facilities
- When changes are proposed which may affect the health and safety of workers.

1.9. POLICY BREACHES

Failing to adhere to this policy may result in the following actions, at the discretion of RQL:

- & Counselling.
- & Written Warning.
- & Final Written Warning.
- & Instant Dismissal.
- & Any other lawful or legitimate action RQL deems fit under the circumstances.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	1/7/2010	New Policy	HRBS
02.00	10/02/2012	Updated for compliance with Work Health and Safety Act 2011 (Qld)	HRBS

HARASSMENT, DISCRIMINATION AND BULLYING

Policy and Procedures

Authorised By:	Remuneration and Nomination Sub-Committee	Date of Authorisation:	1 July 2010
Last Amendment Date:	1 July 2010		
Review Due Date:	30 June 2011		
Policy Owner:	Chief Financial Officer		
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct▪ Grievance Handling Policy▪ Performance Counselling Policy	<ul style="list-style-type: none">▪ Racial Discrimination Act 1975▪ Sex Discrimination Act 1984▪ Human Rights and Equal Opportunity Act 1986▪ Disability Discrimination Act 1992▪ Age Discrimination Act 2004▪ Anti-Discrimination Act 1991▪ Workplace Health and Safety Act 1995▪ Prevention of Workplace Harassment Advisory Standard 2004▪ Fair Work Act 2009	

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

Racing Queensland Limited (Racing Queensland) is committed to achieving equality of opportunity in employment and affirms the values of social and cultural diversity reflected in the community, recognising that each employee plays a valuable role in the success of Racing Queensland. Racing Queensland aims to providing an atmosphere free of discrimination and workplace harassment that encourages good working relationships and respect between employees.

This policy outlines the position and practice of Racing Queensland with regard to equal employment opportunity, discrimination and workplace harassment.

SCOPE

This policy applies to all Racing Queensland Board members, officials, other employees, workers and agents, including consultants, contractors, work experience students and other volunteers.

UNLAWFUL DISCRIMINATION

Under Federal and Qld anti-discrimination laws, discrimination against someone on the following grounds is against the law:

- ⌘ Gender.
- ⌘ Relationship Status.
- ⌘ Pregnancy or Potential Pregnancy.
- ⌘ Parental Status.
- ⌘ Breastfeeding.
- ⌘ Age.
- ⌘ Race.
- ⌘ Impairment/Physical or mental disability.
- ⌘ Religious Beliefs or Activities.
- ⌘ National extraction or social origin
- ⌘ Political Opinion or Activities.
- ⌘ Trade Union Activity.
- ⌘ Lawful Sexual Activity.
- ⌘ Gender Identification.
- ⌘ Sexual Preference.
- ⌘ Family or Carer's Responsibilities
- ⌘ Irrelevant Criminal Background.
- ⌘ Association with a person identified on the basis of any of the above attributes.

It is also against the law to discriminate against someone because they are associated with someone who has one or more of these attributes.

WHAT IS UNLAWFUL DISCRIMINATION?

Unlawful discrimination occurs when someone is treated less favourably because of one of the attributes listed above. There are some very limited cases when exemptions apply (such as, for example, in the case of a religious school who may discriminate when hiring employees who hold the same religious beliefs). Any such exemptions are very narrow and you should not assume that an exemption will apply. Discrimination can be intended or unintended. Discrimination can be direct or indirect.

Direct Discrimination occurs when someone directly treats someone less favourably because of one of the attributes listed above.

Indirect Discrimination occurs if a person imposes, or proposes to impose, an unreasonable requirement:

- (a) with which a person with an attribute does not or is not able to comply; and
(b) with which a higher proportion of people without the attribute comply or are able to comply.

Some examples of discrimination are:

- Offensive 'jokes' or comments about another worker's racial or ethnic background, sex, sexual preference, age, disability or physical appearance;
- Display of computer graphics, pictures or posters which are offensive or derogatory;
- Expressing negative stereotypes of particular groups, for example "women with children shouldn't be working";
- Judging someone on their political or religious beliefs rather than their work performance; or
- Using stereotypes or assumptions to guide decision making about a person's career.

Disciplinary action will be taken against anyone who is found to have unlawfully discriminated against a co-worker or against any other person they have come into contact with in the course of employment. This includes not just other employees of Racing Queensland but also participants in the racing industry and members of the public.

It is also unlawful to harass a person in relation to one of the attributes listed above. Harassment includes actions which are intended to humiliate, offend, intimidate or distress. Examples include:

- Physically harassing someone because they have one of the above attributes;
- Verbal abuse, including notes, email or graffiti;
- Threats;
- Intentionally demeaning comments or behaviour;
- Exclusion from work related activities.

In relation to someone who has a disability, harassment may also include some actions which, although not intended to humiliate, offend, intimidate or distress do cause and should reasonably be expected to have caused humiliation, offence, intimidation or distress. Examples include:

- Unnecessarily intrusive personal questions in relation to a person's disability;
- Comments or behaviour because of a person's disability which are based on inaccurate assumptions about the person's capabilities or need for assistance.

SEXUAL HARASSMENT AND WORKPLACE BULLYING

Sexual harassment and workplace bullying are also against the law. Racing Queensland is committed to ensuring a healthy and safe working environment free from hostility, offensiveness, intimidation and harassment. These behaviours will not be tolerated by Racing Queensland.

All people covered by this Policy are responsible for their own behaviour. If you think your behaviour may offend then don't do it.

WHAT IS SEXUAL HARASSMENT?

Sexual Harassment is any unwelcome behaviour of a sexual nature, which is offensive, humiliating or intimidating. Sexual harassment can be a single incident depending on the circumstances.

Sexual harassment can happen if a person:

- (a) Subjects another person to an unsolicited act of physical intimacy; or

- (b) Makes an unsolicited demand or request (whether directly or by implication) for sexual favours from the other person or
- (c) Makes a remark with sexual connotations relating to the other person or
- (d) Engages in any other unwelcome conduct of a sexual nature in relation to the other person and the person engaging in the conduct described in paragraphs (a), (b), (c) or (d) does so:
- (e) With the intention of offending, humiliating or intimidating the other person; or
- (f) In circumstances where a reasonable person would have anticipated the possibility that the other person would be offended, humiliated or intimidated by the conduct.

Sexual harassment can take many different forms and may include physical contact, comments, jokes, propositions, the display of offensive material or other behaviour that creates a sexually hostile working environment. Examples of sexual harassment include:

- ✘ uninvited touching, uninvited kisses or embraces
- ✘ smutty jokes or comments
- ✘ making promises or threats in return for sexual favours
- ✘ displays of sexually graphic material including posters, pinups, cartoons, graffiti or messages left on notice boards, desks or common areas
- ✘ repeated invitations to go out after prior refusal
- ✘ “flashing” or sexual gestures
- ✘ sex-based insults, taunts, teasing or name-calling
- ✘ staring or leering at a person or at parts of their body
- ✘ sexually explicit conversation
- ✘ persistent questions or insinuations about a person’s private life • offensive phone calls, letters, e-mail messages or computer screen savers
- ✘ stalking.

Humour, friendships and relationships based on mutual consent are not sexual harassment. If the interaction is consensual, welcome and reciprocated, it is not sexual harassment.

WHAT IS WORKPLACE BULLYING?

Workplace Bullying is any non-sexual behaviour that is unwelcome, offensive, intimidating, humiliating or threatening. Workplace harassment may be verbal, non-verbal or physical in nature; intentional or unintentional. Some examples of workplace bullying are:

- ✘ Any form of physical violence such as hitting, pushing or spitting.
- ✘ Threats, insults, or verbal abuse.
- ✘ Leaving offensive messages on email or on the telephone.
- ✘ Humiliating or demeaning a person through gestures, sarcasm or ridicule.
- ✘ Deliberately withholding information or giving confusing and contradictory instructions.
- ✘ Maliciously excluding and isolating a person from workplace activities.
- ✘ Spreading gossip or false, malicious rumours about a person with an intent to cause the person harm.

ACTIONS THAT ARE NOT WORKPLACE BULLYING

Unlawful bullying does not include reasonable management action taken in a reasonable way by the person’s employer in connection with the person’s employment.

Legitimate and reasonable management actions and business processes, such as actions taken to transfer, demote, discipline, redeploy or dismiss a worker are not considered to be workplace bullying, provided these actions are conducted in a reasonable way.

It is important to recognise that there may often be some stress involved in the process of giving feedback to employees about their work performance or during a formal performance appraisal. Racing Queensland expects that all managers will manage these processes with sensitivity but does not expect that any managers will avoid their responsibility to provide full and frank feedback.

VICTIMISATION

Victimisation is any 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. Some examples are:

- ✘ Overlooking a team member for promotion because they are considered to be a 'troublemaker' because they made a complaint of harassment against their supervisor.
- ✘ Refusing a team member permission to attend a training conference because are not liked as they have acted as a witness to support another team member's complaint of discrimination.

Victimisation is unlawful and a complaint of victimisation will be treated in the same way as a complaint of harassment or discrimination.

STRATEGIES TO ELIMINATE SEXUAL HARASSMENT, WORKPLACE BULLYING AND UNLAWFUL DISCRIMINATION

Racing Queensland will take the following actions to prevent and control exposure to the risk of workplace harassment, bullying and discrimination:

- Provide all workers with awareness training;
- Follow a grievance handling process and tell workers how to make a complaint, the support systems available and options for resolving grievances;
- Regularly review this policy and the grievance handling process.

Victimisation:

VILIFICATION

Vilification is different from discrimination. Discrimination involves unfair treatment, but vilification is a public act that incites others to hate, to have serious contempt for, or to severely ridicule individuals or groups because of their race, religion, sexuality or gender identity. Some examples are:

- ✘ Wearing symbols, badges or clothing in the workplace with slogans that incite hatred.
- ✘ Placing a poster or sticker in a workspace that incites others to hate individuals because of their race, religion, sexuality or gender identity.
- ✘ Comments in the workplace that encourage others to hate individuals because of their race, religion, sexuality or gender identity.
- ✘ An employee abusing a person because of their race, religion, sexuality or gender identity in the workplace which encourages others to hate people of that race, religion, sexuality or gender identity

- ⌘ A work colleague making a speech in the workplace cafeteria that incites hatred of people because of their race, religion, sexuality or gender identity.

It is also a criminal offence to incite racial and religious hatred of others by threatening physical harm towards a person or their property.

RACING QUEENSLAND'S RESPONSIBILITIES

Racing Queensland managers have a responsibility, within the scope of their authority, to:

- ⌘ Display appropriate behaviour at all times – be good role models.
- ⌘ Administer equal employment practices within the workplace in accordance with Racing Queensland's policies and make fair, non-discriminatory decisions.
- ⌘ Ensure that employees are aware of this policy and the associated Grievance Handling Policy.
- ⌘ Wherever possible, make sure that neither the work environment nor work processes make it easy for discrimination or workplace harassment to happen.
- ⌘ Monitor the workplace to ensure that acceptable standards of conduct are observed at all times.
- ⌘ Treat discrimination and workplace harassment complaints seriously and confidentially and take immediate, appropriate action to investigate and resolve any matters that arise.
- ⌘ Investigate any behaviour changes that could indicate that discrimination or workplace harassment is happening in the workplace or that someone has a grievance.

WORKERS' RESPONSIBILITIES

Racing Queensland's workers have a responsibility to:

- ⌘ Acknowledge the skills and talents of other employees.
- ⌘ Respect the diversity of colleagues and stakeholders including their views about what they find acceptable in the workplace and what they don't.
- ⌘ Act ethically, fairly and impartially.
- ⌘ Not discriminate against other employees or stakeholders.
- ⌘ Not be involved in, or encourage workplace harassment.
- ⌘ Be careful about anything that could be interpreted as having a sexual meaning or reference.
- ⌘ Report to their manager any unacceptable behaviour that they witness or become aware of.
- ⌘ Comply with this policy.

If someone indicates that they don't like certain behaviour, it is best to stop this behaviour immediately and apologise.

WHAT SHOULD A WORKER DO IF CONCERNED ABOUT DISCRIMINATION, HARASSMENT OR BULLYING?

If a worker has concerns regarding discrimination, harassment or bullying or believes that this policy has been breached and wishes to make a complaint, they should consult the Grievance Handling Policy for more information about what to do next.

Racing Queensland will treat all concerns and complaints seriously, impartially, sympathetically and confidentially. Each complaint will be dealt with on its own merits and workers will not be disadvantaged as a result of lodging a complaint.

CONSEQUENCES OF BREACH OF THIS POLICY

If Racing Queensland determines that a worker has committed unlawful discrimination, sexual harassment or bullying or has victimised someone because they complained about discrimination or workplace harassment, or because they supported someone else’s complaint, they will be subject to disciplinary action.

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The action Racing Queensland takes will depend on the circumstances but may include measures such as:

- Counselling
- Official warning
- A performance improvement plan
- Training
- Attending mediation
- Re-assigning to alternative duties
- Demotion
- Dismissal.

MALICIOUS OR VEXATIOUS COMPLAINTS

Just as there are serious consequences for those who discriminate or harass another employee, so to there are serious consequences for people who make malicious, vexatious or frivolous complaints.

The action Racing Queensland takes against malicious, vexatious or frivolous complainants will depend on the circumstances but may include the measures listed above.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	1/7/2010	New Policy	HRBS and Latitude Lawyers



RACING QUEENSLAND

REDUNDANCY POLICY

Authorised By: Racing Queensland Limited Board **Date of Authorisation:** 5 August 2011
Last Amendment Date: 5 August 2011
Review Due Date: 4 August 2012
Policy Owner: Chief Financial Officer
Related Documents: • *Fair Work Act 2009 (Cth)*

Any person who requires assistance in understanding this document should contact their manager.

OBJECTIVES

The purpose of this Policy is to make clear the obligation of both Racing Queensland Limited (RQL) and its employees where the decision has been made to initiate a redundancy process.

PART 1 INTRODUCTION

This document sets out the redundancy Policy that shall apply in respect of RQL.

1.1 TO WHOM DOES THIS POLICY APPLY?

This Policy applies to all RQL employees, other than employees of RQL who:

- ⌘ are employed as temporary, casual or replacement employees;
- ⌘ terminate their employment of their own accord prior to receiving formal written notice of redundancy;
- ⌘ are provided with suitable alternative employment by RQL, whether this position is taken up by the employee or not; or
- ⌘ are terminated for any reason other than as set out in this Policy.

1.2 WHEN DOES THIS POLICY APPLY?

This Policy will apply where RQL has made a definite decision that it no longer requires the role an employee has been performing to be done by anyone, and that decision leads to the dismissal of the employee by RQL.

PART 2 ROLES AND RESPONSIBILITIES

2.1 ROLE OF RACING QUEENSLAND LIMITED

Managers of RQL will endeavour to:

- ⌘ develop selection criteria, and undertake an assessment of which positions should be considered for redundancy;
- ⌘ explore appropriate alternatives to redundancy, including redeployment across RQL's operations generally;
- ⌘ ensure that they follow due process in undertaking the redundancy process and encourage open communication with the employees concerned;
- ⌘ complete all required documentation to ensure RQL's employees receive all the correct entitlements as soon as possible after the redundancy has taken place; and
- ⌘ account for all property of RQL at the time of redundancy.

2.2 ROLE OF EMPLOYEES

Employees should ensure that they:

- ⌘ give full consideration to any options or alternatives that are provided to them;
- ⌘ ask their manager or supervisor any question they may have about the redundancy process; and

- perform work to the standard expected by RQL during the selection and redundancy process and notice period, if applicable.

PART 3 REDUNDANCY PROCESS

3.1 DISCUSSION

Where a definite decision has been made by RQL to initiate redundancies, discussion shall take place with affected employees regarding the application of this Policy.

Whilst not always possible, RQL will endeavour to give the employees likely to be affected by redundancy as much notification as is practicable after the definite decision had been made.

RQL will endeavour to provide the relevant employees with all relevant information about the changes including the nature of the changes proposed, the expected effects of the changes on employees and any other matters likely to affect employees, unless that information is confidential.

3.2 REDEPLOYMENT

In order to reduce the effect of redundancies, RQL may consider in its discretion whether alternative positions or suitable alternative employment is available that could be offered to affected employees, or whether use of annual leave or other viable options could be utilised.

Employees will be provided with adequate time to consider any available options and to respond accordingly.

3.4 NOTIFICATION AND COMMUNICATION OF DECISION

RQL will communicate the decision to those employees selected for redundancy. This decision will be confirmed in writing to the employee.

The letter notifying of the redundancy will act as notice of termination to the employees selected for redundancy. The date the redundancy will take effect will be confirmed, together with an outline of all entitlements to be received.

PART 4 REDUNDANCY ENTITLEMENTS

4.1 NOTICE OF TERMINATION

On termination for redundancy, an employee will be entitled to notice in accordance with their written contract of employment or the notice contained in the National Employment Standards contained in the *Fair Work Act 2009* (Cth), whichever is greater.

4.2 SEVERANCE PAY

Upon redundancy, an employee will be entitled to receive severance pay calculated in accordance with the following table:

Period of continuous service with Racing Queensland	Severance pay
At least 1 year but less than 2 years	4 weeks
At least 2 years but less than 3 years	6 weeks
At least 3 years but less than 4 years	7 weeks
At least 4 years but less than 5 years	8 weeks
At least 5 years but less than 6 years	10 weeks
At least 6 years but less than 7 years	11 weeks
At least 7 years but less than 8 years	13 weeks
At least 8 years but less than 9 years	14 weeks
At least 9 years but less than 10 years	16 weeks
At least 10 years	12 weeks

Payment of severance pay will be based on the employee's Ordinary Pay.

4.3 LIMITATIONS ON SEVERANCE PAY

There will be no entitlement to severance pay in the following circumstances:

- where RQL obtains or facilitates for the employee an offer of employment on terms and conditions substantially similar to and, considered on an overall basis, no less favourable than, the employee's terms of conditions immediately before the redundancy (even if the employee rejects the offer); or
- where the employee resigns prior to the advised termination date without RQL's written agreement.

4.4 GENERAL

Any payment in lieu of notice of termination of severance payment paid to the employee under this Policy, is in satisfaction of (either wholly or in part), and may be off-set against, any legislative severance entitlement the employee might have, to pay in lieu of notice of termination or redundancy pay.

4.5 DEFINITIONS

- **Ordinary Pay** means the remuneration for the employee's normal weekly salary (excluding overtime and penalty rates, bonuses and allowances) applicable at the time notice is received by the employee.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	04/08/2011	New policy	Norton Rose Australia



RACING QUEENSLAND

PARENTAL LEAVE Policy and Procedures

Authorised By:	Remuneration and Nomination Sub-Committee	Date of Authorisation:	1 July 2010
Last Amendment Date:	1 July 2010		
Review Due Date:	30 June 2011		
Policy Owner:	Chief Financial Controller		
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct Policy▪ Payroll Policy▪ Grievance Handling Policy▪ Performance Counselling Policy	<ul style="list-style-type: none">▪ Fair Work Act 2009	

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

Racing Queensland Limited (RQL) is committed to providing a supportive work environment for all employees, adhering to legislative obligations, and encouraging flexible return to work practices for employees.

This policy details parental leave rights and obligations, and provides employees with information regarding their responsibilities and the process to utilise these entitlements.

This policy should be read in conjunction with employees' contracts of employment, the Fair Work Act 2009 and any relevant industrial instrument under which an employee is employed (including an EBA). To the extent that any parental leave entitlements in an employment contract or industrial instrument are superior to those outlined in this policy they will supersede this policy.

SCOPE

This policy applies to all permanent full-time and part-time employees who have, at the time of the proposed parental leave, completed at least twelve (12) months continuous employment with RQL and to casual employees who have, at the time of the proposed parental leave, been engaged with RQL on a regular and systematic basis for a period of at least twelve (12) months.

DEFINITIONS

Continuous Service: the total unbroken amount of time in paid employment with the company, including all paid leave and time spent by an individual on workers compensation, but not including unpaid leave, such as parental leave, unpaid sick leave or unapproved leave.

Parental Leave: maternity, paternity and adoption leave.

POLICY PRINCIPLES

1.1. MATERNITY LEAVE

1.1.1. Entitlement

Any staff employed by Greyhounds Queensland Limited or Queensland Harness Racing Limited prior to 30 June 2010 should refer to the Finance Officer – Payroll and HR.

The Australian Government has established a Paid Parental Leave Scheme under the *Paid Parental Leave Act 2010*, which took as at 1 January 2011. This Scheme provides eligible working mothers and initial primary carers of children born or adopted on or after 1 January 2011 with up to 18 weeks paid parental leave. For more detailed information on the Paid Parental Leave scheme please contact the Family Assistance Office.

Unlike the circumstances with unpaid parental leave granted by the employer (where any period of annual leave comes off the 52 weeks entitlement period for unpaid parental leave), the government paid parental leave is completely separate and can be taken in conjunction with other forms of paid leave. This may affect an employee's tax rate however, as both amounts are taxable at the PAYG rate.

The Fair Work Act 2009 provides that eligible female employees are entitled to up to fifty-two weeks of unpaid maternity leave. Such leave must be taken in a continuous period.

The employee may request a further period of unpaid maternity leave of up to fifty-two weeks (with the total leave period not exceeding 104 weeks). Such requests must be in writing to RQL at least four weeks prior to the approved leave period ending. A response and decision will be provided in writing within 21 days of the request.

The combined amount of maternity and any other authorised leave, such as annual leave, special maternity leave (see Section 1.1.2 below) or long service leave, must not exceed fifty two weeks (or 104 weeks where additional leave is approved by RQL), except in exceptional circumstances upon approval by the CEO.

Other than annual leave and long service leave, and special maternity leave prior to the birth of a child, other types of paid leave may not be taken during maternity leave.

For employees whose partner is employed at RQL, with the exception of three weeks after the birth of the child, maternity and paternity leave may not be taken concurrently.

Absence on maternity leave does not break continuity of service, however leave entitlements will not accrue for the duration of unpaid leave.

1.1.2. Special Maternity Leave

In the case of pregnancy related illness prior to the birth of the child, female employees may take any paid sick leave that they are entitled to and any further unpaid leave (special maternity leave) as a doctor certifies necessary before they return to work. An employee's entitlement to fifty-two weeks of unpaid maternity leave will be reduced by the amount of special maternity leave taken during pregnancy.

Should the pregnancy of an employee who has applied for but not commenced maternity leave terminate other than by the birth of living child, the leave will be cancelled. If the pregnancy terminates within twenty-eight (28) weeks of the expected birth of a child, employees may take any paid sick leave that they are entitled to and any further unpaid leave, (special maternity leave), as a doctor certifies necessary before they return to work.

1.1.3. Transfer to Safe Work

Where advised by a doctor that illness or risks arising from the pregnancy, or hazards connected with the work assigned to the employee make it inadvisable for them to continue at their present work, RQL will if practicable, transfer the employee to a safe job for the duration of the pregnancy. If no safe job is available, the employee will be removed from the workplace and paid until the birth of the child. This leave is paid by RQL and does not include the use of any other paid personal leave that the employee may have accumulated.

1.1.4. Completion of Maternity Leave

At the completion of maternity leave, employees are entitled to resume their former position upon return to work. If the position no longer exists, they will be entitled to a position as closely comparable in status, salary and responsibility as possible. Employees must confirm their intention to return to work in writing at least four weeks prior to the completion of their maternity leave.

Maternity leave may be extended once, provided that it does not extend beyond a maximum of fifty-two weeks, dependent on the employee providing RQL with at least four weeks notice in writing. Any other extension is at the discretion of the CEO. The period of agreed maternity leave may be reduced upon written application, at the discretion of RQL, as long as at least four weeks' written notice is given by the employee.

Should the pregnancy of an employee who has commenced maternity leave be terminated other than by the birth of a living child, the employee must advise RQL in writing of her intention to return to work. Upon receipt, RQL shall provide the employee with a resumption date that is within four weeks of receiving the request.

Employees may terminate their employment whilst on maternity leave at any time during the period of leave by giving notice in accordance with their employment agreement.

1.2. PATERNITY LEAVE

1.2.1. Entitlement

Male employees, who have a minimum of twelve months continuous employment with RQL prior to the date of date of birth, or expected date of birth, of their child or their spouse's child, are entitled to up to fifty-two weeks of unpaid paternity leave. Leave must commence at the date of birth of the child.

For employees whose partner is employed by RQL, parental leave must not be taken concurrently with their partner's unpaid leave (except for an initial three week period after the birth of the child). Such leave must commence immediately after their partner's period of leave.

The combined amount of paternity or any other authorised leave, such as annual leave or long service leave, shall not exceed fifty two weeks (or 104 weeks where additional leave is approved by RQL), except in exceptional circumstances upon approval by the CEO.

The employee may request to take a further period of unpaid paternity leave of up to fifty-two weeks (with the total leave period not exceeding 104 weeks). Such requests must be in writing to RQL at least four weeks prior to the approved leave period ending. Requests may only be refused on reasonable business grounds (a response and decision will be provided in writing within 21 days of the request).

Other than annual leave or long service leave, other types of paid leave may not be taken during paternity leave.

With the exception of three weeks after the birth of the child, maternity and paternity leave may not be taken concurrently.

Absence on paternity leave does not break continuity of service, however leave entitlements will not accrue for the duration of unpaid leave.

1.2.2. Special Paternity Leave

Should the pregnancy of the employee's partner terminate other than by the birth of living child prior to the commencement of approved paternity leave, the paternity leave shall be cancelled, however the employee may apply for other leave as a doctor certifies to be necessary before they return to work.

1.2.3. Completion of Paternity Leave

At the completion of paternity leave, employees are entitled to resume their former position upon return to work. If the position no longer exists, they will be entitled to a position as closely comparable in status, salary and responsibility as possible. Employees must confirm their intention to return to work in writing at least four weeks prior to the completion of their extended paternity leave.

Paternity leave may be extended once, provided that it does not extend beyond a maximum of fifty-two weeks, dependent on the employee providing RQL with at least four weeks notice in writing. Any other extension is at the discretion of the CEO. The period of agreed paternity leave may be reduced upon written application, at the discretion of RQL, subject to a notice period of not less than four weeks.

Employees may terminate their employment whilst on paternity leave at any time during the period of leave by giving notice in accordance with their employment agreement.

1.3. ADOPTION LEAVE

1.3.1. *Entitlement*

Employees, who have a minimum of twelve months continuous employment with RQL prior to the date of date of placement, or expected date of placement, of the child, and who have a responsibility for the care of the child are entitled to up to fifty-two weeks of unpaid adoption leave when adopting a child who is under 16 as at the day of placement. There are some other limitations on the circumstances when adoption leave may be taken and reference should be made to the Fair Work Act 2009 if employees are considering applying for adoption leave.

Both adoptive parents are entitled to take fifty-two weeks leave and for employee couples who are both employed at RQL, the second employee's leave must start immediately after the first employee's leave period, with the exception of three weeks that may be taken concurrently t the time of placement of the child. .

The combined amount of adoption or any other authorised leave, such as annual leave or long service leave, shall not exceed fifty-two weeks, except in exceptional circumstances upon approval by the CEO.

The employee may request to take a further period of unpaid adoption leave of up to fifty-two weeks (with the total leave period not exceeding 104 weeks). Such requests must be in writing to RQL at least four weeks prior to the approved leave period ending. Requests may only be refused on reasonable business grounds (a response and decision will be provided in writing within 21 days of the request).

Other than annual leave or long service leave, other types of paid leave may not be taken by an employee absent on adoption leave.

Absence on adoption leave does not break continuity of service, however leave entitlements will not accrue for the duration of unpaid leave.

1.3.2. *Special Adoption Leave*

Employees seeking to adopt a child are entitled to unpaid leave not exceeding two days if they are required to attend compulsory interviews or examinations as part of the adoption process.

1.3.3. *Completion of Adoption Leave*

At the completion of extended adoption leave, employees are entitled to resume their former position upon return to work. If the position no longer exists, they will be entitled to a position as closely comparable in status, salary and responsibility as possible. Employees must confirm their intention to return to work from extended adoption leave in writing at least four weeks prior to the completion of the extended adoption leave.

Adoption leave may be extended once, provided that it does not extend beyond a maximum of fifty-two weeks, dependent on the employee providing RQL with at least four weeks notice in writing. Any other extension of leave is at the discretion of the CEO. The period of agreed adoption leave may be reduced upon written application, at the discretion of RQL, subject to a notice period of not less than four weeks.

Should the placement of a child for adoption purposes not proceed or continue once the employee has commenced adoption leave they must notify RQL immediately. RQL shall then provide them with a resumption date within four weeks of receiving the notification.

Employees may terminate their employment whilst on adoption leave at any time during the period of leave by giving notice in accordance with their employment agreement.

1.4. FLEXIBLE WORK ARRANGEMENTS

At RQL's discretion and where appropriate, employees returning to work from parental leave may work in a reduced hours capacity for a pre-determined period of time. Any such arrangement will be documented in writing and must be mutually beneficial to both parties.

PROCEDURE

1.1. APPLICATION FOR MATERNITY OR PATERNITY LEAVE

Ten weeks (or as soon as reasonably practicable) prior to the expected commencement of parental leave, employees must request leave via the ConnX application for leave function and provide RQL with a written notice of the taking of parental leave, including the intended start and end dates of the leave and a medical certificate setting out the expected date of birth of the child. Employees will also be asked to sign a declaration that they won't perform work that is inconsistent with the conditions of their employment while on parental leave.

All relevant information regarding Parental leave procedures and application forms are available via the RQL Intranet.

Unless otherwise agreed, female employees may commence maternity leave at any time from six weeks immediately prior to the expected date of birth of the child, provided that RQL may request a medical certificate from a doctor confirming that an employee is fit for work if the employee proposes to work within six weeks immediately prior to the expected date of birth of the child.

1.2. APPLICATION FOR ADOPTION LEAVE

Ten weeks (or as soon as reasonably practicable) prior to the date of placement of the child, employees must provide a statement from an adoption agency or other appropriate body of the expected date of the placement of the child or a statement from the appropriate government authority confirming that they are to have custody of the child pending an application for an adoption order, to their manager.

Ten weeks (or as soon as reasonably practicable) prior to the expected commencement of adoption leave, employees must request leave via the ConnX application for leave function, setting out the intended start and end dates of the leave and provide RQL with a signed statutory declaration stating that the child to be adopted will be under 16 as at the day of expected placement and stating that they won't perform work that is inconsistent with the conditions of their employment while on extended paternity leave.

Should the placement of the child for adoption purposes not proceed, adoption leave that has applied for but not commenced shall be cancelled.

1.3. POLICY BREACHES

Any reported breaches of the *Parental Leave Policy* will be treated seriously and investigated confidentially and objectively.

Individuals who feel that they have been the recipient of discrimination should refer to the *Grievance Handling Policy*. RQL will treat all complaints seriously, impartially, sympathetically and confidentially. In all cases it is essential that all persons concerned maintain complete confidentiality in order to protect the parties involved.

Failing to adhere to this policy may result in the following actions, at the discretion of RQL:

- ✘ Counselling.
- ✘ Written Warning.
- ✘ Final Written Warning.

- ⌘ Instant Dismissal.
- ⌘ Any other lawful or legitimate action RQL deems fit under the circumstances.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	1/07/2010	New Policy	HRBS
	21/02/2011	Inclusion of government paid parental leave	Payroll – HR - Legal



RACING QUEENSLAND

TERMINATION OF EMPLOYMENT Policy and Procedures

Authorised By:	The Board	Date of Authorisation:	1 July 2010
Last Amendment Date:	1 July 2010		
Review Due Date:	1 November 2012		
Policy Owner:	General Manager of Corporate Services		
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct Policy▪ Performance Counselling Policy	<ul style="list-style-type: none">▪ Fair Work Act 2009	

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

Racing Queensland Limited (RQL) recognises that termination of employment occurs for a variety of personal or work-related reasons, initiated by either the employee or RQL. RQL is committed to adhering to its legislative obligations in relation to termination of employment.

This policy aims to ensure that when an employee leaves the organisation, termination of employment is carried out in an effective and efficient manner; the interests of both parties are protected; and that all legal requirements are met. This policy should be read in conjunction with your contract of employment.

SCOPE

This policy applies to all employees, including permanent, casual and temporary personnel, of RQL, unless otherwise identified by the CEO.

POLICY PRINCIPLES

1.1. RESIGNATION OR RETIREMENT

Should an employee wish to resign or retire they must notify RQL in writing of their intention, indicating the proposed date of separation.

Employees must provide RQL with the required period of notice in accordance with their contract of employment or applicable industrial instrument. At the company's discretion, a shorter period of notice may be granted.

Unless other arrangements are agreed, employees are required to work out their notice period. If the employee fails to give the required notice, RQL may withhold the salary payment equivalent to the notice period from their final pay or take legal action. RQL may opt to pay the employee in lieu of working the notice period at its discretion.

Where previously approved annual leave falls within the notice period, RQL will normally honour this arrangement, subject to overriding operational requirements. Other holidays may only be taken during the notice period with the express authority of the employee's manager.

On, or prior to, the final day the employee must collect and remove any personal possessions they have on RQL's premises.

1.2. ABANDONMENT OF EMPLOYMENT

Should an employee fail to attend work for a continuous period exceeding three working days without receiving authorisation from RQL for the absence or providing a satisfactory explanation for their absence the employee will be considered to have abandoned their employment.

RQL will endeavour to contact the employee either personally or by registered post to determine the reason for their absence and whether they intend to return to work. If no reasonable circumstances can be given, or the employee cannot be contacted within fourteen days, they will be deemed to have resigned and RQL will take steps to terminate their employment.

1.3. REDUNDANCY

Changes that arise in the normal course of business sometimes result in positions becoming redundant. The company does not take such decisions lightly and every reasonable effort will be made to avoid the need to pursue redundancies, bearing in mind the business and people impacts.

If a position becomes redundant, the employee will be provided with notice of redundancy no less than the termination provisions in their employment agreement. Employees may be required to work some or all of the notice period. RQL may offer payment in lieu of some or all of the notice period.

Where an employee's position becomes redundant, they will receive redundancy entitlements in line with the legislation or industrial instrument under which they are employed. The National Employment Standards state that a permanent employee with at least one year of continuous service may be entitled to a redundancy or severance payment (to a maximum of 16 weeks pay).

Employee's period of continuous service with the employer on termination	Redundancy payment in weeks
At least 1 year but less than 2 years	4 weeks
At least 2 years but less than 3 years	6 weeks
At least 3 years but less than 4 years	7 weeks
At least 4 years but less than 5 years	8 weeks
At least 5 years but less than 6 years	10 weeks
At least 6 years but less than 7 years	11 weeks
At least 7 years but less than 8 years	13 weeks
At least 8 years but less than 9 years	14 weeks
At least 9 years but less than 10 years	16 weeks
At least 10 years	12 weeks*

*12 weeks at 10 years service due to Long Service Leave entitlements

1.4. TERMINATION DURING QUALIFYING PERIOD

An employee's employment may be terminated during the six month qualifying period by either the employee or RQL giving one week's notice.

1.5. DISMISSAL

RQL may terminate an employee's employment due to unsatisfactory performance or behaviour. Where employment is terminated for performance or behavioural reasons, RQL will provide notice in accordance with the employee's contract of employment or the applicable industrial instrument.

1.6. SUMMARY DISMISSAL

Summary dismissal will occur if an employee displays inappropriate behaviour or serious misconduct that would make it unreasonable to require RQL to continue their employment during a period of notice and as such warrants immediate dismissal from the company. This behaviour may include a breach of policies or an unlawful act

Summary dismissals are only made for serious misconduct. Acts of misconduct may include, but are not limited to:

- ✘ Fraud.
- ✘ Theft.
- ✘ Violence or fighting.
- ✘ Workplace harassment.
- ✘ Sexual harassment.
- ✘ Wilful disobedience.
- ✘ Possession of illegal drugs.
- ✘ Sleeping on the job.
- ✘ Insulting words/ abusive language/ obscenity.
- ✘ Failure to observe safety rules.
- ✘ Insolence.
- ✘ Concealment of a material fact on

- & Insubordination.
- & Drunkenness or under the influence of illegal drugs.
- engagement.
- & Dishonesty in the course of the employment.

Each case will be considered on its merits, as a question of degree will always be involved. The tests to be applied will vary with the nature of the business and the position held by the employee.

1.7. RETURN OF COMPANY PROPERTY AND SECURITY

Upon leaving the employment of RQL employees are required to return all company property in good condition. Property belonging to RQL may include, but is not limited to: mobile phones, files, uniforms, protective clothing, access keys, and computer hardware and software, company cars laptops, ipads etc

It is the responsibility of the employee's manager to ensure that all company property is returned on or prior to the cessation date.

1.8 EXIT INTERVIEWS

It is the Manager's responsibility to advise the Payroll/HR Officer when an employee on their team is resigning or exiting the organisation. In cases where the employee resigns, the Payroll/HR Officer will send the exiting employee with an Exit Interview form to complete prior to organising a meeting with them in their last week to talk through the complete Exit Interview form. RQL takes an interest in understanding why people leave the organisation and are open to receiving feedback on how to make RQL a better place to work. Participation in the Exit Interview process is voluntary for the employee.

PROCEDURE

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	1/11/2012	Revision and inclusion of Exit Interview	HRBS



GRIEVANCE HANDLING POLICY

Policy and Procedures

Authorised By:	Remuneration and Nomination Sub-Committee	Date of Authorisation:	1 July 2010
Last Amendment Date:	1 July 2010		
Review Due Date:	30 June 2011		
Policy Owner:	Chief Financial Officer		
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct Policy▪ Discrimination and Workplace Harassment Policy▪ Workplace Health and Safety Policy▪ Performance Counselling Policy	<ul style="list-style-type: none">▪ Workplace Relations Act 1996▪ Fair Work Act 2009▪ National Employment Standards 2010	

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

Racing Queensland Limited (RQL) values its employees, and aims to promote a healthy, safe and enjoyable working environment. RQL recognises that employees sometimes experience conflict in the workplace that may need to be addressed and resolved with the assistance of the company.

This policy outlines important information regarding workplace grievance resolution and the processes available to employees to ensure prompt, equitable and effective resolutions at the workplace level.

SCOPE

This policy applies to all employees, including permanent, casual and temporary personnel, of RQL, unless otherwise identified by the Chief Executive Officer (CEO).

DEFINITIONS

Company Representatives: RQL employees who have appropriate prior experience or training to deal with grievances in accordance with the processes outlined in this policy.

Good Faith: the principle that only genuine grievances should be raised and parties must genuinely participate and cooperate in attempts to resolve the matter; all parties are expected to be courteous and professional at all times.

Natural Justice: the principle that all parties have a right to be treated fairly, including any person against whom a complaint has been made; the outcomes of grievances are not prejudged.

POLICY PRINCIPLES

A grievance is an important matter and can have serious consequences for all parties involved, including any person against whom a complaint is made. Matters covered under this policy include any grievance, which includes any type of problem, concern or complaint an employee may have about their work or the work environment.

To make this procedure effective it is important that a grievance is related to a specific issue, incident or decision that has impacted upon an employee, rather than a generalised complaint. Employees should be able to describe the issue, incident or decision or give examples of the behaviour that is the cause of the grievance. They should also state how the grievance impacts upon them.

Any reported grievances will be treated seriously and investigated confidentially and objectively. Each grievance will be dealt with on its own merits when determining appropriate action and employees will not be disadvantaged as a result of lodging a complaint.

Employees are encouraged to promptly raise any grievance either informally or formally. Although employees are encouraged to resolve issues informally, if they feel that the matter is of a very serious nature they may lodge a formal grievance immediately.

Generally, grievances should be lodged no later than six months after the last incident unless there is a valid reason for not lodging the dispute or the dispute is of a serious nature.

1.1. CONFIDENTIALITY

Confidentiality is a key element of the grievance process. Parties involved in this process whether as a witness, employee or management must ensure that details regarding the process, including the content of interviews and any outcomes, are not disclosed to other parties unless required as part of the process. Confidentiality is critical to ensuring that all participants are afforded natural justice and maintaining the integrity of the process.

1.2. DOCUMENTATION

Records should be kept at all stages of the process whether the grievance is informal or formal in nature. Records or notes of the manager, company representative and CEO and copies of relevant communication during the process should be stored on a confidential file, for any formal grievance processes.

1.3. SUPPORT PERSON

All parties are entitled to have a support person to assist them during this process if they wish. The support person may be a company representative, someone else within the company, or someone external. The company representative dealing with the grievance may object to a nominated support person if it would be unreasonable for that person to act in such a capacity. If a company representative is nominated as a support person, they cannot investigate the matter. Company representatives may decline to act as a support person at their discretion.

1.4. EXTERNAL MEDIATOR

In some situations it may become necessary to use an external mediator to resolve the grievance. Anyone involved in a grievance may request that an external mediator be used at any stage in the process. The company representative will decide if an external mediator should be used. If an external mediator is required, RQL will select the mediator.

1.5. FRIVOLOUS, MALICIOUS OR FALSE GRIEVANCES

Where a grievance is considered to be frivolous, malicious or false, the company may take disciplinary action against the employee who made the complaint.

PROCEDURE

1.1. STAGE ONE – RESOLVING THE ISSUE INFORMALLY

Informal resolution involves raising the grievance by talking directly to the person who can deal with the problem, concern or complaint. This can be achieved in one of two ways:

- ✘ Where the grievance involves a complaint against another person employees should raise the grievance or problem directly with the person involved, with an approach that shows a willingness to resolve the situation.

The person who is the subject of a grievance should take the opportunity to listen to and acknowledge the other person's concerns. Even if they believe the grievance is about a minor issue, they must recognise that it is an issue of concern to the other person and treat it seriously.

Both parties should consider the best way to resolve the grievance and do so quickly and privately.

- ✘ Employees, who do not feel comfortable directly approaching the person or if the grievance remains unresolved after discussing it with the person involved, should discuss it with their immediate manager, who will assist them in resolving the matter. If appropriate their manager may request that a HR representative or another senior manager assist in resolving the grievance informally.

1.2. STAGE TWO – RAISING THE ISSUE FORMALLY

If the grievance remains unresolved after informal resolution attempts have been made, employees should lodge a formal grievance in writing, with their immediate manager, an alternate manager (level above immediate manager) or the Harassment and Discrimination Contact Officer (details of the current post holder are provided on the Intranet).

The company representative will undertake the resolution process however, other representatives may also become involved if the matter cannot be resolved or if the initial representative is not the most appropriate person to deal with the issues. This may occur in cases relating to discrimination or harassment where specialist expertise may be required. The company representative will discuss the matter with the employee and try to find a way to reach a resolution. If no resolution can be reached, the company representative will take action to resolve the grievance.

At any stage, the company representative may have discussions with the parties separately and also together to arrive at a resolution that is workable for both parties. Where appropriate, the company representative may arrange follow up meetings to ensure the matter is fully resolved.

1.3. STAGE THREE – UNRESOLVED AND SERIOUS ISSUES

In the case of more serious grievances, such as where disciplinary action may be an outcome or where a matter remains unresolved, the following formal approach may be required.

- ✘ The person raising the grievance will be interviewed and a written record will be made of the substance of the grievance.
- ✘ The substance of the grievance will be provided to the relevant person (the person who can deal with the grievance or the person who is the subject the complaint) and they will be given the opportunity to provide an explanation or a response to the complaint.
- ✘ Details of the explanation or response to the complaint will be provided to the person who raised the grievance.
- ✘ Witnesses may be interviewed at any stage at the discretion of the company representative.
- ✘ Relevant information will be considered by the company representative when deciding whether the grievance is substantiated.
- ✘ The company representative will write a report about the investigation and may submit their findings to the CEO with a recommendation for resolution of the matter.
- ✘ The CEO may accept the company representative's recommendation or reject it and refer it for further investigation or an alternative course of action.
- ✘ Parties involved in the grievance will be advised of the outcome of the investigation and of any resolution decided by the CEO, and will be required to participate in the process for resolution.

1.4. OUTCOMES OF THE FORMAL GRIEVANCE RESOLUTION PROCESS

If the grievance is lodged formally employees will receive written advice of the outcome. The outcome will be in keeping with the seriousness of the incident that formed the basis of the grievance. Possible outcomes of an employee grievance include:

- ✘ The employee gains a better understanding of the situation so that their concerns are addressed.
- ✘ A mutually acceptable resolution is achieved through conciliation or mediation.
- ✘ The employee receives an apology and/or the issue or behaviour that was the basis of the grievance is modified.

- ⌘ In instances where the facts surrounding a grievance cannot be substantiated no further action will be taken.
- ⌘ In cases where the facts are substantiated and the circumstances warrant, the company’s formal disciplinary processes will be invoked. This may result in formal warning about inappropriate behaviour and in serious cases the dismissal of the employee concerned.
- ⌘ Where it is found that there has been serious unlawful activity, the police will be notified and the employee concerned may be suspended or dismissed.

1.5. OTHER ACTION BY RQL

If a grievance is raised, RQL may decide to carry out a formal investigation, or refer the grievance to external parties, even if this is not the employee’s preferred means of resolution. This may occur, if the matter involves concerns about a breach of the law, breach of the company’s policy or has implications for other employees.

1.6. EXTERNAL RESOLUTION

In the event of an unsatisfactory result from an internal grievance procedure employees may approach one of the following external agencies for assistance:

- ⌘ Federal Human Rights and Equal Opportunity Commission;
- ⌘ Fair Work Australia;
- ⌘ Relevant State Anti-Discrimination Agency.

1.7. POLICY BREACHES

Failing to adhere to this policy may result in the following actions, at the discretion of RQL:

- ⌘ Counselling.
- ⌘ Written Warning.
- ⌘ Final Written Warning.
- ⌘ Instant Dismissal.
- ⌘ Any other lawful or legitimate action RQL deems fit under the circumstances.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	1/7/2010	New Policy	HRBS



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 30th 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

Appendix A	Key terms and abbreviations (all clubs)
Appendix B	Risk Management process overview (non-TAB clubs)
Appendix C	Risk Management process in detail (TAB and strategic non-TAB clubs)
Appendix D	Risk Register Worksheet (all clubs)
Appendix E	Roles and responsibilities organisational structure (TAB and strategic non-TAB clubs)
Appendix F	Risk Management Plan Outline (TAB and strategic non-TAB clubs)
Appendix G	Club Risk Reporting Form (TAB and strategic non-TAB clubs)

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

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 risk (AS/NZS 31000:2009).
<i>Consequence</i>	Outcome of an event 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 risk or combination of risks, expressed in terms of the combination of consequences and their likelihood (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 risk identification , risk analysis and risk evaluation (AS/NZS 31000:2009).
<i>Risk Management</i>	Coordinated activities to direct and control an organization with regard to risk (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 risk (AS/NZS 31000:2009).
<i>Risk Owner</i>	Person or entity with the accountability and authority to manage a risk (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"> • Atherton Turf Club • Barcaldine Racing 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 • Cloncurry & District Race Club • Cunnamulla & District Diggers' Race Club • Dalby & Northern Downs Jockey Club • Emerald Jockey Club • Gladstone Turf Club • Goondiwindi Race Club • Gympie Turf Club • Innisfail Turf Club • Julia Creek Turf Club • Lockyer Race Club • Longreach Jockey Club • Mt Isa Race Club • Nanango Race Club • Richmond Turf Club • Roma Turf Club • Thangool Race Club • Towers Jockey Club • Warwick Turf Club • Bundaberg Greyhound Racing Club • Cairns Greyhound Racing Club • Capalaba Greyhound Racing Club • Marburg Harness Racing Club
<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"> • Brisbane Racing Club (Doomben & Eagle Farm racecourses) • Gold Coast Turf Club • Ipswich Turf Club • Sunshine Coast Turf Club • Mackay Turf Club • Rockhampton Jockey Club • Toowoomba Turf Club • Townsville Turf Club • Albion Harness Racing Club • Gold Coast Harness Racing Club • Redcliffe Harness Racing Club • Brisbane Greyhound Racing Club

- 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.

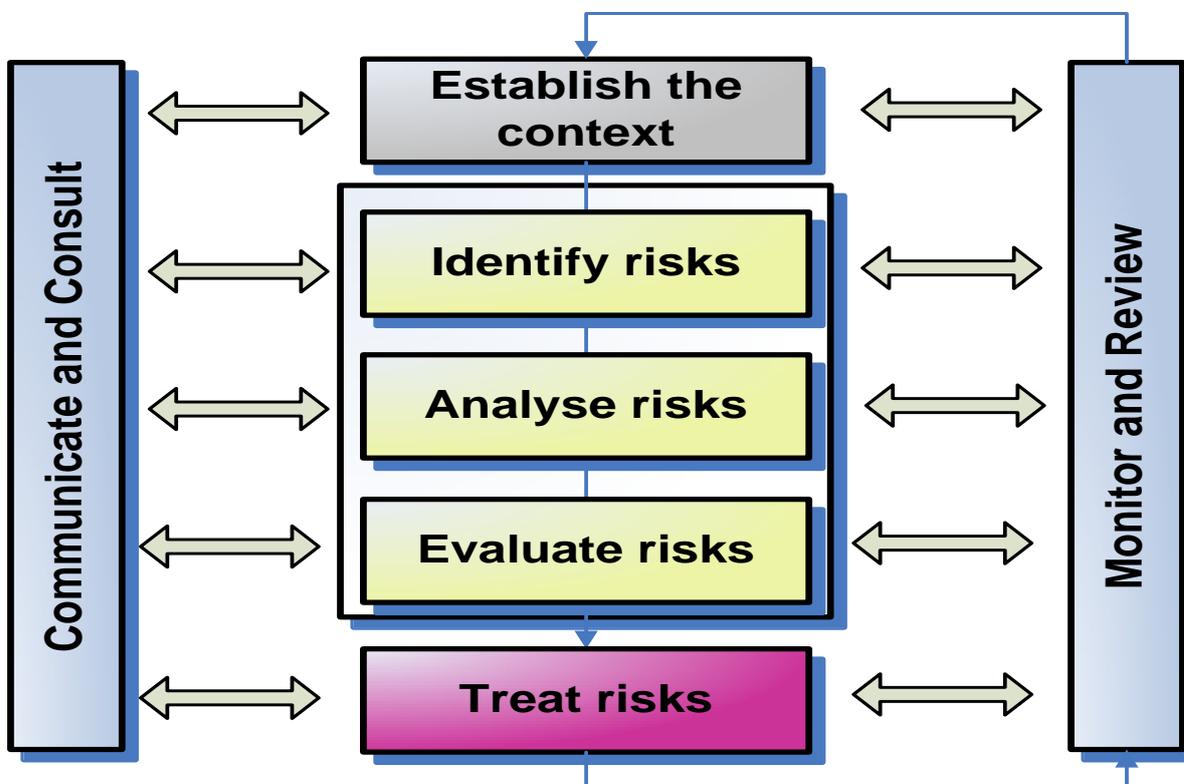


FIGURE 1: RISK MANAGEMENT PROCESS (SOURCE: AS/NZS 31000:2009)

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

{ FILENAME }

- 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.

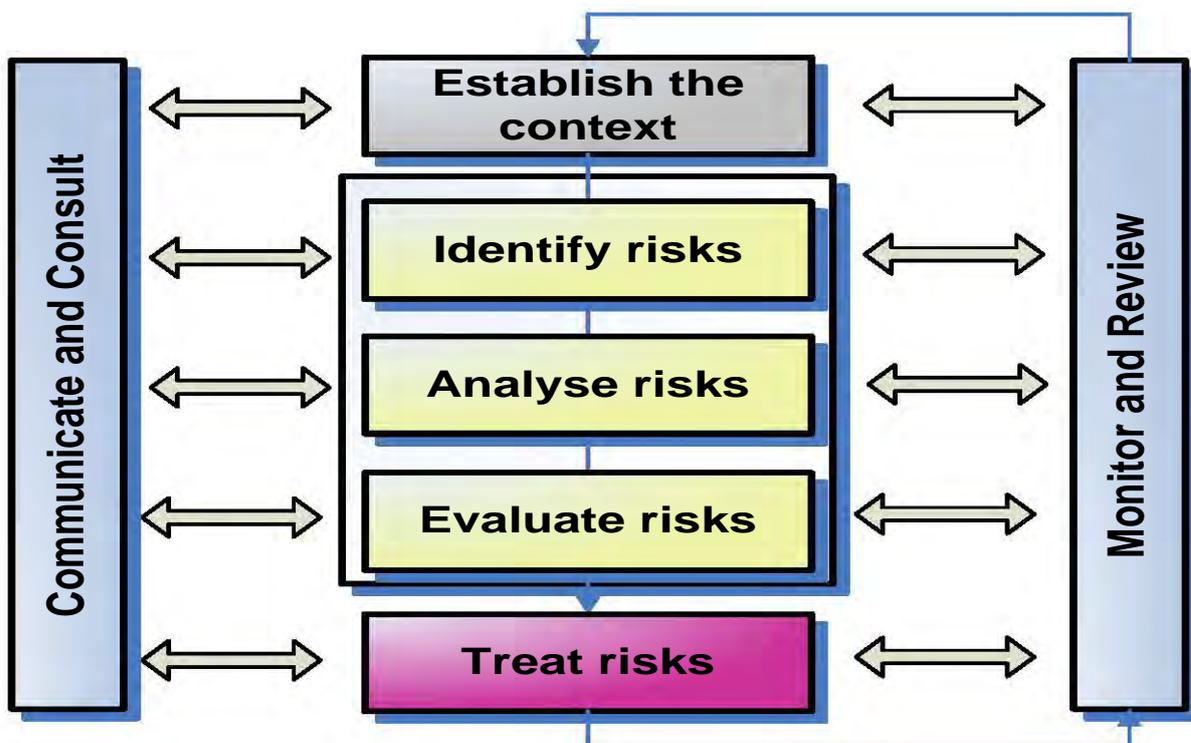


FIGURE 1: RISK MANAGEMENT PROCESS (SOURCE: AS/NZS 31000:2009)

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

Description	
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.

{ FILENAME }

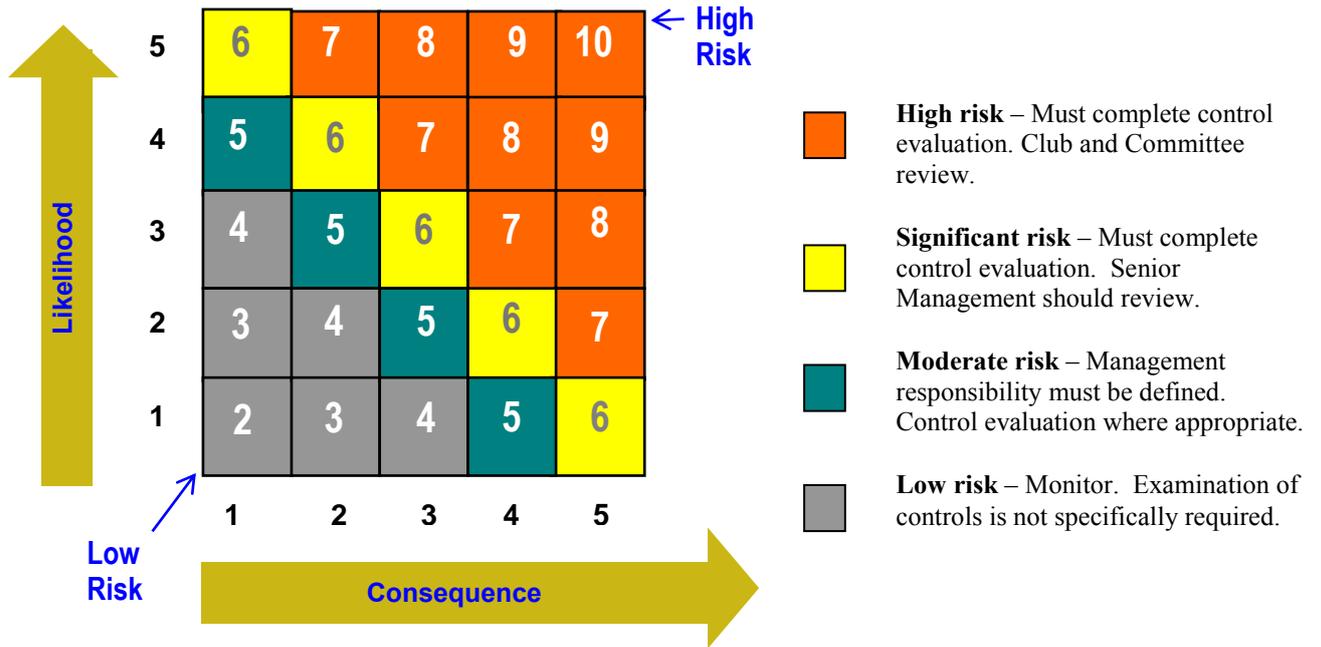


FIGURE 2: RISK RATING

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.

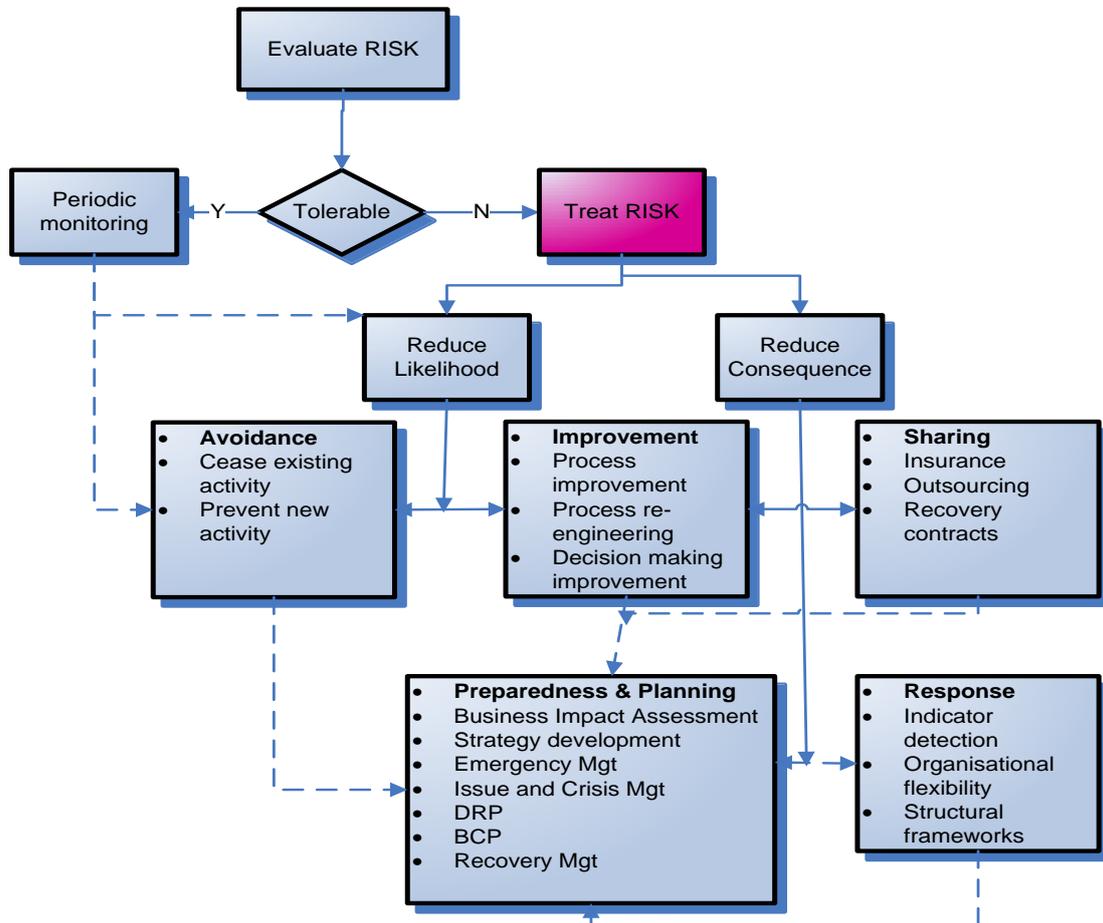


FIGURE 3: RISK TREATMENT OPTIONS (SOURCE HB 292: 2006)

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

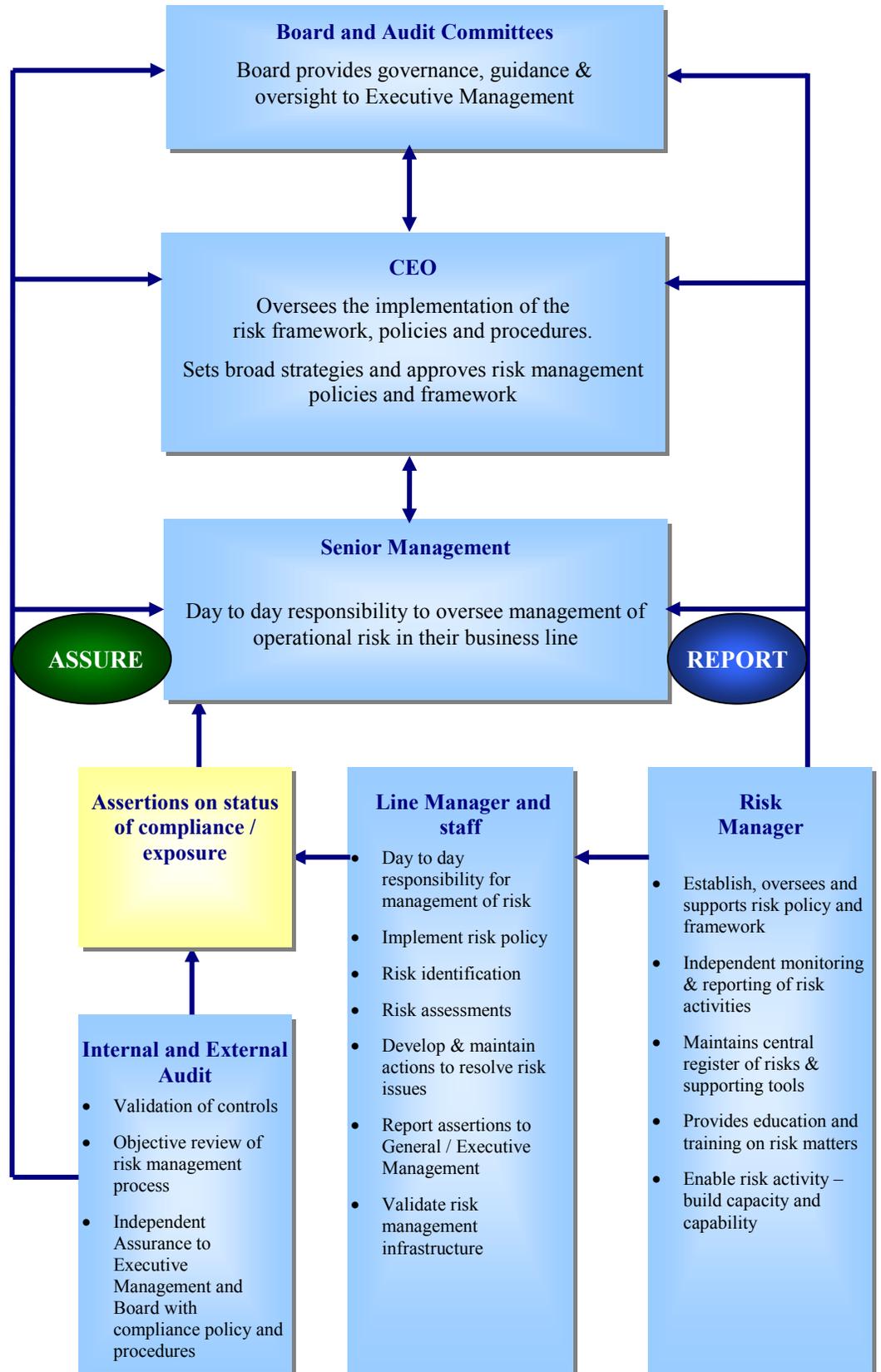
Frequency	Description
Day to day	Regular checking and continuous monitoring
Periodically	Line management review (control self assessment, driven by the risk profile and management span of control)
Annually (depending on organisation size)	Third party audit (internal and external auditing aimed at policy and standard compliance)

APPENDIX D: RISK REGISTER WORKSHEET (ALL CLUBS)

Function/Activity		Compiled by:		Date:	
Date of risk review		Reviewed by:		Date:	

Risk Category	Risk Owner	Description	Existing controls	Consequences	Likelihood	Managed Risk Level	Acceptable Yes or No	Risk Treatment (additional controls)	Risk Treatment Responsibility & Timeline
PEOPLE	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>
IT	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>
FINANCES	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>
OPERATIONS	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>
ENVIRONMENTAL	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>
Guidance			Share Transfer Avoid Ignore (accept) Reduce	Extreme (5) Major (4) Moderate (3) Minor (2) Low (1)	Almost certain (5) Likely (4) Possible (3) Unlikely (2) Rare (1)	High (7-10) Significant (6) Moderate (5) Low (2-4)	Very Eff Effective Partly Eff Marginal Ineffective	Share Transfer Avoid Ignore (accept) Reduce	

**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 TREATMENT¹
 - *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.*

¹ 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)

Organisation:		Responsible Person(s):		Contact Details:	
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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)					
Yes		No			
Details					

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)					
Yes		No			
Details					

Have your risk registers been regularly updated and maintained? (to reflect changes in your operations or the environment)					
Yes		No			
Details					

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)					
Yes		No			
Details					

Signed: _____

Date: _____

{ FILENAME }

End of Risk Management Policy



RACING QUEENSLAND

CONFIDENTIALITY AND INTELLECTUAL PROPERTY Policy and Procedures

Authorised By:	Remuneration and Nomination Sub-Committee	Date of Authorisation:	1 July 2010
Last Amendment Date:	1 July 2010		
Review Due Date:	30 June 2011		
Policy Owner:	Chief Financial Officer		
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct Policy▪ Grievance Handling Policy▪ Performance Counselling Policy	<ul style="list-style-type: none">▪ Workplace Relations Act 1996▪ Fair Work Act 2009▪ National Employment Standards 2010	

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

During the course of employment with Racing Queensland Limited (RQL), employees may be given access to confidential information or intellectual property concerning RQL and its clients, licensees or associated entities. RQL has a strict policy relating to confidentiality and intellectual property as these are the company's assets, and the disclosure of confidential information or intellectual property may be highly detrimental or damaging to the company.

This policy outlines the responsibilities of RQL and its employees, when dealing with confidential information and intellectual property.

This policy is not intended to in any way reduce an employee's contractual obligations regarding confidential information and intellectual property.

SCOPE

This policy applies to all employees, including permanent, casual and temporary personnel, of RQL, unless otherwise identified by the CEO.

DEFINITIONS

Confidential Information: all information regarding RQL's affairs including information regarding finances, pricing, clients, suppliers, marketing, strategies, personnel, technology, intellectual property, operations, manuals containing systems and procedures, general business, and any other information that employees know or should know to treat as confidential.

Intellectual Property: the ownership of, and rights relating to, confidential information, inventions, trademarks, patents, designs, secret processes or strategies, discoveries and copyright material.

POLICY PRINCIPLES

1.1. CONFIDENTIAL INFORMATION

During employment and after employment ends, employees must:

- ⌘ Keep confidential all confidential information.
- ⌘ Not discuss, communicate or transmit confidential information to other persons or make any copy of the confidential information.
- ⌘ Use their best endeavours to prevent the unauthorised disclosure of any such confidential information or trade secrets by a third party.

The above provision does not apply if the employee is required by law to disclose the confidential information; the manager's approval to disclose the confidential information is obtained; or the confidential information is disclosed for a proper purpose relating to RQL.

Information which the public is able to access, other than because of an employee's inadvertent disclosure, is not confidential information. If an employee is uncertain as to whether any information is confidential information, that information should be treated as if it were confidential unless RQL agrees in writing that the information is not confidential.

Obligations relating to confidentiality shall survive the termination of employment. Employees must not, after termination of employment use confidential information for a purpose other than for the benefit of RQL.

1.2. INTELLECTUAL PROPERTY

This information belongs to RQL and must be protected and treated as confidential.

Any intellectual property that is created, invented or developed during an employee's term of engagement with RQL and which arises out of or is related in any way to the company, including any work for RQL's customers or licensees, vests in and belongs to RQL. Employees must immediately disclose to RQL in writing, any invention or improvement they make or conceive of during the course of performing their duties.

RQL has the right to apply for, or have assigned to the company or its nominee, copyright, patents, trademarks and other intellectual property, and employee shall, if required, do all things necessary to transfer the rights in the intellectual property to RQL or its nominee.

If proprietary information is to be shared with persons external to RQL, prior written approval must be obtained from management and, if appropriate, a *Confidentiality Agreement* must be signed by the external party.

Obligations relating to intellectual property continue after an employee's employment with RQL ends.

1.3. THIRD PARTY CONFIDENTIAL INFORMATION OR INTELLECTUAL PROPERTY

Employees should not bring into the workplace or otherwise utilise in whole or in part confidential information and/or intellectual property belonging to any former employer or of any other third party without the consent of such third party.

PROCEDURE

1.1. RETURN OF CONFIDENTIAL INFORMATION OR INTELLECTUAL PROPERTY

At RQL's request at any time or upon the termination of employment, employees must return to RQL all confidential information and intellectual property including but not limited to all records, reports, customer lists in whatever form, belonging to RQL or its clients, licensees or associated entity, which may be in the employee's possession.

1.2. POLICY BREACHES

Any reported breaches of this policy will be treated seriously and investigated confidentially and objectively. RQL will treat all complaints seriously, impartially and confidentially. In all cases it is essential that all persons concerned maintain complete confidentiality in order to protect the parties involved.

Failing to adhere to this policy may result in the following actions, at the discretion of RQL:

- ⌘ Counselling;
- ⌘ Written Warning;
- ⌘ Final Written Warning;
- ⌘ Instant Dismissal;
- ⌘ Any other lawful or legitimate action RQL deems fit under the circumstances.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	1/7/2010	New Policy	HRBS



Racing Queensland Limited

Conflict of Interest Disclosure

Introduction

A conflict of interest occurs when a person's interests influence, or appear to influence the impartial performance of that person's duties and responsibilities. As Racing Queensland Limited (RQL) is the Control Body for racing in Queensland, it is of critical importance that Board Members meet the highest standards of probity and to that end Board Members must:

- carry out their duties impartially and regardless of personal preferences;
- avoid private, financial or other interests or undertakings that could directly or indirectly compromise or conflict with the performance of their duties;
- disclose any interest which may impact or have the potential to impact on the performance of their duties; and
- take action to resolve any conflict between personal interest and official duties in the favour of the public interest.

Conflict of Interest

Conflicts of interest arise regularly in practice and the fact that a conflict may arise is not in itself a problem. However it will become a problem if it is not properly handled. Accordingly, it is critical that any conflict of interest is identified, reported and properly managed.

The conflict of interest may be:

- an actual conflict of interest in which there is direct conflict between the officials current duties and existing private interest;
- a perceived conflict of interest in which it could be perceived by others that an officials private interests could improperly influence the performance of their official duties; or
- a potential conflict of interest in which an official has private interests which could interfere with official duties in the future.

Regardless of the type of conflict of interest, it is critical that such a conflict be reported immediately to the Director of Integrity Operations and that you follow any further instruction provided to you by the Director of Integrity Operations in respect of that conflict.

One particular type of interest which must be the subject of disclosure by all RQL Board Members is any interest in, or related to, the racing industry. Such an interest includes:

- any interest in property used for stud purposes, agistment, breeding, training or other purposes associated with the racing industry;
- any involvement in the ownership, breeding, leasing, claiming, racing or management of horses or greyhounds;

- any contractual relationships with a licensed person in the racing industry;
- any contractual relationships with any person providing services or facilities to the racing industry; and
- any other significant financial or other interest which could reasonably raise an expectation of a conflict of interest.

The reference to interest in this regard includes not only an interest which the RQL Board Member may have, but also any such interest of a close family member of that Board Member.

Personal or family relationships with industry participants give rise to a prima facie conflict of interest and must therefore be disclosed.

It is important to note again at this point that the fact that an RQL Board Member has an interest of this type does not of itself create a problem. However it does give rise to an obligation of disclosure and the conflict, potential or perceived conflict must be properly managed.

Disclosure

All RQL Board Members are required to make a disclosure by completing the form at Appendix 1 and providing it to the Director of Integrity Operations initially when commencing employment with RQL and subsequently annually. That form must be completed annually even if there are no interests to be disclosed.

In addition, whenever there is any change in an interest which has previously been disclosed (whether by the addition of other interests, a removal of interest or the change in nature of the interest for example by increasing ownership in a company related to racing) a further disclosure must immediately be made by completing the disclosure form and providing it to the Director of Integrity Operations.

Conflict of Interest and Racing Interest Declaration Form

Full name _____

Position _____

Racing Interest

I have the following interests in the racing industry: *(If no interests insert the word 'nil')*

I have the following interests which may amount to an actual, perceived or potential conflict of interest: *(If no interests insert the word 'nil')*

I hereby declare that the above details are correct to the best of my knowledge.

Signature
(Board Member) _____

Date / /

I hereby declare that I have received and noted this conflict of interest declaration.

Signature
(Director of Integrity
Operations) _____

Date / /

Statement of Conflict of Interest/ Racing Interests Resolution or Management

Action taken or to be taken to resolve or manage conflicts of interest or racing interests:

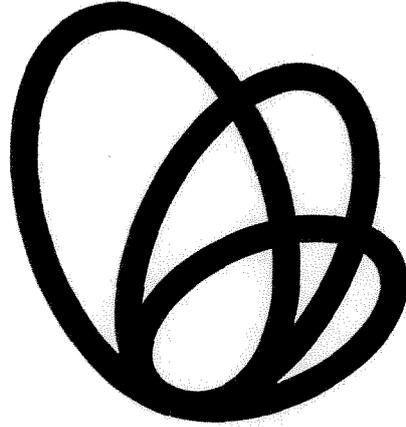
The above action has been agreed on to resolve conflict of interest or racing interests declared.

Signature
(Board Member) _____

Date / /

Signature
(Director of Integrity
Operations) _____

Date / /



RACING QUEENSLAND

Racing Queensland Limited

Conflict of Interest Disclosure and Punting Requirements

Introduction

A conflict of interest occurs when a person's interests influence, or appear to influence the impartial performance of that person's duties and responsibilities. As Racing Queensland Limited (RQL) is the Control Body for racing in Queensland, it is of critical importance that employees meet the highest standards of probity and to that end employees must:

- carry out their duties impartially and regardless of personal preferences;
- avoid private, financial or other interests or undertakings that could directly or indirectly compromise or conflict with the performance of their duties;
- disclose any interest which may impact or have the potential to impact on the performance of their duties; and
- take action to resolve any conflict between personal interest and official duties in the favour of the public interest.

All full time employees of RQL are required to disclose in writing to the Chief Executive Officer any secondary paid employment they may have. Further, secondary employment within the racing industry represents a prima facie conflict of interest and is not permitted without specific authorisation from the Chief Executive Officer.

Conflict of Interest

Conflicts of interest arise regularly in practice and the fact that a conflict may arise is not in itself a problem. However it will become a problem if it is not properly handled. Accordingly, it is critical that any conflict of interest is identified, reported and properly managed.

The conflict of interest may be:

- an actual conflict of interest in which there is direct conflict between the officials current duties and existing private interest;
- a perceived conflict of interest in which it could be perceived by others that an officials private interests could improperly influence the performance of their official duties; or
- a potential conflict of interest in which an official has private interests which could interfere with official duties in the future.

Regardless of the type of conflict of interest, it is critical that such a conflict be reported immediately to your manager and that you follow any further instruction provided to you by your manager in respect of that conflict.

One particular type of interest which must be the subject of disclosure by all RQL employees is any interest in, or related to, the racing industry. Such an interest includes:

- any interest in property used for stud purposes, agistment, breeding, training or other purposes associated with the racing industry;
- any involvement in the ownership, breeding, leasing, claiming, racing or management of horses or greyhounds;
- any contractual relationships with a licensed person in the racing industry;
- any contractual relationships with any person providing services or facilities to the racing industry; and
- any other significant financial or other interest which could reasonably raise an expectation of a conflict of interest.

The reference to interest in this regard includes not only an interest which the RQL employee may have, but also any such interest of a close family member of that employee.

Accordingly the following types of interest would be required to be disclosed:

- a share in a syndicate which owns and races racehorses or greyhounds;
- an interest owned by the spouse of an RQL employee in a business, the primary purpose of which is to supply racing equipment; or
- an interest in real estate held with jointly with a jockey, driver, trainer or other licensed person.

Personal or family relationships with industry participants give rise to a prima facie conflict of interest and must therefore be disclosed.

It is important to note again at this point that the fact that an RQL employee has an interest of this type does not of itself create a problem. However it does give rise to an obligation of disclosure and the conflict, potential or perceived conflict must be properly managed.

Disclosure

All RQL employees are required to make a disclosure by completing the form at Appendix 1 and providing it to the employee's managers initially when commencing employment with RQL and subsequently annually. That form must be completed annually even if there are no interests to be disclosed. The form should be provided to the manager at the time of annual performance review discussions.

In addition, whenever there is any change in an interest which has previously been disclosed (whether by the addition of other interests, a removal of interest or the change in nature of the interest for example by increasing ownership in a company related to racing) a further disclosure must immediately be made by completing the disclosure form and providing it to the relevant manager.

Upon receiving the completed disclosure form, managers must consider any interests which have been disclosed and ensure that appropriate arrangements are in place to manage any possible conflict. The disclosure document, along with any explanation in relation to management of the conflict must be then referred to the Director of Integrity Operations.

Punting Requirements

Punting by RQL staff gives rise to a specific perceived or actual conflict, especially for those staff employed in the Integrity Department or involved in handicapping/grading or racing operations.

Those staff have a direct involvement in races and have access to confidential information (including information about different codes in different states).

Accordingly, all full time RQL Integrity Department staff and those staff involved in handicapping/grading or racing operations must not bet on races of any code conducted in Australia. While those staff are not prevented from engaging in sports betting, they should at all times be conscious of the negative perception that may arise from them being seen punting and must take appropriate steps in an attempt to avoid such negative perceptions arising.

All other RQL staff are not prevented from punting but must at all times ensure that they are not taking advantage of any confidential information to which they may have access. They must also be very conscious of any possible negative perceptions arising and take appropriate steps to avoid that occurring to the extent possible.

All staff are required to sign and return to their manager the following acknowledgement at the same time they return disclosure document (Appendix 1).

Punting Acknowledgement

I _____, acknowledge that I have read the above requirements in relation to punting and understand how they apply to me in my position at RQL.

Sign

Date



RACING QUEENSLAND

GIFTS AND BENEFITS **Policy and Procedures**

Authorised By:	Remuneration and Nomination Sub-Committee	Date of Authorisation: 4 November 2011
Last Amendment Date:	4 November 2011	
Review Due Date:	4 November 2013	
Policy Owner:	Chief Financial Officer	
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct Policy▪ Workplace Health and Safety Policy▪ Payroll Policy▪ Grievance Handling Policy▪ Performance Counselling Policy▪ Overtime Form▪ Timesheets	<ul style="list-style-type: none">▪ Workplace Health and Safety Act 1995▪ Workplace Health and Safety Regulation 2008▪ Fair Work Act 2009

Any person who requires assistance in understanding this document should contact their manager.

INTRODUCTION

Being a Racing Queensland Limited (**RQL**) officer involves public trust. This means that duties must be carried out impartially and with integrity. Consequently, it is not appropriate for RQL officers to be offered or to accept or to give gifts and benefits that affect or may be likely to affect the performance of their official duties.

This gifts and benefits policy has been developed so that, if a gift or benefit is offered, there are proper guidelines for acceptance or rejection of the offer and procedures for disclosure in place. This policy should not be seen as encouraging the receipt of gifts and benefits. However, where circumstances require the acceptance of a gift or benefit, it must occur in line with this policy. This policy incorporates guidelines for the giving of gifts and benefits by officers of RQL.

The policy provides relevant principles, definitions, and procedures which should be used to guide ethical decision making when accepting or declining or giving or not giving gifts or benefits.

If a contact wishes to build a good relationship with RQL officers and vice versa, his or her efforts should be directed at providing better service or more competitive products to the agency rather than providing personal benefits. The cumulative effects or patterns of acceptance or giving of a number of offers to the same officer imply obligation by the officer to the donor or the donor to the officer.

If there is no benefit to RQL from giving or accepting a gift or benefit, it should not be given or accepted.

APPLICATION

This Gifts and Benefits Policy applies to the giving and receipt of gifts and benefits by all RQL employees and Board members.

SCOPE

This policy should be read in conjunction with the principles which concern the giving and receipt of gifts and benefits in other documents, namely:

- the *Public Sector Ethics Act 1994*,
- RQL's Code of Conduct,
- the *Financial Management Standard 1997*; and
- the *Crime and Misconduct Act 2001*.

DEFINITIONS

1. The term "Gifts or Benefits" refers to items given and received by RQL officers in the course of official duties.
2. An "Intangible Gift or Benefit" is one with no lasting value.
3. A "Nominal Gift or Benefit" is one with a fair value of less than \$50.
4. A "RQL Officer" is any person employed by RQL and members of the Board of RQL.
5. A "Significant Gift or Benefit" is one with a fair value between \$50 and \$250.

6. A "Reportable Gift or Benefit" is a single gift or benefit with a fair value in excess of \$250 or each significant gift given to or received from the same donor in the course of a financial year where the aggregate value of those gifts is in excess of \$250.
7. "Register of Gifts" means the register established under the *Financial Management Standard 1997*.
8. "Industry Function" means an event staged by:
 - an entity licensed by RQL; or
 - a stakeholder of the Queensland thoroughbred racing industry.

POLICY PRINCIPLES & OBLIGATIONS

The following general principles and obligations are to be applied in relation to gifts and benefits:

1. RQL officers must at all times be mindful of their obligation to maintain and enhance public confidence in the integrity of racing and the proper management of the thoroughbred, harness and greyhound codes of racing in Queensland.
2. RQL officers must not ask for or encourage the giving of any form of gift or benefit in connection with the performance of official duties, including admission tickets to the races or club membership.
3. Any gift or benefit, regardless of monetary value, accepted from an individual or organisation or given to an individual or organisation implies a relationship with that individual or organisation which is likely to interfere with objectivity and independence.
4. 'Public perception' is an important consideration and can be defined as 'the perception of a fair-minded person in possession of the facts.'
5. Officers can decline offers of gifts or benefits courteously by explaining that acceptance would be against agency policy and consequently that they have no discretion in the area.
6. An invitation to the races or to an Industry Function can only be accepted if:
 - RQL or the Queensland thoroughbred, harness or greyhound racing industries will benefit from the attendance of a RQL officer at the function;
 - the prior written approval of the Director of Integrity Operations has been obtained;
 - RQL pays to the donor the cost of the benefit/gift; andThe attendance is recorded by RQL.
7. Receipt and giving of reportable gifts or benefits must be declared and recorded in the register. The register is to be subject to regular review. The reviewer must be independent and should communicate any results of the review to the Director of Integrity Operations. The purpose of such review should include analysis for trends or patterns which may cause concern and need corrective and preventative action.

POLICY FOR NON-ACCEPTANCE OR NOT GIVING

A gift or benefit may not be accepted or given if any of the following principles apply:

- it is intended—or is likely—to cause the recipient or donor to act in a partial manner in the course of their duties; or

- the donor or reasonable observer would apprehend that the recipient may be under obligation to the donor; or
- it is not offered openly; or
- it is an offer of money or anything readily convertible to money—eg. shares.

POLICY

Any gift accepted by a RQL Officer is the property of the RQL. The gift may be retained by RQL or RQL may allow the officer to retain the gift in accordance with this policy and procedure.

All gifts of cultural or historical value remain the property of RQL.

Giving and receipt of gifts and benefits must be in accordance with the principles for acceptance and non-acceptance of gifts or benefits contained in this policy and procedure.

If the aggregate value of multiple gifts or benefits received or given by a RQL officer from or to the same donor in any financial year exceeds \$250, each individual gift or benefit becomes a reportable gift or benefit.

An intangible gift or benefit which is also a reportable gift or benefit may be retained by the RQL officer to whom it was given only with the consent of the Chief Executive Officer of RQL.

These principles should be widely published and made generally available, particularly to those individuals or organisations likely to receive or offer gifts and benefits.

Agencies are to communicate the principles to all suppliers and potential suppliers.

PROCEDURES FOR ACCEPTANCE, NON-ACCEPTANCE, GIVING AND NOT GIVING GIFTS OR BENEFITS

Where a race club provides RQL with free admission tickets and/or membership tickets, the Director of Integrity Operations will determine whether it is appropriate for an officer of RQL to accept this benefit.

The Director of Integrity Operations will decide if and how the tickets are allocated based on the principle that the function is either part of a RQL officer's duties or that attendance of RQL officers at the function advances RQL's corporate plan.

Benefits negotiated when RQL sponsors a service, product or activity on its own (such as a marquis, or corporate box) do not have to be recorded in the register of gifts.

Nominal and Significant Gifts or Benefits

All principles for acceptance and non-acceptance must be adhered to.

The nature of the gift should be discussed with your line manager. Your line manager will discuss the appropriateness of acceptance of the gift or benefit with the Director of Integrity Operations. A decision is to be reached in line with the principles outlined in this policy, and the decision and reasons for it should be recorded in the register, including the reasons the acceptance or giving is of benefit to RQL and the RQL Industry.

The gifts or benefits may be:

- declined; or

- accepted and retained by the RQL officer upon approval by the Director of Integrity Operations; or
- accepted and retained by RQL.

Significant gifts or benefits — including intangible gifts — whether received or given — are to be recorded in the register of gifts.

Reportable Gifts or Benefits

All principles for acceptance and giving and non-acceptance and not giving must be adhered to.

The nature of the gift should be discussed with your line manager. Your line manager will discuss the appropriateness of acceptance of the gift or benefit with the Director of Integrity Operations. A decision is to be reached in line with the principles outlined above, and the decision and reasons for it should be recorded in the register, including the reasons why the acceptance is of benefit to the Queensland thoroughbred, harness and greyhound racing industries.

If the aggregate values of significant gifts or benefits received or given by a RQL officer from or to the same donor in any financial year exceed \$250, each gift or benefit becomes a reportable gift or benefit.

Reportable gifts or benefits received by a RQL officer must be dealt with as the property of the RQL. These may be used as RQL property and given as gifts, if appropriate, to persons other than RQL officers.

A reportable gift or benefit given to a RQL officer is the property of RQL. However, at the discretion of the Director of Integrity Operations, the RQL officer may purchase the gift or benefit by paying to RQL the difference between the fair value of the reportable gift or benefit and the reportable gift or benefit threshold (currently \$250).

The Executive Assistant of RQL's Chief Executive Officer must keep a register of reportable and significant gifts or benefits made or received by RQL. The register is to include the following information:

- the date the gift or benefit was given or received;
- the persons involved in giving or receiving the gift or benefit;
- a description of the gift or benefit;
- the value of the gift;
- for gifts or benefits received by an officer — the decision about the destination of the gift; and
- the reason accepting or giving the gift is of benefit to the Queensland thoroughbred, harness and greyhound racing industries.

The register is to be available for inspection by members of the Board of RQL as required.

Intangible Gifts and Benefits

All principles of acceptance and non-acceptance, giving and not giving must be adhered to.

All intangible gifts and benefits must be recorded in the register of gifts.

Where an intangible gift or benefit is a reportable gift or benefit and the agency decides it is reasonable for an officer to accept the gift, there is no requirement for that officer to reimburse the agency to the value in excess of \$250.

GUIDELINES IN SUPPORT OF THE POLICY AND PROCEDURE

The *Public Sector Ethics Act 1994* which each RQL Officer is bound by includes five ethical obligations. One is 'Integrity' which requires that:

- public confidence in the integrity of public administration must be maintained and enhanced;
- the common good of the community must be advanced;
- official powers must not be improperly used;
- any conflict that may arise between the RQL officer's personal interests and official duties is resolved in favour of the public interest ; and
- the RQL officer should disclose fraud and corruption of which he or she becomes aware.

The *Public Service Act 1996* includes amongst its principles of public service management:

- maintaining impartiality and integrity in informing, advising and assisting the Government;
- managing public resources efficiently, responsibly and in a fully accountable way;
- maintaining proper standards in creating, keeping and managing public records.

In this policy and procedure, the term 'Gifts and Benefits' refers to items given and received in the course of official duties and includes (but is not limited to) gifts of money, alcohol, clothes, products, tickets, shares, travel, accommodation or access to a sporting or other venue. It may also include promise of a new job or promotion, preferential treatment such as queue jumping, access to confidential information, use of facilities, hospitality or benefits generally.

There are three levels of gifts and benefits:

- nominal;
- significant; and
- reportable.

Within these levels gifts or benefits may be:

- tangible (of lasting value); or
- intangible (of no lasting value).

The same principles apply to all gifts and benefits; different procedures apply to different levels of gifts and benefits and intangible gifts and benefits

A nominal gift or benefit has a fair value less than \$50. Examples include but are not limited to:

- food and drink received or given as part of a meeting, conference, trade display or other event attended as part of official duties;
- cap, pen, pencil, notepad, a bottle of wine, bunch of flowers, box of chocolates;
- entry tickets to the races.

A significant gift or benefit has a fair value between \$50 and \$250, inclusive of those amounts. Examples include but are not limited to:

- food and drink received or given as part of a meeting, conference, trade display or other event attended as part of official duties;

- discounted products for personal use;
- free use of facilities such as gyms and holiday homes or discounted travel;
- corporate offers of transportation, accommodation, tickets, meals, and functions as part of a major event;
- a book on a relevant topic;
- prize/s won at a conference;
- awards or prizes.

A reportable gift or benefit is a single gift or benefit with a fair value in excess of \$250 or each significant gift given to or received from the same donor in the course of a financial year where the aggregate value of those gifts is in excess of \$250.

An intangible gift or benefit is one which has no lasting value and which cannot be dealt with as property of the agency for accounting purposes. Nevertheless, accepting an intangible gift or benefit has the capacity to give rise to a breach of the principles in relation to the acceptance or giving of gifts or benefits.

Hospitality is likely to be an intangible gift or benefit.

Examples of intangible gifts or benefits include but are not limited to:

- food and drink received or given as part of a meeting, conference, trade display or other event attended as part of official duties;
- tickets to the races, theatre, cultural events, sporting and other events;
- restaurant meals and meals;
- training excursions;
- sports team sponsorship;
- use of facilities such as gyms and holiday homes or discounted travel;
- corporate offers of transportation, accommodation, tickets, meals, and functions;
- conference transportation, accommodation and fees;
- invitations to participate in corporately sponsored groups;
- entertainment;
- official functions and hospitality.

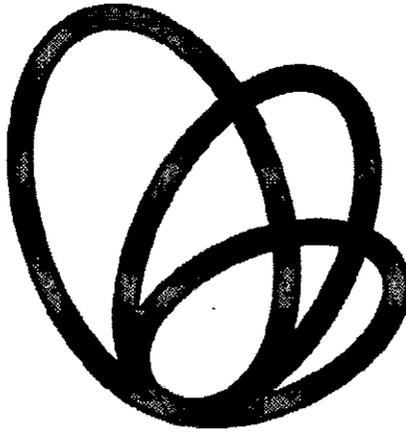
An intangible gift or benefit can be nominal, significant or reportable and must be dealt with in the way which suits its classification, except that, if it is a reportable gift, and it is retained by the officer, there is no requirement to reimburse the agency for the difference between its fair value and \$250.

MATRIX SUMMARISING THE RELATIONSHIP BETWEEN, AND THE PROCEDURES FOR TYPES OF GIFTS AND BENEFITS

Procedures	Gifts or Benefits			Intangible Gifts (Hospitality)		
	Less than \$50	\$50-\$250	More than \$50	Less than \$50	\$50-\$250	More than \$250
Principles apply	Yes	Yes	Yes	Yes	Yes	Yes
Decision and information recorded in register	Yes	Yes	Yes	Yes	Yes	Yes
Requirement to purchase	No	No	Yes	No	No	No
Aggregates from same donor noted	No	Yes	Yes	No	Yes	Yes

REVISION HISTORY

Revision	Date	Description of Changes	Author



RACING QUEENSLAND

CODE OF CONDUCT A Guide to Behaviour Expectations

Authorised By: Remuneration and Nomination Sub-Committee **Date of Authorisation:** 1 July 2010
Last Amendment Date: 1 July 2010
Review Due Date: 30 June 2011
Policy Owner: Chief Financial Officer

Related Documents:

- Harassment, Discrimination and Bullying Policy
- Workplace Health and Safety Act 1995
- Workplace Health and Safety Policy
- Racing Act 2002
- Grievance Handling Policy
- Fair Work Act 2009
- Performance Counselling Policy
-

Any person who requires assistance in understanding this document should contact their manager.



MESSAGE FROM THE CHAIRMAN

Racing Queensland Limited (Racing Queensland) plays a crucial role in the racing industry in Queensland. Racing Queensland is committed to the efficient administration of the industry and acknowledges that its decision making impacts on all participants in the industry.

Public confidence in the racing industry depends upon Racing Queensland managing the industry in a fair and transparent manner according to the highest standards of probity and integrity.

This Code of Conduct applies to all Racing Queensland officials, including Board members, in the performance of their functions and duties. Racing Queensland officials are expected to maintain the highest standards in professional and business ethics and, through their work, performance and behaviour, ensure that confidence in the integrity of Racing Queensland is justified and maintained. Racing Queensland is committed to fostering a working environment that relies on personal integrity, quality management and a high level of service. To this end, Racing Queensland has produced this Code of Conduct which details the expected levels of behaviour required of all Racing Queensland officials. The Board of Racing Queensland is committed to ensuring compliance with the provisions of this Code at all times.

RG Bentley
Chairman
Racing Queensland Limited



RACING QUEENSLAND OBJECTIVES

Racing Queensland Limited (Racing Queensland) 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. Racing Queensland:

- ⌘ Will work to inspire the utmost faith, confidence and support of all participants and stakeholders in racing in Queensland.
- ⌘ Is committed to fairness, impartiality and transparency in its decision making.
- ⌘ Will act in the best interests of racing in Queensland.
- ⌘ Will comply with this Code of Conduct (Code) to ensure integrity in its operations.

PART 1 INTRODUCTION

To help Racing Queensland meet its objectives, the Code summarises Racing Queensland's standards for conduct, defining the expectations of employees to support behaviour consistent with company values. Every Racing Queensland employee must:

- ⌘ Act in accordance with the Code, their employment contract, Racing Queensland policies and statutory obligations imposed on Racing Queensland and on Racing Queensland employees.
- ⌘ Act with the highest standards of professionalism, honest, diligence and integrity.

1.1 TO WHOM DOES THE CODE OF CONDUCT APPLY

The Code applies to all Racing Queensland employees.

Former Racing Queensland employees must also continue to respect the provisions of the Code, particularly in relation to the confidentiality of information and ownership of intellectual property to which the former Racing Queensland employee had access in the course of work with Racing Queensland.

1.2 WHY HAVE A CODE OF CONDUCT?

All employees of Racing Queensland are "public officials" within the meaning of the *Public Sector Ethics Act 1994* and are required to comply with its provisions. Under this Act Racing Queensland is required to have a code of conduct to provide standards of conduct for all Racing Queensland employees.

All employees must ensure that they understand and follow the requirements of the Code and any additional standards, instructions and processes that apply. Failure to adhere to the requirements of the Code is taken very seriously and may result in disciplinary action up to and including summary dismissal.

The Code is a reference to important information however, it cannot address every situation, nor does it serve as a substitute for employees' individual responsibility to exercise good judgement and common sense to ensure that actions never damage Racing Queensland's reputation.

PART 2 DEFINITIONS

Conflict of Interest: a real or perceived conflict between a private interest and an official duty. A real conflict of interest exists when a reasonable person, in possession of the relevant facts, would conclude that the official's private interests interfere, or are likely to interfere, with the proper performance of the official's duties. A perceived conflict of interest exists when it appears that an



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official's private interests may interfere with the proper performance of the official's duties although, in reality, this may not be the case.

Corruption: criminal behaviour that may involve fraud, theft, the misuse of position or authority or other acts that are unacceptable to Racing Queensland and which may cause loss to Racing Queensland, its stakeholders or the general community. This may also include other elements such as breaches of trust and confidentiality.

Ethics Principles: principles identified in the Public Sector Ethics Act 1994 as: respect for the law and system of government, respect for persons, integrity, diligence, and economy and efficiency.

Fraud: the intentional use of false representations or deception to avoid an obligation and/or gain an unjust advantage.

Interest: used in relation to declaring personal interests or conflicts of interest, the term "interest" means direct or indirect personal interests of Racing Queensland Limited officials. Interests may be pecuniary (that is, financial or economic forms of advantage) or non-pecuniary (that is, non-financial forms of advantage).

Maladministration: administrative action that is unlawful, arbitrary, unjust, oppressive, improperly discriminatory or taken for an improper purpose.

Official Misconduct: as defined in the Crime and Misconduct Act 2002, means conduct that could, if proved, be a criminal offence or a disciplinary breach providing reasonable grounds for terminating the Racing Queensland official's employment or services.

Public Interest: for a Racing Queensland official, acting in the public interest means acting lawfully and/or in accordance with Racing Queensland policy. In the absence of legal or policy frameworks, it means acting for the common good of the community. Racing Queensland has developed a policy on safeguarding the public interest; Racing Queensland officials should refer to this policy for guidance on what constitutes the public interest and Racing Queensland's responsibilities to this end.

Public Interest Disclosure: as defined in the Whistleblowers Protection Act 1994, means a disclosure of information about official misconduct, maladministration, negligent or improper management affecting public funds, reprisal, or danger to public health or safety or environment.

Racing Queensland Limited Official: includes Board members of the Racing Queensland Board and all other persons employed or remunerated by Racing Queensland, whether full-time, part time, permanent, fixed-term, contract or casual and includes members of any Racing Queensland sub-committee.

Racing Queensland Limited's Policies: policies from time to time adopted by Racing Queensland.

Reprisal: as defined in the Whistleblowers Protection Act 1994, occurs when a person causes, attempts or conspires to cause, detriment to another person because, or in the belief that, anybody has made, or may make, a public interest disclosure.

Statutory Obligations: obligations imposed from time to time by legislation including, where relevant and without limitation, obligations imposed on Racing Queensland and/or Racing Queensland's officials by: *Anti-Discrimination Act 1991*, *Crime and Misconduct Act 2002*, *Corporations Act 2001*, *Public Records Act 2002*, *Public Sector Ethics Act 1994*, *Racing Act 2002*, *Whistleblowers Protection Act 1994* and *Workplace Health and Safety Act 1995* and any relevant regulations made pursuant to statute.

Whistle Blowing: when, in the public interest, as provided for in the Whistleblowers Protection Act 1994, a person discloses information about official misconduct, maladministration, negligent or improper management affecting public funds, reprisal, or danger to public health or safety or environment.

3.1 ROLE OF RACING QUEENSLAND LIMITED

Racing Queensland is responsible for the control, supervision and regulation of racing in Queensland. Racing Queensland is:

- ⌘ The approved control body for racing in Queensland under the *Racing Act 2002*.
- ⌘ The "principal racing authority" in Queensland under the Australian Rules of Racing.

3.2 ROLE OF THE BOARD OF RACING QUEENSLAND LIMITED

The Board of Racing Queensland is responsible for determining the strategic direction of Racing Queensland and ensuring compliance with the statutory obligations imposed on Racing Queensland.

A Board member shall act independently and not in the interests of any sectional interests. A Board member has an obligation to be impartial in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions to be taken by the Board.

The *Racing Act 2002* requires every Board member of Racing Queensland to disclose a personal interest, or a direct or indirect financial interest, in an issue being considered, or about to be considered, by the Board where the interest could conflict with the proper performance of the member's duties about the consideration of the issue. Unless the Board otherwise directs, the member must not be present when the Board considers the issue or take part in a decision of the Board about the issue.

A member of the Board of Racing Queensland shall attend Board meetings. When a member is unable to attend a Board meeting, the member must obtain a leave of absence.

A Board member must ensure the member is fully informed of the activities and affairs of Racing Queensland and racing generally, including statutory obligations imposed on Racing Queensland and on Racing Queensland officials.

3.2.1. *Role of the Chair of the Board*

The Chair of the Board of Racing Queensland plays an important leadership role in ensuring Racing Queensland works effectively. These responsibilities include ensuring:

- ⌘ The Board reviews the method by which the senior management team undertakes day to day management of Racing Queensland.
- ⌘ All relevant issues are included on the agenda for the Board's meetings and that Board members receive timely and relevant information on agenda items.
- ⌘ Members of the Board comply with their statutory obligations and with the provisions of the Code.

3.2.2. *Role of the Deputy Chair of the Board*

The Deputy Chair of the Board of Racing Queensland must act as the Chair of the Board during a vacancy in the office of the Chair and during all periods when the Chair is absent from duty or, for another reason, cannot perform the functions of the office.

3.3 ROLE OF THE CHIEF EXECUTIVE OFFICER AND DIRECTOR INTEGRITY OPERATIONS

The Chief Executive Officer and Director Integrity Operations:

- ⌘ Are responsible for ensuring all Racing Queensland officials within their organisational area comply with the Code.

- ⌘ Have a duty under the *Crime and Misconduct Act 2002* to report to the Crime and Misconduct Commission any allegation of "official misconduct".
- ⌘ Must comply with all statutory obligations imposed on them in their capacities as executive managers in Racing Queensland.

PART 4 PRINCIPLES OF THE PUBLIC SECTOR ETHICS ACT 1994

The *Public Sector Ethics Act 1994* imposes obligations on Racing Queensland officials as "public officials"; as such Racing Queensland officials must comply with the five Ethics Principles prescribed by the Act.

4.1 RESPECT FOR THE LAW AND SYSTEM OF GOVERNMENT

All Racing Queensland officials must support the implementation of government policy effectively and impartially, and carry out official duties lawfully, observing, where applicable, statutory obligations. The conduct of all Racing Queensland officials is subject to relevant statutory obligations, the requirements and sanctions specified in the Code, their employment contract and Racing Queensland policies.

4.2 RESPECT FOR PERSONS

All Racing Queensland officials must:

- ⌘ Treat all licensees and participants in the racing industry with courtesy, honesty and fairness and with proper regard for their rights and obligations.
- ⌘ Respond to reasonable demands of stakeholders and line managers in a timely manner.
- ⌘ Cooperate and assist co-employees in the performance of their duties when reasonably requested to do so.
- ⌘ Support their co-employees in a responsible and ethical manner.
- ⌘ Exercise powers fairly and equitably.

All Racing Queensland officials should deal with all matters in accordance with approved procedures, promptly and without discrimination. There is an obligation on all Racing Queensland officials to treat every issue reasonably and fairly and with a view to meeting the principles of natural justice.

4.2.1 Discrimination and Workplace Harassment

All Racing Queensland officials must provide a workplace free from unlawful discrimination, harassment, bullying and intimidation and hostile, offensive or distressing behaviour. They must ensure they understand their responsibilities under Racing Queensland's HR Policy on Harassment, Discrimination and Bullying. They have a duty to disclose breaches of this policy.

If managers become aware of inappropriate conduct, they do not have to wait for a complaint to be lodged before taking action. As with their other areas of responsibility, if managers become aware of a problem, they are expected to respond to that problem.

Racing Queensland's HR Policy on Harassment, Discrimination and Bullying applies to all Racing Queensland Board members, officials, other employees, workers and agents, including contractors, consultants, work experience students and other volunteers.

Racing Queensland officials who become aware that another person is being subjected to sexual harassment, bullying or unlawful discrimination should seek advice and assistance from the Harassment and Discrimination Referral Officer, or, if it is not appropriate to approach this officer, the matter should be reported in accordance with the HR Policy on Harassment, Discrimination and Bullying and the associated Grievance Handling Policy.



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Any reports of discrimination, victimisation, sexual harassment, vilification and bullying will be treated seriously and dealt with promptly, confidentially and impartially. Disciplinary action will be taken against anyone who discriminates against, victimises, sexually harasses, vilifies or bullies a co-worker. Discipline may involve a warning, transfer, counselling, demotion or dismissal, depending on the circumstances.

4.2.2. Workplace Health and Safety

In the workplace, all Racing Queensland officials must take all reasonable practical steps to ensure the safety, health and welfare of themselves and others.

All Racing Queensland officials must comply with statutory obligations and Racing Queensland's policy on Workplace Health and Safety.

4.2.3. Whistleblowing

All Racing Queensland officials must report to their line manager or the CEO or Director Integrity Operations (as appropriate), any suspected or actual instances of official misconduct, maladministration, negligent or improper management affecting public funds, reprisal, or danger to public health, safety or the environment of which they are aware. In doing so, Racing Queensland officials should follow the guidelines in the policy adopted by Racing Queensland on Whistleblowers. The *Whistleblowers Protection Act 1994* protects those who make public interest disclosures.

Failure to report suspicious activities or circumstances may be seen as compounding or assisting official misconduct, maladministration, negligent or improper management affecting public funds, reprisal, or danger to public health or safety or environment and may constitute improper conduct requiring disciplinary action.

If a Racing Queensland official is found to have breached the *Whistleblowers Protection Act 1994*, the breach will be considered a serious breach of this Code and the Racing Queensland official may be subjected to disciplinary action, including, in appropriate cases, instant dismissal.

Under the *Crime and Misconduct Act 2001*, the CEO or Director Integrity Operations (as appropriate) must refer matters of actual or suspected official misconduct to the Crime and Misconduct Commission.

4.3 INTEGRITY

All Racing Queensland officials must:

- ⌘ Perform their duties with the highest standards of personal integrity and honesty so as to maintain and enhance public confidence in Racing Queensland and racing in Queensland.
- ⌘ Provide a timely and competent service to all members of the public and industry.
- ⌘ Not use or allow another person to use their official position of authority improperly.

4.3.1 Conflicts of Interest

Every Racing Queensland official must:

- ⌘ Carry out their duties impartially and regardless of personal preferences.
- ⌘ Avoid private, financial or other interests or undertakings that could directly or indirectly compromise or conflict with the performance of their duties.
- ⌘ Disclose any interest, which may impact or have the potential to impact on the performance of their duties.
- ⌘ Take action to resolve any conflict between personal interests and official duties in the favour of the public interest.

All full-time employees of Racing Queensland must disclose in writing to the CEO or Director Integrity Operations (as appropriate) any secondary paid employment they may have. Failure to



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disclose this information may result in a Racing Queensland official being disciplined or, in appropriate cases, instantly dismissed. Secondary employment within the racing industry represents a prima facie conflict of interest and is not permitted without specific authorisation.

All Racing Queensland officials resigning or retiring to take up business appointments should give consideration to possible conflicts of interest that may arise. Where an offer of appointment could give rise to an actual or apparent conflict of interest, a Racing Queensland official should apply to the CEO or Director Integrity Operations (as appropriate) for assent to take up the proposed employment. If a conflict of interest is identified, the CEO or Director Integrity Operations (as appropriate) may obtain an undertaking from the Racing Queensland official regarding the use of information gained in the Racing Queensland official's employment with Racing Queensland.

4.3.2 Gifts or Benefits

All Racing Queensland officials must comply with Racing Queensland's Gifts and Benefits Policy, which has been adopted by Racing Queensland.

4.3.3 Confidentiality

All Racing Queensland officials have access to confidential information. Appropriate safeguards and care must be taken to ensure that unauthorised access or distribution is not permitted.

No Racing Queensland official may take, or seek to take, improper advantage of confidential information gained in the course of employment or in their official capacity. No Racing Queensland official may disclose confidential information to any person unless it is required by law or is required by their duties and is consistent with this Code or specifically authorised. If a Racing Queensland official resigns or leaves Racing Queensland, the official must not disclose confidential information acquired when they acted as an official of Racing Queensland.

A member of the Board of Racing Queensland must not disclose confidential information discussed at Board meetings and/or acquired while acting as a Board member.

If a Board member resigns or leaves the Board the member shall have regard to the duty:

- ⌘ Not to disclose confidential information.
- ⌘ To act bona fide in the interests of Racing Queensland.

4.4 DILIGENCE

All Racing Queensland officials must:

- ⌘ Comply with and implement Racing Queensland policies faithfully and impartially.
- ⌘ Comply with all reasonable and lawful instructions.
- ⌘ Exercise all reasonable care, skill and diligence in giving information or advice.
- ⌘ Perform their duties and functions of office to a high standard and with proper diligence, care and attention.
- ⌘ Use their skills and experience to the best advantage of Racing Queensland.
- ⌘ Refrain from frequently using, or using to excess, alcohol, drugs or other substances where that use may have an adverse affect on their work performance or behaviour, or on the integrity of Racing Queensland.

4.4.1 Performing Duties

All Racing Queensland officials must perform all duties associated with their positions diligently, impartially, conscientiously, with proper care and attention, in a civil manner and to the best of their ability. This includes:

- ⌘ Performing their duties in such a way that Racing Queensland will be held in high regard by the community and the industry;

- ⌘ Following any professional standards of conduct relevant to their office;
- ⌘ Maintaining adequate documentation to support decisions; and
- ⌘ Helping Racing Queensland adhere to its statutory obligations.

4.4.2 Monitoring Performance

All Racing Queensland officials who manage or supervise others must ensure that:

- ⌘ Their work and that of their staff helps Racing Queensland adhere to its statutory obligations;
- ⌘ Where their staff breach this Code, the official takes appropriate action.

4.4.4 Use of Alcohol and Drugs

It is a criminal offence to possess or use illegal drugs at any time. All Racing Queensland officials must comply with Racing Queensland's *Workplace Smoking, Drugs and Alcohol Policy*. If a Racing Queensland official is found guilty of possessing or using illegal drugs, it will be considered a serious breach of this Code and the official may be subjected to disciplinary action, including instant dismissal.

4.5 ECONOMY AND EFFICIENCY

All Racing Queensland officials must:

- ⌘ Strive to obtain value for Racing Queensland money spent.
- ⌘ Ensure Racing Queensland resources are safeguarded and not wasted abused or used improperly or extravagantly.
- ⌘ Not misuse the electronic communication systems of Racing Queensland to access, create, store, copy, retrieve or distribute offensive material.

4.5.1 Using Resources for Official Purposes

All Racing Queensland officials must ensure Racing Queensland resources are:

- ⌘ Used economically.
- ⌘ Used for the purposes for which they were provided.
- ⌘ Treated and maintained with appropriate care.
- ⌘ Secured against theft or misuse.

In serious cases, a Racing Queensland official who misuses resources may be found guilty of misconduct or maladministration.

All Racing Queensland officials who manage or supervise others must ensure that their employees use Racing Queensland resources appropriately.

4.5.2 Private Use

Limited personal use of Racing Queensland resources for non-official purposes may be acceptable.

In general terms, limited personal use involves:

- ⌘ Minimal additional expense to Racing Queensland.
- ⌘ An expectation that it will be performed during the employee's non work hours.
- ⌘ Does not interfere with the operation of Racing Queensland.
- ⌘ Does not violate this Code, statutory obligations or Racing Queensland policies.

If a Racing Queensland official is unsure as to whether their proposed personal use of Racing Queensland resources is acceptable, the official should seek advice from their line manager.



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Where a Racing Queensland official uses Racing Queensland internet, intranet and electronic mail system, the official must comply with the policy on internet and email adopted by Racing Queensland.

4.5.3 Motor Vehicles

All Racing Queensland officials who use a motor vehicle owned by Racing Queensland must use it only for official purposes, unless the terms of their employment contract otherwise provide or the CEO or Director Integrity Operations (as appropriate) has authorised in writing private use of the motor vehicle by the official.

4.5.4 Expense reimbursement

All Racing Queensland officials must comply with Racing Queensland's Expense Reimbursement Policy. This policy sets out the requirements of Racing Queensland regarding expenditure while on official duty.

PART 5 BREACHES TO THE CODE OF CONDUCT

Board members who breach statutory obligations or the provisions of this Code or their employment contract will be dealt with by the Chairperson in a manner determined by a majority of the Board. Any action taken against a Board Member shall be consistent with the provisions of the *Racing Act 2002*.

All Racing Queensland officials who breach statutory obligations or the provisions of this Code or their employment contract may be subject to disciplinary action, including, where appropriate, instant dismissal.

The CEO or Director Integrity Operations or their delegated managers will deal with breaches by an employee of Racing Queensland. Where it is not considered harsh, unjust or unreasonable to do so, the CEO or Director Integrity Operations or their delegated managers may suspend a Racing Queensland official from work, either with or without pay, while an alleged breach is being investigated. Disciplinary action may constitute, but is not restricted to, counselling, warnings or reprimands or suspension or dismissal, as the case requires.

Serious breaches, such as official misconduct, may need to be referred to the Crime and Misconduct Commission. Any action taken will accord with the principles of procedural fairness. In the case of suspected or actual official misconduct or maladministration, procedural fairness does not mean that the person under investigation is to be presented with the allegations prior to an investigation. The relevant investigating authority will determine the appropriate time for advising the person of the allegations and affording the person the opportunity to respond.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	1/7/2010	New Policy	HRBS

Queensland Racing Limited

CODE OF RACING POLICY DEVELOPMENT

COMMENCEMENT DATE

This policy comes into effect on 6 February 2004.

PURPOSE

Queensland Racing Limited (Queensland Racing) is authorised by law to manage the code of racing for the thoroughbred racing code. Good management is enhanced by policies that provide clear guidance for action, clarify roles and responsibilities, make explicit the basis for decision-making used in managing the code, and provide a sound framework for the development of rules and procedures made under the code.

The desired outcome to be achieved is effective and credible policies that maintain public confidence in the Queensland Racing industry, ensure integrity of persons involved, and safeguard the welfare of animals. The objective of this policy is to establish a transparent and systematic process for the development of policy by Queensland Racing that provides opportunity for those likely to be affected by the policy to have input into its development.

The purpose of this document is to establish the principles for policy making by Queensland Racing, including consultation that must be undertaken as part of the development of a policy as required by section 81(a) the *Racing Act 2002* (the Act).

POLICY STATEMENT

Queensland Racing makes policies in accordance with its legislated responsibilities for the development of policies under the Act and in the interests of good management of the racing code. Policy is made by the Queensland Racing Board and issued under the authority of the Board.

The development of policy will:

- be directed at achieving the strategic outcomes of maintaining public confidence in the Queensland Racing industry, ensuring integrity of persons involved, and safeguarding the welfare of animals, through transparent and consistent decision-making
- be informed by racing practice and developments elsewhere
- provide opportunity for input by those affected by the proposed policy

- incorporate relevant legislative requirements and standards, including natural justice principles
- align with national standards and directions except where these may conflict with legislative provisions under the Act
- be based on a process that is practical and relevant in the industry context
- promote accountability by making explicit the roles and responsibilities for action under the policy, including enforcement of compliance with the policy
- include systematic review and evaluation of the policy and its effects.

Consultation is a core element. A formal consultation stage that provides for industry-wide input on policy content is built into the standard policy development process. This includes a minimum period of 28 calendar days for comment.

Queensland Racing will also seek direct input from industry peak bodies where the policy matter being addressed is relevant to the area of responsibility of that peak body and directly concerns the industry group(s) that it represents. Peak body direct consultation does not preclude a peak body making additional comment or submissions as part of the industry-wide consultation process.

Queensland Racing may also choose to consult directly with particular industry groups other than a peak body as part of the formal consultation process. This is at the discretion of the control body, and may be determined by the nature and scope of the policy matter, the extent to which the peak body(s) represent the range of stakeholders potentially affected by the policy, diversity of interests and positions on the policy matter, timing and resource considerations, or other issues determined by Queensland Racing.

Queensland Racing may also consult with industry peak bodies or representatives and with individuals within or outside the industry at any other time during the development of a policy in order to become informed about issues relevant to the policy matter, policy options, potential impacts of options, or any other matters related to the making of the policy.

If exceptional circumstances require the urgent making of a policy in a timeframe that does not allow adequate time for formal consultation, the policy will be reviewed within three months and will not continue to have effect after six months unless there has been formal consultation on the review of the policy consistent with the formal consultation process applied in the development of a non-urgent policy. Exceptional circumstances relate to the making of policy on matters that require immediate attention, for example, as a result of a court ruling that affects existing policy.

Consultation submissions must be made in writing. Queensland Racing will provide feedback on written submissions made during the formal consultation process, either on an individual or group basis as considered appropriate by Queensland Racing.

Confidentiality will be respected where comments have been provided on an in-confidence basis.

Consultation drafts and final policies will be publicly available, either free of charge on the Queensland Racing website or for viewing at Queensland Racing offices, or copies may be purchased at the cost of photocopying and postage. The Board may waive this charge at its discretion.

Procedures made under this policy may be amended by Queensland Racing without triggering the consultative processes required for new policy development at any time in order to promote the objectives of this policy and where the revised procedures do not constitute a change to the policy statement.

APPLICATION

This policy applies to industry policy made by the Queensland Racing Board. It does not extend to policies that relate to the management and administration of the control body's staff and resources. Because policy made by the Queensland Racing Board addresses management of the code of racing, this policy has the potential to affect all persons involved in the code of racing.

DEFINITIONS

'Industry policy' refers to policies relevant to the control body's function of managing its code of racing.

'Formal consultation' refers to a process of inviting submissions on a policy proposal or draft policy being developed by Queensland Racing and made publicly available for the purpose of obtaining comment on the policy content from industry and other relevant stakeholders.

PROCEDURES

The process for developing and endorsing policy by Queensland Racing will generally involve the following stages:

1. problem definition, identifying relevant issues and desired policy outcomes
2. research and assessment of options, including review of practice and policy in other Australian jurisdictions and informal consultation as appropriate
3. preparation of a discussion paper or of a draft policy on a preferred option, endorsed by the Queensland Racing Board as the basis for formal consultation
4. formal consultation, following publication of a notice of availability of a draft policy or other policy document for industry comment
5. review of consultation input, consideration of amendments to draft policy, and provision of feedback on submissions

6. policy documentation and the Queensland Racing Board endorsement of the policy
7. notification of policy decision, commencement date, and availability of policy to industry; copy of policy to the Executive Director, Office of Racing as required by the Act
8. policy implementation, including amendments to local rules where required and incorporation into Queensland Racing policy manuals, plans and other records as appropriate
9. policy monitoring and review as determined by the Queensland Racing Board

The time period for industry submissions is 28 calendar days from the publication of notice of availability of a draft policy, unless Queensland Racing determines a longer period for receiving comment. The consultation document must be available for viewing on and from the first day of this 28 day period.

The notice of availability of a draft policy will normally be by publication on the Queensland Racing website and in the Queensland Racing magazine. If the notice is not published simultaneously in both the magazine and on the website, then the 28 day period commences from the later date. The notice will state, at a minimum, the name of the policy, the matters that the policy will deal with, where copies of the draft can be viewed or obtained (including any charge for providing copies), the format and contact details for submissions on the draft, and the closing date for receipt of comments. Peak bodies and licensed clubs will also be advised by post or e-mail of the availability of draft policy and invited to submit comments.

The format for submissions is at the discretion of the person or body making comment but must be in writing. E-mail submissions are an accepted format.

Queensland Racing feedback on submissions may be in the form of a verbal or written response directly to the individual or body concerned or through an article published in the Queensland Racing magazine or on the Queensland Racing website providing a general overview of the common comments put forward in industry submissions. Confidentiality must be respected where comments have been provided on an in-confidence basis.

The price of copies of policies or consultation documents is based on the cost of photocopy and standard postage rates.

Policy will be drafted in the format set out at Attachment A, which accords with s.83 of the Act.

The formal endorsement of a policy must be recorded in the Queensland Racing Board minutes, specifying the name of the policy, the decision that the policy has been made by the Board under the Act, and the date that the policy was made. A copy of the policy must be referred to the Executive Director, Office of Racing within 14 days of the policy being made. Any record of decisions by the Board on policy drafts until the final endorsement of the policy does not constitute the actual making of a policy.

If an urgent policy is made that does not comply with the consultation processes outlined, the Board's minutes must record:

- the reason for the urgency of the making of the policy
- the date at which the policy will be reviewed
- the date the reviewed policy was considered by the Board
- the Board's decision on the matter.

If the policy statement is amended after review, the same notification, documentation, and other processes apply as if the policy is a new policy.

Changes to the procedures section of this policy must be authorised by the Board. Any substantive changes that affect procedures involving industry stakeholders will be published on the Queensland Racing website and the Queensland Racing magazine and/or advised directly to peak bodies and those affected. Amendments to the policy statement section require the making of a new policy.

A copy of each policy must be held in a register maintained for that purpose.

A copy must be published on the Queensland Racing website as soon as practicable after the policy has been made by the Board. Copies must be given to any person who asks for a copy, subject to payment of the price set for the policy.

Withdrawal of a Policy

To withdraw a Queensland Racing policy, the Board of Queensland Racing must resolve that it intends to withdraw the policy in question, which will cease to have effect on and from the date of the Board's resolution.

The above 'Withdrawal of a Policy' clause is not applicable to Section 81 policies, as they must be maintained as a requirement of the *Racing Act 2002*.

The formal withdrawal of a policy must be recorded in the Queensland Racing minutes, specifying the name of the policy. A copy of the withdrawal resolution must be referred to the Executive Director of the Office of Racing and Peak Bodies.

Roles and responsibilities

The Queensland Racing Board is responsible for ensuring all industry policies made by the Board on and after its commencement date accord with this policy.

The Manager, Racing and Administration Services and Manager, Integrity Services of Queensland Racing are responsible for monitoring the implementation of this policy and bringing to the Board's attention any issues relevant to its implementation and compliance.

Queensland Racing staff developing policy for consideration by the Board are responsible for drafting policy and managing consultation processes in accordance with this policy and its procedures.

Review

This policy was reviewed in July 2007.

Next review date will be July 2009.

Rules of racing

This document encompasses the policy and procedures for applying the policy in its entirety. Rules of racing will not be made for this policy.

This policy was made by Queensland Racing on 6 February 2004 date under s.81(a) of the *Racing Act 2002*. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au

ATTACHMENTS

Attachment A: Format of policy document

ATTACHMENT A: Format for policy documents

Policy title:

The name of the policy, as recorded in the policy register.

Date of commencement:

The day the policy takes effect, which must not precede the date the policy was made by the Queensland Racing Board.

Purpose:

A succinct statement of why the policy is needed, the desired policy outcome, the specific policy objective making explicit how this particular policy contributes to achieving that outcome, and the purpose of the policy document.

Policy statement:

A clear statement of Queensland Racing's position and intent on the matter, separate from detailed procedures, and including the basis for control body decision-making about matters provided for in the policy.

Application:

Sets out the scope of the policy and who the policy applies to including, as required by the *Racing Act 2002* s. 83(1(e)), who will be affected by it.

Definitions:

Clarifies terms used where there may not be a common understanding of the specific meaning applied within the policy.

Procedures:

Detailed procedures for operationalising the policy, specifying key roles and responsibilities including enforcement responsibility. It includes policy review dates. This section may include cross-reference to the rules of racing where procedures relevant to the policy matter are dealt with under the rules. It must include a statement on whether or not rules of racing are to be made for the policy, as required by the *Racing Act 2002* s. 83(1(g)).

Authority & other information: (boxed)

Including the date the policy was made, source of authority, any previous policies withdrawn upon making of this policy, and contact details for further information about the policy if required.

Attachments:

Used for stand-alone material such as forms, extracts from other sources, etc.

Footer:

Each page (including attachments) is to include a footer giving the policy's title, the date it was made by the Board, and the page number.

Queensland Racing Limited

POLICY ON THE FORMATION, MANAGEMENT AND LICENSING OF CLUBS

COMMENCEMENT DATE

This policy comes into effect on 2 July 2004.

PURPOSE

The *Racing Act 2002* (the Act) authorises Queensland Racing Limited (Queensland Racing) to make policies for the sound management of the industry. Section 81(i) of the Act requires Queensland Racing to make a policy on the formation and management of clubs eligible to be licensed to hold race meetings.

Race clubs are the mechanism by which the racing industry delivers its “product” to its customers. The racing industry depends on properly formed and soundly managed race clubs for its continued prosperity.

Proprietary race clubs are race clubs that conduct races for profit. They are businesses, as opposed to the not-for-profit race clubs, which exist to run race meetings for the benefit of members.

Under previous racing legislation, proprietary race clubs were prohibited. The Act removed this statutory prohibition. Currently, all Queensland race clubs are non-proprietary race clubs. However, this may change if a corporation applies to Queensland Racing for registration as a race club.

(The Act provides that a licensed club that was a non-proprietary club at the time it was licensed but subsequently became a corporation would continue to be considered non-proprietary for the purposes of the application of its revenues and profits and disposal of its assets.)

Mismanagement of race clubs and instances of harassment, discrimination, misconduct and unsafe work practices can cause great harm to the individuals involved, as well as reduce productivity and damage the image of the Queensland racing industry.

It is in the interest of the racing industry and the public generally that the industry is a safe place to work, free from unsafe work practices, unlawful discrimination, harassment and misconduct.

The purpose of this policy is to ensure Queensland race clubs, whether they are proprietary or non-proprietary, are properly formed and managed and that they provide a work environment free from unsafe work practices, harassment, unlawful discrimination and misconduct.

POLICY STATEMENT

Club Formation

Queensland Racing will ensure that race clubs are properly constituted under either the *Associations Incorporations Act 1981* (for clubs formed as incorporated associations) or the *Corporations Act 2001* (Cth) (for clubs formed as corporations) before it licenses these clubs.

Application for a Licence

In accordance with the Act and the Rules of Racing, clubs shall apply for registration on or before 1 July each year. Accompanying their application, clubs must provide a written statement showing:

- The name of the race club
- The names of all office bearers connected with the club
- A national police certificate for each executive officer of the club. (Amended 6 May 2005)
- The course where the club proposes to hold race meetings
- The club's constitution
- A list of members of the club

In accordance with the Rules of Racing, a race club committee must not contain more than two licensees as members unless the club has obtained written permission from Queensland Racing. A licensee must not hold the position of race club secretary without written permission from Queensland Racing Limited. (For the purposes of this rule, a person holding a permit to train his or her own horses shall not be deemed to be a licensee.)

Race club committee members and executive officers must be of good character. In accordance with section 88 of the Act, Queensland Racing will not licence a club if a committee member or executive officer is a bankrupt or has a conviction, other than a spent conviction, for:

- an offence under the Act or previous racing legislation
- an indictable offence, or a summary offence that involved dishonesty, fraud, stealing or unlawful betting
- an offence under another state's laws about racing or betting.

Should a national police certificate contain a conviction other than those listed above, Queensland Racing will consider the relevance of the conviction. Queensland Racing will not license a club if it considers that such a conviction shows evidence that the person is not of sufficient good character or is unsuitable to be associated with the administration of a race club. In doing this, Queensland Racing may consider the person's character, business reputation, current financial position and financial background.

Race clubs must pay the prescribed licence fee to Queensland Racing.

Grant of a Licence and Conditions

Licences granted by Queensland Racing Limited to clubs carry the following conditions:

1. (a) If a club cancels or abandons the race meeting or attempts to cancel or abandon a race meeting without the consent of Queensland Racing, the club agrees that Queensland Racing's representatives who control races at race events, together with all horses, jockeys, owners, trainers, bookmakers, and other persons involved in the conduct of race events and betting on licensed venues and in the transmission by sound or video of the race events, may enter the licensed venue with all equipment, vehicles and other property for the purposes of conducting the race event, and broadcasting and telecasting that event and the conduct of betting and to do such acts and things as are necessary for or incidental or convenient to the conduct of the race meeting for the club.

(b) If a club cancels or abandons or attempts to cancel or abandon an event without the consent of Queensland Racing and Queensland Racing believes that it is in the best interests of the management of the code of racing for the event to be held, the club consents to an injunction restraining it from in any way interfering with the carrying on of the event under the control Queensland Racing for the club.

(c) These provisions apply notwithstanding any provision of any other Policy or Rule.
2. Queensland Racing has the power to impose such other conditions on a licence issued to a club as it determines necessary.

Proprietary Race Clubs

A proprietary race club must be formed in accordance with the *Corporations Act 2001* (Cth). The club must be registered under the *Corporations Act 2001* (Cth) and have a constitution that requires, at all times, at least three directors and that persons appointed or employed as executive officers of the corporation are eligible individuals. An eligible individual is a person who:

- is not affected by bankruptcy action
- is not subject to an exclusion action under any control body's rules of racing
- is not disqualified from managing corporations under the *Corporations Act 2001* (Cth).

In addition to provisions above relating to the good character of race club committee members and executive officers, a proprietary club must provide a national police certificate for each person who is a business associate or executive associate of the proprietary race club.

Club Management

Queensland Racing will oversee the financial management and performance of all Queensland race clubs to ensure they are properly managed.

All Queensland race clubs, whether proprietary or non-proprietary, must manage their finances according to the Act, the Rules of Racing and the Financial Management Procedures Manual for Queensland Thoroughbred Race Clubs and under section 34(2) of the Act, must comply with a direction from Queensland Racing in relation to the club's operations or racing venue. The Financial Management Procedures Manual for Queensland Thoroughbred Race Clubs is available on the Queensland Racing website.

Non-proprietary race clubs must comply with Queensland Racing's Policy on Spending by Non-proprietary Licensed Clubs and Policy on Disposal of Assets by Non-proprietary Licensed Clubs.

In accordance with the Rules of Racing, race clubs must forward to Queensland Racing within 90 days of the end of the financial year a properly audited balance sheet and profit and loss statement showing the operations of the club for the financial year just concluded.

Within 30 days of a race club's annual general meeting, the club must forward to Queensland Racing a written report on its activities over the year and a copy of any corporate, strategic, business or other plan the club may have adopted in that period.

Safe Working Environment

Queensland Racing requires race clubs to take all reasonable steps to provide a safe working environment for their officials, other staff and licensees by fostering a culture of high ethical standards and support for whistleblowers and by not tolerating unlawful discrimination, harassment or unsafe work practices.

Race clubs must provide information and training to their officials and staff to help ensure they are aware of their rights and responsibilities under relevant legislation, including:

- *Anti-Discrimination Act 1991*
- *Disability Discrimination Act 1992*
- *Human Rights and Equal Opportunity Commission Act 1986*
- *Public Sector Ethics Act 1994*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984*
- *Whistleblowers Protection Act 1994*
- *Workplace Health and Safety Act 1995*

Race club managers and supervisors must model appropriate standards of behaviour and use staff meetings regularly to discuss ethical standards and expectations of appropriate behaviour.

Race clubs must not tolerate offensive, explicit or pornographic calendars, literature, posters and other materials in the workplace.

Disciplinary Action

Queensland Racing will take disciplinary action against a club that contravenes the Act, *Associations Incorporations Act 1981*, *Corporations Act 2001 (Cth)*, the Rules of Racing, the Financial Management Procedures Manual for Queensland Thoroughbred Race Clubs, Queensland Racing's policies or directives or legislation providing for a safe working environment.

Queensland Racing will periodically audit race clubs to ensure they continue to be suitable to be licensed.

APPLICATION

This policy applies to all race clubs licensed by Queensland Racing, whether they are proprietary or non-proprietary.

DEFINITIONS

Business associate – a person Queensland Racing believes will be associated with the ownership or management of the operations of a proprietary race club.

Conflict of interest – refers to a conflict between a private interest and official duty. For example, being in a position to use public office, knowledge and access to resources or influence for improper purposes or private interests. Conflicts of interest can be real or apparent. A real conflict of interest exists when a reasonable person would conclude that the official's private interests interfere, or are likely to interfere, with the proper performance on his or her official duties. An apparent conflict of interest exists when there is an appearance that an official's private interests may interfere with the proper performance of his or her official duties although, in reality, this may not be the case.

Direction (from Queensland Racing) – a written direction given by Queensland Racing to a race club relating to the club's operations or racing venue. Queensland Racing may require a club to do something or refrain from doing something.

Disciplinary action (by Queensland Racing against a club) – may include cancelling, suspending or varying the club's licence or imposing a monetary penalty.

Discrimination – occurs when a person is treated more or less favourably than another person would be under similar circumstances. Discrimination is unlawful when it is on the basis of an attribute described in the *Anti-Discrimination Act* (i.e. sex, marital status, pregnancy, parental status, breastfeeding, age, race, impairment, religion, political belief or activity, trade union activity, lawful sexual activity,

sexuality, gender identity, family responsibilities; or association with, or relation to, a person identified on the basis of any of the above attributes).

Eligible corporation – a corporation that is registered under the *Corporations Act 2001 (Cth)* and has a constitution that requires, at all times, at least three directors and that persons appointed or employed as executive officers are eligible individuals.

Eligible individuals – an individual who is not affected by bankruptcy action, does not have a disqualifying conviction, is not subject to an exclusion action under any control body’s rules of racing and is not disqualified from managing a corporation under the *Corporations Act 2001 (Cth)*.

Executive associate – an executive officer of a corporation, partner, trustee or another person Queensland Racing believes will be associated with the ownership or management of the operations of a proprietary race club.

Executive officer – a person who is concerned with or takes part in a corporation’s management, which is to include as a minimum, the President/Chair, Vice President/Chair, Treasurer and Secretary/CEO. (Amended 6 May 2005)

National police certificate – a document known as a “national police certificate” available from the Commissioner of Police.

Non-proprietary race club – a not-for-profit race club. A non-proprietary race club has a constitution that both:

- (a) provides for the application of all of the club’s profits and other income to the promotion of the club’s objects and
- (b) prohibits the payment of dividends to the members of the club.

Official misconduct – generally means conduct that involves:

- behaviour which is dishonest or not impartial in the exercise of powers or authority (e.g. soliciting or receiving benefits);
- behaviour which adversely affects or could adversely affect, directly or indirectly, the honest or impartial exercise of powers or authority (e.g. allowing personal relationships to affect decisions, or using sexual harassment to obtain a gain at the expense of the public);
- a breach of trust placed in a person by reason of his or her employment (e.g. to breach the confidentiality of matters of a personal nature);
- misuse by any person of information or material acquired in connection with his or her employment, either for the benefit of the person or another person (e.g. disclosing confidential or privileged information to an unauthorised other person); and
- which constitutes or could constitute a criminal offence or a disciplinary breach that provides reasonable grounds for termination of employment.

Proprietary race club – a for-profit race club.

Proprietary racing – racing where the persons conducting the race meeting receive a share of the profits, instead of the profits being returned to the code of racing for use as prize money.

Sexual harassment – is any unwanted, unwelcome or uninvited behaviour of a sexual nature that makes a person feel humiliated, intimidated or offended.

Spent conviction – a conviction for which the rehabilitation period under the *Criminal Law (Rehabilitation of Offenders) Act 1986* has expired under that Act and that is not revived under section 11 of that Act.

Whistleblower – a person who discloses information about official misconduct, maladministration, negligent or improper management of public funds, reprisal, or danger to persons or the environment in the public interest to an authority that is able to investigate and remedy the matter.

PROCEDURES

Roles and responsibilities

Queensland Racing

Queensland Racing will:

- assess race clubs' licence applications to ensure all the required information is provided and that the club is properly constituted
- conduct investigations to ensure that club committee members, executive officers and other people associated with the ownership or management of race clubs are of good character and suitable to hold such positions
- analyse race clubs' financial statements, annual reports and strategic and business plans to ensure the clubs are properly managed
- regularly audit the operations of race clubs to ensure their continued suitability to be licensed.

Race Club Secretaries

Race club secretaries must ensure their club provides full documentation for its licence application.

Race Club Treasurers

Race club treasurers must ensure their club provides its annual report, properly audited balance sheet and profit and loss statement and copies of any corporate, strategic, business or other plan the club may have adopted during the financial year.

Review

This policy was review in August 2008.

Next review date will be August 2010.

Rules of Racing

Race clubs must comply with the Rules of Racing that govern the formation and management of race clubs.

This policy was made by Queensland Racing Limited on 2 July 2004 under s.81(i) of the *Racing Act 2002*. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au.

Queensland Racing Limited

POLICY ON SPENDING AND DEALING WITH INTANGIBLE ASSETS BY NON-PROPRIETARY LICENSED CLUBS

COMMENCEMENT DATE

This policy comes into effect on 2 April 2004.

PURPOSE

The *Racing Act 2002* (the Act) authorises Queensland Racing Limited (QRL) to make policies for the sound management of the industry. Section 81(t) of the Act requires QRL to make a policy on spending by non-proprietary licensed clubs.

Licensed race clubs organise and run thoroughbred race meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the racing industry. They generate revenue and profits and hold assets on behalf of their members and the industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the industry as a whole depends on race clubs instituting sound financial management practices.

Queensland race clubs range from multi-million dollar businesses with substantial administrations to those that race once or twice a year and are administered voluntarily. The corporate governance structures will therefore differ substantially from club to club but the fundamental principles of business management and control remain the same.

Race clubs must ensure that:

- (a) their expenditure is for legitimate purposes
- (b) their **intended investment of club funds** are financially achievable from club resources and/ or from any approved arrangements
- (c) that they receive value for money;
- (d) that they have appropriate documentation to support their expenditure, and
- (e) that the dealing with intangible assets is on commercial terms that benefit Club members and are not inconsistent with the long term interests of the Club.

QRL helps race clubs administer their finances and monitors race clubs' financial management and performance. This includes providing a Financial Management

Procedures Manual (which is available on the QRL website), a standard chart of accounts and standard annual report, and requiring race clubs to obtain authorisation before undertaking certain types of expenditure.

The purpose of this policy is to help QRL and licensed race clubs manage the racing industry's finances, and to ensure race clubs understand their financial roles and responsibilities and have the necessary tools and support to manage their finances soundly.

POLICY STATEMENT

QRL requires Queensland race clubs to manage their finances effectively and accountably for the benefit of the club and the racing industry.

Race clubs must manage their finances, including their expenditure, in accordance with relevant legislation, including the Act, *Associations Incorporations Act 1981*, and the *Corporations Act 2001*.

Race clubs must also manage and disclose their finances in accordance with rules and procedures set down and administered by QRL, including the Rules of Racing, license conditions and the Financial Management Procedures Manual issued by QRL.

In relation to expenditure, race clubs should take particular note of the following requirements contained in the Act and the Financial Management Procedures Manual:

- Consistent with section 112 of the Act, Race clubs must request approval in writing from the Chief Operations Manager of QRL to incur expenditure for:
 - (a) activities directly associated with the encouragement of racing, and
 - (b) a charitable, benevolent and patriotic purpose.
- Appropriate internal control systems should be established to minimise the risk of misappropriation of race club revenues or fraudulent expenditure, and to ensure that financial disclosure of expenditure is not compromised.
- Internal control systems should include clearly documented authorities for the approval of expenditure by race club officers.
- All expenditures must be supported by appropriate documentation that must be maintained in accordance with the section on "Safeguarding and Retention of Accounting Records" in the Manual.

In addition to the requirements of the Act and the Financial Management Procedures Manual, a race club must obtain prior approval in writing from the Chief Operations Manager of QRL before:

- Undertaking expenditure on any Intangible Asset less than \$50,000; or
- Undertaking expenditure on any Intangible Asset or Tangible Asset in excess of \$50,000; or
- Undertaking any expenditure on activities not directly related to the conduct or encouragement of racing, or
- Disposing of, issuing, granting or otherwise entering into an agreement in relation to the right of another to use an Intangible Asset.

Activities not directly related to the conduct or encouragement of racing include, for example, investing in property or shares, the establishment of gaming facilities and sponsoring non-racing-related events.

QRL will monitor race clubs' financial management and financial performance.

Should QRL find a race club is not complying with the Financial Management Procedures Manual, relevant legislation or this policy, QRL will direct the club to take action to rectify the situation.

Should a club refuse to comply with such a direction, QRL will take appropriate action under the Act, which could include suspending or cancelling the club's license.

APPLICATION

This policy applies to all licensed, non-proprietary race clubs in Queensland, including these clubs' management committees and officers.

DEFINITIONS

“Capital expenditure” refers to the application of funds toward the purchase or construction of items that will not be fully expensed through the club's Statement of Financial Performance in the year of purchase.

“Charitable purpose” refers to a race club donating money to a benevolent cause not associated with the operations of the race club.

“Encouragement of racing” refers to the application of monies by a race club to the core business and business objectives of the race club – the conduct of thoroughbred racing.

“Financial Management Procedures Manual” refers to the publication prepared and distributed by Queensland Racing Limited that provides comprehensive guidelines and standards for race clubs for their financial and business operations.

“Internal control systems” refer to the practices and processes established by race clubs to ensure high standards of corporate governance and financial accountability are in place, and to minimise the risk to race clubs of fraudulent activity or theft.

“Intangible Asset” refers to an asset that does not have tangible, physical substance but the beneficial ownership of which entitles the owner to future economic benefits.

Intellectual property (including but not limited to patents, trademarks, copyright) expected to bestow a future economic benefits is an intangible asset.

Other examples of an intangible asset are as follows:

- (a) business names
- (b) goodwill
- (c) licences
- (d) management rights ; and
- (e) software.

“Tangible Asset” refers to assets which can be physically identifiable, such as buildings, land, inventory, plant and equipment, and cash.

PROCEDURES

QRL’s Financial Management Procedures Manual details the way clubs must manage their finances, including their expenditure.

Roles and Responsibilities

Club Committees

Club committees must ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club committees must also ensure that the intentions of the club are financially achievable from the club’s resources or any approved arrangements. Club committees must provide accurate, complete and timely information on club finances to QRL 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 the Financial Management Procedures Manual. Club committees must comply with a direction from QRL.

Club Treasurer

Club treasurers must ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club treasurers must also ensure that the intended investment of club funds are financially achievable from the club's resources and / or from any approved arrangements. Club treasurers must provide club committees with accurate, complete and timely information on club finances to help committees make decisions. They must oversee the internal accounting and stock controls and procedures of the race club and ensure that appropriate standards in that regard are being met and that the risk of misappropriation or fraudulent use of race club monies is minimised. Club treasurers must ensure that all committee members and club officials comply with the policies and practices the committee establishes for the financial operations of the club.

Race Club Officials

Race club officials must ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation. Race club officials must also ensure that the intended investment of club funds are financially achievable from the club's resources and / or from any approved arrangements. 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.

Queensland Racing Limited

QRL provides support and guidance to race clubs, monitors clubs' financial management and financial performance and, if necessary, intervenes to ensure clubs manage their finances appropriately. QRL assesses:

- (a) proposed expenditure by clubs concerning any intangible assets
- (b) proposed major capital expenditure by clubs, and
- (c) any proposed expenditure by clubs not directly related to the conduct or encouragement of racing.

QRL must comply with a direction from the Minister for Racing.

Ministerial Responsibility for Racing

Under the Act the Minister is responsible for the overall good management of the racing industry. The Minister may give a direction to a control body relating to a policy under the Act.

Review

This policy was reviewed on 26 February 2007

Next review date will be 26 February 2009

Rules of Racing

Rules of Racing will not be made for this policy.

<p>This policy was made by Queensland Racing Limited on 2 April 2004 under s.81 (t) of the <i>Racing Act 2002</i>. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 38699710 or email mtuttle@queenslandracing.com.au.</p>
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QUEENSLAND RACING LIMITED

POLICY ON DEALING WITH INTANGIBLE ASSETS BY NON-PROPRIETARY LICENSED CLUBS

COMMENCEMENT DATE

This policy came into effect on 15 January 2010.

PURPOSE

The *Racing Act 2002* (the Act) authorises Queensland Racing Limited (Queensland Racing) to make policies for the sound management of the industry. Section 80 (1) (b) of the Act allows Queensland Racing to make a policy because it believes it is good management to have the policy. Queensland Racing believes it is good management to have a policy on dealing with intangible assets by non-proprietary licensed clubs.

This policy does not apply to the disposal of or dealings with assets which are covered by other policies of Queensland Racing.

Licensed race clubs organise and run events in conjunction with thoroughbred race meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the racing industry. They generate revenue and profits and hold assets on behalf of their members and the industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the industry as a whole depends on race clubs instituting sound financial management practices.

Licensed race clubs range from significant businesses with substantial administrations to those that race once or twice a year and are administered voluntarily. The corporate governance structures will therefore differ substantially from club to club but the fundamental principles of business management and control remain the same. Licensed race clubs must ensure their assets are dealt with for legitimate purposes, that they receive value for money and that they have appropriate documentation to support any dealing with their assets.

Queensland Racing believes that it is good management to have a policy on dealing with intangible assets so that all licensed races clubs and the industry receive optimum value for the use of their intangible assets.

The purpose of this policy is to help Queensland Racing and licensed race clubs manage the racing industry's intangible assets, and to ensure licensed race clubs understand their financial roles and responsibilities and have the necessary tools and support to manage their intangible assets soundly. This policy is intended to ensure that all clubs utilise their intangible assets in such

a way as to achieve the highest possible revenue and value from those intangible assets.

POLICY STATEMENT

Queensland Racing requires Queensland licensed race clubs to manage their intangible assets effectively and accountably for the benefit of the club and the racing industry.

Licensed race clubs must manage their intangible assets in accordance with relevant legislation, including the Act, *Associations Incorporations Act 1981*, and the *Corporations Act 2001*.

Licensed race clubs must also manage and make disclosures about their intangible assets in accordance with rules and procedures set down and administered by Queensland Racing, including the Rules of Racing, licence conditions and the Financial Management Procedures Manual issued by Queensland Racing, which is available on the Queensland Racing website.

Licensed race clubs must take particular note of the following requirements contained in the Act and the Financial Management Procedures Manual:

- Race clubs must establish appropriate internal control systems to minimise the risk of misappropriation of assets.
- Internal control systems must include clearly documented authorities for the dealing with assets by race club officers.
- All dealings with assets must be supported by appropriate documentation that must be maintained in accordance with the section on “Safeguarding and Retention of Accounting Records” in the Manual.

Queensland Racing will monitor race clubs’ asset management performance.

Should Queensland Racing find a race club is not complying with the Financial Management Procedures Manual, relevant legislation or this policy, Queensland Racing will direct the club to take action to rectify the situation under section 34 (2) (a) of the Act.

Should a club refuse to comply with such a direction, Queensland Racing will take appropriate action under section 34 (3) of the Act, which could include suspending or cancelling the club’s licence.

It is a requirement of Queensland Racing that any club wishing to deal with its intangible assets must first obtain approval written approval from Queensland Racing.

APPLICATION

This policy applies to all licensed, non-proprietary race clubs in Queensland, including these clubs' management committees and officers.

DEFINITIONS

Assets means all assets, other than real property and includes, without limitation, intangible and tangible assets, plant and equipment, machinery, stock, stationery, furniture, fittings and fixtures, computers and electrical equipment, services and vehicles.

Intangible assets means all intangible assets and includes, without limitation, intellectual property rights, including, intellectual property rights in any event held, hosted, run or organised by a club or held at premises owned or occupied by a club. It includes, but is not limited to broadcast rights.

Dealing with intangible assets – means granting a right in relation to, leasing, licensing, lending, mortgaging, charging, parting with possession of the asset.

Encouragement of racing – refers to the application of monies by a race club to the core business and business objectives of the race club – the conduct of thoroughbred racing.

Financial Management Procedures Manual – refers to the publication prepared and distributed by Queensland Racing Limited that provides comprehensive guidelines and standards for race clubs for their financial and business operations.

Internal control systems – refer to the practices and processes established by race clubs to ensure high standards of corporate governance and financial accountability are in place, and to minimise the risk to race clubs of fraudulent activity or theft.

Non-proprietary race club – a not-for-profit race club. A non-proprietary race club has a constitution that both:

(a) provides for the application of all of the club's profits and other income to the promotion of the club's objects; and

(b) prohibits the payment of dividends to the members of the club.

PROCEDURES

In order for Queensland Racing to consider a request for approval under this policy from a club, the club must provide the following supporting documentation with its application:

- Latest audited financial statements of the club.
- Copy of the club's constitution.
- Copies of all materials considered by the club's board or committee in relation to the proposal.
- Copies of board or committee minutes relating to its consideration of the proposal.
- Copy of proposed documentation for the dealing with the intangible asset that the club is required to execute.
- Due diligence report on other parties to the transaction.
- Documentation outlining all the costs in connection with the proposal including legal and accounting costs and costs of valuations and due diligence reports commissioned or required.

DETERMINING THE APPLICATION

In determining the application of the club, Queensland Racing will consider the following:

- Compliance with Queensland Racing policies.
- Club's strategic plan.
- Club's business plan.
- The type of intangible asset.
- Whether Queensland Racing is dealing with the intangible asset itself on behalf of the industry.
- Whether Queensland Racing is proposing to or considering dealing with the intangible asset itself on behalf of the industry.
- Whether Queensland Racing has any legal obligations with respect to the intangible property and if so how the proposed dealing fits with those obligations
- The terms of the proposed dealing with the intangible asset by the club.
- The duration of the proposed dealing with the intangible asset.
- The benefit to be derived by the club and its impact on surrounding clubs in the region.

- The impact on and benefit to the industry as a whole.
- The legal structure of the other party to the dealing and its location.
- The return to the club in connection with the proposed dealing compared to the return to the industry if Queensland Racing were to deal with the intangible asset.

When deciding whether to approve the application for dealing with the intangible asset, Queensland Racing will have the authority to impose conditions.

Each application will be considered on its merits. Where necessary to properly consider a request for approval, Queensland Racing may request other information, documents or further submissions by any applicant. Queensland Racing will not approve a clubs application for dealing with an intangible asset if:

- Queensland Racing is dealing with the intangible asset itself on behalf of the industry.
- Queensland Racing is proposing to or considering dealing with the intangible asset itself on behalf of the industry.
- Queensland Racing forms the view that the terms of the proposed dealing are not commercial or, the term of the proposed dealing extends beyond what is commercial and reasonable.
- Queensland Racing forms the view that the dealing is inconsistent with the rights, duties or obligations of Queensland Racing in relation tot the intangible assets.
- The other party to the dealing is a foreign person or entity.
- Queensland Racing forms the view that the dealing is not for the benefit of the industry as a whole.
- Queensland Racing forms the view that the dealing with the intangible asset conflicts with the rights, needs or interests of other clubs.
- Queensland Racing forms the view that the return to the club in connection with the proposed dealing is not commercial when compared to the return to the industry if Queensland Racing were to deal with the intangible asset.

Roles and responsibilities

Club committees

Club committees must ensure club expenditure and dealing with intangible assets is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club committees must provide accurate, complete and timely information on club finances to Queensland Racing Limited 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 the Financial Management Procedures Manual. Club committees must comply with a direction from Queensland Racing Limited.

Club treasurer

Club treasurers must ensure club expenditure and dealing with intangible assets is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club treasurers must provide club committees with accurate, complete and timely information on club finances to help committees make decisions. They must oversee the internal accounting and stock controls and procedures of the race club and ensure that appropriate standards in that regard are being met and that the risk of misappropriation or fraudulent use of race club monies and assets is minimised. Club treasurers must ensure that all committee members and club officials comply with the policies and practices the committee establishes for the financial operations of the club.

Club officials

Race club officials must ensure club expenditure and dealing with intangible assets is for legitimate purposes, represents value for money and is 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.

Queensland Racing Limited

Queensland Racing Limited provides support and guidance to race clubs, monitors clubs' financial and asset management and financial performance and, if necessary, intervenes to ensure clubs manage their finances and assets appropriately. Queensland Racing Limited assesses proposed major capital expenditure by clubs and any proposed expenditure by clubs not directly related to the conduct or encouragement of racing. Queensland Racing Limited must comply with a direction from the Minister for Racing.

Minister for Racing

The Minister for Racing is responsible for the overall good management of the racing industry. The Minister may give a direction to a control body relating to a policy under the Act.

Review

The Board of Queensland Racing has determined that exceptional circumstances require the urgent making of this policy in a timeframe that does not allow adequate time for consultation.

In accordance with the Code of Racing Policy Development, this policy will be reviewed within three months of publication. This policy will not continue to have effect after six months from publication unless there has been formal consultation on the review of the policy as is required for the development of a non-urgent policy in accordance with the Code of Racing Policy Development.

Next review date will be January 2012.

Rules of Racing

Rules of Racing will not be made for this policy.

This policy was made by Queensland Racing Limited on 15 January 2010 under Section 80 (1) (b) of the Racing Act 2002. For further information contact Malcolm Tuttle – Chief Operations Manager by phoning 07 3869 9730 or email: mtuttle@queenslandracing.com.au

Revision History

<i>Version</i>	<i>Date</i>	<i>Description of change</i>
1.01	January 2010	Draft policy for board approval and consultation.
1.02	31 March 2010	Consultation finished.
1.03		Final Board approval.

QUEENSLAND RACING LIMITED

POLICY ON DISPOSAL OF LAND BY NON-PROPRIETARY LICENSED CLUBS

COMMENCEMENT DATE

This policy comes into effect on 26 June 2009.

PURPOSE

The *Racing Act 2002* (Qld) (**Act**) authorises Queensland Racing Limited (**Queensland Racing**) to make policies for the sound management of the industry. Section 81(u) of the Act requires Queensland Racing to make a policy on Disposal of Assets by Non-proprietary Race Clubs. Section 113(1) (b) of the Act extends the definition of assets as an interest in real property that is used for the purposes of a licensed venue or a place for exercising, conditioning, or training licensed animals. Further, section 81(b) of the Act requires Queensland Racing to make policies for the safeguarding of the public interest in the code.

This Policy does not apply to disposals covered by other policies of Queensland Racing. This is discussed in the Application section of this policy.

Licensed race clubs organise and run thoroughbred race meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the racing industry. They generate revenue and profits and hold assets for the benefit of their members and on behalf of the industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the industry as a whole depends on race clubs instituting sound financial management practice.

Safeguards are in place in the Act to prevent any club from disposing of land without appropriate due diligence being undertaken by Queensland Racing and a request being made to the Minister for the ultimate Disposal approval under the Act. These provisions were included in the Act to ensure that any funds received from a Disposal were used in such a way as to benefit not only an individual race club but the wider racing industry as well.

Queensland race clubs range from multi-million dollar businesses with substantial administration to those that race once or twice a year and are administered voluntarily. The corporate governance structures will therefore differ substantially from club to club but the fundamental principles of business management and control remain the same. Race clubs must ensure their Disposal of Assets is for legitimate purposes, that they receive proper consideration for the Disposal of Assets, and that they have appropriate documentation to support any Disposal of their assets.

The purpose of this policy is to enable Queensland Racing to ensure that the proceeds of any Disposal of racecourse land is expended in accordance with this policy and provides the racing industry, stakeholders and clubs, with the best possible economic benefit.

HISTORY

Crown land and reserves have been gifted to the individual clubs by the Government of Queensland as freehold over a number of years for the purpose of conducting race meetings allocated by the control body from time to time.

The gifted land used for racing, carried a covenant *'for racecourse purposes and for no other purposes whatsoever.'*

In the case of lands occupied by the Brisbane Turf Club, this freehold was gifted by private individuals to the racing industry. However the title is subject to the same covenant, and the improvements on the land have been largely funded by government grants.

At the time of the Crown gifting the racecourses there was no suggestion that the gifted lands would be the subject of sale or transfer in whole or part. Consequently it is Queensland Racing's responsibility to ensure that when deciding to approve a Disposal, the Board must satisfy itself that the proceeds of any proposed sale will benefit all industry stakeholders and progress the industry on a State wide basis not just for any club who has been fortunate to have been gifted land in excess of its requirements as at the date of the proposed Disposal.

POLICY STATEMENT

Queensland Racing requires Queensland race clubs to manage their assets effectively and accountably for the benefit of the club, the racing industry, and the public as a whole.

Race clubs must manage their assets in accordance with the relevant legislation including the Act, the *Associations Incorporation Act 1981*(Qld) and the *Corporations Act 2001* (Cth).

Race clubs must also manage and make disclosures about their assets in accordance with rules and procedures set down and administered by Queensland Racing, including the Rules of Racing Licence Conditions and the Financial Management Procedures Manual prepared by Queensland Racing, which is available on the Queensland Racing web site. In addition to this is Queensland Racing Limited's Policy on Disposal of Assets by Non-proprietary Licensed Clubs.

Race clubs must take particular note of the following requirements contained in the Act and the Financial Management Procedures Manual:

- Race clubs must not dispose of property that is used as a licensed racing venue or a place for exercising or training race horses without first obtaining the written approval of the Board of Queensland Racing Limited and the Minister and the approval of a majority of the club's members present at a meeting where the matter was considered.
- Race clubs must establish appropriate internal control systems to minimize the risk of misappropriation of assets.
- Internal control systems must include clearly documented authorities for the Disposal of Assets by race club officers.

- All disposals of assets must be supported by appropriate documentation that must be maintained in accordance with the section on “Safeguarding and Retention of Accounting Records” in the Manual.

In addition to the requirements of this Policy, the Act, the Financial Management Procedures Manual, and the Policy on Disposal of Assets by Non-proprietary Licensed Clubs, a race club which is intending on using proceeds from the Disposal of land must taken into consideration the requirements under the:

- TAB Race Clubs Capital Works Policy; and
- Policy on Spending by Non-proprietary Licensed Clubs.

Queensland Racing will monitor race clubs’ asset management performance.

Should Queensland Racing find a race club is not complying with the Financial Management Procedures Manual, relevant legislation, this Policy or any other relevant Policies of Queensland Racing, Queensland Racing will direct the club to take action to rectify the situation.

Should a club refuse to comply with such a direction, Queensland Racing will take appropriate action under the Act, which could include suspending or cancelling a club’s licence.

APPLICATION

This Policy applies to all Licensed Non-proprietary Race Clubs in Queensland, including these clubs’ management committees and officers.

This Policy does not apply to the Disposal of Assets of a club that is land if the Disposal is dealt with under another policy of Queensland Racing Limited.

DEFINITIONS

Capital Expenditure – refers to the application of funds towards the purchase or construction of items that will not be fully expensed through the club’s statement of financial performance in the year of purchase.

Disposal and Disposal of Assets – includes distribute, forfeit, relinquish possession of, sell or otherwise give up the asset.

Financial Management Procedures Manual – refers to the publication prepared and distributed by Queensland Racing that provides comprehensive guidelines and standards for race clubs for their financial and business operations.

Non-proprietary Race Club – a not-for-profit race club - A non-proprietary race club has a constitution that both:

- provides for the application of all of the club’s profits and other income to the promotion of the club’s objects; and
- prohibits the payment of dividends to the members of the club.

PROCEDURES

A Non-proprietary Race Club wishing to dispose of land owned by the race club needs to obtain the approval of a majority of its members, the approval of Queensland Racing and the approval of the Minister.

Clubs will be asked to provide the following supporting documentation with any application to dispose of racecourse land:

- Latest audited financial statements of the club.
- Copy of the club's constitution.
- Current valuation of the full lands held by the club.
- Current valuation of the proposed sale portion.
- Copies of all materials considered by the club's board or committee in relation to the proposal.
- Copies of board or committee minutes relating to its consideration of the proposal.
- Current survey by registered surveyor.
- Current zoning of the land.
- Details of any covenants on the land.
- Details of any encumbrances on the land registered or unregistered.
- Copy of proposed sale documentation that the club is required to execute.
- Details of purchasers intended use of the acquired land and any proposed zoning or material change of use.
- Due diligence report on proposed purchaser and a report from the clubs bankers that the proposed purchaser can complete and satisfy the contract conditions.
- Documentation outlining all the costs legal, accounting, valuation and due diligence reports required.
- Report from the local authority on the suitability of the proposed use of the disposed land.
- Copy of documentation provided to members of the club regarding the Disposal of the land.
- Copy of the minutes of meeting approving the Disposal of the land.

Documentation setting out the number of members of the club at the date of the resolution to approve the Disposal of the land and the number of members who voted on the motion.

DETERMINING THE RECOMMENDATION

In determining the recommendation to the Minister, Queensland Racing will consider the following:

- Compliance with Queensland Racing policies.
- Club's strategic plan.
- Club's business plan.
- The proposed use of the funds.
- The benefit to be derived by the club and its impact on surrounding clubs and the region.
- The overall improvement to the regions infrastructure and the racing industry stakeholders generally.
- The impact on the strategic direction and advancement of the industry racing program and the impact on whole of industry wagering outcomes.

When deciding whether to approve the Disposal, Queensland Racing will have the authority to impose any conditions on the Disposal and use of the proceeds. Each application for approval will be considered on its merits. Where necessary to properly consider a request for approval, Queensland Racing may request other information, documents or further submissions by any applicant.

A condition that Queensland Racing may impose is that the club enter into a written binding agreement with Queensland Racing which requires the club to dispose of the proceeds from the Disposal of land in a manner proposed by the club which has also been approved by Queensland Racing.

Such a written binding agreement could provide for a range of uses that could be made of the proceeds from the Disposal of land which may involve a mixture of outcomes including some contribution to the wider racing industry including an apportionment of the funds from the Disposal of the land between the club and the wider racing industry in the range of 50/50 or 30/70.

The discussion regarding possible conditions that Queensland Racing could impose above in no way limits the conditions that Queensland Racing may impose.

Where the conditions imposed by Queensland Racing on the disposal have not been approved by members of the club, the club will need to obtain further approval from its members before the Disposal occurs.

QUEENSLAND RACING LIMITED

Queensland Racing provides support and guidance to race clubs, monitors clubs' financial and asset management and financial performance and, if necessary, intervenes to ensure clubs manage their finances and assets appropriately.

Queensland Racing assesses proposed major Capital Expenditure by clubs and proposed expenditure by clubs not directly related to the conduct or encouragement of racing. Queensland Racing must comply with the directions from the Minister for Racing.

MINISTER FOR RACING

The Minister for Racing is responsible for the overall good management of the racing industry and the disposal of assets under section 113 of the Act. The Minister may give a direction to a control body relating to a policy under the Act.

REVIEW

This Policy will be reviewed every 2 years.

RULES OF RACING

Rules of racing will not be made for this policy.

This policy was made by Queensland Racing Limited on 26 June 2009 under section 81(u) of the *Racing Act 2002*. For further information contact Malcolm Tuttle – Chief Operations Manager by phoning 07 3869 9730 or email: mtuttle@queenslandracing.com.au

Queensland Racing Limited

POLICY ON THE ALLOCATION OF RACE DAYS AND PROVISION OF FUNDING TO RACE CLUBS

COMMENCEMENT DATE

This policy came into effect on 2 July 2004.

PURPOSE

The *Racing Act 2002* authorises Queensland Racing Limited to make policies for the sound management of the industry. Section 81(j) of the Act requires Queensland Racing Limited to make a policy on the allocation of race days and provision of funding to race clubs.

Importance of allocation of race days

The Queensland Racing industry derives much of its income from its Product and Program Agreement with UNiTAB. Race days must be allocated to race clubs in such a way that maximises wagering turnover so that the Queensland Racing industry receives the greatest possible return from the agreement.

Queensland Racing Limited develops a draft calendar of racing for TAB clubs (those Queensland race clubs on whose races the TAB offers or is likely to offer wagering services). After consultation with Queensland race clubs, the other codes of racing and UNiTAB, the calendar of TAB club racing is set. Queensland Racing Limited then develops the racing calendar for non-TAB clubs. Queensland Racing Limited considers recommendations from the Queensland Country Racing Committee and the Country Racing Associations before it sets the non-TAB calendar.

Importance of provision of funding

Under section 34 of the Act, Queensland Racing Limited may, in accordance with its policies, distribute funding to a licensed race club for a purpose relating to the club's operations. This funding is an administration payment to subsidise Club operations.

Queensland Racing Limited is responsible for setting the racing program and prizemoney levels, to ensure the best possible outcomes for the Industry. In addition, Queensland Racing Limited also pays prizemoney to winning connections.

Queensland Racing Limited may also allocate funding for venue development and other infrastructure relevant to the code.

The Queensland Racing industry operates in a competitive market and must use its limited resources wisely for the benefit of the industry. Queensland Racing Limited must allocate industry funds fairly and transparently to ensure the racing industry receives the greatest possible return on this investment.

Rationale

The purpose of this policy is to ensure Queensland Racing Limited makes sound decisions on the allocation of race dates and provision of funding to race clubs and that racing industry participants and other interested parties understand the rationale for Queensland Racing Limited's decisions on race dates and funding.

POLICY STATEMENT

Allocation of race days

Each year Queensland Racing Limited will review the racing calendar to ensure it delivers the greatest possible return to the Queensland Racing industry.

In consultation with thoroughbred race clubs, the other codes of racing and UNiTAB, Queensland Racing Limited will develop a program of racing that maximises the return to the industry under the Product and Program Agreement.

In consultation with the Queensland Country Racing Committee and the Country Racing Associations, Queensland Racing Limited will develop a program of racing for non-TAB thoroughbred race clubs.

Queensland Racing Limited will abide by the terms of the Product and Program Agreement.

By April each year, Queensland Racing Limited will release the racing calendar for the next year to clubs, industry participants and other interested parties.

Race clubs may only race on the days Queensland Racing Limited allocates to the club. Queensland Racing Limited will take disciplinary action against any race club that races on days other than its allocated race days.

Provision of funding

Each year, Queensland Racing Limited will develop a schedule of funding to be provided to Queensland race clubs. Queensland Racing Limited will provide funding according to this schedule.

Race clubs that receive funding from Queensland Racing Limited must use the funds for the purpose for which they were provided.

Queensland Racing Limited may give a direction to a race club in relation to how it uses any funding it receives from Queensland Racing Limited.

Queensland Racing Limited will take disciplinary action against any race club that uses its funding for purposes other than those for which it was provided.

APPLICATION

This policy applies to all race clubs licensed by Queensland Racing Limited, whether they are proprietary or non-proprietary.

DEFINITIONS

Direction (from Queensland Racing Limited) – a written direction given by Queensland Racing Limited to a race club relating to the club's operations or racing venue. Queensland Racing Limited may require a club to do something or refrain from doing something.

Disciplinary action (by Queensland Racing Limited against a club) – may include cancelling, suspending or varying the club's licence or imposing a monetary penalty.

Non-proprietary race club – a not-for-profit race club. A non-proprietary race club has a constitution that both:

- (a) provides for the application of all of the club's profits and other income to the promotion of the club's objects and
- (b) prohibits the payment of dividends to the members of the club.

Non-TAB clubs – Queensland race clubs on whose races the TAB does not or is not likely to offer wagering services.

Proprietary race club – a for-profit race club.

Proprietary racing – racing where the persons conducting the race meeting receive a share of the profits, instead of the profits being returned to the code of racing for use as prize money.

TAB clubs – Queensland race clubs on whose races the TAB offers or is likely to offer wagering services.

PROCEDURES

Roles and responsibilities

Queensland Racing Limited

Queensland Racing Limited consults with race clubs, the Queensland Country Racing Committee, the Country Racing Associations, the other codes of racing and UNiTAB to develop a racing calendar that maximises the return to the Queensland Racing industry. Queensland Racing Limited adheres to the terms of the Product and

Program Agreement. Queensland Racing Limited prepares a schedule of funding for Queensland race clubs and allocates funds according to this schedule.

Race clubs

Race clubs must only race on days allocated to them and must only use funding for the purpose for which it was provided.

Review

This policy was reviewed on 2 July 2006.

Next review date will be 2 July 2008.

Rules of Racing

Race clubs must comply with the Rules of Racing that govern the allocation of race days and provision of funding to race clubs.

<p>The Board of Queensland Racing Limited approved the release of this draft policy for consultation on 2 June 2006. This policy was made by Queensland Racing Limited under s.81(j) of the <i>Racing Act 2002</i>. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au.</p>

Queensland Racing Limited

POLICY FOR QUEENSLAND RACING LIMITED'S COMMERCIAL DECISION-MAKING

COMMENCEMENT DATE

This policy comes into effect on 5 November 2004.

PURPOSE

The *Racing Act 2002* (the Act) authorises Queensland Racing Limited (Queensland Racing) to make policies for the sound management of the industry. Section 81(n) of the Act requires Queensland Racing to make a policy for the decisions its stewards may make in relation to the way in which races may be held and Queensland Racing Limited's decision-making in general.

This policy deals with Queensland Racing's commercial decision-making processes. A separate policy made under the same section of the Act deals with Queensland Racing decision-making on integrity-related matters, including stewarding, licensing and handicapping.

What is commercial decision-making?

In a commercial context, decision-making involves seeking to optimise the outcomes for the Queensland Racing industry and its stakeholders. The outcomes include financial return, employment, quality of product and program, quality of infrastructure and the regional viability of the industry. These outcomes are achieved by allocating resources to their best possible uses in order to achieve the commercial objectives of the industry.

Queensland Racing acts on behalf of the Queensland thoroughbred racing industry as the control body and as the party representing the industry in respect to the Product and Program Agreement with UNiTAB. The key financial resources that Queensland Racing allocates are the payments from the Product and Program Agreement that are linked to the level of wagering revenue derived by UNiTAB from Queensland and interstate racing. It is important to note that it is the overall quality of both the Queensland and National racing program which determines the level of revenue obtained under the agreement. Hence, it is important to not only improve the quality of Queensland Racing in both absolute and relative terms but also the National racing program.

Queensland Racing has three key commercial objectives:

- To develop an efficient and effective Queensland Racing industry both overall and for each of the major regions that is sustainable over the long term
- To produce the highest possible quality product and program both for Queensland Racing and nationally
- To optimise over time the level of financial return obtained for the industry and its key stakeholders.

Commercial decision-making involves ensuring that all commercial decisions are directed at furthering these commercial objectives. There can be trade offs that need to be taken into account in decision-making. There can be trade offs between the three objectives and between short-term and longer-term considerations. For example, there is the conflict between distributing all available revenue as prizemoney to maximum returns and incentives to improve the racing program now and the longer-term need to maintain and develop the key racing infrastructure.

It may be argued that there is another conflict, that between commercial and integrity functions. However, this is not the case as the commercial objectives are vitally dependent on achieving and maintaining the highest standards of integrity. Any compromise in this area has the potential to cause the most immediate and lasting damage to the commercial position of the industry. The truth of this is well illustrated by commercial organisations that have compromised on integrity, resulting in the complete destruction of the company.

Principles of good commercial decision-making

The following describes the principles of good commercial decision-making:

- A clear set of commercial objectives are articulated
- All available options are identified and evaluated against the commercial objectives
- Each option is assessed in terms of its impact on the Queensland Racing industry and its stakeholders
- The option is selected which achieves the maximum net benefit to the Queensland Racing industry and its stakeholders
- The decision is lawful and is not induced or affected by self interest or fraud
- The evidence and information on which the decision is based supports the decision
- The making of the decision is a proper exercise of the power conferred
- There is full documentation of the decision and the decision-making process.

Responsibilities of decision makers

The responsibilities of decision makers have been described¹ as follows:

- The decision maker understands her or his decision-making power
- The decision maker identifies the steps required in the decision-making process and ensures these have been undertaken
- The decision maker gathers information or evidence relevant to each substantive issue
- The decision maker makes findings of fact on the information or evidence, including ascertaining the status and quality of the information or evidence
- The decision maker gives weight to relevant evidence, considers the facts and disregards irrelevant or improper criteria or policies
- The decision maker considers and applies the merits on a case-by-case basis
- The decision maker exercises discretion to make a decision
- The decision maker records the decision
- The decision maker implements or advises of the decision, including reasons for the decision if required at the time the decision is made or in response to a request for reasons
- The decision maker provides information about review mechanisms.

Queensland Racing commercial decision-making

Queensland Racing makes important commercial decisions on things such as race day allocation, provision of funding, education and training, and negotiations with the other racing codes, UniTAB, Sky Channel and racing bodies interstate. These commercial decisions can have a dramatic effect on the industry's profitability.

Some of the decisions Queensland Racing makes are commercially sensitive. Some of Queensland Racing's commercial decision-making, especially the board's decision-making, is confidential and this confidentiality must be recognised and protected. It will not always be possible, appropriate or desirable for Queensland Racing's commercial decision-making to be open to public scrutiny. However, Queensland Racing's commercial decision-making will, at all times, comply with the principles of good decision-making.

The purpose of this policy is to help ensure Queensland Racing makes correct and preferable commercial decisions at all levels of the organisation. This is achieved by ensuring Queensland Racing's decision-making processes are open and transparent, decisions are made in accordance with the principles of good decision-making, decisions are documented and decision makers understand their role and responsibilities and are accountable for their decisions.

POLICY STATEMENT

¹ Better Decisions Project, Enhancing Administrative Decision Making, Discussion Paper Number 1 [Contemporary Influences in the Development of Administrative Decision Making Systems](#), Department of Tourism, Racing and Fair Trading, July 2003

Queensland Racing's commercial decisions

Queensland Racing will make commercial decisions in accordance with the principles of good decision-making.

Queensland Racing's commercial decisions will be lawful, not induced or affected by fraud, based on evidence and consistent with public administration standards and codes of conduct.

Queensland Racing will provide sufficient training to its decision makers to ensure they understand their roles and responsibilities and understand the provisions of the Rules of Racing, *Racing Act 2002* and other legislation relevant to their decisions.

Accountability

Queensland Racing's decision makers will be accountable for their decisions.

Administrative improvement

Queensland Racing will collect and analyse data relating to its commercial decisions to identify problems with its decision-making processes and improve the quality of its decisions.

APPLICATION

This policy applies to commercial decision makers in Queensland Racing generally. A separate policy applies to decision-making on integrity-related matters, such as stewarding, licensing and handicapping.

DEFINITIONS

Administrative decisions – decisions of an administrative character made, proposed to be made, or required to be made, under an enactment (whether or not in the exercise of a discretion).

Making a decision – includes:

- (a) making, suspending, revoking or refusing to make an order, award or determination or
- (b) giving, suspending, revoking or refusing to give a certificate, direction, approval, consent or permission or
- (c) issuing, suspending, revoking or refusing to issue a licence, authority or other instrument or
- (d) imposing a condition or restriction or
- (e) making a declaration, demand or requirement or
- (f) retaining, or refusing to deliver up, an article or

(g) doing or refusing to do anything else and a reference to a “failure to make a decision” is to be construed accordingly.

PROCEDURES

Roles and responsibilities

Queensland Racing’s board and officers must make commercial decisions in accordance with the principles of good decision-making and this policy.

Review

This policy was reviewed in November 2006.

Next review date will be November 2008.

Rules of Racing

Rules of Racing will not be made for this policy.

This policy was made by Queensland Racing Limited on 5 November 2004 under s.81(n) of the *Racing Act 2002*. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au.

Queensland Racing Limited

POLICY FOR DECISION-MAKING ON MATTERS RELATING TO INDUSTRY INTEGRITY

COMMENCEMENT DATE

This policy comes into effect on 1 November 2008.

PURPOSE

The *Racing Act 2002* (the Act) authorises Queensland Racing Limited (Queensland Racing) to make policies for the sound management of the industry. Section 81(n) of the Act requires Queensland Racing to make a policy for the decisions its stewards may make in relation to the way in which races may be held and Queensland Racing's decision-making in general.

This policy deals with Queensland Racing decision-making on integrity-related matters, including stewarding, licensing and handicapping. A separate policy made under the same section of the Act deals with Queensland Racing's commercial decision-making processes.

This policy has two purposes. The first purpose is to help ensure Queensland Racing officials make correct decisions. This is achieved by ensuring that integrity-related decision-making processes are open and transparent, decisions are made in accordance with the principles of good decision-making, decisions are documented, decision makers understand their role and responsibilities and are accountable for their decisions and decisions are made in accordance with the principles of good decision making.

The second purpose is to provide people aggrieved by Queensland Racing decisions on integrity-related matters with a mechanism to test the merits of the decision. This is achieved by advising people of their rights with regard to appeals against an integrity-related decision. These appeal rights may include an internal appeals process or appeals to the Queensland Civil and Administrative Tribunal.

POLICY STATEMENT

Queensland Racing officials' decisions on integrity-related matters

Queensland Racing's officials will make decisions on integrity-related matters, including stewarding, licensing and handicapping, in accordance with the principles of good decision-making.

- the decision-making will be lawful;
- Natural Justice will be observed;

- the decision maker/s will act in good faith and within their power;
- actions will be fair and based on the weight of evidence;
- obligations will be discharged appropriately; and
- decisions will be made consistently, fairly and as promptly as possible.

In addition to these principles, Queensland Racing recognises that a statement of reasons, usually in writing, should be given for an integrity-related decision. Officials making decisions must be free of any conflict of interest and their decisions should be reviewable.

Queensland Racing's officials' decisions will be lawful, in accordance with the principles of natural justice and procedural fairness, unbiased and consistent with obligations and procedural fairness. The responsibilities of decision makers in respect of in respect of integrity related matter are as follows:

- an individual or entity is provided with an opportunity to respond/comment on any adverse material where it would assist the decision making process
- the decision-maker must understand the decision-making power
- the decision-maker must identify the steps required in the decision-making process and ensure they have been undertaken to the extent possible
- the decision-maker must gather as much information or evidence relevant to the substantive issue as is reasonable or necessary in the circumstances
- the decision-maker must make findings of fact on the information or evidence reasonably available at the time
- the decision-maker must give weight to relevant evidence, consider the facts and disregard irrelevant or improper criteria or policies
- the decision-maker must consider the merits on a case-by-case basis but act consistently
- the decision-maker must exercise proper discretion in making a decision
- the decision-maker must record the decision where possible, and
- the decision-maker must implement or advise of the decision.

The standard of proof that Queensland Racing officials will usually apply when making decisions on integrity-related matters will be the balance of probability which is consistent with the civil standard of proof, but taking into account the principles outlined in *Briginshaw v. Briginshaw* (1938) 60 CLR 336.

Each steward on an inquiry panel will have an equal vote. Decisions will be made on the basis of the majority vote. If the vote is tied, the chair of the panel will have a casting vote.

Queensland Racing officials will give reasons for their decisions on integrity-related matters. Usually, and whenever appropriate, these reasons will be given in writing. This may be in the form of a transcript of proceedings or Stewards Report.

Queensland Racing will provide sufficient training to its officials to ensure they understand their roles and responsibilities and understand the provisions of

the Rules of Racing, *Racing Act 2002* and other legislation relevant to their decisions.

Accountability

Queensland Racing officials will be accountable for their decisions on integrity-related matters.

Statement of reasons

If a person is aggrieved by a decision of a Queensland Racing official on an integrity-related matter and that person requests a statement of reasons for the decision within 28 days of the decision being made, Queensland Racing will provide a statement of reasons to the aggrieved person within 28 days of receiving the request.

Appeals

Subject to the *Racing Act 2002* and the Rules of Racing and in accordance with Queensland Racing policy on appeals, a person who is aggrieved by a Queensland Racing official's decision on an integrity-related matter may appeal the decision to an appeals committee or the Queensland Civil and Administrative Tribunal as outlined in the Rules of Racing and *Racing Act 2002*.

Administrative improvement

Queensland Racing will collect and analyse data relating to appeals against officials' decisions on integrity-related matters to identify problems with officials' decision-making processes and improve the quality of their decisions.

APPLICATION

This policy applies to Queensland Racing Stewards, Licensing staff and Handicapping staff.

DEFINITIONS

Administrative decisions – decisions of an administrative character made, proposed to be made, or required to be made, under an enactment (whether or not in the exercise of a discretion).

Appeal committee – means an appeal committee established by Queensland Racing under the Rules of Racing to hear appeals against decisions of Queensland Racing's stewards.

Decisions on the way in which races may be held – decisions by stewards taken on race day and decisions made other than on race day which may

affect in any manner the way in which races may be held. These decisions may affect jockeys, trainers, stablehands, bookmakers, clubs or other racing industry participants.

Disciplinary action – relating to an accreditation, approval or licence, means one or more of the following—

- (a) cancelling the accreditation, approval or licence
- (b) suspending the accreditation, approval or licence for a stated period
- (c) varying the accreditation, approval or licence in either of the following ways, except if the variation is made as the result of an application of the accreditation holder, control body or licence holder—
 - (i) changing a condition stated in the accreditation, approval or licence to which it is subject
 - (ii) stating a new condition to which the accreditation, approval or licence is to be subject
- (d) for a licence—
 - (i) imposing a monetary penalty or
 - (ii) closing, for a stated period, premises or part of premises stated in the licence as premises at which an activity may be conducted under the licence.

Making a decision – includes:

- (a) making, suspending, revoking or refusing to make an order, award or determination or
 - (b) giving, suspending, revoking or refusing to give a certificate, direction, approval, consent or permission or
 - (c) issuing, suspending, revoking or refusing to issue a licence, authority or other instrument or
 - (d) imposing a condition or restriction or
 - (e) making a declaration, demand or requirement or
 - (f) retaining, or refusing to deliver up, an article or
 - (g) doing or refusing to do anything else
- and a reference to a “failure to make a decision” is to be construed accordingly.

PROCEDURES

Roles and responsibilities

Queensland Racing's stewards and other officers must make decisions in accordance with the principles of good decision-making and this policy.

Review

This policy was reviewed in February 2010.

Next review date will be February 2012

Rules of Racing

This policy is consistent with the Rules of Racing.

This policy was made by Queensland Racing Limited on 5 November 2004 under s.81(n) of the *Racing Act 2002*. For further information contact Jamie Orchard, Director of Integrity Operations, by phoning (07) 3869 9742 or emailing jorchard@queenslandracing.com.au.

Revision History

<i>Version</i>	<i>Date</i>	<i>Description of change</i>
1.01	February 2010	Jamie Orchard and Peter Smith renewed policy.
1.02	March 2010	Board approved.

Queensland Racing Limited

POLICY FOR SAFEGUARDING THE PUBLIC INTEREST IN THOROUGHBRED RACING

COMMENCEMENT DATE

This policy comes into effect on 6 August 2004.

PURPOSE

The *Racing Act 2002* (the Act) authorises Queensland Racing Limited (QRL) to make policies for the sound management of the industry. Section 81(b) of the Act requires QRL to make a policy for safeguarding the public interest in thoroughbred racing.

What is the public interest?

While stating that QRL must make a policy for safeguarding the public interest in racing, the Act does not define “public interest”. Generally however, it would seem that section 81(b) of the Act requires a policy for safeguarding the wellbeing of the general public.

Some useful guidance in this regard may be drawn from the Queensland Government’s Policy Handbook:

*Government acts **in the public interest**, not in the stakeholders’ interests. It is very common for different stakeholders to have competing interests and it may be impossible to reconcile the differences.*

***Public interest** cannot be measured precisely. It does not equate to pleasing everyone and it is not the same as public opinion or popularity. An action may be **in the public interest** yet unpopular. Government decisions to increase taxation are often in this category, although the purpose for which the extra revenue is used may be very popular.*

*While practitioners may give advice about the views of stakeholders, the various options and the implications, costs and benefits of each, the determination of what is **the public interest** is essentially a political decision.*

What is the public interest in racing?

The explanatory notes to the *Racing Bill 2002* refer to the public interest on a number of occasions, beginning with the policy objectives of the legislation, which are to:

- maintain public confidence in the racing of animals in Queensland for which betting is lawful;
- ensure the integrity of all persons involved with racing or betting;
- safeguard the welfare of all animals involved in racing; and
- meet National Competition Policy obligations by removing legislative restrictions on competition that cannot be justified **in the public interest**.

The explanatory notes state that it is considered justifiable and **in the public interest** that persons with convictions for dishonesty, stealing and unlawful betting and bookmaking offences, regardless of when the offences were committed, should not be eligible to be associated with the management or ownership of a control body. Only those persons of the highest integrity should be appointed as an executive officer of a control body.

The explanatory notes refer to the show cause procedure that the Minister and chief executive must comply with when taking any disciplinary action, save in exceptional circumstances where immediate suspension is warranted **in the public interest**.

The Act gives the Minister power to direct a control body to review its existing rules or to make new rules about a matter. The explanatory notes state that if a control body reviews a particular rule and decides that the rule should not be amended, the control body would need to demonstrate that the rule of racing is **in the public interest** and has sufficient regard to section 4(3) of the *Legislative Standards Act 1992*, which provides that, “*whether legislation has sufficient regard to the rights and liberties of individuals depends on whether, for example, the legislation -*

- (a) makes rights and liberties, or obligations, dependent on administrative power only if the power is sufficiently defined and subject to appropriate review; and*
- (b) is consistent with the principles of natural justice; and*
- (c) allows the delegation of administrative power only in appropriate cases and to appropriate persons....”*

According to the explanatory notes, community expectations require that entities empowered to make rules and policies, particularly rules and policies that affect the livelihoods and lives of persons, should have due regard to those principles outlined in section 4(3) of the *Legislative Standards Act 1992*, unless there are good **public interest** reasons for not doing so.

The Act provides that the Minister may request the Auditor-General to audit a control body. According to the explanatory notes, this power would only be exercised by the Minister in circumstances where the Minister has grounds to believe that it is **in the public interest** for an independent audit of the control body to be conducted.

Section 81(b) of the Act provides that a control body must make a policy about safeguarding **the public interest** in the code. According to the explanatory notes, a control body would need to consider the need to ensure the integrity of the code's racing in making such a policy.

Racing's place in Queensland's economy and society

In order to safeguard the public interest in racing, it is first necessary to attempt to gauge racing's positive and negative effects on Queensland's economy and society.

Racing occupies a central place in Queensland's economy and society. It is part of the Queensland and Australian folklore and psyche, even for people who have no interest in racing and have never been to a racetrack. Few Queenslanders would not know something about the legendary Phar Lap, even though the horse may have died decades before they were born. Few would not know something about the infamous Fine Cotton ring-in. Few would not take part in some celebration associated with Melbourne Cup day.

The industry is a major contributor to Queensland's Gross State Product and generates jobs of all skill levels throughout the State. The range of people making their livelihood wholly or in part through the racing industry is enormous – jockeys, trainers, stablehands, bookmakers, veterinarians, scientists, farmers, breeders, stock agents, farriers, IT professionals, data entry clerks, educators, labourers, caterers, cleaners, stewards, administrators and lawyers.

Major racing events like the Queensland Winter Racing Carnival attract tourists from interstate and overseas and add to Queensland's reputation as a world-class holiday destination. Regional racing carnivals like the Matilda Highway Series draw tourists to country areas and help strengthen and diversify regional economies.

The State and Commonwealth Governments derive revenue directly and indirectly from the industry. It is in the public interest that the racing industry fulfil its economic potential for the benefit of regional communities and the State as a whole.

The racing industry has recognised community concern about problem gambling and acknowledges it has a role to play to promote responsible gambling and minimise the harm caused by problem gambling. The racing industry has participated in the Queensland Government's initiative to work with the range of gambling providers to develop a Responsible Gambling Code of Practice and a Racing Industry Responsible Gambling Policy,. QRL

supports and abides by the policy and code. Information about the responsible gambling initiative is available from the website www.responsiblegambling.qld.gov.au.

Thousands of Queenslanders are racing enthusiasts. Some are once-a-year punters on Melbourne Cup day, while others are regular racegoers. They may attend major metropolitan meetings, races in the regional cities and towns or picnic races in the country. They may own or part-own thoroughbred racehorses. Whatever their level of involvement, they share a passion for racing's colour and excitement.

Given the industry's importance to Queensland's society and economy, it is imperative that the public interest in racing be protected by:

- ensuring the industry is managed professionally;
- promoting a positive image of racing as a legitimate form of entertainment and a rewarding industry in which to work and invest;
- ensuring the highest standards of integrity in the conduct of racing and betting;
- protecting the safety of racing industry workers and race day patrons;
- protecting the welfare of racing animals;
- minimising the harm associated with gambling;
- ensuring the industry is a "responsible citizen" and "good neighbour"; and
- providing mechanisms for people who have complaints against aspects of racing industry administration to have their problems addressed.

The purpose of this policy is to help ensure QRL safeguards the public interest in racing.

POLICY STATEMENT

Professional management

QRL will ensure the industry is managed professionally by managing its own operations and overseeing race clubs' operations according to the highest professional standards.

In order to ensure its operations are efficient and effective, QRL will develop policies for:

- policy development;
- employment of officials and other staff;
- decision-making by stewards and decision-making by QRL generally;
- record keeping;
- making its officials and other staff and licensees aware of their responsibilities under the *Anti-Discrimination Act 1991*, *Disability Discrimination Act 1992*, *Human Rights and Equal Opportunity Commission Act 1986*, *Public Sector Ethics Act 1994*, *Racial*

Discrimination Act 1975, Sex Discrimination Act 1984, Whistleblowers Protection Act 1994, and Workplace Health and Safety Act 1995;

- the organisation's website;
- fees QRL charges license holders;
- forms for administration of the industry; and
- other matters as QRL sees fit for the proper management of the industry.

In order to ensure the industry operates professionally, QRL will develop policies for:

- licensing race clubs, racing venues, industry participants and racing animals;
- training of licensees and other industry participants;
- lawful betting;
- the allocation of race days and the provision of funding to licensed clubs;
- the standard required of licensed venues;
- the way in which races are to be held;
- handicapping;
- appeals;
- other matters as QRL sees fit for the proper management of the industry.

In order to ensure race clubs operate professionally, QRL will formulate policies for:

- the formation and management of clubs;
- licensed non-proprietary race clubs to manage their finances;
- licensed non-proprietary race clubs to manage their assets; and
- other matters as QRL sees fit for the proper management of the industry.

QRL requires licensed clubs to manage their finances and assets according to QRL's Financial Management Procedures Manual.

QRL will consult stakeholders when it makes policies. It will review its policies regularly to ensure they are relevant and continue to encourage efficient and effective administration.

Professional presentation

QRL will present a positive image of racing as a legitimate, professional and lawful industry. Through its licensing of clubs, venues and licensees, QRL will encourage standards of presentation that give the public confidence in racing as a sport, a pastime and a business characterised by openness, transparency, integrity and accountability.

QRL will present a positive image of racing as a legitimate form of entertainment for adults from all walks of life. Promotions will encourage people to attend races and racing-related activities. The Queensland Winter Racing Carnival will be promoted as Queensland's flagship racing event.

QRL will promote the racing industry as rewarding industry in which to work, offering many different career opportunities, from the unskilled to the highly skilled, from country Queensland to the regional towns and cities and major metropolitan centres.

QRL will promote the racing industry as a rewarding industry in which to invest, as an owner or part owner of racehorses, or as a service provider to the industry.

Integrity assurance

In order to ensure the highest standards of integrity in the conduct of racing and betting, QRL will formulate policies for:

- licensing race clubs, racing venues, industry participants and racing animals;
- lawful betting;
- testing racehorses for illicit substances;
- standards of equipment and staffing for monitoring races and racing facilities; and
- other matters as QRL sees fit to assure integrity.

Public safety

In order to protect the safety of racing industry workers and race day patrons, QRL will formulate policies for:

- licensing race clubs, racing venues, industry participants and racing animals;
- the standard required of licensed venues;
- training of licensees and other industry participants;
- drug and alcohol use by employees and licensees; and
- other matters as QRL sees fit for the proper management of the industry.

Animal welfare

In order to protect the welfare of racing animals, QRL will formulate policies for:

- the training of race horses;
- the welfare of race horses; and
- other matters as QRL sees fit for the proper management of the industry.

QRL requires race clubs, racehorse owners and industry licensees to protect the welfare of racehorses under their control. Racehorses must be kept and transported in clean, secure facilities and be provided with adequate food, water, medicines and shelter to ensure their wellbeing. Sick or injured animals must be cared for.

Minimising harm from gambling

In order to minimise the harm associated with gambling, especially the connection between problem gambling and drinking, QRL will comply with the Racing Industry Responsible Gambling Policy.

QRL will require its clubs to comply with this policy and the Responsible Gambling Code of Practice. Race clubs must develop their own responsible gambling policy based on the Racing Industry Responsible Gambling Policy and the Responsible Gambling Resource Manual. A club's responsible gambling policy must include strategies for:

- providing information to customers;
- developing links with customers and the community;
- excluding problem gamblers;
- creating an acceptable physical environment where gambling may occur;
- providing financial transaction services; and
- regulating advertising and promotions.

The policy will:

- help customers make informed decisions about their gambling;
- minimize harm from gambling to individuals and the broader community; and
- provide people adversely affected by gambling with access to timely and appropriate assistance and information.

Responsible citizenship

QRL expects and requires race clubs, racehorse owners and racing industry licensees to be responsible citizens and good neighbours by minimising or eliminating the impact of their racing-related activities on the community.

This includes:

- complying with local authority environmental health and workplace health and safety regulations;
- minimising the impact of traffic, congestion and parking problems caused by race days by providing parking or public transport facilities;
- reducing noise and light pollution from racing venues;
- instituting sound animal husbandry practices;
- minimising unpleasant odour from stables in residential areas by ensuring high standards of hygiene;
- controlling vermin in stables; and
- preventing wastes from discharging from stables into the stormwater system.

Complaints mechanisms

QRL will manage the racing industry for the benefit of the industry and the public generally.

QRL will ensure its decision-making is fair, impartial and transparent. QRL has developed policies for its commercial decision-making and integrity-related decision-making. QRL will make commercial and integrity-related decisions in accordance with these policies.

QRL recognises that from time to time licensees, other industry participants and members of the public may have complaints about the administration of the racing industry. Complaints should be made in accordance with the Complaints Management Policy of QRL.

QRL will treat complaints seriously and confidentially and make every effort to resolve them in accordance with the Complaints Management Policy.

APPLICATION

This policy applies to the general public in the Thoroughbred Racing Industry.

PROCEDURES

Roles and responsibilities

QRL's department managers are responsible for preparing the policies listed above that relate to their area of management

Review

This policy was reviewed in October 2008.

Next review date will be October 2010.

Rules of Racing

Rules of Racing will not be made for this policy.

This policy was made by QRL on 6 August 2004 under s.81(b) of the *Racing Act 2002*. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au

Queensland Racing Limited

FEES POLICY

COMMENCEMENT DATE

This policy comes into effect on 26 June 2009.

PURPOSE

The *Racing Act 2002* (Act) authorises Queensland Racing Limited (Queensland Racing) to make policies for the sound management of the industry. Section 81(v) of the Act requires Queensland Racing to make a policy on fees that it charges.

Queensland Racing provides a range of services to race clubs, industry participants and the general public for the benefit of the racing industry. Its services to coordinate, manage and regulate the industry include:

- administering the rules of racing
- enforcing standards of safety and integrity
- licensing industry participants
- registering race clubs and monitoring their activities
- undertaking racecourse development and capital works
- initiating research and promotional activities
- administering industry funding and commercial agreements and
- representing the Queensland Racing Limited industry on the peak national body, the Australian Racing Board, and its sub-committees.

Under the Act, Queensland Racing may charge fees for services it provides to manage the racing industry. These fees must reflect the reasonable cost of providing the service.

A decision to impose a fee by Queensland Racing as a condition of an authority granted under section 113E(3)(a) of the Act or any other fee to which section 35(2) of the Act does not apply, does not need to reflect the reasonable cost to Queensland Racing of providing any service.

The purpose of this policy is to help ensure Queensland Racing manages the racing industry soundly by charging appropriate fees for its services and to ensure race clubs, industry participants and the general public understand why fees are charged and how fees are calculated.

POLICY STATEMENT

Queensland Racing will charge appropriate fees for the sound management of the racing industry.

Queensland Racing's fees for services will be set according to the cost of providing the service and will be commensurate with those charged by similar organisations or organisations providing similar services. Fees are not designed merely to raise revenue.

Queensland Racing will review its fees annually and may adjust them in accordance with changes in the cost of providing the service or movements in the Consumer Price Index (CPI).

Queensland Racing will advertise changes to fees through its website and the Racing Calendar at least four weeks before the new fee comes into effect.

Fees may be paid by cash or credit card at any Queensland Racing office or by direct deposit to Queensland Racing's back account.

Fees must be paid in full by the due date. Late payment will attract a penalty of \$25.00.

Unpaid fees beyond Queensland Racing's payment terms may cause the debtor to be placed on the forfeit list.

APPLICATION

This policy applies to race clubs, race venues, licensees, licensed wagering operators, holders of a race information authority and other industry participants.

DEFINITIONS

Forfeit List

Persons placed on the forfeit list will be prevented from racing or training horses in Queensland. A person may only be removed from the forfeit list once the outstanding amounts are paid in full or as agreed by an authorised officer of Queensland Racing.

PROCEDURES

Roles and responsibilities

Queensland Racing Limited

Queensland Racing must set its fees according to the reasonable cost of providing the service. Queensland Racing must advertise changes in fees. Queensland Racing must review discretionary fees if these are challenged and provide reasons supporting the reviewed fee.

Industry participants

Industry participants, including race clubs, licensees, licensed wagering operators, holders of a race information authority and other industry participants must pay fees levied by Queensland Racing in full by the date they are due.

Review

This policy was reviewed in June 2009.

Next review date will be June 2011.

This policy was made by Queensland Racing on 2 April 2004 under s.81(v) of the *Racing Act 2002*. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au.

Queensland Racing Limited

RECORD KEEPING POLICY

COMMENCEMENT DATE

This policy comes into effect on 6 August 2004.

PURPOSE

The *Racing Act 2002* (Act) authorises Queensland Racing Limited (Queensland Racing) to make policies for the sound management of the industry. Section 81(o) of the Act requires Queensland Racing to make a policy on record keeping, including keeping records about decisions.

Proper record keeping is necessary for the fair and efficient administration of the Queensland Racing industry and is part of good corporate governance. Poor record keeping can lead to administrative inefficiencies, poor decision making and inconsistent or unfair treatment of staff and licensees.

As the authority responsible for managing thoroughbred racing in Queensland, Queensland Racing is required to make and keep full and accurate records of its activities and to provide stakeholders with access to those records in specified circumstances.

It is in the interest of the racing industry and the public generally that Queensland Racing keeps records of its decisions and complies with its responsibilities under the:

- *Public Records Act 2002*
- Information Standards issued by the Department of Innovation and Information Economy
- *Racing Act 2002*
- *Corporations Act 2001*
- *Trade Practices Act 1974*

Queensland Racing has developed policies and procedures to guide its record keeping practices, ensuring record keeping complies with legislation and standards and help ensure its administration is efficient and effective.

The purpose of this policy is to establish a framework for the creation and management of records within Queensland Racing. Queensland Racing is committed to establishing and maintaining recordkeeping practices that meet its business needs, accountability requirements and stakeholder expectations.

POLICY STATEMENT

Queensland Racing's records are its corporate memory, and as such are a vital asset for ongoing operations, providing valuable evidence of business activities and transactions.

Queensland Racing will maintain a record keeping system that supports the professional administration of the racing industry and fulfils the organisation's legislative responsibilities.

Queensland Racing will keep minutes of its board meetings and a record of resolutions made at board meetings.

Board minutes will record any instance where a member discloses an interest in a matter the board is to consider.

Queensland Racing will make records of the decisions of appeals committees, including reasons for the decisions.

Queensland Racing employees will create records of correspondence, conversations, events, decisions and financial operations in accordance with Queensland Racing's procedure for creating records.

Queensland Racing's employees will file the records they create in accordance with the organisation's procedures for retaining records.

Queensland Racing will archive its records in accordance with its procedures for archiving records.

Queensland Racing will make records available to licensees, the media and other interested parties in accordance with Queensland Racing's procedures for stakeholder access to records.

APPLICATION

This policy applies to Queensland Racing's:

- Executives and staff
- Board
- Contractors, and
- Agents.

This policy applies to all aspects of organisational business, all records created during business transaction, and all business applications used to create records including e-mails, database applications and websites.

Licensed Race Clubs should note that the same standard of record keeping practice as defined in this policy for Queensland Racing will also be applied to Race Clubs as part of the licensing process.

DEFINITIONS

Public record – any form of recorded information that provides evidence of the decisions or actions of a public authority in undertaking its business activities or in the conduct of its affairs.

Record – often regarded as documents in paper files or bound volumes, in fact records can exist in any physical format, such as photographs, videos, sound recordings, emails and web material. Records are more than just information, they are evidence of decisions, actions and inactions. Information may be collected in the course of business activity and support such activity, but does not, itself, provide evidence of that activity. Records possess certain characteristics that distinguish them from other kinds of information. Records are 'fixed', that is, they are the product of particular actions that occur at particular times.

PROCEDURES

Roles and responsibilities

Queensland Racing's senior managers are responsible for the implementation of this policy and its procedures.

All Queensland Racing officers are responsible for keeping appropriate records of their work, including records of their decisions, file notes of conversations, copies of emails and records of complaints, in accordance with this policy and its procedures.

Each Queensland Racing's department and regional office is responsible for the creation of files and maintenance of the document retrieval system.

Each Queensland Racing's department and regional office, if necessary is responsible for establishing and maintaining a register of correspondence they receive.

Review

This policy was reviewed in June 2009.

Next review will be June 2011.

Rules of Racing

Rules of Racing will not be made for this policy.

This policy was made by QRL on 6 August 2004 under s.81(o) of the *Racing Act 2002*. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au.

Queensland Racing Limited

COMPLAINTS MANAGEMENT SYSTEM

Commencement Date

This policy came into effect on 6 October 2006.

1. Purpose

The *Racing Act 2002* authorises Queensland Racing Limited to make policies for the sound management of the industry.

Queensland Racing Limited aims to ensure a safe, harmonious and productive industry. To achieve this aim, this policy incorporates the management of complaints relating to harassment and bullying, sexual harassment, unlawful discrimination, actions and decisions of Queensland Racing Limited official's decisions and actions and general industry complaints.

This policy will provide the mechanisms for the management of all complaints within the industry encompassing; Queensland Racing Limited Employee's, all licensed persons, officials and all persons employed within the horse racing industry.

The ultimate aim of the policy through management mechanisms is to satisfy all parties that due process is followed in the resolution of complaints.

2. Definitions

Prior to defining the parameters of what constitutes a complaint, it is necessary to define what is not a complaint. An inquiry relating to the appropriateness of a procedure, law or perception that needs clarification is not a complaint and is usually dealt with in accordance with the normal duties of a Queensland Racing Limited employee.

Therefore, the initial expression of dissatisfaction, whether in writing or otherwise will not be considered a complaint where the issue is settled in the ordinary course of business.

Complaint means any specific statement, either verbal or written, from any source including anonymous which could make a person subject to disciplinary action, legal action or both. In addition, a complaint may also encompass activities that require investigation to establish whether a procedure, process or policy requires change.

3. Principles of Fairness

The complaints process must be fair to both the complainant and the person or organisation against whom the complaint is made. All complaints will be treated as legitimate and managed without prejudice. Complainants and respondents will be afforded natural justice throughout the complaints process. Natural Justice involves the following principles:

- the person who is subject of concern must know all the allegations in relation to their behaviour and or actions
- the person who is the subject of concern must have a full opportunity to put forward their case and answer the allegations
- all parties to the complaint must have the right to be heard
- all relevant submissions and evidence must be considered
- matters which are not relevant must not be taken into account, and
- the decision maker/s must act fairly and justly.

Whilst managing complaints, Queensland Racing Limited employees must adhere to the principles of this policy as well as the Code of Conduct and principles within the Australian and Local Rules of Racing.

4. Who Can Complain?

The approach of Queensland Racing Limited in regard to managing complaints is designed to be as inclusive as possible in accordance with the principles of natural justice.

Complaints will be received and accepted from:

- Queensland Racing Limited employees and officials
- Licensed persons
- Licensed Clubs, and
- Any other person.

5. Issues that fall outside this policy

Though designed to be as comprehensive as possible it is recognised that certain types of complaints are not intended to be dealt with by this complaints policy and are more appropriately dealt with through other channels. For example:

- Matters that concern civil debts or partnerships should be addressed through civil law remedies.
- Dissatisfaction with the decisions of Steward Panels must proceed through the First Level Appeals process and the Racing Appeals

Tribunal, although, complaints in relation to the way decisions were administered may be covered under this policy.

- Grievances with the decisions of the Licensing Committee are not covered under this policy as appeals must still be channelled through the Racing Appeals Tribunal.

6. How to Lodge a Complaint

Queensland Racing Limited recognises the right that an individual or organisation carries in regard to making a complaint in the way that best suits them and has formulated this policy in respect of those basic rights.

The preferred option for lodging complaints is in writing. This can be done by:

- letter addressed to the Complaints Co-ordinator at Queensland Racing Ltd, PO Box 63 Sandgate, QLD 4017
- facsimile transmission addressed to the Complaints Co-ordinator at 07 3269 8268
- email to complaints@queenslandracing.com.au.

Complaints lodged in writing should contain full contact details of the complainant, sufficient details to identify the person about whom the complaint is made and a statement of the facts giving rise to the complaint.

Complaints may also be made by telephone to the Complaints Co-ordinator on 07 3869 9747.

Another option is to lodge a complaint in person. This can be done through the Complaints Officer at Queensland Racing Limited headquarters or through the Regional offices at Toowoomba, Rockhampton or Townsville. However, if complaints are lodged through regional offices they will still be processed and managed through the central complaints management system.

Complaints may also be lodged with the Steward in charge of any particular race meeting. If the matter cannot be dealt with at the meeting that Steward will ensure that the complaint is lodged in accordance with this policy.

If for any reason, a person wishing to lodge a complaint cannot exercise any of the above options, the person may call to the switchboard of Queensland Racing Limited on 07 3869 9777 and ask to make a formal complaint. This complaint will be documented by a Queensland Racing Limited employee and placed onto the Complaints Management System.

7. Complaint Service Standards

Minimum service standards in the handling of complaints have been developed to ensure that there is consistency in relation to the management of complaints.

The following represent the minimum complaint standards:

- the complaint will be recorded to assist in management and complaint analysis
- the complaint will be acknowledged promptly
- the progress of outstanding complaints will be monitored, and.
- complainants will be kept informed.

Complaints will be dealt with promptly, courteously and in accordance with their urgency. Complaints will be acknowledged by letter or telephone call within 5 working days, where practicable.

Complaints should be resolved within 30 working days where possible. If this timeframe is not achievable, complainants will be notified of any delay, either in writing or by telephone.

8. The Complaint Process

8.1 Stage 1

At the first stage of the complaints process, the complainant should direct their complaint to Queensland Racing Limited's complaint management system by the measures outlined in the "How to Make a Complaint" section of this policy. The complaint will be acknowledged without delay.

The complaint will then be assessed by the Complaints Co-ordinator and discussed with the Director of Integrity Operations. The Complaints Co-ordinator will then either:

- refer the matter to the Chief Steward for an Inquiry to be conducted
- refer the matter to another appropriate Queensland Racing Limited manager or Harassment Officer for remedial action
- refer the matter to the Evidence Evaluation Committee (made up of the Director of Integrity Operations, the Chief Steward and the Legal Compliance Counsel to determine further action, including commencing an investigation, referral etc
- refer the complaint, with the consent of the complainant, to another body or organisation for action, or
- advise the complainant that Queensland Racing Limited will not be taking further action.

8.2 Stage 2

The further action will then be undertaken by the relevant manager, Steward or other relevant Queensland Racing officer. The complainant will be informed of progress of the matter and the identity of the relevant officer.

Once completed, the outcome of the matter will be recorded on the relevant Queensland Racing register and the complainant advised.

During the handling of the complaint, all relevant parties will be afforded natural justice and the findings and reasons for the findings will be conveyed.

8.3 Stage 3

If any party feels that the matter has not been appropriately investigated, the matter will be brought to the attention of the Director, Integrity Operations in letter form. This letter is to outline reasons for dissatisfaction.

The Director of Integrity Operations will consider the matter and outline the reasons for a course of action in writing to the complainant or dissatisfied party.

9. Complaints involving more than One Division

Where a complaint is complex in nature, involving more than one division or area of Queensland Racing Limited, investigating officers within Queensland Racing Limited will liaise with each other and provide a consolidated response to the complaint.

10. Provision for Multiple Complaints

It is recognised that a person may wish to make multiple complaints about a number of aspects within the industry. Where the complaints relate to a single service, experience or event they can be processed as being of one complaint.

If the complaints made relate to different services or events, the complaint will be dealt with as separate complaints.

11. Vexatious Complaints

Although the *Vexatious Proceedings Restriction Act 2002* specifically relates to the ability of the Courts to decide that a person has instituted or conducted vexatious proceedings, it provides a useful definition to determine when complaints are vexatious. The definition includes the below mentioned components:

- An abuse of process

- Complaints initiated to harass or annoy, to cause delay or detriment, or for any other wrongful purpose
- Complaints instituted or pursued without reasonable ground, and
- Conduct of such a manner so as to harass or annoy, cause delay or detriment or achieve any other wrongful purpose.

Vexatious complaints will not be considered by QRL. Any complaints suspected of or found to be vexatious will be brought to the attention of the Director, Integrity Operations.

Queensland Racing Limited recognises the right of people to instigate a complaint and this right will not be unnecessarily or inappropriately curtailed.

12. Satisfaction

It is not always possible to ensure that a complainant is satisfied with the outcome of a complaint. However, Queensland Racing Limited will ensure that the process of resolving a complaint meets all the components of the Australian Standard and will review all feedback in respect of the operation of the system.

13. No further action taken

The Manager or other person within Queensland Racing Limited that has been tasked with handling a complaint, may assess that it is appropriate to take no further action. This could occur in the following circumstances:

- when there is a misunderstanding of the Rules of Racing or the law by the complainant
- when there is a misunderstanding of Queensland Racing Limited procedures by the complainant
- when there has been a communication problem between the complainant and others involved
- when the matter of complaint is of a trivial nature and in the assessment of the Manager or authorised delegate, an investigation is not warranted, or
- the complaint does not identify any conduct requiring redress.

If no further action is to be taken by Queensland Racing Limited, complainants will be advised and an explanation provided.

14. Informal Resolution

Informal resolution is intended to provide a confidential, flexible and simple procedure for dealing with complaints of a minor nature against Queensland Racing Limited employees. The process encourages discussion between the three main parties:

- the officer handling the complaint
- the complainant, and
- the employee who is the subject of the complaint.

Informal resolution will only be used with the permission of either the Chief Operations Manager or Director of Integrity Operations and in circumstances where:

- the conduct complained of amounts to a breach of discipline and not misconduct, and
- the conduct appears to have been lawful and reasonable.

The purpose of the process is to:

- obtain an explanation of the incident (where the conduct of the employee appears to be both lawful and reasonable)
- an apology from the employee to the complainant if there are admissions of fault or if an apology is appropriate and warranted
- an apology on behalf of Queensland Racing Limited to the complainant by the authorised member if complaint has substance and no apology is forthcoming from the employee, and
- when there is no substantiation of either version of the incident, to explain that fact to the complainant and invite acceptance that nothing further should be done by Queensland Racing Limited.

Whilst no adverse reference is to be recorded on the personnel file of the employee in question, the complaints system is to clearly make record of the dispute resolution process.

15. Procedures

This policy will be implemented through various Queensland Racing Limited procedures.

16. Review

The complaints handling standard, AS4269 requires that the complaint management process be reviewed regularly to ensure efficient delivery of effective outcomes. In compliance, Queensland Racing Limited will review their complaints processes every two years from commencement of this policy.

17. Review

This policy was reviewed in February 2009.

Next review date will be February 2011.

18. Rules of Racing

Rules of Racing will not be made for this policy.

For further information contact Jamie Orchard, Director Integrity Operations, by phoning (07) 3869 9742 or emailing jorchard@queenslandracing.com.au
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Queensland Racing Limited

POLICY FOR LAWFUL BETTING ON RACES

COMMENCEMENT DATE

This policy comes into effect on 10 September 2004.

PURPOSE

The *Racing Act 2002* authorises Queensland Racing Limited to make policies for the sound management of the industry. Section 81(f) of the Act requires QRL to make a policy for lawful betting on races under its control, including selling a product to a person lawfully conducting wagering under the *Wagering Act 1998*.

This policy should be read in conjunction with QRL's Policy on Corporate Bookmaking, which sets out the legislative requirements, corporation requirements, financial position and licence conditions for corporate bookmakers.

Corporate bookmakers operating in Queensland must meet QRL's Policy on Corporate Bookmaking. Corporate bookmakers in Queensland operate under different licensing conditions than corporate bookmakers in other jurisdictions, such as the Australian Capital Territory and the Northern Territory.

This policy should also be read in conjunction with QRL's Licensing Policy.

To protect the public interest and the interests of parties to a bet, and to guard against illicit activity, wagering and betting activities are stringently regulated. Under the *Racing Act 2002* and the *Wagering Act 1998*, lawful betting can only occur with a licensed wagering operator or a licensed racing bookmaker. Both the *Wagering Act 1998* and the *Racing Act 2002* restrict licensing of racing bookmakers and wagering operators to people and corporations of suitable character, reputation, experience and financial position. Under section 201 of the *Racing Act 2002*, an applicant for racing bookmaker's licence must hold an eligibility certificate. Eligibility certificates are issued by the Office of Gaming Regulation after checks into the applicant's background to determine whether the applicant is a suitable person to hold a racing bookmaker's licence. The *Racing Act 2002* and the Rules of Racing regulate the way bets with racing bookmakers are made, recorded and settled and how disputes are resolved.

Under the *Wagering Act 1998*, UniTAB is the exclusive wagering licence operator in Queensland for a 15-year period from the Act's commencement. Under the 1999 Product and Program Agreement between the Queensland Racing industry and UniTAB, QRL is required to coordinate the delivery of an approved race-wagering program. In return for providing its racing product to UniTAB, QRL receives a fee from

UniTAB. The product fee is the racing industry's major source of income and is essential to its operation.

Under section 199 of the *Racing Act 2002*, a racing bookmaker licensed by QRL must not carry on bookmaking unless the bookmaking is at a venue licensed by and under the control of QRL at a time when a race meeting is being held and the betting takes place under a direction given by the QRL steward in charge of the meeting.

Section 249 of the Act allows a racing bookmaker to make a bet with a person who is not present at the licensed racing venue. The bet must be made through a telephone bookmaking system that has QRL's approval, the bettor must consent to recording the transaction before the transaction starts and the details of the bet must be confirmed with the bettor before the transaction ends.

Racing bookmakers are not restricted to betting on thoroughbred, harness or greyhound races – QRL may, under the circumstances set out under section 255 of the Act, declare a sporting contingency on which bookmaking is allowed.

QRL charges racing bookmakers a licence fee. Under section 35 of the *Racing Act 2002* and QRL's policy on fees, this licensing fee must reflect the reasonable cost of providing the licensing service. The licensing fee is not a revenue-raising measure. QRL's licensing fee differs from the standing fees and levies that race clubs may charge racing bookmakers. These standing fees and levies are revenue raising measures for the clubs.

The purpose of this policy on lawful betting is to help ensure that the Queensland Racing industry receives a fair return for selling its product to the licensed wagering operator, and that wagering and betting are regulated consistently and in a way that is fair to both parties to the bet.

POLICY STATEMENT

QRL will coordinate the delivery of the Queensland Racing industry's racing product to UniTAB in accordance with the Product and Program Agreement.

QRL will work with the Queensland Racing industry and UniTAB to maximise the return the industry receives for its racing product.

QRL will regulate bookmaking and licence, supervise and monitor racing bookmakers in accordance with the *Racing Act 2002* and the Rules of Racing.

QRL will ensure the highest standards of integrity in racing by only issuing bookmaking licences to people or corporations that are of good character and reputation, that

possess appropriate skills and experience, and are in a sound financial position.

Only a person who holds an eligibility certificate from the Office of Gaming Regulation can be licensed as a racing bookmaker. The Office of Gaming Regulation undertakes background checks to determine the suitability of a person to hold an eligibility certificate. In addition to the Office of Gaming Regulation's checks, QRL may develop and implement extra standards of competency and probity that an applicant must satisfy before being granted a racing bookmaker's licence.

Racing bookmakers must conduct their bookmaking in accordance with the *Racing Act 2002* and the Rules of Racing.

In accordance with section 250 of the *Racing Act 2002*, racing bookmakers must maintain an insurance policy or bond to indemnify bettors against default by the racing bookmaker on payment of winnings to the bettor. The policy or bond must include any conditions that QRL requires. QRL will not license or renew the licence of a racing bookmaker without a policy or bond. QRL will immediately suspend any licensed racing bookmaker without such a policy or bond until it is satisfied an appropriate policy or bond is in place.

QRL may make rules for the licensing and operations of racing bookmakers and their remote clerks, clerks and agents.

APPLICATION

This policy applies to QRL and racing bookmakers licensed by QRL.

DEFINITIONS

Person – for the purposes of the definition of “racing bookmaker” means a natural person or a corporation, the directors executive officers and shareholders of which comply with all requirements imposed by QRL on racing bookmakers who are natural persons. All provisions that apply to racing bookmakers as natural persons also apply to directors, executive officers and shareholders of a corporation licensed as a racing bookmaker.

Product and Program Agreement – the agreement between UniTAB and the QRL industry (QRL, Queensland Harness Racing Board and Greyhound Racing Authority). Under this agreement, the racing industry provides a program of racing “product” to UniTAB in return for a fee.

Racing bookmaker – the holder of a racing bookmaker’s licence. For the purposes of the Rules of Racing, a racing bookmaker is a person licensed by QRL as a racing bookmaker or racing bookmaker’s remote clerk or a person authorised to act as a racing bookmaker’s agent. The Act provides that an individual or a corporation can be licensed as a racing bookmaker.

Racing bookmaker’s clerk – the licence holder of a racing bookmaker’s clerk licence.

Racing bookmaker’s clerk licence – a licence from a control body to be employed by a racing bookmaker as a clerk in the conduct of the racing bookmaker’s business at a licensed venue.

Racing bookmaker’s licence – a licence from a control body as a racing bookmaker for the code of racing that the control body is approved to manage.

Sporting contingency – a contest, contingency or event relating to animals (other than a race), an athletic meeting, exercise, fight, game, pastime or sport.

Telephone bookmaking system – a system approved by QRL for recording bets made between a racing bookmaker and a person not present at a race meeting as provided by section 249 of the *Racing Act 2002*. The bettor must consent to recording the betting transaction before the transaction starts and the details of the bet must be confirmed with the bettor before the betting transaction ends, including, for example, the betting ticket number, account number and amount of the bet.

UniTAB – the holder of the exclusive, 15-year licence as Queensland’s wagering operator.

PROCEDURES

Roles and responsibilities

QRL is responsible for negotiating the Product and Program Agreement and coordinating the delivery of racing product under the agreement. QRL regulates, licenses, supervises and monitors racing bookmakers.

Racing bookmakers and their remote clerks, clerks and agents are responsible for conducting their bookmaking in accordance with the conditions of their licence and the Rules of Racing. Racing bookmakers are responsible for the conduct of their remote clerks, clerks and agents.

Review

This policy was reviewed in July 2008.

Next review date will be July 2010.

Rules of Racing

This policy is consistent with the Rules of Racing for bookmaking.

This policy was made by QRL on 10 September 2004 under s.81(f) of the *Racing Act 2002*. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au

Queensland Racing Limited

POLICY FOR MAKING QUEENSLAND RACING LIMITED OFFICIALS, OTHER STAFF AND LICENSEES AWARE OF THEIR DUTIES

COMMENCEMENT DATE

This policy came into effect on 2 April 2004.

PURPOSE

The *Racing Act 2002* authorises Queensland Racing Limited to make policies for the sound management of the industry. Section 81(p) of the Act requires Queensland Racing Limited to make a policy on making its officials, other staff and licensees aware of their duties under laws such as the *Anti-Discrimination Act 1991*.

Instances of harassment, discrimination, misconduct and unsafe work practices can cause great harm to the individuals involved, as well as reduce productivity and damage the image of Queensland Racing Limited and the Queensland racing industry.

It is in the interest of the racing industry and the public generally that the industry is a safe place to work, free from unsafe work practices, unlawful discrimination, harassment and misconduct.

Queensland Racing Limited has developed policies and practices to make its workplace safe and productive, such as:

- A Code of Conduct and Ethics, which details the standard of behaviour expected of its employees
- A Sexual Harassment, Bullying and Unlawful Discrimination Policy, which sets out the organisation's position on harassment and discrimination and provides information for employees who might experience harassment or discrimination
- A Whistleblower Policy, which gives guidance and support to employees who encounter or disclose improper conduct
- An employment contract that states that employees have a duty to not endanger health and safety and must uphold the Code of Conduct and Ethics
- A draft Workplace Health and Safety Policy and Procedures
- Training for staff on their rights and responsibilities regarding workplace safety, harassment, discrimination and whistleblowing
- A Harassment and Discrimination Referral Officer to provide advice and support to staff who experience harassment or discrimination.

Queensland Racing Limited also provides information, training and support for licensees who experience harassment and discrimination.

The purpose of this policy is to help ensure Queensland Racing Limited provide a work environment free from unsafe work practices, harassment, unlawful

discrimination and misconduct by making its officials and other staff and licensees aware of their responsibilities in this regard.

POLICY STATEMENT

Queensland Racing Limited will take all reasonable steps to provide a safe working environment for its officials, other staff and licensees by fostering a culture of high ethical standards and support for whistleblowers and by not tolerating unlawful discrimination, harassment or unsafe work practices.

Queensland Racing Limited will provide information and training to its officials and other staff and licensees to help ensure they are aware of their rights and responsibilities under relevant legislation, including:

- *Anti-Discrimination Act 1991*
- *Disability Discrimination Act 1992*
- *Human Rights and Equal Opportunity Commission Act 1986*
- *Public Sector Ethics Act 1994*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984*
- *Whistleblowers Protection Act 1994*
- *Workplace Health and Safety Act 1995*
- *Crime and Misconduct Act 2001*

Training for officials and other staff will be provided as part of their induction and on a regular and ongoing basis and information will be posted on staff noticeboards.

Queensland Racing Limited managers and supervisors will model appropriate standards of behaviour and use staff meetings regularly to discuss ethical standards and expectations of appropriate behaviour.

Queensland Racing Limited will not tolerate offensive, explicit or pornographic calendars, literature, posters and other materials in the workplace and will enforce the provisions of its internet and email policy against unacceptable work practices.

Queensland Racing Limited will provide all appropriate support to whistleblowers and the victims of harassment and discrimination.

Queensland Racing Limited will provide information to licensees through the Racing Calendar and its website.

Queensland Racing Limited stewards will use their powers under the Rules of Racing to investigate allegations of sexual harassment and discrimination, lay charges and impose penalties.

Through its Harassment and Discrimination Referral Officer, Queensland Racing Limited will provide advice and support to licensees who experience unlawful discrimination or harassment.

APPLICATION

This policy applies to Queensland Racing Limited officials, other staff and licensees.

DEFINITIONS

Conflict of interest – refers to a conflict between a private interest and official duty. For example, being in a position to use public office, knowledge and access to resources or influence for improper purposes or private interests. Conflicts of interest can be real or apparent. A real conflict of interest exists when a reasonable person would conclude that the official's private interests interfere, or are likely to interfere, with the proper performance on his or her official duties. An apparent conflict of interest exists when there is an appearance that an official's private interests may interfere with the proper performance of his or her official duties although, in reality, this may not be the case.

Discrimination – occurs when a person is treated more or less favourably than another person would be under similar circumstances. Discrimination is unlawful when it is on the basis of an attribute described in the *Anti-Discrimination Act* (i.e. sex, marital status, pregnancy, parental status, breastfeeding, age, race, impairment, religion, political belief or activity, trade union activity, lawful sexual activity, sexuality, gender identity, family responsibilities; or association with, or relation to, a person identified on the basis of any of the above attributes).

Official misconduct – generally means conduct that involves:

- behaviour which is dishonest or not impartial in the exercise of powers or authority (e.g. soliciting or receiving benefits);
- behaviour which adversely affects or could adversely affect, directly or indirectly, the honest or impartial exercise of powers or authority (e.g. allowing personal relationships to affect decisions, or using sexual harassment to obtain a gain at the expense of the public);
- a breach of trust placed in a person by reason of his or her employment (e.g. to breach the confidentiality of matters of a personal nature);
- misuse by any person of information or material acquired in connection with his or her employment, either for the benefit of the person or another person (e.g. disclosing confidential or privileged information to an unauthorised other person); and
- which constitutes or could constitute a criminal offence or a disciplinary breach that provides reasonable grounds for termination of employment.

Sexual harassment – is any unwanted, unwelcome or uninvited behaviour of a sexual nature that makes a person feel humiliated, intimidated or offended.

Whistleblower – a person who discloses information about official misconduct, maladministration, negligent or improper management of public funds, reprisal, or danger to persons or the environment in the public interest to an authority that is able to investigate and remedy the matter.

PROCEDURES

Roles and responsibilities

Queensland Racing Limited officials and other staff

In accordance with the Code of Conduct and Ethics, all Queensland Racing Limited officials and other staff must maintain the highest standards of professionalism, probity, diligence and integrity. They must ensure they understand their responsibilities under the Code of Conduct and Ethics, Sexual Harassment, Bullying and Unlawful Discrimination Policy, Whistleblowers Policy and draft Workplace Health and Safety Policy and Procedures. They have a duty to disclose breaches of the code, the policies or any official misconduct they may encounter.

Queensland Racing Limited managers and supervisors

Queensland Racing Limited managers and supervisors must model the highest standards of ethical behaviour, provide a work environment for their staff that is free of unsafe work practices, unlawful discrimination and harassment. They must regularly discuss the ethical standards and behaviour expected of their staff. They must act on any ethical or behavioural breaches they become aware of and provide support to staff who experience harassment or discrimination or who disclose misconduct.

Licensees

Under the Rules of Racing, licensees have a responsibility not to act in an improper, unseemly or dishonourable way in connection with racing or to engage in conduct prejudicial to the image, interests or welfare of racing.

Review

This policy was reviewed in March 2008.

Next review date will be March 2010..

Rules of Racing

Rules of Racing will not be made for this policy.

This policy was made by Queensland Racing Limited on 2 April 2004, under s.81(p) of the *Racing Act 2002*. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au.

Queensland Racing Limited

POLICY FOR EMPLOYMENT OF STAFF NOT REQUIRED TO BE LICENSED

COMMENCEMENT DATE

This policy comes into effect on 6 August 2004.

PURPOSE

The *Racing Act 2002* (Act) authorises Queensland Racing Limited (Queensland Racing) to make policies for the sound management of the industry. Section 81(l) of the Act requires Queensland Racing to make a policy for the employment of officials, staff and other persons who are not required to be licensed.

To administer the racing industry efficiently and effectively, Queensland Racing must attract and retain suitably qualified officials and other staff, as well as other service providers such as consultants.

To attract and retain staff, Queensland Racing uses fair and open recruitment and selection practices and offers attractive remuneration and conditions for employees.

To select high quality consultants, Queensland Racing uses fair and open tendering practices, including tendering for inclusion on panels of preferred suppliers.

The purpose of this policy is to ensure Queensland Racing's recruitment, selection, staff development and tendering practices are fair to all concerned and provide value for money for the organisation.

POLICY STATEMENT

Queensland Racing is an equal opportunity employer that selects officials and other staff and consultants on merit.

Queensland Racing will use fair and transparent process to recruit staff and engage consultants.

All positions within Queensland Racing will have a role profile to describe the position and selection criteria for the position to help make selection decisions more objective and transparent, and to help make selection panels accountable for their decisions.

Authority to approve the decision to recruit for a position within Queensland Racing is vested in the Chief Operations Manager.

Queensland Racing may fill vacancies by recruiting internally or externally.

Queensland Racing will initially advertise all vacancies internally.

Queensland Racing may recruit externally by using any or all of the following:

- referrals from, for example, existing staff
- files on previous applicants
- advertisements in external media, or
- recruitment consultants.

Where QRL conducts the recruitment directly, a selection panel of a minimum of two (2) officers of appropriate seniority will be responsible for assessing applications, interviewing applicants, selecting the preferred applicant and conducting referee checks. Where possible, selection panels will have gender balance.

Panel members should have:

- a comprehensive understanding of the role
- an ability to ask detailed and pertinent questions
- prior experience in interviewing
- a sound knowledge of EEO principles, and
- a demonstrated ability to make decisions objectively.

The selection panel will contact at least two (2) referees the preferred applicant nominates.

Hiring relatives of staff or re-hiring former staff will require the Human Resources Remuneration Committee's approval.

Engagement of recruitment agencies and other consultants

Where Queensland Racing uses a recruitment agency, Queensland Racing will ensure the agency's selection processes are fair and accord with QRL's recruitment principles outlined above.

When engaging a recruitment agency or employing consultants or contractors generally, Queensland Racing will adhere to the six principles guiding its purchasing policy:

- Value for money
- Quality of product, service, and support
- Open and fair competition
- Accountability of outcomes
- Use of Queensland product where price-competitive and where quality standards are met, and
- Suppliers are compliant with all taxation requirements.

Queensland Racing may engage a recruitment consultant without calling for tenders if that consultant is a member of a panel of recruitment service providers Queensland Racing has established in accordance with its procedures for preferred suppliers (see below).

Short-term and one-off consultancies

For short-term, one-off contracts worth less than \$10,000, Queensland Racing may use preferred suppliers where the supplier has provided a high quality service, has the necessary expertise and is available. The consultant may be appointed without a formal competitive process being undertaken. If such a consultant is not available, three (3) quotes from prospective consultants will be obtained and evaluated.

For short-term, one-off contracts worth between \$10,000 and \$100,000, Queensland Racing will call tenders from at least three (3) preferred suppliers. The selection of these three (3) preferred suppliers, and subsequent evaluation of their proposals, will take into account the six (6) purchasing principles. The evaluation of the proposals will be undertaken by the Chief Operations Manager.

For short-term and one-off contracts worth more than \$100,000, Queensland Racing will use a public tender process, including appropriate advertising. Tenders will be evaluated against Queensland Racing's six (6) purchasing principles by a panel of no less than two accountable officers and be approved by a delegated officer.

Longer-term consultancies

For longer-term consultancies that may involve a preferred supplier or suppliers undertaking a range of tasks over an extended time, Queensland Racing may select a consultant from a panel of preferred suppliers. Before such a selection, Queensland Racing will have established such a panel through a competitive process adhering to the six (6) purchasing principles. The process will be appropriately documented and be approved by a delegated officer.

Queensland Racing will not enter into preferred supplier arrangements for individual longer-term consultancy contracts worth more than \$100,000 without an open tender process.

Documentation

Queensland Racing will not purchase supplies from entities that are unable to quote an ABN. Queensland Racing requires suppliers to provide a tax invoice in the form specified by the GST legislation.

Queensland Racing will properly document all acquisitions in accordance with the six (6) purchasing principles and guidelines specified in its purchasing policy.

Queensland Racing staff with a financial delegation must ensure any expenditure they approve is within their delegation.

APPLICATION

This policy applies to Queensland Racing officials and other staff.

DEFINITIONS

Queensland Racing official – a person employed by Queensland Racing who, under the Rules of Racing, is required to be a Queensland Racing official, such as a Steward.

Other Queensland Racing staff - a person employed by Queensland Racing who is not a Queensland Racing official, such as a finance officer.

Recruitment agency – consultants Queensland Racing engages to recruit staff

Consultants – organisations or individuals Queensland Racing engages as needed to provide legal, human resources, information technology, technical or other specialist services.

Human Resource and Remuneration Committee – a Queensland Racing Board-appointed committee having a minimum of two (2) persons.

PROCEDURES

Roles and responsibilities

Selection panel members must ensure recruitment processes they participate in are conducted according to Queensland Racing's Recruitment Policy and Procedures.

Purchasing officers must ensure their purchasing processes accord with Queensland Racing's Purchasing Policy.

Queensland Racing staff with a financial delegation must ensure any expenditure they approve is within their delegation.

The Board of Queensland Racing is responsible for approving expenditure exceeding \$100,000.

Review

This policy was reviewed in June 2009.

Next review date will be June 2011.

Rules of Racing

Rules of Racing will not be made for this policy.

<p>This policy was made by QRL on 6 August 2004 under s.81(l) of the <i>Racing Act 2002</i>. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au.</p>
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CONFIDENTIALITY AND INTELLECTUAL PROPERTY Policy and Procedures

Authorised By:	Human Resource and Remuneration Committee	Date of Authorisation:	{ FORMTEXT }
Last Amendment Date:	{ FORMTEXT }		
Review Due Date:	{ FORMTEXT }		
Policy Owner:	{ FORMTEXT }		
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct Policy▪ Grievance Handling Policy▪ Performance Counselling Policy	<ul style="list-style-type: none">▪ Workplace Relations Act 1996	

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

During the course of employment with QRL, employees may be given access to confidential information or intellectual property concerning QRL and its clients, licensees or associated entities. QRL has a strict policy relating to confidentiality and intellectual property as these are the company's assets, and the disclosure of confidential information or intellectual property may be highly detrimental or damaging to the company.

This policy outlines the responsibilities of QRL and its employees, when dealing with confidential information and intellectual property.

SCOPE

This policy applies to all employees, including permanent, casual and temporary personnel, of QRL, unless otherwise identified by the COM.

DEFINITIONS

Confidential Information: all information regarding QRL's affairs including information regarding finances, pricing, clients, suppliers, marketing, strategies, personnel, technology, intellectual property, operations, manuals containing systems and procedures, general business, and any other information that employees know or should know to treat as confidential.

Intellectual Property: the ownership of, and rights relating to, confidential information, inventions, trademarks, patents, designs, secret processes or strategies, discoveries and copyright material.

POLICY PRINCIPLES

1.1. CONFIDENTIAL INFORMATION

During employment and after employment ends, employees must:

- ⌘ Keep confidential all confidential information.
- ⌘ Not discuss, communicate or transmit confidential information to other persons or make any copy of the confidential information.
- ⌘ Use their best endeavours to prevent the unauthorised disclosure of any such confidential information or trade secrets by a third party.

The above provision does not apply if the employee is required by law to disclose the confidential information; the manager's approval to disclose the confidential information is obtained; or the confidential information is disclosed for a proper purpose relating to QRL.

Information which the public is able to access, other than because of an employee's inadvertent disclosure, is not confidential information. If an employee is uncertain as to whether any information is confidential information, that information should be treated as if it were confidential unless QRL agrees in writing that the information is not confidential.

Obligations relating to confidentiality shall survive the termination of employment. Employees must not, after termination of employment use confidential information for a purpose other than for the benefit of QRL.

1.2. INTELLECTUAL PROPERTY

This information belongs to QRL and must be protected and treated as confidential.

Any intellectual property that is created, invented or developed during an employee's term of engagement with QRL and which arises out of or is related in any way to the company, including any work for QRL's customers or licensees, vests in and belongs to QRL. Employees must immediately disclose to QRL in writing, any invention or improvement they make or conceive of during the course of performing their duties.

QRL has the right to apply for, or have assigned to the company or its nominee, copyright, patents, trademarks and other intellectual property, and employee shall, if required, do all things necessary to transfer the rights in the intellectual property to QRL or its nominee.

If proprietary information is to be shared with persons external to QRL, prior written approval must be obtained from management and, if appropriate, a *Confidentiality Agreement* must be signed by the external party.

Obligations relating to intellectual property continue after an employee's employment with QRL ends.

1.3. THIRD PARTY CONFIDENTIAL INFORMATION OR INTELLECTUAL PROPERTY

Employees should not bring into the workplace or otherwise utilise in whole or in part confidential information and/or intellectual property belonging to any former employer or of any other third party without the consent of such third party.

PROCEDURE

1.1. RETURN OF CONFIDENTIAL INFORMATION OR INTELLECTUAL PROPERTY

At QRL's request at any time or upon the termination of employment, employees must return to QRL all confidential information and intellectual property including but not limited to all records, reports, customer lists in whatever form, belonging to QRL or its clients, licensees or associated entity, which may be in the employee's possession.

1.2. POLICY BREACHES

Any reported breaches of this policy will be treated seriously and investigated confidentially and objectively. QRL will treat all complaints seriously, impartially and confidentially. In all cases it is essential that all persons concerned maintain complete confidentiality in order to protect the parties involved.

Failing to adhere to this policy may result in the following actions, at the discretion of QRL:

- ✘ Counselling;
- ✘ Written Warning;
- ✘ Final Written Warning;
- ✘ Instant Dismissal;
- ✘ Any other lawful or legitimate action QRL deems fit under the circumstances.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.01	16/03/2009	Policy Creation	HRBS
01.02	06/10/2009	Text form update for share point release	Ali Wade



PAYROLL Policy and Procedures

Authorised By:	Human Resource and Remuneration Committee	Date of Authorisation:	{ FORMTEXT }
Last Amendment Date:	{ FORMTEXT }		
Review Due Date:	{ FORMTEXT }		
Policy Owner:	{ FORMTEXT }		
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct Policy▪ Working Hours Policy▪ Termination of Employment Policy▪ Change of Details Form▪ Timesheet▪ Overtime Form	<ul style="list-style-type: none">▪ Workplace Relations Act 1996	

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

QRL's remuneration standards are based on a pay for performance philosophy, in accordance with employees' experience and the position requirements.

This policy is designed to ensure that payment of remuneration is consistent, equitable and processed in an effective and efficient manner; in accordance with all legal requirements.

SCOPE

This policy applies to all employees, including permanent, casual and temporary personnel, of QRL, unless otherwise identified by the COM.

DEFINITIONS

Total Remuneration Value: total remuneration package payable to the employee, inclusive of all remuneration entitlements.

POLICY PRINCIPLES

1.1. PAYMENT OF SALARIES

Salaries are paid on a monthly basis for all employees. Payments will be made on the first working day after the 14th day of each month, directly into the bank account, building society or credit union of the employee's choice. Payments cannot be made to any third party without written authority from the employee concerned.

Pay will be calculated in accordance with the employees' contract of employment or applicable industrial instruments, and relevant documentation received by payroll no later than 12pm, two days prior to the 14th day of each month.

1.2. PAYSLIPS

QRL issues pay slips to employees through the ConnX system on the day on which they are paid.

1.3. PAYROLL CUT-OFF

Payroll cut off will be two days prior to payday (i.e. two days prior to the 14th day of each month).

Payroll cannot guarantee that forms received after this date will be processed during that pay run. Payroll may reject any documentation without relevant approval.

1.4. CHANGES TO SALARIES

Adjustments to pay rates will only be made in response to written requests from the appropriate manager. Such changes may be backdated where appropriate.

1.5. SALARY REVIEWS

Salary levels are reviewed on an annual basis; refer to the *Remuneration Policy* for further information.

New employees who have been with QRL for less than six months may not be eligible for a review due to their short length of time with the company. Similarly employees who have received an anomaly or promotional increase immediately prior to the annual review may not be included in the review.

1.6. CHANGES TO ACCOUNT DETAILS

It is the employee's responsibility to advise payroll of any changes to bank account details. Should an employee wish to change the details of their bank account information, employees must email the payroll department at the following email address payroll@queenslandracing.com.au, prior to the payroll cut off.

Payroll cannot be held responsible for any delays in processing that arise due to changes in bank details.

1.7. SEPARATION PAYMENTS

On termination of employment, all entitlements; untaken annual or long service leave, payments in lieu of notice and any applicable severance payment, will be paid directly to the employee's bank account within three (3) working days of termination.

QRL may make deductions from the employee's final separation payment in line with the *Termination of Employment Policy*.

PROCEDURE

1.8. POLICY BREACHES

Failing to adhere to this policy may result in the following actions, at the discretion of QRL:

- ⌘ Counselling.
- ⌘ Written Warning.
- ⌘ Final Written Warning.
- ⌘ Instant Dismissal.
- ⌘ Any other lawful or legitimate action QRL deems fit under the circumstances.

RELATED POLICIES

- ⌘ Remuneration Policy.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.01	22/05/2009	Policy Creation	HRBS
01.02	06/10/2009	Text form update for share point release	Ali Wade



REMUNERATION Policy and Procedures

Authorised By:	Human Resource and Remuneration Committee	Date of Authorisation:	{ FORMTEXT }
Last Amendment Date:	{ FORMTEXT }		
Review Due Date:	{ FORMTEXT }		
Policy Owner:	{ FORMTEXT }		
Related Documents:	Motor Vehicle Policy Fair Work Act 2009 Performance Agreement and Appraisal Policy	▪ TRV Election Form	

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

Queensland Racing Limited (QRL) recognises that to attract and retain skilled people, remuneration packages must be competitive and flexible.

This policy details the concept of total remuneration value (TRV). QRL takes a flexible approach to the structuring of TRV and allows employees to determine how they will receive their remuneration. Employees will be permitted to structure their TRV in accordance with this policy.

SCOPE

This policy applies to all permanent employees of QRL, unless otherwise identified by the COM.

DEFINITIONS

Total Remuneration Value (TRV): the total remuneration package of an employee, which incorporates base salary, superannuation and all salary packaging arrangements.

Fringe Benefits Tax (FBT): the tax payable by QRL on some categories of benefits provided to employees.

POLICY –

QRL will:

- Remunerate employees on the basis of competitive market rates, ensuring that equity is maintained at all times;
- Adopt the concept of total remuneration value (TRV), which allows employees to determine how they will receive their remuneration, in accordance with the salary package options outlined within this policy;
- Capture the actual total cost to the organisation of any salary packaging (including Fringe Benefits Tax) to form part of the cost to the employee under the TRV concept. Therefore, the employee will be responsible for all costs associated with salary packaging;
- Allow salary packages to be flexibly structured to include the following items:
 - Motor vehicles (must be an eligible vehicle, in accordance with QRL's Motor Vehicle Policy)
 - Superannuation
 - Business-related equipment (laptop computer or electronic diary)
 - Private health insurance.
- Ensure that all salary packages comply with Australian Taxation Office (ATO) rulings (which currently enable up to 50% of base salary to be salary sacrificed). Should there be any change to the current treatment of salary packaging, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to QRL.
- Encourage employees to seek their own financial advice in relation to how they structure their TRV;
- Undertake a review of the TRV salary package of all employees annually, in accordance with QRL's normal salary review procedures.

- Undertake an independent remuneration review of all salaries and positions within QRL on an as needs basis.

Procedures

1. TRV Arrangements

1.1 The TRV of employees will incorporate:

- Base salary (inclusive of allowances, penalties and loadings), paid in twelve equal monthly instalments.
- Superannuation contributions, in accordance with statutory requirements into a nominated complying superannuation fund of the employees choice. Employees may elect to contribute additional amounts of their base salary, as agreed, into their superannuation fund.
- Other salary package items as elected by the employee, in line with the options outlined within this policy.

1.2 All employees will be advised of the allowable salary package options that may be included as part of the TRV upon commencement of employment with QRL and as any changes are made to this policy.

- If an employee wishes to elect a motor vehicle as one of their salary package items, they must first read the QRL Motor Vehicle Policy and elect a category (A or B) of package.

1.3 All employees are to complete a TRV Election Form (see Appendix 1) advising of their choice of options at the commencement of their employment with QRL.

- QRL will calculate the costs of the selected options in relation to the employee's TRV and return the form to the employee for approval and signature.

1.4 Employees may only change their package options annually at the time of their remuneration review. (In exceptional circumstances, an employee may change their package options outside this time with the approval of the COM).

- If an employee wishes to change their salary packaging options they must complete the TRV Election Form (see Appendix 1)

2 Confidentiality

Remuneration arrangements are confidential information. Just as QRL accepts its obligation to maintain and protect remuneration confidentiality, each employee is expected to maintain confidentiality of remuneration information.

3 Annual Remuneration Review

All TRV's will be reviewed annually and will take effect from 1 July of each year. Any review is to take into consideration market movement, the employee's performance (in line with the QRL Performance Agreement and Appraisal System), QRL's financial situation and internal relativities across QRL. It will be entirely within the discretion of QRL as to whether or not an employee's TRV is altered as a result of this review.

For employees who have motor vehicles as a component of their salary package, the review will take into consideration changes in the resale market of motor vehicles, changes in the cost of fuel,

FBT implications and QRL's situation. It will be entirely within the discretion of QRL whether or not an employee's TRV, including the motor vehicle component, is altered as a result of this review.

Regardless of the outcome of the annual remuneration review, all employees employed as at 1 July will receive written notification of the status of their individual circumstances, specifying whether there is a change to their existing remuneration.

4 Raising a Concern

If an employee has any concerns regarding remuneration they should raise this with their line manager.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.01	01/08/2009	Policy Review	HRBS
01.02	06/10/2009	Text form update for share point release	Ali Wade

Appendix 1

TOTAL REMUNERATION VALUE - ELECTION FORM

This form is to be completed by you at the commencement of your employment with QRL to elect your TRV salary package options. It is also to be used at any time you wish to change your TRV options.

QRL advises you to seek your own financial advice in relation to how you structure your TRV.

I,, have read the QRL Remuneration Policy and request that the following options are included as part of my total remuneration value (TRV) salary package.

Salary Package Item	Items Elected (please tick if yes and specify any additional detail required))	Cost to Employee (to be calculated by QRL)
Motor vehicle* (full operating costs including FBT) *Refer to QRL's Motor Vehicle Policy before electing this item.	(specify if you would like to elect category A or B)	
Laptop computer (one per year)		
Electronic diary (e.g., Palm Pilot)		
Voluntary Superannuation		
Compulsory superannuation (currently 9%)		

This form must be returned to the Finance Manager who will discuss the costs of specific salary sacrifice items with you, complete column 3 of the form and return this form to you for your approval and signature.

Employee's signature:

Date:



Queensland Racing

**Policy on Sexual Harassment, Bullying and
Unlawful Discrimination in the Racing Industry**

Policy on Sexual Harassment, Bullying and Unlawful Discrimination in the Racing Industry

Draft for Consultation

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Commencement date

This policy comes into effect on 3 June 2005.

Part 1 Purpose

The *Racing Act 2002* authorises Queensland Racing to make policies for the sound management of the industry. Section 80(1) authorises Queensland Racing to make policies for the good management of the racing industry. Section 34 (2) of the Act gives Queensland Racing the power to give a direction to a club in relation to that club’s

operations. Race clubs must comply with any such direction.

It is in the interest of the racing industry, those who work or participate in the industry, and the public generally, that the industry be free from sexual harassment, bullying, unlawful discrimination and victimisation.

Queensland Racing will not tolerate behaviour that is shown to be discriminatory, or which constitutes harassment, bullying or victimisation.

All licensees, race club officials and other racing industry participants must comply with this policy on Sexual Harassment, Bullying and Unlawful Discrimination.

The purpose of this Policy is to:

- provide standards of conduct for observance by licensees, race club officials and all other participants in the Queensland racing industry; and
- help foster an environment free from sexual harassment, bullying, unlawful discrimination and victimisation within the industry by making licensees, race club officials and other racing industry participants aware of their responsibilities regarding the prevention of sexual harassment, bullying, unlawful discrimination and victimisation.

Part 2 Introduction

All people have the right to work in an environment and participate in an industry that is free from sexual harassment, bullying, unlawful discrimination and victimisation.

Instances of sexual harassment, bullying, unlawful discrimination and victimisation can cause great harm to the individuals involved and the organisations concerned.

The effects on individuals may include stress, loss of confidence, poor work performance, anger, depression, relationship problems, damage to reputation and unemployment.

The consequences for organisations may include low staff morale, high staff turnover, reduced productivity, damage the organisation's reputation, reduced customer patronage, lower profits and exposure to fines and legal costs through vicarious liability.

The damage may spread beyond the organisations directly involved to include the image and reputation of the wider industry.

Queensland Racing has a duty to the Queensland racing industry to take all reasonable steps to prevent sexual harassment, bullying, unlawful discrimination and victimisation from occurring in the industry.

This Policy applies to all licensees, race club officials and other participants in the

Queensland racing industry and provides standards of conduct for them to observe.

Part 3 Definitions

Race club official – includes committee members of the club and all other persons employed or remunerated by the club, whether full-time, part-time, permanent, fixed-term, contract or casual.

Licensee – a person who holds a licence issued by Queensland Racing.

Queensland Racing policies – policies from time to time adopted by Queensland Racing.

Statutory obligations – obligations imposed from time to time by legislation including, where relevant and without limitation, obligations imposed on licensees, race club officials and other racing industry participants by the: *Anti-Discrimination Act 1991*, *Crime and Misconduct Act 2002*, *Financial Administration and Audit Act 1977*, *Public Records Act 2002*, *Public Sector Ethics Act 1994*, *Racing Act 2002*, *Statutory Bodies Financial Arrangements Act 1982*, *Whistleblowers Protection Act 1994* and *Workplace Health and Safety Act 1995* and any relevant regulations made pursuant to statute.

Vicarious liability – means an employer is liable for the acts committed by an employee in the course of his or her work. The acts must be committed in the course of employment, while the employee is acting within the scope of the employee's authority and performing the employment duties, or be acts incidental to the employment duties. A defence against vicarious liability is that the employer has taken reasonable steps to prevent the acts from occurring.

Part 4 Queensland Racing's policies and practices

Queensland Racing has developed policies and practices to make its workplace safe and productive, such as:

- A Code of Conduct, which details the standard of behaviour expected of its employees
- An employment contract that states that employees have a duty not to endanger health and safety and to uphold the Code of Conduct
- A Whistleblower Policy, which gives guidance and support to employees who encounter or disclose improper conduct
- Training for staff on their rights and responsibilities regarding workplace safety, harassment, discrimination and whistleblowing
- A Harassment and Discrimination Referral Officer to provide advice and support to staff who experience sexual harassment, bullying or unlawful discrimination
- A Sexual Harassment, Bullying and Unlawful Discrimination Policy, which sets out the organisation's position on sexual harassment, bullying, unlawful discrimination

and victimisation and provides information for employees who might experience sexual harassment, bullying, unlawful discrimination or victimisation.

Queensland Racing will take all reasonable steps to provide a safe working environment for its employees by fostering a culture of high ethical standards and providing support for whistleblowers and by not tolerating sexual harassment, bullying, unlawful discrimination or victimisation.

Queensland Racing will provide information and training to its employees to help ensure they are aware of their rights and responsibilities under relevant legislation and standards, including:

- *Anti-Discrimination Act 1991*
- *Disability Discrimination Act 1992*
- *Human Rights and Equal Opportunity Commission Act 1986*
- *Public Sector Ethics Act 1994*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984*
- *Whistleblowers Protection Act 1994*
- *Prevention of Workplace Harassment Advisory Standard 2004* (Queensland Department of Industrial Relations).

Training for employees will be provided as part of their induction and on a regular and ongoing basis and information will be posted on staff noticeboards.

Queensland Racing managers and supervisors will model appropriate standards of behaviour and use staff meetings regularly to discuss ethical standards and expectations of appropriate behaviour.

Queensland Racing will not tolerate offensive, explicit or pornographic calendars, screen savers, literature, posters and other materials in the workplace and will enforce the provisions of its internet and email policy against unacceptable work practices.

Queensland Racing will provide all appropriate support to those employees who are affected by sexual harassment, bullying, unlawful discrimination and victimisation.

Queensland Racing encourages all race clubs, licensees and other employers within the racing industry to:

- model appropriate standards of behaviour and clearly articulate expected standards of behaviour for their employees
- develop codes of conduct and policies on sexual harassment, bullying and unlawful discrimination
- provide training to staff on their rights and responsibilities regarding the prevention of

- sexual harassment, bullying and unlawful discrimination
- provide support for employees who have experienced sexual harassment, bullying or unlawful discrimination.

Employers in the racing industry may contact Queensland Racing for preliminary advice on these measures to prevent sexual harassment, bullying and unlawful discrimination.

Part 5 Equal opportunity

The *Anti-Discrimination Act 1991* and *Sex Discrimination Act 1984* (Commonwealth), prohibit discrimination, victimisation, sexual harassment and vilification in certain circumstances, such as employment and the provision of services.

Sexual harassment may involve behaviour that would also be an offence under the criminal law – for example, physical assault, indecent exposure, sexual assault, stalking or obscene communications. Sexual harassment may be a breach of Queensland Racing's common law duty, as an employer, to take reasonable care for the health and safety of employees. It can also be a breach of occupational health and safety legislation.

Federal anti-discrimination legislation further prohibits discrimination on the basis of criminal record, medical record or social origin.

It is in the best interest of the Queensland racing industry that all employers within the industry practice equal opportunity in the recruitment, training and retention of staff.

Employees should be valued according to how well they perform their duties. They should be treated on their merits, without regard to race, age, sex, relationship status or any other factor not applicable to the position.

All racing industry employees should be able to work in an environment free of discrimination, victimisation, sexual harassment and vilification. These behaviours unacceptable and they should not be tolerated under any circumstances.

Racing industry employers should take appropriate action to ensure their workplaces are equal opportunity workplaces and are free from sexual harassment, bullying and unlawful discrimination.

Part 6 What conduct is objectionable?

6.1 Sexual harassment

Sexual harassment happens if a person:

- (a) subjects another person to an unsolicited act of physical intimacy; or

- (b) makes an unsolicited demand or request (whether directly or by implication) for sexual favours from the other person; or
- (c) makes a remark with sexual connotation relating to the other person; or
- (d) engages in any other unwelcome conduct of a sexual nature in relation to the other person;

and the person engaging in the conduct described in paragraphs (a), (b), (c) or (d) does so:

- (e) with the intention of offending, humiliating or intimidating the other person; or
- (f) in circumstances where a reasonable person would have anticipated the possibility that the other person would be offended, humiliated or intimidated by the conduct.

Sexual harassment can take many different forms and may include physical contact, comments, jokes, propositions, the display of offensive material or other behaviour that creates a sexually hostile working environment. Examples of sexual harassment include:

- uninvited touching, uninvited kisses or embraces
- smutty jokes or comments
- making promises or threats in return for sexual favours
- displays of sexually graphic material including posters, pinups, cartoons, graffiti or messages left on notice boards, desks or common areas
- repeated invitations to go out after prior refusal
- “flashing” or sexual gestures
- sex-based insults, taunts, teasing or name-calling
- staring or leering at a person or at parts of their body
- sexually explicit conversation
- persistent questions or insinuations about a person’s private life
- offensive phone calls, letters, e-mail messages or computer screen savers
- stalking.

Sexual harassment is not behaviour based on mutual attraction, friendship and respect. If the interaction is consensual, welcome and reciprocated, it is not sexual harassment.

Sexual harassment is against the law wherever and whenever it occurs. Sexual harassment must not be tolerated in the workplace or in any work-related context such as the races, work functions and business trips.

Sexual harassment can arise from a single incident – it depends on the circumstances. Obviously some actions or remarks are so offensive that they constitute sexual harassment in themselves, even if they are not repeated. Other single incidents, such as an unwanted invitation out, may not constitute harassment if they are not repeated and are polite and respectful.

There is no onus on the person being harassed to say he or she finds the conduct

objectionable. Many people find it difficult to speak up. All employees are responsible for their own behaviour. If you think the behaviour may offend, then do not do it!

All licensees, race club officials and other racing industry participants must ensure that they do not sexually harass another person in the workplace or in any work-related context such as the races, work functions and business trips.

6.2 Bullying

A person is subjected to bullying if the person is subjected to repeated behaviour, other than behaviour amounting to sexual harassment, by a person, including the person's employer or a co-worker or group of co-workers of the person that:

- is unwelcome and unsolicited and
- the person considers to be offensive, intimidating, humiliating or threatening and
- a reasonable person would consider to be offensive, humiliating, intimidating or threatening.

Bullying does not include reasonable management action taken in a reasonable way by the person's employer in connection with the person's employment, including legitimate disciplinary action and performance management.

Bullying is also known as mobbing or workplace harassment.

Bullying can occur between people in any direction within a workplace, for example:

- laterally (a co-worker harassing another co-worker)
- upwards (a worker harassing a manager/supervisor)
- downwards (a supervisor/manager harassing a worker).

Bullying may occur in one-to-one situations, in front of managers or supervisors, co-workers, clients or customers or by written, visual, electronic communications such as letters, drawings, emails or telephone communications. It may be direct or indirect.

Examples of bullying include, but are not limited to:

- abusing a person loudly, usually when others are present
- repeated threats of dismissal or other severe punishment for no reason
- constant ridicule and being put down
- leaving offensive messages on email or the telephone;
- sabotaging a person's work, for example, by deliberately withholding or supplying incorrect information, hiding documents or equipment, not passing on messages and getting a person into trouble in other ways
- maliciously excluding and isolating a person from workplace activities

- persistent and unjustified criticisms, often about petty, irrelevant or insignificant matters
- humiliating a person through gestures, sarcasm, criticism and insults, often in front of customers, management or other workers
- spreading gossip or false, malicious rumours about a person with an intent to cause the person harm.

All licensees, race club officials and other industry participants must ensure that they do not bully another person in the workplace or in any work-related context such as the races, work functions and business trips.

6.3 Unlawful discrimination

Unless a statutory exemption applies, discrimination, whether direct or indirect, may be unlawful when it is on the basis of an attribute described in the *Anti-Discrimination Act* (i.e. sex, sexuality, gender identity, marital status, family responsibilities, pregnancy, parental status, breastfeeding, age, race, impairment, religion, political belief or activity, trade union activity, lawful sexual activity; or association with, or relation to, a person identified on the basis of any of the above attributes) in a specified area of activity, for example, work and work-related areas.

Direct discrimination may occur if a person treats or proposes to treat, a person with an attribute less favourably than another person without the attribute is or would be treated in circumstances that are the same or not materially different.

Indirect discrimination may occur if a person imposes, or proposes to impose, a term:

- (a) with which a person with an attribute does not or is not able to comply and
- (b) with which a higher proportion of people without the attribute comply or are able to comply and
- (c) that is not reasonable.

Discrimination may involve:

- making offensive “jokes” about another worker’s racial or ethnic background, sex, sexual preference, age or disability
- expressing negative stereotypes about particular groups, for example “married women shouldn’t be working”
- judging someone on their political or religious beliefs rather than their work performance
- using selection processes based on irrelevant attributes such as age, race or disability rather than on skills and merit.

Discrimination occurs when someone is treated unfairly or badly compared to others,

often because they are seen as different. It is against the law to discriminate against people because of:

- Sex (whether male or female)
- Sexuality (covers people who are heterosexual, lesbian, gay or bi-sexual)
- Gender identity (where a person identifies as a member of the opposite sex by living or wanting to live as someone of that sex, or a person of indeterminate sex, who seeks to live as a member of a particular sex)
- Marital or parental status
- Pregnancy or breastfeeding
- Race
- Age
- Impairment (whether physical, intellectual, psychiatric or mental disability, injury or illness, including whether they are HIV+ or use a guide dog, wheelchair or some other remedial device)
- Religion
- Political belief or activity
- Trade union activity
- Lawful sexual activity (means a person who is a lawfully employed sex worker).

It is also against the law to discriminate against a person because they associate with or are related to someone who has any of these attributes or personal characteristics.

All licensees, race club officials and other industry participants must ensure that they do not unlawfully discriminate against another person in the workplace or in any work-related context such as the races, work functions and business trips.

6.4 Victimisation

The law in Queensland protects people who have made, may intend to make, or have helped someone else make, a complaint of discrimination, harassment or vilification. This includes people who have agreed to be witnesses in relation to another person's complaint. A person must not be punished or harassed for complaining about unfair treatment they believe is against the law or because someone thinks they are about to complain or because they have helped someone with a complaint.

It is against the law to victimise you (treat you unfairly) just because you have:

- said you shouldn't be discriminated against
- made a complaint about the discrimination at work, or to the person who has treated you unfairly
- sent a complaint about discrimination to the Anti-Discrimination Commission
- given advice or information about discrimination to someone else, or acted as a witness for someone who has been discriminated against.

Under the *Anti-Discrimination Act*, victimisation happens if a person (the respondent) does something, or threatens to do something, to the detriment of another person (the complainant):

(a) because the complainant, or a person associated with, or related to, the complainant:

- (i) refused to do something that would contravene the *Anti-Discrimination Act* or
- (ii) in good faith, alleged, or intends to allege that a person committed an act that would contravene the *Anti-Discrimination Act* or
- (iii) is, has been, or intends to be, involved in a proceeding under the *Anti-Discrimination Act* against any person or

(b) because the respondent believes that the complainant, or a person associated with, or related to, the complainant is doing, has done, or intends to do one of the things mentioned in paragraph (a)(i), (ii) or (iii) above.

All licensees, race club officials and other racing industry participants must ensure that they do not victimise another person in the workplace or in any work-related context such as the races, work functions and business trips.

6.5 Vilification

A person must not, by a public act, incite hatred towards, serious contempt for, or severe ridicule of, a person or group of persons on the ground of race, religion, sexuality or gender identity of the person or members of the group.

Workplaces can be considered public places. This means that any conduct which can possibly be observed by the public or any sort of communication either verbal or in writing to the public can be considered to have happened in a public place.

Examples of vilification include:

- placing a poster or sticker on the customer service counter which incites others to hate people because of their race, religion, sexuality or gender identity
- hate graffiti written on work toilet walls which incites hatred because of race, religion, sexuality or gender identity
- wearing of symbols, badges or clothing in the workplace with slogans that incite hatred
- an employee abusing a person because of their race, religion, sexuality or gender identity in the workplace which encourages others to hate people of that race, religion, sexuality or gender identity
- a work colleague making a speech in the work cafeteria that incites hatred of people because of their race, religion, sexuality or gender identity.

All licensees, race club officials and other racing industry participants must ensure that they do not vilify another person in the workplace or in any work-related context such as the races, work functions and business trips.

Part 7 Roles and responsibilities

7.1 Race clubs

Race clubs should develop codes of conduct and policies for the prevention of sexual harassment, bullying and unlawful discrimination. These policies must cover all race club committee members, employees and club members.

7.2 Race club officials, licensees and other racing industry employers

Race club officials, licensees and other racing industry employers must model the highest standards of ethical behaviour and provide a work environment for their employees that is free of unsafe work practices, sexual harassment, bullying, unlawful discrimination and victimisation, especially in workplaces where there are young and vulnerable people.

Club officials, licensees and other employers should regularly discuss with their employees the ethical standards and behaviour expected of them. They must act on any ethical or behavioural breaches they become aware of and provide support to employees who experience harassment, bullying, discrimination or victimisation or who disclose misconduct.

If officials, licensees or other employers become aware of inappropriate conduct, they do not have to wait for a complaint to be lodged before taking action. As with their other areas of management responsibility, if they become aware of a problem, they are expected to respond to that problem.

Part 8 Vicarious liability

Under the *Anti-Discrimination Act*, employers may be liable for discrimination, sexual harassment, bullying or vilification which happens in the workplace, unless they can show they have taken reasonable steps to prevent it.

Employers therefore must ensure that all employees are treated fairly and are not subject to any of these behaviours. They must also ensure that people who make complaints, or who are witnesses, are not victimised in any way.

Any reports of discrimination, victimisation, sexual harassment, vilification and bullying must be treated seriously and dealt with promptly, confidentially and impartially.

Disciplinary action should be taken against anyone who discriminates against, victimises, sexually harasses, vilifies or bullies a co-worker. Disciplinary action may involve a warning, transfer, counselling, demotion or dismissal, depending on the circumstances.

Part 9 What to do if you have a complaint

If you have concerns regarding sexual harassment, bullying, unlawful discrimination or victimisation, you should seek advice and assistance. Your concerns may relate to behaviour you are subjected to or behaviour you have witnessed that is directed at another person.

In the first instance you should consult your employer's policies on preventing sexual harassment, bullying and unlawful discrimination, should such policies exist. These policies should give you guidance on how to make a complaint within your organisation.

If for any reason it is not appropriate for you to seek advice from your employer or make an internal complaint, there are other options available to you. You should choose the option that you are most comfortable with.

You may contact Queensland Racing's Harassment and Discrimination Referral Officer by phoning 3869 9777 or talk to a Queensland Racing steward for confidential information and advice.

You can contact the Anti-Discrimination Commission Queensland on 1300 130 670. The Anti-Discrimination Commission website has information on how to make a complaint. Visit www.adcq.qld.gov.au for more information.

If you or someone you know has been sexually assaulted, you can call the Sexual Assault Helpline on 1800 010 120 for free, confidential help. The helpline is available 16 hours a day, from 9am to 1am.

Part 10 What are the consequences for perpetrators of sexual harassment, bullying, unlawful discrimination or victimisation

Sexual harassment, bullying, unlawful discrimination or victimisation are serious matters and may have severe consequences.

Employers should take appropriate disciplinary action against a perpetrator of sexual harassment, bullying, unlawful discrimination or victimisation. The action taken will depend on the circumstances but could include measures such as:

- counselling the perpetrator

- officially warning the perpetrator
- placing the perpetrator on a performance improvement plan
- directing the perpetrator to undertake remedial training
- directing the perpetrator to attend mediation with the complainant
- re-assigning the perpetrator to alternative duties
- demoting the perpetrator
- dismissing the perpetrator.

Part 11 What are the consequences for people who make malicious, frivolous or vexatious complaints

Making a complaint of sexual harassment, bullying, unlawful discrimination or victimisation is a very serious matter.

Just as there are serious consequences for perpetrators, so to there are serious consequences for people who make malicious, vexatious or frivolous complaints.

The action taken against malicious, vexatious or frivolous complainants will depend on the circumstances but may include the measures against perpetrators listed above.

Part 12 Review

This policy will be reviewed after two years' operation.

Part 13 Rules of Racing

Rules of Racing will not be made for this policy.

This policy was made by Queensland Racing on 3 June 2005. For further information contact the Chief Operations Manager, by phoning (07) 3869 9777 or emailing info@queenslandracing.com.au.



TERMINATION OF EMPLOYMENT

Policy and Procedures

Authorised By:	Human Resource and Remuneration Committee	Date of Authorisation:	{ FORMTEXT }
Last Amendment Date:	{ FORMTEXT }		
Review Due Date:	{ FORMTEXT }		
Policy Owner:	{ FORMTEXT }		
Related Documents:	<ul style="list-style-type: none">▪ Code of Conduct Policy▪ Performance Counselling Policy	<ul style="list-style-type: none">▪ Workplace Relations Act 1996▪ Human Rights and Equal Opportunity Act 1986	

Any person who requires assistance in understanding this document should contact their manager.

PURPOSE

QRL recognises that termination of employment occurs for a variety of personal or work-related reasons, initiated by either the employee or QRL. QRL is committed to adhering to its legislative obligations in relation to termination of employment.

This policy aims to ensure that when an employee leaves the organisation, termination of employment is carried out in an effective and efficient manner; the interests of both parties are protected; and that all legal requirements are met. This policy should be read in conjunction with your contract of employment.

SCOPE

This policy applies to all employees, including permanent, casual and temporary personnel, of QRL, unless otherwise identified by the COM.

POLICY PRINCIPLES

1.1. RESIGNATION OR RETIREMENT

Should an employee wish to resign or retire they must notify QRL in writing of their intention, indicating the proposed date of separation.

Employees must provide QRL with the required period of notice in accordance with their contract of employment or applicable industrial instrument. At the company's discretion, a shorter period of notice may be granted.

Unless other arrangements are agreed, employees are required to work out their notice period. If the employee fails to give the required notice, QRL may withhold the salary payment equivalent to the notice period from their final pay or take legal action.

Where previously approved annual leave falls within the notice period, QRL will normally honour this arrangement, subject to overriding operational requirements. Other holidays may only be taken during the notice period with the express authority of the employee's manager.

Provided notification requirements and procedures have been complied with, should an employee be absent due to illness or injury during the notice period they will be entitled paid sick leave in accordance with their employment agreement and the *Leave Policy*.

On, or prior to, the final day the employee must collect and remove any personal possessions they have on QRL's premises.

1.2. ABANDONMENT OF EMPLOYMENT

Should an employee fail to attend work for a continuous period exceeding three working days without receiving authorisation from QRL for the absence or providing a satisfactory explanation for their absence; the employee will be considered to have abandoned their employment.

QRL will endeavour to contact the employee either personally or by registered post to determine the reason for their absence and whether they intend to return to work. If no reasonable circumstances can be given, or the employee cannot be contacted within fourteen days, they will be deemed to have resigned and QRL will take steps to terminate their employment.

1.3. REDUNDANCY

Changes that arise in the normal course of business sometimes result in positions becoming redundant. The company does not take such decisions lightly and every reasonable effort will be made to avoid the need to pursue redundancies, bearing in mind the business and people impacts.

In the event that any positions become redundant, employees will be provided with notice of retrenchment no less than the termination provisions in their employment agreement. Employees may be required to work some or all of the notice period. QRL may offer payment in lieu of some or all of the notice period.

Where an employee is retrenched, they will receive a redundancy entitlements in line with the legislation or industrial instrument under which they are employed.

1.4. TERMINATION DURING QUALIFYING PERIOD

If at any time during the qualifying period (as set out in the employee's contract of employment) the employee's progress is considered by QRL to be unsatisfactory; or if the employee is not satisfied with the position or the company, either the employee or QRL may terminate the employment subject to giving one week's notice in writing.

1.5. DISMISSAL

QRL may terminate an employee's employment due to unsatisfactory performance or behaviour. Where employment is terminated for performance or behavioural reasons, QRL will provide notice in accordance with the employee's contract of employment or the applicable industrial instrument, or compensation in lieu thereof, at management discretion. For more information refer to the *Performance Counselling Policy*.

1.6. SUMMARY DISMISSAL

Summary dismissal will occur if an employee displays inappropriate behaviour or misconduct of a severity that would make it unreasonable to require QRL to continue their employment during a period of notice and as such warrants immediate dismissal from the company. This behaviour may be in serious breach of policies or any unlawful actions.

Summary dismissals are only made for serious and wilful misconduct, including serious neglect of duty and serious inefficiency. Acts of misconduct may include, but are not limited to:

- ⌘ Fraud.
- ⌘ Theft.
- ⌘ Violence or fighting.
- ⌘ Workplace harassment.
- ⌘ Sexual harassment.
- ⌘ Wilful disobedience.
- ⌘ Insubordination.
- ⌘ Drunkenness or under the influence of illegal drugs.
- ⌘ Possession of illegal drugs.
- ⌘ 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 the employee completely unfit for work.

Each case will be considered on its merits, as a question of degree will always be involved. The tests to be applied will vary with the nature of the business and the position held by the employee.

1.7. RETURN OF COMPANY PROPERTY AND SECURITY

Upon leaving the employment of QRL employees are required to return all company property in good condition. Property belonging to QRL may include, but is not limited to: mobile phones, files, uniforms, protective clothing, access keys, and computer hardware and software.

It is the responsibility of the employee's manager to ensure that all company property is returned on or prior to the cessation date.

PROCEDURE

1.1. INCIDENTS

If an employee has concerns regarding QRL's termination practices or believes that this policy has been breached they should report it immediately to their manager.

QRL will treat all concerns and complaints seriously, impartially, sympathetically and confidentially. Each complaint will be dealt with on its own merits and employees will not be disadvantaged as a result of lodging a complaint. In all cases it is essential that all persons concerned maintain complete confidentiality in order to protect the parties involved.

1.2. POLICY BREACHES

Failing to adhere to this policy may result in the following actions, at the discretion of QRL:

- ⌘ Counselling.
- ⌘ Written Warning.
- ⌘ Final Written Warning.
- ⌘ Instant Dismissal.
- ⌘ Any other lawful or legitimate action QRL deems fit under the circumstances.

REVISION HISTORY

Revision	Date	Description of Changes	Author
01.01	16/03/2009	Policy Creation	HRBS

Queensland Racing Limited

WEBSITE POLICY

COMMENCEMENT DATE

This policy comes into effect on 2 April 2004.

PURPOSE

The *Racing Act 2002* (the Act) authorises Queensland Racing Limited to make policies for the sound management of the industry. Section 81(g) of the Act requires Queensland Racing Limited to make a policy on its website and the information available through it.

The Act requires Queensland Racing Limited to publish the following:

- the racing calendar
- Queensland Racing Limited's policies
- information on consultation on policy development
- the rules of racing
- notices about the declaration of a sporting contingency.

It is in the public interest and the interest of racing industry participants that information about Queensland Racing Limited and the Queensland racing industry is available and disseminated freely and cost-effectively. A website is an ideal way to publish information freely and cheaply.

Balanced against this is the need to protect security and privacy by preventing hacking and restricting access to confidential or personal information.

The purpose of this policy is to help ensure Queensland Racing Limited manages the racing industry soundly by providing industry participants and the general public with accurate and appropriate information about the racing industry in a cost-effective manner.

POLICY STATEMENT

Queensland Racing Limited will maintain a website that provides important, interesting, accurate and current information about Queensland Racing Limited and the Queensland racing industry.

In accordance with section 38(3) of the *Racing Act 2002*, Queensland Racing Limited will publish the Racing Calendar on its website. Publication will be at least seven days before the start of the calendar period and will continue for the period the calendar covers.

In accordance with sections 84(2) and 376(3) of the Act, Queensland Racing Limited will publish its policies and information about consultation on these policies on its website. Draft policies will be published for at least 28 days to allow interested parties to make submissions. (In exceptional circumstances, a policy may have to be made without the normal consultation period. In this case, a draft policy will not be published. However, the urgent policy will be reviewed within six months, at which time the normal consultation provisions will apply.)

In accordance with section 94(2) of the Act, Queensland Racing Limited will publish the rules of racing on its website. Notifications of changes to rules will be made as soon as possible after the rules have been changed and before the rule change comes into effect, whenever possible.

In accordance with section 255(3) of the Act, Queensland Racing Limited will publish any notice about the declaration of a sporting contingency on its website.

Queensland Racing Limited will not publish confidential or personal information on its website except where this is agreed to by the parties concerned.

APPLICATION

This policy applies to Queensland Racing Limited.

PROCEDURES

Roles and responsibilities

Queensland Racing Limited will ensure all information required to be published under the *Racing Act 2002* is published, accurate and current.

Queensland Racing Limited's department managers are responsible for ensuring information is posted to the website. Management will ensure information on the website is current by reviewing website content every three months.

Queensland Racing Limited's department managers are responsible for authorising all website material originating from their departments.

Review

This policy was reviewed on February 2010.

Next review date is February 2012.

Rules of Racing

Rules of Racing will not be made for this policy.

This policy was made under by Queensland Racing Limited on 2 April 2004 under s.81(g) of the *Racing Act 2002*. For further information contact Malcolm Tuttle, Chief Operations Manager, by phoning (07) 3869 9730 or emailing mtuttle@queenslandracing.com.au.

Revision History

<i>Version</i>	<i>Date</i>	<i>Description of change</i>
1.01	February 2010	David Rowan renewed policy with no changes.



Queensland Racing Limited

Conflict of Interest and Racing Interest Disclosure



Introduction

The Queensland Racing Limited (QRL) Code of Conduct and Ethics provides that a conflict of interest occurs when a person's interests influence, or appears to influence the impartial performance of that person's duties and responsibilities. The Code also provides that every QRL Official must:

- Carry out their duties impartially and regardless of personal preferences;
- Avoid private, financial or other interests or undertakings that could directly or indirectly compromise or conflict with the performance of their duties;
- Disclose any interest which may impact or have the potential to impact on the performance of their duties; and
- Take action to resolve any conflict between personal interest and official duties in the favour of the public interest.

All full time employees of QRL are required to disclose in writing to the Chief Operations Manager any secondary paid employment they may have. Further, secondary employment within the racing industry represents a prima facie conflict of interest and is not permitted without specific authorisation from the Chief Operations Manager.

This document is a companion to the Code and provides further guidance of the circumstances in which a conflict of interest should be disclosed and provides the details of the manner in which such disclosure is required to be made.

Conflict of Interest

Conflicts of interest arise regularly in practice and the fact that a conflict may arise is not in itself a problem. However it will become a problem if it is not properly managed. Accordingly, it is critical that any conflict of interest is identified, reported and properly managed.

The conflict of interest may be:

- An actual conflict of interest in which there is direct conflict between the officials current duties and existing private interest;
- A perceived conflict of interest in which it could be perceived by others that an officials private interests could improperly influence the performance of their official duties; or
- A potential conflict of interest in which an official has private interests which could interfere with official duties in the future.



QUEENSLAND RACING LIMITED

Regardless of the type of conflict of interest, it is critical that such a conflict be reported immediately to your manager and that you follow any further instruction provided to you by your manager in respect of that conflict.

One particular type of interest which must be the subject of disclosure by all QRL employees is any interest in, or related to, the racing industry. Such an interest includes:

- Any interest in any property used for stud purposes, agistment, breeding, training or other purposes associated with the thoroughbred racing industry;
- Any involvement in the ownership, breeding, leasing, claiming, racing or management of thoroughbreds;
- Any contractual relationships with a licensed person in the thoroughbred racing industry;
- Any contractual relationships with any person providing services or facilities to the thoroughbred racing industry; and
- Any other significant financial or other interest which could reasonably raise an expectation of a conflict of interest.

Note - The reference to “interest” in this regard includes not only an interest which the QRL employee may have, but also any such interest that a close family member of that employee may have.

Accordingly, by way of example, the following types of interest would be required to be disclosed:

- A share in a syndicate which owns and races thoroughbred racehorses;
- An interest owned by the spouse of a QRL employee in a business, the primary purpose of which is to provide services to trainers; or
- An interest in real estate held with jointly with a jockey, trainer or other licensed person.

It is important to note again at this point that the fact that a QRL employee or family member has an interest of this type does not of itself create a problem. However it does give rise to an obligation of disclosure and the actual, potential or perceived conflict must be properly managed.

Disclosure

All QRL employees are required to make a disclosure by completing the form at Appendix 1 and providing it to their manager at least annually. That form must be completed annually even if there are no interests to be disclosed. The form should be provided to the manager at the time of annual appraisals.

In addition, whenever there is any change in an interest which has previously been disclosed (whether by the addition of other interests, a removal of



QUEENSLAND RACING LIMITED

interest or the change in nature of the interest for example by increasing ownership in a company related to racing) a further disclosure must immediately be made by completing the disclosure form and providing it to the relevant manager.

Upon receiving the completed disclosure form, managers must consider any interests which have been disclosed and ensure that appropriate arrangements are in place to manage any possible conflict. The disclosure document, along with any explanation in relation to management of the conflict must then be referred to the Director of Integrity Operations.



Conflict of Interest and Racing Interest Declaration Form

Full name _____

Position _____

Department _____

Racing Interest

I have (or a close family member has) the following interests in the racing industry: *(If no interests insert the word 'nil')*

Conflict of Interest

I have (or a close family member has) the following interests which may amount to an actual, perceived or potential conflict of interest: *(If no interests insert the word 'nil')*

I hereby declare that the above details are correct to the best of my knowledge.

I hereby declare that I have received and noted this conflict of interest declaration.

Signature (Employee) _____

Signature (Manager) _____

Date / /

Date / /

Statement of Conflict of Interest/ Racing Interests Resolution or Management

Action taken or to be taken to resolve or manage conflicts of interest or issues arising from racing interests:

The above action has been agreed in respect of conflicts of interest or racing interests declared.

Signature (Employee) _____

Signature (Manager) _____

Date / /

Date / /



QUEENSLAND RACING LIMITED

CODE OF CONDUCT

And

ETHICS

MESSAGE FROM THE CHAIRMAN

Queensland Racing Limited plays a crucial role in the thoroughbred racing industry in Queensland. Queensland Racing Limited is committed to the efficient administration of the industry and acknowledges that its decision making impacts on all participants in the industry.

Public confidence in thoroughbred racing depends upon Queensland Racing Limited managing the industry in a fair and transparent manner according to the highest standards of probity and integrity.

This Code of Conduct applies to all Queensland Racing Limited officials, including Board members, in the performance of their functions and duties. Queensland Racing Limited officials are expected to maintain the highest standards in professional and business ethics and, through their work, performance and behaviour, ensure that confidence in the integrity of Queensland Racing Limited is justified and maintained. Queensland Racing Limited is committed to fostering a working environment that relies on personal integrity, quality management and a high level of service. To this end, Queensland Racing Limited has produced this Code of Conduct which details the expected levels of behaviour required of all Queensland Racing Limited officials. The Board of Queensland Racing Limited is committed to ensuring compliance with the provisions of this Code at all times.

RG Bentley
Chairman

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OBJECTIVES

Queensland Racing Limited:

- will work to inspire the utmost faith, confidence and support of all participants and stakeholders in the thoroughbred code of racing in Queensland;
- is committed to fairness, impartiality and transparency in its decision making;
- will act in the best interests of the thoroughbred code of racing in Queensland; and
- will comply with this Code of Conduct and Ethics to ensure integrity in its operations.

PART 1 INTRODUCTION

This is the Code of Conduct and Ethics for Queensland Racing Limited (“The Code”).

Every Queensland Racing Limited official must:

- act in accordance with this Code, their employment contract, Queensland Racing Limited policies and statutory obligations imposed on Queensland Racing Limited and
- act with the highest standards of professionalism, probity, diligence and integrity.

1.1 TO WHOM DOES THE CODE OF CONDUCT AND ETHICS APPLY?

This Code applies to all Queensland Racing Limited officials.

Former Queensland Racing Limited officials must continue to respect the provisions of this Code, particularly in relation to the confidentiality of information and ownership of intellectual property to which the former Queensland Racing Limited official had access in the course of work with Queensland Racing Limited.

1.2 WHY HAVE A CODE OF CONDUCT AND ETHICS?

- To define accepted/acceptable behaviours;
- To promote high standards of practice;
- To provide a benchmark for Queensland Racing Limited employees to use for self evaluation;
- To establish a framework for professional behaviour and responsibilities; and
- As a vehicle for organisational identity.

PART 2 RESPONSIBILITIES

2.1 EMPLOYEE RESPONSIBILITIES

The Code of Conduct and Ethics is part of your employment agreement or contract with Queensland Racing Limited. You are responsible for your actions or your failure to take appropriate actions.

You must:

- Clearly understand and abide by the requirements set out in this Code, and if necessary seek assistance or clarification from your manager or supervisor.

- Ensure that you comply with relevant legislation, policies, procedures, standards and business instructions.
- Ensure that you are familiar with all documents that impact on your work.
- Comply with lawful and safe work instructions and directions when performing your duties, including position descriptions and agreed performance plans.
- Understand the requirements of your position and seek clarification and assistance where necessary.
- Carry out your duties in an alert, safe, diligent, honest and competent manner.
- Use your authority in a fair and unbiased way and not take improper advantage of your position.
- Not make decisions that exceed your level of authority or delegation.
- Treat other employees, licensees, stakeholders and members of the public with courtesy and respect.
- Avoid behaviours, situations and conflicts of interest that may reflect in a negative way upon Queensland Racing Limited.
- Not engage in behaviour that would constitute unlawful discrimination, harassment (whether sexual or otherwise), bullying or workplace violence.

2.2 SUPERVISOR AND MANAGER RESPONSIBILITIES

In addition to your responsibilities as an employee, supervisors and managers must also:

- Inform employees about this Code and the standards outlined within it.
- Assist employees to understand the Code.
- Lead by example in observing the Code.
- Manage any breaches of the Code in consultation with relevant senior executives.
- Ensure that employees can access current standards, legislation, policies and procedures and are advised of relevant changes.
- Communicate clearly business requirements and expectations to employees.
- Create a climate in the work environment that is conducive to the achievement of the objectives of this policy.

2.3 THE BOARD AND CHIEF OPERATIONS MANAGER RESPONSIBILITIES

The Board and the Chief Operations Manager *must*:

- provide clear direction and ensure that performance is managed to achieve sustainable results.
- Encourage and reward contributions made by others.
- Lead by example in observing this Code.
- Ensure that the high standards conveyed through this Code are evident throughout the organisation, contributing to an integrity-based culture.

PART 3 PRINCIPLES

There are four (4) overarching principles:

- Embracing an Integrity Culture
- Embracing a Culture of Respect
- Embracing a Culture of Safety
- Embracing a Culture of High-Performance

These principles seek to ensure that behaviours and activities are complementary and consistent with the overall culture of the organisation and the observance of this Code.

PRINCIPLE 1 EMBRACING AN INTEGRITY CULTURE

3.1.1 Conflicts of Interest

Conflict of interest occurs where personal interests influence, or appear to influence, the impartial performance of an employee's or official's duties and responsibilities.

If you find yourself faced with a real or possible conflict of interest, advise your supervisor or manager or the Director of Integrity Operations straight away, so that the conflict or perceived conflict can be resolved.

Every Queensland Racing Limited official **must**:

- carry out their duties impartially and regardless of personal preferences;
- avoid private, financial or other interests or undertakings that could directly or indirectly compromise or conflict with the performance of their duties;
- disclose any interest, which may impact or have the potential to impact on the performance of their duties; and
- take action to resolve any conflict between personal interests and official duties in the favour of the public interest.

All full-time employees of Queensland Racing Limited must disclose in writing to the Chief Operations Manager any secondary paid employment they may have. Failure to disclose this information may result in a Queensland Racing Limited official being disciplined or, in appropriate cases, instantly dismissed. Secondary employment within the racing industry represents a prima facie conflict of interest and is not permitted without specific authorisation from the Chief Operations Manager.

Examples of Appropriate Actions

You are a member of a selection panel and you advise appropriate officials that a family member is an applicant for a position.

You are a sampling collection official and you advise the Chairman of Stewards that in relation to a horse you are drug testing, a family member has some ownership interest in the horse.

3.1.2 Inappropriate Personal Gain

Inappropriate personal gain is when an individual gains a benefit from the misuse of their office, role, organisational situation or information.

Queensland Racing Limited officials **must not**:

- gain personally from access to confidential information.
- Misuse his/her position in a way that results in personal gain.

- Conduct significant personal business on QRL time.
- Take personal advantage of opportunities that are presented or discovered as a result of their position with QRL.

Examples of Inappropriate Gains

A QRL staff member uses their knowledge of weights and race form to wager on Queensland Thoroughbreds for personal gain.

A QRL staff member has a second job and uses QRL telephones and time to contact potential private business customers.

A Board member uses information gained in QRL Board meetings to gain in their private business interests.

3.1.3 Gifts and Benefits

Public trust and impartiality are key outcomes for Queensland Racing Limited. The receiving and giving of gifts and benefits can impact on the aforementioned outcomes. For these reasons the gifts and benefits policy was formulated and all Queensland Racing Limited officials must comply with it.

3.1.4 Confidentiality

All Queensland Racing Limited officials have access to confidential information. Appropriate safeguards and care must be taken to ensure that unauthorised access to or distribution of confidential information is not permitted.

No Queensland Racing Limited official may take, or seek to take, improper advantage of confidential information gained in the course of employment. No Queensland Racing Limited official may disclose confidential information to any person unless it is required by law or is required by their duties and is consistent with this Code or specifically authorised. If a Queensland Racing Limited official resigns or leaves Queensland Racing Limited, the official must not disclose confidential information acquired when they acted as an official of Queensland Racing Limited.

A member of the Board of Queensland Racing Limited must not disclose confidential information discussed at Board meetings and/or acquired while acting as a Board member.

If a Board member resigns or leaves the Board the member shall have regard to the duty:

- not to disclose confidential information; and
- to act bona fide in the interests of Queensland Racing Limited.

Examples of Appropriate Confidentiality

You are asked by a licensee to disclose the address of a third party, another licensee as monies are owed. You immediately bring to the attention of your line supervisor who checks on whether release of information is appropriate. In these circumstances it would not be appropriate to release confidential address details.

You leave QRL to take up a similar role and while you have intimate knowledge of the QRL tendering process that would be of commercial benefit to your new employer, you do not tell your new employer because the information may provide an unfair advantage.

You are asked by a friend to access our horses systems and obtain details of who is riding particular horses and at what weights. You refuse this request and explain to your friend that it was inappropriate to request such action.

PRINCIPLE 2 EMBRACING A CULTURE OF RESPECT

4.1.1 Respect for Persons

All Queensland Racing Limited officials **must**:

- treat all industry participants with courtesy, honesty and fairness with proper regard for their rights and obligations in accordance with the principles of natural justice;
- respond to the reasonable requests of stakeholders, supervisors and managers in a timely manner;
- co-operate and assist others in the organisation in the performance of their duties when reasonably requested to do so, or when perceived as necessary;
- support their co-employees in a responsible and ethical manner; and
- exercise powers, objectively, fairly and equitably.

4.1.2 Respect for the Law and the QRL system of governance

All Queensland Racing Limited officials **must**:

- comply with all relevant laws;
- comply with all QRL policies;
- comply with all QRL procedures; and
- comply with all lawful requests of management and line supervisors.

Compliance means observing the letter and spirit of the law, policy, procedure or lawful request as well as managing your activities in a manner consistent with QRL as a 'good corporate citizen.'

QRL recognises that in some cases, there may be uncertainty about which laws, policies and procedures may be applicable. In such circumstances employees have access to internal legal compliance counsel or their direct supervisor and should seek such advice.

4.1.3 Discrimination and Workplace Harassment

All Queensland Racing Limited officials must provide a workplace free from discrimination, harassment, bullying and intimidation and hostile, offensive or distressing behaviour. They must ensure they understand their responsibilities under Queensland Racing Limited's Sexual Harassment Policy. They have a duty to disclose breaches of this policy. Additionally, any behaviour's that exhibit harassment and bullying should be brought to the attention of your line supervisor, Harassment and Discrimination Officer or addressed through the complaint management system.

If managers and supervisors become aware of inappropriate conduct, they should not wait for a complaint to be lodged before taking action. As with their other areas of responsibility, if managers or supervisors become aware of a problem, they are expected to respond to that problem.

Queensland Racing Limited's Sexual Harassment policy applies to all Queensland Racing Limited Board members, officials, other employees, consultants, contractors and work experience students.

Those who are the subject of sexual harassment, bullying or unlawful discrimination or become aware that another person is being subjected to these should seek advice and assistance from the Harassment and Discrimination Officer, or, if it is not appropriate to approach this officer, the matter should be reported to your line supervisor or through the complaint management system.

Any reports of discrimination, victimisation, sexual harassment, vilification and bullying will be treated seriously and dealt with promptly, confidentially and impartially in accordance with our complaint management policies. Disciplinary action will be taken against anyone who discriminates against, victimises, sexually harasses, vilifies or bullies a co-worker. Discipline may involve counselling, a warning, transfer, demotion or dismissal, depending on the circumstances.

4.1.4 Whistleblowing

All Queensland Racing Limited officials must report to their line manager or the Chief Operations Manager or the Director of Integrity Operations or through the complaint management system, any suspected or actual instances of official misconduct, maladministration, reprisal, or danger to public health or safety or environment of which they are aware. In doing so, Queensland Racing Limited officials should follow the guidelines in the Whistleblowers Protection policy adopted by Queensland Racing Limited.

Failure to report suspicious activities or circumstances may be seen as compounding or assisting official misconduct, maladministration, reprisal, or danger to public health or safety or environment and may constitute improper conduct requiring disciplinary action.

If a Queensland Racing Limited official is found to have breached the *Whistleblowers Protection Act 1994*, the breach will be considered a serious breach of this Code and the Queensland Racing Limited official may be subjected to disciplinary action, including, in appropriate cases, instant dismissal.

Under the *Crime and Misconduct Act 2001*, the Chief Operations Manager must refer matters of actual or suspected official misconduct to the Crime and Misconduct Commission. This legislated requirement has been delegated to the Director of Integrity Operations in consultation with the Chief Operations Manager.

4.1.5 Unacceptable Behaviours in the Workplace

Unacceptable and inappropriate workplace behaviours can take many forms. Below are some such behaviours which are not intended to be exhaustive but rather an indication of the types of behaviours and actions that are clearly **not** acceptable at QRL.

- Humiliating or ridiculing others about their work.
- Making insulting or offensive comments about others.
- Spreading rumours or gossip
- Shouting and getting abusive with others.
- Being hostile to others
- Threatening violence to others
- Physically attacking others
- Using malicious or insulting language.
- Withholding information deliberately that affects other people's jobs
- Invading personal space and restricting the movements of others.
- Making false allegations against others.
- Engaging in excessive monitoring of the work of others when not authorised to do so.
- Breaching this code.

PRINCIPLE 3 EMBRACING A CULTURE OF SAFETY

5.1.1 Workplace Safety

You are responsible for the safety and security of your workplace as well as care of the environment in which you work.

Supervisors and Managers have the additional responsibilities of making sure that workplace health and safety policies are in place and followed by all employees.

In the workplace, all Queensland Racing Limited officials must take all reasonable practical steps to ensure the safety, health and welfare of themselves and others.

All Queensland Racing Limited officials must comply with statutory obligations and Queensland Racing Limited's policy on Workplace Health and Safety.

You have a duty to minimise the risks in the workplace, ensuring that incidents, injuries and ill-health is minimised in the workplace.

All Queensland Racing Limited officials should remember:

- To follow all rules, procedures and approved work methods;
- Immediately report incidents, complaints and unsafe or unhealthy work practices;
- Don't engage in or encourage any form of unlawful discrimination, sexual or other forms of harassment, bullying or workplace violence;
- Wear personal protective equipment and use appropriate equipment when necessary.

5.1.2 Alcohol and Drugs

It is a criminal offence to possess or use illegal drugs at any time. All Queensland Racing Limited officials must comply with Queensland Racing Limited's policy on Use of Alcohol and Drugs. If a Queensland Racing Limited official is found guilty of possessing and using illegal drugs, it will be considered a serious breach of this Code and the official may be subjected to disciplinary action, including, in appropriate cases, instant dismissal.

Alcohol consumption is not allowed in the work environment. Work related functions are the exception to this rule, although consumption should be restricted to appropriate areas and at the appropriate times as approved by the relevant manager.

5.1.3 Fitness for Work

When reporting for work, you must be fit and ready to perform your duties. A supervisor or manager who believes that an employee is unfit, must make sure the person does not start work. This safeguards both the employee and the workplace.

Supervisors and Managers should also be aware of workplace health issues such as heat stress, fatigue, injury, illness and alcohol or drug dependency and take early action to address such issues.

All Queensland Racing Limited officials should:

- Make their immediate supervisor aware if they have taken prescription medication that may cause relevant side-effects, impacting on the abilities to do their job;
- Advise their supervisor or manager if they have a physical, psychological or psychiatric condition that limits ability to work safely and effectively
- Be responsible, by maintaining their own fitness for work and taking necessary steps to address any issues that may impact their ability to fulfil their duties as a QRL official.

PRINCIPLE 4 EMBRACING A HIGH PERFORMANCE CULTURE

6.1.1 Performing Duties

All Queensland Racing Limited officials must perform all duties associated with their positions diligently, impartially, conscientiously, with proper care and attention, in a civil manner and to the best of their ability.

All Queensland Racing Limited officials **must**:

- perform their duties in such a way that QRL will be held in high regard by the community and the industry;
- follow any professional standards of conduct relevant to their office;
- maintain adequate documentation to support decisions; and
- assist QRL to adhere to its statutory obligations.

6.1.2 Monitoring Performance

All Queensland Racing Limited officials who manage or supervise others must ensure that:

- their work and that of their staff helps Queensland Racing Limited adhere to its statutory obligations;
- where their staff breach this Code, appropriate action is taken.

6.1.3 Using resources for official purposes

All Queensland Racing Limited officials must ensure Queensland Racing Limited resources are:

- used economically;
- used for the purposes for which they were provided;
- treated and maintained with appropriate care; and
- secured against theft or misuse.

In serious cases, a Queensland Racing Limited official who misuses resources may be found guilty of misconduct or maladministration.

6.1.4 Private Use of Resources

Limited personal use of Queensland Racing Limited resources for non-official purposes may be acceptable.

In general terms, limited personal use involves:

- minimal additional expense to Queensland Racing Limited;
- an expectation that it will be performed during the employee's non work hours;
- does not interfere with the operation of Queensland Racing Limited; and
- does not violate this Code, statutory obligations or Queensland Racing Limited policies.

If a Queensland Racing Limited official is unsure as to whether their proposed personal use of Queensland Racing Limited resources is acceptable, the official should seek advice from their line manager.

Where a Queensland Racing Limited official uses Queensland Racing Limited Internet, Intranet and electronic mail system, the official must comply with the policy on Internet and Email adopted by Queensland Racing Limited.

6.1.5 Use of Official Motor Vehicles

All Queensland Racing Limited officials who use a motor vehicle owned by Queensland Racing Limited must use it only for official purposes, unless the terms of their Employment Contract otherwise provide or the relevant manager has authorised private use of the motor vehicle by the official.

When authorising private use of official vehicles, managers must ensure that it does not adversely impact on QRL. For example, QRL staff must have adequate transportation to service race meetings that is not adversely affected by the approved private use of a QRL vehicle. It is requested that race day schedules be checked as a component of an approving decision.

6.1.6 Expense Reimbursement

All Queensland Racing Limited officials must comply with Queensland Racing Limited's Expense Reimbursement Policy. This policy sets out the requirements of Queensland Racing Limited regarding expenditure while on official duty.

PART 5 BREACHES

You are accountable for your own actions, so take the time to fully understand what is expected of you under QRL's Code of Conduct and Ethics. The facts and circumstances of each case determine what action is taken against someone who breaches this Code.

Board members who breach statutory obligations or the provisions of this Code or their employment contract will be dealt with in a manner determined by the Board. Any action taken against a Board Member shall be consistent with the provisions of the *Racing Act 2002*.

All Queensland Racing Limited officials who breach statutory obligations or the provisions of this Code or their employment contract may be subject to disciplinary action, including, where appropriate, instant dismissal.

The Chief Operations Manager or Director of Integrity Operations or delegated managers will deal with breaches by an employee of Queensland Racing Limited. Where it is not considered harsh, unjust or unreasonable to do so, the Chief Operations Manager may suspend a Queensland Racing Limited official from work, either with or without pay, while an alleged breach is being investigated. Disciplinary action may constitute, but is not restricted to, counselling, warnings or reprimands or suspension or dismissal, as the case requires.

Serious breaches, such as official misconduct, may need to be referred to the Crime and Misconduct Commission. Any action taken will accord with the principles of procedural fairness. In the case of suspected or actual official misconduct or maladministration, procedural fairness does not necessarily mean that the person under investigation is to be presented with the allegations prior to an investigation. The relevant investigating authority will determine the appropriate time for advising the person of the allegations and affording the person the opportunity to respond.

PART 6 ETHICAL DECISION MAKING

Queensland Racing Limited recognises that ethical problems occur in business and offers below practical advice how to better define and resolve ethical dilemmas.

The 'Ethics Quick Test' offers some assistance in resolving ethical dilemmas as well as guiding ethical conduct:

- Is the action or decision legal?
- Does it comply with our values?
- If you do it, will you feel bad?
- How will it look in the newspaper or media?
- How will it seem to your colleagues?
- If you know it's wrong, don't do it.
- If you're not sure, ask.

Appendix A

DEFINING KEY TERMS

Conflict of interest

Refers to a real or an apparent conflict between a private interest and official duty. A real (or actual) conflict of interest exists when a reasonable person, in possession of the relevant facts, would conclude that the official's private interests interfere, or are likely to interfere, with the proper performance on the official's duties. An apparent conflict of interest exists when it appears that an official's private interests may interfere with the proper performance of the official's duties although, in reality, this may not be the case.

Discrimination

Unless a statutory exemption applies, discrimination, whether direct or indirect, may be unlawful when it is on the basis of an attribute described in the *Anti-Discrimination Act 1991* (i.e. sex, sexuality, gender identity, marital status, pregnancy, parental status, breastfeeding, age, race, impairment, religion, political belief or activity, trade union activity, lawful sexual activity; or association with, or relation to, a person identified on the basis of any of the above attributes) in a specified area of activity, for example, work and work related areas. Direct discrimination may occur if a person treats or proposes to treat, a person with an attribute less favourably than another person without the attribute in circumstances that are the same or not materially different. Indirect discrimination may occur if a person imposes, or proposes to impose, a term with which a person with an attribute does not or is not able to comply and that is not reasonable or necessary to apply.

Dishonesty

Dishonesty is judged by the standards of ordinary decent persons. The test of dishonesty has two limbs; first were the actions dishonest by the standards of ordinary honest people and secondly should that person have realised that their actions were by those standards dishonest.

Fraud

Fraud is dishonestly obtaining a benefit by deception or other means and includes both tangible and intangible benefits.

Interest

Interest is used in relation to declaring personal interests or conflicts of interest, the term "interest" meaning direct or indirect personal interests of Queensland Racing Limited officials. Interests may be pecuniary or non-pecuniary.

Maladministration

Maladministration is an administrative action that is unlawful, arbitrary, unjust, oppressive, improperly discriminatory or taken for an improper purpose.

Official Misconduct

Official misconduct is incorporated within the *Crime and Misconduct Act 2001*, and means any conduct connected with the performance of a Queensland Racing Limited official's duties, that is dishonest or lacks impartiality, involves a breach of trust or is a misuse of officially obtained information. The conduct must be a criminal offence or serious enough to justify dismissal.

Public interest

Public interest means acting for the common good of the community. Queensland Racing Limited has developed a policy on safeguarding the public interest. Queensland Racing Limited officials should refer to this policy for guidance on what constitutes the public interest and Queensland Racing Limited's responsibilities to this end.

Queensland Racing Limited Official

Queensland Racing Limited official includes; Board members of the Queensland Racing Limited Board and all other persons employed or remunerated by Queensland Racing Limited, whether full-time, part time, permanent, fixed-term, contract or casual and includes members of any Queensland Racing Limited sub-committee.

Statutory obligations

Statutory obligations are obligations imposed from time to time by legislation including, where relevant and without limitation, obligations imposed on Queensland Racing Limited and/ or Queensland Racing Limited officials by: *Anti-Discrimination Act 1991*, *Crime and Misconduct Act 2001*, *Corporations Act 2001*, *Racing Act 2002*, *Whistleblowers Protection Act 1994* and *Workplace Health and Safety Act 1995* and any relevant regulations made pursuant to statute.

Whistleblowing

Whistleblowing is when, in the public interest, as provided for in the *Whistleblowers Protection Act 1994*, a person discloses information about official misconduct, maladministration, reprisal, or danger to public health or safety or environment.



QUEENSLAND RACING LIMITED

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- act with the highest standards of professionalism, probity, diligence and integrity.

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- Ensure that you are familiar with all documents that impact on your work.
- Comply with lawful and safe work instructions and directions when performing your duties, including position descriptions and agreed performance plans.
- Understand the requirements of your position and seek clarification and assistance where necessary.
- Carry out your duties in an alert, safe, diligent, honest and competent manner.
- Use your authority in a fair and unbiased way and not take improper advantage of your position.
- Not make decisions that exceed your level of authority or delegation.
- Treat other employees, licensees, stakeholders and members of the public with courtesy and respect.
- Avoid behaviours, situations and conflicts of interest that may reflect in a negative way upon Queensland Racing Limited.
- Not engage in behaviour that would constitute unlawful discrimination, harassment (whether sexual or otherwise), bullying or workplace violence.

2.2 SUPERVISOR AND MANAGER RESPONSIBILITIES

In addition to your responsibilities as an employee, supervisors and managers must also:

- Inform employees about this Code and the standards outlined within it.
- Assist employees to understand the Code.
- Lead by example in observing the Code.
- Manage any breaches of the Code in consultation with relevant senior executives.
- Ensure that employees can access current standards, legislation, policies and procedures and are advised of relevant changes.
- Communicate clearly business requirements and expectations to employees.
- Create a climate in the work environment that is conducive to the achievement of the objectives of this policy.

2.3 THE BOARD AND CHIEF OPERATIONS MANAGER RESPONSIBILITIES

The Board and the Chief Operations Manager *must*:

- provide clear direction and ensure that performance is managed to achieve sustainable results.
- Encourage and reward contributions made by others.
- Lead by example in observing this Code.
- Ensure that the high standards conveyed through this Code are evident throughout the organisation, contributing to an integrity-based culture.

PART 3 PRINCIPLES

There are four (4) overarching principles:

- Embracing an Integrity Culture
- Embracing a Culture of Respect
- Embracing a Culture of Safety
- Embracing a Culture of High-Performance

These principles seek to ensure that behaviours and activities are complementary and consistent with the overall culture of the organisation and the observance of this Code.

PRINCIPLE 1 EMBRACING AN INTEGRITY CULTURE

3.1.1 Conflicts of Interest

Conflict of interest occurs where personal interests influence, or appear to influence, the impartial performance of an employee's or official's duties and responsibilities.

If you find yourself faced with a real or possible conflict of interest, advise your supervisor or manager or the Director of Integrity Operations straight away, so that the conflict or perceived conflict can be resolved.

Every Queensland Racing Limited official **must**:

- carry out their duties impartially and regardless of personal preferences;
- avoid private, financial or other interests or undertakings that could directly or indirectly compromise or conflict with the performance of their duties;
- disclose any interest, which may impact or have the potential to impact on the performance of their duties; and
- take action to resolve any conflict between personal interests and official duties in the favour of the public interest.

All full-time employees of Queensland Racing Limited must disclose in writing to the Chief Operations Manager any secondary paid employment they may have. Failure to disclose this information may result in a Queensland Racing Limited official being disciplined or, in appropriate cases, instantly dismissed. Secondary employment within the racing industry represents a prima facie conflict of interest and is not permitted without specific authorisation from the Chief Operations Manager.

Examples of Appropriate Actions

You are a member of a selection panel and you advise appropriate officials that a family member is an applicant for a position.

You are a sampling collection official and you advise the Chairman of Stewards that in relation to a horse you are drug testing, a family member has some ownership interest in the horse.

3.1.2 Inappropriate Personal Gain

Inappropriate personal gain is when an individual gains a benefit from the misuse of their office, role, organisational situation or information.

Queensland Racing Limited officials **must not**:

- gain personally from access to confidential information.
- Misuse his/her position in a way that results in personal gain.

- Conduct significant personal business on QRL time.
- Take personal advantage of opportunities that are presented or discovered as a result of their position with QRL.

Examples of Inappropriate Gains

A QRL staff member uses their knowledge of weights and race form to wager on Queensland Thoroughbreds for personal gain.

A QRL staff member has a second job and uses QRL telephones and time to contact potential private business customers.

A Board member uses information gained in QRL Board meetings to gain in their private business interests.

3.1.3 Gifts and Benefits

Public trust and impartiality are key outcomes for Queensland Racing Limited. The receiving and giving of gifts and benefits can impact on the aforementioned outcomes. For these reasons the gifts and benefits policy was formulated and all Queensland Racing Limited officials must comply with it.

3.1.4 Confidentiality

All Queensland Racing Limited officials have access to confidential information. Appropriate safeguards and care must be taken to ensure that unauthorised access to or distribution of confidential information is not permitted.

No Queensland Racing Limited official may take, or seek to take, improper advantage of confidential information gained in the course of employment. No Queensland Racing Limited official may disclose confidential information to any person unless it is required by law or is required by their duties and is consistent with this Code or specifically authorised. If a Queensland Racing Limited official resigns or leaves Queensland Racing Limited, the official must not disclose confidential information acquired when they acted as an official of Queensland Racing Limited.

A member of the Board of Queensland Racing Limited must not disclose confidential information discussed at Board meetings and/or acquired while acting as a Board member.

If a Board member resigns or leaves the Board the member shall have regard to the duty:

- not to disclose confidential information; and
- to act bona fide in the interests of Queensland Racing Limited.

Examples of Appropriate Confidentiality

You are asked by a licensee to disclose the address of a third party, another licensee as monies are owed. You immediately bring to the attention of your line supervisor who checks on whether release of information is appropriate. In these circumstances it would not be appropriate to release confidential address details.

You leave QRL to take up a similar role and while you have intimate knowledge of the QRL tendering process that would be of commercial benefit to your new employer, you do not tell your new employer because the information may provide an unfair advantage.

You are asked by a friend to access our horses systems and obtain details of who is riding particular horses and at what weights. You refuse this request and explain to your friend that it was inappropriate to request such action.

PRINCIPLE 2 EMBRACING A CULTURE OF RESPECT

4.1.1 Respect for Persons

All Queensland Racing Limited officials **must**:

- treat all industry participants with courtesy, honesty and fairness with proper regard for their rights and obligations in accordance with the principles of natural justice;
- respond to the reasonable requests of stakeholders, supervisors and managers in a timely manner;
- co-operate and assist others in the organisation in the performance of their duties when reasonably requested to do so, or when perceived as necessary;
- support their co-employees in a responsible and ethical manner; and
- exercise powers, objectively, fairly and equitably.

4.1.2 Respect for the Law and the QRL system of governance

All Queensland Racing Limited officials **must**:

- comply with all relevant laws;
- comply with all QRL policies;
- comply with all QRL procedures; and
- comply with all lawful requests of management and line supervisors.

Compliance means observing the letter and spirit of the law, policy, procedure or lawful request as well as managing your activities in a manner consistent with QRL as a 'good corporate citizen.'

QRL recognises that in some cases, there may be uncertainty about which laws, policies and procedures may be applicable. In such circumstances employees have access to internal legal compliance counsel or their direct supervisor and should seek such advice.

4.1.3 Discrimination and Workplace Harassment

All Queensland Racing Limited officials must provide a workplace free from discrimination, harassment, bullying and intimidation and hostile, offensive or distressing behaviour. They must ensure they understand their responsibilities under Queensland Racing Limited's Sexual Harassment Policy. They have a duty to disclose breaches of this policy. Additionally, any behaviour's that exhibit harassment and bullying should be brought to the attention of your line supervisor, Harassment and Discrimination Officer or addressed through the complaint management system.

If managers and supervisors become aware of inappropriate conduct, they should not wait for a complaint to be lodged before taking action. As with their other areas of responsibility, if managers or supervisors become aware of a problem, they are expected to respond to that problem.

Queensland Racing Limited's Sexual Harassment policy applies to all Queensland Racing Limited Board members, officials, other employees, consultants, contractors and work experience students.

Those who are the subject of sexual harassment, bullying or unlawful discrimination or become aware that another person is being subjected to these should seek advice and assistance from the Harassment and Discrimination Officer, or, if it is not appropriate to approach this officer, the matter should be reported to your line supervisor or through the complaint management system.

Any reports of discrimination, victimisation, sexual harassment, vilification and bullying will be treated seriously and dealt with promptly, confidentially and impartially in accordance with our complaint management policies. Disciplinary action will be taken against anyone who discriminates against, victimises, sexually harasses, vilifies or bullies a co-worker. Discipline may involve counselling, a warning, transfer, demotion or dismissal, depending on the circumstances.

4.1.4 Whistleblowing

All Queensland Racing Limited officials must report to their line manager or the Chief Operations Manager or the Director of Integrity Operations or through the complaint management system, any suspected or actual instances of official misconduct, maladministration, reprisal, or danger to public health or safety or environment of which they are aware. In doing so, Queensland Racing Limited officials should follow the guidelines in the Whistleblowers Protection policy adopted by Queensland Racing Limited.

Failure to report suspicious activities or circumstances may be seen as compounding or assisting official misconduct, maladministration, reprisal, or danger to public health or safety or environment and may constitute improper conduct requiring disciplinary action.

If a Queensland Racing Limited official is found to have breached the *Whistleblowers Protection Act 1994*, the breach will be considered a serious breach of this Code and the Queensland Racing Limited official may be subjected to disciplinary action, including, in appropriate cases, instant dismissal.

Under the *Crime and Misconduct Act 2001*, the Chief Operations Manager must refer matters of actual or suspected official misconduct to the Crime and Misconduct Commission. This legislated requirement has been delegated to the Director of Integrity Operations in consultation with the Chief Operations Manager.

4.1.5 Unacceptable Behaviours in the Workplace

Unacceptable and inappropriate workplace behaviours can take many forms. Below are some such behaviours which are not intended to be exhaustive but rather an indication of the types of behaviours and actions that are clearly **not** acceptable at QRL.

- Humiliating or ridiculing others about their work.
- Making insulting or offensive comments about others.
- Spreading rumours or gossip
- Shouting and getting abusive with others.
- Being hostile to others
- Threatening violence to others
- Physically attacking others
- Using malicious or insulting language.
- Withholding information deliberately that affects other people's jobs
- Invading personal space and restricting the movements of others.
- Making false allegations against others.
- Engaging in excessive monitoring of the work of others when not authorised to do so.
- Breaching this code.

PRINCIPLE 3 EMBRACING A CULTURE OF SAFETY

5.1.1 Workplace Safety

You are responsible for the safety and security of your workplace as well as care of the environment in which you work.

Supervisors and Managers have the additional responsibilities of making sure that workplace health and safety policies are in place and followed by all employees.

In the workplace, all Queensland Racing Limited officials must take all reasonable practical steps to ensure the safety, health and welfare of themselves and others.

All Queensland Racing Limited officials must comply with statutory obligations and Queensland Racing Limited's policy on Workplace Health and Safety.

You have a duty to minimise the risks in the workplace, ensuring that incidents, injuries and ill-health is minimised in the workplace.

All Queensland Racing Limited officials should remember:

- To follow all rules, procedures and approved work methods;
- Immediately report incidents, complaints and unsafe or unhealthy work practices;
- Don't engage in or encourage any form of unlawful discrimination, sexual or other forms of harassment, bullying or workplace violence;
- Wear personal protective equipment and use appropriate equipment when necessary.

5.1.2 Alcohol and Drugs

It is a criminal offence to possess or use illegal drugs at any time. All Queensland Racing Limited officials must comply with Queensland Racing Limited's policy on Use of Alcohol and Drugs. If a Queensland Racing Limited official is found guilty of possessing and using illegal drugs, it will be considered a serious breach of this Code and the official may be subjected to disciplinary action, including, in appropriate cases, instant dismissal.

Alcohol consumption is not allowed in the work environment. Work related functions are the exception to this rule, although consumption should be restricted to appropriate areas and at the appropriate times as approved by the relevant manager.

5.1.3 Fitness for Work

When reporting for work, you must be fit and ready to perform your duties. A supervisor or manager who believes that an employee is unfit, must make sure the person does not start work. This safeguards both the employee and the workplace.

Supervisors and Managers should also be aware of workplace health issues such as heat stress, fatigue, injury, illness and alcohol or drug dependency and take early action to address such issues.

All Queensland Racing Limited officials should:

- Make their immediate supervisor aware if they have taken prescription medication that may cause relevant side-effects, impacting on the abilities to do their job;
- Advise their supervisor or manager if they have a physical, psychological or psychiatric condition that limits ability to work safely and effectively
- Be responsible, by maintaining their own fitness for work and taking necessary steps to address any issues that may impact their ability to fulfil their duties as a QRL official.

PRINCIPLE 4 EMBRACING A HIGH PERFORMANCE CULTURE

6.1.1 Performing Duties

All Queensland Racing Limited officials must perform all duties associated with their positions diligently, impartially, conscientiously, with proper care and attention, in a civil manner and to the best of their ability.

All Queensland Racing Limited officials **must**:

- perform their duties in such a way that QRL will be held in high regard by the community and the industry;
- follow any professional standards of conduct relevant to their office;
- maintain adequate documentation to support decisions; and
- assist QRL to adhere to its statutory obligations.

6.1.2 Monitoring Performance

All Queensland Racing Limited officials who manage or supervise others must ensure that:

- their work and that of their staff helps Queensland Racing Limited adhere to its statutory obligations;
- where their staff breach this Code, appropriate action is taken.

6.1.3 Using resources for official purposes

All Queensland Racing Limited officials must ensure Queensland Racing Limited resources are:

- used economically;
- used for the purposes for which they were provided;
- treated and maintained with appropriate care; and
- secured against theft or misuse.

In serious cases, a Queensland Racing Limited official who misuses resources may be found guilty of misconduct or maladministration.

6.1.4 Private Use of Resources

Limited personal use of Queensland Racing Limited resources for non-official purposes may be acceptable.

In general terms, limited personal use involves:

- minimal additional expense to Queensland Racing Limited;
- an expectation that it will be performed during the employee's non work hours;
- does not interfere with the operation of Queensland Racing Limited; and
- does not violate this Code, statutory obligations or Queensland Racing Limited policies.

If a Queensland Racing Limited official is unsure as to whether their proposed personal use of Queensland Racing Limited resources is acceptable, the official should seek advice from their line manager.

Where a Queensland Racing Limited official uses Queensland Racing Limited Internet, Intranet and electronic mail system, the official must comply with the policy on Internet and Email adopted by Queensland Racing Limited.

6.1.5 Use of Official Motor Vehicles

All Queensland Racing Limited officials who use a motor vehicle owned by Queensland Racing Limited must use it only for official purposes, unless the terms of their Employment Contract otherwise provide or the relevant manager has authorised private use of the motor vehicle by the official.

When authorising private use of official vehicles, managers must ensure that it does not adversely impact on QRL. For example, QRL staff must have adequate transportation to service race meetings that is not adversely affected by the approved private use of a QRL vehicle. It is requested that race day schedules be checked as a component of an approving decision.

6.1.6 Expense Reimbursement

All Queensland Racing Limited officials must comply with Queensland Racing Limited's Expense Reimbursement Policy. This policy sets out the requirements of Queensland Racing Limited regarding expenditure while on official duty.

PART 5 BREACHES

You are accountable for your own actions, so take the time to fully understand what is expected of you under QRL's Code of Conduct and Ethics. The facts and circumstances of each case determine what action is taken against someone who breaches this Code.

Board members who breach statutory obligations or the provisions of this Code or their employment contract will be dealt with in a manner determined by the Board. Any action taken against a Board Member shall be consistent with the provisions of the *Racing Act 2002*.

All Queensland Racing Limited officials who breach statutory obligations or the provisions of this Code or their employment contract may be subject to disciplinary action, including, where appropriate, instant dismissal.

The Chief Operations Manager or Director of Integrity Operations or delegated managers will deal with breaches by an employee of Queensland Racing Limited. Where it is not considered harsh, unjust or unreasonable to do so, the Chief Operations Manager may suspend a Queensland Racing Limited official from work, either with or without pay, while an alleged breach is being investigated. Disciplinary action may constitute, but is not restricted to, counselling, warnings or reprimands or suspension or dismissal, as the case requires.

Serious breaches, such as official misconduct, may need to be referred to the Crime and Misconduct Commission. Any action taken will accord with the principles of procedural fairness. In the case of suspected or actual official misconduct or maladministration, procedural fairness does not necessarily mean that the person under investigation is to be presented with the allegations prior to an investigation. The relevant investigating authority will determine the appropriate time for advising the person of the allegations and affording the person the opportunity to respond.

PART 6 ETHICAL DECISION MAKING

Queensland Racing Limited recognises that ethical problems occur in business and offers below practical advice how to better define and resolve ethical dilemmas.

The 'Ethics Quick Test' offers some assistance in resolving ethical dilemmas as well as guiding ethical conduct:

- Is the action or decision legal?
- Does it comply with our values?
- If you do it, will you feel bad?
- How will it look in the newspaper or media?
- How will it seem to your colleagues?
- If you know it's wrong, don't do it.
- If you're not sure, ask.

Appendix A

DEFINING KEY TERMS

Conflict of interest

Refers to a real or an apparent conflict between a private interest and official duty. A real (or actual) conflict of interest exists when a reasonable person, in possession of the relevant facts, would conclude that the official's private interests interfere, or are likely to interfere, with the proper performance on the official's duties. An apparent conflict of interest exists when it appears that an official's private interests may interfere with the proper performance of the official's duties although, in reality, this may not be the case.

Discrimination

Unless a statutory exemption applies, discrimination, whether direct or indirect, may be unlawful when it is on the basis of an attribute described in the *Anti-Discrimination Act 1991* (i.e. sex, sexuality, gender identity, marital status, pregnancy, parental status, breastfeeding, age, race, impairment, religion, political belief or activity, trade union activity, lawful sexual activity; or association with, or relation to, a person identified on the basis of any of the above attributes) in a specified area of activity, for example, work and work related areas. Direct discrimination may occur if a person treats or proposes to treat, a person with an attribute less favourably than another person without the attribute in circumstances that are the same or not materially different. Indirect discrimination may occur if a person imposes, or proposes to impose, a term with which a person with an attribute does not or is not able to comply and that is not reasonable or necessary to apply.

Dishonesty

Dishonesty is judged by the standards of ordinary decent persons. The test of dishonesty has two limbs; first were the actions dishonest by the standards of ordinary honest people and secondly should that person have realised that their actions were by those standards dishonest.

Fraud

Fraud is dishonestly obtaining a benefit by deception or other means and includes both tangible and intangible benefits.

Interest

Interest is used in relation to declaring personal interests or conflicts of interest, the term "interest" meaning direct or indirect personal interests of Queensland Racing Limited officials. Interests may be pecuniary or non-pecuniary.

Maladministration

Maladministration is an administrative action that is unlawful, arbitrary, unjust, oppressive, improperly discriminatory or taken for an improper purpose.

Official Misconduct

Official misconduct is incorporated within the *Crime and Misconduct Act 2001*, and means any conduct connected with the performance of a Queensland Racing Limited official's duties, that is dishonest or lacks impartiality, involves a breach of trust or is a misuse of officially obtained information. The conduct must be a criminal offence or serious enough to justify dismissal.

Public interest

Public interest means acting for the common good of the community. Queensland Racing Limited has developed a policy on safeguarding the public interest. Queensland Racing Limited officials should refer to this policy for guidance on what constitutes the public interest and Queensland Racing Limited's responsibilities to this end.

Queensland Racing Limited Official

Queensland Racing Limited official includes; Board members of the Queensland Racing Limited Board and all other persons employed or remunerated by Queensland Racing Limited, whether full-time, part time, permanent, fixed-term, contract or casual and includes members of any Queensland Racing Limited sub-committee.

Statutory obligations

Statutory obligations are obligations imposed from time to time by legislation including, where relevant and without limitation, obligations imposed on Queensland Racing Limited and/ or Queensland Racing Limited officials by: *Anti-Discrimination Act 1991*, *Crime and Misconduct Act 2001*, *Corporations Act 2001*, *Racing Act 2002*, *Whistleblowers Protection Act 1994* and *Workplace Health and Safety Act 1995* and any relevant regulations made pursuant to statute.

Whistleblowing

Whistleblowing is when, in the public interest, as provided for in the *Whistleblowers Protection Act 1994*, a person discloses information about official misconduct, maladministration, reprisal, or danger to public health or safety or environment.



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*.

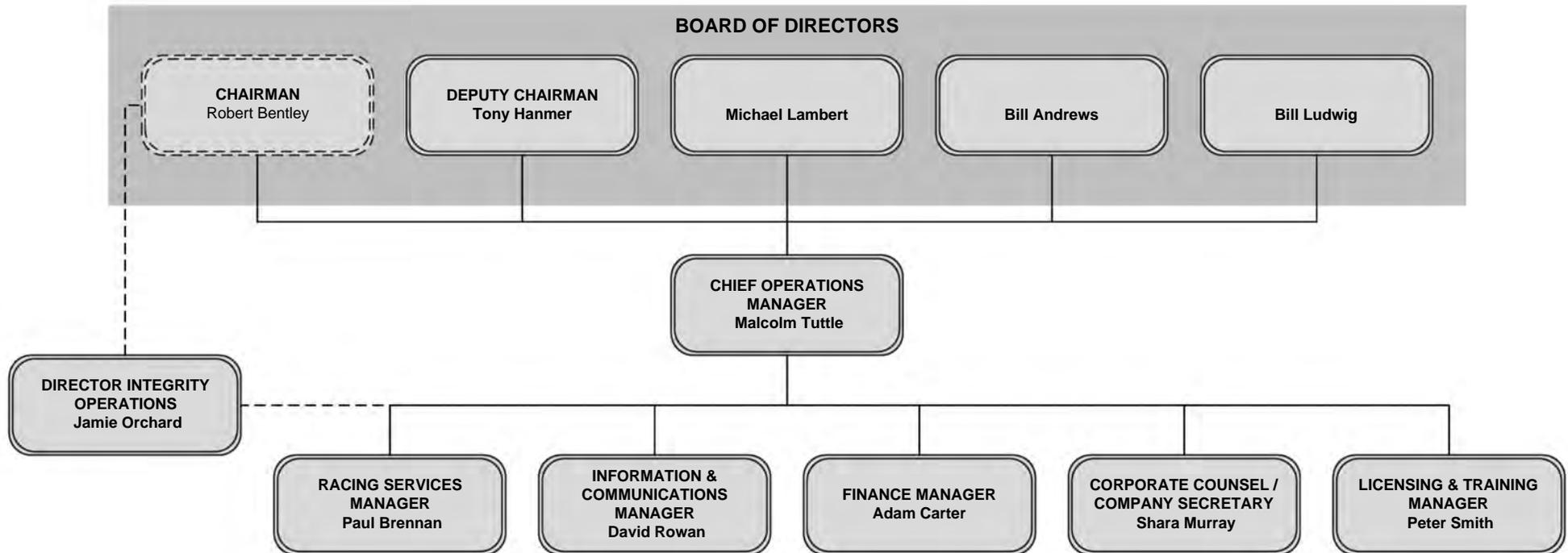
The constitution provides for 2 classes of Members, these being Class A members and Class B members.

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

Face to Face Communication	<p>When to Use</p> <ul style="list-style-type: none"> ☒ In conflict or potential conflict situations ☒ In sensitive situations or when involving sensitive information ☒ If delivering bad news ☒ If there is a significant issue or occasion ☒ To conduct performance reviews 	<p>How to Use</p> <ul style="list-style-type: none"> ☒ Be in an appropriate environment ☒ Be in the moment; no interruptions ☒ Be prepared; have all the facts ☒ Use active listening ☒ Use body language; eye contact, shake hands, mirror the other person
Phone Communication	<p>When to Use</p> <ul style="list-style-type: none"> ☒ If you cannot meet face to face ☒ If it isn't necessary to meet face to face ☒ To book external appointments ☒ When making a call would improve customer service and relationships 	<p>How to Use</p> <ul style="list-style-type: none"> ☒ Reception, extensions and mobiles should be answered professionally ☒ Urgent calls should be returned immediately ☒ Return all calls by close of business the following day
Written Communication	<p>When to Use</p> <ul style="list-style-type: none"> ☒ If it is important to document the facts or when a permanent record is required ☒ If it is beneficial to the recipient for it to be in writing ☒ To confirm conversations in conflict or potential conflict situations 	<p>How to Use</p> <ul style="list-style-type: none"> ☒ Personalise every letter ☒ Sign every letter personally ☒ Respond within seven days of receiving correspondence
Email Communication	<p>When to Use</p> <ul style="list-style-type: none"> ☒ To ask simple, non-confrontational questions ☒ To transfer information ☒ To set internal or external appointments ☒ If there is no chance for an error in interpretation ☒ If there is no conflict between the parties 	<p>How to Use</p> <ul style="list-style-type: none"> ☒ Be clear, make emails easy to understand ☒ All external emails should have a signature block ☒ If an email received is marked urgent it should be answered immediately ☒ Return all emails received by close of business the following day
Text Communication	<p>When to Use</p> <ul style="list-style-type: none"> ☒ If the communication is with someone internally ☒ When it is the only means of contact 	<p>How to Use</p> <ul style="list-style-type: none"> ☒ Check the recipient before sending ☒ Be clear; avoid 'text talk'

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: _____



Public Interest Policy

Greyhounds Queensland Limited

Albion Park Raceway
Breakfast Creek Qld 4010

PO Box 250
Albion Qld 4010

Phone: 07 3262 7800
Fax: 07 3262 7809

Website: www.greyhoundsqueensland.com.au
Email: gql@greyhoundsqueensland.com.au



PUBLIC INTEREST POLICY

DATE OF COMMENCEMENT

This policy comes into effect on 24 November 2004

PURPOSE

The *Racing Act 2002* authorises Greyhounds Queensland Limited (GQL) to make policies for the sound management of the greyhound racing industry. Section 81 (b) of the Act requires GQL to make a policy for safeguarding the public interest in greyhound racing.

What is public interest?

While there is a requirement for a policy safeguarding the public interest in the code, the Act does not define “public interest”.

For guidance, the following other sections of the Act are helpful

Schedule 1, section 11A of the Act specifies the functions of the Thoroughbred Racing Board. Included in the specified functions 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, in relation to the racing industry”.

The functions of GQL are not specified in such a manner.

According to the Australian Concise Oxford Dictionary, “public interest” means:

“of or concerning the people as a whole”

That definition does not provide much guidance on the intent of section 81 (b) of the Act. The American Heritage Dictionary definition of “public interest” is more useful for the purposes of this policy:

“public interest” means:

1. the well being of the general public; the commonwealth.
2. the attention of the people with respect to events.

From this definition, it is clear there are two distinct senses in which the term “public interest” can be used. Section 81 (b) of the Act uses the term in its first sense, that of safeguarding the wellbeing of the general public.

According to the Queensland Government’s Policy Handbook:

Government acts in the public interest, not in the stakeholders’ interests. It is very



PUBLIC INTEREST POLICY

common for different stakeholders to have competing interests and it may be impossible to reconcile the differences.

Public interest cannot be measured precisely. It does not equate to pleasing everyone and it is not the same as public opinion or popularity. An action may be in the public interest yet unpopular. Government decisions to increase taxation are often in this category, although the purpose for which the extra revenue is used may be very popular.

While practitioners may give advice about the views of stakeholders, the various options and the implications, costs and benefits, the determination of what is the public interest is essentially a political decision.

What is the public interest in racing?

Section 4 of the Act - Main purpose of the Act and how they are generally achieved – provides:

(1) The main purposes of this Act are-

- (a) to maintain public confidence in the racing of animals in Queensland for which betting is lawful; and
- (b) to ensure the integrity of all persons involved with racing or betting under this Act; and
- (c) to safeguard the welfare of all animals involved in racing under this Act.

The explanatory notes to the *Racing Bill 2002* refer to the public interest on a number of occasions, beginning with the policy objectives of the legislation which are to:

- maintain public confidence in the racing of animals in Queensland for which betting is lawful
- ensure the integrity of all persons involved with racing or betting
- to safeguard the welfare of all animals involved in racing and
- meet National Competition Policy obligations by removing legislative restrictions on competition that cannot be justified in the public interest.

The explanatory notes state that it is considered justifiable and in the public interest that persons with convictions for dishonesty, stealing, and unlawful betting and bookmaking offences, regardless of when the offences were committed, should not be eligible to be associated with the management or ownership of a control body. Only those persons of the highest integrity should be appointed as an executive officer of a control body.

The explanatory notes refer to the show cause procedure that the Minister and chief executive must comply with when taking disciplinary action, save in exceptional circumstances where immediate suspension is warranted in the public interest.

The Act gives the minister the power to direct a control body to review its existing rules or to make new rules about a matter. The explanatory notes state that if a control body

reviews a particular rule and decides that the rule should not be amended, the control body would need to demonstrate that the rule is in the public interest and has sufficient regard to section 4 (3) of the *Legislative Standards Act 1992*, which provides that , “whether legislation has sufficient



PUBLIC INTEREST POLICY

regard to the rights and liberties of individuals depends on whether, for example, the legislation-

- (a) makes rights and liberties, or obligations dependent on administrative power only if the power is sufficiently defined and subject to appropriate review; and
- (b) is consistent with principles of natural justice; and
- (c) allows the delegation of administrative power only in appropriate cases and to appropriate persons.....”

According to the explanatory notes, community expectations require that entities empowered to make rules and policies, particularly rules and policies that affect the livelihoods and lives of persons, should have due regard to those principles outlined in section 4 (3) of the *Legislative Standards Act 1992*, unless there are good public interest reasons for not doing so.

The Act provides that the Minister may request the Auditor-General to audit a control body. According to the explanatory notes, this power would only be exercised by the Minister in circumstances where the Minister has grounds to believe that it is in the public interest for an independent audit of the control body to be conducted.

Section 81 (b) of the Act provides that a control body must make a policy about safeguarding the public interest in the code. According to the explanatory notes, a control body would need to consider the need to ensure the integrity of the code’s racing in making such a policy.

Greyhound racing’s place in Queensland’s economy and society

In order to safeguard the public interest, it is necessary to attempt to gauge greyhound racing’s positive and negative affects on Queensland’s economy and society.

The greyhound racing industry contributes, in a sizeable way, to the Queensland Gross State Product and generates jobs of all skill levels through the State. The range of people making their livelihood wholly or in part through the greyhound racing industry is impressive – trainers, owners, attendants, bookmakers and their clerks, veterinarians, scientists, farmers, breeders, stock agents, identification/branding officers, IT professionals, data entry clerks, educators, labourers, caterers, cleaners, stewards, administrators, lawyers, totalisator operators, printers, transport contractors, media representatives, curators, and racetrack officials.

Major greyhound racing events like Albion Park Cup, Queensland Derby, Queensland Futurity, Ipswich Auction Series, Vince Curry Memorial and on rotation the National

Sprint and National Distance Championships attract visitors from interstate and overseas and add to Queensland’s reputation as a world-class holiday destination.

The State and Commonwealth Governments derive revenue directly and indirectly from the industry. It is in the public interest that the racing industry generally fulfil its economic potential for the benefit of regional communities and the State as a whole.

Thousands of Queenslanders are greyhound racing enthusiasts. Many are industry participants, while others are regular racegoers or off course punters. They may attend major metropolitan meetings or meetings in regional cities and towns. What ever their level of involvement, they



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share an interest in greyhound racing.

Given the industry's importance to Queensland's society and economy, it is imperative that the public interest in greyhound racing be protected by:

- ensuring the industry is managed professionally;
- promoting a positive image of greyhound racing as a legitimate form of entertainment and a rewarding industry in which to work and be involved;
- ensuring the highest standard of integrity in the conduct of greyhound racing and betting;
- protecting the safety of greyhound racing industry workers and race day patrons;
- protecting the welfare of licensed greyhounds;
- minimising the harm associated with gambling;
- ensuring the industry is a responsible citizen and good neighbour; and
- providing mechanisms for people who have complaints against aspects of the industry's administration to have their problems addressed

The purpose of this policy is to help ensure GQL safeguards the public interest in greyhound racing.

POLICY STATEMENT

Professional management

GQL will ensure the industry is managed professionally by managing its own operations and overseeing race clubs' operations according to the highest professional standards.

In order to ensure its operations are efficient, GQL will develop policies for:

- policy development
- employment of officials and other staff
- decision making by stewards and decision making by GQL generally
- record keeping
- making its officials and other staff and licence holders aware of their responsibilities

under , for example, but not limited to:

- *Anti-Discrimination Act 1991*;
- *Workplace Health and Safety Act 1995*
- other matters GQL sees fit for the proper management of the industry
- maintaining a code of practice.

In order to ensure the industry operates professionally, GQL will develop policies for:

- licensing race clubs, racing venues, industry participants and racing animals
- training of licence holders and other industry participants
- lawful betting
- the allocation of race days
- the provision of funds to licensed clubs
- the standard required of licensed venues



PUBLIC INTEREST POLICY

- the way in which races are to be held
- grading
- other matters as GQL sees fit for the proper management of the industry.

In order to ensure race clubs operate professionally, GQL will formulate policies for:

- the formation and management of clubs
- licensed non-proprietary clubs to manage their finances
- licensed non-proprietary clubs to manage their assets
- other matters as GQL sees fit for the proper management of the industry .

GQL requires licensed clubs to manage their finances and assets according to GQL Financial Management Procedures Manual.

GQL will consult stakeholders when it makes policies. It will review its policies regularly to ensure that they are relevant and continue to encourage efficient and effective administration.

Professional presentation

GQL will present a positive image of greyhound racing as a legitimate, professional and lawful industry. Through its licensing of clubs, venues, participants and greyhounds. GQL will encourage standards of presentation that gives the public confidence in greyhound racing as a sport, pastime and a business characterised by openness, transparency, integrity and accountability.

GQL will present a positive image of greyhound racing as a legitimate form of entertainment for all walks of life. Promotions will encourage people to attend greyhound racing meetings and racing related activities.

GQL will promote greyhound racing as a rewarding industry in which to work, offering many different career opportunities, from the unskilled to the highly skilled, from country Queensland to the regional towns and cities, and major metropolitan centres.

GQL will promote the greyhound racing industry as a rewarding industry in which to be involved, as a participant such as an owner, trainer, breeder etc, or as a service provider to the industry.

Integrity assurance

In order to ensure the highest standards of integrity in the conduct of greyhound racing and betting GQL will formulate policies for:

- licensing race clubs
- lawful betting
- testing racing greyhounds for drugs
- standards of equipment and staffing for monitoring races and facilities and
- other matters as GQL sees fit to ensure integrity.

Public safety



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In order to protect the safety of greyhound racing industry workers and race day patrons, GQL will formulate policies for:

- licensing race clubs, racing venues, industry participants
- the standard required for licensed venues
- training of licence holders and other industry participants
- drug and alcohol use by employees and licence holders and
- other matters as GQL sees fit for the proper management of the industry.

Animal welfare

In order to protect the welfare of racing greyhounds, GQL will formulate policies for the welfare of licensed racing greyhounds.

The policies will reflect the purpose of all relevant legislation concerning animal welfare.

Minimising harm from gambling

In order to minimise any harm associated with gambling, GQL will comply with, and promote the principles of the Queensland Responsible Gambling Code of Practice.

GQL will require clubs to adopt and comply with this policy and the Queensland Responsible Gambling Code of Practice. Clubs must comply with provisions of the Queensland Responsible Gambling Resource Manual. A club's responsible gambling policy must include strategies for:

- providing information to customers
- developing links with customers and the community
- excluding problem gamblers
- creating an acceptable physical environment where gambling may occur
- providing financial transaction services
- regulating advertising and promotions.

The policy will:

- help customers make informed decisions about their gambling
- minimise any harm from gambling to individuals and the broader community and
- provide people adversely affected by gambling with access to timely and appropriate assistance and information.

Responsible citizenship

GQL expects and requires clubs, and greyhound racing participants to be responsible citizens and good neighbours by minimising or eliminating the impact of their greyhound racing related activities on the community.

This includes:

- complying with local authority environmental health and workplace health and safety regulations
- minimising the impact of race day traffic, congestion and parking problems
- reducing noise and light pollution from racing venues
- instituting sound animal husbandry practices



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- minimising unpleasant odours from kennels in residential areas by ensuring high standards of hygiene
- controlling vermin in kennels
- preventing wastes from discharging from kennels into the stormwater system
- maintaining and enforcing a code of practice for participants.

Complaints mechanisms

GQL will manage the greyhound racing industry for the benefit of the industry and the public generally.

GQL will ensure its decision making is fair, impartial and transparent. It will provide reasons for its decisions and be accountable for those decisions.

GQL recognises that from time to time licence holders and other industry participants and members of the public may have complaints about the administration of the industry.

GQL will treat complaints seriously and confidentially and make every effort to resolve complaints. Where a person feels aggrieved by one of its decisions, GQL will review the decision and provide reasons justifying the decision. If GQL changes the decision as a result of the review, it will provide reasons for the new decision.

APPLICATION

This policy applies to:

GQL.

Clubs

Licence holders

DEFINITIONS

This policy adopts the terminology used in the *Racing Act 2002*. Schedule 3 of the Act contains a dictionary of words used in the *Racing Act 2002* and may be accessed via the internet at www.legislation.qld.gov.au under tab "R".

PROCEDURES

Roles and responsibilities

GQL will be for authorising appropriate officers to be responsible for preparing the policies mentioned above.



PUBLIC INTEREST POLICY

Review

This policy will be reviewed after two years of operation.

This policy was reviewed by GQL Board on 31 January 2007, with the policy to be reviewed within two years of this date or earlier as determined by GQL Board.

This policy was reviewed by GQL Board on 28 January 2009 with the policy to be reviewed within 2 years of this date or earlier as determined by GQL Board.

GQL rules of greyhound racing

GQL rules of greyhound racing provide for the application of this policy.

Authority and other information

This policy was issued by GQL on 24 November 2004 pursuant to the powers vested in GQL by the *Racing Act 2002*.



Betting Policy

Greyhounds Queensland Limited

Albion Park Raceway
Breakfast Creek Qld 4010

PO Box 250
Albion Qld 4010

Phone: 07 3262 7800
Fax: 07 3262 7809

Website: www.greyhoundsqueensland.com.au
Email: gql@greyhoundsqueensland.com.au



BETTING POLICY

DATE OF COMMENCEMENT

This policy comes into effect on 24 November 2004

PURPOSE

✓ The *Racing Act 2002* authorises Greyhounds Queensland Limited (GQL) to make policies for the sound management of the greyhound racing industry. Section 81 (f) of the Act requires GQL to make a policy lawful betting on races held under the control of GQL, including selling a product to a person lawfully conducting wagering under the *Wagering Act 1998*.

✓ The purpose of the policy is to ensure that any betting and or wagering conducted on a licensed venue, licensed by GQL, is conducted lawfully, and that the product of greyhound racing, if sold, is sold only to the holder of a race wagering licence.

e.g.
race
information

POLICY STATEMENT

It is GQL policy that betting with a racing bookmaker, and wagering with a totalisator, is conducted in a way that:

- ✓ • on balance, ensures that the greyhound racing industry, the State of Queensland and the community as a whole benefit from betting and wagering
- ✓ • ensures the integrity and fairness of the betting services
- ✓ • ensures the probity of those involved in the conduct of betting and wagering
- encourages responsible gambling and minimises any potential harm from betting and wagering.

APPLICATION

This policy applies to:

- GQL
- Clubs
- Licensed bookmakers
- Queensland Race Product Co Ltd



BETTING POLICY

PROCEDURES

GQL will ensure that before granting a person, or corporation, a racing bookmakers licence, the person is the holder of an Eligibility Certificate issued in accordance with the *Racing Act 2002*.

GQL will ensure that a person or corporation is not permitted to operate as a racing bookmaker at a licensed venue unless the holder of an appropriate licence and indemnity insurance policy or bond.

GQL will monitor the activities of a racing bookmaker and the bookmaker's clerk/ agent to ensure that the activities are in accordance with the *Racing Act 2002* and GQL rules of greyhound racing

A club shall not conduct oncourse wagering by means of a totalisator unless the holder of an Oncourse Wagering Permit issued in accordance with the *Wagering Act 1998*.

A club conducting oncourse wagering by means of a totalisator must ensure that appropriate personnel are employed in its wagering operation.

GQL will enter into appropriate agreements with Queensland Race Product Co Ltd for the sale of the product on which wagering may be conducted in accordance with the *Wagering Act 1998*.

GQL, clubs and racing bookmakers must promote the principles of the Queensland Responsible Gambling Code of Practice.

Review

This policy will be reviewed after two years of operation.

This policy was reviewed by GQL Board on 31 January 2007, with the policy to be reviewed within two years of this date or earlier as determined by GQL Board.

This policy was reviewed by GQL Board on 28 January 2009 with the policy to be reviewed within 2 years of this date or earlier as determined by GQL Board.

GQL rules of greyhound racing

GQL rules of greyhound racing provide for the application of this policy.



Website Policy

Greyhounds Queensland Limited

Albion Park Raceway
Breakfast Creek Qld 4010

PO Box 250
Albion Qld 4010

Phone: 07 3262 7800

Fax: 07 3262 7809

Website: www.greyhoundsqueensland.com.au

Email: gql@greyhoundsqueensland.com.au



WEBSITE POLICY

DATE OF COMMENCEMENT

This policy takes effect on 24 November 2004

PURPOSE

- ✓ The *Racing Act 2002* authorises Greyhounds Queensland Limited (GQL) to make policies for the sound management of the industry. Section 81(g) of the Act requires GQL to make a policy on its web site and the information available through it.
- ✓ The Act requires GQL to publish the following:
 - the racing calendar
 - ✓ • GQL policies
 - ✓ • information on consultation on policy development
 - ✓ • GQL rules of greyhound racing
 - ✓ • notices about the declaration of a sporting contingency.
- It is in the public interest and the interest of the greyhound racing industry participants that information about GQL and the Queensland greyhound racing industry is available and disseminated freely and cost-effectively. A web site is an ideal way to publish information freely and cheaply.
- ✓ Balanced against this is the need to protect security and privacy by preventing hacking and restricting access to confidential or personal information.
- ✓ The purpose of this policy is to help ensure GQL manages the greyhound racing industry soundly by providing industry participants and the general public with accurate and appropriate information about the greyhound racing industry in a cost-effective manner.

POLICY STATEMENT

- ✓ GQL will maintain a web site that provides important, interesting, accurate and current information about GQL and the Queensland greyhound racing industry.
- ✓ In accordance with section 38(3) of the *Racing Act 2002*, GQL will publish the racing calendar on its web site. Publication will be at least seven days before the start of the calendar period and will continue for the period the calendar covers.
- ✓ In accordance with sections 84(2) and 376(3) of the Act, GQL will publish its policies and information about consultation on these policies on its web site. Draft policies will be published for at least 28 days to allow interested parties to make submissions.
- ✓ In accordance with section 94(2) of the Act, GQL will publish the GQL rules of greyhound racing on its web site.



WEBSITE POLICY

- ✓ Notifications of changes to rules will be made as soon as possible after the rules have been changed and before the rule change comes into effect, whenever possible.
- ✓ In accordance with section 255(3) of the Act, GQL will publish any notice about the declaration of a sporting contingency on its web site.
- ✓ GQL will not publish confidential or personal information on its web site.
- ✓ GQL will maintain the following additional information:
 - Q Dogs
 - a race result service
 - stewards reports
 - links to appropriate industry web sites

APPLICATION

✓ This policy applies to GQL.

PROCEDURES

Roles and responsibilities

- ✓ GQL will ensure all information required to be published under the *Racing Act 2002* is published.
- ✓ GQL officers will be responsible for posting information to the web site. The officers will ensure information on the web site is current by reviewing web site content every three months.

Review

This policy will be reviewed after two years of operation.

This policy was reviewed by GQL Board on 31 January 2007, with the policy to be reviewed within two years of this date or earlier as determined by GQL Board.

This policy was reviewed by GQL Board on 28 January 2009 with the policy to be reviewed within 2 years of this date or earlier as determined by GQL Board.

GQL rules of greyhound racing

GQL rules of greyhound racing are not made to provide for the application of this policy.

Authority and other information

This policy was issued by GQL on 24 November 2004 pursuant to the powers vested in GQL by the *Racing Act 2002*.



Staff Not Required to be Licensed Policy

Greyhounds Queensland Limited
Albion Park Raceway
Breakfast Creek Qld 4010

PO Box 250
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Phone: 07 3262 7800
Fax: 07 3262 7809

Website: www.greyhoundsqueensland.com.au
Email: gql@greyhoundsqueensland.com.au



STAFF NOT REQUIRED TO BE LICENSED POLICY

DATE OF COMMENCEMENT

This policy takes effect 23 February 2005

PURPOSE

✓ The *Racing Act 2002* authorises Greyhounds Queensland Limited (GQL) to make policies for the sound management of the greyhound racing industry. Section 81 (1) of the act requires GQL to make a policy for the employment by GQL of officers and other persons who perform services for GQL who are not required to be licensed.

- ✓ • To administer the industry efficiently and effectively, GQL must attract and retain suitably qualified officers as well as other service providers such as consultants.
- ✓ • To attract and retain officers, GQL uses fair and open recruitment and selection practices and offers suitable remuneration and conditions for employees.
- ✓ • To select high quality consultants, GQL uses fair and open tendering practices.

✓ The purpose of this policy is to ensure GQL recruitment, selection, officer development and tendering practices are fair to all concerned and provide value for money for the organisation.

POLICY STATEMENT

- ✓ GQL is an equal opportunity employer that selects officers, consultants and service providers on merit.
- ✓ GQL will use fair and transparent process to recruit officers and engage consultants and service providers.
- ✓ All positions within GQL will have a role profile to describe the position and selection criteria for the position to help make selection decisions more objective and transparent, and to make selection panels accountable for their decisions.

Authority to approve the decision to recruit for a position within GQL is vested in GQL

- ✓ GQL may fill vacancies by recruiting internally or externally.
- ✓ GQL will initially advertise all vacancies internally.



STAFF NOT REQUIRED TO BE LICENSED POLICY

✓ GQL may recruit externally by using any or all of the following:

- ✓• referrals from, for example, existing staff
- ✓• files on previous applicants
- ✓• advertisements in external media or
- ✓• recruitment consultants.

✓ Where GQL conducts the recruitment directly, a selection panel comprising a minimum of a GQL officer of appropriate seniority and a GQL member will be responsible for assessing applications, interviewing applicants, conducting referee checks and selecting the preferred applicant. Where possible, selection panels will have a gender balance.

will now be 2 officers - can not be big enough for this.

Collectively, selection panel members should have:

- ✓• a comprehensive understanding of the role
- a comprehensive understanding of GQL Appointments, and Selection Process Policies;
- ✓• an ability to ask detailed and pertinent questions;
- ✓• prior experience in interviewing;
- ✓• a sound knowledge of equal employment opportunity principles;
- ✓• a demonstrated ability to make decisions objectively.

The selection panel will contact such referees as they think fit from the list provided by the preferred applicant. *- now have to contact 2 referees*

Changes in total remuneration packages for any permanent employees require approval from GQL.

Engagement of recruitment agencies and other consultants *-title*

Where GQL uses a recruitment agency, GQL will ensure the agency's selection processes are fair and accord with GQL recruitment principles outlined above.

When engaging a recruitment agency or employing consultants or contractors generally, GQL will adhere to the principles of its Purchasing-Goods and Services Policy i.e.

- ✓• open and effective competition;
- ✓• value for money;
- ✓• enhancing the capabilities of local business and industry (on the basis of merit and value for money);



STAFF NOT REQUIRED TO BE LICENSED POLICY

- environmental protection;
 - ethical behaviour and fair dealing; and
 - ✓ • suppliers are compliant with all taxation requirements.
- accountability of outcomes?*

Short-term and one-off consultancies

✓ For short-term and one-off contracts worth less than \$10,000, GQL may use preferred suppliers where the supplier has provided a high quality service, has the necessary expertise and is available. The consultant may be appointed without a formal competitive process being undertaken. If such a consultant is not available, three quotes from prospective consultants will be obtained and evaluated.

✓ For short-term one-off contracts worth between \$10,000 and \$100,000, GQL will call tenders from at least three (3) suppliers. The subsequent evaluation of their proposals, will take into account the principles of the GQL Purchasing-Goods and Services Policy. The evaluation of the proposals will be undertaken by two (2) senior officers and be approved by GQL.

COO of RQ

✓ For short-term and one-off contracts worth more than \$100,000, GQL will use a public tender process, including appropriate advertising. Tenders will be evaluated against GQL Purchasing-Goods and Services Policy. The evaluation of the proposals will be undertaken by at least two (2) senior officers and be approved by GQL.

Longer-term consultancies

✓ For longer-term consultancies that may involve a preferred supplier or suppliers undertaking a range of tasks over an extended time, GQL may select a consultant from a panel of suppliers. Before such a selection, GQL will establish such a panel through a competitive process adhering to GQL Purchasing-Goods and Services Policy principles. The process will be appropriately documented approved by GQL.

APPLICATION

✓ This policy applies to GQL officers and other staff.

DEFINITIONS

This policy adopts the terminology used in the *Racing Act 2002*. Schedule 3 of the *Racing Act 2002* contains a dictionary of words used in the *Racing Act 2002* and may be accessed via the internet at www.legislation.qld.gov.au, under the tab "R".



STAFF NOT REQUIRED TO BE LICENSED POLICY

Consultants– means organisations or individuals GQL engages as needed to provide legal, human resources, information technology, and technical or other specialist services.

GQL member – means a member of GQL appointed in accordance with the Act.

Officer – means a person employed by GQL.

Recruitment agency– means consultants GQL engages to recruit officers.

PROCEDURES

√ Selection panel members must ensure recruitment processes they participate in are conducted according to GQL:

- Appointments;
- Casual Employment;
- Equal Employment Opportunity;
- Part-Time Employment;
- Purchasing: Goods and Services; and
- Selection Process

Review

This policy will be reviewed after two years of operation.

This policy was reviewed by GQL Board on 31 January 2007, with the policy to be reviewed within two years of date or earlier as determined by GQL Board.

This policy was reviewed by GQL Board on 28 January 2009 with the policy to be reviewed within 2 years of this date or earlier as determined by GQL Board.

GQL rules of greyhound racing

GQL rules of greyhound racing provide for the application of this policy.

Authority and other information

This policy was issued by GQL on 23 February 2005 pursuant to the powers vested in GQL by the *Racing Act 2002*.



Record Keeping Policy

Greyhounds Queensland Limited

Albion Park Raceway
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Website: www.greyhoundsqueensland.com.au
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COMMENCEMENT DATE

This policy comes into effect on 30 March 2006.

PURPOSE

The *Racing Act 2002* authorises Greyhounds Queensland Limited (GQL) to make policies for the sound management of the greyhound racing industry. Section 81 (o) of the Act requires GQL to make a policy for record keeping, including records about decisions.

Section 88 (13) of Schedule 1 to the Act requires GQL to keep minutes of its meetings in a book kept for the purpose. Section 88A (7) of Schedule 1 requires that a disclosure by a member of an interest in a matter to be considered at a GQL meeting be recorded in the minute book.

The purpose of this policy is to ensure that in the proper management of the greyhound racing industry, effective and efficient systems are established for the accurate keeping of records. The keeping of appropriate records is not only for the benefit of GQL and clubs, but also for the benefit/protection of greyhound racing industry and participants, and private and public entities with which GQL and clubs may be linked.

Proper record keeping is necessary for the fair and efficient administration of the greyhound racing industry. Poor record keeping can lead to administrative inefficiencies, create the potential for fraud, poor decision making and inconsistent or unfair treatment of GQL officers and licence holders.

Records range from a simple personnel, accounting procedure, race result, transfer of ownership or application for a licence, to what may be volumes of information considered by GQL in assessing a major expenditure, or the evidence considered by stewards, and their findings, in a highly complex matter.

Information to be recorded may be written, electronic entry, facsimile, email, photographic, audio recording, video etc.

POLICY STATEMENT

GQL will maintain a record keeping system that supports the professional administration of the industry and fulfils its responsibilities under relevant legislation, including:



Record Keeping Policy

- *Public Records Act 2002 and its General Retention and Disposal Schedule for Administrative Records*
- *Financial Administration and Audit Act 1977*
- *Freedom of information act 1992*
- *Racing Act 2002*
- *Taxation Administration Act 2001*
- *Corporations Act 2001*

GQL will require clubs to, *inter alia*, maintain a record keeping system similar to that of GQL.

GQL will keep records of GQL meetings.

GQL will keep record of a member disclosing an interest in a matter to be considered at a GQL meeting.

GQL will make a record of any inquiry or appeal decision of the GQL or Appeal Panel, including reasons for the decision.

GQL officers will create records of inquiries, correspondence, events, decisions and financial operations in accordance with GQL procedure for creating records, and will file the record in accordance with GQL procedure for retaining records.

GQL will archive its records in accordance with its procedure for archiving records and keep such records for the period required by legislation.

GQL will make records available to a licence holder, the media and other interested parties in accordance with GQL procedure for access to records.

GQL will ensure that appropriate backing up, on-site and off-site storing facilities are utilised for all GQL computer data.

Should GQL find a club is not complying with the record keeping requirements of this policy, or any other relevant legislation, GQL will direct the club to rectify the situation.

Should a club refuse to comply with such a direction, GQL will take appropriate action under the *Racing Act 2002*, which could include suspension or cancelling the club's licence.



APPLICATION

This policy applies to:

- GQL members
- GQL officers
- Clubs

DEFINITIONS

This policy adopts the terminology used in the *Racing Act 2002*. Schedule 3 of the *Racing Act 2002* contains a dictionary of words used in the *Racing Act 2002* and may be accessed via the internet at www.legislation.qld.gov.au, under the tab "R"

Record – although often regarded as documents in paper files or bound volumes, it means a record can exist or have the capacity to exist in any physical format, such as written, electronic entry, facsimile, a photograph, video, sound recording, email and web material. A record may be produced by GQL or lodged with GQL. A record is more than just information; it is evidence of a decision, action and inaction. Information may be collected in the course of business activity and support the activity, but does not, itself, provide evidence of that activity. A record possesses certain characteristics that distinguish it from other kinds of information. A record is "fixed", that is, it is the product of particular action that occurred at a particular time.

PROCEDURES

GQL senior officers are responsible for the implementing of this policy and its procedures.

All GQL and club officers are responsible for keeping appropriate records of decisions.

Review

This policy will be reviewed within two years of the commencement date, or at an earlier time as determined by GQL Board.

This policy was reviewed by GQL Board on 3 March 2008, with the policy to be reviewed within two years of this date or earlier as determined by GQL Board.

This policy was reviewed by GQL Board on 26 November 2008, with the policy to be further reviewed within two (2) years of this date or earlier as determined by GQL Board.



Record Keeping Policy

Rules of racing

GQL rules of greyhound racing provide for the application of this policy

Authority and other information

This policy was issued by GQL on 30 March 2006 pursuant to the powers vested in the GQL by the *Racing Act 2002*.



Code of Racing Policy Development

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COMMENCEMENT DATE

This policy comes into effect on 1 February 2004.

PURPOSE

Greyhounds Queensland Limited (GQL) is authorised by law to manage the code of racing for Queensland. Good management is enhanced by policies that provide clear guidance for action, clarify roles and responsibilities, make explicit the basis for decision-making used in managing the code, and provide a sound framework for the development of rules and procedures made under the code.

The desired outcome to be achieved is effective and credible policies that maintain public confidence in the Queensland racing industry, ensure integrity of persons involved, and safeguard the welfare of animals. The objective of this policy is to establish a transparent and systematic process for the development of policy by GQL that provides opportunity for those likely to be affected by the policy to have input into its development.

The purpose of this document is to establish the principles for policy making by GQL, including consultation that must be undertaken as part of the development of a policy as required by section 81(a) the *Racing Act 2002*.

POLICY STATEMENT

GQL makes policy in accordance with its legislated responsibilities for the development of policies under the *Racing Act 2002* and in the interests of good management of the racing code. Policy is made by the Board of GQL and issued under the authority of the Board.

The development of policy will:

- be directed at achieving the strategic outcomes of maintaining public confidence in the Queensland racing industry, ensuring integrity of persons involved, and safeguarding the welfare of animals, through transparent and consistent decision-making
- be informed by racing practice and developments elsewhere
- provide opportunity for input by those affected by the proposed policy
- incorporate relevant legislative requirements and standards, including natural justice principles
- align with national standards and directions except where these may conflict with legislative provisions under the *Racing Act 2002*
- be based on a process that is practical and relevant in the industry context
- promote accountability by making explicit the roles and responsibilities for action under the policy, including enforcement of compliance with the policy
- include systematic review and evaluation of the policy and its effects



Code of Racing Policy Development

Consultation is a core element. A formal consultation stage that provides for industry-wide input on policy content is built into the standard policy development process. This includes a minimum period of 28 calendar days for comment.

GQL will also seek direct input from industry peak bodies where the policy matter being addressed is relevant to the area of responsibility of that peak body and directly concerns the industry group(s) that it represents. Peak body direct consultation does not preclude a peak body making additional comment or submissions as part of the industry-wide consultation process.

GQL may also choose to consult directly with particular industry groups other than a peak body as part of the formal consultation process. This is at the discretion of GQL, and may be determined by the nature and scope of the policy matter, the extent to which the peak body(s) represent the range of stakeholders potentially affected by the policy, diversity of interests and positions on the policy matter, timing and resource considerations, or other issues determined by GQL.

GQL may also consult with industry peak bodies or representatives and with individuals within or outside the industry at any other time during the development of a policy in order to become informed about issues relevant to the policy matter, policy options, potential impacts of options, or any other matters related to the making of the policy.

If exceptional circumstances require the urgent making of a policy in a timeframe that does not allow adequate time for formal consultation, the policy will be reviewed within three months and will not continue to have effect after six months unless there has been formal consultation on the review of the policy consistent with the formal consultation process applied in the development of a non-urgent policy. Exceptional circumstances relate to the making of policy on matters that require immediate attention, for example, as a result of a court ruling that affects existing policy.

Consultation submissions must be made in writing. GQL will provide feedback on written submissions made during the formal consultation process, either on an individual or group basis as considered appropriate by GQL. Confidentiality will be respected where comments have been provided on an in-confidence basis.

Consultation drafts and final policies will be publicly available, either free of charge on the GQL website or for viewing at the GQL offices, or copies may be purchased at the cost of photocopying and postage. GQL may waive this charge at its discretion.

Procedures made under this policy may be amended by GQL without triggering the consultative processes required for new policy development at any time in order to promote the objectives of this policy and where the revised procedures do not constitute a change to the policy statement.



APPLICATION

This policy applies to industry policy made by GQL. It does not extend to policies that relate to the management and administration of the control body's staff and resources. Because policy made by GQL addresses management of the code of racing, this policy has the potential to affect all persons involved in the code of racing.

DEFINITIONS

'Industry policy' refers to policies relevant to GQL's function of managing the GQL code of racing.

'Formal consultation' refers to a process of inviting submissions on a policy proposal or draft policy being developed by GQL and made publicly available for the purpose of obtaining comment on the policy content from industry and other relevant stakeholders.

PROCEDURES

The process for developing and endorsing policy by GQL will generally involve the following stages:

1. problem definition, identifying relevant issues and desired policy outcomes
2. research and assessment of options, including review of practice and policy in other Australian jurisdictions and informal consultation as appropriate
3. preparation of a discussion paper or of a draft policy on a preferred option, endorsed by GQL Board as the basis for formal consultation
4. formal consultation, following publication of a notice of availability of a draft policy or other policy document for industry comment
5. review of consultation input, consideration of amendments to draft policy, and provision of feedback on submissions
6. policy documentation and GQL Board endorsement of the policy
7. notification of policy decision, commencement date, and availability of policy to industry; copy of policy to DG DTRFT as required by the Act
8. policy implementation, including amendments to local rules where required and incorporation into GQL policy manuals, plans and other records as appropriate
9. policy monitoring and review as determined by GQL Board

The time period for industry submissions is 28 calendar days from the publication of notice of availability of a draft policy, unless GQL determines a longer period for receiving comment. The consultation document must be available for viewing on and from the first day of this 28-day period.



The notice of availability of a draft policy will normally be by publication on the GQL website and in the GQL newsletter. If the notice is not published simultaneously in both the newsletter and on the website, then the 28-day period commences from the later date. The notice will state, at a minimum, the name of the policy, the matters that the policy will deal with, where copies of the draft can be viewed or obtained (including any charge for providing copies), the format and contact details for submissions on the draft, and the closing date for receipt of comments. Peak bodies and licensed clubs will also be advised by post or e-mail of the availability of draft policy and invited to submit comments.

The format for submissions is at the discretion of the person or body making comment but must be in writing. E-mail submissions are an accepted format.

GQL feedback on submissions may be in the form of a verbal or written response directly to the individual or body concerned or through an article published in GQL newsletter or on GQL website providing a general overview of the common comments put forward in industry submissions. Confidentiality must be respected where comments have been provided on an in-confidence basis.

The price of copies of policies or consultation documents is based on a photocopy cost per page (set in accordance with GQL's fee policy) and standard postage rates.

Policy will be drafted in the format set out at Attachment 1, which accords with s.83 of the *Racing Act 2002*.

The formal endorsement of a policy must be recorded in GQL Board minutes, specifying the name of the policy, the decision that the policy has been made by the Board under the *Racing Act 2002*, and the date that the policy was made. A copy of the policy must be referred to the Director General of the Department of Tourism, Racing and Fair Trading within 14 days of the policy being made. Any record of decisions by the Board on policy drafts until the final endorsement of the policy does not constitute the actual making of a policy.

If an urgent policy is made that does not comply with the consultation processes outlined, the Board's minutes must record:

- the reason for the urgency of the making of the policy
- the date at which the policy will be reviewed
- the date the reviewed policy was considered by the Board
- the Board's decision on the matter

If the policy statement is amended after review, the same notification, documentation, and other processes apply as if the policy is a new policy.

Changes to the procedures section of this policy must be authorised by the Board. Any substantive changes that affect procedures involving industry stakeholders will be published on the GQL website and the GQL newsletter and/or advised directly to peak bodies and those affected. Amendments to the policy statement section require the making of a new policy.



A copy of each policy must be held in a register maintained for that purpose.

Copies of the policy must be held at Reception for viewing upon request by any person. A copy must be published on the GQL website as soon as practicable after the policy has been made by the Board. Copies must be given to any person who asks for a copy, subject to payment of the price set for the policy.

Roles and Responsibilities

GQL Board is responsible for ensuring all industry policies made by the Board on and after its commencement date accord with this policy.

The General Manager of GQL is responsible for monitoring the implementation of this policy and bringing to the Board's attention any issues relevant to its implementation and compliance.

GQL staff developing policy for consideration by the Board are responsible for drafting policy and managing consultation processes in accordance with this policy and its procedures.

Review

This policy will be reviewed within two years of the commencement date, or at an earlier time as determined by GQL Board.

This policy was reviewed by GQL Board on 31 January, 2007, with the policy to be reviewed within two years of this date or earlier as determined by GQL Board.

This policy was reviewed by GQL Board on 28 January 2009 with the policy to be reviewed within 2 years of this date or earlier as determined by GQL Board.

Rules of racing

This document encompasses the policy and procedures for applying the policy in its entirety. Rules of racing will not be made for this policy.

This policy was made by GQL Board on 1 February 2004 date under s.81(a) of the *Racing Act 2002*.

ATTACHMENTS

Attachment 1: Format of policy document



ATTACHMENT 1: Format for policy documents

Policy title:

The name of the policy, as recorded in the policy register.

Date of commencement:

The day the policy takes effect, which must not precede the date the policy was made by GQL Board.

Purpose:

A succinct statement of why the policy is needed, the desired policy outcome, the specific policy objective making explicit how this particular policy contributes to achieving that outcome, and the purpose of the policy document.

Policy statement:

A clear statement of GQL's position and intent on the matter, separate from detailed procedures, and including the basis for control body decision-making about matters provided for in the policy.

Application:

Sets out the scope of the policy and who the policy applies to including, as required by the *Racing Act 2002* s. 83(1(e)), who will be affected by it.

Definitions:

Clarifies terms used where there may not be a common understanding of the specific meaning applied within the policy.

Procedures:

Detailed procedures for operationalising the policy, specifying key roles and responsibilities including enforcement responsibility. It includes policy review dates. This section may include cross-reference to the rules of racing where procedures relevant to the policy matter are dealt with under the rules. It must include a statement on whether or not rules of racing are to be made for the policy, as required by the *Racing Act 2002* s. 83(1(g)).

Authority & other information (boxed) including the date the policy was made, source of authority, any previous policies withdrawn upon making of this policy, and contact details for further information about the policy if required.

Attachments:

Used for stand-alone material such as forms, extracts from other sources, etc.

Footer

Each page (including attachments) is to include a footer giving the policy's title, the date it was made by the Board, and the page number.



Making Officials, Officers & Licensed Holders aware of their Duties under Law Policy

Greyhounds Queensland Limited

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Making Officials, Officers & Licensed Holders aware of their Duties under Law Policy

COMMENCEMENT DATE

This policy comes into effect on 30 March 2006.

PURPOSE

The *Racing Act 2002* authorises the Greyhounds Queensland Limited (GQL) to make policies for the sound management of the greyhound racing industry. Section 81 (p) of the Act requires GQL to make a policy for making greyhound racing officials, officers, and licence holders, aware of their duties under laws, including for example, the *Anti-Discrimination Act 1991*.

Instances of harassment, discrimination, official misconduct and unsafe work practices can cause great harm, both physical and emotional, to the individuals involved, as well as reduce productivity and damage the image of GQL and the greyhound racing industry.

It is in the interest of the greyhound racing industry and the public generally that the industry is a safe place to work, free from unsafe work practices, unlawful discrimination, harassment and official misconduct.

GQL had developed policies and practices to make its workplace safe and productive, such as:

- A Code of Conduct, which details the standard of behaviour expected of its officers.
- An Anti-Discrimination including Sexual Harassment Policy, which sets out GQL position on harassment and discrimination and provides information for officers who might experience harassment or discrimination.
- A Discipline Policy which sets out GQL position on officers found to have discriminated against or harassed a person in the course of performing their duties.
- Guidance and support to officers who encounter and disclose improper conduct.
- Procedure to ensure that officers do not endanger health and safety and to uphold the Code of Conduct.
- A Workplace Health and Safety Policy and Procedures.
- Training for officers on their rights and responsibilities regarding workplace safety, harassment, discrimination and whistleblowing.



Making Officials, Officers & Licensed Holders aware of their Duties under Law Policy

- Providing advice and support to officers who experience harassment or discrimination.

GQL also provides information, training and support for licence holders who experience harassment and discrimination.

The purpose of this policy is to help ensure GQL provides a work and racing environment free from unsafe work practices, harassment, unlawful discrimination and official misconduct, by making GQL officers and licence holders aware of their responsibilities in this regard.

POLICY STATEMENT

GQL will take all reasonable steps to provide an environment for its officers, and licence holders, by fostering a culture of safety and high ethical standards, support for whistleblowers and by not tolerating unlawful discrimination, harassment or unsafe work practices.

GQL will provide information, through the racing calendar (Journal) its web site and any training programs, to help make licence holders aware of their rights and responsibilities under relevant legislation, including:

- Anti-Discrimination act 1991
- Crime and Misconduct Act 2001
- Public Sector Ethics Act 1994
- Whistleblowers Protection Act 1994
- Workplace Health and Safety Act 1995

Attention to relevant GQL Policies and training of officers will be provided as part of their induction, and on a regular and ongoing basis relevant information will be provided.

GQL senior officers will model appropriate standards and behaviour and use officers' meetings regularly to discuss ethical standards and expectations of appropriate behaviour.

GQL will not tolerate offensive, explicit or pornographic calendars, literature, posters and other materials in the workplace and will enforce the provisions of its internet and email policy against unacceptable work practices.



Making Officials, Officers & Licensed Holders aware of their Duties under Law Policy

GQL will provide all appropriate advice and support to whistleblowers and the victims of harassment and discrimination and will refer complaints to appropriate authorities, which may include the police and the Crime and Misconduct Commission.

APPLICATION

This policy applies to:

- GQL
- GQL officers/officials
- Club officers/officials
- Licence holders

DEFINITIONS

This policy adopts the terminology used in the *Racing Act 2002*. Schedule 3 of the *Racing Act 2002* contains a dictionary of words used in the *Racing Act 2002* and may be accessed via the internet at www.legislation.qld.gov.au, under the tab "R".

Discrimination – means an occurrence when a person is treated more or less favourably than another person would be under similar circumstances. Discrimination is unlawful when it is on the basis of a attribute described in the *Anti-Discrimination Act 1991* (i.e. sex, marital status, pregnancy, parental status, breastfeeding, age, race, impairment, religion, political belief or activity, lawful sexual activity, sexuality, gender identity, family responsibilities; or association with, or relation to, a person identified on the basis of any of the above attributes)

Officer – means a person employed by GQL and includes a control body member.

Official misconduct – generally means conduct that involves:

- behaviour which is dishonest or not impartial in the exercise of powers or authority – for example, soliciting or receiving benefits;
- behaviour which adversely affects or could adversely affect, directly or indirectly, the honest or impartial exercise of powers or authority – for example, allowing personal relationships to affect decisions or using sexual harassment to obtain a gain at the expense of the public;



Making Officials, Officers & Licensed Holders aware of their Duties under Law Policy

- a breach of trust placed in a person by reason of his or her employment – for example, to breach the confidentiality of a personal nature;
- misuse by any person of information or material acquired in connection with his or her employment, either for the benefit of the person or another person – for example,
- disclosing confidential or privileged information to an unauthorised other person; and
- behaviour which constitutes or could constitute a criminal offence or a disciplinary breach that provides reasonable grounds for termination of employment.

“Registration” wherever appearing in a policy or GQL rules of greyhound racing “registration” and its derivatives shall, with any necessary amendments, have the same meaning as “licence” and its derivatives in accordance with the *Racing Act 2002*.

Sexual harassment – means any unwanted, unwelcome or uninvited behaviour of a sexual nature that makes a person feel humiliated, intimidated or offended.

Whistleblower – means a person who discloses information about official misconduct, maladministration, negligent or improper management of public funds, reprisal, or danger to persons or the environment in the public interest to an authority that is able to investigate and remedy the matter.

PROCEDURES

Roles and responsibilities

GQL officers

In accordance with the Code of Conduct, all GQL officers:

- must maintain the highest standards of professionalism, probity, diligence and integrity;
- must ensure they understand their responsibilities under the Code of Conduct, Anti-Discrimination including Sexual Harassment Policy, draft Workplace Health and Safety Policy and Procedures and *Whistleblowers Protection Act 1994*; and
- have a duty to disclose breaches of the code, the policies or any official misconduct they may encounter.

GQL senior officers

Making Officials, Officers & Legal Holders aware of their Duties under Law Policy

Made by Greyhounds Queensland Limited on 30 March 2006



Making Officials, Officers & Licensed Holders aware of their Duties under Law Policy
GQL senior officers must:

- model the highest standards of ethical behaviour, provide a work environment for their officers that is free of unsafe work practices, unlawful discrimination and harassment;
- regularly discuss the ethical standards and behaviour expected of officers; and
- act on any ethical or behavioural breaches they become aware of and provide support to officers who experience harassment or discrimination or who disclose official misconduct.

Review

This policy will be reviewed after two year's operation from its commencement.

This policy was reviewed by the GQL Board on 26 November 2008, with the policy to be further reviewed within two (2) years of this date or earlier as determined by the GQL Board.

Rules of racing

GQL rules of greyhound racing are not made to provide for the application of this policy.

Authority and other information

This policy was issued by the GQL on 30 March 2006 pursuant to the powers vested in the GQL by the *Racing Act 2002*.



Expenditure by Non-Proprietary Licensed Clubs Policy

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Expenditure by Non-Proprietary Licensed Clubs Policy

COMMENCEMENT DATE

This policy comes into effect on 30 March 2006.

PURPOSE

The *Racing Act 2002* authorises Greyhounds Queensland Limited (GQL) to make policies for the sound management of the industry. Section 81(t) of the Act requires Queensland Racing to make a policy on spending by non-proprietary licensed clubs.

Licensed race clubs organise and run greyhound race meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the greyhound racing industry. They generate revenue and profits and hold assets on behalf of their members and the industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the industry as a whole depends on clubs instituting sound financial management practices.

Queensland clubs are incorporated bodies under the *Associations Incorporation Act 1981* and range from multi-million dollar businesses with substantial administrations to those that race at a lesser level and are administered mainly voluntarily. The corporate governance structures will therefore differ substantially from club to club but the fundamental principles of business management and control remain the same. Clubs must ensure their expenditure is for legitimate purposes, that they receive value for money and that they have appropriate documentation to support their expenditure. They must also ensure that their financial accounts are audited annually by an authorised auditor.

GQL helps clubs administer their finances and monitors clubs' financial management and performance. This includes providing a Financial Management Procedures Manual, a standard chart of accounts and standard annual report, and requiring clubs to obtain authorisation before undertaking certain types of expenditure. The clubs are also required on a monthly basis to provide unaudited financial reports to GQL.

The purpose of this policy is to help GQL and licensed clubs manage the greyhound racing industry's finances, and to ensure clubs understand their financial roles and responsibilities and have the necessary tools and support to manage their finances soundly.

POLICY STATEMENT



Expenditure by Non-Proprietary Licensed Clubs Policy

GQL requires clubs to manage their finances effectively and accountably for the benefit of the club and the greyhound racing industry.

Clubs must manage their finances, including their expenditure, in accordance with relevant legislation, including the *Racing Act 2002*, *Associations Incorporations Act 1981*, and the *Taxation Laws*.

Clubs must also manage and disclose their finances in accordance with rules and procedures set down and administered by GQL, including the rules of greyhound racing, licence conditions and the Financial Management Procedures Manual issued by GQL.

In relation to expenditure, race clubs should take particular note of the following requirements contained in the *Racing Act 2002* and the Financial Management Procedures Manual:

- Clubs may only incur expenditure on activities directly associated with the encouragement of greyhound racing, or for a charitable purpose with the written approval of GQL in accordance with (section 112 of the *Racing Act 2002*);
- Appropriate internal control systems should be established to minimise the risk of misappropriation of club revenues or fraudulent expenditure, and to ensure that financial disclosure of expenditure is not compromised;
- Internal control systems should include clearly documented authorities for the approval of expenditure by club officers; and
- All expenditures must be supported by appropriate documentation that must be maintained in accordance with the section on "Safeguarding and Retention of Accounting Records" in the Manual.

In addition to the requirements of the Act and the Financial Management Procedures Manual, a club must obtain prior approval in writing from GQL before:

- undertaking expenditure on any capital item or capital program in excess of \$25,000; or
- undertaking any expenditure on activities not directly related to the conduct or encouragement of greyhound racing.

Activities not directly related to the conduct or encouragement of racing include, for example, investing in property or shares, the establishment of gaming facilities and sponsoring non- greyhound racing related events.



Expenditure by Non-Proprietary Licensed Clubs Policy

GQL will monitor clubs' financial management and financial performance.

Should GQL find a club is not complying with the Financial Management Procedures Manual, relevant legislation or this policy, GQL will direct the club to take action to rectify the situation.

Should a club refuse to comply with such a direction, GQL will take appropriate action under the *Racing Act 2002*, which could include suspending or cancelling the club's licence.

APPLICATION

This policy applies to all licensed, non-proprietary race clubs in Queensland, including these clubs' management committees and officers.

DEFINITIONS

"Capital expenditure" refers to the application of funds toward the purchase or construction of items that will not be fully expensed through the club's Statement of Financial Performance in the year of purchase.

"Charitable purpose" refers to a club donating money to a benevolent cause not associated with the operations of the club.

"Encouragement of racing" refers to the application of monies by a race club to the core business and business objectives of the club – the conduct of greyhound racing.

"Financial Management Procedures Manual" refers to the publication prepared and distributed by GQL that provides comprehensive guidelines and standards for clubs for their financial and business operations.

"Internal control systems" refer to the practices and processes established by clubs to ensure high standards of corporate governance and financial accountability are in place, and to minimise the risk to clubs of fraudulent activity or theft.

PROCEDURES

GQL Financial Management Procedures Manual details the way clubs must manage their finances, including their expenditure.



Expenditure by Non-Proprietary Licensed Clubs Policy

Roles and responsibilities

Club committees

Club committees must ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club committees must provide accurate, complete and timely information on club finances to GQL, to their auditors 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 the Financial Management Procedures Manual. Club committees must comply with a direction from GQL.

Club treasurer

Club treasurers must provide club committees with accurate, complete and timely information on club finances to help committees make decisions. They must oversee the internal accounting and stock controls and procedures of the club and ensure that appropriate standards in that regard are being met and that the risk of misappropriation or fraudulent use of race club monies is minimised

Club officials

Club officials must ensure club expenditure is for legitimate purposes, represents value for money and is 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.

GQL

GQL provides support and guidance to clubs, monitors clubs' financial management and financial performance and, if necessary, intervenes to ensure clubs manage their finances appropriately. GQL assesses proposed major capital expenditure by clubs and any proposed expenditure by clubs not directly related to the conduct or encouragement of racing. GQL must comply with a direction from the Minister for Racing.



Expenditure by Non-Proprietary Licensed Clubs Policy

Review

This policy will be reviewed after two year's operation from its commencement.

This policy was reviewed by GQL Board on 3 March 2008, with the policy to be reviewed within two years of this date or earlier as determined by the GQL Board.

Rules of racing

GQL rules of greyhound racing are not made to provide for the application of this policy.

Authority and other information

This policy was issued by GQL on 30 March 2006 pursuant to the powers vested in the GQL by the *Racing Act 2002*.



Disposal of Assets of Non-Proprietary Licenced Clubs Policy

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Disposal of Assets of Non-Proprietary Licensed Clubs Policy

COMMENCEMENT DATE

This policy comes into effect on 30 March 2006.

PURPOSE

The *Racing Act 2002* authorises Greyhounds Queensland Limited (GQL) to make policies for the sound management of the greyhound racing industry. Section 81 (u) of the Act requires GQL to make a policy for the disposal of assets of non-proprietary clubs.

Licensed greyhound racing clubs organise and conduct greyhound racing meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the greyhound racing industry. They generate revenue and profits and hold assets on behalf of and the industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the industry as a whole depends on clubs instituting sound financial management practices.

Clubs range from multi-million dollar businesses with substantial administrations to those of a considerably lesser level with a comparable administration, of which many act voluntarily. The corporate governance structures will therefore differ substantially from club to club but the fundamental principles of business management and control remain the same. A club must ensure that its disposal of assets is for legitimate purposes, that it receives value for money and that it has appropriate documentation to support any disposal of its assets.

The purpose of the policy is to help GQL and greyhound racing clubs manage the industry's assets, and to ensure clubs understand their financial roles and responsibilities and have the necessary tools and support to manage their assets and finances soundly.

POLICY STATEMENT

GQL requires a club to manage its assets effectively and accountably for the benefit of the club and the greyhound racing industry.



Disposal of Assets of Non-Proprietary Licensed Clubs Policy

A club must manage assets in accordance with relevant legislation including the *Racing Act 2002*, *Associations Incorporations Act 1981*, and the *Commonwealth Corporations Law*.

A club must also manage and make disclosures about its assets in accordance with rules and procedures set down and administered by GQL, including GQL rules of greyhound racing, licence conditions and the Financial Management Procedures Manual For Queensland Greyhound Racing Clubs issued by GQL.

A club must take particular note of the following requirements contained in the *Racing Act 2002* and the Financial Management Procedures Manual For Queensland Greyhound Racing Clubs:

A club:

- shall not dispose of any assets that are revenues and profits unless the disposal is for the purposes of activities directly associated with the encouragement of greyhound racing, or for a charitable purpose with the written approval of GQL, or for the payment to a member as specified under section 112 of the *Racing Act 2002*
- shall not dispose of property that is used as a licensed venue or a place for exercising or training greyhounds without first obtaining the written approval of GQL and the Minister and the approval of a majority of the club's members present at a meeting where the matter was considered
- shall not dispose of assets, other than revenues and profits or property as mentioned above, unless the club has the written approval of GQL and the asset is being disposed of under a GQL policy
- shall establish appropriate internal control systems to minimise the risk of misappropriation of assets
- shall ensure internal control systems include clearly documented authorities for the disposal of assets by club officers, and
- shall ensure all disposal of assets must be supported by appropriate documentation that must be maintained in accordance with the section on "Safeguarding and Retention of Accounting Records" in the Financial Management Procedures Manual for Queensland Greyhound Racing Clubs.

In addition to the requirements of the Act and the Financial Management Procedures Manual for Queensland Greyhound Racing Clubs, a club must obtain prior written approval from GQL before disposing of assets of a value in excess of \$25,000.

Disposal of Assets by Non-Proprietary Licenced Clubs Policy

Made by Greyhounds Queensland Limited on 30 March 2006



Disposal of Assets of Non-Proprietary Licensed Clubs Policy

Activities not directly related to the conduct or encouragement of greyhound racing include, for example, investing in property or shares, the establishment of gaming facilities and sponsoring non-racing-related events.

GQL will monitor asset management performance of clubs

Should GQL find a club is not complying with the Financial Management Procedures Manual For Queensland Greyhound Racing Clubs, relevant legislation or this policy, GQL will direct the club to take action to rectify the situation.

Should a club refuse to comply with such a direction, GQL will take appropriate action under the *Racing Act 2002*, which could include suspending or cancelling the club's licence.

APPLICATION

This policy applies to all licensed non-proprietary clubs, including the clubs' management committees and officers.

DEFINITIONS

This policy adopts the terminology used in the *Racing Act 2002*. Schedule 3 of the *Racing Act 2002* contains a dictionary of words used in the *Racing Act 2002* and may be accessed via the internet at www.legislation.qld.gov.au, under the tab "R".

Disposal of assets – includes distribute, forfeit, relinquish possession of, sell or otherwise give up the asset.

Charitable purpose – refers to a club donating money to a benevolent cause not associated with the operations of the club.

Encouragement of greyhound racing – refers to the application of monies by a club to the core business and business objectives of the club – the conduct of greyhound racing.

Financial Management Procedures Manual For Queensland Greyhound Racing Clubs – refers to the publication prepared and distributed by GQL that provides comprehensive guidelines and standards for a club for its financial and business operations.



Disposal of Assets of Non-Proprietary Licensed Clubs Policy

Internal control systems – refers to the practices and processes established by a club to ensure high standards of corporate governance and financial accountability are in place, and to minimise the risk to a clubs of fraudulent activity or theft.

Non-proprietary club – means a not-for-profit greyhound racing club. A non-proprietary club has a constitution that:

- provides for the application of all of the club's profits and other income to the promotion of the club's objects; and
- prohibits the payment of dividends to the members of the club.

PROCEDURES

GQL Financial Management Procedures Manual For Queensland Greyhound Racing Clubs details the way a club shall manage its finances and assets.

Roles and responsibilities

Club committee

The committee of a club shall:

- ensure any disposal of assets is for legitimate purposes, represents value for money and is supported by appropriate documentation;
- provide accurate, complete and timely information on club assets/finances to GQL, its auditors and to its members, and ensure policies are established in respect of the operations of the club that are consistent with the principles and guidelines outlined in the Financial Management Procedures Manual for Queensland Greyhound Racing Clubs;
- comply with a direction from GQL.

Club treasurer

The treasurer of a club shall:



Disposal of Assets of Non-Proprietary Licensed Clubs Policy

- shall provide the club committee with accurate, complete and timely information on club assets/finances to help the committee make decisions;
- oversee the internal accounting and stock controls and procedures of the club and ensure standards in that regard are being met and that the risk of misappropriation or fraudulent use of club assets/monies is minimised;

Club officials

Club officials shall:

- ensure club disposal of assets is for legitimate purposes, represents value for money and is supported by appropriate documentation;
- shall provide the club committee with accurate, complete and timely information on club finances to help the committee make decisions;
- oversee the internal accounting and stock controls and procedures of the club and ensure standards in that regard are being met and that the risk of misappropriation or fraudulent use of club monies is minimised;
- at all times operate in accordance with the financial policies and procedures established by the committee.

GQL

GQL shall:

- provide support and guidance to a club, monitor the club's asset management and financial performance and if necessary intervene to ensure the club manages its assets appropriately;
- assess any proposed disposal of an asset by a club not directly related to the conduct or encouragement of greyhound racing;
 - comply with a direction from the Minister for Racing.



Disposal of Assets of Non-Proprietary Licensed Clubs Policy

Review

This policy will be reviewed after two year's operation from its commencement.

This policy was reviewed by GQL Board on 26 November 2008, with the policy to be further reviewed within two (2) years of this date or earlier as determined by GQL Board.

Rules of racing

GQL rules of greyhound racing provide for the application of this policy.

Authority and other information

This policy was issued by GQL on 30 March 2006 pursuant to the powers vested in GQL by the *Racing Act 2002*.



Fee Policy

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COMMENCEMENT DATE

This policy comes into effect on 30 March 2006.

PURPOSE

The *Racing Act 2002* authorises Greyhounds Queensland Limited (GQL) to make policies for the sound management of the industry. Section 81(v) of the Act requires GQL to make a policy on fees that it charges.

GQL provides a range of services to race clubs, industry participants and the general public for the benefit of the greyhound racing industry. GQL services to coordinate, manage and regulate the industry include:

- administering GQL rules of greyhound racing
- enforcing standards of safety and integrity
- licensing industry participants and racing greyhounds
- licensing race clubs and monitoring their activities
- licensing venues
- undertaking racecourse development and capital works
- initiating research and promotional activities
- administering industry funding and commercial agreements and
- representing the Queensland greyhound racing industry on the peak national body, Greyhounds Australasia Ltd, and its sub-committees.

Under the *Racing Act 2002*, GQL may charge fees for services it provides to manage the greyhound racing industry. These fees must reflect the reasonable cost of providing the service.

The purpose of this policy is to help ensure GQL manages the greyhound racing industry soundly by charging appropriate fees for its services and to ensure race clubs, industry participants and the general public understand why fees are charged and how fees are calculated.

POLICY STATEMENT

GQL will charge appropriate fees for the sound management of the greyhound racing industry.



Fee Policy

GQL fees for services will be set according to the cost of providing the service and will be commensurate with those charged by similar organisations or organisations providing similar services. Fees are not designed merely to raise revenue.

GQL will review its fees annually and may adjust them in accordance with changes in the cost of providing the service or movements in the Consumer Price Index (CPI).

GQL will advertise changes to fees through its web site and the racing calendar (Journal) at least four weeks before the new fee comes into effect.

Fees may be paid by cash, cheque or credit card to GQL, or by direct deposit to GQL bank account.

Fees must be paid in full by the due date. Late payment may attract a penalty fee prescribed by GQL.

Unpaid fees beyond GQL payment terms may cause the debtor to be declared a defaulter with the person's name being added to the List of Defaulters.

APPLICATION

This policy applies to:

- GQL
- Clubs
- Venues
- Licence holders

DEFINITIONS

This policy adopts the terminology used in the *Racing Act 2002*. Schedule 3 of the *Racing Act 2002* contains a dictionary of words used in the *Racing Act 2002* and may be accessed via the internet at www.legislation.qld.gov.au, under the tab "R".

"List of Defaulters" means a list of names of persons who:

- owe the Company, other control body or any club, any overdue and unpaid nomination or qualification fees, or money, or fines, or subscriptions or other fees; or
- are responsible for an unpaid bet in connection with a greyhound racing meeting.



Fee Policy

“Registration” wherever appearing in a policy or GQL rules of greyhound racing “registration” and its derivatives shall, with any necessary amendments, have the same meaning as “licence” and its derivatives in accordance with the *Racing Act 2002*.

PROCEDURES

Roles and responsibilities

GQL

GQL must:

- set its fees according to the reasonable cost of providing the service
- must advertise changes in fees
- review fees if these are challenged and provide reasons supporting the reviewed fee.

Industry participants

Industry participants must pay fees levied by GQL in full by the date they are due.

Review

This policy will be reviewed after two years’ operation.

This policy was reviewed by GQL Board on 3 March 2008, with the policy to be reviewed within two years of this date or earlier as determined by the GQL Board.

Rules of racing

GQL rules of greyhound racing provide for the application of this policy.

Authority and other information

This policy was issued by GQL on 30 March 2006 pursuant to the powers vested in the GQL by the *Racing Act 2002*.

GQL CODE OF CONDUCT

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OVERVIEW FROM THE CHAIR and the GENERAL MANAGER

Every day of our working lives we advise, consult and make decisions concerning a variety of internal and external clients and industry stakeholders. This Greyhound Racing Authority Code of Conduct gives us a shared vision of how we should act in an ethical manner in these activities.

There are times when we need to make judgements or take action when existing policy or “rules” do not provide clear direction on a specific issue. This Code is based on five ethical principles and gives all of us that extra guidance needed when trying to decide ‘the right thing to do’.

Application of these ethical principles will assist all of us to further improve the business of the GQL and to project an even more positive image of professionalism and integrity to the greyhound racing industry and to each other.

The Code applies to all GQL Board members and employees: it is effective from 7 December 2005.

Kerry Watson
Chair
GQL

Darren Beavis
General Manager
GQL

INTRODUCTION

The purpose of this Code of Conduct (Code) is to provide all Board members and employees (“GQL official”) with a clear understanding of the standard of conduct expected when performing GQL duties. It represents a broad framework of ethical conduct to be upheld rather than solutions to an exhaustive list of situations.

The Code sets out the standard of conduct expected, with the particular objective of ensuring that the Greyhounds Queensland Limited inspires the utmost faith, confidence and support of all participants and stakeholders in the greyhound racing industry.

The Code places an obligation on us all to take responsibility for our own conduct and actions. To achieve this, all GQL officials are expected to familiarise themselves with and act in accordance with this Code.

FRAMEWORK FOR ETHICAL CONDUCT

This Code of Conduct is based upon the five ethics principles outlined in the *Public Sector Ethics Act 1994*. The *Public Sector Ethics Act 1994* declares the following five ethics principles and obligations to be the basis of good public practice:

- respect for the law and system of government;
- respect for persons;
- integrity;
- diligence; and
- economy and efficiency

The Greyhounds Queensland Limited by adopting this Code, affirms its commitment to the above principles and objectives. The Code places an obligation on all GQL officials to take responsibility for our own conduct.

In adopting this Code these values are seen as having equal application to all employees and constituent members of the GQL. Because of their different roles some of the specific requirements of the Code will only be of relevance to either Board members or to employees.

Application of the Code will be in conjunction with other relevant legislation and GQL Policies: the Code may also be supplemented by GQL memoranda about specific issues.

The Code also provides the basis for disciplinary action in relation to a breach of these principles and obligations.

APPLICATION OF THE CODE

Both the ‘spirit’ and the ‘content’ of the Code are to be considered when applying the Code. If in doubt as to the meaning of the Code or its application in any situation, GQL officials should seek advice from the relevant supervisor / manager or more senior official.

GQL officials are regularly expected to use their authority and judgement to make decisions, implement policy, or provide advice and information upon which other officials and members of the community rely.

Officials also have access to confidential information, and to financial and other resources which are provided for official purposes. Consequently, GQL officials are often in a position where we can significantly affect the rights and interest of individuals within the GQL and members of the public.

GQL officials are employed at public expense to provide services for the community. For this reason, officials occupy a position of trust and the community has high expectations that we act honestly, fairly and competently in our official role, and that we act in the public interest i.e. faithfully and impartially implement GQL policy.

People’s views of what is right and proper often depend upon their own individual background and experience. The individuals who make up the GQL come from a variety of backgrounds and hold a variety of views and expectations. There is however, a need for us to work together ethically to achieve the goals of the GQL.

The need for judgement

This code does not provide a ready solution for all ethical issues that may arise. The possible situations or problems are far too numerous to describe. Instead, it provides information on the five ethics principles and related standards of conduct that we can apply to the particular circumstances and facts of a situation to help us make ethical decisions.

In many situations involving ethical judgements, more than one ethics principle will be relevant. When making decisions, the weight given to each ethics principle will depend on the facts and circumstances of each case. To assist officials in analysing issues or making decisions, refer to page 14 - “A guide to ethical decision making”.

THE ETHICS PRINCIPLES AND OBLIGATIONS OF OFFICIALS

Principle 1: Respect for the law and system of government

Ethics Obligation

A GQL official is required to uphold the laws of the State and Commonwealth and carry out official duties, decisions and policies faithfully and impartially.

Required Standards of Conduct

1.1 Lawful and unlawful official instructions and decisions

GQL officials have an obligation to:

- carry out official duties lawfully
- comply with all reasonable lawful instructions and decisions
- implement GQL policies faithfully and impartially.

1.2 Challenging an official instruction or decision

GQL officials have a right to challenge an official instruction or decision if:

- it involves actions which they reasonably consider to be unlawful or which endanger a person's health or safety
- it conflicts with a relevant professional code
- it appears unreasonable in the circumstances.

Officials should first discuss the matter with the person issuing the instruction or decision (if that is reasonable) to try to resolve the matter in the public interest.

Where discussion is unsuccessful, an official may raise the matter with a relevant senior GQL official. An official may also initiate action in accordance with the GQL Policy on Grievance and Dispute Resolution.

If a GQL official reasonably believes that an instruction or decision involves criminal activity, official misconduct or maladministration, the official should discuss the matter with the General Manager or the Chair as appropriate.

Principle 2: Respect for persons

Ethics Obligation

A GQL official should treat clients, public officials, members of the public and other GQL officials fairly and honestly and with proper regard for their rights and obligations.

A GQL official should act responsibly when performing official duties.

Required Standards of Conduct

2.1 Conduct of GQL officials

GQL officials have an obligation to:

- treat other officials and members of the community professionally in a courteous, helpful and timely manner
- ensure that all clients are made fully aware of their entitlements
- maintain impartiality in decision making and not allow personal beliefs or relationships to influence judgements
- maintain confidentiality of personal information relating to GQL clients, officials and others
- use information only for the official purposes for which it was obtained
- refrain from mistreating GQL clients, officials and others
- recognise that other GQL officials are bound by obligations in their public duties
- avoid offensive, abusive and discriminatory language and behaviour, including all forms of harassment
- tolerate the views of others
- treat others without bias or favouritism;
- show respect for others regardless of their background or culture;
- take reasonable steps to ensure the safety, health and welfare of themselves and GQL clients, officials and others
- not smoke in GQL buildings and vehicles.

If dealing with individuals (including clients) who are upset, every effort should be made to calm the person. If this cannot be achieved, or a GQL official believes that the situation places them or others in any danger, the official may discontinue dealing with the person immediately and notify a supervisor / manager.

The GQL supports any person involved in making a public interest disclosure about wrongdoing (i.e. whistleblowing), in accordance with the *Whistleblowers Protection Act 1994* (Qld). In this context, all GQL officials have a duty therefore, not to take any form of reprisal action against any person whom they believe has made or will make a public

interest disclosure, or who assists others in doing so (e.g. witnesses and investigation officers).

2.2 Responsibilities of Supervisors / Managers

Supervisors / Managers of staff have a responsibility to:

- contribute to the achievement of GQL goals and objectives
- ensure that staff understand their obligations and responsibilities under this Code, any other relevant legislation or policies and GQL goals and objectives
- ensure that the GQL policies and procedures are followed
- continuously improve organisational systems and practices
- monitor the use of public resources
- treat staff fairly, equitably and with consistency
- maintain open and honest communication with staff
- ensure that demands placed on staff are reasonable in the circumstances
- adhere to the principles of procedural fairness when taking action or making decisions that are likely to affect individuals in a specific and substantial way, including disciplinary action
- monitor their own performance and set a good example for staff to follow by adhering to the Code
- ensure that staff understand the standards of performance expected of them, and assess their performance objectively
- encourage staff and provide reasonable opportunities for their development.

2.3 Dress standards

GQL officials have an obligation to ensure that their standard of dress and personal presentation while on duty is clean, tidy and appropriate to their work role and environment.

If the way a GQL official is dressed identifies them as a GQL representative, they are expected to refrain from any conduct that may adversely affect the image of the GQL, regardless of whether they are on or off duty.

Principle 3: Integrity

Ethics Obligation

A GQL official:

- *should not improperly use their official authority or position, or allow them to be misused*
- *should ensure that any conflict of interest which arises is resolved in favour of the public interest*
- *should disclose suspected fraud, corruption or maladministration.*

Required Standards of Conduct

3.1 Conflicts of interest

GQL officials have an obligation to:

- ensure that their official position, authority or actions do not give rise to real or apparent conflict of interest (eg, gain financial advantage)
- avoid real or apparent conflicts of interest by declaring any such conflict to their supervisor / manager and taking action to resolve it in favour of the public interest
- maintain and enhance public confidence in the integrity of the GQL
- carry out their official duties regardless of their personal, political or ideological preferences
- not use or allow another person to use their official position or authority improperly
- declare any personal interests (which may lead to a real or perceived conflict of interest) to their supervisor / manager
- maintain proper confidentiality of official information
- disclose any instances of fraud, corruption and maladministration (actual or suspected) to the General Manager or Chair, as appropriate.

3.2 Benefits or gifts

GQL officials have an obligation to:

- not ask for or encourage the giving of benefits or gifts in connection with the performance of their official duties
- refuse benefits or gifts which may give rise to real or apparent conflict of interest
- report to an appropriate GQL official, any attempt by another person to gain favoured treatment by the offer of a benefit of gift
- refrain from using their influence or use the influence of another person, to improperly obtain any advantage, either personally or for another, or interfere with the proper outcome of any established GQL procedure (eg, appointments, promotions, grievance process).

On occasions, it may be allowable to accept gifts or benefits, provided that they:

- are of nominal value (ie, not over \$50 - each or cumulatively), and
- are offered in accordance with industry / country / cultural norms, and
- do not create any real or apparent conflict of interest, and
- are reported to an appropriate GQL official eg, the General Manager.

Any gift(s) of more than nominal value which is accepted by a GQL official is to be reported in writing to the General Manager or the Chair as appropriate and will become the property of the GQL.

3.3 Disclosure of Official Information and Public Comment

GQL officials have an obligation to:

- maintain the confidentiality of official information (eg, statistics and data and the capacity of GQL to collect and analyse information)
- not disclose information that is commercially sensitive or privileged to any person or agency or the media, unless it is part of their official duty
- obtain appropriate authority before releasing official information or making public comment on behalf of the GQL
- ensure that any comments made in a private capacity (eg, on government policy or as a representative of a community group or association) are clearly announced or understood to be private views or those of the group the official represents.

In a private capacity, GQL officials have the right to participate in political, professional or other lawful activity, but this must be done without breaching the obligation to avoid real or apparent conflicts of interest in relation to official GQL duties.

3.4 Intellectual Property

Information that GQL officials generate or are made aware of as part of their official duties is produced for and on behalf of the GQL. It is therefore regarded as the intellectual property of the GQL and cannot be used for private purposes. When officials cease employment with the GQL, they have an obligation to keep confidential, official information formerly available to them as a GQL official.

Working in a private capacity while employed in the GQL is acceptable if the private employment does not breach an officials obligations under the Code, particularly those about the use of official information and resources and conflict of interest. If the private work is in an area related to the duties of a GQL official, it may give rise to a real or apparent conflict of interest.

3.5 Referee, Performance Reports and Testimonials

When preparing such reports, GQL officials have an obligation to:

- take care not to make false or derogatory statements
- refrain from making statements that are not able to be substantiated
- use official stationary only when acting in an official capacity.

Principle 4: Diligence

Ethics Obligation

In performing official duties, GQL officials should exercise diligence, care and attention and seek to achieve high standards.

Required standards of conduct

4.1 Diligence, care and attention

GQL officials have an obligation to:

- contribute to the mission and goals of the GQL
- comply with the spirit and content of this Code
- apply themselves industriously to their official duties
- provide high standards of client service and exercise due care
- be fair and consistent when dealing with clients and other officials
- follow any professional standards of conduct that are consistent with their official and/or professional role and with the Code
- maintain high standards of behaviour
- meet their obligations in relation to the health and safety of themselves and others
- take responsibility for actions and decisions for which they are accountable as part of their official duties.

All GQL officials have an obligation to progress the objectives of the GQL, regardless of their personal, political or ideological preferences. This includes providing advice that is independent, accurate, honest and comprehensive.

4.2 Self-development

GQL officials have an obligation to further develop their knowledge and skills and to keep up to date with contemporary developments and changes related to their duties. To achieve this objective, officials are to take advantage of appropriate learning opportunities.

4.3 Attendance

GQL officials have an obligation to:

- adhere to the GQL hours of attendance arrangements (eg, attendance patterns are to reflect work requirements)
- record hours of attendance accurately
- make appropriate applications for all absences from duty (eg, sick, annual, special leave)
- not be absent from duty without appropriate authority

- give priority to official duties over personal activities when on duty
- ensure that their own conduct does not distract or prevent others from performing their duties diligently.

4.4 Use of alcohol and other drugs

GQL officials must ensure that the personal use of alcohol and drugs or other substances does not adversely affect the safety or work performance of themselves and others or the integrity of the GQL.

Managers and supervisors may need to consider the options available for assisting officials who are required to take legally prescribed drugs and whose level of performance may have consequently been impaired.

Principle 5: Economy and efficiency

Ethics obligation

In performing official duties, a GQL official should ensure that the most economical use is made of available GQL resources.

Required standards of conduct

5.1 Using GQL resources

GQL officials have an obligation to ensure that all kinds of GQL resources are:

- used economically
- used for the official purposes for which they were provided
- treated and maintained with appropriate care
- used in accordance with GQL policy (eg, use of motor vehicles)
- not used for the purpose of private employment, profit or benefit (unless approved otherwise).

The term “GQL resources” is to be considered in the broadest terms and includes equipment, materials, financial resources, work time, intellectual property, official information and people.

GQL officials must ensure that GQL resources of all kinds are secured against theft and misuse and also ensure that they are not wasted, abused or used improperly or extravagantly.

The GQL acknowledges that infrequent and minor use of GQL resources for non-official purposes may be acceptable however, officials are expected to keep such use to a minimum and seek the prior approval of their supervisor / manager. Supervisors / managers will need to consider the particular circumstances when deciding whether GQL resources may be used by individuals for non-official purposes.

A GUIDE TO ETHICAL DECISION MAKING

Within the context of this Code, the following guide consists of a series of questions that will help you to reach an ethical decision based on the relevant facts and circumstances of a situation.

Step 1. Identify and assess the situation.

- What do I want to do?
- What are the facts and circumstances of the situation?
- Does it break the rules or the law, or is it inconsistent with Government / GQL policy?
- Is this consistent with my obligations under the Code?
- What ethical principle or principles does it relate to and why?
- Who is affected and are people's entitlements or obligations involved?

Step 2. Look at the situation from a public sector standpoint.

- What is my duty as a GQL official?
- What legislation, policies, procedures or guidelines are relevant?
- Who else should I consult?

Step 3. Would my actions or decisions withstand public scrutiny?

- Would a reasonable person consider that I was in a position to improperly use my powers or position?
- Would the public perceive my action or decision as honest and impartial?
- Is there a real or potential conflict of interest?

Step 4. Identify and consider the options.

- Get advice from your supervisor / manager, specialists in the GQL and any person who is able to provide authoritative advice.
- What are the options and the consequences that would result from each option?
- What are the costs and long term consequences, if any?
- Are the options and consequences you have identified consistent with the five ethics principles and obligations?
- How would the public view a particular option?

Step 5. Choose your course of action.

Make sure the course of action you have chosen:

- is within the authority of your position and is consistent with the relevant legislation, directives and policies, including this Code;
- is procedurally fair and can be justified to your supervisor / manager, the General Manager, the Chair, the Minister, Parliament and the public;
- is documented if it is likely that a person will require a statement of reasons; and
- involves specialists within the GQL where appropriate.

PRINCIPLES PERTAINING TO GQL BOARD MEMBERS

Professionalism

The GQL has unique obligations to the greyhound racing industry in Queensland pursuant to the *Racing Act 2002*, the *Wagering Act 1998* and the Australian Greyhound Racing Rules as well as industry administrative arrangements.

The GQL is to be governed by the Board in accordance with the highest standards of professionalism, probity, diligence and excellence.

Fiduciary Duties of a Board Member

The general duties of all Board Members derives from the common law. At the most fundamental level these duties are: the fiduciary duty of loyalty, which is usually expressed as a duty to act in good faith; and the duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.

The Board Member's duty of loyalty is a "fiduciary" duty which imposes the highest standard of fidelity, because the Board Member occupies a position of trust. The nature of the duty is similar to that of the trustee towards the beneficiaries of a trust. This duty requires every Board Member to:

- act bona fide in the best interests of the GQL;
- exercise the powers of office for the proper purposes of the GQL and not for any extraneous purpose; and
- avoid being placed in a position where his or her duty to the GQL conflicts or may conflict with any personal interest and if such a possibility arises, disclosing the matter and handling it in the interests of the GQL as a whole.

The duty of loyalty requires Board Members to:

- be frank and honest in their official dealings with each other;
- ensure proper management of the limited resources of the GQL, so that the objectives of the GQL are met in a timely manner; and
- deal impartially, and without self interest or outside influences, with the interests of all parties with whom the GQL deals.

Confidentiality

Board Members have an obligation to maintain the confidentiality of information provided to them in their capacity as Board Members.

Confidential information available to Board Members must be used only in ways which are consistent with the obligations of Board Members to act impartially, with integrity and in the public interest, and must not be used to obtain any advantage, whether direct or indirect, for themselves or any other person or body.

Conflict of Interest

The common law sets high standards for removing conflicts of interest.

Under the Code of Conduct, conflicts of interest are to be assessed in terms of the likelihood that Board Members possessing a particular interest could be influenced, or might appear to be influenced, in the performance of their duties or in respect of any other matter.

At all times a Board Member must be able to act in the interests of the GQL and greyhound racing as a whole. The interests of associates, affiliates, other racing interests and personal interests of the Board Member or the Board Member's family must not be allowed to prevail over those of the GQL or the Queensland greyhound racing industry.

The pursuit of self interest above the interests of the GQL or the Queensland greyhound racing industry is a breach of Board Member's fiduciary duties.

Where a conflict or apparent or potential conflict does arise, the Board Member must immediately advise the Board (through the Chair) of the nature of the conflict or apparent or potential conflict, and follow the instructions of the Board regarding whether to refrain from participating in the debate or from voting on the matter. The Chair is available to discuss potential conflicts of interest with Board Members.

Full disclosure of conflicts or apparent or potential conflicts must be made to the Board meeting at which the conflicting matter arises.

After a Board Member has disclosed an interest, the Board Member shall not, unless the Board otherwise determines, be present during any deliberation of the Board or take part in any decision of the Board with respect to that matter.

MANAGING BREACHES OF THE CODE

1. Breaches of the Code will be dealt with in accordance with the GQL Policy on Discipline.
2. Immediately on becoming aware that a breach of the Code, whether real, apparent or potential has arisen or is likely to arise, GQL officials should disclose such details in writing to the General Manager or the Chair as appropriate, in such a way that confidentiality is preserved.
3. On receipt of a disclosure from an official, the General Manager or the Chair as appropriate, will determine the extent of any breach of the Code and direct the action required to resolve the conflict. Failure to comply with such direction may make the official liable to disciplinary action.
4. The type of disciplinary action taken will depend on the facts and circumstances of each case.
5. At any time, a GQL official who is unsure whether a breach of the Code or conflict of interest exists with official duties, should consult the General Manager or the Chair as appropriate.

GRIEVANCE AND APPEAL RIGHTS

Depending on the circumstances, GQL officials may have a right to seek redress if they believe that they have been unfairly treated or are unable to resolve a contentious matter. In this situation, officials should refer to the Code for information.

Further Information

GQL officials who are unsure of how the Code applies to them need to discuss this with their supervisor / manager. In most cases, the supervisor / manager will be able to answer any questions. If any GQL official has concerns about approaching their direct supervisor / manager, they may contact the General Manager or the Chair as appropriate.



POLICY DEVELOPMENT POLICY

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	8 March 2004	Gail Cartwright	QHR Board
Reviewed – no changes	31 July 2007	Vanessa Lavery	QHR Board
Update (1)	1 July 2008	Transferred from QHRB	QHRL

COMMENCEMENT DATE

This policy comes into effect on 1 July 2008.

PURPOSE

The Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) is authorised by law to manage the code of harness racing in Queensland. Good management is enhanced by policies that provide clear guidance for action, clarify roles and responsibilities, make explicit the basis for decision-making used in managing the code, and provide a sound framework for the development of rules and procedures made under the code.

The desired outcome to be achieved is effective and credible policies that maintain public confidence in the Queensland harness racing industry, ensure the integrity of the people involved, and safeguard the welfare of animals. The objective of this policy is to establish a transparent and systematic process for the development of policy by HRQ that provides opportunity for those likely to be affected by the policy to have input into its development.

The purpose of this document is to establish the principles for policy-making by HRQ, including consultation that must be undertaken as part of the development of a policy as required by s. 81(a) of the *Racing Act 2002*.

POLICY STATEMENT

HRQ makes policy in accordance with its legislated responsibilities under the *Racing Act 2002* and in the interests of good management of the code of harness racing. Policy is made by the Directors of HRQ and issued under the authority of the corporation.

The development of policy will:

- be directed at achieving the strategic outcomes of maintaining public confidence in the Queensland racing industry, ensuring integrity of persons involved, and safeguarding the welfare of animals, through transparent and consistent decision-making
- be informed by racing practice and developments elsewhere
- provide opportunity for input by those affected by the proposed policy
- incorporate relevant legislative requirements and standards, including principles of natural justice
- align with national standards and directions except where these may conflict with legislative provisions under the *Racing Act 2002*
- be based on a process that is practical and relevant in the industry context
- promote accountability by making explicit the roles and responsibilities for action under the policy, including enforcement of compliance with the policy
- include systematic review and evaluation of the policy and its effectiveness and impact on industry stakeholders.

Consultation is a core element. A formal consultation stage that provides for industry-wide input on policy content is built into the standard policy development process. This includes a minimum period of 28 calendar days for comment.

HRQ will also seek direct input from industry peak bodies where the policy matter being addressed is relevant to the area of responsibility of that peak body and directly concerns the industry groups that it represents. Direct consultation with a peak body does not preclude that body from making additional comment or submissions as part of the industry-wide consultation process.

HRQ may also choose to consult directly with particular industry groups other than a peak body as part of the formal consultation process. This is at the discretion of HRQ, and may be determined by the nature and scope of the policy matter, the extent to which a peak body represents the range of stakeholders potentially affected by the policy, diversity of interests and positions on the policy matter, timing and resource considerations, or other issues determined by HRQ.

HRQ may also consult with industry peak bodies or representatives, and with individuals within or outside the industry, at any other time during the development of a policy in order to become informed about issues relevant to the policy matter, policy options, potential impacts of options, or any other matters related to the making of the policy.

If exceptional circumstances require the urgent making of a policy in a timeframe that does not allow adequate time for formal consultation, the policy will be reviewed within three months and will not continue to have effect after six months, unless there has been formal consultation on the review of the policy consistent with the formal consultation process applied in the development of a non-urgent policy. Exceptional circumstances relate to the making of policy on matters that require immediate attention, for example, as a result of a court ruling that affects existing policy.

Consultation submissions must be made in writing. HRQ will provide feedback on written submissions made during the formal consultation process, either on an individual or group basis as considered appropriate by HRQ. Confidentiality will be respected where comments have been provided on an in-confidence basis.

Consultation drafts and final policies will be publicly available, either free of charge on HRQ web site or for viewing at HRQ offices, or for purchase at the cost of photocopying and postage. HRQ may waive this charge at its discretion.

Procedures made under this policy may be amended by HRQ without triggering the consultative processes required for new policy development at any time in order to promote the objectives of this policy and where the revised procedures do not constitute a change to the policy statement.

APPLICATION

This policy applies to industry policy made by HRQ. It does not extend to policies that relate to the management and administration of HRQ staff and resources. Because policy made by HRQ addresses management of the code of harness racing, this policy has the potential to affect all persons involved in the code of harness racing.

DEFINITIONS

'Directors' refers to the Directors of Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ).

'Formal consultation' refers to a process of inviting submissions on a policy proposal or draft policy being developed by HRQ, and made publicly available for the purpose of obtaining comment on the policy content from industry and other relevant stakeholders.

'Industry policy' refers to policies relevant to HRQ's function of managing the code of harness racing.

PROCEDURES

The process for developing and endorsing policy by HRQ will generally involve the following stages:

1. problem definition, identifying relevant issues and desired policy outcomes
2. research and assessment of options, including review of practice and policy in other Australian jurisdictions and informal consultation as appropriate
3. preparation of a discussion paper or a draft policy on a preferred option, endorsed by the Directors as the basis for formal consultation
4. formal consultation, following publication of a notice of availability of a draft policy or other policy document for industry comment

5. review of consultation input, consideration of amendments to draft policy, and provision of feedback on submissions
6. policy documentation and Directors' endorsement of the policy
7. notification of policy decision, commencement date, and availability of policy to industry; copy of policy to the Director-General, Department of Housing as required by the *Racing Act 2002*
8. policy implementation, including amendments to local rules where required and incorporation into HRQ policy manuals, plans and other records as appropriate
9. policy monitoring and review as determined by the Directors.

The time period for industry submissions is 28 calendar days from the publication of notice of availability of a draft policy, unless HRQ determines a longer period for receiving comment. The consultation document must be available for viewing on and from the first day of this 28-day period.

The notice of availability of a draft policy will normally be by publication on HRQ web site and in the HRQ newsletter. If the notice is not published simultaneously in both the newsletter and on the website, then the 28-day period commences from the later date. The notice will state, at a minimum, the name of the policy, the matters that the policy will deal with, where copies of the draft can be viewed or obtained (including any charge for providing copies), the format and contact details for submissions on the draft, and the closing date for receipt of comments. Peak bodies and licensed clubs will also be advised by post or e-mail of the availability of the draft policy and invited to submit comments.

The format for submissions is at the discretion of the person or body making comment, but must be in writing. E-mail submissions are an accepted format.

HRQ feedback on submissions may be in the form of a verbal or written response directly to the individual or body concerned, or through an article published in the HRQ newsletter or on the HRQ web site providing a general overview of the common comments put forward in industry submissions. Confidentiality must be respected where comments have been provided on an in-confidence basis.

The price of copies of policies or consultation documents is based on a photocopy cost per page (set in accordance with HRQ's fee policy) and standard postage rates.

Policy will be drafted in the format set out at Attachment 1, which accords with s.83 of the *Racing Act 2002*.

The formal endorsement of a policy must be recorded in the Board minutes, specifying the name of the policy, the decision that the policy has been made by the Directors under the *Racing Act 2002*, and the date that the policy was made. A copy of the policy must be referred to the Director-General of the Department of Housing within 14 days of the policy being made. Any record of decisions by the Directors on policy drafts until the final endorsement of the policy does not constitute the actual making of a policy.

If an urgent policy is made that does not comply with the consultation processes outlined, the Board's minutes must record:

- the reason for the urgency of the making of the policy
- the date at which the policy will be reviewed
- the date the reviewed policy was considered by the Directors
- the Directors' decision on the matter.

If the policy statement is amended after review, the same notification, documentation, and other processes apply as if the policy is a new policy.

Changes to the procedures section of this policy must be authorised by the Directors. Any substantive changes that affect procedures involving industry stakeholders will be published on the HRQ web site and in the HRQ newsletter and/or advised directly to peak bodies and those affected. Amendments to the policy statement section require the making of a new policy.

A copy of each policy must be held in a register maintained for that purpose.

Copies of the policy must be held at Reception for viewing upon request by any person. A copy must be published on the HRQ web site as soon as practicable after the policy has been made by the Directors. Copies must be given to any person who asks for a copy, subject to payment of the price set for the policy.

Roles and responsibilities

The Directors are responsible for ensuring that all industry policies made by the Directors on and after the commencement of this policy accord with these provisions.

The CEO of HRQ is responsible for monitoring the implementation of this policy and bringing to the Director's attention any issues relevant to its implementation and compliance.

HRQ staff developing policy for consideration by the Directors are responsible for drafting the policy and managing the consultation processes in accordance with this policy and its procedures.

Review

This policy will be reviewed after two years in operation, or at an earlier time as determined by the Directors.

Rules of racing

This document encompasses the policy and procedures for applying the policy in its entirety. Rules of racing will not be made for this policy.

This policy was made by the Queensland Harness Racing Limited on 1 July 2008 under s. 81(a) of the *Racing Act 2002*. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/qld/qldindustry.

ATTACHMENTS

Attachment 1: Format of policy document

ATTACHMENT 1: *Format for policy documents*

Policy title:

The name of the policy, as recorded in the policy register.

Date of commencement:

The day the policy takes effect, which must not precede the date the policy was made by the Directors.

Purpose:

A succinct statement of why the policy is needed, the desired policy outcome, the specific policy objective making explicit how this particular policy contributes to achieving that outcome, and the purpose of the policy document.

Policy statement:

A clear statement of the HRQ's position and intent on the matter, separate from detailed procedures, and including the basis for HRQ decision-making about matters provided for in the policy.

Application:

The scope of the policy and who the policy applies to, including who will be affected by it, as required by s.83(1)(e) of the *Racing Act 2002*.

Definitions:

Terms used where there may not be a common understanding of the specific meaning applied within the policy.

Procedures:

Detailed procedures for operationalising the policy and specifying key roles and responsibilities, including enforcement responsibility. It includes policy review dates. This section may include cross-reference to the rules of racing where procedures relevant to the policy matter are dealt with under the rules. It must include a statement on whether or not rules of racing are to be made for the policy, as required by the *Racing Act 2002* s.83(1)(g).

Authority and other information:

Separate text box containing the date the policy was made, source of authority, any previous policies withdrawn upon making of this policy, and contact details for further information about the policy if required.

Attachments:

Stand-alone material such as forms, extracts from other sources, etc.



POLICY ON THE ALLOCATION OF RACE DAYS AND THE PROVISION OF FUNDING TO HARNESS RACING CLUBS

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	Unknown	Gail Cartwright	QHR Board
Update (1)	1 April 2007	Andrew Kelly	QHR Board
Update (2)	26 June 2007	Rod Brough	QHR Board
Update (3)	1 July 2008	Transferred from QHRB	QHRL
Reviewed – No Changes	12 May 2009	Mike Godber	QHRL

COMMENCEMENT DATE

This policy comes into effect on 1 July 2008.

PURPOSE

Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) is authorised by law to make policy for the purpose of good management of the code of harness racing. Section 81(j) of the *Racing Act 2002* requires the HRQ to make a policy on the allocation of race days and the provision of funding to harness racing clubs.

The purpose of this policy is to ensure that HRQ makes sound decisions on the allocation of race dates and the provision of funding to harness racing clubs, and that racing industry participants and other interested parties understand the rationale for HRQ decisions on race dates and funding.

Race day allocations

The Queensland harness racing industry derives much of its income from the Product and Program Agreement with UNiTAB. Race days must be allocated to harness racing clubs in such a way as to maximise wagering turnover so that the Queensland harness racing industry receives the greatest possible return from the agreement.

HRQ develops a draft annual calendar of racing for TAB clubs. After consultation with Queensland harness racing clubs, the other codes of racing, vision provider (presently SKY Channel) and UNiTAB, the calendar of TAB club racing is set. HRQ then develops the racing calendar for non-TAB clubs.

Provision of funding

Under Section 34 of the Racing Act, HRQ may, in accordance with its policies, provide funding to a licensed harness racing club for use as prizemoney, for a purpose relating to the club's operations or for capital works and other infrastructure relevant to harness racing.

Following consultation with harness racing clubs, HRQ allocates funding for a range of purposes, including but not limited to:

- general and feature race prizemoney
- promotion and staging of racing series and feature races
- capital works
- administrative operations
- industry promotion

The Queensland harness racing industry operates in a competitive market and must use its limited resources wisely for the benefit of the industry. HRQ must allocate industry funds fairly and transparently to ensure the harness racing industry receives the greatest possible return on this investment.

POLICY STATEMENT

Allocation of Race Days

HRQ will abide by the terms of the Product and Program Agreement.

Each year, HRQ will review the annual racing calendar to ensure it delivers the greatest possible return to the Queensland harness racing industry. HRQ may also review the calendar from time to time during the year.

In consultation with harness racing clubs, the other codes of racing, vision provider (presently SKY Channel) and UNiTAB, HRQ will develop a program of racing that maximises the return to the industry under the Product and Program Agreement.

By May each year, HRQ will release the racing calendar for the next racing year to clubs, industry participants and other interested parties.

Harness racing clubs may only race on the days HRQ allocates to the club, including any changes made to the racing calendar through the course of the year. HRQ may take disciplinary action against any harness racing club that races on days other than its allocated race days.

Provision of funding

Each racing year, HRQ will consult with harness racing clubs about their funding needs, and develop a schedule of funding for each club licensed by HRQ. Harness racing clubs that receive funding from HRQ must provide a forward budget to HRQ, and use the funds in accordance with the budget as approved by HRQ.

HRQ may give a direction to a harness racing club in relation to how it uses any funding it receives from HRQ. HRQ may take disciplinary action against any harness racing club that uses its funding other than in accordance with the budget approved by HRQ.

APPLICATION

This policy applies to HRQ and all harness racing clubs licensed by HRQ.

DEFINITIONS

This policy adopts the terminology used in the *Racing Act 2002*. Schedule 3 of the Racing Act contains a dictionary of words used in the Act, and may be accessed via the internet at www.legislation.qld.gov.au, under the tab 'R'.

'club'—

means either of the following that has, as part of its objects, the object of promoting animal racing of a particular breed or type of animal –

- (a) a corporation registered under the Corporations Act;
- (b) an incorporated association under the Associations Incorporation Act 1981.

'control body direction'—

34(2): to the extent a control body believes necessary or desirable for performing the control body's function, the control body may, by notice given to a licensed club, give a direction to the club (a "control body direction") relating to –

- (a) the operations of the club, including, for example, matters in relation to the licensed club's assets; or
- (b) a licensed venue for which the club is the licence holder

34(3): a control body direction may require a licensed club to do something or to refrain from doing something.

34(4): as mentioned in section 101(1)(a), if the licensed club is not complying, or has not complied with the control body direction, the control body may suspend or cancel the club's licence.

'disciplinary action'—

Relating to an accreditation, approval or licence, means one or more of the following:

- (a) cancelling the accreditation, approval or licence;
- (b) suspending the accreditation, approval or licence for a stated period;

- (c) varying the accreditation, approval or licence in either of the following ways except if the variation is made as the result of an application of the accreditation holder, control body or licence holder –
- i. changing a condition stated in the accreditation, approval or licence to which it is subject;
 - ii. stating a new condition to which the accreditation, approval or licence is to be subject;
- (d) for a licence –
- i. imposing a monetary penalty; or
 - ii. closing, for a stated period, premises or part of premises stated in the licence as premises at which an activity may be conducted under the licence.

‘non-TAB clubs’—

Queensland licensed harness racing clubs on whose races the TAB does not or is not likely to offer wagering services. However, with HRQ approval, non-TAB clubs may conduct TAB meetings.

‘TAB clubs’—

Queensland licensed harness racing clubs on whose races the TAB offers or is likely to offer wagering services. However, with HRQ approval, TAB clubs may conduct non-TAB meetings.

PROCEDURES

Roles and responsibilities

The HRQ must:

- consult with harness racing clubs, the other codes of racing, vision provider (presently SKY Channel) and UNiTAB to develop a racing calendar that maximises the return to the Queensland harness racing industry.
- adhere to the terms of the Product and Program Agreement.
- consult with harness racing clubs, prepare a schedule of funding and allocate funds according to this schedule.

Harness racing clubs must:

- only race on days allocated to them under HRQ racing calendar
- only use funding in accordance with the budget as approved by HRQ

Review

This policy will be reviewed when required.

Rules of harness racing

Harness racing clubs must comply with the rules of harness racing that govern the allocation of race days.

This policy was made by the Queensland Harness Racing Limited on 1 July 2008 under s. 81(j) of the *Racing Act 2002*. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/qld/policy_page.htm.



EMPLOYMENT OF OFFICIALS AND HRQ STAFF POLICY

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	1 June 2005	Gail Cartwright	QHR Board
Reviewed – no changes	31 July 2007	Vanessa Laverty	QHR Board
Update (1)	1 July 2008	Transferred from QHRB	QHRL
Reviewed	15 January 2009	Toni Fenwick/Tracey Harris	QHR Board

COMMENCEMENT DATE

This policy comes into effect on 1 February 2009.

PURPOSE

The *Racing Act 2002* authorises the Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) to make policy for the good management of the code of harness racing. Section 81(l) of the Act requires HRQ to make a policy on the employment of officials, HRQ staff, and other people who perform services for HRQ.

The purpose of this policy is to ensure HRQ's recruitment, selection, staff development and tendering practices are fair to all concerned, and provide value for money to the organisation.

POLICY STATEMENT

HRQ is an equal opportunity employer that selects its officials, HRQ staff, contractors and consultants on merit. HRQ will use fair and open processes in recruitment.

To administer the harness racing industry efficiently and effectively, HRQ must attract and retain suitably qualified officials and HRQ staff, and service providers such as contractors and consultants.

To attract and retain staff, HRQ uses fair and open recruitment and selection practices, and offers attractive remuneration and conditions for employees.

APPLICATION

This policy applies to HRQ staff and external contractors and consultants.

DEFINITIONS

‘consultants’—organisations or individuals engaged by HRQ as needed to provide specialist advice or services, e.g. legal.

‘contractors’—organisations or individuals engaged by HRQ as needed to provide operational services related to racing and integrity matters, e.g. veterinary or photo finish services.

‘HRQ staff’—a person employed by HRQ to conduct duties e.g. finance officer, registrar, steward.

PROCEDURES

All positions within HRQ will have a position description containing the roles and duties of the position, and selection criteria to help make selection decisions more objective and open, and to help make selection panels accountable for their decisions.

Authority to make the decision to recruit for a position within HRQ rests with the Chief Executive Officer.

HRQ may fill vacancies by recruiting internally or externally. All vacancies will initially be advertised internally.

If HRQ decides to recruit externally, it may do so by any or all of the following means:

- referrals from, for example, existing staff
- files on previous applicants
- advertisements in external media
- recruitment consultants.

Direct recruitment

Where HRQ conducts the recruitment directly, a selection panel of at least two staff members of appropriate seniority will be responsible for assessing applications, selecting the preferred applicant and conducting referee checks. They then make a recommendation to the Chief Executive Officer, who will make the appointment.

Panel members should have:

- a comprehensive understanding of the role
- an ability to ask detailed and pertinent questions
- prior experience in interviewing
- a sound knowledge of Equal Employment Opportunity principles
- a demonstrated ability to make objective decisions.

Hiring relatives or re-hiring former staff will require the approval of the Chief Executive Officer.

Consultants and contractors

When engaging or employing consultants or contractors, including recruitment agencies, HRQ will adhere to the following principles:

- value for money
- quality of product, service or support
- open and fair competition
- accountability for outcomes
- use of Queensland product where price-competitive and where quality standards are met
- supplier compliance with taxation requirements.

Short-term and one-off consultants or contractors

For short-term or one-off contracts worth less than \$20,000, HRQ may use preferred suppliers, where the supplier has previously provided a high quality service, has the necessary expertise and is available. The consultant or contractor may be appointed without a formal competitive process being undertaken.

Without the approval of the Board for short-term and one-off contracts worth in excess of \$20,000, HRQ will call tenders from at least three preferred suppliers.

Roles and responsibilities

The Chief Executive Officer is responsible for:

- approving decisions to recruit for positions within HRQ
- approving the appointment of relatives of staff or the re-hiring of former staff.

HRQ staff involved in the selection of applicants, consultants or contractors must:

- ensure recruitment processes are conducted in accordance with this policy
- ensure that the appointment of consultants or contractors are within their delegation, or referred to the Chief Executive Officer for approval.

Review

This policy will be reviewed after two years in operation.

Rules of harness racing

Rules of harness racing will not be made for this policy.

This policy was made by the Queensland Harness Racing Limited on 1 July 2008 under s. 81(l) of the *Racing Act 2002*. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/qld/policy_page.htm.



RECORD KEEPING POLICY

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	28 June 2005	Gail Cartwright	QHR Board
Reviewed – no changes	31 July 2007	Vanessa Laverty	QHR Board
Update (1)	1 July 2008	Transferred from QHRB	QHRL
Update (2)	12 May 2009	Mike Godber	QHRL
Update (3)	9 December 2009	Mike Godber	QHRL Board

COMMENCEMENT DATE

This policy comes into effect on 1 June 2009.

PURPOSE

The *Racing Act 2002* authorises the Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) to make policy for the good management of the code of harness racing. Section 81(o) of the Act requires HRQ to make a policy on record keeping, including keeping records about decisions.

Proper record keeping is necessary for the fair and efficient administration of the Queensland harness racing industry. Poor record keeping can lead to administrative inefficiencies, poor decision-making and inconsistent or unfair treatment of staff and licensees.

As the authority responsible for managing harness racing in Queensland, HRQ is required to make and keep full and accurate records of its activities and to provide stakeholders with access to those records in specified circumstances.

HRQ has developed policies and procedures to guide its record keeping practices, ensure record keeping complies with legislation and standards and help ensure its administration is efficient and effective.

The purpose of this policy is to ensure that officers of HRQ create and retain records of all facets of HRQ operations to ensure compliance with its record-keeping obligations.

HRQ employees will create and file records of correspondence, conversations, events, decisions and financial operations in accordance with HRQ procedure for retaining records.

Roles and responsibilities

HRQ senior managers are responsible for:

- the implementation of this policy and its procedures.

All HRQ officers, including stewards, are responsible for:

- keeping appropriate records of their work, including records of decisions, file notes of conversations, copies of e-mails and records of complaints, in accordance with this policy and its procedures.

The Chief Executive Officer is responsible for:

- establishing and maintaining a register of correspondence received and sent by HRQ
- keeping minutes of Board meetings, and ensuring that the minutes are signed by the Chairman
- processing all applications for access to HRQ records.

Review

This policy will be reviewed after two years in operation.

Rules of harness racing

Rules of harness racing will not be made for this policy.

<p>This policy was made by Queensland Harness Racing Limited on 1 July 2008 under s. 81(o) of the <i>Racing Act 2002</i>. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/qld/policy_page.htm.</p>
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RECORD KEEPING POLICY

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	28 June 2005	Gail Cartwright	QHR Board
Reviewed – no changes	31 July 2007	Vanessa Laverty	QHR Board
Update (1)	1 July 2008	Transferred from QHRB	QHRL
Update (2)	12 May 2009	Mike Godber	QHRL
Update (3)	9 December 2009	Mike Godber	QHRL Board

COMMENCEMENT DATE

This policy comes into effect on 1 June 2009.

PURPOSE

The *Racing Act 2002* authorises the Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) to make policy for the good management of the code of harness racing. Section 81(o) of the Act requires HRQ to make a policy on record keeping, including keeping records about decisions.

Proper record keeping is necessary for the fair and efficient administration of the Queensland harness racing industry. Poor record keeping can lead to administrative inefficiencies, poor decision-making and inconsistent or unfair treatment of staff and licensees.

As the authority responsible for managing harness racing in Queensland, HRQ is required to make and keep full and accurate records of its activities and to provide stakeholders with access to those records in specified circumstances.

HRQ has developed policies and procedures to guide its record keeping practices, ensure record keeping complies with legislation and standards and help ensure its administration is efficient and effective.

The purpose of this policy is to ensure that officers of HRQ create and retain records of all facets of HRQ operations to ensure compliance with its record-keeping obligations.

POLICY STATEMENT

It is in the interest of the harness racing industry and the public generally that HRQ keeps records of its decisions and complies with its responsibilities under:

- *Public Records Act 2002*
- *Financial Administration and Audit Act 1977*
- information standards issued by the Queensland Government
- *Racing Act 2002*.

HRQ will maintain a record keeping system that supports the professional administration of the harness racing industry and fulfils the organisation's legislative responsibilities.

APPLICATION

This policy applies to HRQ:

- staff
- Directors
- contractors/consultants
- agents.

DEFINITIONS

'public record'—any form of recorded information that provides evidence of the decisions or actions of a public authority in undertaking its business activities or in the conduct of its affairs.

'record'—any form of recorded information, including paper documents, photographs, videos, sound recordings, e-mails and web material. Records are 'fixed', that is, they are the product of particular actions that occur at particular times.

PROCEDURES

HRQ will keep minutes of its Board meetings. The minutes will be signed by the Chairman.

HRQ will record declarations of conflict of interests by Directors in the minutes at all Board meetings.

HRQ will make records of the decisions of stewards, including the reasons for the decisions.

HRQ will make records of the decisions of the Appeals Committee

HRQ employees will create and file records of correspondence, conversations, events, decisions and financial operations in accordance with HRQ procedure for retaining records.

Roles and responsibilities

HRQ senior managers are responsible for:

- the implementation of this policy and its procedures.

All HRQ officers, including stewards, are responsible for:

- keeping appropriate records of their work, including records of decisions, file notes of conversations, copies of e-mails and records of complaints, in accordance with this policy and its procedures.

The Chief Executive Officer is responsible for:

- establishing and maintaining a register of correspondence received and sent by HRQ
- keeping minutes of Board meetings, and ensuring that the minutes are signed by the Chairman
- processing all applications for access to HRQ records.

Review

This policy will be reviewed after two years in operation.

Rules of harness racing

Rules of harness racing will not be made for this policy.

This policy was made by Queensland Harness Racing Limited on 1 July 2008 under s. 81(o) of the *Racing Act 2002*. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/qld/policy_page.htm.



AWARENESS OF DUTIES POLICY

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	8 March 2004	Gail Cartwright	QHR Board
Reviewed – no changes	31 July 2007	Vanessa Laverty	QHR Board
Update (1)	1 July 2008	Transferred from QHRB	QHRL
Reviewed – No Changes	12 May 2009	Mike Godber	QHRL

COMMENCEMENT DATE

This policy comes into effect on 1 July 2008.

PURPOSE

Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) is authorised by law to make policy for the purpose of good management of the code of harness racing. Section 81(p) of the *Racing Act 2002* requires HRQ to make a policy on making its officials, other staff and licensees aware of their duties under laws such as the *Anti-Discrimination Act 1991* (Cwlth).

Instances of harassment, discrimination, misconduct and unsafe work practices can cause great harm to the individuals involved in, as well as reduce productivity and damage the image of, HRQ and the Queensland harness racing industry.

It is in the interest of the harness racing industry and the public generally that the industry is a safe place to work, free from unsafe work practices, unlawful discrimination, harassment and misconduct.

HRQ has developed policies and practices to make its workplace safe and productive, such as:

- a Code of Conduct, which details the standard of behaviour expected of its employees
- a Discrimination and Harassment Policy, which sets out the organisation's position on harassment and discrimination and provides information for employees and licensees who might experience harassment or discrimination
- a Whistleblower Policy, which gives guidance and support to employees who encounter or disclose improper conduct

- an employment contract that states that employees have a duty to not endanger health and safety and must uphold the Code of Conduct
- a draft Workplace Health and Safety Policy and Procedures
- training for staff on their rights and responsibilities regarding workplace safety, harassment, discrimination and whistleblowing.

HRQ also provides information and support for licensees who experience harassment and discrimination.

The purpose of this policy is to help ensure HRQ provides a work environment free from unsafe work practices, harassment, unlawful discrimination and misconduct by making its officials, other staff and licensees aware of their responsibilities in this regard.

POLICY STATEMENT

HRQ will take all reasonable steps to provide a safe working environment for its officials, other staff and licensees by fostering a culture of high ethical standards and support for whistleblowers and by not tolerating unlawful discrimination, harassment or unsafe work practices.

HRQ will provide information and training to its officials, other staff and licensees to help ensure they are aware of their rights and responsibilities under relevant legislation, including:

- *Anti-Discrimination Act 1991*
- *Disability Discrimination Act 1992 (Cwlth)*
- *Human Rights and Equal Opportunity Commission Act 1986 (Cwlth)*
- *Public Sector Ethics Act 1994*
- *Racial Discrimination Act 1975 (Cwlth)*
- *Sex Discrimination Act 1984 (Cwlth)*
- *Whistleblowers Protection Act 1994*
- *Workplace Health and Safety Act 1995*

Training for officials and other staff will be provided as part of their induction and on a regular and ongoing basis and information will be posted on staff noticeboards.

HRQ managers and supervisors will model appropriate standards of behaviour and use staff meetings regularly to discuss ethical standards and expectations of appropriate behaviour. HRQ will develop appropriate policies and other materials to assist officials and other staff in complying with their obligations, including:

- a Code of Conduct, dealing with issues such as conflicts of interest and confidentiality of information
- a discrimination and harassment policy
- workplace health and safety policy and procedures
- a privacy policy.

HRQ will not tolerate offensive, explicit or pornographic calendars, literature, posters and other materials in the workplace and will enforce the provisions of its internet and e-mail policy against unacceptable work practices.

HRQ will treat whistleblowers and the victims of harassment and discrimination with respect, and will not make judgments about the validity of any claims prior to their being properly investigated.

HRQ will provide information to licensees through the *Queensland Harness Racing* magazine and its web site.

HRQ stewards will use their powers under the Rules of Racing to investigate allegations of discrimination and sexual harassment, lay charges and impose penalties.

APPLICATION

This policy applies to HRQ officials, other staff and licensees.

DEFINITIONS

‘Conflict of interest’ - refers to a conflict between a private interest and official duty. For example, being in a position to use public office, knowledge and access to resources or influence for improper purposes or private interests. Conflicts of interest can be real or apparent. A real conflict of interest exists when a reasonable person would conclude that the official’s private interests interfere, or are likely to interfere, with the proper performance of his or her official duties. An apparent conflict of interest exists when there is an appearance that an official’s private interests may interfere with the proper performance of his or her official duties although, in reality, this may not be the case.

‘Discrimination’ – refers to what occurs when a person is treated more or less favourably than another person would be under similar circumstances. Discrimination is unlawful when it is on the basis of an attribute described in the *Anti-Discrimination Act* (i.e. sex, marital status, pregnancy, parental status, breastfeeding, age, race, impairment, religion, political belief or activity, trade union activity, lawful sexual activity, sexuality, gender identity, family responsibilities, or association with, or relation to, a person identified on the basis of any of the above attributes).

‘Official misconduct’ - refers generally to conduct that involves:

- behaviour which is dishonest or not impartial in the exercise of powers or authority (e.g. soliciting or receiving benefits)
- behaviour which adversely affects or could adversely affect, directly or indirectly, the honest or impartial exercise of powers or authority (e.g. allowing personal relationships to affect decisions, or using sexual harassment to obtain a gain at the expense of the public)

- a breach of trust placed in a person by reason of his or her employment (e.g. to breach the confidentiality of matters of a personal nature)
- misuse by any person of information or material acquired in connection with his or her employment, either for the benefit of the person or another person (e.g. disclosing confidential or privileged information to an unauthorised other person)
- behaviour which constitutes or could constitute a criminal offence or a disciplinary breach that provides reasonable grounds for termination of employment.

‘Sexual harassment’ - refers to any unwanted, unwelcome or uninvited behaviour of a sexual nature that makes a person feel humiliated, intimidated or offended.

‘Whistleblower’ - refers to a person who discloses information about alleged official misconduct, maladministration, negligent or improper management of public funds, reprisal, or danger to persons or the environment in the public interest to an authority that is able to investigate and remedy the matter.

PROCEDURES

Roles and responsibilities

HRQ officials and other staff are responsible for:

- maintaining the highest standards of professionalism, probity, diligence and integrity
- ensuring they understand their responsibilities under the Code of Conduct, Discrimination and Harassment Policy, Whistleblowers Policy and draft Workplace Health and Safety Policy and Procedures
- disclosing breaches of the code or policies, or any official misconduct they may encounter.

HRQ managers and supervisors are responsible for:

- modelling the highest standards of ethical behaviour
- providing a work environment for their staff that is free of unsafe work practices, unlawful discrimination and harassment
- regularly discussing the ethical standards and behaviour expected of their staff
- acting on any ethical or behavioural breaches they become aware of
- providing support to staff who experience harassment or discrimination or who disclose alleged misconduct.

Licensees are responsible for:

- Under the Rules of Racing, licensees have a responsibility to not act in an improper, unseemly or dishonourable way in connection with racing or to engage in conduct prejudicial to the image, interests or welfare of racing.

Review

This policy will be reviewed after two years in operation.

Rules of racing

Rules of racing provide for the application of this policy.

This policy was made by the Queensland Harness Racing Limited on 1 July 2008 under s. 81(p) of the *Racing Act 2002*. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/qld/policy_page.htm.



SPENDING BY NON-PROPRIETARY CLUBS

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	28 April 2005	Gail Cartwright	QHR Board
Reviewed – no changes	31 July 2007	Vanessa Laverty	QHR Board
Update (1)	1 July 2008	Transferred from QHRB	QHRL
Reviewed – no changes	31 July 2009	Chief Financial Officer	QHRL

COMMENCEMENT DATE

This policy comes into effect on 1 July 2008.

PURPOSE

Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) is authorised by law to make policy for the purpose of good management of the code of harness racing. Section 81(t) of the *Racing Act 2002* requires HRQ to make a policy on spending by licensed, non-proprietary clubs.

Harness racing clubs organise and run harness racing meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the harness racing industry. They generate revenue and profits and hold assets on behalf of their members and the industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the industry as a whole depends on harness racing clubs following sound financial management practices.

Harness racing clubs must ensure their expenditure is for legitimate purposes, that they receive value for money, and that they have appropriate documentation to support their expenditure.

HRQ helps harness racing clubs administer their finances and monitors their financial management and performance. The purpose of this policy is to help HRQ and licensed, non-proprietary harness racing clubs manage the harness racing industry's finances, and to ensure harness racing clubs understand their financial roles and responsibilities and have the tools and support to manage their finances soundly.

POLICY STATEMENT

HRQ requires harness racing clubs to manage their finances effectively and accountably for the benefit of the club and the racing industry.

Harness racing clubs must manage their finances, including their expenditure, in accordance with relevant legislation, including the Racing Act, the *Associations Incorporation Act 1981* and the *Corporations Act 2001* (Cwlth).

Harness racing clubs must have:

- appropriate internal control systems to minimise the risk of misappropriation of club revenues or fraudulent expenditure, and to ensure that financial disclosure of expenditure is not compromised
- appropriate documentation to support all expenditure
- appropriate and clearly documented authorities for the approval of expenditure by club officers.

In accordance with s. 112 of the Racing Act, clubs may incur expenditure on activities directly associated with:

- the encouragement of harness racing, in compliance with HRQ's policies
- a charitable purpose, with the written approval of HRQ.

Additionally, harness racing clubs must seek the prior written approval of HRQ before:

- undertaking any capital expenditure
- undertaking expenditure on any capital item or capital program valued in excess of \$25,000
- undertaking any expenditure on activities not directly related to the conduct or encouragement of racing, e.g. investing in property or shares, the establishment of gaming facilities, sponsoring non-racing-related activities.

The HRQ will monitor the financial management and performance of clubs. Should the HRQ find a club is not complying with the relevant legislation or this policy, the HRQ will direct the club to take action to rectify the situation.

Should a club refuse to comply with such a direction, HRQ may take appropriate disciplinary action.

APPLICATION

This policy applies to all non-proprietary harness racing clubs licensed by HRQ, including the management committees and executive officers of the clubs.

DEFINITIONS

‘Capital expenditure’—the application of funds toward the purchase or construction of items that will not be fully expensed through the club’s Statement of Financial Performance in the year of purchase.

‘Charitable purpose’—refers to a club donating money to a benevolent cause not associated with the operations of the club.

‘Disciplinary action’—action taken by HRQ against a harness racing club, which may include cancelling, suspending or varying the club’s licence or imposing a monetary penalty.

‘Encouragement of racing’—the application of money by a club to the core business and business objectives of the club—the conduct of harness racing.

‘Executive officer’—a person who is concerned with or takes part in the management of a club, whether or not the person is a director or the person’s position is given the title of ‘executive officer’, e.g. committee member, office holder, general manager.

‘Internal control systems’—the practices and processes established by clubs to ensure high standards of corporate governance and financial accountability are in place, and to minimise the risk to clubs of fraudulent activity or theft.

‘Non-proprietary club’—a not-for-profit club. A non-proprietary harness racing club has a constitution that both:

- (a) provides for the application of all the club’s profits and other income to the promotion of the club’s objects
- (b) prohibits the payment of dividends to the members of the club.

PROCEDURES

Roles and responsibilities

Club committees

Club committees must ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club committees must provide accurate, complete and timely information on club finances to HRQ 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 the relevant legislation and HRQ policy. Club committees must comply with a direction from HRQ.

Club treasurers

Club treasurers must ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club treasurers must provide club committees with accurate, complete and timely information on club

finances to help committees make decisions. They must oversee the internal accounting and stock controls and procedures of the harness racing club, and ensure that appropriate standards are being met and that the risk of misappropriation or fraudulent use of race club money is minimised. Club treasurers must ensure that all committee members and club officials comply with the policies and practices the committee establishes for the financial operations of the club.

Club officials

Club officials must ensure club expenditure is for legitimate purposes, represents value for money and is 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.

Queensland Harness Racing Limited

HRQ will:

- assess proposed capital expenditure by clubs
- assess other applications for approval of spending, e.g. for charitable purposes, for activities not directly related to the conduct or encouragement of harness racing, for capital items or programs valued in excess of \$25,000
- monitor club's financial management and performance, and intervene if necessary to ensure clubs manage their finances appropriately
- provide support and guidance to clubs.

Related policies

This policy should be read in conjunction with HRQ *Policy on Disposal of Assets by Non-proprietary Clubs*, *Licensing Policy for Clubs*, *Policy on the Formation and Management of Clubs* and *Policy on the Allocation of Race Days and the Provision of Funding to Clubs*.

Review

This policy will be reviewed after two years in operation.

Rules of harness racing

Rules of harness racing will not be made for this policy.

This policy was made by the Queensland Harness Racing Limited on 1 July 2008 under s. 81(t) of the *Racing Act 2002*. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/qld/policy_page.htm.



DISPOSAL OF ASSETS BY NON-PROPRIETARY CLUBS

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	28 April 2005	Gail Cartwright	QHR Board
Reviewed – no changes	31 July 2007	Vanessa Laverty	QHR Board
Update (1)	1 July 2008	Transferred from QHRB	QHRL
Reviewed – no changes	31 July 2009	Chief Financial Officer	QHRL

COMMENCEMENT DATE

This policy comes into effect on 1 July 2008.

PURPOSE

Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) is authorised by law to make policy for the purpose of good management of the code of harness racing. Section 81(u) of the *Racing Act 2002* requires HRQ to make a policy on disposal of assets by licensed, non-proprietary clubs.

Harness racing clubs organise and run harness racing meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the harness racing industry. They generate revenue and profits and hold assets on behalf of their members and the industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the industry as a whole depends on harness racing clubs following sound financial management practices.

Harness racing clubs must ensure their disposal of assets is for legitimate purposes, that they receive value for money, and that they have appropriate documentation to support any disposal of their assets.

The purpose of this policy is to help HRQ and licensed, non-proprietary harness racing clubs manage the racing industry's assets, and to ensure harness racing clubs understand their financial roles and responsibilities and have the tools and support to manage their finances soundly.

POLICY STATEMENT

HRQ requires harness racing clubs to manage their assets effectively and accountably for the benefit of the club and the racing industry.

Harness racing clubs must manage their assets in accordance with relevant legislation, including the Racing Act, the *Associations Incorporation Act 1981* and the *Corporations Act 2001* (Cwlth). They must also manage and make disclosures about their assets in accordance with HRQ policy.

Harness racing clubs must have:

- appropriate internal control systems to minimise the risk of misappropriation of assets
- appropriate documentation to support all disposal of assets
- appropriate and clearly documented authorities for the disposal of assets by club officers.

In accordance with s. 113 of the Racing Act, clubs may not dispose of assets unless:

- the assets are revenue and profits, and the expenditure is in accordance with the *HRQ Policy on Spending by Non-proprietary Clubs*
- the club has the written approval of HRQ, and the asset is being disposed of in accordance with HRQ policy.

Clubs may not dispose of an asset that is an interest in real property that is being used as a licensed racing venue, or as a training and exercising venue, without first obtaining the approval of a majority of the club's members present at a meeting where the matter was considered, and the written approval of HRQ. The club must then make application to the Minister for final approval.

Additionally, harness racing clubs must seek the prior written approval of HRQ before disposing of assets valued in excess of \$25,000.

HRQ will monitor the asset management and performance of clubs. Should HRQ find a club is not complying with the relevant legislation or this policy, HRQ will direct the club to take action to rectify the situation.

Should a club refuse to comply with such a direction, HRQ may take appropriate disciplinary action.

APPLICATION

This policy applies to all non-proprietary harness racing clubs licensed by HRQ, including the management committees and executive officers of the clubs.

DEFINITIONS

‘Disciplinary action’—action taken by HRQ against a harness racing club, which may include cancelling, suspending or varying the club’s licence or imposing a monetary penalty.

‘Executive officer’—a person who is concerned with or takes part in the management of a club, whether or not the person is a director or the person’s position is given the title of ‘executive officer’, e.g. committee member, office holder, general manager.

‘Internal control systems’—the practices and processes established by clubs to ensure high standards of corporate governance and financial accountability are in place, and to minimise the risk to clubs of fraudulent activity or theft.

‘Non-proprietary club’—a not-for-profit club. A non-proprietary harness racing club has a constitution that both:

- (a) provides for the application of all the club’s profits and other income to the promotion of the club’s objects
- (b) prohibits the payment of dividends to the members of the club.

PROCEDURES

Roles and responsibilities

Club committees

Club committees must ensure the club’s disposal of an asset is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club committees must provide accurate, complete and timely information on club finances to HRQ 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 the relevant legislation and HRQ policy. Club committees must comply with a direction from HRQ.

Club treasurers

Club treasurers must ensure the club’s disposal of an asset is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club treasurers must provide club committees with accurate, complete and timely information on club finances to help committees make decisions. They must oversee the internal accounting and stock controls and procedures of the harness racing club, and ensure that appropriate standards in that regard are being met and that the risk of misappropriation or fraudulent use of race club money is minimised. Club treasurers must ensure that all committee members and club officials comply with the policies and practices the committee establishes for the financial operations of the club.

Club officials

Club officials must ensure the club's disposal of an asset is for legitimate purposes, represents value for money and is 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.

Queensland Harness Racing Limited

HRQ will:

- assess applications by the club for approval to dispose of assets, e.g. where the asset is an interest in real property, or the asset is valued in excess of \$25,000
- monitor club's asset management and performance, and intervene to ensure clubs manage their assets appropriately, if necessary
- provide support and guidance to clubs
- consider an application by a club to dispose of an asset that is an interest in real property.

Related policies

This policy should be read in conjunction with HRQ *Policy on Spending by Non-proprietary Clubs*, *Licensing Policy for Clubs*, *Policy on the Formation and Management of Clubs*, and the *Policy on Spending by Non-Proprietary Clubs*.

Review

This policy will be reviewed after two years in operation.

Rules of harness racing

Rules of harness racing will not be made for this policy.

This policy was made by the Queensland Harness Racing Limited on 1 July 2008 under s. 81(u) of the *Racing Act 2002*. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/gld/policy_page.htm.



FEES POLICY

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	28 July 2004	Gail Cartwright	QHR Board
Update (1)	26 June 2007	Andrew Kelly	QHR Board
Update (2)	1 July 2008	Transferred from QHRB	QHRL
Update (3)	9 April 2009	Toni Fenwick	HRQ Board

COMMENCEMENT DATE

This policy comes into effect on 9 April 2009.

PURPOSE

Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) is authorised by law to make policy for the purpose of good management of the code of harness racing. Section 81(v) of the *Racing Act 2002* requires the HRQ to make a policy on fees that it charges.

The purpose of this policy is to ensure HRQ manages the harness racing industry soundly by charging appropriate fees for its services. Refer *Racing Act 2002 – Part 3, Section 35 – Control body may charge fees for its services*.

HRQ provides a range of services to race clubs, industry participants, licensed wagering operators, holders of race information authorities and the general public for the benefit of the harness racing industry. Its services to coordinate, manage and regulate the industry include:

- administering the rules of racing
- enforcing standards of safety and integrity
- licensing industry participants
- registering race clubs and monitoring their activities
- undertaking racecourse development and capital works
- initiating research and promotional activities
- administering industry funding and commercial agreements and
- representing the harness racing industry on the peak national body, the Australian Harness Racing Council, and its sub-committees.
- Control of race information

Under the *Racing Act 2002*, HRQ may charge fees for services it provides to manage the racing industry. These fees must reflect the reasonable cost of providing the service to which Section 35 (2) of the Act is applicable

A decision to impose a fee by Harness Racing Queensland as a condition of an authority granted under Section 113E(3)(a) of the Act or any other fee to which Section 35(2) of the Act does not apply, does not need to reflect the reasonable cost to Harness Racing Queensland of providing any service.

POLICY STATEMENT

HRQ will charge appropriate fees for the sound management of the racing industry.

HRQ's fees for services under Section 35(2) will be set according to the cost of providing the service and will be commensurate with those charged by similar organisations or organisations providing similar services. Fees are not designed merely to raise revenue.

HRQ will review its fees annually and may adjust them at least in accordance with changes in the cost of providing the service or movements in the Consumer Price Index (CPI).

HRQ will advertise changes to fees through its web site and the *Queensland Harness Racing* magazine at least four weeks before the new fee comes into effect.

Fees in relation to industry participants may be paid by cash, cheque or credit card at any HRQ office or by direct deposit to HRQ's bank account.

Fees in relation to licensed wagering operators and the holders of race information authorities may be paid by cash or cheque at any HRQ office or by direct deposit to HRQ's bank account.

HRQ may, at its discretion, charge interest, administration charges and penalties for late payments.

All unpaid fees, fines etc beyond the HRQ's payment terms may cause the debtor to be placed on the unpaid forfeits list – refer Unpaid Forfeit List Policy

APPLICATION

This policy applies to race clubs, race venues, licensees, licensed wagering operators, holders of race information authorities and other industry participants.

DEFINITIONS

'**Forfeit list**' refers to the list of people with overdue fees payable to HRQ. People placed on the forfeit list will be prevented from racing or training horses in Queensland. A person may only be removed from the forfeit list once the outstanding amounts are paid in full or as agreed by an authorised officer of HRQ.

This should be read in conjunction with the Unpaid Forfeit List Policy.

PROCEDURES

Roles and responsibilities

HRQ is responsible for:

- reviewing fees
- setting its fees according to the reasonable cost of providing the service
- notifications of changes in fees giving at least four (4) weeks notice

Industry participants, including race clubs, licensees, licensed wagering operators, holders of race information authorities and other industry participants, are responsible for:

- paying fees levied by the HRQ in full by the date they are due.

Review

This policy will be reviewed when required.

Rules of racing

Rules of racing provide for the application of this policy.

This policy was made by the Queensland Harness Racing Limited on 1 July 2008 under s. 81(v) of the *Racing Act 2002*. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/qld.



BETTING POLICY

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	29 Nov 2005	Gail Cartwright	QHR Board
Update (1)	1 July 2008	Transferred from QHRB	QHRL
Update (2)	26 May 2009	Mike Godber	QHRL

COMMENCEMENT DATE

This policy comes into effect on 1 June 2009.

Deleted: 1 July 2008

PURPOSE

The *Racing Act 2002* authorises the Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) to make policy for the good management of the code of harness racing. Section 81(f) of the Act requires HRQ to make a policy about lawful betting on races held under the control of HRQ, including selling a to a person lawfully conducting wagering under the *Wagering Act 1998*.

To protect the public interest and the interest of parties to a bet, and to guard against illicit activity, betting activities are strictly regulated under the *Racing Act* and the *Wagering Act*. HRQ will only license people to carry out bookmaking activities on harness racing product who are of suitable character, reputation, experience and financial position.

The purpose of this policy is to ensure that any betting conducted at a venue licensed by HRQ is conducted lawfully, and that the product of harness racing is sold only to a licensed wagering operator to ensure a fair return to the harness racing industry.

POLICY STATEMENT

HRQ will ensure that betting with a racing bookmaker, and wagering with a totalisator, is conducted in a way that:

- ✓ • on balance, ensures that the harness racing industry benefits from lawful betting
- ✓ • ensures the integrity and fairness of lawful betting services
- ✓ • ensures the probity of those involved in the conduct of lawful betting services
- encourages responsible gambling and the minimisation of harm from betting.

APPLICATION

This policy applies to:

- HRQ
- licensed harness racing clubs
- licensed bookmakers
- licensed bookmakers clerks
- Queensland Race Product Co
- Betting Exchanges

Deleted: .

DEFINITIONS

This policy adopts the terms used in the *Racing Act 2002*, Schedule 3 of which contains a dictionary of words and may be accessed via the internet at www.legislation.qld.gov.au, under the tab 'R'.

PROCEDURES

Roles and responsibilities

HRQ will:

- ensure that any applicant for a bookmakers licence is the holder of an eligibility certificate issued under the Racing Act
- ensure that any applicant for a bookmakers licence holds an appropriate level of indemnity insurance
- ensure that no person is permitted to operate as a bookmaker at a licensed venue unless the holder of an appropriate licence
- monitor the activities of all licensed bookmakers, and their employees, to ensure that their operations are conducted in accordance with the Racing Act, the Wagering Act and the *Australian Harness Racing Rules*
- enter into appropriate agreements with Queensland Race Product Co for the sale of the harness racing product on which betting may be conducted
- promote the principles of the of the Queensland Responsible Gambling Code of Practice.

Harness racing clubs will:

- not conduct on-course wagering by means of a totalisator unless the holder of an on-course wagering permit issued under the Wagering Act
- ensure that only appropriate personnel are employed in its wagering operation
- promote the principles of the of the Queensland Responsible Gambling Code of Practice.

Licensed bookmakers, and their employees and agents, will:

- conduct their bookmaking in accordance with their licence and the rules of harness racing
- promote the principles of the of the Queensland Responsible Gambling Code of Practice.

Related policies

This policy should be read in conjunction with the HRQ *Licensing Policy for Individuals*.

Review

This policy will be reviewed after two years in operation.

Rules of harness racing

This policy is consistent with the rules of harness racing, including the Queensland local rules, that relate to bookmakers and betting.

This policy was made by the Queensland Harness Racing Limited on 1 June 2009 under s. 81(f) of the *Racing Act 2002*. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/qld/policy_page.htm.

Deleted: 1 July 2008



FORMATION AND MANAGEMENT OF CLUBS POLICY

POLICY HISTORY

Version	Date	Prepared by	Approved by
Original	19 January 2005	Gail Cartwright	QHR Board
Update (1)	26 June 2007	Rod Brough	QHR Board
Update (2)	1 July 2008	Transferred from QHRB	QHRL

COMMENCEMENT DATE

This policy comes into effect on 1 July 2008.

PURPOSE

Queensland Harness Racing Limited trading as Harness Racing Queensland (HRQ) is authorised by law to make policy for the purpose of good management of the code of harness racing. Section 81(i) of the *Racing Act 2002* requires HRQ to make a policy on the formation and management of clubs eligible to be licensed to hold race meetings.

Racing clubs are the mechanism by which the harness racing industry delivers its 'product' to its customers. The harness racing industry depends on properly formed and soundly managed racing clubs for its continued prosperity.

Under previous racing legislation, proprietary clubs were prohibited from conducting race meetings. The Racing Act removed this statutory provision. Although currently all Queensland harness racing clubs are non-proprietary clubs, this may change if a corporation applies to HRQ for licensing as a club. The Racing Act provides that a licensed club that was a non-proprietary club at the time that it was licensed, but subsequently becomes a corporation would continue to be considered non-proprietary for the purposes of the application of its revenues and profits and disposal of its assets.

Mismanagement of racing clubs and instances of harassment, discrimination, misconduct and unsafe work practices can cause great harm to the individuals involved, as well as reduce productivity and damage the image of the Queensland harness racing industry.

It is in the interest of the harness racing industry and the public generally that the industry is a safe place to work, free from unsafe work practices, unlawful discrimination, harassment and misconduct.

The purpose of this policy is to ensure Queensland harness racing clubs, whether they are proprietary or non-proprietary, are properly formed and managed and that they provide a work environment free from unsafe work practices, unlawful discrimination, harassment and misconduct.

POLICY STATEMENT

Club formation

HRQ will ensure that racing clubs are properly constituted under either the *Associations Incorporation Act 1981* (for clubs formed as incorporated associations) or the *Corporations Act 2001* (Cwlth) (for clubs formed as corporations) before it licenses these clubs.

Application for a licence

Clubs will apply for a licence in accordance with HRQ *Licensing Policy for Clubs*. Application must be on a form approved by HRQ for that purpose.

No fee is payable for an application for a race club licence.

See HRQ *Licensing Policy for Clubs* for further information on the licensing process.

Proprietary racing clubs

A proprietary racing club must be formed in accordance with the *Corporations Act*. The club must be registered under these laws and have a constitution that requires, at all times, at least three directors, and that people appointed or employed as executive officers of the corporation be eligible individuals.

In addition to provisions relating to the good character of racing club committee members and executive officers, a proprietary club must provide a national police certificate for each person who is a business associate or executive associate of the proprietary racing club.

Club management

HRQ will oversee the financial management and performance of all Queensland harness racing clubs to ensure they are properly managed.

Non-proprietary clubs must comply with HRQ policies developed in accordance with sections 81(t) and 81(u) of the *Racing Act*.

In accordance with the rules of harness racing and the *Racing Act*, racing clubs must forward to HRQ within 90 days of the end of the financial year a properly audited

balance sheet and profit and loss statement showing the operations of the club for the financial year just concluded.

Within 30 days of a racing club's annual general meeting, the club must forward to HRQ a written report on its activities over the previous year, and a copy of any corporate, strategic, business or other plan the club may have adopted during that year.

Safe working environment

HRQ requires harness racing clubs to take all reasonable steps to provide a safe working environment for their officials, other staff and licensees by fostering a culture of high ethical standards and support for whistleblowers, and by not tolerating unlawful discrimination, harassment or unsafe work practices.

Harness racing clubs must provide information and training to their officials and staff to ensure they are aware of their rights and responsibilities under relevant legislation, including:

- *Anti-Discrimination Act 1991*
- *Disability Discrimination Act 1992 (Cwlth)*
- *Human Rights and Equal Opportunity Commission Act 1986 (Cwlth)*
- *Public Sector Ethics Act 1994*
- *Racial Discrimination Act 1975 (Cwlth)*
- *Sex Discrimination Act 1984 (Cwlth)*
- *Whistleblowers Protection Act 1994*
- *Workplace Health and Safety Act 1995*

Harness racing club managers and supervisors must model appropriate standards of behaviour and ensure that staff are aware of ethical standards and expectations of appropriate behaviour.

Harness racing clubs must not tolerate offensive, explicit or pornographic calendars, literature, posters and other materials in the workplace.

See HRQ *Policy for Making HRQ Officials, Other Staff and Licensees Aware of their Duties* for further information on these matters.

Disciplinary action

HRQ may take disciplinary action against a club that contravenes the Racing Act, Associations Incorporation Act, Commonwealth Corporations Act, the *Australian Harness Racing Rules*, HRQ policies or directives, or legislation providing for a safe working environment.

HRQ will audit harness racing clubs at least once a year to ensure they continue to comply with this policy.

APPLICATION

This policy applies to:

- all harness racing clubs licensed by HRQ, whether they are proprietary or non-proprietary
- HRQ staff.

DEFINITIONS

‘business associate’—a person the HRQ believes will be associated with the ownership or management of the operations of a proprietary racing club.

‘direction (from the HRQ)’—a written direction given by HRQ to a racing club relating to the club’s operations or racing venue. HRQ may require a club to do something or refrain from doing something.

‘disciplinary action’—action taken by HRQ against a harness racing club, which may include cancelling, suspending or varying the club’s licence or imposing a monetary penalty.

‘discrimination’—refers to what occurs when a person is treated more or less favourably than another person would be under similar circumstances. Discrimination is unlawful when it is on the basis of an attribute described in the Anti-Discrimination Act (i.e. sex, marital status, pregnancy, parental status, breastfeeding, age, race, impairment, religion, political belief or activity, trade union activity, lawful sexual activity, sexuality, gender identity, family responsibilities, or association with, or relation to, a person identified on the basis of any of the above attributes).

‘eligible individual’—means a person who:

- is not affected by bankruptcy action
- is not subject to an exclusion action under rules of harness racing
- is not disqualified from managing corporations under the Corporations Act
- is not subject to a conviction for any of the following, other than a spent conviction:
 - an offence under the Racing Act or previous racing legislation
 - an indictable offence, or a summary offence that involved dishonesty, fraud, stealing or unlawful betting, under any other Act
 - an offence under a law of another state, that is prescribed under a regulation as a law about racing or betting.

'executive associate'—an executive officer of a corporation, partner, trustee or another person HRQ believes will be associated with the ownership or management of the operations of a proprietary race club.

'executive officer'—a person who is concerned with or takes part in the management of a club, whether or not the person is a director or the person's position is given the title of 'executive officer', e.g. committee member, office holder, general manager.

'harness racing club'—means a club that is licensed by HRQ to conduct harness racing meetings or other harness racing-related activities.

'non-proprietary racing club'—a not-for-profit club. A non-proprietary racing club has a constitution that both:

- (a) provides for the application of all the club's profits and other income to the promotion of the club's objects
- (b) prohibits the payment of dividends to the members of the club.

'official misconduct'—generally means conduct that involves:

- behaviour which is dishonest or not impartial in the exercise of powers or authority (e.g. soliciting or receiving benefits)
- behaviour which adversely affects or could adversely affect, directly or indirectly, the honest or impartial exercise of powers or authority (e.g. allowing personal relationships to affect decisions, using sexual harassment to obtain a gain at the expense of the public)
- a breach of trust placed in a person by reason of his or her employment (e.g. to breach the confidentiality of matters of a personal nature)
- misuse by any person of information or material acquired in connection with his or her employment, either for the benefit of the person or another person (e.g. disclosing confidential or privileged information to an unauthorised other person)
- which constitutes or could constitute a criminal offence or a disciplinary breach that provides reasonable grounds for termination of employment.

'proprietary racing club'—a for-profit club.

'proprietary racing'—racing where the people conducting the race meeting receive a share of the profits, instead of the profits being returned to the harness racing industry for use as prize money.

'sexual harassment'—refers to any unwanted, unwelcome or uninvited behaviour of a sexual nature that makes a person feel humiliated, intimidated or offended.

'spent conviction'—a conviction for which the rehabilitation period under the *Criminal Law (Rehabilitation of Offenders) Act 1986* has expired and that is not revived under section 11 of that Act.

'whistleblower'—refers to a person who discloses information about official misconduct, maladministration, negligent or improper management of public funds, reprisal, or danger to people or the environment in the public interest to an authority that is able to investigate and remedy the matter.

PROCEDURES

Roles and responsibilities

HRQ will:

- assess harness racing clubs' licence applications to ensure all the required information is provided and that the club is properly constituted
- conduct investigations to ensure that club committee members, executive officers and other people associated with the ownership or management of harness racing clubs are of good character and suitable to hold such positions
- analyse clubs' financial statements, annual reports and strategic and business plans to ensure the clubs are properly managed
- regularly audit the operations of harness racing clubs to ensure their continued compliance with this policy.

Harness racing clubs must:

- ensure their club provides full documentation for its licence application
- ensure their club complies with its performance agreement
- ensure their club provides its annual report, properly audited balance sheet and profit and loss statements and copies of any corporate, strategic, business or other plan the club may have adopted during the financial year.

Related policies

This policy should be read in conjunction with the *Licensing Policy for Clubs*.

Review

This policy will be reviewed after two years in operation.

Rules of harness racing

Harness racing clubs must comply with the rules of harness racing that govern the formation and management of clubs.

This policy was made by the Queensland Harness Racing Limited on 1 July 2008 under s. 81(i) of the *Racing Act 2002*. For further information contact the HRQ on 3624 8900, or visit the HRQ web site at www.harness.org.au/qld/policy_page.htm.



CODE OF CONDUCT FOR DIRECTORS AND STAFF

Queensland Harness Racing Limited

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Code of Conduct Framework

Ethics Principles

QHRL employees are bound by a Code of Conduct which establishes five ethics principles fundamental to good administration:

1. respect for the law and system of government
2. respect for people
3. integrity
4. diligence
5. economy and efficiency.

This Code of Conduct sets out the standards of conduct for staff of the Queensland Harness Racing Limited (QHRL), based on these principles.

Application

This Code of Conduct applies to all officers and employees of the QHRL at all times, irrespective of employment status.

This Code of Conduct is effective from 1 July 2008.

This Code of Conduct cannot cover every possible situation that you may face. If you feel the Code does not deal with a situation, or if there are special circumstances, the *Thinking It Through* section on page 15 might assist.

The Code of Conduct should always be interpreted so that your behaviour and decisions bring only credit to yourself and the QHRL. A breach of the code may result in disciplinary action, and may, in some cases, also constitute misconduct.

Principle 1 - Respect for the Law and System of Government

Obligation

A QHRL staff member should uphold the laws of the state and the Commonwealth and carry out official decisions and policies faithfully and impartially.

Role of the QHRL Staff Member

The role of the QHRL staff member involves a position of trust. It is essential that all employees understand the trust involved in their role as an employee of a statutory authority and understand the ethical standards expected of them.

In performing official duties, QHRL staff members are expected to act in the public interest and to act in accordance with the law and the policy objectives of the corporation.

QHRL staff members who make decisions, exercise powers or provide policy advice are ethically obliged to ensure that their powers and influence are used lawfully and fairly.

Responsiveness and Impartiality

As a QHRL employee, your main responsibilities to the corporation are:

- to carry out decisions and implement policies promptly, conscientiously and effectively
- to give a professional commitment to the corporation
- to provide advice which accurately represents the facts, is impartial and maintains a high standard of professional integrity, is sensitive to the intent and direction of corporation policy, and is as comprehensive as possible in setting out the advantages and disadvantages of the main options available and their consequences.

Comments to the Media

All enquiries from the media are to be referred to the Manager, Product Development or, where the enquiry relates to steward operations, to the Chairman of Stewards, to ensure that a consistent message is presented.

Questioning Instructions

You are expected to comply with all reasonable, lawful instructions related to your work. However you may question an instruction if you believe that:

- you have a genuine objection to the instruction – eg the direction is unlawful or would involve aspects of maladministration
- it goes beyond what is reasonable in all circumstances – eg you do not have the resources or competence to comply
- an instruction involves actions to which you reasonably object on the grounds of conscience
- an instruction has the potential to cause a danger to the health and safety of you or others.

If you believe an instruction is unreasonable or unlawful, or could cause injury, you should advise the person giving the direction or, if appropriate, a more senior manager. If you object to a lawful instruction on a significant issue of conscience, you must negotiate the matter with the person issuing the instruction. Where the matter remains unresolved, you should refer it to the next level of management.

If you have a reasonable suspicion that official misconduct or criminal activity is involved, you must notify an appropriate authority, which in most cases would be the Chief Executive; the police; or the Crime and Misconduct Commission.¹

¹ Policy and Procedures for the Management of Official Misconduct And Public Interest Disclosures Under The *Whistleblowers Protection Act 1994*

Principle 2 - Respect for People

Obligation

A QHRL staff member should treat members of the industry, the public and other staff members honestly and fairly, and with proper regard for their rights and obligations. A QHRL staff member should act responsively in performing official duties.

The interests of all parties with whom the QHRL interacts must be dealt with impartially and free of intrusion of self-interest or of outside influences.

Staff members must be frank and honest in their official dealings with each other.

Managing the Interests of Our Clients

Staff members have an obligation to clients, government agencies and industry organisations. You must respect the client's preferences and meet their needs to the best of your ability within the law and corporation policy. It is essential to maintain the confidence of your clients by not placing them in compromising positions.

Treatment of Other QHRL Employees

You should treat all other staff with respect and dignity and ensure that you do not distract them from carrying out their duties through intimidation or harassment of any kind. It is important that you do not allow personal beliefs or relationships to adversely affect your work performance or that of other staff.

Procedural Fairness (Natural Justice)

Procedural fairness or natural justice is a principle that decision-making should be fair and reasonable having regard to the circumstances of the particular case. In general, procedural fairness requires that a person be told of, and be given the opportunity to respond to, allegations or claims before a decision is made that may adversely affect that person. Procedural fairness may be a specific legislative or policy requirement or be implied from the circumstances. If you are uncertain whether procedural fairness applies in a particular situation, you should seek legal advice.

Managerial Behaviour

If you are in a leadership role in the QHRL, you have additional responsibilities that you must undertake. These include:

- implementing the intent of corporation policy without fear or favour
- setting good examples for staff through your own behaviour especially in relation to ethical behaviour, accountability and open, honest communication
- treating staff fairly, equitably and with consistency
- ensuring that decision-making processes are open and clearly documented
- ensuring staff understand the performance standards expected of them and regularly assessing their performance
- providing appropriate development opportunities to all staff
- ensuring that equal employment opportunity and workplace health and safety obligations are met
- creating a workplace that is free from intimidating, hostile, offensive or distressing behaviour
- ensuring that staff are not required to undertake work which endangers their health and safety and which allows them a reasonable opportunity to balance their work and family commitments.

Discrimination and Harassment

You must be careful to ensure that you do not unlawfully discriminate against or harass fellow QHRL staff or clients, or engage in behaviour that may be unwelcome and cause distress to them. The *Anti-Discrimination Act 1991* makes discrimination unlawful if it is on the basis of one or more attributes such as sex, marital status, age, race, impairment, etc.² Sexual harassment is also unlawful under that Act. The QHRL policy on discrimination and harassment is available for guidance on these issues.

Privacy

QHRL staff members must respect and maintain client privacy, in particular when dealing with personal information.

The QHRL Privacy Plan provides guidance to staff members on how personal information is managed by the QHRL.

² *Anti-Discrimination Act 1991*, Section 7

Contact with Board Members

QHRL staff members must ensure that their contact with Board members is:

1. through the Chief Executive
2. otherwise in accordance with a specific resolution of the Board.

Resolution of Grievances

The QHRL's Grievance Resolution Policy covers all employees. This policy outlines the QHRL's dispute resolution procedure. It is critical for managers to deal with grievances promptly and in a fair, consistent and impartial way.

Workplace Health and Safety

You should take all reasonable steps to ensure the safety, health and welfare of yourself, clients and co-workers in the workplace.³ You should report to your supervisor any workplace health and safety risks and incidents of which you become aware. Managers and supervisors must instigate corrective action as a matter of urgency to remove the threat of further injury or illness.

³ *Workplace Health and Safety Act 1995*

Principle 3 - Integrity

Obligation

A QHRL staff member should seek to maintain and enhance public confidence in the integrity of the corporation's administration.

A staff member should:

- not improperly use his or her official powers or position, or allow them to be improperly used
- ensure that any conflict which may arise between the employee's personal interests and official duties is resolved in favour of the public interest
- disclose any fraud, corruption and maladministration of which the staff member becomes aware.

Conflicts of Interest

All QHRL officers and employees must :

- (i) carry out his or her duties impartially and regardless of personal preferences; avoid private, financial or other interests or undertakings that could directly or indirectly compromise or conflict with the performance of his or her duties;
- (ii) disclose any direct or indirect interest, which may impact or have the potential to impact, on the performance of his or her duties or which may result in the Officer or employee influencing an outcome that may result in a direct or indirect benefit for his or herself or someone else; and
- (iii) take action to resolve any conflict between personal interests and official duties in the favour of the public interest.

All full time employees of QHRL must disclose in writing to the Chief Executive any secondary paid employment they may have. Failure to disclose this information may result in a QHRL employee being disciplined or, in appropriate cases, instantly dismissed. Secondary employment within the racing industry represents a prima facie conflict of interest and is not permitted without specific authorisation.

All QHRL officers and employees resigning or retiring to take up business appointments should give consideration to possible conflicts of interest that may arise. Where an offer of appointment could give rise to an actual or apparent conflict of

interest, a QHRL employee should apply to the Chief Executive for assent to take up the proposed employment. If a conflict of interest is identified, the Chief Executive may obtain an undertaking from the QHRL official regarding the use of information gained in the QHRL employee's employment with QHRL.

Taking Improper Advantage

You must not use your official position to influence a person to enter into a personal financial or other arrangement with you or with anyone else in the QHRL.

Examples of this kind of behaviour include:

- pressuring a junior staff member into lending money or buying goods
- seeking a discount on a product from a person or company which deals with the QHRL in an official capacity
- pressuring staff into entering into joint business activity.

You must not influence, or try to influence, your colleagues by offering gifts to them, or by entering into financial or other arrangements with them.

Examples of this kind of behaviour include:

- giving a gift or lending money to a colleague on the understanding that they will make a favourable decision about another person
- involving a colleague in a financial arrangement beyond their means, so that you can exert pressure on them.

There is nothing wrong with a loan or giving gifts as ordinary behaviour between friends, provided that it is not connected with official duties and there is no question of influence on official duties.

Managing Conflicts of Interest

Financial or Personal Conflicts of Interest

In carrying out your duties, you should not allow yourself to be improperly influenced by financial or personal conflicts of interest. If you have an interest that conflicts or may conflict with the discharge of your duties, you must disclose the nature of the interest and conflict to the Chief Executive as soon as practicable after the relevant facts come to your knowledge. You must not take any action or further action in relation to a matter that is, or may be affected by the conflict unless authorised by the Chief Executive. In addition you may be required, because of your duties and responsibilities, to make a declaration of your interests.

Financial interests which may be relevant include directorships, shareholdings, harness racing interests which have the potential to conflict with official duties.

Other interests which may be relevant include those involving personal relationships (such as sporting, social or cultural activities), as well as family, sexual or other relationships.

Gifts and benefits

QHRL staff members are expected to comply with the QHRL *Gifts and Benefits Policy*.

Hospitality

Hospitality provided or received by QHRL staff members must be in keeping with the demands of the work being undertaken.

As with other gifts and benefits, you should consider whether there could be an actual or perceived conflict of interest, or whether the hospitality you are providing or receiving could compromise the corporation's integrity.

The QHRL *Gifts and Benefits Policy* includes hospitality.

Managing Official Information

QHRL staff members have an obligation to maintain the confidentiality of information provided in the course of their duties, which is the property of the QHRL. An employee should not release information, whether written or verbal, not known to other parties, except with the permission of their manager.

Staff members should not misuse information gained in their official capacity, whether or not for the employee's benefit or for the benefit of any other person.

It is improper for a staff member to disclose or allow to be disclosed to any other person information which is not known to other parties unless the disclosure has first been authorised by the corporation or the Chief Executive.

Confidential information available to staff members must not be used to obtain any advantage, whether direct or indirect, for themselves or any other person or body.

Confidential information available to staff members must be used only in ways, which are consistent with the obligations of staff members to act impartially, with integrity, and in the public interest.

Where confidential information is provided to a staff member, care must be taken to ensure that the information is kept secure. If such information is to be disposed of by a staff member, it must be destroyed.

A staff member whose appointment to the QHRL terminates, must return to the QHRL any documents, items or things gained at any time as a result, direct or indirect, of their employment.

Media comment is restricted to the Chairman, Chief Executive, Manager (Product Development) and the Chairman of Stewards.

Public Access to QHRL Information

There are many circumstances when it is a sensible and normal part of your duties to provide information and documents to the public. However, where confidential, personal or sensitive information is provided to the QHRL, that information must be protected from public disclosure.

Unauthorised disclosure of official information may constitute an offence under the *Criminal Code*, and/or be grounds for disciplinary action.

If you have any queries in relation to whether information should be released to the public, the Chief Executive should be consulted in the first instance.

Unethical Conduct

QHRL staff members must avoid giving the indication that gifts, gratuities or hospitality relating to their official duties will be accepted, either for themselves or any other person or body; or that these may influence decisions.

Members may accept only token gifts and modest hospitality. If any gift, gratuity or hospitality of other than a token kind is offered, full and prompt disclosure must be made on the gifts register, which is tabled at each regular meeting of the Board.

QHRL staff members must not allow themselves to be subject to conduct by persons in the industry or elsewhere that adversely affects or that could adversely affect, either directly or indirectly, the honest and impartial exercise of their official functions.

If staff members are uncertain as to whether actions by others may constitute suspected corruption (as defined) they should contact the Chairman or the Chief Executive.

All reasonably suspected cases of conduct that could directly or indirectly affect the honest or impartial exercise of their official functions as employees must be reported promptly in writing to the Chief Executive or Chairman. The importance of this obligation cannot be over stressed.

Principle 4 - Diligence

Obligation

QHRL staff members should exercise proper diligence, care and attention when performing their official duties, and should seek to achieve high standards of administration.

Recording Actions

You are required to justify your decisions and actions. Associated material that documents your decisions and the reasons for them should be placed on the appropriate file. Staff members are also required to comply with the QHRL *External Communication Policy*.

Self Development and Training

Ongoing development and improvement of the skills and knowledge of staff is essential to the continued success of the QHRL. You have a responsibility to continue to develop your skills and knowledge, and keep up-to-date with advances and changes in your area of expertise. Managers are to provide fair and equitable access to training to fulfil identified and agreed training requirements.

Staff Selection

Selection of staff to positions in the QHRL is made on the basis of merit. This is determined by assessing the relative suitability of applicants for a position against pre-determined selection criteria.

If you are involved in the recruitment and selection of staff, you must ensure that you select the best person for the job using a fair process as provided for by the *Policy on the Employment of Officials and Other Staff*.

Alcohol and Drugs

You should not allow the consumption of alcohol or drugs of any kind to adversely affect your work performance, your conduct, or endanger the health and safety of others. (Remember that some prescription drugs may adversely affect work performance). Breach of this standard will be grounds for disciplinary action.

The use of illegal drugs in the workplace will not be tolerated and may lead to criminal prosecution.

Smoking

Smoking is not permitted in QHRL premises or vehicles.

Principle 5 - Economy and Efficiency

Obligation

A QHRL staff member should ensure that industry resources are not wasted, abused, or used improperly or extravagantly.

Managing Physical Resources

Staff members are required to ensure proper management of the QHRL's scarce resources.

Using Motor Vehicles

There are vehicles available for general work use at the QHRL. Vehicles are only available for official purposes, unless otherwise approved by the Chief Executive, and a register of all employees that drive QHRL cars must be maintained.

Using Equipment and Consumable Resources

Use at work

At work/official workplace is defined in this context as the usual place of employment, being the centre address at which the employee is formally employed.

You may make minor use of equipment, software and consumable resources at work, for example the preparation of job applications or occasional local phone calls. Your manager and/or the Chief Executive may formally determine the boundaries of 'minor use' for their respective business areas. Where you have any doubt at all about the interpretation of 'minor use' you must discuss it with your manager. Otherwise, equipment and consumable resources are for official use only.

You must not use QHRL equipment, software or resources, for private benefit or economic gain, other than as stipulated under 'minor use'. You must not use QHRL equipment or resources for purposes associated with political campaigns, fund raising or canvassing.

QHRL software must be used only in accordance with licence agreements, i.e. it must not be copied unless this is licensed and authorised.

You must not use software other than QHRL-approved software on QHRL systems.

Use of equipment and software at a location other than official workplace for overnight or weekend use

QHRL equipment may only be loaned to employees for overnight, weekend or longer term use for official purposes.

QHRL computers, including software, may be loaned to employees for use at a place other than their official workplace in exceptional ad hoc situations or where employees are required to regularly use computers, including software, away from QHRL premises. Prior approval of your manager is required.

Managers and supervisors have overall responsibility for ensuring that equipment and software are used in accordance with guidelines.

Information Service Networks (e.g. Internet and Email)

All staff are required to comply with the QHRL *Internet and E-mail Policy*.

Financial Management

Every accountable officer must manage the agency efficiently, effectively and economically to ensure the appropriate use of, accountability for and safeguarding of industry resources. You are required to ensure that industry-generated resources of all kinds are used efficiently, effectively and economically for the purposes for which they were provided, treated with appropriate care, and secured against theft or misuse.

Public Accountability

As a QHRL staff member, you are accountable for your actions. You must fulfil the requirements of your position and operate within your delegated authority.

Thinking It Through

Resolving Dilemmas

It is not possible to have a rule for every situation. If you have difficulty in applying the principles in the Code of Conduct, or if it is not clear what you should do, the Ethical Decision Making methodology on page 16 can be used.

Five questions to ask yourself when faced with an ethical dilemma:

1. Is the action legal and consistent with QHRL policy and values?
2. Do I think it's the right thing to do?
3. What will the consequences be for:
 - QHRL?
 - my colleagues?
 - other parties?
 - me?
4. Can I justify my actions?
5. What would happen if my conduct became front-page news?

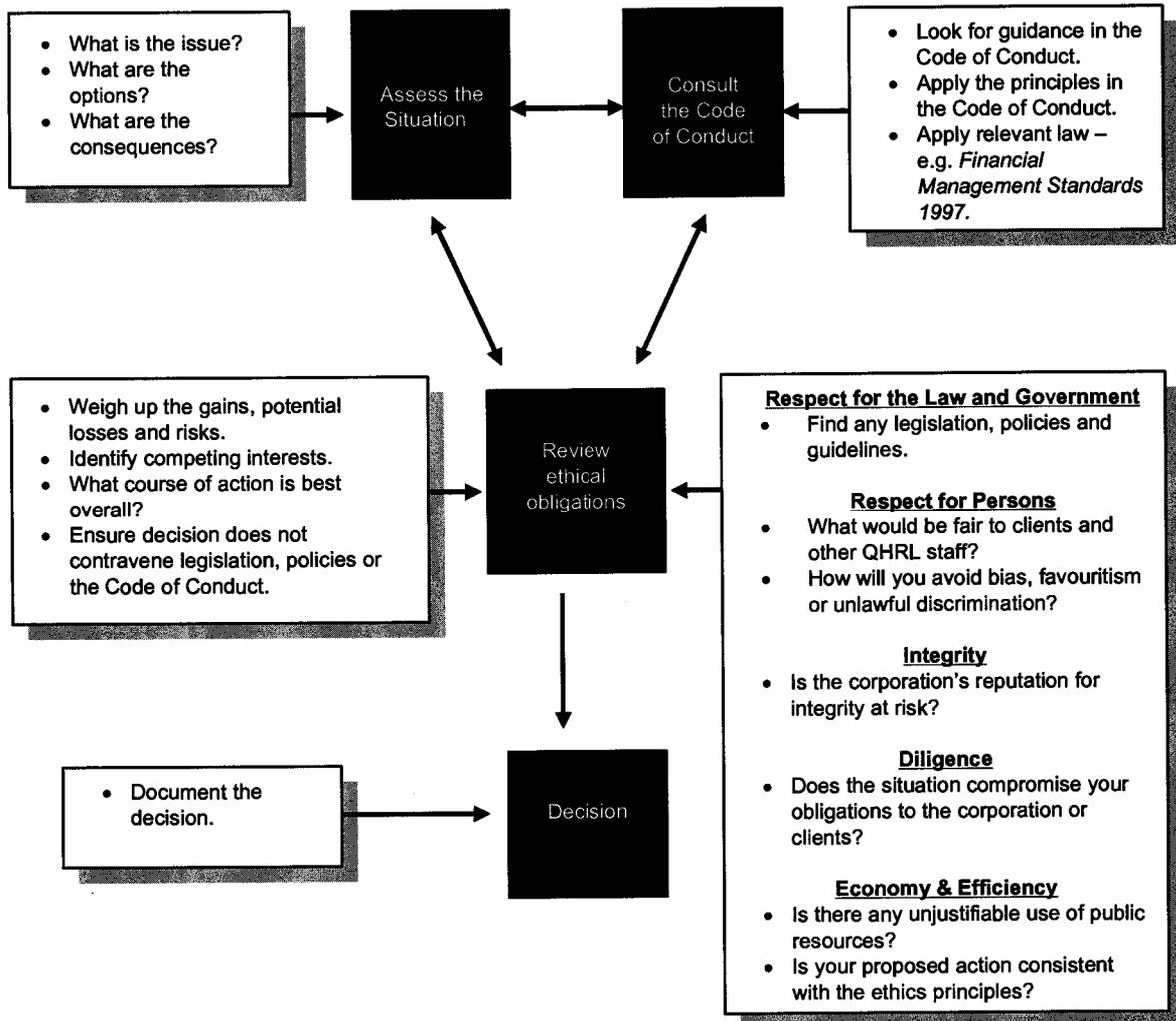
Sometimes different rules or guidelines can appear to conflict. If there is no appropriate rule, or if there appears to be a contradiction, consider the following:

- discuss the situation with the Chief Executive or your manager
- imagine changing places and being on the receiving end of your decision
- ask yourself what other people would do if they were faced with the same facts
- think about what obligations you may be put under or what expectations might be raised if you go ahead
- if you still have any doubts about the correct thing to do, you should refer the matter to the Chief Executive for advice or a decision.

While it is accepted that everyone makes mistakes sometimes, if you do make a mistake, it is important that you draw it to your supervisor's attention so that it can be dealt with. If you can demonstrate that you have acted appropriately, you will not be penalised. However, it is your responsibility not to repeat mistakes, and where possible, to alert others of pitfalls before they make the same mistake.

Supervisors in particular should be ready to support and assist staff who do make mistakes. The cost of avoiding risk and responsibility can be much more than the cost of the occasional mistake.

Ethical Decision Making



Breaches of Conduct

All QHRL staff members should familiarise themselves with the Code of Conduct and comply with its provisions.

The corporation assumes and expects that employees want to act ethically. Nevertheless, you are accountable for your actions and there is a range of penalties for breaches of this Code of Conduct, including:

- reprimand
- transfer or redeployment
- reduction of salary level
- termination of employment
- referral to the Crime and Misconduct Commission.

Summary

In summary, to meet the requirements of Queensland Harness Racing Limited, staff members must:

- at all times act honestly
- at all times exercise due care in the performance of their duties
- be diligent and make themselves knowledgeable about the rules and legal requirements, the operations of the QHRL and the industry and general social environment in which it operates
- ensure that systems are established within the QHRL to provide sufficient and accurate data on a regular and timely basis, to enable the staff members to discharge their duty of care and diligence
- act at all times in the interests of the QHRL as a whole rather than any sectional interest
- avoid conflicts of interest
- be independent in their judgments and actions
- not release information outside the office
- report to the Chairman or Chief Executive any actions by others which could adversely affect either directly or indirectly the honest and impartial exercise of their duties as a staff member.



CHARTER OF CORPORATE GOVERNANCE

Queensland Harness Racing Limited

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PURPOSE OF THIS CHARTER

This Charter aims to provide guidance to the Directors to help them carry out their duties and responsibilities effectively. Directors are bound to act according to this Charter as are any deputies they may appoint.

Corporate Governance Charter

Role of Queensland Harness Racing Limited (QHRL)

QHRL is the approved control body for the code of harness racing in Queensland under the Racing Act 2002.

Role of the Queensland Harness Racing Limited's Directors

The Queensland Harness Racing Limited's Directors are responsible for determining the strategic direction of Queensland harness racing and ensuring compliance with the statutory obligations imposed on QHRL.

The responsibilities of the Directors include ensuring :

- (a) that accurate disclosure is made on all material matters regarding QHRL including the governance, financial situation and performance of QHRL;
- (b) that adherence to the Code of Conduct is periodically evaluated and intermediate action is taken, where necessary;
- (c) that management implement systems, policies and procedures which not only meet Statutory Obligations but also provide protective systems against identified risks including the risks of Fraud and Corruption; and
- (d) that there is periodical evaluation of the Board and individual Directors against established criteria.

Directors should understand, promote and be responsible for good governance within QHRL. Directors must discharge their duties in good faith and honestly and always in the best interests of QHRL.

The role of Directors to oversee and deal with management means that they themselves need to adhere to certain obligations to maintain the integrity of the Board.

- (a) Directors must satisfy their fiduciary duty to QHRL both under Common Law and Statute Law. This includes but is not limited to :

- (i) A Director shall act independently and not in the interests of any sectional interests
 - (ii) A Director has an obligation to be impartial in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions to be taken by the Board.
 - (iii) A Director shall act with required care and diligence, demonstrating commercial reasonableness in his or her decisions.
 - (iv) A Director shall make all judgements in good faith and for a proper purpose and in the best interests of QHRL.
 - (v) A Director must not use his/her position or information obtained because of his/her position to influence an outcome that may result in a direct or indirect benefit for himself/herself or someone else or to cause detriment to QHRL.
 - (vi) All Directors of QHRL must disclose a personal interest, or a direct or indirect financial interest, in an issue being considered, or about to be considered, by the Board where the interest could conflict with the proper performance of the Director's duties about the consideration of the issue. Unless the Board otherwise directs, the Director must not be present when the Board considers the issue or take part in a decision of the Board about the issue.
 - (vii) A Director is required to undertake diligent analysis of all proposals placed before the Board.
 - (viii) A Director shall take all proper steps to prevent fraud or corruption from occurring within the operations of QHRL.
 - (ix) No Director shall engage in conduct which is misleading or deceptive within the meaning of the Trade Practices Act.
- (b) The responsibilities of the Directors include:
- (i) Attending Board meetings. When a Director is unable to attend a Board meeting, the Director must obtain a leave of absence. A Director who is unable to attend a meeting should make themselves fully informed of the activities and affairs of that meeting.
 - (ii) Undertaking appropriate induction training upon appointment. All Directors are encouraged to attend education and professional development programmes made available to them.
 - (iii) Making reasonable enquiries to ensure that QHRL is operating efficiently, effectively and legally towards achieving its goals.
 - (iv) Serving on Board committees, as required.

Confidentiality of Information

Directors have an obligation to maintain the confidentiality of information provided to them which is the property of QHRL, and information both written and verbal that is not known to other parties should not be released by an individual Director except with the permission of a meeting. Confidential information available to Board Directors must be used only in ways which are consistent with the obligations of Directors to act impartially with integrity and in the public interest.

Media comment is restricted to the Chairman and Chief Executive or employee delegated by the Chief Executive.

Conflicts of Interest

All QHRL Directors must :

- (i) carry out his or her duties impartially and regardless of personal preferences, avoid private, financial or other interests or undertakings that could directly or indirectly compromise or conflict with the performance of his or her duties;
- (ii) disclose any direct or indirect interest, which may impact or have the potential to impact, on the performance of his or her duties or which may result in the Director influencing an outcome that may result in a direct or indirect benefit for his or herself or someone else; and
- (iii) take action to resolve any conflict between personal interests and official duties in the favour of the public interest.

All QHRL Directors resigning or retiring to take up business appointments should give consideration to possible conflicts of interest that may arise. Where an offer of appointment could give rise to an actual or apparent conflict of interest, a QHRL Director should apply to the Chief Executive for assent to take up the proposed employment. If a conflict of interest is identified, the Chief Executive may obtain an undertaking from the QHRL Director regarding the use of information gained in the QHRL Director's employment with QHRL.

Improper or Undue Influence

Board Directors must take care not to use their position on the Board to influence any other Directors or staff at QHRL in the performance of their duties or functions for the purpose of obtaining any advantage for themselves or any other person, whether the advantage is direct or indirect. Board Directors must ensure contact with staff is :

- (a) through the Chief Executive

- (b) is otherwise in accordance with the specific resolution of the Board

Maintenance and Promotion of Public Confidence

Directors must not engage in conduct likely to bring discredit upon QHRL or otherwise diminish the confidence in QHRL of the public or of participants in the racing industry.

Directors must report to the Chairman, any actions by others which may adversely affect, either directly or indirectly, the public confidence in the integrity of QHRL./

Summary

To meet the requirements of QHRL, Board Directors must :

- (a) at all times act honestly
- (b) at all times exercise due care in the performance of their duties
- (c) be diligent, attend Board meetings and make themselves knowledgeable about the Rules and legal requirements, the operations of QHRL and the industry and general social environment in which it operates.
- (d) Ensure that systems are established within QHRL to provide sufficient and accurate data on a regular and timely basis to enable the Board Directors to discharge their duty of care and diligence
- (e) Act at all times in the interest of QHRL as a whole rather than any sectional interest
- (f) Avoid conflicts of interest
- (g) Be independent in their judgements and actions
- (h) Not release information outside the Board Room
- (i) Report to the Chairman or Chief Executive any actions by others which could adversely affect either directly or indirectly the honest and impartial exercise of their duties as a Board Director.

HR AUDIT REPORT FOR QUEENSLAND RACING

FEBRUARY 2009



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"Expert advice, Practical solutions"



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EXECUTIVE SUMMARY

HR Business Solutions conducted a HR Audit for Queensland Racing Limited (QRL) on site at their Deagon office on Wednesday, 21 January 2009 and Thursday, 22 January 2009. Using HR Business Solutions' unique diagnostic tool, the HR Audit provides a comprehensive review of the current human resource practices within the organisation.

The HR Audit involved three key steps; firstly, a systems and documents gaps analysis; secondly, rating the existing systems and documents using a five point rating scale; and finally, interviewing the Chief Operations Manager (COM) and the management team to further explore the organisation's human resource practices and future needs.

Overall the HR Audit revealed that QRL has a number of formal human resource systems and documents in place, and a range of informal, undocumented 'company practices' to manage the human resource function.

Key strengths identified in the HR Audit included:

- ✦ The organisation's commitment to developing good human resource practices; demonstrated by the development of a range of human resource systems and documents and the implementation of the online system Connex.
- ✦ The strong, united and strategically aligned organisational culture.
- ✦ Levels of the employees' commitment and loyalty to the organisation.

Key areas for improvement identified in the HR Audit included:

- ✦ The current lack of structure and consistency between key human resource documents, namely the policies and procedures, *Terms of Employment* and *Employment Information Handbook*.
- ✦ Non-compliance with some key legislative requirements.
- ✦ The lack of consistent, formally documented human resource practices in some areas and the consequent reliance on 'company practices' and manager's previous knowledge and experience.

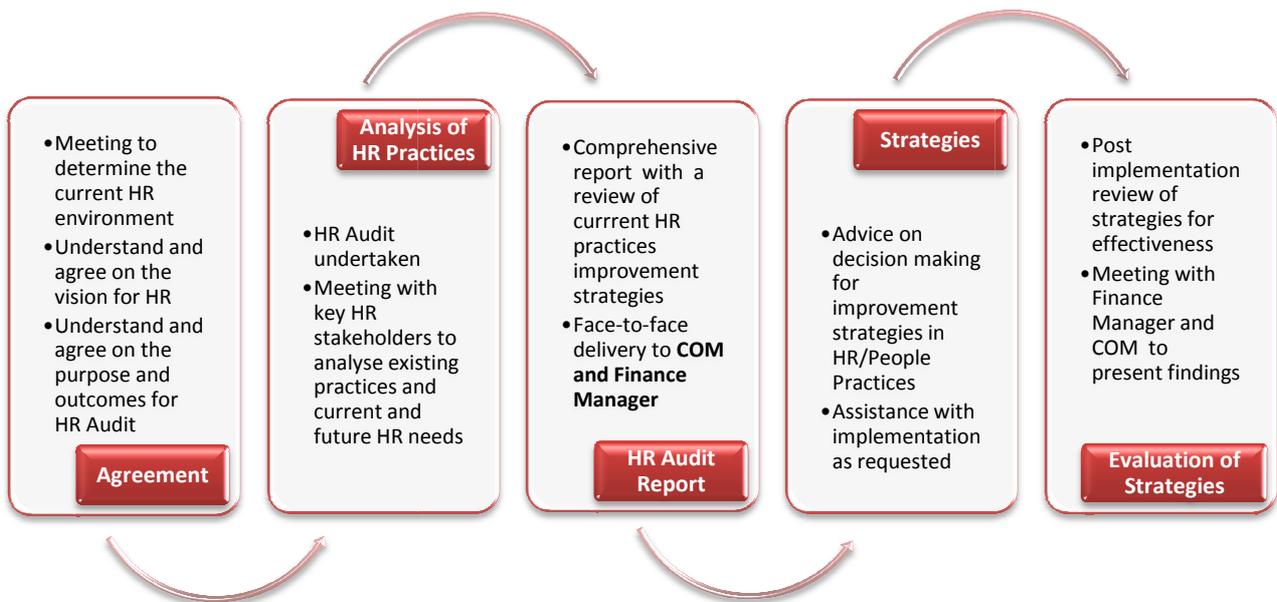
The HR Audit Report includes the results and recommendations to ensure that QRL has the correct foundations in place in terms of systems, policies, procedures and documents. To achieve full compliance across all human resource functions, and minimise the risks associated with undocumented 'company practices', additional formal policies, procedures and documents should be developed and implemented at QRL.

HR AUDIT METHODOLOGY

OVERVIEW OF THE HR AUDIT

The purpose of the HR Audit is to review and document the human resource practices operating within QRL, and to analyse whether these practices meet the organisation's current and future needs. HR Business Solutions conducted the HR Audit using a methodical approach, incorporating quantitative and qualitative data, to ensure that the relevant information was captured to identify QRL's strengths and areas for improvement.

Figure 1. Overview of the HR Audit Process



The advantages of undertaking a HR Audit using the HR Business Solutions diagnostic tool include; clarifying what the organisation already has in place and is working well, identifying areas for improvement and compliance, and assessing QRL's future requirements and proactively implementing systems and tools to support organisational strategies.

HR Business Solutions provides the option to assist the organisation through the development and implementation of recommendations to achieve improved compliance and best practice standards.

HR AUDIT PROCESS

The HR Audit process involved completing a systems and documents gap analysis, followed by a systems and documents rating process, and one-on-one meetings with the COM and the management team.

Figure 2. Elements of the HR Audit



The HR Audit is separated into eleven different human resource functions. Within these key functions all relevant policies, procedures, systems, tools, forms, letters templates are identified, analysed and rated.

Table 1. Overview of Human Resource Systems and Documents reviewed at QRL

	Policies/Procedures / Tools	Letters/Forms/ Templates	Employment Contract Clauses	Total
Culture & Communication	12	1		13
Employment Conditions	24	10		34
Recruitment & Selection	11	17		28
Industrial Relations	0	9	21	30
Remuneration & Benefits	5	6		11
Performance Management	5	2		7
Succession Planning & Talent	5	0		5
Performance Counselling	2	3		5
Training & Development	8	2		10
Workplace Health & Safety	10	1		11
Separation & Termination of	3	5		8
Total	85	56	21	162

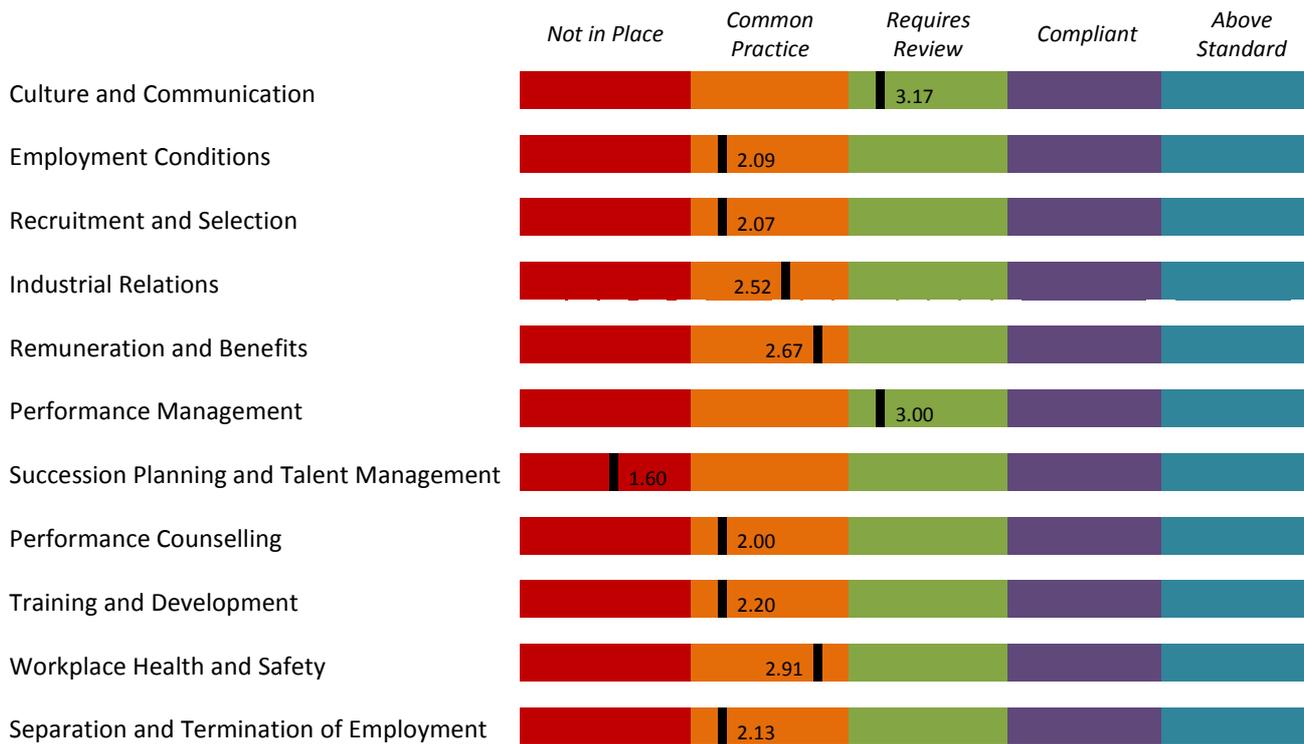
INTERPRETING RESULTS – RATING SCALE

The organisation's existing systems and documents were rated according to the five (5) point rating scale, outlined below.

1. Not in Place	There is no formalised documentation, or informal 'company practice' within the organisation.
2. Common Practice	There is no formalised documentation; however it is 'company practice'.
3. Requires Review	There is formalised documentation; however it requires review to ensure ongoing compliance or clarity.
4. Compliant	There is formalised documentation, which is clear and compliant with all current requirements.
5. Above Standard	There is formalised documentation, which exceeds the minimum requirements or standards and is highly beneficial to the employees and the organisation.
N/A	Not Applicable

OVERVIEW OF THE HR AUDIT RESULTS

Figure 3. Average Rating Score for each Human Resource Function



1. Not in Place	There is no formalised documentation, or informal 'company practice' within the organisation.
2. Common Practice	There is no formalised documentation; however it is 'company practice'.
3. Requires Review	There is formalised documentation; however it requires review to ensure ongoing compliance or clarity.
4. Compliant	There is formalised documentation, which is clear and compliant with all current requirements.
5. Above Standard	There is formalised documentation, which exceeds the minimum requirements or standards and is highly beneficial to the employees and the organisation.
N/A	Not Applicable

The human resource functions that rated the highest in the HR Audit were:

- ✘ Culture and Communication, with an overall rating of 3.17.
- ✘ Performance Management, with an overall rating of 3.00.
- ✘ Workplace Health and Safety, with an overall rating of 2.91.

The human resource functions that rated the lowest in the HR Audit were:

- ✘ Succession Planning and Talent Management, with an overall rating of 1.60.
- ✘ Performance Counselling, with an overall rating of 2.00.
- ✘ Recruitment and Selection, with an overall rating of 2.07.

An analysis and rating of each human resource function and the subsequent recommendations are outlined throughout the report.

TOP TEN PRIORITIES FOR QUEENSLAND RACING LIMITED

From the HR Audit the following top ten priorities have been identified for QRL. These priorities have been ranked according to the risk associated with non compliance, and consequently these priorities may not directly correlate with the above ratings for each human resource function.

1.	Policies and Procedures	Review all policies and procedures, updating existing policies as required and developing new policies where gaps are identified, consolidating information currently contained across multiple documents, to provide a clear and consistent approach to employment conditions, minimise risks and ensure legal compliance.
2.	Employment Agreements	Review the existing <i>Letter of Offer</i> and <i>Terms of Employment</i> , amending as appropriate to develop standard QRL employment agreement templates, to clarify employment conditions, minimise risks and ensure legal compliance.
3.	Employee Handbook	Review the existing <i>Employee Information Handbook</i> , consolidating information currently contained across multiple documents, to create a clear, concise and easy to read summary of organisational policies, and an overview of the organisation, its culture and employee benefits.
4.	Recruitment and Selection	Review the existing recruitment and selection policy and procedures, and train managers in recruitment and selection processes, to ensure a standardised approach and legal compliance, and to minimise risks throughout the recruitment and selection process.
5.	Performance Counselling	Develop a formal performance counselling policy and guidelines to ensure a consistent approach to managing performance and behavioural issues, minimise risks, and ensure legal compliance.
6.	Training and Development	Create a training and development framework to build employee competence and foster a culture of continuous learning and business improvement. Provide a practical management and leadership training program for managers to improve their skills, knowledge and confidence in the areas of people management.
7.	Performance Management System	Review the existing performance review templates and performance management policy to ensure a consistent, structured approach to performance management and employee development across the organisation.
8.	Remuneration and Payroll Processes	Review the existing remuneration policy, payroll process and salary review guidelines, and develop a salary banding structure, to provide a clear, consistent and fair approach to remuneration at QRL.
9.	Internal Communication Framework	Develop a structured internal communication framework, including regular meetings and the implementation of a revised intranet to ensure employees are informed and that key messages are delivered appropriately and consistently.
10.	HR Business Plan	Develop a comprehensive QRL HR Business Plan to provide a 'roadmap' for HR strategies and priorities in the future, outlining the organisation's people projects and delivery timeframes.

HUMAN RESOURCE FUNCTIONS RESULTS

CULTURE AND COMMUNICATION

OVERVIEW OF AUDIT RESULTS

QRL's culture and communication systems have grown organically, shaped largely by the values and communication style of the COM and the management team. The organisation's culture has also evolved in recent years, shaped to a certain degree by the impact of the recent equine influenza on the industry and QRL.

Figure 4. Distribution of Culture and Communication Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Requires Review' (3.17)

The Chief Operations Manager and the management team feel that QRL's culture is strong and aligned to the organisation's strategic goals and core values. Maintaining this culture and clearly demonstrating and supporting it in human resource policies and practices, will be critical to the ongoing success of the organisation.

QRL currently has a number of mechanisms in place to facilitate communication within the organisation including management meetings, department meetings, the intranet, a company newsletter and the online system, Connex. Whilst these systems generally work well there are some inconsistencies between departments regarding the structure and content of team meetings, and a number of opportunities for improvement have been identified for the intranet, including displaying QRL's vision and values and restructuring to allow documents to be more easily located.

RECOMMENDATIONS

HR Business Plan

Developing a comprehensive HR Business Plan will provide the Human Resource and Remuneration Committee and the management team with a 'roadmap' for human resource strategies and priorities in the future, outlining people projects and delivery timeframes. This plan will clearly identify the organisation's people priorities and demonstrate QRL's commitment to attracting, developing and retaining high quality employees.

Internal Communication Framework

Developing a formalised communication framework, including regular meetings and the implementation of a revised intranet will ensure that key messages are delivered appropriately and consistently. Formalising the communication process will ensure that effective and culturally aligned communication is maintained across the organisation and will support the organisation's morale and the maintenance of QRL's culture.

Employee Assistance Program (EAP)

Offering employees access to an EAP, will support employees to develop resilience and skills to address workplace issues, or personal issues which impact on the workplace. These programs offer limited counselling and advice services to assist employees to better deal with personal, family and work-related concerns.

Milestone System

Developing a milestone system will enable QRL to formally recognise and reward long serving employees and encourage ongoing organisational loyalty and high morale, and employee retention.

EMPLOYMENT CONDITIONS

OVERVIEW OF AUDIT RESULTS

The current employment practices at QRL are a combination of formally documented policies, conditions outlined in the *Terms of Employment* and the *Employee Information Handbook*, and informal and undocumented conditions based on the 'company practice'. The informal practices rely primarily on the knowledge, experience and discretion of the managers, which represents a significant risk to the organisation in terms of consistency, equity, and the retention of organisational knowledge.

Figure 5. Distribution of Employment Conditions Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Informal Practice' (2.09)

QRL has a range of documented human resource policies however, a more comprehensive policy and procedure manual is needed to enable managers and employees to effectively understand the employment conditions and what is expected of them in terms of work practices, performance and behaviour. Further, while a number of human resource practices, such as those listed below, are addressed in the *Terms of Employment* or the *Employee Information Handbook*, formal policies and procedures should be developed to clearly outline the organisation's practices and employee obligations in these areas.

- ✘ Discrimination and Workplace Harassment
- ✘ Security
- ✘ Leave
- ✘ Parental Leave
- ✘ Smoking, Drugs and Alcohol in the Workplace
- ✘ Confidentiality and Intellectual Property

QRL also has an *Employee Information Handbook* that outlines the organisation's history and a range of employment conditions, standards and processes. A number of issues have been identified regarding clauses within the *Terms of Employment* including those outlined below.

- ✘ Annual Leave: the requirement for an employee to take annual leave within two years of the entitlement accruing is not compliant with current legislation.
- ✘ Carer's Leave: the document does not address the employee's entitlement to paid or unpaid carer's leave.
- ✘ Bereavement Leave: this provision should be referred to as 'compassionate leave' and should encompass the entitlement for leave in the instance of a life threatening injury or illness to a member of the employee's immediate family or household.
- ✘ Long Service Leave: the entitlement provision is higher than the legislated state requirement.
- ✘ Office Holders: the provisions reference specific individuals as office holders who no longer hold these positions.

A number of gap areas were also identified regarding the content of the document, the employee handbook should summarise the organisation's policies and practices, including employee benefits, social activities, employee records, privacy, personal presentation, grievance procedures and performance counselling. The employee handbook should also include an employee declaration for the employee to sign confirming they understand the conditions of employment.

Furthermore, the spread of information on human resource practices across the *Employee Information Handbook* and the organisation's policies and procedures has resulted in inconsistencies between documents. These inconsistencies may result in confusion and uncertainty for managers and employees regarding the conditions of employment and their responsibilities and obligations.

QRL also has a range of forms designed to support internal practices, however these forms are not used consistently across the organisation. Additionally, a number of forms have been developed and implemented within the Training department, to meet audit requirements, which may be effectively implemented across the organisation.

QRL's personnel files appear to be inconsistent in terms of the documentation collected and stored on files. The file contents are also currently relatively unstructured.

RECOMMENDATIONS

Policies and Procedures

Reviewing and updating the existing policies and procedures in relation to employment conditions, and developing new policies and procedures for identified gap areas will provide a clear and consistent approach to employment conditions, ensure that managers and employees understand their employment conditions and responsibilities, and ensure legal compliance. A comprehensive policy and procedure manual will also provide a clear, consolidated reference tool on the organisation's conditions of employment and provide the structure and guidance necessary to ensure that managers apply QRL's employment conditions consistently and with full compliance.

A clear policy register outlining the owner, authoriser and review date for each policy should also be developed to ensure quality assurance as part of this process.

Employee Handbook

Reviewing and amending the existing *Employee Information Handbook* to create a consolidated, concise, easy to read summary of the organisation's policies, procedures and employment conditions, as well as QRL's history, structure and culture benefits will provide a solid framework for legislative compliance and provide an effective marketing tool in terms of recruitment and retention for the organisation. Employee benefits including non-financial benefits, such as access to the onsite gym facilities and social activities, should also be highlighted in this document.

Employee Forms

The existing human resource forms should be reviewed to ensure consistency with the associated policies, the collection of relevant information, legal compliance and ongoing suitability for QRL's unique work environment. Once finalised the use of all forms, with relevant approvals, should be enforced by the relevant parties to maintain organisational consistency and compliance.

A human resource forms register should be developed listing all forms and linking the forms to the relevant human resource policy. All forms should be reviewed annually in line with policy reviews.

Personnel Files

A thorough review of the personnel files' contents should be conducted to ensure that all required compliance documents, such as eligibility to work in Australia, qualifications, employment agreements, and copies of significant correspondence, are kept on file. Developing and introducing a standard checklist at the front of the file as a part of the file creation will ensure that all files contain the necessary documentation.

Further, compiling personnel files in a more structured way with distinct sections, such as employee conditions, payroll, accounts, training, and correspondence will make accessing information simpler and more efficient.

OVERVIEW OF AUDIT RESULTS

The current recruitment and selection practices at QRL are a combination of documented policies, procedures and templates, and informal undocumented 'company practices'. The recruitment and selection process and the induction process rely primarily on the knowledge, experience and style of the management team, which represents a significant risk to the organisation in terms of consistency, equity, legal compliance and the retention and distribution of organisational knowledge.

Figure 6. Distribution of Recruitment and Selection Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Informal Practice (2.07)

QRL has a recruitment policy and procedure outlining the organisation's standards for recruitment and internal responsibilities; however a number of issues have been identified including those outlined below.

- ✘ Approvals: the document refers to the Human Resource and Remuneration Committee as the appropriate authority for recruitment approvals and the Racing and Administration Manager as the authority for sign off of employment offers, both of which are not accurate according to current practices.
- ✘ Sourcing Candidates: the provisions focus entirely on procedures for utilising the services of recruitment agencies and provide no guidance on other forms of recruitment, such as advertising standards.

The organisation also has some existing recruitment tools, such as a recruitment request form, interviewing guide questions and reference check questionnaire; however these tools are not used consistently across the organisation and many tools are not being used at all.

QRL also has an induction policy and procedure outlining the organisation's process and responsibilities for inducting new employees; however a number of issues have been identified including those outlined below.

- ✘ Approvals: the document refers to the Human Resource and Remuneration Committee as the appropriate authority for probationary review and confirmation meetings, which is not reflected in current practices.
- ✘ Workplace Health and Safety: the policy does not adequately address the workplace health and safety requirements of the induction process, such as familiarisation with organisation practices, role specific requirements, and demonstrations of emergency evacuation procedures.

QRL does not have a formal 'work experience' policy or procedures to outline the organisation's requirements and responsibilities when engaging individuals for the purpose of work experience. This may result in inconsistencies across the organisation in accepting individuals for work experience, and uncertainty for managers regarding their responsibilities and obligations in this process.

The organisation has documented position descriptions for all roles within the organisation which adequately document the roles and responsibilities for each position; however there is some inconsistency in the layout of these documents.

Managers do not receive training on recruitment and selection or interviewing techniques. Interviews with managers identified a range of experience, confidence levels and techniques within the management team regarding the recruitment and selection process.

RECOMMENDATIONS

Policies and Procedures

Reviewing and updating the existing recruitment and induction policies and developing a work experience policy will provide a clear, consistent and fair approach to recruitment and on-boarding at QRL; ensure an equitable and unbiased recruitment process; minimise legal risks; and increase the probability of successful hiring decisions, and successful new employees.

Formalising and documenting procedures and templates, such as letters checklists and forms will also provide the guidance necessary for managers to consistently and effectively recruit and induct new employees with full legal compliance. Standardised recruitment and selection processes and documentation are vital to ensure compliance and to minimise the potential for discrimination.

Psychometric Assessment

Introducing psychometric assessments as a component of the selection process for key positions will significantly increase the likelihood of good hiring decisions, by effectively assessing the candidate's aptitudes, values and cultural alignment with the organisation.

Attracting Employees

Advertising Vacancies Internally

Formalising and standardising the advertisement of vacancies internally, through email and notice board alerts, will ensure that employees are always aware of existing vacancies, are able to promote them to appropriate contacts, and will encourage expressions of interest from existing employees who may wish to apply for the role, providing ongoing career development opportunities.

Advertising Vacancies Externally

Formalising and standardising the advertisement of vacancies externally, through the creation of advert templates for both electronic and print media, will ensure that QRL is sending a consistent and effective public message ensure that the language and graphics accurately reflect the organisation and its values.

Employee Referral Program

Implementing a program of financial reward for employees who refer successful candidates to QRL can reduce recruitment costs and lead times associated with advertising.

Recruitment and Selection Training

Providing training in recruitment and selection skills for all managers will ensure they are competent and confident in interviewing candidates, making good hiring decisions and representing QRL throughout the process; and ensure a consistent process across the organisation. It is important that managers understand how to effectively coordinate the recruitment and selection process, to ensure they identify and select the most suitable candidate for the role and maintain legal compliance.

This training should encompass an overview of the legislative framework, and the required processes and documentation required to ensure compliance, how to prepare for an interview, how to conduct and interview, and how to rate candidates and make effective hiring decisions.

OVERVIEW OF AUDIT RESULTS

The industrial instruments applicable to QRL are the Clerical and Administrative Employees NAPSA (Queensland), the Workplace Relations Act, the Racing Act, and the Queensland Racing Collective Agreement. The audit of QRL's practices in relation to industrial relations provides only a broad overview of this area; the existing internal practices have not been comprehensively reviewed against all of the specific entitlements outlined in the applicable industrial instruments.

Figure 7. Distribution of Industrial Relations Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Informal Practice' (2.52)

QRL contracts of employment, for all employment types, are made up of a letter of offer and the organisation's *Terms of Employment*. A number of issues have been identified regarding clauses within the *Terms of Employment*, including those outlined below.

- ✘ Clause 6 - Remuneration: the clauses relating to the total remuneration value (TRV) structure are unclear not clearly defining the concept, and the provisions do not clearly outline the employee's salary package. Clause 7.2 Salary Sacrifice should also be grouped with the remuneration provisions.
- ✘ Clause 5.1 - Probation Period: the provisions allow for a probation period of four months however the industry standard probation period is six months.
- ✘ Clause 10.4 - Redundancy: the severance payment provisions are very generous and significantly higher than the legislated requirements.
- ✘ Clause 8.1 - Sick Leave: the specification of the employee's sick leave entitlement; that is, ten days per annum is documented under 'Carer's Leave'.
- ✘ Clause 8.4 - Annual Leave: the clauses relating to annual leave do not include provisions regarding the accrual frequency, the cumulative nature of the entitlement, office closures, the ability for QRL to direct the employee to take annual leave, or that accruals will be paid out on termination of employment.
- ✘ Clause 8.5 - Public Holidays: the provision specifies the public holidays that employees are entitled to which may conflict with future variations, such as in 2009 when the Anzac Day public holiday will not be observed.
- ✘ Clause 8.6 - Long Service Leave: the entitlement provision is higher than the legislated state requirement.
- ✘ Clauses 8.8, 8.9, 8.10 - Parental Leave: these provisions are very detailed, much of which would form part of the parental leave policy rather than being outlined in the employment agreement.
- ✘ Warranties: the provision regarding the accuracy of representations throughout the recruitment process is a documented under Clause 5.4 – Casual Employees.

A number of gap areas were also identified including clauses addressing employee duties, non-solicitation, severability, amendment, validity date and entirety of agreement.

There is currently a spread of information on employment conditions across the organisation's *Terms of Employment*, *Employee Information Handbook* and organisational policies which has resulted in inconsistencies between documents. These inconsistencies may result in confusion and uncertainty for managers and employees regarding their employment conditions.

Consequently, to consolidate and simplify the contract of employment a number of clauses, outlined below, have been identified as unessential for the contract of employment and can be removed.

- ✘ Clause 3 - The Role of QRL: these details will be incorporated in the employee handbook and do not form part of the employment agreement.
- ✘ Clause 7.1 - First Aid: this provision forms part of the workplace health and safety policy.
- ✘ Clause 7.3 - Training: this provision forms part of the training policy.
- ✘ Clause 8.13 - Jury Service: this provision forms part of the leave policy.
- ✘ Clause 9 - Workers Compensation: this process forms part of the workplace rehabilitation policy.
- ✘ Clause 11 - Counselling and Discipline: this process forms part of the performance counselling policy.
- ✘ Clause 12 - Dispute Resolution Procedures: this process forms part of the grievance handling policy.
- ✘ Clause 13 - Employment Records: this provision forms part of the privacy policy.

RECOMMENDATIONS

Employment Agreements

The current letter of offer and *Terms of Employment* should be reviewed and consolidated into a clear and concise employment agreement that addresses the identified issues and gap areas, and meets all legislative requirements. Employment agreement templates should be developed for permanent and casual employment types, in a style that supports and promotes the organisational culture and in language that clearly and simply outlines the terms and conditions of employment.

REMUNERATION

OVERVIEW OF AUDIT RESULTS

While QRL does have a documented remuneration policy, the current remuneration and benefits practices at QRL are largely unstructured, based on 'company practices' and the discretion of the managers and Chief Operations Manager. This represents a significant risk to the organisation in terms of legal compliance, consistency, equity and continuity of conditions.

Figure 8. Distribution of Remuneration Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Informal Practice' (2.67)

QRL has a formal remuneration policy and procedure outlining the organisation's approach to remuneration practices; however a number of issues have been identified including those outlined below. Remuneration is also addressed in the organisation's *Terms of Employment* and *Employee Information Handbook*.

- ✘ **TRV Structure:** the total remuneration value structure of remuneration packaging is not clearly defined and the concept may be unclear and confusing to many employees.
- ✘ **Market Research:** the provisions state that QRL will "undertake an independent remuneration review of all salaries and positions...every two years", which is currently not occurring.
- ✘ **Salary Packaging:** the allowable salary packaging options and any restrictions are not clearly documented, and the 'TRV Form' does not include details such as the value to be salary sacrificed.

There are currently no documented procedures or checklists outlining the salary review process, or the payroll procedures such as notifying payroll of relevant events such as new employees, salary and condition changes, and terminating employees. There are some documented salary review memos; however these documents are not standardised or centrally located, and are not applied consistently across the organisation.

There is no internal salary banding structure to guide the setting and reviewing of employees' salary packages or to ensure salary relativity across the organisation.

RECOMMENDATIONS

Policies and Procedures

Reviewing and updating the existing remuneration policy and developing salary review guidelines and documentation templates will provide a clear, consistent and fair approach to remuneration at QRL; outline clear standards in relation to salary increases and the salary review process; and ensure the organisation remains competitive within the industry. Additionally, developing formal procedures for the payroll process, including notification of new starters, payroll changes, and notification of terminations will assist in streamlining the process and minimise errors. The payroll process needs to be formalised and documented to ensure that QRL meets its obligations.

Salary Banding

Developing and introducing a formal salary banding structure across the whole organisation with jobs of similar classifications banded together, will clearly establish the difference in value of each job and variations in each pay range. This structure should also be formally documented, defining each salary band and its corresponding pay range. An organisation-wide salary banding structure will also ensure consistency in pay and conditions for similar jobs within the organisation, and provide a structured approach to future salary planning.

Market Research

Undertaking a thorough review of market rates and salary trends for existing employees will ensure that QRL is compliant with the minimum legislated standards and that the organisation's remuneration structure is competitive within the industry. This analysis will identify any employees who are currently not paid at market levels and thus represent a retention risk for the organisation.

Ongoing research should be regularly and systematically undertaken as part of the salary review process to ensure that salary levels and review increases are continually compliant with industrial instrument requirements and consistent with industry rates.

PERFORMANCE MANAGEMENT

OVERVIEW OF AUDIT RESULTS

The current performance management practices at QRL are documented; however there is a significant reliance on the knowledge and experience of the managers regarding the interpretation and application of this process. This represents a significant risk to the organisation in terms of organisational consistency, employee retention, equity, and distribution of organisational knowledge.

Figure 9. Distribution of Performance Management Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Requires Review' (3.00)

QRL has a competency based performance review tool, which is currently being transferred to an online platform. Performance reviews under this system are conducted by the employee's manager, and occur on an annual basis with a progress review meeting occurring at six months. There is also a performance management policy and procedure outlining the organisation's review process, including expectations and responsibilities.

Managers do not receive training on performance management or giving effective feedback to their team. Interviews with managers identified a range of experience and confidence levels within the management team regarding performance management processes.

RECOMMENDATIONS

Performance Management System

Reviewing and redesigning the existing performance review tool to better promote two-way communication and feedback and to include a comprehensive individual development plan, focussing on the employees' future career ambitions and training needs will assist in developing a high performance culture. The transfer of the performance management system to an online platform will enable the organisation to more effectively coordinate and manage the performance management system across QRL. The performance management system should be formalised, incorporating a more systematic approach with clear timelines, to ensure a regular and consistent approach to performance management at QRL.

Policies and Procedures

Reviewing and updating the performance management policy will provide a clear, consistent and equitable approach to performance management at QRL, ensuring that managers and employees understand the system and their responsibilities and accountabilities. Revising the procedures and templates will also ensure one approach to performance management and provide the guidance necessary for performance review discussions to be effectively undertaken by managers.

Performance Management Training

Providing training to managers on how to conduct an effective performance review discussion will ensure a more successful performance management system and achieve consistency across the organisation. It is important that managers understand how to manage employee performance and how to give constructive feedback to ensure that the performance review process is positive and productive for both the manager and the employee.

SUCCESSION PLANNING AND TALENT MANAGEMENT

OVERVIEW OF AUDIT RESULTS

The current succession planning and talent management practices at QRL are largely informal and undocumented, based on the discretion of the managers. This represents a significant risk to the organisation as there are a number of critical roles within QRL that currently do not have an identified successor, and high potential employees are not being actively trained and developed within the organisation.

Figure 10. Distribution of Succession Planning and Talent Management Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Not in Place' (1.60)

QRL does not have a formal succession planning and talent management policy or plan to guide managers in practices for planning successors for critical roles and developing high potential employees. There are some informal practices in place; however these strategies are not consistent across the organisation with the majority of strategies focussing on short term cover of critical roles rather than long term planning. There is some long term planning especially in the training department for future training coordinators; however this process is currently unstructured and undocumented.

RECOMMENDATIONS

Policies and Procedures

Implementing a succession plan and talent management framework, including developing core leadership competencies, identifying critical roles and developing replacement charts will assist QRL to:

- ✦ Send a consistent message of the organisation's perspective on promotion.
- ✦ Develop a clear picture of the "people risks by identifying the critical roles that have no identified replacements.
- ✦ Provide managers with the tools, resources and support to identify employees with potential, and provide development opportunities.
- ✦ Assist in attracting key talent to the organisation and retaining key employees.
- ✦ Enhance constructive workforce mobility and cross training.

Succession Plan

During interviews with managers a number of employees were identified as holding critical roles within the organisation, that is, roles that contribute strongly to the organisation, are in high demand in the market, and are difficult to replace. Developing talent management and retention strategies for these individuals, providing they are performing to a high standard, should be undertaken as a matter of priority to ensure their ongoing satisfaction and employment with QRL. Developing succession plans for these roles should also be undertaken to minimise the potential risks and impacts if one of these individuals exits the organisation.

PERFORMANCE COUNSELLING

OVERVIEW OF AUDIT RESULTS

The performance counselling practices at QRL are largely unstructured with the application of performance counselling processes the responsibility of individual managers, based on 'company practice' and relying primarily on the knowledge and experience of the managers. This represents a significant risk to the organisation in terms of organisational consistency, equity and legal compliance.

Figure 11. Distribution of Performance Counselling Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Informal Practice' (2.00)

QRL does not have a formal performance counselling policy and procedure; however performance counselling and discipline is addressed in the organisation's *Terms of Employment*. A number of issues have been identified regarding the *Counselling and Discipline* section of the *Terms of Employment* including those outlined below.

- ✘ **Disciplinary Actions:** the provisions do not clearly define the circumstances in which each of the written warnings will be issued; do not provide for a 'first and final' warning; and do not provide flexibility to deviate from the standard course of 'verbal, first, second and third warning' should the circumstances warrant more serious disciplinary action.
- ✘ **Procedural Fairness:** the clauses do not address the need for procedural fairness or the importance of confidentiality; and the description of actions that should be undertaken at each stage of the process is quite limited.
- ✘ **Serious Misconduct:** the provisions do not clearly differentiate between 'serious misconduct' and 'misconduct'; and the examples of behaviour or conduct that would constitute 'serious misconduct' are relatively limited.

There are some documented letters and forms, such as warning letters and file notes, relating to performance counselling and warnings; however these documents are not standardised or centrally located, and are not applied consistently across the organisation.

Managers do not receive training on performance counselling, disciplining employees or conducting investigations. Interviews with managers identified a range of experience and confidence levels within the management team regarding dealing with employee performance and conduct issues.

RECOMMENDATIONS

Policies and Procedures

Developing a formal performance counselling policy, and reviewing and amending the existing document templates will provide a clear and consistent approach to performance counselling at QRL, and ensure that these processes are actioned effectively, appropriately and with full legal compliance.

Formalising and implementing procedures and documentation templates, such as standard checklists, letters and forms, will also provide the guidance for managers to effectively, consistently and equitably manage the performance counselling and investigation process.

Performance Counselling Training

Providing training in performance counselling for all managers will ensure that they are competent and confident in investigating issues, and counselling and disciplining employees; maintain a consistent approach across the organisation; and significantly minimise the risk of non-compliance. It is important that managers understand how to effectively manage underperforming employees to avoid costs to QRL from low productivity and potential legal action.

Performance counselling training should encompass an overview of the current legislative framework, and the required processes and documentation required to ensure legal compliance and minimise risks.

Specialist Advice

As managers do not have an internal HR resource to offer advice and assistance in relation to conducting discipline meetings, it would be advisable to provide managers with access to on-call specialist advice in relation to performance counselling and disciplinary issues; ensuring a consistent and compliant approach, increasing manager's confidence and experience with complex issues, and minimising legal risks to QRL of unfair dismissal or discrimination claims.

TRAINING AND DEVELOPMENT

OVERVIEW OF AUDIT RESULTS

While QRL does have a documented training and career progression policy, the training and development practices are largely informal, with training and development activities occurring on an ad hoc basis.

Figure 12. Distribution of Training and Development Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Informal Practice' (2.20)

QRL does have a training and development policy; however these procedures need to be more rigorously applied to ensure that employee's training and development requirements are consistently met and that the organisation is meeting its training requirements regarding legislatively mandated training. There is currently not a framework or structured training calendar to manage the ongoing education and development of employees within the organisation.

A training budget has been allocated to each employee to facilitate their ongoing professional development however; interviews with managers identified a lack of clarity regarding the training budget amount.

QRL has a study assistance policy to provide financial assistance to employees undertaking further study however, a number of issues have been identified including those outlined below.

- ✘ Eligibility Requirements for Employees: the provisions do not clarify qualifying factors such as employment type, minimum period of service and performance standards.
- ✘ Eligibility Requirements for Courses: the provisions do not clarify qualifying factors such as that the course must be a recognised qualification at an accredited education institution, and must be directly relevant to the employee's role or identified career path.
- ✘ Study Assistance Procedures: the provisions do not specify documentation required to apply for the course, notification requirements or the reimbursement processes.

RECOMMENDATIONS

Training and Development Budget

Documenting training budgets for employees, supervisors and managers in the training and development policy will ensure a clear and consistent application of this benefit. Clearly documenting the budgets will also enable QRL to better promote this benefit and aid in the attraction, performance and retention of employees.

Policies and Procedures

Reviewing and updating the existing training and development policy and creating a training and development framework and training calendar, which incorporates technical and non-technical and mandatory training and development activities, will provide a structured and holistic approach to training and development, directing the organisation's current and future requirements.

The training framework, which is developed by conducting a skill gap analysis and identifying the key competencies in the areas of a technical, people and management, will become the basis for developing training programs at QRL. Formalising and documenting the procedures will also enable the organisation to better promote these opportunities, and provide guidance to managers and employees on how to plan and coordinate training and development activities.

Study Assistance

The existing study assistance policy should be reviewed and revised to provide clear eligibility and entitlement guidelines and system procedures, and to accurately reflect the current management team structure. Developing supporting documentation such as application and reimbursement forms will also assist with clarifying the study assistance procedure.

Management/Leadership Training

Providing managers with a practical management and leadership training program, to improve their skills, knowledge and confidence in the areas of people management and human resources, will increase their abilities to effectively lead and manage their teams, and to deal with people issues appropriately when they arise. Topics that may be covered in a management and leadership training program, many of which have been highlighted in other areas of this report, are outlined below.

- ✦ The Role of Managers and Leaders
- ✦ Communication with the Team
- ✦ Recruitment and Selection
- ✦ Behavioural Interviewing Techniques
- ✦ Problem Solving and Decision Making
- ✦ Performance Management and Conducting Appraisals
- ✦ Performance Counselling and Termination of Employment
- ✦ Dealing with Difficult People and Situations
- ✦ Conflict Resolution and Negotiation Skills
- ✦ Career Development and Career Planning
- ✦ Proactive Supervision
- ✦ Time Management and Stress Management
- ✦ Managing Generation Differences
- ✦ Emotional Intelligence and Leadership

Cadetship Development Program

Developing a formalised cadetship development program for stewards and handicappers, incorporating both technical and non-technical competencies, will provide a structured approach to developing the cadets' skills across all areas and ensure that QRL continues to have a high calibre of employees in these departments. Incorporating 'people skills' such as communication, conflict resolution and time management in this program will also ensure that the cadets have the skills and experience necessary to develop into future leaders and managers.

OVERVIEW OF AUDIT RESULTS

Due to the nature of QLR's business, workplace health and safety is a critical and integral component of its work activities. The audit and assessment of QLR's workplace health and safety practices undertaken by HR Business Solutions' provides only a broad overview of this area, as outlined below. For more detailed information on workplace health and safety, HR Business Solutions can recommend an external consultant to provide a more comprehensive audit of QLR's systems and practices if required.

Figure 13. Distribution of Workplace Health and Safety Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Informal Practice' (2.91)

QLR currently has a variety of documentation and tools relating to workplace health and safety, including a workplace health and safety policy, rehabilitation policy, *Employee Information Handbook*, *Terms of Employment*, incident register and incident notification forms. The spread of information on workplace health and safety practices across a number of documents has resulted in inconsistencies between documents, and may also result in confusion and uncertainty for managers and employees regarding their responsibilities and QLR's approach to workplace health and safety.

The organisation has a formally trained workplace health and safety officer, fire wardens and qualified first aid officers and a formally trained rehabilitation officer. Further workplace health and safety practices, including the provision of personal protective equipment and first aid kits are also in place at QLR.

Formal training is provided to the occupational health and safety representatives, first aid officers and rehabilitation officers. Managers and employees do not receive training on workplace health and safety responsibilities or practices, or evacuation procedures.

All reported incidents are currently recorded in the workplace health and safety register; however the workplace health and safety data that is recorded is currently not monitored, measured or reported in a formalised way.

RECOMMENDATIONS

Policies and Procedures

The existing workplace health and safety and rehabilitation policies should be reviewed in conjunction with the *Employee Information Handbook* and the *Terms of Employment* to ensure a clear and consistent approach to workplace health and safety legal at QLR; promote the ongoing health and safety of employees; ensure legal compliance; and minimise risks. QLR and the employees' obligations and responsibilities should be more clearly highlighted to promote individual ownership and to create and maintain a proactive, safety focussed culture.

Consolidating the existing workplace health and safety and rehabilitation provisions will also provide the guidance for managers and employees to ensure a healthy and safe working environment and effectively manage any hazards or incidents that may occur. Reviewing existing forms and developing additional documentation, such as standard checklists, letters and forms, relating to workplace health and safety is important to ensure consistency and compliance.

Workplace Health and Safety Indicators and Reporting

Introducing key workplace health and safety indicators and regular monitoring and reporting will enable QRL to effectively measure workplace health and safety performance, reinforce organisation-wide accountability for meeting safety objectives, and support a culture of continuous improvement.

Workplace Health and Safety Training and Prevention Programs

Designing and implementing basic workplace health and safety training, including emergency evacuation procedures, for all employees as part of the organisation's induction process will ensure that all employees have a fundamental understanding of their responsibilities, and how they should respond in an emergency situation. This will significantly reduce the risk of incidents or injury.

By implementing a variety of additional training and prevention programs to support the workplace health and safety policies, such as ergonomic assessments, regular safety talks on prominent safety issues, and regular hazard audits, QRL can continually build awareness of safety issues, reinforce and promote individual accountability for safe work practices, and instil a safety focussed work culture.

These programs may also assist in minimising injuries and identifying potential injuries early to limit their severity and the potential for consequent workers compensation claims.

TERMINATION OF EMPLOYMENT

OVERVIEW OF AUDIT RESULTS

The termination of employment practices at QRL are largely unstructured. The application of termination of employment processes is the responsibility of individual managers, based on 'company practice' and relying primarily on the knowledge and experience of the managers. This represents a significant risk to the organisation in terms of organisational consistency, equity, legal compliance and exposure to risks from unfair or unlawful termination of employment actions.

Figure 14. Distribution of Termination of Employment Ratings



For further information on the breakdown of ratings please refer to Appendix One.

Overall Rating: 'Informal Practice' (2.13)

QRL does not have a formal termination of employment policy and procedure; however termination of employment is addressed in the organisation's *Terms of Employment* and *Employee Information Handbook*. A number of issues have been identified regarding the *Ending Employment* section of the *Terms of Employment* including those outlined below.

- ✘ Notice Periods: the notice period provisions do not address termination of casual employment arrangements.
- ✘ Redundancy: the severance payment provisions are very generous and significantly higher than the legislated requirements.
- ✘ Termination of Probationary Employment: the clauses in this section do not address the organisation's practices in relation to termination of employment whilst on probation.
- ✘ Abandonment of Employment: the clauses do not address the organisation's practices in relation to abandonment of employment.

Furthermore, the spread of information on termination of employment practices across a number of documents has resulted in inconsistencies between documents and references to information, such as the 'Exit Checklist' in the *Employee Information Booklet*, that currently do not exist. These inconsistencies may result in confusion and uncertainty for managers and employees regarding their responsibilities and obligations in the termination process.

There are some documented letters relating to termination of employment; however these documents are not standardised or centrally located, and are not applied consistently across the organisation. Further there are currently no documented procedures or checklists outlining the termination process and the notification of relevant parties such as the IT and Payroll departments.

Managers do not receive training on termination of employment practices or organisation standards. Interviews with managers identified a range of experience and confidence levels within the management team regarding dealing with termination of employment.

QRL does not have a formal exit interview process to receive, monitor and report on feedback from exiting employees. The management team conducts informal feedback discussions with some exiting employees; however this process is not applied consistently within or across departments and the outcomes of these discussions is not analysed or reported.

RECOMMENDATIONS

Policies and Procedures

Developing a formal termination of employment policy and procedure, incorporating a revision of the existing termination of employment clauses, and reviewing and standardising the existing letters will ensure a clear and consistent approach to termination of employment at QRL, and ensure that these processes are actioned effectively and with full legal compliance. Consolidating the existing termination of employment provisions minimise the potential for inconsistency between documents and ensure that clear and concise information is available for managers and employees regarding their responsibilities and obligations in the termination of employment process. Termination of employment policies and procedures should encompass all termination of employment scenarios including resignation, retirement, abandonment of employment, redundancy, dismissal and summary dismissal.

Documentation, such as standard checklists, letters and forms, relating to the termination of employees is important to ensure an efficient consistent process, in which all relevant parties are notified of exiting employees; compliance; and to minimise QRL's exposure to risks from unfair or unlawful termination actions.

Termination of Employment Training

Providing training in termination of employment procedures and requirements for all managers will ensure that they understand how to effectively manage this process; ensure a consistent approach across the organisation; and significantly minimise the risk of unfair or unlawful termination actions.

Termination of employment training should encompass an overview of the legislative framework, and the required processes and documentation required to ensure compliance and minimise risks.

Specialist Advice

As managers do not have an internal HR resource to offer advice and assistance, providing managers with access to on-call specialist advice in relation to termination of employment issues will support managers in addressing such issues appropriately; ensuring a consistent and compliant approach, increasing manager's confidence and experience with complex issues and minimising legal risks.

Reporting and Retention Strategies

Formalising and implementing a standard exit interview process will enable QRL to collect relevant information from employees exiting the organisation, to identify existing issues within the organisation and track any existing or emerging trends. The collected data will also allow QRL to develop relevant retention strategies to ensure that the existing low rate of regrettable employee turnover is maintained.

SUMMARY OF RECOMMENDATIONS AND IMPLEMENTATION LIST

Below is a summary of the recommendations highlighted throughout this report. This summary has been provided in the form of checklist to assist QRL in planning the implementation of recommendations. Please note this list has been compiled by human resource function category, and is not in order of priority.

CULTURE AND COMMUNICATION			
Action Items	Responsibility	Due Date	HRBS Can Assist
Develop a formalised, structured communication framework.			✓
Review and update of the QRL intranet.			Internal
Introduce an employee assistance program for employees.			✓
Create a QRL social club.			✓
EMPLOYMENT CONDITIONS			
Action Items	Responsibility	Due Date	HRBS Can Assist
Review and update existing policies and procedures, and develop new policies and procedures where gaps are identified.			✓
Create a policy register.			✓
Review and update all existing forms, and develop new forms where gaps are identified.			✓
Create a forms register.			✓
Review and update the employee handbook.			✓
Introduce a milestone system to recognise and reward long serving employees.			✓
Finalise and implement a formal relocation policy.			✓
Introduce a structured approach to the personnel file system.			✓
RECRUITMENT AND SELECTION			
Action Items	Responsibility	Due Date	HRBS Can Assist
Review the recruitment and selection policy.			✓
Develop procedures to standardise the process including advertising, engaging recruitment agencies, interviewing and reference checking.			✓
Review and update existing document templates, and develop additional templates where required, including checklists, letters and forms.			✓
Strategically introduce psychometric testing for key positions to assess culture and role fit.			✓
Formalise and document the process to advertise all vacancies internally.			✓
Conduct training for managers in recruitment and selection and behavioural interviewing.			✓
Review and update the induction and on-boarding policy.			✓
INDUSTRIAL RELATIONS			
Action Items	Responsibility	Due Date	HRBS Can Assist
Review the <i>Terms of Employment</i> and develop consolidated employment agreement templates for engaging permanent and casual employees.			✓

REMUNERATION			
Action Items	Responsibility	Due Date	HRBS Can Assist
Review the remuneration policy.			✓
Develop remuneration review procedures and tools.			✓
Develop 'total reward statements' incorporating non-financial rewards, to replace the current salary review letters.			✓
Create document templates including checklists, letters and forms.			✓
Introduce a QRL salary banding structure.			✓
Conduct market research on market rates and salary trends.			✓
PERFORMANCE MANAGEMENT			
Action Items	Responsibility	Due Date	HRBS Can Assist
Review the performance management policy.			✓
Review and update the existing performance review form.			✓
Review and update the existing individual development plan.			✓
Create document templates including checklists, letters and forms.			✓
Conduct training for managers and employees in the performance management process.			✓
SUCCESSION PLANNING AND TALENT MANAGEMENT			
Action Items	Responsibility	Due Date	HRBS Can Assist
Develop a succession planning and talent management policy.			✓
Develop a succession plan, identifying critical roles within the organisation and their identified replacements, and high potential employees and development opportunities.			✓
PERFORMANCE COUNSELLING			
Action Items	Responsibility	Due Date	HRBS Can Assist
Develop a performance counselling policy.			✓
Create document templates including checklists, letters and forms.			✓
Conduct training for managers in the performance counselling process and legal requirements.			✓
TRAINING AND DEVELOPMENT			
Action Items	Responsibility	Due Date	HRBS Can Assist
Clarify and document the training and development budgets.			Internal
Review the training and development policy.			✓
Develop a formal training and development framework, for both technical and non-technical skills.			✓
Develop a training calendar, incorporating both technical and non-technical skills and mandatory organisational training.			✓
Create document templates including checklists, letters and forms.			✓
Review the study assistance scheme.			✓
Introduce a practical management and leadership training program for all managers.			✓

WORKPLACE HEALTH AND SAFETY

Action Items	Responsibility	Due Date	HRBS Can Assist
Review the workplace health and safety and workplace rehabilitation policies and consolidate information from the <i>Employee Information Handbook</i> and <i>Terms of Employment</i> .			✓
Develop incident and hazard reporting and investigation procedures.			✓
Revise existing forms and create additional document templates including checklists, letters and forms.			✓
Introduce workplace health and safety indicators and reporting practices.			✓
Implement training and prevention programs, including general safety training, evacuation procedures, ergonomic assessments, and regular information sessions.			✓

TERMINATION OF EMPLOYMENT

Action Items	Responsibility	Due Date	HRBS Can Assist
Develop a termination of employment policy.			✓
Create document templates including checklists, letters and forms.			✓
Conduct training for managers in termination of employment processes and the legal requirements.			✓
Develop and implement a formal, documented exit interview and reporting process.			✓

APPENDIX ONE: HR AUDIT RATINGS

CULTURE AND COMMUNICATION				
Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Social Club	▶ Milestone System	▶ Organisational Chart	▶ Company Vision/Mission	
▶ Social Club Application Form (not applicable)	▶ Employee Assistance Program	▶ Communication	▶ Organisation Values	
		▶ Intranet	▶ Organisation Strategic Plan	
		▶ Code of Conduct	▶ Organisational Objectives	
			▶ Culture	
			▶ Organisation Social Functions	
EMPLOYMENT CONDITIONS				
Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Policy Register	▶ Relocation Policy	▶ Grievance Handling Policy	▶ Internet and Email Usage Policy	
▶ Diversity Policy	▶ Discrimination and EEO Policy	▶ Personal Presentation Policy	▶ Leave Application Form	
▶ Work-Life Balance Policy	▶ Smoking, Drugs and Alcohol Policy	▶ Motor Vehicle Usage Policy		
▶ Working Hours Policy	▶ Leave Policy	▶ Employee Handbook		
▶ Privacy Policy	▶ Parental Leave Policy	▶ Personnel Files Procedure		
▶ Employee Referral Policy	▶ High Duties Policy	▶ Overtime Form		
▶ Employee Referral Letter (not applicable)	▶ Workplace Harassment and Bullying Policy	▶ Probationary Period Completion Letter		
▶ Mobile Phone Usage Policy	▶ Security Policy			
▶ Unpaid Leave of Absence Letter	▶ Change of Status Letter			
▶ Travel and Expense Policy	▶ Confidentiality and IP Policy			
▶ Forms Register	▶ Higher Duties Letter			
	▶ Parental Leave Letter			
	▶ Change of Details Form			

RECRUITMENT AND SELECTION

Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Application for Employment Form	▶ Volunteer/Work Experience Policy	▶ Recruitment and Selection Policy	▶ Position Descriptions	
▶ Successful Application Letter - First Interview	▶ Security Checks Procedures/Guidelines	▶ Recruitment Agency Engagement Procedure/Guidelines		
▶ Successful Application Letter - Second Interview	▶ Internal Vacancy Notification Template	▶ Employment Page on Website		
▶ Unsuccessful Application Letter - Interviewed	▶ Reference Checking Procedure/Guidelines	▶ Reference Check Questionnaire		
▶ Application Acknowledgement Letter -Unsolicited	▶ Psychometric Assessment Guidelines	▶ Personal Details Form		
▶ Application Acknowledgement Letter - Solicited	▶ Induction and On-boarding Policy	▶ New Starter Information Pack		
▶ Pre-Employment Medical Checks Procedure/Guidelines	▶ Interview Guide Templates	▶ Induction Checklist		
▶ Unsuccessful Application Letter - Not Interviewed	▶ Recruitment and Selection Checklist	▶ Phone Screen Form		
	▶ Recruitment Authorisation Form			
	▶ Advertisement Templates			

INDUSTRIAL RELATIONS

Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Duties Clause		▶ Hours of Work Clause	▶ Position Clause	
▶ Motor Vehicles Clause		▶ Probation Clause	▶ Location Clause	
▶ Workplace Health and Safety Clause		▶ Remuneration Clause	▶ Confidentiality Clause	
▶ Private Work Clause		▶ Leave Entitlements Clause	▶ Intellectual Property Clause	
▶ Non-Solicitation Clause		▶ Company Property Clause	▶ Policies and Procedures Clause	
▶ Eligibility to Work in Australia Clause		▶ Contract Template - Full-time	▶ Termination Clause	
▶ Warranties Clause		▶ Contract Template - Casual		
▶ Amendments Clause		▶ Contract Template - Fixed-term		
▶ Severability Clause		▶ Letter of Offer– Full-time		
▶ Industrial Instruments Clause		▶ Letter of Offer– Part-time		
▶ Independent Contractor Template (not applicable)		▶ Letter of Offer– Casual		

REMUNERATION

Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Bonus Scheme Policy	▶ Payroll Notification Form/Process	▶ Remuneration Policy	▶ Salary Review Spreadsheet	
▶ Pay Scale Bandings and Job Families Structure	▶ Remuneration Review Procedure/Guidelines	▶ Salary Packaging Procedure/Guidelines	▶ Salary Review Letter – No Salary Increase	
▶ Salary Review Letter - Bonus Payment (not applicable)			▶ Salary Review Letter – Salary Increase	

PERFORMANCE MANAGEMENT

Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Performance Review Guidelines	▶ Performance Management System	▶ Performance Management Policy		▶ Performance Review Frequency
▶ Performance Management Training	▶ Individual Development Plan	▶ Performance Review Form		
		▶ Performance Management Process		

SUCCESSION PLANNING AND TALENT MANAGEMENT

Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Succession Plan Document	▶ Succession Planning and Talent Management Policy			
▶ Leadership Program	▶ Promotion Procedure/Guidelines			
	▶ Mentoring/Coaching Program			

PERFORMANCE COUNSELLING

Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Counselling and Investigation Procedure/Guidelines	▶ Performance Counselling Policy	▶ Performance Counselling Form – Record of Discussion		
	▶ First Written Warning Letter			
	▶ Final Written Warning Letter			

TRAINING AND DEVELOPMENT

Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Training and Development Framework	▶ Training Booking Form – Internal and External Courses	▶ Training and Development Policy	▶ Training Budget	
▶ Training Calendar	▶ Study Assistance Forms	▶ Study Assistance Scheme		
▶ Frontline Management Training Program	▶ Technical Training Program	▶ Graduate/Trainee Program		

WORKPLACE HEALTH AND SAFETY

Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Workplace Health and Safety Reporting	▶ Incident Reporting and Investigation Procedure	▶ Workplace Health and Safety Policy	▶ Workplace Health and Safety Register	
	▶ Workplace Health and Safety Training	▶ Workplace Rehabilitation Policy	▶ Workplace Health and Safety Officer	
	▶ Evacuation Procedures/Training	▶ Hazard/Incident Notification Form	▶ Workplace Rehabilitation Officer	
			▶ First Aid Officers	

TERMINATION OF EMPLOYMENT

Not in Place (Rating 1)	Informal Practice (Rating 2)	Requires Review (Rating 3)	Compliant (Rating 4)	Above Standard (Rating 5)
▶ Exit Checklist	▶ Termination of Employment Policy	▶ Termination of Employment Letter		
	▶ Exit Interview Questionnaire	▶ Termination of Probation Letter		
	▶ Summary Dismissal Guidelines			
	▶ Redundancy Procedure/Policy			
	▶ Statement of Service			

OVERVIEW OF QUEENSLAND RACING LIMITED'S HR PRACTICES

HR Business Solutions conducted a HR Audit for Queensland Racing Limited (QRL) on site at the Deagon office on Wednesday, 21 January 2009 and Thursday, 22 January 2009. Using HR Business Solutions' unique diagnostic tool, the HR Audit provided a comprehensive review of the current HR practices within the organisation.

The HR Audit involved three key steps; firstly, a systems and documents gaps analysis; secondly, rating the existing systems and documents using a five point rating scale; and finally, interviewing the Chief Operations Manager (COM) and the management team to further explore the organisation's HR practices and future needs.

Overall the HR Audit revealed that there is a strong commitment to sound HR practices at QRL, which is evident in both the range of formal HR systems and documents in place, and the informal 'company practices' that the organisation utilises to effectively manage its employees.

The key strengths of QRL's HR practices include:

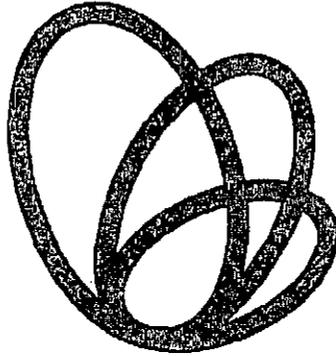
- ✦ The strong, united and strategically aligned organisational culture that effectively supports the organisation's goals and guides employee behaviour.
- ✦ The implementation of the online system Connx to support HR functions and facilitate regular communication with employees.
- ✦ The high levels of employee commitment and loyalty to the organisation; which is evidenced by the low employee turnover levels and the employees' demonstrated willingness to work collaboratively and diligently to achieve organisational goals.
- ✦ The development of compliant employment agreements that clearly and concisely outline the terms and conditions of employment with QRL.
- ✦ The development of concise and easy to read employee handbook that provides an overview of the organisation, its culture and employee benefits and clearly summarises the HR policies.
- ✦ The development of clear, concise and compliant HR policies and procedures that effectively inform managers and employees of employment conditions and guide managers through managing situations in the employment lifecycle.
- ✦ The commencement of a practical management and leadership training program to increase QRL managers' skills, knowledge and confidence in the areas of people management and HR; and ensure consistency, equity and legal compliance in the application of QRL's HR practices.

A number of opportunities have also been identified to build upon QRL's existing HR foundations to further enhance its HR practices including:

- ✦ Creating a training and development framework and calendar to build employee competence and foster a culture of continuous learning and business improvement.
- ✦ Developing formal performance counselling guidelines and tools to complement the policy and management training; and ensure a consistent, compliant approach to managing performance and behavioural issues.
- ✦ Revising the existing recruitment practices and tools to complement the policy and management training; and ensure a standardised, compliant approach to the recruitment and selection process.
- ✦ Revising the performance review templates and tools to complement the policy and management training; and ensure a consistent, structured approach to performance management and employee development across QRL.
- ✦ Formalising the internal communication framework, including regular meetings and the implementation of a revised intranet to ensure employees remain informed and that key messages continue to be delivered appropriately and consistently.
- ✦ Developing a succession and talent management plan to provide a framework for retaining key employees and future leaders, and to minimise the risk and impact of critical employees exiting the organisation
- ✦ Developing formal termination of employment guidelines and tools to compliment the policy and management training; and ensure a consistent, compliant approach to termination of employment at QRL.

To commence this process of continual improvement of QRL's HR practices, HR Business Solutions has been engaged to develop a comprehensive HR Business Plan to provide a 'roadmap' for future HR strategies and priorities, outlining key people projects and delivery timeframes.





RACING QUEENSLAND

OFFER OF EMPLOYMENT

CONFIDENTIAL

Made by:

Racing Queensland Limited; ACN 142 786 874

To:

Malcolm Tuttle

1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Malcolm Tuttle (referred to in this document as "you" or "your") employment in the position of Chief Executive Officer.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chairman of the Board, Mr Bob Bentley, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

2. ENGAGEMENT

- 2.1. You shall be employed by RQL as Chief Executive Officer and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Board of Racing Queensland Limited or its nominated delegate.
- 2.2. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.3. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.

3. PLACE OF WORK

- 3.1. You will be employed at RQL's Deagon head office, but you may be required to perform your duties at other locations as reasonably requested. RQL may move your position to another location due to business requirements. If this is required RQL will provide you with notice of at least four weeks of the intention to move your position, and will discuss any such change with you as soon as possible.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia and overseas.

4. COMMENCEMENT AND HOURS OF WORK

- 4.1. Your employment with RQL will commence on 1 July 2010 or the date when RQL commences operation as an approved Control Body, whichever is the later date
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior executive role. You are expected to devote your time, attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.
- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.

- 4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

5. REMUNERATION AND SUPERANNUATION

- 5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$300,000 per annum, including compulsory superannuation.
- 5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
 - a. Taxes required by law, including PAYG and FBT;
 - b. Compulsory superannuation contributions;
 - c. The cost of any salary sacrifice arrangements implemented by you;
 - d. Any other deductions which you have authorised RQL to make;
 - e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
 - f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.4.
- 5.3. Your Salary will be paid fortnightly, in arrears, direct to your nominated bank account.
- 5.4. RQL will provide you with a 6 cylinder vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.
- 5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.
- 5.6. In addition to your TRV, RQL will cover the following costs:
 - a. Mobile telephone costs, including calls;
 - b. Home internet connectivity;
 - c. 100% of your home telephone account,provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.
- 5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.
- 5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.
- 5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings

and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.

- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged 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. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to

produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.

- 7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave
- 7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

8. EMPLOYEE OBLIGATIONS

8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

9. CONFLICT OF INTEREST

- 9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation

- where your duties to RQL are in conflict with your personal interests. This extends to ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL.
- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
 - 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
 - 9.4. You agree that you will immediately notify the Board of Racing Queensland Limited or its nominated delegates in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
 - 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
 - a. With RQL's prior written permission;
 - b. In the proper performance of your duties;
 - c. As expressly allowed under this Agreement; or
 - d. For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.
- 11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

12. INTELLECTUAL PROPERTY

12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.

12.5. Your obligations under this clause will survive the termination of this Agreement.

13. PRIVACY

13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

14. RQL PROPERTY AND SECURITY

14.1. 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 and remain the property of RQL.

14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control.

You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

- 14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
- a. immediately return the device to RQL on termination of your employment or earlier request;
 - b. not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
 - c. not give the device to anybody else or permit anybody else to use the device; and
 - d. use the device strictly in accordance with any conditions advised by RQL in respect of it.

15. TERMINATION OF EMPLOYMENT

15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.

15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:

- a. Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
- b. Failure to comply with the terms and conditions of your employment contract;
- c. You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.

15.3. Should RQL cease to be the approved Control Body, RQL will provide you the opportunity to take redundancy. The redundancy will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.

15.4. If RQL terminates your employment for any reason other than those referred to in clauses 15.2, 15.3 and 15.7, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract.

15.5. During any period of notice, RQL may require you:

- a. To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or

b. To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.

15.6. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.

15.7. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.

15.8. Following the termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.

15.9. If RQL terminates your contract without cause, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June 2013. For clarity, if by 1 July 2012 your contract has been extended, but after 1 July 2012 RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June 2013) unless otherwise negotiated in a new contract.

16. ENTIRE AGREEMENT

16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.

16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.

16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.

16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

17. VARIATION

17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.3 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

18. SEVERABILITY

18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

19. WORK ELIGIBILITY

19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

20. WARRANTIES

- 20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.
- 20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

21. CONFIDENTIALITY OF AGREEMENT

- 21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

22. DEFINITIONS AND INTERPRETATION

22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;
- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.

- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.

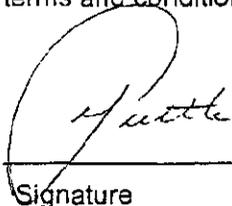


Bob Bentley
Chairman

28 June 2010

Date

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.



1.7.10.

Signature

Malcolm Tuttle

1 July 2010