

Date: Sat, 5 Nov 2011 04:19:03 +0000

From: crossmore13@yahoo.co.uk

Subject: infrastructure plan

To: mtuttle@racingqueensland.com.au

CC: mark@munnixgroup.com.au; wayne@milners.net.au; tonyhanmer@hotmail.com;

pbrennan@racingqueensland.com.au; smurray@racingqueensland.com.au; secretary@awu.org.au;

bryan@pilotpartners.com.au

DEAR ALL,

THERE SEEMS TO BE CONFUSION OVER THE AUTHORITY AND COMMITMENTS GIVEN AS TO THE PROGRESS OF THE INFRASTRUCTURE PLAN.

FOR CLARITY I SET OUT THE POSITION TO DATE.

1 THE IIP COMMITTEE HAS BEEN WORKING WITH CONTOUR TO MASSAGE EACH PROJECT TO FIT THE BUDGET FOR THE PREPARATION OF THE PLAN TO BASE THE BUSINESS CASE. IT IS CORRECT THAT THERE IS NO FORMAL APPOINTMENT MADE TO CARRY ON THIS WORK.

THE WORK AT MACKAY HAS COMMENCED WITHOUT A FORMAL CONTRACT IS FACT AND THE SITUATION NEEDS TO BE EXPLAINED AS THERE ARE MITIGATING CIRCUMSTANCES.

2 A DECISION WAS MADE BY THE BOARD SOME MONTHS AGO THAT THE BOARD WOULD STEP ASIDE FROM TAKING ON EXECUTIVE FUNCTIONS. THIS WAS AT THE TIME OF THE RACE FIELDS LEGISLATION AND SUBSEQUENTLY THE EXECUTION OF THE INFRASTRUCTURE PLAN WAS TO BE AN EXECUTIVE FUNCTION, WITH ANY POLITICAL REQUIREMENTS TO BE NEGOTIATED BY THE CHAIRMAN.

3 FINAL DECISIONS WOULD BE MADE BY THE BOARD

4 ON THE 17/10 A MEETING WAS HELD WITH THE LORD MAYOR AND MARK, SNOWDON BRETT THOMPSON [CONTOUR] ANDREW [TOWN PLANNER] MALCOLM RQL AND THE CHAIRMAN.OVER THE DEAGON DEVELOPMENT.PRIOR TO THE MEETING THERE WAS TALK OF ALTERING THE APPLICATION AND LEAVING OUT THE CLUB FACILITIES TO MAKE THE APPLICATION SELF ACCESSIBLE.THE SUGGESTION DID NOT MEET WITH ANY SUPPORT FROM MALCOLM

ON THE 19TH OCTOBER BRETT THOMPSON PUT FORWARD THE SUGGESTION AGAIN OF MAKING THE DEAGON APPLICATION SELF ACCESSIBLE.THE CONVERSATION CENTERED ON THE CURRENT APPLICATION WOULD BE CONTESTED AND DRAG ON AND CURRENTLY CONTOUR WAS AT A STAND STILL. WORK WISE. THE CHAIRMAN ADVISED CONTOUR THAT IF THIS WAS TO BE PUT TO THE BOARD IT WOULD NEED TO BE PROPERLY RESEARCHED .I EMPHASISE THAT THIS WAS NOT AN APPROVAL OR VERBAL AGREEMENT TO PROCEED.

5 ON THE 18TH OCTOBER FOLLOWING DISCUSSION WITH MALCOLM AND MARK A DECISION WAS MADE TO HALT ANY FURTHER EXPENDITURE ON DEAGON.AS THE ADVICE FROM MARK SNOWDON WAS THAT TREASURY WOULD NOT RELEASE ANY FUNDS FOR THE DEVELOPMENT OF BUSINESS CASES UNTIL THE BUSINESS CASE WAS APPROVED.THIS DECISION WAS ALSO CONVEYED TO CONTOUR BY MARK.THE PROGRESSION OF THE BUSINESS CASES PRIOR TO THIS DECISION OF TREASURY WAS THE \$10M FROM LOGAN WAS AVAILABLE AT THE DISCRESSION OF RQL PROVIDED IT WAS USED FOR THE INFRASTRUCTURE PLAN.

6 CONCERN WAS EXPRESSED BY MALCOLM, PAUL AND FINANCE THAT RQL WAS FUNDING THE PREPARATION OF THE BUSINESS PLANS FROM RQL RESERVES AND WAS APPROACHING A STAGE WHERE BY THIS COULD HAVE A NEGATIVE EFFECT ON RQL CASH FLOW.IF REIMBURSEMENT WAS NOT FORTHCOMING.URGENTLY

7 MALCOLM ALSO RAISED THE ISSUE THAT THERE WAS NO FORMAL CONTRACT WITH CONTOUR FOR THE WORK ALREADY UNDERTAKEN AND THIS NEEDED TO BE ADDRESSED.

8 THE DECISION WAS TO APPROACH THE GOVERNMENT AND SET OUT THE IMPOST OF PRODUCING CREDIBLE BUSINESS CASES AND NOT BEING AFFORDED THE OPPORTUNITY TO ACCESS SEED FUNDING FROM THE \$110M.

9 THE DECISION WAS TAKEN TO APPROACH THE GOVERNMENT FOR:

ACCESS TO \$3.6M FOR BUSINESS CASE FUNDING

TO PROGRESS THE PLAN IN TWO STAGES

STAGE 1 COMPLETION OF BUSINESS PLANS AND MACKAY

STAGE 2 SEPARATE CONTRACTS FOR EACH PLAN AND ENSURE THAT
THE SCOPE OF WORKS AND THE AWARDING OF CONTRACTS
WAS COMPLIANT WITH GOV REQUIREMENTS AND RQL POLICIES

10 THE ABOVE APPROACH HAS BEEN MADE TO THE TREASURER ,HOPEFULLY WITH POSITIVE OUTCOMES.

11 MARK SNOWDEN WAS GIVEN INSTRUCTIONS TO COMPLETE THE BUSINESS PLANS URGENTLY AND THIS IS NEARING COMPLETION.

12 MACKAY INFRASTRUCTURE BUSINESS PLAN HAS BEEN APPROVED BY GOVERNMENT AND THE RQL BOARD AND CONSTRUCTION COMMENCED.WITH GOVERNMENT FUNDS BEING DEPOSITED IN RQL ACCOUNT.

13 TO DATE THE INFRASTRUCTURE PLAN AND BUSINESS PLANS HAVE BEEN FUNDED BY RQL .NOT THE GOVERNMENT. WE ARE CURRENTLY SEEKING REIMBURSEMENT

14 THE SITUATION CURRENTLY CAN BE RECOVERED ,BUT FOR THE AWARDING OF ANY FUTURE CONTRACTS THE PROCESS NEEDS TO BE STRICTLY IN ACCORDANCE WITH RQL POLICIES .MARK SNOWDEN HAS ALREADY ADVISED LAST WEEK THAT HE HAS AGREED WITH CAROL PERRETT THAT HE WILL WORK WITH HER TO MAKE SURE THE APPROVAL OF THE BUSINESS PLANS ARE COMPLIANT.

WHERE WE ARE

1 MACKAY HAS COMMENCED AND IS CONTINUEING .THIS PROJECT WAS FAST TRACKED FOR A NUMBER OF REASONS

2 BUSINESS CASES ARE NEAR COMPLETION FOR ALL PROJECTS.

3 CAIRNS /BEAUDESERT/ROCKHAMPTON ARE READY TO START

4 IN PRINCIPAL DISCUSSIONS WITH GCTC AND TOWNSVILLE ARE TO COMMENCE NEXT WEEK

5 DRAFT CONTRACT FROM CONTOUR WAS PRESENTED TO THE BOARD AND WAS REJECTED.OUTRIGHT

.WHERE TO FROM HERE

1 MALCOLM IS TO ADDRESS THE BOARDS CONCERNS ON ALL ASPECTS OF THE INTEGRITY OF THE PROCESS THROUGH THE IIP COMMITTEE WITH PARTICULAR EMPHASIS ON THE FOLLOWING.

- . A SEPARATION OF FUNCTIONS [PROJECT MANAGER]
- . QUANTITY SURVEYOR FUNCTION TO BE INCLUDED
- . COPY RIGHT NON NEGOTIABLE
- . ADHERANCE TO RQL POLICIES

I HAVE DISCUSSED THE MATTER WITH MALCOLM THIS MORNING AND I AGREE THAT HIS APPROACH IS CORRECT .FOR PAST AND FUTURE.

R. BENTLEY

MAL. ,

PLEASE EMAIL TO BOB LETTE AS I HAVE RECEIVED A CONTINUOUS FAILURE NOTICE.

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RE: Delivery of industry infrastructure plan

From: Malcolm Tuttle <mtuttle@racingqueensland.com.au>
To: T Hanmer <tonyhanmer@hotmail.com>
Date: Mon, 07 Nov 2011 08:07:50 +1000
Attachments: image001.png (13.63 kB)

Tks Tony
Regards

Malcolm Tuttle

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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.

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

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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

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