

RACING QUEENSLAND

OFFER OF EMPLOYMENT

CONFIDENTIAL

Made by:

Racing Queensland Limited; ACN 142 786 874

To:

Jamie Orchard

1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Jamie Orchard (referred to in this document as "you" or "your") employment in the position of Director of Integrity Operations.
- 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 Director of Integrity Operations 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 Chief Executive Officer.
- 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 \$230,000 per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.
- 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:
- Taxes required by law, including PAYG and FBT;
 - Compulsory superannuation contributions;
 - The cost of any salary sacrifice arrangements implemented by you;
 - Any other deductions which you have authorised RQL to make;
 - 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*;
 - 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, provided that you agree to salary sacrifice an amount equivalent to 25% of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2010, a 6 cylinder vehicle is to be valued at \$15,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the 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:
- Mobile telephone costs, including calls;
 - Home internet connectivity; and
 - 50% 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.

- I. 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 Chief Executive Officer 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

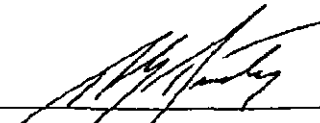
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright 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)

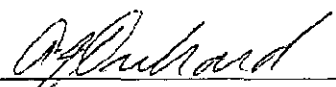
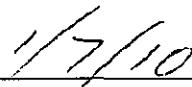
22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

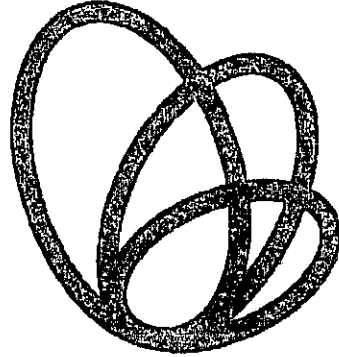
22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.

_____  _____ 28 June 2010
Bob Bentley _____
Chairman 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.

 _____ 
Signature Jamie Orchard 1 July 2010



RACING QUEENSLAND

OFFER OF EMPLOYMENT

CONFIDENTIAL

Made by:

Racing Queensland Limited; ACN 142 786 874

To:

Paul Brennan

1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Paul Brennan (referred to in this document as "you" or "your") employment in the position of Director of Product Development.
- 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 Product Development Director 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 Chief Executive Officer.
- 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 \$180,000 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:
- Taxes required by law, including PAYG and FBT;
 - Compulsory superannuation contributions;
 - The cost of any salary sacrifice arrangements implemented by you;
 - Any other deductions which you have authorised RQL to make;
 - 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*;
 - 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:
- Mobile telephone costs, including calls;
 - Home internet connectivity; and
 - 50% 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 Chief Executive Officer 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

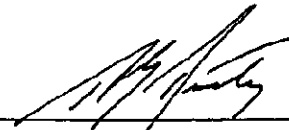
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright 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)

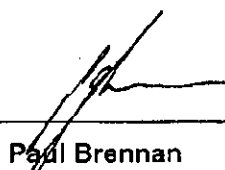
22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

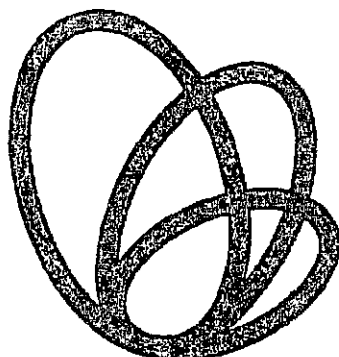
22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.

<hr/>		28 June 2010
	Bob Bentley Chairman	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.

<hr/>		30 June 2010.
Signature	Paul Brennan	1 July 2010



RACING QUEENSLAND

OFFER OF EMPLOYMENT

CONFIDENTIAL

Made by:

Racing Queensland Limited; ACN 142 786 874

To:

Shara Murray

1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Shara Murray (referred to in this document as "you" or "your") employment in the position of Senior Corporate Counsel/Company Secretary.
- 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 Senior Corporate Counsel/Company Secretary 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 Chief Executive Officer.
- 2.2. In your capacity as Senior Corporate Counsel, you will report to the Chief Executive Officer. In your capacity as Company Secretary, you will report to the Chairman of the Board of Directors.
- 2.3. 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.
- 2.4. 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.
- 2.5. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.6. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.
- 2.7. In your capacity as Senior Corporate Counsel, you are required from time to time to give legal advice to RQL. RQL acknowledges that in doing so, you are independent of RQL and must give that advice whether it be favourable to RQL or otherwise. RQL acknowledges it agrees that at no time may it use the giving of advice by you which may be unfavourable to its interests as ground for any disciplinary action of any nature or kind.

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 \$120,000 per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.

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 4 cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to 75% of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2010, a 4 cylinder vehicle is to be valued at \$12,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the 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;

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. This clause does not limit your rights or duties to give independent legal advice when called upon to do so.
- 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 Chief Executive Officer 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:
- With RQL's prior written permission;
 - In the proper performance of your duties;
 - As expressly allowed under this Agreement; or
 - 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:
- 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;
 - Directly or indirectly as a result of the employee or anybody else's access to confidential information;
 - In the course of, as a consequence of or in relation to the performance of the employees duties;
 - Relating to RQL's general methods of operation; or
 - 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:
- immediately return the device to RQL on termination of your employment or earlier request;
 - not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
 - not give the device to anybody else or permit anybody else to use the device; and
 - 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:
- Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
 - Failure to comply with the terms and conditions of your employment contract;
 - 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:
- 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
 - 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 2.4 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

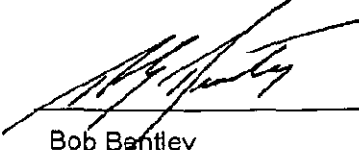
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright 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.



28 June 2010

Bob Bantley
Chairman

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.



Signature

Shara Murray

1 July 2010

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee (the Committee) has been established by resolution of the Board of Directors and as part of the corporate governance framework for the company.

1. OBJECTIVES

The primary objective of the Committee is to assist the Board to fulfil its corporate governance and overseeing responsibilities in relation to:

- the company's overall people strategy including remuneration components, performance and accountability frameworks, organisational structure and culture, business alignment, and external competitiveness;
- Chief Executive Officer (CEO) and senior executive remuneration framework;
- CEO and senior executive recruitment, retention, talent management and succession planning;
- compliance with the company's constitution in relation to the selection of directors; and
- Board induction and training.

2. POWER TO ACCESS INFORMATION

The Committee shall have the power to conduct or authorise investigations into any matter within its objectives or as requested by the Board. The Committee 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

The responsibilities of the Committee in respect of its objectives are as follows:

3.1 The recruitment, remuneration, retention, successive planning, termination and training policies and procedures for executives by:

- periodically reviewing organisational culture to facilitate understanding of the impact of culture on company strategy, profitability and management of people;
- periodically reviewing the relevant policies and procedures and making recommendations to the board for any proposed changes; and
- benchmarking for "best practice" policies and procedures.

3.2 The company's overall remuneration strategy including executive remuneration, business and cultural alignment and external competitiveness:

- annually reviewing the company's remuneration strategy, performance appraisal structure, business alignment and external competitiveness.

REMUNERATION AND NOMINATION COMMITTEE

3.3 CEO and senior executive remuneration including:

- obtaining expert external advice in establishing CEO and senior executive remuneration frameworks and levels;
- annually assessing the market to ensure that the CEO and senior executives are being rewarded commensurate with their responsibilities appropriate to the company's circumstances;
- annually reviewing remuneration levels of the CEO and senior executives recommending the outcome of any salary framework reviews for the CEO and senior executives to the Board; and
- recommending the outcomes of the CEO's annual performance review to the Board.

3.4 Compliance with the selection of directors as required by the company constitution:

- obtain advice as may be required to ensure company compliance in relation to the selection of directors; and
- periodically review the aggregate remuneration for directors.

3.5 Board induction and training:

- ensure there is an appropriate induction and orientation program in place for newly appointed directors; and
- recommending to the board programs for ongoing director education.

4. MEMBERSHIP AND MEETINGS

4.1 Appointment

The appointment of the Committee Chair will be a decision of the Board of Directors and the Committee will comprise of at least two members of the Board. A quorum will be a minimum of any two members and in the event that the Chair is unable to attend a meeting, the Chair will be required to appoint an existing director to Chair the meeting in his absence.

The initial Committee is:

- Bob Bentley (Chair);
- Bill Ludwig; and
- Kerry Watson.

4.2 Secretarial

The Committee 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 the Committee members prior to each meeting.

The Secretary will also be responsible for recording and keeping the minutes of the meeting and circulating them in draft form to Committee members.

REMUNERATION AND NOMINATION COMMITTEE

4.3 Meetings

Meetings shall be held not less than twice a year. Special meetings may be convened as required. The proceedings of all meetings will be minuted.

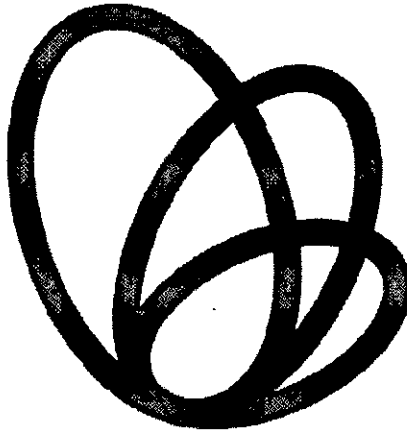
5. REPORTING

The Committee shall:

- update the Board about the Committee's activities and make appropriate recommendations to the Board;
- submit the minutes of all the Committee meetings to the Board; and
- submit, if required, a summary activities for inclusion in the annual report for RQL.

6. Other Responsibilities

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



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 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



RACING
QUEENSLAND

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.



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



RACING
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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.



**RACING
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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

Friday, 6 May 2011

Board Room, Racing Queensland
Racecourse Road, Deagon

Meeting Commenced at 9:12am
Meeting Concluded at 2:20pm

Board Directors Present:	Bob Bentley Tony Hanmer Bob Lette Bill Ludwig Wayne Milner Bradley Ryan	- <i>Chairman</i> - <i>Deputy Chairman</i>
In attendance:	Malcolm Tuttle Adam Carter Jamie Orchard Paul Brennan Damien Raedler David Rowan Peter Smith Ron Mathofer Sharon Drew Blair Odgers	- <i>Chief Executive Officer</i> - <i>Chief Financial Officer</i> - <i>Director, Integrity Operations</i> - <i>Director, Product Development</i> - <i>Harness/Greyhound Manager</i> - <i>IT & Communications Manager</i> - <i>Licensing & Training Manager</i> - <i>Business Analyst</i> - <i>Management Accountant</i> - <i>Marketing Manager</i>
In attendance for Item 3.1:	Mark Snowden	- <i>The Mannix Group Pty Ltd</i>
Minutes:	Debbie Toohey	- <i>Board Secretary</i>

The Chairman opened the Meeting at 9:12am.

1.1 Apologies

Nil.

1.2 Declaration of Conflicts of Interest

The Board **NOTED** Attachment "A".

1.3 Confirmation of Minutes of RQL Board meeting of 21 March 2011 & 31 March 2011

The Board **RESOLVED** that the RQL Board Meeting Minutes of 21 March 2011 and 31 March 2011 be received and confirmed.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

Motion carried

1.4 Action Sheet

The Board **NOTED** the action sheet.

1.5 Media Releases / Correspondence / Matters for Noting

The Board **NOTED** the following correspondence/matters for noting:

Letters

- RQL letter to Glen Prentice – Qld Jockeys' Association 13 April 2011

Media Releases

- Jockey Riding Fee Increase confirmed 14 April 2011
- Capalaba Greyhound Club Licence Suspended 28 March 2011
- Bundaberg Race Club Licence Suspended 28 March 2011

The above correspondence was **NOTED** by the Board.

1.6 Confirmation of Flying Minute

The Board **NOTED** the following Flying Minutes:

- Resolution to approve capital expenditure request from the Brisbane Racing Club
21 December 2010
- Resolution to approve \$1.55M Industry Relief Package to assist with the catastrophic floods
5 January 2011

BRC Development

Mr Lette declared a conflict of interest as a Director of Watpac Limited and retired from the meeting at 9:15am

Mr Snowdon joined the meeting at 9:15am.

Mr Snowdon updated the Board in relation to the numerous documents that Mr Kevin Dixon of the BRC provided to RQL concerning their Master Plan Development at the meeting held at the offices of RQL on 3 May 2011.

Mr Snowdon was asked by RQL to review these documents as part of the due diligence of the proposed development so that RQL may prepare a recommendation to the Minister for the Minister's approval and any other further actions that RQL may need to take.

Mr Snowdon indicated that there was a lot of information contained in the previous agreement that is not contained in the new agreement. Mr Snowdon noted that the funding put in place for the tunneling is not in the new agreement. RQL will need to contact BRC concerning this.

Mr Wayne Milner expressed a concern that he considered that there were other documents in writing that had not been disclosed and to this date the documents presented did not detail the feasibility or profitability of the master plan.

Mr Malcolm Tuttle expressed concern that there was no overall feasibility of financial outcomes. Mr Snowdon confirmed that the success fee in the documents presented was fair and reasonable, however, in his opinion still short of detail.

Mr Snowdon informed the Board that no feasibility has been done since 2008. Mr Tuttle suggested to the Board that RQL commission Mr Snowdon to look at the feasibility outcome of the BRC master plan.

Mr Milner was worried that the BRC had not sought approval of the RQL Board. Ms Shara Murray to advise the Board if the BRC is in breach of Policies or the Racing Act at this stage, subject to the meeting that was held on Tuesday, 3 May 2011.

Mr Bill Ludwig expressed concern that the premise on which the plan is based is severely compromised by the lack of continuity of club board members being subject to the changes of support by members.

Mr Bradley Ryan expressed concern following a discussion with Mr Snowdon that the BRC have moved away from the total concept plan and are seeking subdivision of the BRC real estate to exclude parcels of land from the total racecourse holding thus not being captured by the Act. Mr Snowdon said that this may very well be true and would put any dealings with this land by the BRC out of the jurisdiction of the Government and RQL.

The Chairman advised if this course of subdivision action is being taken then this case is similar to the Gold Coast Turf Club who recently put up for sale a block of land that was excluded from the Act as it was surplus to racecourse land and under a separate title.

Mr Snowdon and Mr Tuttle to have carriage of the following actions:

1. RQL to request confirmation from BRC that no other agreements exist between BRC and Watpac or any associated entities.
2. RQL to seek legal advice in relation to the formal termination of any or all previous agreements between BRC and Watpac.
3. RQL to undertake a feasibility of the BRC development based on the development parameters contained in the Preliminary Application lodged with council 1st April 2011.
4. RQL to ascertain if Ministers approval should have been sought prior to entering into any development agreement by BRC with Watpac.
5. RQL to ascertain if the approval of the Preliminary Application and associated reconfiguration of the lots (subdivision) removes the non-core land from the control of the Racing Act as it will no longer form part of the land used for racing purposes.

The results and outcomes of these actions to be reported back to the board of RQL via a flying minute.

The above action was **AGREED** by the Board.

Mr Lette returned to the meeting at 9:33am.

Infrastructure Plan

The Chairman tabled to the Board an amended Industry Infrastructure Plan.

The Chairman discussed the plan with Board Members and advised that he had requested the State Government to extend the wagering tax redirection a further 2 years making a total of 6 years. The amended plan will be submitted within 7 days and any comments from Board Members prior to lodgment will be considered, and if necessary amendments can be made.

In relation to the Finance application to Government, Mr Ryan and Mr Lette to be consulted on how the loan will be expensed in the RQL financial accounts. Mr Ryan suggested that it would be advantageous that a loan from the Government could be structured in a way as the tax redirection repayments could be accounted for as a “forgiveness loan”.

The Board **APPROVED** the amended tabled Infrastructure Plan and noted board members had 7 days to discuss any amendments with the Chairman.

NRL Bid – Albion Park

The Chairman requested that this is to be **strictly confidential**.

Mr Snowdon was asked to give the Board a brief on his talks with a potential new tenant at Albion Park – this being the new NRL football consortium team for Brisbane bidding for the second license.

The initial discussions highlight:

- Direct comparison setup to what the Broncos have presently at Red Hill
- Games would be played at Suncorp
- 99 year lease at \$1 per year
- The grandstand will become a leagues club
- RQL would pay for the construction of the playing fields at approx. \$2.4m, and eventually donating the land to council for the cost of the construction of the playing fields.
- The granting of this franchise and the subsequent tenant is of major advantage to the project that it adds values for buildings that would be demolished and overcomes any perception of lack of green space.
- The consortium is very confident in getting one license

The consortium has informed Mr Snowdon that they would like to make the official announcement on the Channel 9 Footy Show on 16 June 2011 announcing the new team name and the location of the team. The Chairman advised Mr Snowdon that the announcement of this submission should be held as long as possible and any dealings or announcements should make it clear that nothing can be signed or progressed until the court case currently before the Supreme Court is resolved.

Mr Snowdon has requested Board approval for the project to proceed to Heads of Agreement with the NRL consortium, subject to full disclosure to the purchaser and subject to the positive outcome of the Supreme Court action.

- The Board approved that the project proceed to a Heads of Agreement, subject to disclosure as outlined.

- The Board requested that Mr Snowdon compile a report to be sent to Mike Kelly at the Office of Racing outlining the Board discussions.

Mr Lette abstained from voting on this matter.

MOVED by Mr Bradley Ryan **SECONDED** by Mr Bill Ludwig

Motion carried

Mr Snowdon left the meeting at 10:30am.

2.1 Chief Executive Officer Report

Future Product Fee Negotiations

Mr Malcolm Tuttle said that this item was included in the Agenda for the Board to start to consider the future of the Industry funding as we approach 2014 as it was the utmost importance seeing that the wagering program is far different from the time of negotiating the original Product and Programme Agreement.

The Chairman declared a conflict of interest and advised that he would leave the meeting.

Queensland Occupational Health and Safety Issues

(Jockey's Association)

Mr Tuttle tabled correspondence received from Mr Kevin Ring, the Australian Jockey's Association National Occupational, Health and Safety Officer in relation to a survey that was conducted on their website Australia wide on all racing precincts. Mr Tuttle advised that he was due to have a meeting next week with Mr Ring and that RQL has issues with the lack of information and Mr Ring's decision to conduct this survey without first advising RQL.

The Board noted the issues identified and Mr Tuttle undertook to advise Mr Ring that these issues in the first instance should be addressed with the Clubs concerned, not RQL.

Country Racing Report

The Chairman advised that the report tabled "Country Racing – (The Future)" was for Board information and was to remain confidential at this stage. Future discussion papers on country Racing will be provided to the Board prior to December 2011.

The Board needs to be in position to fully understand the cost of country racing and the long term affordability, as the current level of support for this non revenue producing racing, was unsustainable.

This update was **NOTED** by the Board.

2.2 Legal & Compliance

Amendment – Local Rules of Racing

LR.3A prescribed RQL authority to set, pay and deduct fees for all person/s and Clubs was not included in the previous amendments.

It is recommended that the Board resolve to include the following local rule as LR.71B:

LR.71B. Financial Systems and Administration

1. *The Principal Racing Authority may establish a system or systems for the payment of all prizes, rebates, subsidies or similar sums to persons and/or clubs entitled thereto.*
2. *All prizes including prizemoney and breeding incentive bonus schemes, rebates, subsidies or similar sums are set at the discretion of the Principal Racing Authority.*
3. *As part of such system or systems the Principal Racing Authority may deduct from sums payable under (2) all nomination, acceptance and scratching fees, forfeits, fines or other sums that are due and payable to the Principal Racing Authority.*
4. *The terms of credit and amounts due and payable for each person and Club are governed by the Principal Racing Authorities Credit Policy.*
5. *Where the Principal Racing Authority establishes a system or systems in accordance with this Rule all persons and Clubs subject to the Rules of Racing shall comply with such conditions and requirements as specified by the Principal Racing Authority to support such system or systems.*

The Board **RESOLVED** to include the above rule in the Rules of Racing from 1 July 2010.

External Legal Advice

The Chairman's perceived conflict

The Board expressed concern over the constant and continuing reference to the Chairman's "perceived conflict" for holding positions on RQL and Tatts Group.

Mr Hanmer informed the Board that this had been investigated by ASIC, the CMC, the ACCC and the gaming regulators of 3 states, as well as a barrister's opinion in the early part of the Board's tenure.

Mr Milner suggested that the Board put the matter to rest by obtaining an opinion from a prominent QC instructed by Cooper Grace Ward Lawyers on the Chairman's position and the relevant Sky Channel negotiations.

MOVED by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

Motion carried

Post 2012 Election

The Chairman expressed the need to have the Boards actual position clarified post the 2012 election should there be a change in Government. This has been the subject constant reference by the oppositions, Mr Ray Stevens that under an LNP government the 3 codes will be returned to operation under separate silos.

The Chairman suggested the Board Members needed to know their legal position and the position of RQL. RQL is a company subject to the Corporations Act 2001(Cth) and it is essential that Directors know their legal obligations.

Board Members agreed, with the Chairman's assessment, that the Chair brief Clayton Utz Solicitors and in particular, Mr Barry Dunphy, previously Crown Law, on the company and the Board Members situation, should a change of Government occur.

MOVED by Mr Bob Lette **SECONDED** by Mr Wayne Milner

Motion carried

The Board **NOTED** all other items in the Legal and Compliance Report.

2.3 Finance Report

Mr Adam Carter updated the Board in relation to the management accounts for the month ended 31 March 2011.

Key highlights for YTD March 2011:

- Revenue down \$9.4M or 8% on budget and down \$6.1M (5%) on prior year.
- Product and Program Fee 3% down on budget YTD.
- Race Information Fees (RIF) are \$4.8M below budget YTD.
- Venue Income – Reduction of stable rent against budget of \$47K. This was a result of reduced or free rent during the floods. Rental income from Albion Park has also decreased by \$73K YTD.
- Expenditure down \$6.3M (6%) on budget and down \$450K (0.4% on prior year).
- Prizemoney is \$6M below budget YTD. This is a result of unexpended prizemoney of \$3.9M on thoroughbred races, \$656K on harness races and \$259K on greyhound races. Unpredictable weather across Queensland has resulted in 52 race meetings being abandoned for the YTD.

The Board **NOTED** the Finance Report for March 2011.

Mr Carter tabled the Draft Budget FY12 for discussion and consideration by the Board and advised that he will be meeting managers next week to discuss their individual unit budgets and the reporting format that will be required. The Chairman advised that the unit Managers need to take ownership and work within the financial constraints within their budgets.

Mr Carter advised the Board that he would present the final budget at 7 June 2011 Board meeting.

2.4 Product Development Report

Mr Paul Brennan and Mr Damian Raedler updated the Board in relation to the Prizemoney Budget. A copy of the 2011/12 Prizemoney Schedules and Budgets were tabled to the Board.

Mr Paul Brennan, Product Development Manager gave the Board the presentation on the Prizemoney Budget for all codes. The presentation included the following:

A draft 2011/12 prizemoney budget was presented for the consideration of the Board.

The Board agreed that it was not positioned to increased minimum prizemoney levels at thoroughbred meetings and that the minimum levels be maintained as per 2010/11, as presented by the Product Development Department. This budget included an increase of \$1,451,500 at TAB and Non-TAB thoroughbred meetings due to an increase from 51 Saturday's in 2010/11 to 53 in 2011/12, and a previously approved increase to minimum Black Type prizemoney levels of \$220,000.

A concern was raised regarding the considerable investment in the QTIS and QTIS 600 schemes with forecast expenditure in 2011/12 budgeted at \$7.886M, some 9.3% of the overall thoroughbred budget. Although it was not possible to alter this funding stream in the 2011/12 budget due to previous commitments, it was agreed that a thorough review should be undertaken of both schemes in the near future to enable any changes to be advertised prior to the 2012 yearling sales. It was suggested that any savings generated through amendments to the QTIS and QTIS 600 scheme could be directed to base prizemoney levels in future budgets.

The Board was advised that due to a misallocation of the drivers fees, the previously advertised base prizemoney levels at Metropolitan meetings from 1 July 2011, were not sustainable within the budget. It was agreed that these would need to be reduced as follows – one race at \$14,000 not \$15,000 and seven races at \$11,000 not \$12,000. It was agreed that the remaining tiers would be maintained at the previously advertised levels of \$6,000, \$5,000, \$4,000, \$3,001 and \$1,501 at Non-TAB meetings. This delivered an increase to base prizemoney distributions in 2011/12 of \$941,198, compared to 2010/11.

The Board agreed that the allocation of funding to QBRED series was significant at 15% of the overall harness budget and agreed to changes to the scheme from 1 September 2011 was necessary. The Board requested that consultation be undertaken with industry representatives and approved a budget of \$1,238,700 for bonuses and restricted races. This figure will reduce to around \$1,180,800 in future years as the existing scheme will be maintained during the months of July and August 2011.

The Board also approved a reduction in the Nursery Series from \$540,000 to \$440,000, achieved through a reduction in both two year old races from \$150,000 to \$100,000.

The Board approved an increase in base greyhound prizemoney from \$7,726,950 in 2010/11 to \$9,733,755 in 2011/12. This increase related to the \$1.5M previous commitment, a one off contribution of \$215,000 to the National Sprint and Distance Championships, not previously advised by the previous GQL Board and the provision of an additional \$225,000 to convert Rockhampton meetings to TAB status with a \$66,000 contribution to feature races.

The Board also approved alterations to the QDOG scheme and an increase in funding to \$242,650 in the 2011/12 financial year due to a 1 January implementation date, with a full year's budget of \$400,000.

In approving the aforementioned budgets, the Board acknowledged that base prizemoney funding had been over allocated and that it was forecast that the following savings would be achieved in base prizemoney throughout the 2011/12 financial year due to abandonments and unallocated prizemoney.

- Thoroughbred – 2.5%
- Harness – 2%
- Greyhound – 2%

The Board also acknowledged the positive outcomes achieved by the GAP program and provided an increase of \$50,000 to the 2011/12 GAP budget

The Board **APPROVED** the Prizemoney budget as presented.

MOVED by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

Motion carried

2.5 Integrity and Licensing Report

Mr Jamie Orchard updated the Board in relation to the relevant issues in the Integrity Department.

Appointment of Stewards

Mr Orchard sought the Board's approval to formally appoint Stewards across all panels.

The Board **RESOLVED** that:

All Stewards currently employed by RQL or who are employed as a Steward in future by RQL are appointed as a Steward in accordance with the Rules of Racing for each code of racing.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bob Lette

Motion carried

Bookmaker Issues

Mr Orchard advised the Board that a full 3 months audit is currently being undertaken concerning bookmakers compliance with the Rules in relation to whether all bets taken over their recorded telephone were entered into their ledgers. The audit has identified a number of incidences where either recorded bets were not included in the ledger or bets are recorded in the ledger but not on the recorded telephone. This audit is still underway. The Integrity Team is also investigating the use of electronic boards in Queensland. This will mean that the bookmaker will be obliged to take bets and these will be captured exactly at what prices on the board. This will also be advantageous for bookmakers who field and take bets on southern events.

Other Issues

- Victoria Homicide Police have contacted Mr Orchard in relation to assisting them in their investigation of Mr Nicolic.
- NSW Police have also contacted Mr Orchard in relation to a raid of a house owned by people they believe involved in Queensland Greyhound Racing where they found \$4-5M. Mr Orchard is assisting in this matter.

Licensing Report

This report was **NOTED** by the Board.

3.1 Jockey Rehabilitation & Training Facility Construction Tender

Mr Mark Snowdon updated the Board in relation to the tender process for the jockey rehabilitation and training facility at Deagon.

The Chairman suggested to the Board that the Jockey Rehabilitation and Training Facility at Deagon should be put on hold as resources are stretched and it would be prudent to wait until after the decision of the court case concerning Albion Park.

Mr Snowdon made the Board aware that RQL has a good relationship with Integral and that the tender price would change from what has been quoted at present, RQL may need to go back to tender.

3.2 Remuneration & Nominations Committee Meeting Minutes and Recommendations

The Board today noted the draft minutes of the April 14, 2011, meeting of the Remuneration & Nomination Committee.

The Chairman advised Board Directors that he and Mr Ludwig had considered the situation and the amount of work that the executive staff will have to do between now and 2014 with the changing wagering landscape and the approach to the end of the exclusivity of the TattsBet license.

RQL will be required to commence negotiations of a Product Fee with TattsBet post 2014 and the Board needs to understand that key staff will be integral to a successful outcome.

They key executive staff need security of tenure as well as their assistants so as to not be distracted by innuendo and rumour about the period between now and 2014. Board members unanimously agreed with the recommendation with the Remuneration and Nominations committee.

In addition, the Board considered a recommendation from the Remuneration & Nomination Committee, which led to the following resolution:

The Board **RESOLVED** that:

(a) the existing employment agreements be extended by 12 months up to and including June 30, 2014, for the following employees:

- Malcolm Tuttle
- Adam Carter
- Jamie Orchard
- Paul Brennan
- Shara Murray
- David Rowan
- Peter Smith
- Col Truscott
- Warren Williams

(b) Wade Birch be offered an employment agreement to expire on June 30, 2014, and

(c) employment agreements be offered to the following employees to expire on June 30, 2013:

- Wendy Thomas
- Kearra Christensen
- Toni Fenwick
- Ali Wade
- Debbie Toohey
- Jaime Knight

(d) The Chairman to approve the terms relevant to the agreements and the extension of the agreements.

(e) Ms Murray to draft Employment Agreements for the Executive Assistants to expire 30 June 2013.

(f) Ms Murray to draft an Employment Agreement for Mr Wade Birch to expire 30 June 2014.

MOVED by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

Motion carried

3.3 Capalaba & Bundaberg Clubs – Show Cause Update

Capalaba Greyhound Racing Club Inc.

Mr Brennan updated the Board in relation to the issue of the Show Cause Notice to the Capalaba Greyhound Racing Club Inc (**Club**).

After a number of subsequent meetings, the Club has requested RQL to take responsibility for managing the race meetings and barrier trials and also assume responsibility for facility maintenance.

Mr Brennan has drafted a proposal outlining the roles and responsibilities at the Club. This draft proposal will be taken to a meeting to be held with the Club and RQL representatives on Saturday, 14 May 2011.

Mr Brennan sought the Board's approval for the following:

1. RQL to take responsibility for the maintenance and management of the Club in accordance with the draft proposal.
2. Expend \$160K in up front capital investment (\$25K from Government).
3. Expend up to \$100K on purchasing the Clubs assets, dependent on the valuation.
4. The five year budget, which includes two full time staff at the Club.

This was **APPROVED** by the Board.

Bundaberg Race Club Inc.

Mr Brennan updated the board in relation to the issue of the Show Cause Notice to Bundaberg Race Club Inc. (**Club**).

Mr Brennan informed the Board that the Club has provided sufficient documentation to enable RQL to make a determination that the Club is no longer trading whilst insolvent and that a viable business model has been put in place for the remainder of 2010/11 and the full 2011/12 financial year.

Mr Brennan sought the Board's approval to reinstate the Club license and the Club contributing \$5,000 to prizemoney for the Cup meeting in July 2011, and that all future meetings be retained at base prizemoney levels until the Club can demonstrate that they are in a financial position to make increased contributions to prizemoney.

This was **APPROVED** by the Board.

3.4 2011/12 Marketing Strategy

Mr Blair Odgers updated the Board in relation to the Marketing Strategy being put in place to focus on increasing the profile and customer perception of racing in Queensland. This strategy will look at attracting new customers to become involved in racing.

Mr Odgers tabled a copy of the 2011/12 Marketing Strategy document to the Board.

The five main marketing strategies are as follows:

1. Racing brand awareness
2. Regional racing
3. Ownership
4. Industry Sponsorship
5. Industry Communications

Mr Hanmer informed the Board that Sky Racing has agreed to do a documentary around the awards night.

The Board **NOTED** the quality of the Marketing Strategy documentation.

3.5 Social Media/Discrimination: Racehorse Community Forum

This item has been deferred.

3.6 Trainer Numbers – Options for licensing changes

Mr Peter Smith sought the Board's approval to proceed with the development of new categories for trainers through consultation with stakeholders.

The two proposals are as follows:

1. Proposal for upgrade of entry criteria for new trainers to be implemented as soon as practicable, and
2. Proposed new licensing scheme for trainers- for consultation with stakeholders

Mr Milner suggested that mandatory seminars be conducted for the trainers throughout the State on an annual basis.

Mr Smith also to update the Licensing Policy reflecting the approved proposals and to advise the Trainers Association of these changes.

These proposals were **APPROVED** by the Board.

MOVED by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

Motion carried

Confirmed as a true record.



R G Bentley

Chairman

Dated 20.1.5.2011

Mr Bob Bentley

Director of Tatts Group
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director/Chairman of Australian Racing Board

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Bob Lette

Life Member Albion Park Harness Racing Club
Member of Brisbane Racing Club
Consultant to Mullins Lawyers
Non Executive Director Watpac Limited

Mr Bill Ludwig

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)
Board Member of WorkCover Queensland
Member of Brisbane Racing Club

Mr Bradley Ryan

Member of the Brisbane Racing Club
Member of Tattersalls Club

Mr Wayne Milner

Member of the Brisbane Racing Club
Member of the Sunshine Coast Turf Club
Member of the Ipswich Turf Club
Member of the Victoria Racing Club
Life Member of QROA
Member of Queensland Breeders Association
Holder of Victoria Owners Gold Card

Schofield, Hayley

From: Shara Murray [smurray@racingqueensland.com.au]
Sent: Thursday, 26 May 2011 12:03 PM
To: Dunphy, Barry; Cook, Brett
Cc: R Bentley; Malcolm Tuttle
Subject: RQL - Amended Executive Employment Agreement
Importance: High
Attachments: image001.png; RQL Executive Employment Agreement to 2014 24 May.doc

Private & Confidential

Dear Barry and Brett

As discussed yesterday, the Board of Racing Queensland Limited (**RQL**) resolved on 6 May 2011 that its key executive staff need security of tenure as well as their assistants so as to not be distracted by innuendo and rumour about the period between now and 2014.

The Board **RESOLVED** that:

(a) the existing employment agreements be extended by 12 months up to and including June 30, 2014, for the following employees:

- Malcolm Tuttle
- Adam Carter
- Jamie Orchard
- Paul Brennan
- Shara Murray
- David Rowan
- Peter Smith
- Col Truscott
- Warren Williams

(b) Wade Birch be offered an employment agreement to expire on June 30, 2014, and

(c) employment agreements be offered to the following employees to expire on June 30, 2013:

- Wendy Thomas
- Kearra Christensen
- Toni Fenwick
- Ali Wade
- Debbie Toohey
- Jaime Knight

(d) The Chairman to approve the terms relevant to the agreements and the extension of the agreements.

Accordingly, please find **attached** an amended Executive Employment Agreement for your consideration and review. It is the Board's intention that this Agreement be 'in favour' of the RQL employee.

As noted above, Mr Bob Bentley has been authorised by the Board to approve these amended terms.

I look forward to your **urgent** advice concerning the amended Executive Employment Agreement. The Board requires that these Agreements be finalised and executed as soon as possible.

Kind Regards

Shara

Shara Murray
Senior Corporate Counsel I Company Secretary

14/06/2011



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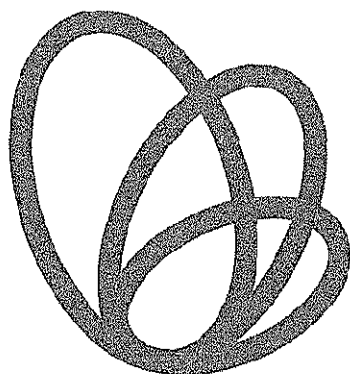
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RACING QUEENSLAND

OFFER OF EMPLOYMENT

CONFIDENTIAL

Made by:

Racing Queensland Limited; ACN 142 786 874

To:

<Employee Name>

1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer <employee name> (referred to in this document as "you" or "your") employment in the position of <position>.
- 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 <position> 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 Chief Executive Officer.
- 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~~2011 and expiring 30 June ~~2013~~2014.
- 2.5. RQL will, before 1 July ~~2012~~2013, negotiate with you any extension of time of this contract beyond 30 June ~~2013~~2014.

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. ~~This agreement. Your employment with RQL will commence on 1 July 2010~~ 2011 ~~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 \$<amount> per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.

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 monthly, in arrears, direct to your nominated bank account.

5.4. RQL will provide you with a <4 or 6> cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to <%> of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2011, a 4 cylinder vehicle is to be valued at \$12,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the 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.

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.

- I. 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 Chief Executive Officer 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:
- immediately return the device to RQL on termination of your employment or earlier request;
 - not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
 - not give the device to anybody else or permit anybody else to use the device; and
 - 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:
- Unsatisfactory performance other than a termination for Misconduct as provided for by clause ~~15.7~~15.8;
 - Failure to comply with the terms and conditions of your employment contract;
 - 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 as the Control Body for the 3 codes of racing, receive a show cause notice that could cause it to cease as the Control Body for the 3 codes of racing, a notice suspending its authority/licence as a Control Body for the 3 codes of racing cease- or any other direction or notice that could cause it not to remain as the Control Body for the 3 codes of racing to be the approved Control Body, RQL will immediately provide you the opportunity to take redundancy. The redundancy payment 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. Should any Director of RQL as the Control Body for the 3 codes of racing, receive a show cause notice that could cause him or her to cease being a Control Body Director for the 3 codes of racing r, or any other direction or notice that could cause him or her not to remain as a Control Body Director for the 3 codes of racing, other than for Official Misconduct, or if a Director of RQL ceases to be a Director for the 3 codes of racing as a result of legislative amendment, RQL will immediately provide you with the opportunity to take redundancy. The redundancy payment 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.

15.5. If RQL terminates your employment or offers you redundancy for any reason, including in accordance with other than those referred to in clauses 15.2 clauses 15.3 and 15.4, 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. Provided that if you accept a redundancy, including offered in accordance with clauses (xxx)15.3 and 15.4, RQL may accept a shorter period of notice than six weeks and may waive the notice period in its entirety. If the notice period is shortened or waived in its entirety by RQL, RQL will still be required to pay the notice period out in full.

15.6. 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.

15.7. 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.

15.8. 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.

15.9. Following the termination of your employment, or your acceptance of a redundancy, 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.

15.10. If RQL terminates your contract without cause or offers you redundancy, 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~~2014~~. For clarity, if by 1 July 2012-2013 your contract has been extended, but after 1 July 2012-2013 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~~2014~~) 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.

28 June 2010

Bob Bentley
Chairman

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.

Signature

1 July 2010

CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Confidential

Email

2 June 2011

Ms Shara Murray
Senior Corporate Counsel/Company
Secretary
Racing Queensland Ltd
PO Box 63
SANDGATE QLD 4017
smurray@racingqueensland.com.au

Our ref 12223/12955/80120739

Dear Shara

Amended Executive Employment Arrangements

We refer to your meeting with Barry Dunphy and Brett Cook on 25 May 2011 and to your email dated 26 May 2011 in relation to the above matter. We have been asked to provide legal advice to Racing Queensland Ltd (RQL) about the proposal to offer varied employment arrangements to certain executive and administrative personnel.

We have been briefed with a copy of the current contracts of employment of the relevant personnel and we have examined those contracts.

For convenience and in order to meet your timeframe, we will summarise in this letter our general concerns about the legal issues that appear to arise. If necessary, we can further elaborate on our reasons. In addition, we can assist with any re-drafting of contractual terms in due course.

Before we set out our comments, we will briefly summarise the background details as we understand it.

Background

The Board has resolved that RQL's executive and managerial staff need to be retained and provided with additional security of tenure to safeguard business continuity. In addition, key executive assistants are to be offered revised contractual conditions with incentives similar to the executive and managerial staff.

The objective is to reinforce the stability of the executive workforce during the period between now and 2014 by which time RQL must negotiate and achieve some fundamentally important milestones that are critical to the continuation of the racing industry in Queensland e.g. the renegotiation of the Product Fee. As a consequence, the Board has resolved that the existing employment arrangements for 9 key executives be extended by 12 months up to and including 30 June 2014. Additionally, the Board resolved that Wade Birch be offered an employment agreement to expire on 30 June 2014 and that 6 executive assistants be offered varied employment agreements expiring on 30 June 2013. The Board also resolved that the Chairman was to approve the terms relevant to the agreements and the extension of the agreements.

We confirm that, in our opinion, RQL is fully justified in seeking to structure its employment and remuneration policy to gain the maximum advantage for the company and to preserve its business continuity and corporate knowledge throughout this critical period. The fact that the period happens to coincide with a looming election and the predicable prospect of some political "argy bargy" only adds to the merit and logic

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Ms Shara Murray, Racing Queensland Ltd

2 June 2011

of the Board's strategy. What is important however is that the Board pursues its objective in a sustainable manner and in a manner that will not inadvertently damage the company.

The Contract Variations

We understand from your instructions that the Board has communicated its intention that enhanced "redundancy" entitlements should also be offered to the relevant employees so that if unilateral termination of their employment does occur that the staff will be fully compensated.

It is appropriate to set out the relevant clauses of the conditions of employment as they are proposed to be varied in order to meet these requirements:

- "15.3 Should RQL as the control body for the 3 codes of racing receive a show cause notice that could cause it to cease as the control body for the 3 codes of racing, a notice suspending its licence as a control body for the 3 codes of racing or any other direction or notice that could cause it not to remain as the control body for the 3 codes of racing, RQL will immediately provide you the opportunity to take redundancy. The redundancy payment 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 Should any director of RQL as the control body for the 3 codes of racing, receive a show cause notice that could cause him or her to cease being a control body director for the 3 codes of racing, or any other direction or notice that could cause him or her not to remain as a control body director for the 3 codes of racing, other than for official misconduct, or if a director of RQL ceases to be a director for the 3 codes of racing as a result of legislative amendment, RQL will immediately provide you with the opportunity to take redundancy. The redundancy payment 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.
- 15.5 If RQL offers you redundancy for any reason including in accordance with clause 15.3 and 15.4, then you will be given 6 weeks' written notice and will be paid a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract. Provided that if you accept a redundancy including in accordance with clause 15.3 and 15.4 RQL may accept a shorter period of notice than 6 weeks and may waive the notice period in its entirety. If the notice period is shortened or waived in its entirety by RQL, RQL will still be required to pay the notice period out in full."

For the reasons that we will explain, we are of the view that the proposed variations are not the optimal means for the Board to achieve its objectives. Indeed they appear to us to pose some legal risks for both the Board, the company and its other officers.

Later in this advice we have set out the broad parameters that we believe may help the company address the objectives that the Board seeks to achieve.

The Executive Arrangements

Under the existing executive contracts, the position is that if RQL ceases to be the control body for the 3 codes of racing, or if RQL terminates employment for any reason other than a reason relating to fault on the part of the employee, then RQL is provide to the employees the opportunity to take a redundancy. The termination payment is the equivalent of the Total Remuneration Value of the contract remaining at that time.

The draft proposals as set out in the above clauses significantly vary that approach by significantly extending the triggers for redundancy.

In our opinion, the extended redundancy clauses raise the following issues of concern for both the directors and officers of RQL in terms of the duty of good faith and proper purpose under section 181 and 184 of the Corporations Act:

- (a) The Board resolution authorises an extension of the contracts of the 9 executives and the offering of new contracts to the executive assistants. This necessarily enlarges the TRV of the contract that must be paid in the event of redundancy.
- (b) There is no Board resolution confirming the changes to the "redundancy arrangements". This is of concern given that the revised arrangements could have a significant impact upon the financial interests of the company;
- (c) The obligation to *immediately provide staff with the opportunity to take redundancy* when the listed triggering events occur, appears to us to be inconsistent with the concept of redundancy (where the employer determines when and how a redundancy arises) with consequent implications for the treatment of the termination payment as an eligible termination payment or a redundancy payment for taxation purposes;
- (d) In any event, it may be doubtful as to whether the primary objective of securing the retention of key staff is best served by *immediately* providing an opportunity to take redundancy at a time when (under the proposed clauses) one would expect that the company would require "all hands" to respond to any formal disciplinary processes under the provisions of the Racing Act 2002; and
- (e) The quantum of the extended redundancy measures (now that the contracts are being extended by 12 months) appears to us to be overly generous when compared with prevailing commercial practice.

Complaint and Investigation

It is important, in our opinion that the Board now carefully considers how these new arrangements are to be implemented in practice. We suggest that the Board take a "hands on" approach. As you are aware, in the lead up to a State general election, matters of public interest can be easily politicised and it is not beyond the bounds of contemplation that the cut and thrust of the political process may require the Board to respond to enquires and complaints.

The directors would be well aware of the requirements of the Corporation Act with respect to their civil and criminal obligations of good faith.

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Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Ms Shara Murray, Racing Queensland Ltd

2 June 2011

Section 181 of the Corporations Act set out the civil obligations of directors and other officers. They must exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.

Section 184 then creates a criminal offence if a director or other officer is reckless or intentionally dishonest and fails to exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.

It is relevant to note that a company like RQL is subject to the regulatory oversight of the Australian Securities and Investment Commission (ASIC), an independent Commonwealth authority with a well resourced and experienced investigative arm. If ASIC was to receive a complaint that the Board, through its decision making, had acted recklessly and in a manner not in the best interests of the company, (so as to engage the offence provisions in s.184 of the Corporations Act) we believe that as the responsible regulator, ASIC would probably formally investigate such a complaint. An effective defence to such an investigation is to have a full and compelling record of the resolutions taken by the Board and the reasons for the Board's decisions.

The Executive Assistants

We have several similar concerns about the extension of full TRV payout as a redundancy entitlement to the executive assistants. It seems to us that such an arrangement is:

- (a) Inconsistent with the Board's formal Termination of Employment Policy and Procedures that was authorised by the Remuneration and Nominations Sub-Committee on 1 July 2010. (See clause 1.3 of the Policy that allows for a maximum of 16 weeks pay as compensation for redundancy);
- (b) Inconsistent with the provisions of the current contracts for these officers (that accurately reflect the termination entitlements provided for under the Fair Work Act 2009 and the Board's Policy document); and
- (c) Inconsistent with the usual commercial practice when it comes to the redundancy of executive support staff.

We would recommend that the Board expressly resolve to pass any non-typical entitlements to the executive assistants so that there is a very clear paper trail of the Board's reasoning and decision making underpinning this particular measure.

In fact, we recommend that the whole package, once it is determined be recorded in a detailed Board paper that the Board can consider and resolve upon so as to achieve the stated objectives.

Parameters for a Retention and Termination Payment Framework

We thought that it may assist RQL if we identified broad parameters under which it might restructure its retention and termination payment position for its key staff during this vital period for the organisation. Our comments are necessarily at a high level at this point in time. Ultimately, we would recommend that the levels of incentive and entitlement be set out for each employee, taking into account their individual position, entitlements and history with the company. We have set out this material in the attachment to this advice.

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Ms Shara Murray, Racing Queensland Ltd

2 June 2011

Drafting

Finally in this preliminary advice, we confirm that we would be happy to assist with the redrafting of contractual provisions to best achieve the objectives of the Board, once the Board has had an opportunity to consider the matters we have raised and confirmed its position with respect to the provision of added performance, retention and termination entitlements.

Yours faithfully

Barry Dunphy, Partner
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2 June 2011

Attachment

Executive and Management Team	Amount of Incentive
Termination for Misconduct	Nil as per existing contracts
Termination for Poor Performance	1 Months pay (5 weeks to meet statutory requirements)
Termination without cause	<p>Termination payment for notice and payment of all accrued entitlements of the equivalent of between 6 months pay (TRV) to a maximum of 9 months (TRV).</p> <p>The figure is to be determined having regard to the seniority and length of employment. Our recommended figure is 6 months.</p>
Redundancy payment	Severance in accordance with the Fair Work Act
Retention Bonus	<p>A new clause in the contract under which the officer is paid a retention payment payable in instalments annually to retain their services for a set period (e.g. until 2014), as follows 20% year 1, 20% year 2, 60% year 3 on achieving retention date.</p> <p>The payment may be made or paid to a "bank" to accrue, and then be payable either on the relevant retention date being achieved or on termination, whichever is earlier.</p> <p>The quantum of the retention payment must be determined by the Board that the executive is critical to the business continuity. Figures that might be considered could include an amount equivalent to their current annual TRV, split over 3 years, or 6 months of their TRV over 3 years.</p>
Short Term Incentive Payments	A defined amount paid as an additional benefit upon termination for every Key Performance Measure achieved during the balance of the contract up until the date of expiry (e.g. negotiation of a new Product Fee to the satisfaction of the Board). The defined Measure would vary for individual officers

Executive Support	Amount of Incentive
Termination for Misconduct	Nil as per existing contracts
Termination for Poor Performance	1 Months Notice (5 weeks to meet statutory requirements)

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Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Ms Shara Murray, Racing Queensland Ltd

2 June 2011

Termination without cause	Not applicable due to unfair dismissal rights
Additional Benefit on redundancy	Severance in accordance with the Fair Work Act
Retention Bonus	While this would be less common for administrative and support staff, if the Board determined that retention of the relevant employees is critical to business continuity, an appropriate retention payment plan could also be extended to these employees. The structure of the plan could be similar to that outlined for the executives.

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SM 5/7/11



RACING
QUEENSLAND

5 July 2011

Mr Bob Bentley
Chairman
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W www.racingqueensland.com.au

Dear Sir

As you are aware, there has been significant media speculation in relation to the administration of racing in Queensland post the State election which is due to be called by March, 2012.

You advise that the outcome of the State election will be determined by June 30, 2012.

The media speculation, including an article under the hand of Mark Oberhardt in yesterday's Courier Mail, points to a changing of the guard at Racing Queensland Limited should the Liberal National Party be successful in the upcoming State election. Mark Oberhardt states, "*Huge tip that a country racing legend would replace Bob Bentley as RQ chief if the LNP wins power. And a former race club chairman is tipped as likely new chief executive*".

The website, Letsgohorseracing.com.au, has signalled that it will publish a list of new RQL officers on its website tomorrow.

Our staff are regularly reminded at race meetings by Race Club directors that our time is up.

Given the media speculation and discussions within the industry, it is apparent that at the very least there will be significant change to the Board of Directors and senior executive staff at Racing Queensland Limited if there is a change of Government.

The speculation that senior executive staff will be removed post the State election is taking its toll and you would have gathered at yesterday's meeting it is now having the effect of destabilising senior management, and our broader staff.

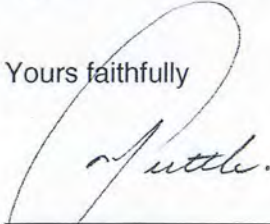
You heard first-hand yesterday from Jamie Orchard, Paul Brennan, Shara Murray and myself in relation to the impact this is having on our work with Racing Queensland Limited and indeed on our personal lives. You are aware that each of us have relatively young families and as responsible individuals are required to plan for our future. We are not of a mind to take unreasonable risks with our future and gamble on a reformed company or new Board retaining our services beyond the State election. In fact, it is more likely than not, that given the seniority associated with each of our positions, we will be removed from office.

As such, we request that you give urgent consideration to retaining the services of key people in the organisation and also consider putting in place a framework that provides us with the necessary security both leading up to and subsequent to the upcoming State election.

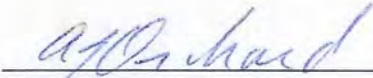
We remain committed to the Board and look forward to working with you to arrive at a satisfactory solution during this time of heightened instability.

Should you wish to discuss this matter further, please do not hesitate to contact myself.

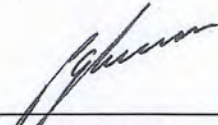
Yours faithfully



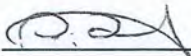
Malcolm Tuttle
Chief Executive Officer



Jamie Orchard
Director of Integrity Operations



Paul Brennan
Director Product Development



Shara Murray
Senior Corporate Counsel



Friday, 8 July 2011

Board Room, Racing Queensland
Racecourse Road, Deagon



Meeting Commenced at 10:00am
Meeting Concluded at 11:40am

Board Directors Present:	Bob Bentley Tony Hanmer Bob Lette Bill Ludwig Wayne Milner	- Chairman - Deputy Chairman - via telephone
Apologies:	Bradley Ryan	- Overseas
In attendance:	Malcolm Tuttle Shara Murray	- Chief Executive Officer - Senior Corporate Counsel/Company Secretary
Minutes:	Debbie Toohey	- Board Secretary

The Chairman opened the Meeting at 10:00am.

1.1 Apologies

Mr Bradley Ryan is currently overseas and unable to attend the Board meeting.

1.2 Declaration of Conflicts of Interest

Directors are required by the *Corporations Act 2001* (Cth) to disclose any material personal interest in a matter relating to the affairs of the Company.

There were no other additional Declarations of Conflicts of Interest. (See Attachment "A")

1.3 Confirmation of Minutes of RQL Board meeting of 1 July 2011

The Board **RESOLVED** that the RQL Board Meeting Minutes of 1 July 2011 be received and confirmed.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

Motion carried

1.4 Action Sheet

The Board **NOTED** the action sheet.

1.5 Media Releases / Correspondence / Matters for Noting

The Board **NOTED** the following correspondence/matters:

Media Releases

- Capalaba Greyhounds return to racing 26 June 2011

The above correspondence was **NOTED** by the Board.

2.1 Board Governance

In Camera.

2.2 Executive Committees

The board discussed at length the current practice of having Board Directors involved on specific committees.

The Chairman advised that he had discussions with Senior Executives and their view of the Directors involvement in management committees. The executive expressed an unanimous view that while it had been beneficial to have Directors involvement in the past on various projects the executive now needed to operate in an independent fashion and bring to the Board their input on projects.

This process is to be put in place for all committees with the exception of the "annual awards" where the expertise of Mr Hanmer is essential to a successful conclusion.

The Board agreed that this will clarify any misconceptions that the Board is involved in management operations.

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.

2.4 HR Issues

The chairman updated the board of significant issues that have arisen from the recent publication in newspapers and websites of proposed changes to RQL Board and management structures.

The Board expressed their concern that this type of editorial has had a destabilising effect on executive staff and RQL would ensure that employees of RQL are aware of their rights.

The Board to instruct to Mr Tuttle and Ms Murray to engage independent advice on their contractual rights. The cost of this advice was to be paid by RQL.

As Chairman, I have engaged the services of Norton Rose Lawyers to act on behalf of RQL in respect of providing advice to RQL's four (4) key executives.

1. Malcolm Tuttle
2. Jamie Orchard
3. Paul Brennan, and
4. Shara Murray

I have approved a budget of \$15,000. Scope of advice – in relation to their rights and entitlements.

2.5 Business Advancement Committee

The Chairman raised the issue if this Committee should commence due to work commitments of the executives involved. Mr Hanmer advised that he was very busy and could not commit himself at this time.

Mr Wayne Milner stated that although he sees this committee as very important, it would be best to put the committee on hold for the time being.

The Board **RESOLVED** that the resolution dealing with "Future Planning Committee" passed at the Director's meeting held on 7 June 2011 is hereby rescinded.

2.6 Tattersall's Race Club Rockhampton Inc.

Ms Murray updated the Board in relation to Tattersall's Race Club Rockhampton (Club) winding up as per RQL's Policy and the request from the Club that funds of \$30,000 be transferred to the Rockhampton Jockey Club. This was agreed by the Queensland Racing Limited Board on 4 April 2008. Ms Murray informed the Board that the funds now totalled \$101,633.05.

Ms Murray confirmed that the Club provided funds to the Rockhampton Jockey Club on the proviso that the funds were used for the purpose of extending the public area and establishing a patio at the front of the Committee Bar and also that the Club retain the Tattersall's Sprint and Tattersall's Gold Cup races as lead ups to the Newmarket and Rockhampton Cup.

The Board **re-confirmed** the previous Board's approval of the Club's dissolution and transfer of the funds.

2.7 Hendra Virus

Mr Tuttle updated the Board in relation to the Hendra Virus outbreak.

It was noted that the Integrity Department is consistently sending out updates and working closely with the Department of Primary Industries.

2.8 Local Rules

Mr Orchard sought the Board's approval for the amendment to the Local Rules of Racing in relation to the new method of calculating deductions arising from late scratchings. This amendment comes into effect on 1 August 2011.

This was **APPROVED** by the Board.

MOVED by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

Motion carried

Other matters

Anti-Discrimination

Ms Murray updated the Board in relation to Ms Heather Warland's complaint with the Anti-Discrimination Commission regarding alleged groping by a security guard at Albion Park. Ms Murray informed the Board that there were no security guards on that day and security guards do not issue stickers to licensees. Ms Murray to write a submission to the Anti-Discrimination Commission. Ms Murray to keep the Board updated.

Club and Venue Licensing

Ms Murray updated the Board in relation to the issuing of Club and Venue Licenses. All Clubs were issued with a new licence on 28 June 2011 to commence from 1 July 2011. RQL included in the new licence agreement reference to non-racing events public liability and the image of racing.

Brisbane Racing Club (**BRC**) claimed that RQL served their new licence on them late Tuesday and were concerned that they were not consulted with the new content in the license. As a result BRC delayed the races on Wednesday and threatened to cancel trackwork. RQL resolved to issue a Certificate of License to each TAB Club as previously prepared with an expiration date of 31 December 2011.

DNO Policy

Ms Murray informed the Board that Clayton Utz were finalising the Policy and has recommended a number of amendments. Ms Murray to circulate the amendments to the Board. Once Clayton Utz has finalised the Policy is to be circulated to the Board, Mr Adam Carter and Ms Murray to liaise with AON to update the Policy.

Mr Lette suggested a 7 year indemnity to be included in the DNO Policy.

MOVED by Mr Bob Lette **SECONDED** by Mr Tony Hanmer

Motion carried

RQL Policies

Ms Murray informed the Board that she is advising Clayton Utz to commence an in-depth review of all 23 Section 81 policies within the auspices of the Racing Act.

This has been brought about by recent courier mail article that made reference to a senior barrister Mr Kelly SC claiming that RQL maybe acting illegally.

The Board resolved to instruct Ms Murray to have Clayton Utz investigate for the sake of clarity.

Confirmed as a true record.

R G Bentley
Chairman
Dated...../...../2011

Mr Bob Bentley

Director of Tatts Group
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director/Chairman of Australian Racing Board

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club 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 the Brisbane Racing Club
Member of Tattersalls Club

Mr Wayne Milner

Member of the Brisbane Racing Club
Member of the Sunshine Coast Turf Club
Member of the Ipswich Turf Club
Member of the Victoria Racing Club
Life Member of QROA
Holder of Victoria Owners Gold Card
Consultant to ME Bank

20 July 2011

Email: smurray@racingqueensland.com.au

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Private & Confidential

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c/o Ms Shara Murray
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Email
kristin.gamble@nortonrose.com

Dear Shara

Executive retention strategy

1 Instructions

1.1 We have been instructed to advise the Board of Directors of Racing Queensland Limited (Board) in relation to a retention strategy for the following executives of Racing Queensland Limited (RQL):

- (1) Mr Malcolm Tuttle, Chief Executive Officer;
- (2) Mr Jamie Orchard, Director Integrity Operations;
- (3) Mr Paul Brennan, Director Product Development; and
- (4) Ms Shara Murray, Senior Corporate Counsel,

(collectively referred to as the Executives).

1.2 The Board has instructed us to advise on options available to it to address the ongoing need to retain and reward high performing executives in an environment of uncertainty, taking into account the legal obligations imposed on the Board in determining an appropriate level of remuneration and benefits.

1.3 In this letter we have:

- (1) considered the general obligations imposed on the Board under the *Corporations Act 2001* (Cth) (Act);
- (2) considered the specific requirements, if any, to avoid breaching the Act in relation to any benefits to be provided; and
- (3) provided an overview of the types of benefits that we consider would be appropriate in the circumstances that the Board may wish to consider.

APAC-#10820388-v5

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Norton Rose Australia together with Norton Rose LLP, Norton Rose OR LLP, Norton Rose South Africa (Incorporated as Deneys Reitz Inc) and their respective affiliates constitute Norton Rose Group, an international legal practice with offices worldwide, details of which, with certain regulatory information, are at nortonrose.com

2 Executive summary and recommendation

2.1 In determining the appropriateness of rewards for the Executives, the real question for the Board is whether or not any proposed benefit or change to the benefits is unfair or unconscionable. In making this determination, the Board should have regard to factors including:

- (1) the need to retain the Executives;
- (2) the level of skills and knowledge of the Executives;
- (3) the limitations imposed on other companies by the Act (specifically in relation to termination payments); and
- (4) current market conditions and drivers.

2.2 In circumstances where:

- (1) the proposed new benefits are necessary for the retention of the Executive;
- (2) the retention of the Executive is in the best interests of RQL; and
- (3) the benefits are not disproportionate;

it is unlikely that a resulting agreement would be deemed to be unfair or unconscionable.

2.3 Our suggestions for appropriate benefits that are not disproportionate, are the most straightforward and that are in the interests of RQL are as follows:

- (1) an increase to the total remuneration value (TRV) of each Executive of up to 30%;
- (2) retention of the current 3-year term with an obligation on RQL to renegotiate before 31 December 2012;
- (3) the implementation of a RQL-wide redundancy policy with payments based on length of service in a particular position; and
- (4) the inclusion of a material adverse change clause with a trigger that includes a change in State Government, RQL ceasing to be a control body for the purpose of the *Racing Act 2002* (Qld), a change to either the make up of the RQL Board, reporting lines for the Executive or an organisational restructure, entitling Executive to:
 - (a) a payment equivalent to the amount of each Executive's TRV that they would have received had the Executive remained employed by RQL to the completion of the term, plus an amount of severance pay equivalent to the RQL-wide redundancy payment, as a material adverse change severance payment; and
 - (b) all other legal entitlements (such as accrued leave).

2.4 In summary, the general effect of these benefits is that in circumstances of a termination or cessation due to a material adverse change, an Executive would become entitled to resign and trigger a payment equivalent to the amount each Executive would have received to the end of the term and a redundancy payment. We consider that this will provide the Executives with the protection they are seeking in the current environment and satisfy RQL's desire to maintain the Executives' employment.

3 Background

General

- 3.1 We are instructed that without implementing a reasonable executive retention strategy, RQL considers it faces a real risk of the resignation of one or more of the Executives. A resignation of the Executives would have serious implications for the ongoing operations of RQL.

Corporate status

- 3.2 RQL is a company incorporated under the Act and limited by guarantee. It does not have share capital.
- 3.3 None of the Executives are currently appointed, or have been appointed in the past 3 years, as a director of RQL.
- 3.4 RQL is not a "disclosing entity" for the purposes of Part 2D.2 of the Act (which relates to termination payments made to person's holding a managerial or executive office).
- 3.5 Under its Constitution, the directors of RQL are required to retire in rotation, two at every Annual General Meeting held in an election year and then every second year thereafter.

Industry environment

- 3.6 We are instructed that the current industry conditions are cause for concern in retaining the Executives.
- 3.7 In particular, there is ongoing industry speculation around the removal of the Board and the termination of the employment of the Executives if there is a change from the current Labor Government to a Liberal National Party (LNP) run Government in the next State election to be held prior to June 2012.
- 3.8 This speculation stems from a number of comments made in Parliament by Shadow Minister for Racing and member of the LNP Mr Ray Stevens MP.
- 3.9 For example, on 20 May 2010, as recorded in Hansard, Mr Stevens stated:
- (1) "We believe that each racing code should have control over its own sector of the industry";
 - (2) "If this bill is passed, we commit to the overall racing industry that this legislation will be dismantled and control will be given back to each of the codes"; and
 - (3) "When the Liberal National Party wins government at the next State election we will immediately dismantle this flawed and undemocratic legislation, and we will put control of the three racing codes back into the hands of the industry participants".
- 3.10 Mr Stevens has also strongly indicated his opposition to the current Chairman of RQL, Mr Bob Bentley, which he has most recently reiterated in Parliament on 25 May 2011.
- 3.11 As part of continued speculation in response to Mr Stevens' statements, on 6 July 2011 the following comments were published on the Letsgohorseracing.com.au website and appear to be indicative of the ongoing speculation in the racing industry:
- (1) "There is also strong speculation that two major roles will change at Racing Queensland under a new Board if the LNP wins Government and these are those of Chief Executive Officer Malcolm Tuttle and Director of Integrity Services Jamie Orchard";
 - (2) "The greatest certainty – according to those who claim to know what the LNP has planned for racing in Queensland – is that Malcolm Tuttle, the one-time steward who made a meteoric rise to CEO under the Bentley-led Board, will be dumped"; and

- (3) "Malcolm Tuttle and Jeremy [sic] Orchard odds-on to be eventually dumped from their current roles as Chief Executive Officer and Director of Integrity Services."
- 3.12 This speculation is also reflected in recent comments made by Mark Oberhardt in the Courier Mail:
- (1) on 4 July 2011, Mark Oberhardt commented "Huge tip that a country racing legend would replace Bob Bentley as RQ Chief if the LNP wins power. And a former race club chairman is tipped as likely new chief executive"; and
- (2) on 18 July 2011, Mark Oberhardt commented "There is continuing speculation about a clean out of racing administrators after the next election."

Executive concerns

- 3.13 As a result of the industry speculation, we are instructed that the Chairman of RQL has received a letter from the Executives dated 5 July 2011 in which the Executives raise concerns in relation to their ongoing engagement with RQL.
- 3.14 Essentially, their concerns are that they face unreasonable risks in relation to their future and are being asked to take a gamble on a reformed company or new RQL Board retaining their services beyond the State election.
- 3.15 The Executives have requested that the Chairman of RQL give urgent consideration to retaining the services of the Executives and put in place a framework that provides them with necessary security.
- 3.16 In our view, the letter from the Executives indicates a real and apparent risk to RQL that it faces early terminations from the Executives should their concerns be ignored.
- 3.17 In this context, it would be prudent of any organisation to put in place appropriate measures to ensure the retention of their senior executives. In our view,

4 Legal obligations

- 4.1 Relevantly, there are a number of legal obligations which have to be considered when determining the appropriate terms and conditions of employment and benefit structure. These are outlined in more detail below.

Common law duty to act in the best interests of RQL

- 4.2 The Board must ensure that any agreement made with the Executives is made in the best interests of RQL.
- 4.3 Further, any agreement that amounts to unconscionable conduct against RQL by the Board carries the risk that it may be set aside by a Court.

Obligation to act in good faith – section 181 of the Act

- 4.4 A director or other officer of a corporation must exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.

Use of position – Directors, other officers and employees – section 182 of the Act

- 4.5 A director, secretary, other officer or employee of a corporation must not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the corporation.
- 4.6 The directors must, of course, ensure that they are using their powers for a proper purpose. That is, a purpose that is in the best interests of RQL, when determining the appropriate level of remuneration and reward.

Termination benefits to executives – Part 2D.2 of the Act

- 4.7 Part 2D.2 of the Act places a restriction on the benefits that can be paid in connection with the termination of a person holding a managerial or executive office in a company.
- 4.8 Whether a person holds a managerial or executive office depends on whether the company is a disclosing entity. For disclosing entities, this includes a person whose details are included in the directors' report at any time in the 3 years preceding termination.
- 4.9 RQL is not a "disclosing entity" for the purposes of Part 2D.2 of the Act. However, if it was, it is likely that at least some, if not all, of the Executives would be named in the directors' report for the current financial year.
- 4.10 For all other corporate entities, a person holds a managerial or executive office if that person is a director (including "shadow" or "de facto" directors, ie someone with whose wishes the directors are accustomed to acting) of the corporate entity or a person that holds a position in connection with the management of RQL whilst holding an office of director of a related body corporate, at any time in the 3 years preceding the date of loss of that position. As far as we are aware, the Executives are not directors of RQL or any related body corporate.
- 4.11 Accordingly, Part 2D.2 of the Act does not apply to the Executives.

5 Relevant current arrangements

- 5.1 The Executive Employment Agreements all commenced on 1 July 2010 and have an expiry of 30 June 2013, unless terminated earlier in accordance with its terms.
- 5.2 Clause 15 of each Executive Employment Agreement provides for termination by RQL without cause by giving six weeks notice and paying the TRV the Executive would have received for the balance of the term.
- 5.3 Prior to 1 July 2012, RQL has an obligation to negotiate any extension to the employment contract beyond 30 June 2013.

6 Possible options**Change to remuneration**

- 6.1 The industry speculation in relation to the ongoing engagement of the Executives would, in our view, justify an increase to the Executive's remuneration to partially address the Executive's concerns.
- 6.2 In determining what might be an appropriate increase it would be beneficial to have regard to comparable market rates to offer a package that will be attractive to the Executives while ensuring that it is reasonable having regard to each of their positions.
- 6.3 This information can be obtained by the engagement of a remuneration consultant. We can assist you in identifying an appropriate provider if you wish. We have, however, reviewed the Ernst & Young Remuneration Practices in 2010 and 2011 report which analyses the ASX 200 companies' remuneration practices (EY Report) to gauge current conditions. The key highlights of this report however are that fixed remuneration increases will be constrained in the current year with a greater focus on performance-based pay.
- 6.4 It remains to be seen whether a comparison between RQL and the information in the EY Report is appropriate, because we have not performed any comparison between RQL and ASX 200 companies to determine whether there are any common characteristics. Further, it remains to be seen whether a performance based pay is appropriate to RQL's business structure, and practically, it is a less straightforward way of addressing the retention concerns.
- 6.5 Taking into account the need to retain the Executives, we consider an increase to the Executive's remuneration of up to 30% would be reasonable, because that is the most straightforward way to

address the retention concerns and would not constitute a breach of the Board's relevant legal obligations in our view.

Redundancy payments

- 6.6 Currently, there is no contractual entitlement to a payment on termination of employment due to redundancy.
- 6.7 We are also not aware of any policies applicable to the Executives of other employees of RQL that contain redundancy entitlements.
- 6.8 In line with the requirements for redundancy under the *Fair Work Act 2009* (Cth) (FW Act), we consider it appropriate for RQL to implement a redundancy policy that applies to all of its employees with payments determined on the person's length of service with RQL.
- 6.9 In this context:
- (1) the reason for implementing an RQL-wide redundancy policy is to increase the defensibility of a severance payment made to the Executive on termination of employment, equivalent to redundancy, on the basis that the redundancy component is no more than what other employees would receive; and
 - (2) the introduction of a RQL-wide policy in this way reflects current employment practices.

Material adverse change clause

- 6.10 An option available to RQL is the inclusion of a material adverse change clause. Under a material adverse change clause the Executive will be able to terminate the employment agreement on the trigger of a material adverse change and receive a payment. Examples of material adverse changes could include a change in State Government, RQL ceasing to be a control body for the purpose of the *Racing Act 2002* (Qld), or a change in either the make up of the RQL Board, reporting lines for the Executive or an organisational restructure.
- 6.11 If there is a material adverse change, the Executive has the right to resign and if he or she does so, he or she will be entitled to payment of a sum calculated in accordance with a specified calculation. The payment would be an amount equivalent to what the Executive would have received if they had remained employed by RQL for the balance of the term of the Executive Employment Agreement, plus a severance payment equivalent to redundancy.
- 6.12 You should note that, in our view, the Australian Taxation Office (ATO) will treat an amount paid as a result of a material adverse change in these circumstances as an employment termination payment as opposed to a genuine redundancy payment. This is because there has been no "dismissal" at the initiative of RQL.
- 6.13 As an additional protection for RQL, we recommend making the payment conditional upon the execution of a deed of release.

Extension to term

- 6.14 Any variation to the terms of the Executive Employment Agreements will provide RQL with an opportunity to extend the term of each Executive's engagement.
- 6.15 One option would be for RQL to offer the Executives permanent employment (subject to notice). Permanent employment, combined with the 12 months notice of termination, would in our view ensure the ongoing employment of the Executives and allow for a smooth transition resulting from any change to RQL's structure.
- 6.16 However, it is more likely that the offer of permanent employment or any extension to the term would attract a higher level of public scrutiny and criticism. While we consider that your position would be

20 July 2011

NORTON ROSE

defensible from a legal perspective, you may like to consider a more conservative approach in order to minimise the possible negative publicity.

- 6.17 As an alternative and taking into account our suggestion on an increase to each Executive's TRV, maintaining the term as it currently is with an expiry of 30 June 2013 will minimise the risk of public criticism.
- 6.18 We recommend however amending the time by which RQL is required to renegotiate any extension to the contract (which is currently before 30 June 2012) to require renegotiation before 31 December 2012. Given the timing of the State election by no later than June 2012, the future of the Executives will be more certain at that time.

Please let me know if you have any queries. Alternatively, please contact Kristin Gamble on (07) 3414 2878.

Yours faithfully



Murray Procter
Partner
Norton Rose Australia
Contact: Kristin Gamble

Meeting Commenced at 2:24pm
Meeting Concluded at 2:46pm

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 Murray	- <i>Chief Executive Officer</i> - <i>Senior Corporate Counsel/Company Secretary</i>
Minutes:	Debbie Toohey	- <i>Board Secretary</i>

The Chairman opened the Meeting at 2:24pm.

1.1 Apologies

There were no apologies.

1.2 Declaration of Conflicts of Interest

Directors are required by the *Corporations Act 2001* (Cth) to disclose any material personal interest in a matter relating to the affairs of the Company.

There were no other additional Declarations of Conflicts of Interest. (See Attachment "A")

2.1 Senior Executive Staff

The board discussed 'in camera' at length the papers that were distributed for consideration.

The Board requested Ms Shara Murray to obtain salary ranges of comparable positions in both Racing NSW and RVL. The Board recognized that only ranges would be available as confidentiality clauses would apply.

The Board noted the advice from Norton Rose and unanimously supported the intent of the advice received, Board members considered it appropriate that Clayton Utz review Norton Roses' advice.

Following the tabling of the advice received from Norton Rose the Board requested Ms Murray to send the advice to Clayton Utz for their review and opinion. Following dispatch of the advice the Chariman advised that he would meet with both Clayton Utz and Norton Rose to resolve the matter.

The Board to resolve this matter of Senior Executive Staff at the next Board meeting of 5 August 2011.

2.2 D & O Insurance

Ms Murray informed the Board that she had been working with AON on the policy review for D & O Insurance.

Ms Murray advised that she had reviewed the D & O Policy and the advice from Clayton Utz and considered after due consideration that the policy offered by ACE underwriters should be recommended. The details of the ACE offer are

1. 7 year 'Run-Off' cover. (This will be a secondary cover to the existing RQL cover)
2. The secondary cover cannot be cancelled.
3. Limit is \$20,000,000 in aggregate for all losses
4. The quote is available is \$76,862.50.
5. Period for decision – 30 days.

Ms Murray be authorized to accept the offer from ACE Insurance and for Clayton Utz to draft new Deeds of Indemnity for each Director.

This was **APPROVED** by the Board

MOVED by Mr Bill Ludwig **SECONDED** by Mr Tony Hanmer

Motion carried

2.3 Infrastructure Plan – way forward for negotiations

The Board discussed the Infrastructure Plan which was launched today at an industry presentation.

Mr Malcolm Tuttle informed the Board that a committee would be formed, which would report back directly to the Board on the way forward for the infrastructure plan. Mr Tuttle and Mr Mark Snowdon will meet to discuss what resources are needed.

Mr Ludwig suggested that there was a need for justification of priorities. The committee is to present an assessment report monthly to the Board.

The Chairman advised that negotiation will be held with all clubs on their assets and each club will be assessed differently. Mr Tuttle suggested that the Board also look at the ongoing costs that RQL will incur annually for training facilities.

Mr Bob Lette suggested that the Board could adopt a negative control that would cover an equity holding of less than 20%.

2.4 Sunshine Coast Development

Mr Tuttle declared that Mr Tony Havig of the Lascorp Group was a personal friend.

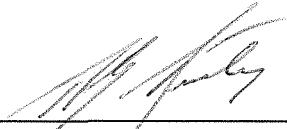
The Board noted Mr Tuttle's potential conflict but resolved to have Mr Tuttle present for the discussion.

Mr Tuttle informed the Board that he had been approached by Lascorp Group- who are specialist in retail development, primarily with Woolworths and Coles supermarkets with a proposal to RQL for commercial development at Sunshine Coast Turf Club and Deagon.

The Chairman advised Mr Tuttle to organize Lascorp to present to the Board of Sunshine Coast Racing Pty Ltd in the first instance, a proposal that could be brought to the Board of RQL.

The Chairman will call a Sunshine Coast Racing Pty Ltd Board meeting.

Confirmed as a true record.



R G Bentley
Chairman
Dated...5.../...8.../2011

Mr Bob Bentley

Director of Tatts Group
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director/Chairman of Australian Racing Board

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club 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 the Brisbane Racing Club
Member of Tattersalls Club

Mr Wayne Milner

Member of the Brisbane Racing Club
Member of the Sunshine Coast Turf Club
Member of the Ipswich Turf Club
Member of the Victoria Racing Club
Life Member of QROA
Holder of Victoria Owners Gold Card
Consultant to ME Bank

Schofield, Hayley

From: McComber, Jennifer on behalf of Dunphy, Barry
Sent: Monday, 1 August 2011 11:39 AM
To: 'rbentley@queenslandracing.com.au'
Cc: 'smurray@racingqueensland.com.au'
Subject: Further Advice to the Board: Review of the Norton Rose Advice
Attachments: 304695212_4.pdf

Dear Bob,

We have carefully reviewed the terms of the Norton Rose Advice.

As you will see, we think that most of the suggestions that have been made would not be unreasonable to adopt. There are only three areas where we think some form of variation is needed being:

- In relation to the expanded trigger points for the right of the four senior executives to terminate their contracts (under clause 15.3) we would suggest that these all be limited to matters that significantly affect the role and duties of the relevant executives. We therefore do not think that a change in the State Government alone should be included as one of the triggers in clause 15.3 of the employment contracts;
- There is a potential complication if an early State election were to be called, say, in the next two months. In that circumstance if a trigger event happened after the election the four executives may then be entitled to twenty months pay-out (at the 30% increased level) which would be equivalent to 26 months salary at their current remuneration. All of that would occur in circumstances where their retention would have only been for a short period of, say, three months. We think that that outcome would be in the nature of a windfall and would be hard to justify and we have therefore suggested that the termination payment provided under clause 15.3 should have some form of cap to mitigate that risk. This is a matter for the Board to consider balancing all of the commercial considerations but if one is having regard to the uplifted salary level (which includes the 30% increase) then a cap of 12 - 14 months might be considered by the Board; and
- We have suggested some other minor changes to the drafting of the additional trigger factors that are suggested for inclusion in clause 15.3 of the relevant employment contracts.

As you will see from the above three points, two are drafting issues and the third point is necessary because of the possibility that a very early election might be held. I know that the Premier is on the record as saying that she intends to not have the election until early next year. However, politically things are fairly volatile at the moment and I have heard some suggestions around Government that a snap election might be called because the current Government may not wish to be holding the State election at the same time as the Local Government election. Of course, one can never be sure about the timing of election and really the election date will only be certain once it is called. However, a very early election would I think create a difficulty for the Board as under the Norton Rose formulation (with the impact of the 30% uplift) would see the four executives get a very large windfall.

Please do not hesitate to contact me once you have read the advice.

Kind regards,

Barry Dunphy | Partner | Government Services Group

Clayton Utz

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www.claytonutz.com



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30/08/2011

RQL.004.011.0012

CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Confidential

Mr Bob Bentley
Chairman
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

1 August 2011

Our ref 12223/12955/80120739

Dear Bob

Remuneration of Senior Executive Staff

I refer to our previous discussions and to the request that we now review the legal advice dated 20 July 2011 provided to Racing Queensland Limited (**Racing Queensland**) by Messrs Norton Rose.

We have previously in this context provided advice on the legal obligations that are owed by the Board members particularly under sections 181 and 182 of the Corporations Act. We will not for the purposes of this advice repeat those earlier observations.

For convenience, we will address the issues that arise as follows:

- 1.0 Executive Summary
- 2.0 Background
- 3.0 Proposed 30% Increase in Salary
- 4.0 Broadening of the Redundancy Triggers set out in Clause 15.3 of the Employment Contracts
- 5.0 Variation of the Employment Contract Renegotiation Date

1.0 Executive Summary

Our key conclusions are that:

- (a) The proposed 30% increase in salary does not appear to be unreasonable in all of the circumstances.
- (b) However, the Board needs to carefully assess whether the flow on effect of the 30% increase into the TRV for each of the four senior executives for the purposes of their relevant termination payments (under clause 15.3 of their respective employment contracts) is, in all of the circumstances, reasonable and in the best interests of Racing Queensland. We suggest that there be a form of cap (in terms of the total number of

months of TRV equivalent) on the amount that can be paid under the terms of the revised clause 15.3. The value of the capped amount is for the Board to determine but we would suggest that a range of between 12 and 14 months might be considered. Our reason for raising this point is that the timing of the next State general election is really quite flexible and uncertain. In our opinion the next State general election could be as early as September 2011 or as late as June 2012. Our concern is that if the election is held very early, e.g. October 2011 and this then led to an activation of one of the clause 15.3 triggers, that the four executives would then become entitled to a termination payment of 20 months (at the increased 30% level) which, in terms of their current salary would be the equivalent of a 26 month payment. As that trigger would occur in circumstances where the employees were only effectively retained for 3 months from the date of incentive, it is our opinion that such a windfall outcome may be difficult for the Board to justify;

- (c) The variation in the current termination payment triggers as set out in clause 15.3 of the respective employment contracts of the four senior executives appears to be reasonable. However, we recommend that all of the additional triggers ought to have a significant impact in the role or duties of each of the four senior executives. We would not recommend that one of the triggering events that activate payment be a mere change in State Government alone, as that event of itself may or may not have implications for the employment of the four senior executives; and
- (d) The change in the contract renegotiation date in the employment contracts of the four senior executives appears to be reasonable.

1.0 Background

Since we first considered this issue, there has been a most unfortunate escalation in the public discussion about the future of Racing Queensland and the likelihood that an incoming LNP Government will move quickly to dismiss the current Board. The public discussion has now also gone so far as to suggest that two of the senior executives of Racing Queensland will be replaced if there is a change of Government. All of this public discussion has clearly and understandably unsettled the four key senior executives of Racing Queensland who now all believe that if there is a change of Government that their employment will be terminated in very public circumstances

and that their reputations within the racing industry and within the broader business community will then be adversely affected.

So the Board now has a serious dilemma in that four of the key members of its senior management team¹ are now both unsettled and distracted by the recent public discussion. At the same time, Racing Queensland has a very significant workload with which to cope over the next two to three years and the Board believes that keeping the four senior executives is critical to the future success of Racing Queensland. Unless the Board now takes some clear mitigating steps, there is a risk that one or more of those executives will commence looking for alternative employment to avoid the ignominy of the termination of their employment being played out in the public arena if there is a change of Government. The only countervailing factor seems to be that under their respective employment contracts, the four senior executives are required on resignation to give either six or seven weeks notice (depending on their age and period of service) and their entitlements in the event of a voluntary resignation are minimal.

Having regard to these matters, we note that the Board, at its meeting on 20 July 2011, considered these issues and decided for each of the four executives to:

- (a) Increase the TRV of each executive by 30% as from 1 July 2011. This increase is to be payable immediately on an ongoing basis throughout the balance of the current term of their employment contracts;
- (b) That the existing redundancy triggers set out in clause 15.3 of their current employment contracts i.e. if Racing Queensland ceases to be the approved Control Body, be expanded to include other "material adverse changes" such as a change in the State Government, a significant change in the make up of the Racing Queensland Board, a significant change in the reporting line for the relevant senior executive or a significant organisational restructure; and
- (c) That the obligation on Racing Queensland to renegotiate their respective employment contracts be moved from June 2012 to December 2012.

¹ The four senior executives are the Chief Executive Officer, Malcolm Tuttle, the Director Integrity Operations, Jamie Orchard, the Director Product Development, Paul Brennan and the Senior Corporate Counsel/Company Secretary, Shara Murray.

In the circumstances, it is probably best that we examine each of these proposed changes to the employment contracts of the four senior executives and that we then express our opinion on the risks that face the Board in relation to each of those changes.

2.0 Proposed 30% Increase in Salary

As we have previously indicated, even within Government circles, there are precedents for employees to be paid retention bonuses of between 20% and 25% to reflect either market demand for particular employment skills and specialties or when senior executives have been sought to be retained by a Government entity that is the subject of an ongoing privatisation process. In this latter instance, these retention payments have been made to keep the relevant executive management team in place until the new owners of the privatised body have taken control.

Therefore, we believe that the 30% uplift in salary as a concept is not an unreasonable approach. However, as we have previously advised, making these retention payments after certain timelines or milestones have been met by the employees would give rise in an overall sense to a lower risk profile from the Board's perspective.

One point about the proposed 30% increase is that it will apply for the remainder of the balance term of the employment contracts of the four senior executives. This increase in TRV will also then flow through into the calculation of any "redundancy payment" under the expanded version of clause 15.3 of the employment contracts.

So, our view on this aspect of the proposed employment contract variation is:

- (d) That the payment of a 30% salary retention increase conceptually is reasonable in the current circumstances; and
- (e) That the Board in the current circumstances needs to be satisfied that the overall increase in salary for each of the four senior executives together with the associated increase in the entitlements regarding relevant total termination payments under clause 15.3 of their employment contracts and under any general redundancy scheme is, when one weighs up all of the relevant factors, both reasonable and in the best interests of Racing Queensland. We would note in this regard from the spreadsheet that was included with the Board papers that if all four senior executives activated their redundancy entitlements in February 2012 that the extra termination payments

(for the four senior executives) will in total amount to an additional \$677,000 liability for the company. We presume that this figure has been calculated and reflects the flow through of both the 30% increase in their individual TRVs together with the effect of any further payments that will be made under the proposed general Racing Queensland wide redundancy scheme.

Of course, under the relevant employment contracts of each of the four senior executives the actual size of any termination payment will depend on when the material adverse change occurs and then whether the individual executives trigger their termination rights under clause 15.3 of their respective employment contract. For example, if there is a change of Government at the State Government level and Racing Queensland is restructured and/or fundamentally reformed in April 2012 by the new Government, the four executives (if they were all to terminate their employment at that time) would be entitled to approximately 14 months pay together with any additional general redundancy payments. However, if it took the new Government until December 2012 to implement any restructuring process, the payments under the expanded clause 15.3 of the respective employment contracts would then only be seven months salary plus any additional general redundancy payment.

One other area of difficulty is that we cannot be sure when the State election may be held and so there is considerable uncertainty about when a triggering event may actually occur under clause 15.3 of the relevant employment contracts. Under the constitutional and electoral framework in Queensland, the next State election can be held as late as mid June 2012. On the other hand, it is generally accepted that the Governor will grant an early State election if the request is made by the Premier within the last six months of the 3 year Parliamentary term.

On this basis the Premier could ask for a State election to be held as early as September/October 2011. Our concern is that if the election is held very early, e.g. October 2011 and this then led to an activation of one of the clause 15.3 triggers, that the four executives would then be entitled to a termination payment of 20 months (at the increased 30% level) which, in terms of their current salary would be the equivalent of a 26 month payment. As that trigger would occur in circumstances where the employees were only effectively retained for 3 months from the date of incentive, it is our opinion that such a windfall outcome may be difficult for the Board to justify.

To mitigate this risk, we suggest that there be a form of cap (in terms of the number of months) on the amount that can be paid under the revised clause 15.3. This is an amount for the Board to determine but we would suggest that a range of between 12 and 14 months might be considered.

3.0 Broadening of the Redundancy Triggers set out in Clause 15.3 of the Employment Contracts

As we have already advised, we have serious reservations whether an employee triggered termination under clause 15.3 of the current employment contracts would give rise to a genuine redundancy situation. This is because the focus of the clause is on the termination of individual employment arrangements rather than the redundancy of the relevant positions i.e. on the basis that they will then not be required as part of the ongoing structure of Racing Queensland. It is incomprehensible that the current duties undertaken by the four senior executives will in any future management structure of Racing Queensland all cease to exist or, in that sense, become redundant in terms of the ongoing operation and management of Racing Queensland.

In our view, however the proposed broadening of the trigger events as set out in clause 15.3 of the relevant employment contracts would not necessarily be unreasonable. One observation would be that the trigger ought to have a significant impact in the role or duties of each of the four senior executives. We would not recommend a trigger that is activated by a change in the State Government alone as that event may or may not have implications for the employment of the four senior executives.

We also suggest that to the extent that changes in reporting lines for the relevant senior executives or operational structures are added in any trigger points, that it should be made very plain that only significant or substantial changes will operate as a relevant trigger. It would not be in the interests of Racing Queensland to allow the four senior executives to seek a termination payment for what might only be a minor change in their reporting arrangements or a minor variation in the structure of Racing Queensland. This is primarily a drafting issue which can be addressed in the new expanded clause 15.3 as it is being developed.

4.0 Variation of the Employment Contract Renegotiation Date

This proposal is that the obligation on Racing Queensland to renegotiate the respective employment contracts be moved from a nominated date of June 2012 to December 2012. This suggested change is made to allow sufficient time for an assessment to be made of the potential

effect of any structural reforms of Racing Queensland both on the role and the employment terms and conditions of the four senior executives.

We do not see that this change has any financial impact on Racing Queensland and it seems to us to be a reasonable variation in all of the circumstances.

If you have any questions in relation to our advice, do not hesitate to contact us.

Yours sincerely



Barry Dunphy, Partner
+61 7 3292 7020
bdunphy@claytonutz.com

3 August 2011

Email: smurray@racingqueensland.com.au

Private & Confidential

Mr Bob Bentley
The Chairman
Racing Queensland Limited
c/o Ms Shara Murray
Senior Corporate Counsel
Racing Queensland Limited
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Dear Mr Bentley

Executive retention strategy

We refer to our previous advice dated 20 July 2011 and the advice of Clayton Utz dated 1 August 2011 in relation to a retention strategy for Racing Queensland Limited's (**RQL**) senior executives, Mr Malcolm Tuttle, Mr Jamie Orchard, Mr Paul Brennan and Ms Shara Murray (**Executives**).

1 Further instructions

1.1 You have requested our response to the following concerns raised by Clayton Utz:

- (1) that an early State Government election may have the effect that the termination payments under the proposed material adverse change clause are unreasonable; and
- (2) that a change in the State Government alone may not be sufficient to act as a trigger in relation to a material adverse change clause.

1.2 Our advice is set out below.

2 Summary

2.1 In our view, in the event of an early election the potential increase to the termination payment under the proposed material adverse change clause is defensible for the following reasons:

- (1) there is a commercial need for RQL to retain the Executives in context of the current industry environment; and
- (2) for this reason, it is in the interests of RQL to reach an agreement satisfactory to the Executives in order to retain their employment.

2.2 If the Executives agree to the inclusion of a cap on the termination payment under the material adverse change clause, then this will satisfy RQL's commercial need to retain the Executives.

2.3 However, in the event that the Executives do not agree to the proposed cap, we consider that it remains in the best interests of RQL to reach an agreement without the inclusion of the cap in order to retain the Executives.

APAC-#11026355-v1

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- 2.4 In order to adequately address the current concerns of the Executives, we also consider that it is necessary to include, effectively, a change in State Government as a trigger in the proposed material adverse change clause.

3 Impact of early State election

- 3.1 In their letter, Clayton Utz have raised the possibility of an early State Government election and recommended to the Board of RQL that it carefully considers the flow on effects.
- 3.2 In particular, the proposed increase to each Executive's TRV of 30% would increase the amount of the termination payments that the Executive would receive if they choose to rely on the proposed material adverse change clause.
- 3.3 Clayton Utz has suggested mitigating the risk by placing a cap on the amount that can be paid under the material adverse change clause of between 12 and 14 months.
- 3.4 Ultimately, we consider that whether a cap is included is a matter for agreement between RQL and the Executives.
- 3.5 The Executives have raised their concerns with you in their letter dated 5 July 2011 indicating that this speculation is having a destabilising effect and that they need security in their employment leading up to and subsequent to the upcoming State election.
- 3.6 It is apparent that if this security regarding the Executives' ongoing employment is not provided, the Executives may resign from their employment with RQL. In the event that the Executives resigned, it would have a significant negative impact on RQL and, in the current industry environment, the likelihood of replacing the Executives would be limited.
- 3.7 The Executives have indicated that they would be satisfied with a commercial agreement that involves an increase of 30% to each of their TRV's and related entitlements and the inclusion of termination rights entitling them to resign and receive payment of their TRV to the end of the term in the event of a material adverse change.
- 3.8 On this basis, we consider that it is in the interests of RQL to put in place appropriate measures to retain the Executives.
- 3.9 If you are able to reach a commercial agreement with the Executives to continue their employment with a cap in place then we consider that this will increase the defensibility of changes to their employment arrangements (particularly in response to negative publicity).
- 3.10 However, we consider that in circumstances where RQL faces potentially losing its senior Executives, and where these Executives would be difficult to replace due to the industry speculation regarding a restructure to RQL, the increase to the termination payment is defensible without the cap.

4 Redundancy triggers

- 4.1 The key concern of the Executives is that if the Liberal National Party (LNP) is successful at the next State election, the LNP will move to alter the make up of RQL including, possibly, terminating their employment.
- 4.2 This concern is based on the stated policy of the LNP to remove the Board of RQL and significant speculation in the industry regarding the Executives.
- 4.3 In our view, unless the effect of the LNP taking control of the Queensland Legislative Assembly is included as a trigger in the proposed material adverse change clause, the Executives' concerns will not be adequately addressed. Therefore, we recommend that this be maintained in the proposed material adverse change clause.

3 August 2011

NORTON ROSE

4.4 As to the inclusion of other triggers, we agree with Clayton Utz that any triggers in relation to reporting lines for the Executives or organisational structure be limited to significant or substantial changes. This will in our view avoid any possibility that the Executives will seek to rely on the proposed material adverse change clause without a reasonable basis for doing so.

We are currently in the process of drafting amendments to the Executives' employment agreements in accordance with your previous instructions and consistent with our advice above. If you would like us to include a cap on termination payments under the material adverse change clause, please let us know.

Please contact me if you have any queries. Alternatively, please contact Kristin Gamble on (07) 3414 2876.

Yours faithfully



Murray Procter
Partner
Norton Rose Australia
Contact: Kristin Gamble



Minutes of
Remuneration & Nomination Committee



Wednesday, August 3, 2011

RQL Head Office, Deagon

Meeting Commenced at 9:30am

Meeting Concluded at 10:30am

In attendance: Robert Bentley
Bill Ludwig
Adam Carter

Apologies: N/A

Minutes: Malcolm Tuttle

The chairman opened the meeting at 9:30am.

1. Apologies

No apologies.

2. Declarations of conflict of interest

The following conflicts of interests were declared:

Mr Bob Bentley

Director of Tatts Group

Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)

Director/Chairman of Australian Racing Board

Mr 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

3. Confirmation of minutes

The minutes from the meeting of Thursday, April 14, 2011, were confirmed and signed by the chairman.

4. Note that all performance reviews including those executive and management level have been undertaken

The committee noted that all end of year performance reviews, including those for executives and managers, have been undertaken in accordance with policy. As part of the reviews, areas of improvement have been discussed with staff along with various training needs. All staff will have a review document prepared for the current financial year and will meet mid-year with their manager for an interim review as part of the overall process.

5. Receive a report on salary increases against approved budget

Mr Carter and Mr Tuttle provided a report on proposed salary increases from July 1, 2011. The committee noted that the overall increase in salaries is within the 3% budget already approved by the Racing Queensland Limited (RQL) board. The committee advised that whilst the RQL board will be noting these minutes on August 5, 2011, given that the overall increase was within budget management should proceed to implement the amended salaries effective on and from July 1, 2011.

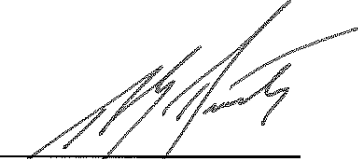
6. Other business

No other business was raised.

7. Next meeting

The committee noted that the next meeting is likely to be scheduled later in this calendar year, subject to any other matter arising that may need to be dealt with by the Remuneration & Nomination Committee at an earlier time.

Confirmed as a true record.



R. G. BENTLEY
Chairman
Dated...../...../.....
15 / 9 / 2011

Friday, 5 August 2011

Board Room, Racing Queensland
Racecourse Road, Deagon

Meeting Commenced at 9:00 am
Meeting Concluded at 2:10 pm

Board Directors Present:	Bob Bentley Tony Hanmer Bob Lette Bill Ludwig Wayne Milner Bradley Ryan	- <i>Chairman</i> - <i>Deputy Chairman</i>
In attendance:	Malcolm Tuttle Adam Carter Shara Murray Jamie Orchard Paul Brennan Ron Mathofer David Rowan	- <i>Chief Executive Officer</i> - <i>Chief Financial Officer</i> - <i>Senior Corporate Counsel/Company Secretary</i> - <i>Director, Integrity Operations</i> - <i>Director, Product Development</i> - <i>Business Analyst</i> - <i>IT & Communications Manager</i>
Item 2.3	Mr Robert McNaulty Mr Satiu Perese	- <i>via telephone</i>
Minutes:	Debbie Toohey	- <i>Board Secretary</i>

The Chairman opened the Meeting at 9:00am.

1.1 **Apologies**

Nil.

1.2 **Declaration of Conflicts of Interest**

Directors are required by the *Corporations Act 2001(Cth)* to disclose any material personal interest in a matter relating to the affairs of the Company.

There were no other additional Declarations of Conflicts of Interest. (See Attachment "A")

1.3 **Confirmation of Minutes of RQL Board meeting of 8 July 2011**

The Board made the following changes:

Page three, second paragraph change the word "copy" to "budget".

2.6 First paragraph to now read "Ms Murray updated the Board in relation....."

The Board **RESOLVED** that the RQL Board Meeting Minutes of 8 July 2011 be received and confirmed.

MOVED by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

Motion carried

Confirmation of Minutes of RQL Board meeting of 20 July 2011

The Board **RESOLVED** that the RQL Board Meeting Minutes of 20 July 2011 be received and confirmed.

MOVED by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

Motion carried

1.4 Action Sheet

The Board **NOTED** the action sheet.

1.5 Media Releases / Correspondence / Matters for Noting

The Board **NOTED** the following correspondence/matters:

Media Releases

- TAB revenue distribution clarified 8 June 2011
- Brisbane City Council backing the wrong horse 20 June 2011
- Capalaba Greyhounds return to racing 28 June 2011
- Toowoomba Turf Club investigation 19 July 2011

Letters

- Letter to Mr Malcolm Tuttle from Mr Mike Kelly, Office of Racing
re: \$700,000 (ex GST) – Minimum Venue and Equipment
Standards Funding 13 July 2011
 - Letter to Mr Malcolm Tuttle from Mr Mike Kelly, Office of Racing
re: \$200,000 (ex GST) – Non-Strategic Non-TAB Clubs
impacted by Flood & Cyclone damage - Minimum Venue and
Equipment Standards Funding 14 July 2011
 - Letter to Mr Stephen Ferguson from Mr Malcolm Tuttle
Re: Sale of Residential Properties 15 July 2011
 - Letter to Mr Bob Bentley from Mr Tim Mulherin, MP re: approval
of Infrastructure Plan and extension of the wagering tax sharing
arrangements 19 July 2011
-
- Letter to Mr Malcolm Tuttle from Mr Mike Kelly, Office of Racing
re: \$1.45M (ex GST) – TAB & Strategic Non-TAB Clubs
assistance with meeting Flood & Cyclone Yasi Remediation
Costs 25 July 2011

1.6 Confirmation of Flying Minutes

There are **NOTED** the following Flying Minutes:

- RISA Resolution – Proposed amendments to the RISA and TTSC Constitution 11 July 2011
- Resolution to approve the Sale of Investment Land by the BRC 14 July 2011
- Resolution that the time for submissions in response to the notice served upon Mr McAnulty under AR179A on 11 July 2011 be extended from 25 July 2011 to 1 August 2011 14 July 2011

The above Flying Minutes were **CONFIRMED** by the Board.

2.1 Draft 2011/12 Business Plan

To be discussed at the next Board Meeting. The Board requested that Mr Malcolm Tuttle develop performance measures for the Company's four (4) key executives, these being:

- (a) Mr Tuttle
- (b) Mr Orchard
- (c) Mr Brennan, and
- (d) Ms Murray.

2.2 Rules Amendments

Mr Jamie Orchard sought the Board's approval to adopt the following Local Rules (All Codes) 1 and to seek the confirmation of recent changes to Australian Rules of Racing and the Australian Harness Racing Rules:

"Local Rule (All Codes) 1

- (23) *An appellant appearing before a First Level Appeal Committee may be represented by a legal practitioner or, in exceptional circumstances, by another person whom the First Level Appeal Committee consider to be an appropriate person to represent the appellant. An appellant must advise the appeals secretary at least 2 business days prior to the appeal of any intention to be so represented.*
- (24) *Notwithstanding Sub Rule (23), an apprentice jockey or any other person under the age of 18 years is entitled to be represented by his/her master at an appeal or, with the permission of the First Level Appeal Committee, such other person as a First Level Appeal Committee considers to be an appropriate person to represent the appellant."*

The Local Rules (All Codes) was **APPROVED** by the Board.

The National Rule changes and the Harness Racing Australia Rule were confirmed by the Board.

MOVED by Mr Wayne Milner **SECONDED** by Mr Bob Lette

Motion carried

2.3 New Zealand Judicial Committee – Robert McNulty

Mr Orchard addressed the Board on procedure: *the Board is to consider whether they are satisfied that there are “exceptional circumstances” in this case to not apply the rule in Queensland.*

Mr Robert McNulty joined the Board meeting at 11:00am with Mr Satiu Simativa Perese, Barrister via telephone.

The Chairman handed the meeting over to Mr Jamie Orchard to conduct the inquiry.

On 29 April 2011 the New Zealand Judicial Committee handed down a decision in the matter of NZTR v Robert McNulty. McNulty was disqualified for a period of 11 months (from 29 April 2011), fined \$6000 and ordered to pay costs totaling \$17500. The penalties were imposed on the basis on a finding that Mr McNulty was guilty of misconduct in using foul, insulting and offensive words directed to Mr Michael Stiassny, Chairman of the New Zealand Racing Board and that he committed a serious racing offence by way of voicemail messages he uttered foul, insulting and offensive words directed towards Chief Stipendiary Steward Cameron George.

The decision was served on each Principal Racing Authority by the New Zealand Racing Integrity Unit. Australian Rule of Racing 179A provides a scheme for the consideration of the application of international penalties. Once one jurisdiction in Australia has either applied the decision in their jurisdiction or otherwise declared the decision will not be applied, the decision of that PRA is immediately applied in every jurisdiction in Australia.

On 1 August 2011, Mr McNulty, through his counsel, made submissions to the effect that the penalty should not be applied in Australia.

Mr McNulty (in person) and Mr Perese (by telephone) both orally presented Mr McNulty's submission to the Board.

Mr McNulty and Mr Perese left the meeting at 11:35am.

The Board confirmed that it was satisfied that there were **no** exceptional circumstances in this case to amend the penalty and therefore, Mr McNulty's penalty should be applied in Australia.

Mr Orchard to formally notify Mr McNulty of the Board's decision.

At the conclusion of this matter, the Chairman asked Mr McNulty if he was satisfied that the Board had given him adequate time for explanation of his issues. Mr McNulty personally thanked the Board for their time, thanked them for the length of time they had spent on this issue and also confirmed his appreciation that the matter had been dealt with fully and to his satisfaction.

2.4 QTIS 600 Payment and Refunds

Mr Brennan sought the Boards approval in relation to the following two queries regarding payments and refunds for the QTIS 600 Scheme.

1. Mr Rob Heathcote is seeking a refund from RQL in relation to Horse – “Outback Prince” – Bashaer yearling) as the horse has been diagnosed with an injury and as a result will “unlikely to become an athlete”. This injury was diagnosed 5 days after the QTIS 600 Scheme deadline.

2. Mr Murray Murdoch (Jet Spur – Star of Asia Yearling) – Mr David Chester was advised by Mr Murray Murdoch during the April QTIS 600 sale to deduct proceeds and pay up for the race series. RQL has never received the registration for this horse and has not been included in the QTIS 600 Scheme.

The Board **RESOLVED** not to:

1. Provide a refund of \$3,300 (inc GST) refund to Mr Heathcote for the Outback Prince yearling, and
2. Enable entry into the QTIS 600 scheme for the Jet Spur yearling of Mr Murdoch's.

2.5 Employment Agreements/Redundancy Policy

Further to the Chairman's Report of 20 July 2011, concerning Employment Agreements/Redundancy Policy the Board **RESOLVED**:

1. Board Minute of 6 May 2011 to be Rescinded

The Board to rescind the Board Resolution of 6 May 2011 Board Meeting, which reads:

Remuneration & Nominations Committee Meeting Minutes and Recommendations

The Board today noted the draft minutes of the April 14, 2011, meeting of the Remuneration & Nominations Committee.

The Chairman advised Board Directors that he and Mr Ludwig had considered the situation and the amount of work that the executive staff will have to do between now and 2014 with the changing wagering landscape and the approach to the end of the exclusivity of the TattsBet license.

RQL will be required to commence negotiations of a Product Fee with TattsBet post 2014 and the Board needs to understand that key staff will be integral to a successful outcome.

These key executive staff need security of tenure as well as their assistants so as to not be distracted by innuendo and rumour about the period between now and 2014. Board members unanimously agreed with the recommendation with the Remuneration and Nominations committee.

In addition, the Board considered a recommendation from the Remuneration & Nominations Committee, which led to the following resolution:

The Board **RESOLVED** that:

- (a) *The existing employment agreements be extended by 12 months up to and including June 30, 2014, for the following employees:*

- *Malcolm Tuttle*
- *Adam Carter*
- *Jamie Orchard*
- *Paul Brennan*
- *Shara Murray*
- *David Rowan*
- *Peter Smith*
- *Col Truscott, and*
- *Warren Williams.*

- (b) *Wade Birch be offered an employment agreement to expire on June 30, 2014.*
- (c) *Employment agreements be offered to the following employees to expire on June 30, 2013:*
- *Wendy Thomas*
 - *Kearra Christensen*
 - *Toni Fenwick*
 - *Ali Wade*
 - *Debbie Toohey*
 - *Jaime Knight*
- (d) *The Chairman to approve the terms relevant to the agreements and the extension of the agreements.*
- (e) *Ms Murray to draft Employment Agreements for the Executive Assistants to expire 30 June 2013.*
- (f) *Ms Murray to draft an Employment Agreement for Mr Wade Birch to expire 30 June 2014.*

MOVED by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

Motion carried

This was unanimously **APPROVED** by the Board.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

Motion carried

2. Variation to Employment Contracts

The Board confirmed that they had received and read the following legal advice:

- (a) Norton Rose – 20 July 2011
- (b) Clayton Utz – 1 August 2011, and
- (c) Norton Rose – 3 August 2011.

Please see **attached** legal advice (see Attachment 'A')

The Board **NOTED** that the only amendments to the employment agreements of the following Company executives were as per 2.1 (i) – (vi) below. The balance of the terms and conditions of the employment agreements remained the same.

2.1 That the employment agreements for the following Company executives:

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

are varied to include:

- i. A 30% increase to each executive's TRV, effective from 1 July 2011;
- ii. The inclusion of a material adverse change clause with a trigger that includes a change in the Queensland State Government, RQL ceasing to be the approved Control Body under the *Racing Act 2002* (Qld), a material adverse change in the make-up of the RQL Board of directors, or your reporting lines, or an organisational restructure that materially impacts on the Executives role at RQL in a manner adverse to the Executive;
- iii. A payment of a sum equivalent to the TRV the Executive would have been entitled to receive had they remained employed until the end of the term of their contract, however not exceeding a sum equivalent to 14 months of their TRV;
- iv. A severance payment calculated in accordance with the relevant scale contained in any redundancy policy of RQL;
- v. Any accrued but unpaid entitlements; and
- vi. Retention of the current 3 year term with an obligation on RQL to renegotiate before 31 December 2012.

Mr Bob Lette requested that Mr Tuttle develop performance measures for the above listed four (4) key executives.

2.2 The employment agreements for Adam Carter, David Rowan, Peter Smith, Col Truscott and Warren Williams be styled and formatted in accordance with any recommendations from Clayton Utz on the basis that there is no change to the existing terms and conditions of their current employment agreements.

2.3 Wade Birch to be offered an employment agreement with a term until 30 June 2013 based on his current terms and conditions with the agreement to be styled and formatted in accordance with any recommendations from Clayton Utz.

This was unanimously **APPROVED** by the Board.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

Motion carried

3. Introduction of Company Redundancy Policy

That a Redundancy Policy is introduced for all employees of the Company.

This was **APPROVED** by the Board.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

Motion carried

3.1 2010/11 Business Plan

Mr Tuttle presented to the Board the 2010/11 Business Plan.

The Board **NOTED** the 201/11 Business Plan.

3.2 Remuneration & Nomination Committee Minutes

Mr Tuttle distributed the draft Minutes of the Remuneration and Nomination Committee of Wednesday, 3 August 2011.

This was **NOTED** by the Board.

3.3 Greyhounds Australasia National Data Repository Development Update

Mr David Rowan updated the Board in relation to the development of the Greyhounds Australasia National Data Repository System.

This was **NOTED** by the Board.

4.1 CEO's Report

Industry Infrastructure Plan

The Industry Infrastructure Plan Control Group is currently looking at resources and the delivery of the Plan. A regular monthly report will be presented to the Board.

Single National System – RISA

RISA has now received approval to proceed with the Single National System Project from all Principal Racing Authorities. RISA is in the process of providing a new Service Level Agreement to each PRA to commence from 1 August 2012.

Trots TV

Mr Blair Odgers will be reviewing the Trots TV initiative and will report back to the CEO with a summary report.

Queensland Race Information

Ms Shara Murray updated the Board in relation to the actions and initiatives being undertaken by the Queensland Race Information Committee.

- Mr Jamie Nettleton will be attending RQL to give a half day training session on wagering/race Information in August 2011. Mr Nettleton has confirmed that he holds no Conflict of Interest, and as such, is in a position to respond to the Tabcorp Holdings and Tabcorp Limited on behalf of RQL.
- The Committee will be writing to the top 20+ interstate bookmakers who exceeded the \$5M turnover to request retrospectivity.
- Ms Murray to draft Deeds to send to a number of Corporates in the next 7 -10 days.

The Board **NOTED** the CEO's Report.

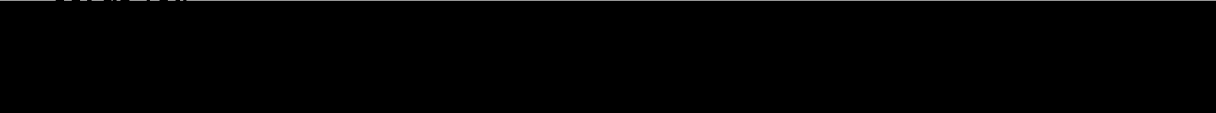
4.2 Legal & Compliance Report

First Level Appeals

There has been one (1) First Level Appeal for the month of July 2011.

Anti- Discrimination Commission matters

- Bobby Chrystal – this matter has been referred to QCAT. A hearing date has not been set as yet.

- 
- Heather Warland – RQL has responded to the allegations. No response has yet been received from ADCQ.

Australian Human Rights Commission matter

- Alisha Winfield – A conciliation conference has been scheduled for Wednesday, 14 September 2011.

Litigation matters

- Qld Harness Racing Limited v RQL & Anor – other clubs have now joined the action.
- McHarg & Rolfe v RQL – this matter is now closed.
- Gold Coast Greyhound Racing Club Inc. (**GCGRC**) v Greyhounds Qld Ltd (**GQL**) & RQL – this matter is now closed, however, RQL received correspondence from GCGRC advising that they believe that RQL is liable to pay the ongoing commitment of \$2,000 per month made to GCGRC by GQL prior to 1 July 2010. GCGRC have been advised that the Deed of Settlement was signed and finalised which included full and final settlement of this matter.

Other matters

- Ms Murray met with HRBS concerning RQL taking action against Ms Jeannette Hannah. HRBS informed Ms Murray that RQL cannot prove any fraudulent matters. This matter is now closed.
- Ms Murray is finalising one clause with AON concerning the Director's D & O Insurance. Once finalised, Ms Murray to distribute the policy wording to the Board for their consideration and review.

The Board **NOTED** the Legal & Compliance Report.

4.3 Finance Report

Mr Adam Carter updated the Board in relation to the management accounts for the month ended 30 June 2011.

Key highlights for FY2011:

- Revenue down \$7.2M on budget and down \$3.1M (2%) on prior year.
- Product and Program Fee – finished \$2.6M (1%) down on RY0910 result and \$1.7M (2%) down on budget YTD.
- Race Information Fees are \$2.3M (29%) below budget.
- Expenditure down \$4.3M (3%) on budget and down \$548K (0.5%) on prior year.
- Prizemoney is \$5.1M (5%) below budget for FY1011. This is a result of unexpended prizemoney of \$3.2M on thoroughbred races, \$408K on harness races and additional prizemoney expended of \$133K on greyhound races.
- Legal fees are \$978K (188%) above budget.

Mr Carter informed the Board that the Auditors were due on 22 August 2011.

Mr Carter tabled a proposed schedule for FY11/12 for the Audit, Finance and Risk Committee.

The Board **NOTED** the Finance Report.

4.4 Product Development Report**New QTIS Scheme**

RQL has reached agreement with the Thoroughbred Breeders' Queensland Association after consultation with the Australian Trainers' Association, Queensland Racehorse Owners' Association and the Thoroughbred Breeders' Queensland Association on the new QTIS scheme from 1 August 2012. This new scheme will deliver a saving of \$1m to RQL.

Flood, Cyclone and WH&S Funding

Mr Brennan informed the Board that there has been a lack of response from Clubs and only a few have applied for funding from RQL. Mr Brennan to keep the Board updated.

Deagon Trainers

Mr Brennan has met with Mr Pat Duff and Mr Jim Murdoch who represent the Deagon Thoroughbred Trainers to discuss the closure of the Deagon facility as a thoroughbred training complex. Discussions are still ongoing with Mr Brennan to draft correspondence to be sent to both Mr Duff and Mr Murdoch concerning alternate stabling and the consideration of the suggestion from the representatives on a 1000m sand training track proposed at Deagon.

Australian Pattern Committee

Mr Brennan informed the Board that the Toowoomba Cup had been downgraded due to poor performances over the past three years. However, the BJ McLachlan Plate held at Doomben had been upgraded.

Mr Ron Mathofer updated the Board in relation to the 2010/11 Wagering Report.

The Board **NOTED** the Product Development Report.

4.5 Integrity Services Report**QCAT matters**

Mr Orchard updated the Board in relation to the matters that have been before QCAT for the month of July 2011.

Bookmakers Audit

Inquiries will commence into the breach of rules concerning bookmakers, Bob McHarg, Vince Aspinall and Pat Kynoch next week.

Odds Fluctuation Monitoring Application

The development of a real time betting surveillance tool is continuing with the software developer working closely with RQL's IT and Integrity Departments.

Toowoomba Turf Club

The investigation by Ms April Freeman is commencing on Friday, 5 August 2011 and should be finalised by the end of next week.

The Board **NOTED** the Integrity Services Report.

Other Matters**RQL website**

The Board has requested Mr Rowan to update the Board at the September 2011 Board meeting with a budget and timeframe for the development of a new RQL website.

Mr Tuttle to contact Mr Myles Foreman, CEO of RISA on the issue of coordinating stewards reports in a timely manner to be available on the RQL website after a race.

Queensland Racehorse Owners' Association (QROA)

Mr Milner updated the Board in relation to the background of the assistance provided to the QROA, which included the provision of an administration resource for two days per week and the use of all RQL equipment, stationary etc. Following the discontinuation of the Owner's Card earlier in the year Mr Milner had previously sort the approval of the Board to revise this agreement and cap the contribution at \$100,000 per annum for administration costs and promotional activities to be undertaken by the QROA. This proposal was conveyed to the Chairman of the QROA in February 2011, at which time he has requested to provide a business plan outlining the manner in which the QROA proposed to expend the \$100,000. Mr Milner confirmed that the business plan has not been forthcoming and that it is not RQL's obligation to chase the QROA if they did not have sufficient appetite to act on this request during the previous six months.

Mr Milner proposed to the Board to terminate the agreement with QROA and relocate the Administration Assistant to the RQL Finance Department.

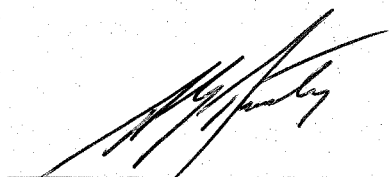
Mr Milner to inform QROA at his earliest convenience that RQL will be providing a \$25,000 grant to the QROA from 1 October 2011, and that they would be required to provide their own resources from this date.

This was **APPROVED** by the Board

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

Motion carried

Confirmed as a true record.



R G Bentley

Chairman

Dated...../...../2011

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

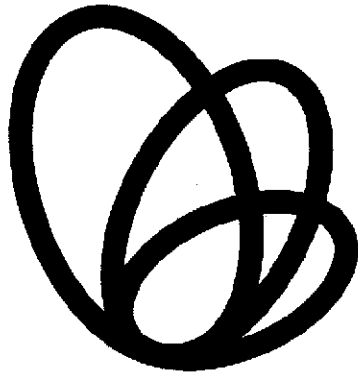
Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)
Board Member of WorkCover Queensland
Member of Brisbane Racing Club

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

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 supersedes 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 unless they amount to a Material Adverse Change by reason of which you resign under clause 15.2.
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 31 December 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. This contract will commence on 1 July 2011.
- 4.2. Your service with RQL will be calculated from the date you commenced employment with RQL and not from the date of this contract for the purpose of applicable service related entitlements and benefits under this contract.
- 4.3. 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.

- 4.4. 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.
- 4.5. 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.
- 4.6. 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 \$390,000 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 monthly, 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.

- I. 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. Within 14 days of the occurrence of a Material Adverse Change, you may resign from your employment by giving seven days' written notice. This notice period may be waived by the Chairman of the Board of directors of RQL at the Chairman's discretion. If you resign by reason of a Material Adverse Change, you will be entitled to:
 - a. a payment of a sum equivalent to the TRV you would have been entitled to receive had you remained employed until the end of the term referred to in clause 2.4 of this contract, however not exceeding a sum equivalent to 14 months of your TRV;
 - b. a severance payment calculated in accordance with the relevant scale contained in any redundancy policy of RQL; and
 - c. any accrued but unpaid entitlements.

For the purpose of this clause, **Material Adverse Change** means a change in the Queensland State Government, RQL ceasing to be the approved Control Body under the *Racing Act 2002* (Qld), a material adverse change in the make up of the RQL Board of directors, or your reporting lines, or an organisational restructure that materially impacts on your role at RQL in a manner adverse to you.

15.3. 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 15.8;
- 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.

15.4. 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.

15.5. If RQL terminates your employment for any reason other than those referred to in clauses 15.3, 15.4 and 15.8, 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 until the end of the term referred to in clause 2.4 of this contract.

15.6. 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.

15.7. 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.

15.8. 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.

15.9. 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.

15.10. 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 31 December 2012 your contract has been extended, but after 31 December 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

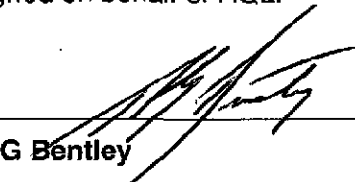
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright 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.

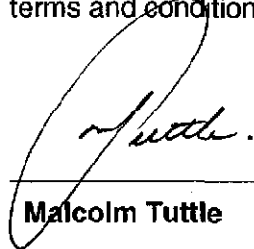


RG Bentley
Chairman

5 August 2011

Date

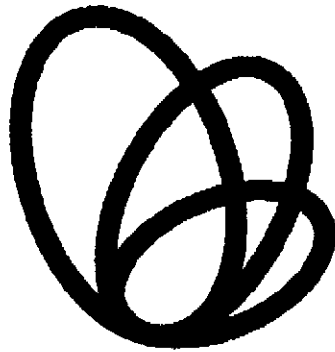
I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.



Malcolm Tuttle

5 August 2011

Date



RACING QUEENSLAND

OFFER OF EMPLOYMENT

CONFIDENTIAL

Made by:

Racing Queensland Limited; ACN 142 786 874

To:

Alfred Orchard



EMPLOYMENT AGREEMENT

1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Alfred Orchard (referred to in this document as "you" or "your") employment in the position of Director of Integrity Operations.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supersedes 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 Director of Integrity Operations 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 Chief Executive Officer.
- 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 unless they amount to a Material Adverse Change by reason of which you resign under clause 15.2.
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 31 December 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. This contract will commence on 1 July 2011.
- 4.2. Your service with RQL will be calculated from the date you commenced employment with RQL and not from the date of this contract for the purpose of applicable service related entitlements and benefits under this contract.
- 4.3. 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.



EMPLOYMENT AGREEMENT

- 4.4. 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.
- 4.5. 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.
- 4.6. 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 \$299,000 per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.
- 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 monthly, direct to your nominated bank account.
- 5.4. RQL will provide you with a 6 cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to 25% of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2010, a 6 cylinder vehicle is to be valued at \$15,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the 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; and
 - c. 50% 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.



EMPLOYMENT AGREEMENT

- 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.



EMPLOYMENT AGREEMENT

- 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.



EMPLOYMENT AGREEMENT

- I. 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 Chief Executive Officer 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



EMPLOYMENT AGREEMENT

- 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.



EMPLOYMENT AGREEMENT

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:
- immediately return the device to RQL on termination of your employment or earlier request;
 - not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
 - not give the device to anybody else or permit anybody else to use the device; and
 - 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. Within 14 days of the occurrence of a Material Adverse Change, you may resign from your employment by giving seven days' written notice. This notice period may be waived by the Chairman of the Board of directors of RQL at the Chairman's discretion. If you resign by reason of a Material Adverse Change, you will be entitled to:
- a payment of a sum equivalent to the TRV you would have been entitled to receive had you remained employed until the end of the term referred to in clause 2.4 of this contract, however not exceeding a sum equivalent to 14 months of your TRV;
 - a severance payment calculated in accordance with the relevant scale contained in any redundancy policy of RQL; and
 - any accrued but unpaid entitlements.

For the purpose of this clause, **Material Adverse Change** means a change in the Queensland State Government, RQL ceasing to be the approved Control Body under the *Racing Act 2002* (Qld), a material adverse change in the make up of the RQL Board of directors, or your reporting lines, or an organisational restructure that materially impacts on your role at RQL in a manner adverse to you.

- 15.3. 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:
- Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.8;



EMPLOYMENT AGREEMENT

- 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.

15.4. 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.

15.5. If RQL terminates your employment for any reason other than those referred to in clauses 15.3, 15.4 and 15.8, 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 until the end of the term referred to in clause 2.4 of this contract.

15.6. 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.

15.7. 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.

15.8. 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.

15.9. 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.

15.10. 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 31 December 2012 your contract has been extended, but after 31 December 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.



EMPLOYMENT AGREEMENT

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



EMPLOYMENT AGREEMENT

- 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



EMPLOYMENT AGREEMENT

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'lh)


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.

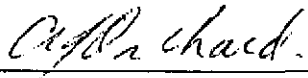


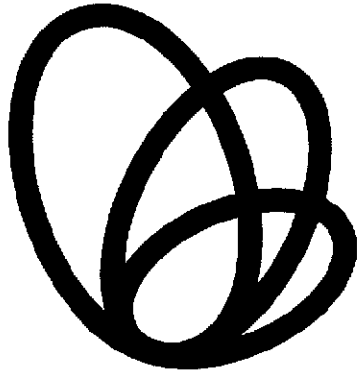
EMPLOYMENT AGREEMENT

Signed on behalf of RQL.

	5 August 2011
_____	_____
RG Bentley	Date
Chairman	

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.

	5 August 2011
_____	_____
Alfred Orchard	Date



RACING QUEENSLAND

OFFER OF EMPLOYMENT

CONFIDENTIAL

Made by:

Racing Queensland Limited; ACN 142 786 874

To:

Paul Brennan

1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Paul Brennan (referred to in this document as "you" or "your") employment in the position of Director of Product Development.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supersedes 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 Product Development Director 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 Chief Executive Officer.
- 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 unless they amount to a Material Adverse Change by reason of which you resign under clause 15.2.
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 31 December 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. This contract will commence on 1 July 2011.
- 4.2. Your service with RQL will be calculated from the date you commenced employment with RQL and not from the date of this contract for the purpose of applicable service related entitlements and benefits under this contract.
- 4.3. 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.

- 4.4. 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.
- 4.5. 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.
- 4.6. 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 \$234,000 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 monthly, 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; and
 - c. 50% 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 Chief Executive Officer 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:
- immediately return the device to RQL on termination of your employment or earlier request;
 - not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
 - not give the device to anybody else or permit anybody else to use the device; and
 - 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. Within 14 days of the occurrence of a Material Adverse Change, you may resign from your employment by giving seven days' written notice. This notice period may be waived by the Chairman of the Board of directors of RQL at the Chairman's discretion. If you resign by reason of a Material Adverse Change, you will be entitled to:
- a payment of a sum equivalent to the TRV you would have been entitled to receive had you remained employed until the end of the term referred to in clause 2.4 of this contract, however not exceeding a sum equivalent to 14 months of your TRV;
 - a severance payment calculated in accordance with the relevant scale contained in any redundancy policy of RQL; and
 - any accrued but unpaid entitlements.

For the purpose of this clause, **Material Adverse Change** means a change in the Queensland State Government, RQL ceasing to be the approved Control Body under the *Racing Act 2002* (Qld), a material adverse change in the make up of the RQL Board of directors, or your reporting lines, or an organisational restructure that materially impacts on your role at RQL in a manner adverse to you.

- 15.3. 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:
- Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.8;

- 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.

15.4. 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.

15.5. If RQL terminates your employment for any reason other than those referred to in clauses 15.3, 15.4 and 15.8, 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 until the end of the term referred to in clause 2.4 of this contract.

15.6. 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.

15.7. 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.

15.8. 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.

15.9. 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.

15.10. 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 31 December 2012 your contract has been extended, but after 31 December 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.

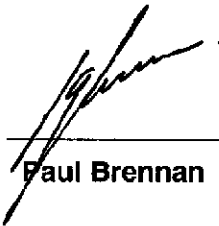


RG Beritley
Chairman

5 August 2011

Date

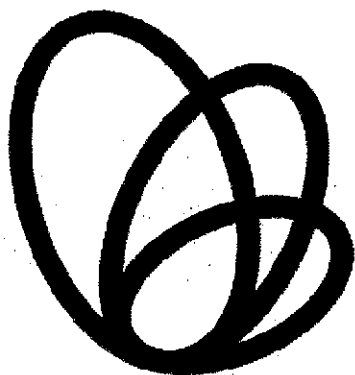
I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.



Paul Brennan

5 August 2011

Date



RACING QUEENSLAND

OFFER OF EMPLOYMENT

CONFIDENTIAL

Made by:

Racing Queensland Limited; ACN 142 786 874

To:

Shara Murray

1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Shara Murray (referred to in this document as "you" or "your") employment in the position of Senior Corporate Counsel/Company Secretary.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supersedes 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 Senior Corporate Counsel/Company Secretary 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 Chief Executive Officer.
- 2.2. In your capacity as Senior Corporate Counsel, you will report to the Chief Executive Officer. In your capacity as Company Secretary, you will report to the Chairman of the Board of Directors.
- 2.3. 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.
- 2.4. 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 unless they amount to a Material Adverse Change by reason of which you resign under clause 15.2.
- 2.5. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.6. RQL will, before 31 December 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.
- 2.7. In your capacity as Senior Corporate Counsel, you are required from time to time to give legal advice to RQL. RQL acknowledges that in doing so, you are independent of RQL and must give that advice whether it be favourable to RQL or otherwise. RQL acknowledges it agrees that at no time may it use the giving of advice by you which may be unfavourable to its interests as ground for any disciplinary action of any nature or kind.

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. This contract will commence on 1 July 2011.

- 4.2. Your service with RQL will be calculated from the date you commenced employment with RQL and not from the date of this contract for the purpose of applicable service related entitlements and benefits under this contract.
- 4.3. 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.
- 4.4. 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.
- 4.5. 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.
- 4.6. 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 \$156,000 per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.
- 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 monthly, direct to your nominated bank account.
- 5.4. RQL will provide you with a 4 cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to 75% of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2010, a 4 cylinder vehicle is to be valued at \$12,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the 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;

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. This clause does not limit your rights or duties to give independent legal advice when called upon to do so.
- 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 Chief Executive Officer 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 employee's 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. Within 14 days of the occurrence of a Material Adverse Change, you may resign from your employment by giving seven days' written notice. This notice period may be waived by the

Chairman of the Board of directors of RQL at the Chairman's discretion. If you resign by reason of a Material Adverse Change, you will be entitled to:

- a. a payment of a sum equivalent to the TRV you would have been entitled to receive had you remained employed until the end of the term referred to in clause 2.4 of this contract, however not exceeding a sum equivalent to 14 months of your TRV;
- b. a severance payment calculated in accordance with the relevant scale contained in any redundancy policy of RQL; and
- c. any accrued but unpaid entitlements.

For the purpose of this clause, **Material Adverse Change** means a change in the Queensland State Government, RQL ceasing to be the approved Control Body under the *Racing Act 2002* (Qld), a material adverse change in the make up of the RQL Board of directors, or your reporting lines, or an organisational restructure that materially impacts on your role at RQL in a manner adverse to you.

15.3. 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 15.8;
- 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.

15.4. 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.

15.5. If RQL terminates your employment for any reason other than those referred to in clauses 15.3, 15.4 and 15.8, 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 until the end of the term referred to in clause 2.4 of this contract.

15.6. 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.

15.7. 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.

15.8. 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.

- 15.9. 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.
- 15.10. 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 31 December 2012 your contract has been extended, but after 31 December 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 2.4 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

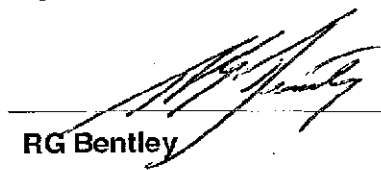
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright 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* (Cth)

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.




5 August 2011

RG Bentley

Date

Chairman

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.



5 August 2011

Shara Murray

Date

Leanne Lorena

From: Adam Carter
Sent: Friday, 5 August 2011 4:23 PM
To: Kees Van der Waal; Leanne Lorena
Cc: Ali Wade
Subject: New TRV

Please be advised that a resolution was passed by the RQL Board today being 5 August 2011 to increase the following:-

Chief Executive Officer to a TRV of \$390,000 effective 1 July 2011.

All agreements are in the possession of the Company Secretary.

Please place on employee file.

○ Regards

Adam Carter

Chief Financial Officer



P.O. Box 63, Sandgate QLD 4017

P +61 7 3869 9702

F +61 7 3269 9304

M 0400 761 700

E acarter@racingqueensland.com.au

W www.racingqueensland.com.au

Leanne Lorena

From: Adam Carter
Sent: Friday, 5 August 2011 4:22 PM
To: Leanne Lorena; Kees Van der Waal
Cc: Ali Wade
Subject: New TRV

Please be advised that a resolution was passed by the RQL Board today being 5 August 2011 to increase the following:-

Director of Integrity Operations to a TRV of \$299,000 effective 1 July 2011.

All agreements are in the possession of the Company Secretary.

Please place on employee file.

Regards

Adam Carter

Chief Financial Officer



P.O. Box 63, Sandgate QLD 4017
P +61 7 3869 9702
F +61 7 3269 9304
M 0400 761 700
E acarter@racingqueensland.com.au
W www.racingqueensland.com.au

Leanne Lorena

From: Adam Carter
Sent: Friday, 5 August 2011 4:20 PM
To: Leanne Lorena; Kees Van der Waal
Cc: Ali Wade
Subject: New TRV Effective 1 July 2011

Please be advised that a resolution was passed by the RQL Board today being 5 August 2011 to increase the following:-

Director of Product Development to a TRV of \$234,000 effective 1 July 2011.

All agreements are in the possession of the Company Secretary.

Please place on employee file.

Regards

Adam Carter

Chief Financial Officer



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P +61 7 3869 9702
F +61 7 3269 9304
M 0400 761 700
E acarter@racingqueensland.com.au
W www.racingqueensland.com.au

Leanne Lorena

From: Adam Carter
Sent: Friday, 5 August 2011 4:16 PM
To: Leanne Lorena; Kees Van der Waal
Subject: New TRV Effective 1 July 2011

Please be advised that a resolution was passed by the RQL Board today being 5 August 2011 to increase the following:-

Company Secretary/Senior Corporate Counsel to a TRV of \$156,000 effective 1 July 2011.

All agreements are in the possession of the Company Secretary.

Please place on employee file.

Regards

Adam Carter

Chief Financial Officer



P.O. Box 63, Sandgate QLD 4017

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F +61 7 3269 9304

M 0400 761 700

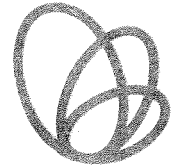
E acarter@racingqueensland.com.au

W www.racingqueensland.com.au

26 March 2012

Private and confidential

Mr RG Bentley
Chairman
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017



**RACING
QUEENSLAND**

Racing Queensland Limited
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F 07 3269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Hand-Delivered

Dear Bob

RE: LETTER OF RESIGNATION

As you know, clause 15.2 of my employment contract entitles me to resign on 7 days written notice if there is a 'material adverse change.' Relevantly, a material adverse change includes a change in the Queensland State Government. With the election result on Saturday past, there obviously is a change in Government.

In addition, published LNP racing policy highlights, amongst other things, that 3 new Control Boards, one for each code are to be formed, and an All Codes Racing Industry Board is also to be formed. Whilst that obviously is yet to occur, I have no reason to doubt that it will.

I confirm that the new LNP Government was sworn in today.

I am writing to you to exercise my right to resign my employment as Chief Executive Officer, pursuant to clause 15.2 of my employment contract.

I propose that my resignation would be effective as at close of business today. I request that you exercise your right pursuant to clause 15.2 of my contract to waive any additional notice required of me.

I also note that, pursuant to clause 15.2, I have certain termination entitlements and request that they be paid immediately into my bank account.

Yours sincerely

Malcolm Tuttle

26 March 2012



Private and confidential

Mr Malcolm Tuttle
78 Gerler Road
Hendra Qld 4011

Racing Queensland Limited
A.B.N 52 142 786 874
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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

Hand-Delivered

Dear Malcolm

RE: YOUR RESIGNATION

I refer to your letter of today's date notifying Racing Queensland Limited of the exercise of your right to resign pursuant to clause 15.2 of your employment contract.

I acknowledge your right to resign pursuant to that clause in light of the change in Government from Saturday's election. I accept that that it is an event giving you the right pursuant to clause 15.2 of your contract.

I confirm that the new LNP Government was sworn in today.

As requested, I accept your resignation effective close of business today and I waive any requirement for you to give any additional notice beyond that time.

I also confirm your entitlements pursuant to clause 15.2 and that those entitlements will be immediately paid directly into your bank account.

Yours sincerely

RG Bentley
Chairman

26 March 2012

Private and confidential

Mr RG Bentley
Chairman
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

Hand-Delivered

Dear Bob

RE: LETTER OF RESIGNATION

As you know, clause 15.2 of my employment contract entitles me to resign on 7 days written notice if there is a 'material adverse change.' Relevantly, a material adverse change includes a change in the Queensland State Government. With the election result on Saturday past, there obviously is a change in Government.

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I confirm that the new LNP Government was sworn in today.

I am writing to you to exercise my right to resign my employment as Director of Integrity Operations, pursuant to clause 15.2 of my employment contract. I propose that my resignation would be effective as at close of business today. I request that you exercise your right pursuant to clause 15.2 of my contract to waive any additional notice required of me.

I also note that, pursuant to clause 15.2, I have certain termination entitlements and request that they be paid immediately into my bank account.

Yours faithfully



A.J. Orchard

26 March 2012

Private and confidential

Mr A.J. Orchard
91 Delaney Circuit
CARINDALE QLD 4152

Hand-Delivered

Dear Jamie

RE: YOUR RESIGNATION

I refer to your letter of today's date notifying Racing Queensland Limited of the exercise of your right to resign pursuant to clause 15.2 of your employment contract.

I acknowledge your right to resign pursuant to that clause in light of the change in Government from Saturday's election. I accept that that it is an event giving you the right pursuant to clause 15.2 of your contract.

I confirm that the new LNP Government was sworn in today.

As requested, I accept your resignation effective close of business today and I waive any requirement for you to give any additional notice beyond that time.

I also confirm your entitlements pursuant to clause 15.2 and that those entitlements will be immediately paid directly into your bank account.

Yours faithfully



RG Bentley
Chairman



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26 March 2012

Private and confidential

Mr RG Bentley
Chairman
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

Hand-Delivered

Dear Bob

RE: LETTER OF RESIGNATION

As you know, clause 15.2 of my employment contract entitles me to resign on 7 days written notice if there is a **'material adverse change.'** Relevantly, a material adverse change includes a change in the Queensland State Government. With the election result on Saturday past, there obviously is a change in Government.


In addition, published LNP racing policy highlights, amongst other things, that 3 new Control Boards, one for each code are to be formed, and an All Codes Racing Industry Board is also to be formed. Whilst that obviously is yet to occur, I have no reason to doubt that it will.

I confirm that the new LNP Government was sworn in today.

I am writing to you to exercise my right to resign my employment as Director of Product Development, pursuant to clause 15.2 of my employment contract. I propose that my resignation would be effective as at close of business today. I request that you exercise your right pursuant to clause 15.2 of my contract to waive any addition notice required of me.

I also note that, pursuant to clause 15.2, I have certain termination entitlements and request that they be paid immediately into my bank account.

Yours faithfully



Paul Brennan

26 March 2012

Private and confidential

Mr Paul Brennan
20 Hamilton Close
MOOLOOLAH QLD 4553

Hand-Delivered

Dear Paul

RE: YOUR RESIGNATION

I refer to your letter of today's date notifying Racing Queensland Limited of the exercise of your right to resign pursuant to clause 15.2 of your employment contract.

I acknowledge your right to resign pursuant to that clause in light of the change in Government from Saturday's election. I accept that that it is an event giving you the right pursuant to clause 15.2 of your contract.

I confirm that the new LNP Government was sworn in today.

As requested, I accept your resignation effective close of business today and I waive any requirement for you to give any additional notice beyond that time.

I also confirm your entitlements pursuant to clause 15.2 and that those entitlements will be immediately paid directly into your bank account.

Yours faithfully



RG Bentley
Chairman



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W www.racingqueensland.com.au

26 March 2012

Private and confidential

Mr RG Bentley
Chairman
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

Hand-Delivered

Dear Bob

RE: LETTER OF RESIGNATION

As you know, clause 15.2 of my employment contract entitles me to resign on 7 days written notice if there is a **'material adverse change.'** Relevantly, a material adverse change includes a change in the Queensland State Government. With the election result on Saturday past, there obviously is a change in Government.

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I confirm that the new LNP Government was sworn in today.

I am writing to you to exercise my right to resign my employment as Senior Corporate Counsel / Company Secretary, pursuant to clause 15.2 of my employment contract. I propose that my resignation would be effective as at close of business today. I request that you exercise your right pursuant to clause 15.2 of my contract to waive any additional notice required of me.

I also note that, pursuant to clause 15.2, I have certain termination entitlements and request that they be paid immediately into my bank account.

Yours faithfully



Shara Reid

26 March 2012

Private and confidential

Mrs Shara Reid
23 Ridgeward Drive
MORAYFIELD QLD 4506

Hand-Delivered

Dear Shara

RE: YOUR RESIGNATION

I refer to your letter of today's date notifying Racing Queensland Limited of the exercise of your right to resign pursuant to clause 15.2 of your employment contract.

I acknowledge your right to resign pursuant to that clause in light of the change in Government from Saturday's election. I accept that that it is an event giving you the right pursuant to clause 15.2 of your contract.

I confirm that the new LNP Government was sworn in today.

As requested, I accept your resignation effective close of business today and I waive any requirement for you to give any additional notice beyond that time.

I also confirm your entitlements pursuant to clause 15.2 and that those entitlements will be immediately paid directly into your bank account.

Yours faithfully



RG Bentley
Chairman



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W www.racingqueensland.com.au

26/3/12.

- I was asked to review termination payments of four senior executives on Monday 26/3/12

Upon reading the termination sections of the contracts it was discovered that the contracts on file were not the current ones. Upon receipt of the current contract of Shara Murray I had concerns that Section 15 had not crystallised as only one trigger had been met.

I raised these concerns with Adam Carter, who also had no ~~pre~~ previous knowledge of those contracts.

We were able to obtain legal advice ~~sawt~~ in relation to this clause but were still not certain that the clause had crystallised.

We did not make payment, it was agreed Adam Carter would seek further advice.

27/3/12

- I raised my concerns again with Adam Carter in relation to making this payment.

- He had discussed with board members and the chair and he was considering his options.

- Adam Carter asked BDO to review the termination calculations.

- Confirmation was given from BDO that we were in accordance with ATO rules.

28/3/12

- Adam Carter advised that the Chairman was seeking legal counsel from Clayton Utz in relation to this matter. I was not privy to any further information.

I was instructed by means of a signed document that a board meeting was held where a decision was made to pay the termination payment and I was instructed by the Acting CEO & the chairman to make payment approx 2:30pm 23/3/12.

29/3/12.

At approx 5:20pm today I received an email from Adam Carter that he forwarded from Jeff Seery that we are not to

- terminate staff
- employ any new staff
- make redundancy payments to any staff
- make no payments of accounts in excess of \$20,000.
- enter into any contracts in excess of \$20,000.

Adam Carter

From: Mark Molesworth <Mark.Molesworth@bdo.com.au>
Sent: Tuesday, 27 March 2012 6:04 PM
To: Sharon Drew
Cc: Adam Carter; Leanne Lorena; Anna Tran; Heidi Yu
Subject: RE: RQL Executive payments
Attachments: Termination Brennan 260312.xls; Termination Murray 260312.xls; Termination Orchard 260312.xls; Termination Tuttle 260312.xls

Good afternoon Sharon

As requested, we have conducted a review of the attached termination payment calculations for the four executives who have resigned from Racing Queensland. We have reviewed the calculations that have been made on the basis that the resignation is not a bona fide redundancy for taxation purposes.

We make particular note of the following matter:

Notice Entitlement

- Our reading of clause 15.2(a) is that the notice entitlement perhaps should be based on the TRV rather than the cash salary because of the reference to "a payment of a sum equivalent to the TRV". In the current calculations, the notice entitlement is calculated using the cash salary and therefore the risk is that the notice entitlement is understated because the TRV amount (including the superannuation component) has not been used to calculate the notice entitlement.
We recommend that this issue is reviewed and considered to ensure that the calculation of the notice entitlement is correct.

We make note of the following assumptions we have made and also the basis of our review:

(1) Notice entitlement

We agree that the notice entitlement is payable in accordance with Clause 15.2(a) as this represents the payment of a sum equivalent to the TRV that the executive would have been entitled to receive had they remained until the term of their contract. However in reviewing the calculation of this amount, we note the following:

- We have only reviewed Shara Murray's employment contract and therefore have assumed that all executives would have concluded their term after May 2013 and therefore the payment of the notice entitlement has been capped at 14 months in accordance with Clause 15.2(a).

(2) Redundancy payment in accordance with the Fair Work Act

Per discussions with Leanne Lorena, we understand that the redundancy payment in accordance with the Fair Work Act is a type of severance payment that falls within the RQL redundancy policy. On this basis, we have accepted that this is an entitlement in accordance with Clause 15.2(b). We note the following:

- We agree with Racing Queensland's methodology in calculating this amount based on the information provided that is, this amount is based on the annual hourly rate which has been calculated based on 1976.04 hours for the year.

(3) Leave entitlements

We agree that the payment of unpaid accrued leave entitlements is in accordance with Clause 15.2(c). However, we note the following matters:

- We have accepted Racing Queensland's calculation of unpaid accrued leave entitlements and have not verified the calculation of this amount as we have not reviewed any source data.
- We agree with the methodology that unpaid accrued leave entitlements should be taxed at marginal rates. On this basis, we would expect that the leave entitlements would be taxed at 46.5% (before considering the impact of the flood levy). Our review indicates that the leave entitlements are taxed between 40% to 47.5%. Per discussions with Leanne Lorena, we understand that your calculation of the marginal rate has been obtained from the payroll system and therefore the marginal tax rate calculations take into account each executive's individual circumstances and adjusts the marginal tax rate calculation accordingly.

Apart from the matters noted above, we agree with the methodologies used by Racing Queensland to calculate the amount of tax withheld on each executive's termination payment. We agree that the calculations are in accordance with the principles of the income tax legislation.

Should you have any queries in relation to the above, please do not hesitate to contact me.

Regards

Mark

From: Sharon Drew [mailto:sdrew@racingqueensland.com.au]

Sent: Tuesday, 27 March 2012 2:23 PM

To: Mark Molesworth

Cc: Adam Carter; Leanne Lorena

Subject: RQL Executive payments

Good afternoon Mark,

Further to your discussions with Adam in relation to the termination payments of four of our executives, please see attached documentation for your review.

Leanne Lorena has prepared these payments and is available on 38699708 if you have any questions.

Thank you in advance for your assistance with this.

Kind regards

Sharon Drew

Management Accountant



PO Box 63, Sandgate QLD 4017

P +61 7 3869 9704

F +61 7 3269 9304

**RACING
QUEENSLAND**

E sdrew@racingqueensland.com.au

W www.racingqueensland.com.au

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Level 18, 300 Queen St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

Via email: acarter@racingqueensland.com.au

Private & Confidential

Mr A Carter
Racing Queensland Pty Ltd
PO Box 63
SANDGATE QLD 4017

28 March 2012

Dear Adam

RQL EXECUTIVE PAYMENTS

As requested in Sharon Drew's email dated 27 March 2012, we have conducted a review of the termination payment calculations for the four executives who have resigned from Racing Queensland on 26 March 2012.

We have reviewed the calculations that have been made on the basis that the resignations are not bona fide redundancies for taxation purposes.

We make particular note of the following matter:

Notice Entitlement

- Our reading of clause 15.2(a) is that the notice entitlement perhaps should be based on the TRV rather than the cash salary because of the reference to "a payment of a sum equivalent to the TRV".
In the current calculations, the notice entitlement is calculated using the cash salary and therefore the risk is that the notice entitlement is understated because the TRV amount (including the superannuation component) has not been used to calculate the notice entitlement.
We recommend that this issue is reviewed and considered to ensure that the calculation of the notice entitlement is correct.
- As per Sharon Drew's email dated 28 March 2012, we also note that RQL intends to contribute the superannuation component of the TRV associated with the 14 months Notice Entitlement to the appropriate superannuation funds for each executive.
We note that the superannuation contributions are not capped and therefore the risk with this approach is that each executive's concessional contributions cap for the 2012 financial year may be exceeded.
We recommend that this matter is reviewed for each executive.

Y:\RIBAC\14601\EX\01\02\01\01 - RQL - Executive Payments.docx

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RQL.001.001.0247



We make note of the following assumptions we have made and also the basis of our review:

(1) Notice entitlement

We agree that the notice entitlement is payable in accordance with Clause 15.2(a) as this represents the payment of a sum equivalent to the TRV that the executive would have been entitled to receive had they remained until the term of their contract.

We agree that as all executives would have concluded their term in June 2013 as per their employment contract, the payment of the notice entitlement has been capped at 14 months in accordance with Clause 15.2(a) of each of the employment agreements.

(2) Redundancy payment in accordance with the Fair Work Act

Per discussions with Leanne Lorena, we understand that the redundancy payment in accordance with the Fair Work Act is a type of severance payment that falls within the RQL redundancy policy. On this basis, we have accepted that this is an entitlement in accordance with Clause 15.2(b). We note the following:

- We agree with Racing Queensland's methodology in calculating this amount based on the information provided that is, this amount is based on the annual hourly rate which has been calculated based on 1976.04 hours for the year.

(3) Leave entitlements

We agree that the payment of unpaid accrued leave entitlements is in accordance with Clause 15.2(c). However, we note the following matters:

- We have accepted Racing Queensland's calculation of unpaid accrued leave entitlements and have not verified the calculation of this amount as we have not reviewed any source data.
- We agree with the methodology that unpaid accrued leave entitlements should be taxed at marginal rates. On this basis, we would expect that the leave entitlements would be taxed at 46.5% (before considering the impact of the flood levy). Our review indicates that the leave entitlements are taxed between 40% to 47.5%. Per discussions with Leanne Lorena, we understand that your calculation of the marginal rate has been obtained from the payroll system and therefore the marginal tax rate calculations take into account each executive's individual circumstances and adjusts the marginal tax rate calculation accordingly.



Apart from the matters noted above, we agree with the methodologies used by Racing Queensland to calculate the amount of tax withheld on each executive's termination payment. We agree that the calculations are in accordance with the principles of the income tax legislation.

Should you have any queries in relation to the above, please do not hesitate to contact me.

Yours faithfully

BDO (QLD) Pty Ltd

A handwritten signature in black ink that reads 'Mark Molesworth'.

Mark Molesworth
Director

ATVWWMVSLR

From: blette@mullinslaw.com.au
Sent: Tuesday, 27 March 2012 5:11 PM
To: Adam Carter; Bradley Ryan; Bob Bentley; Tony Hanmer; Wayne Milner; Bob Lette; Bill Ludwig
Cc: R Bentley
Subject: Re: Termination Payments for Executives [PILOT-Client.FID151663]
Attachments: image001.jpg

Thank you Adam. I presume BDO were given copies of the employment agreements to form their own view on the termination part of each calculation.

Regards,

Bob Lette

-----Original Message-----

From: Adam Carter <acarter@racingqueensland.com.au>
Date: Tue, 27 Mar 2012 05:51:44
To: Bob Lette<blette@mullinslaw.com.au>; Bradley Ryan<bryan@pilotpartners.com.au>; Robert Bentley<rbentley@racingqueensland.com.au>; Tony Hanmer<thanmer@racingqueensland.com.au>; Wayne Milner<wmilner@racingqueensland.com.au>; Bob Lette<blette@racingqueensland.com.au>; Bill Ludwig<bludwig@racingqueensland.com.au>
Cc: R Bentley<crossmore13@yahoo.co.uk>
Subject: RE: Termination Payments for Executives [PILOT-Client.FID151663]

Dear all,

Following the review by Bradley Ryan this morning and the email below and at the request of the board we have sent all of the terminations to BDO to review and are awaiting on their confirmation before the payment will be processed.

I will provide further advice once more information is in hand.

Please give me a call or email if you require further information.

Regards

[Description: cid:image008.jpg@01CBE87D.4BA67FB0]

From: Bob Lette [mailto:blette@mullinslaw.com.au]
Sent: Tuesday, 27 March 2012 12:24 PM
To: Bradley Ryan
Cc: Robert Bentley; Tony Hanmer; Wayne Milner; Bob Lette; Bill Ludwig; Adam Carter
Subject: Re: Termination Payments for Executives [PILOT-Client.FID151663]

Brad

I am concerned that the agreements gave them the right to terminate without having to work out a notice period. I certainly was aware that a change of govt was a trigger to give notice but not to walk out and get paid without working out the notice period.

Clearly all calculations need to be checked and double checked. I then require the whole process to be audited by BDOs and their sign off before I would consider agreeing to any payments being made.

Regards
Bob Lette
0419 712 042

Sent from my iPad

On 27/03/2012, at 10:29 AM, "Bradley Ryan"
<BRyan@pilotpartners.com.au<mailto:BRyan@pilotpartners.com.au>> wrote:
Hi all,

This morning I reviewed with Adam the contracts and proposed termination payments for the 4 executives that resigned yesterday. The payments include the termination benefits as agreed under their contracts as well as their statutory entitlements to annual leave & long service leave where applicable. In total the amount of the payments is in the order of \$1.5 million.

Given the quantum of the payments I would suggest we all satisfy ourselves that the payments are in accordance with the contracts. My review of the contracts would suggest that the payments are in line with the terms of their contracts.

I would suggest we also get an undertaking from each of the recipients that once the final amounts have been agreed a letter be sent to the employees that have been terminated of the amounts and also have their sign off with regards to their continued obligations to provide support and assistance as required under the terms of the contract.

I would suggest that all directors be given appropriate time to consider this before payment is made and appropriate minutes approving the payments be made.

Regards,
Bradley Ryan
Partner
Taxation Services

<image001.gif>

Chartered Accountants

address level 10, 1 eagle street, brisbane, qld, australia, 4000
postal address po box 7095 brisbane, qld, australia, 4001
p +61 7 3023 1300 m +61 4 2136 8021 f +61 7 3229 1227
e BRyan@pilotpartners.com.au<mailto:BRyan@pilotpartners.com.au> w
pilotpartners.com.au<http://pilotpartners.com.au>

<image002.gif>

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Bob Bentley

- * Any of the directors
 - * Don't stop the payments
 - * Check the payments by BRAD RYAN
 - * Email to the chairman.
- ① in accordance with payments date 14 Aug 2011
authority to pay
 - ② Clayton UTZ & Norton Rose
 - ③ \$1M
 - ④ In line with the Bond Agreement
 - ⑤

Bob Bentley	}	Confirmation	*
Bill Ludwig		Plan	
Wayne Miller		No flying minute	
Tony Hammer			
- Confirmation Satisfied the Agreements
 - ⑥ Communication Strategy

Norton Rose:

26/3/12 5:20pm

- ① Advising the Board - ROL
Advice via Shava
- ② No conflict
Independent Advice
Certain events
- ③ Separate opinion to confirm to make the payments
- ④ Bona Fide Redundancy - No
- Termination
- ⑤ Prudent Approach
Answer the tax questions
At all times advising the board
- ⑥ Appropriate to make the payments.
Request a
- ⑦ Clayton Utz
Contract
Circumstances
Did not draft the employment contract.

Minter Ellison - Dan
Corrs - Joanna Glyn *
DLA | Clayton - Steve Smith / Mike Keena
Freehills -
Clayton Utz - Scott Adams

- ① Can I delay the put within a period of time
- ② Can you do it.
- ③ Independent legal advice
- ④ If so when?
- ⑤ Time period of put

Payments

Bill Bradley

- * In the system
- * Named Wednesday
- * No authority
- * Log the chairman
- * Instructions to pay

Wayne Miller

- * Termination
 - * In the system
 - * Happy with
 - * Offered his s/p
- 24/3/12
File notes
6:10 am

Lisa Kelly @ talkgroup

→ Authorization
* Melbourne

27 3 12
Tam

Brad Ryan

① Resignations Executive.

- Computers
- Access
- M/vehicles

② Proposed put under today

③ Impact on P&L for FY12 & FY13.

④ Statutory leave & LSC → Provisions in financials
Notice entitlement → Provisions.
Redundancy Pmt.
Accrued - Financials FY12.

⑤ Clause 15.9 to be affected & add in writing to employees

- Communication through the Chair
- Continue to provide assistance
- Sign & acknowledge
- Obligations.

⑥ Leave Calculation calculated

Process & appropriate reporting ensuring

Send email notification to the board.

Communication Process:

① Comments to Media
- Directed through to Chairman

② change in Banking

Paul Brennan

- ① Keep the phone - DR
- ② Normal Number
- ③ Deed to be prepared *
- ④ Contracts

① Peter Mills

- Send through info.

Tony Hammer - Hold

9 am

- ① Not proceed with puts
- ② 5 days reasonable request to the board
- ③ Straggled with the quantum
- ④ Question the quantum
- ⑤ Waiver
 - ① Mike Kelly Meeting
 - ② Meeting at 9:30am Tim Nichols / Treasurer
 - ③ "
- ⑥ Within rights to waiver the
- ⑦ Not Corporate Governance
- ⑧ Within working days - 3 working days.
- ⑨ I was suprised as he was.
- Has to be collusion

Lisa Kelly

From: Adam Carter <acarter@racingqueensland.com.au>
Sent: Tuesday, 27 March 2012 1:05 PM
To: Lisa Kelly
Cc: R Bentley
Subject: Attention Bob Bentley - Private and Confidential
Attachments: Exec Remuneration 270312.docx

Dear Bob,

Please find attached memo. As per the email by Director Brad Ryan as of today's date he has reviewed the calculations and they are in line with the employees agreement. Please can you review and authorise and confirm whether payment should be made.

Please can you confirm that a board resolution is required by the board?

Please call me if you have any queries

Regards

Adam Carter
Chief Financial Officer
 P.O.Box 63, Sandgate QLD 4017
P +61 7 3869 9702
F +61 7 3269 9304
M 0400 761 700
E acarter@racingqueensland.com.au
W www.racingqueensland.com.au

*Adam.
Board agreed by Resolution
to Approve the contracts
- There is no additional
Resolution requires. Board
will note the payments at
the next Board Meeting.
M. J. Kelly*

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MEMORANDUM

TO: Robert Bentley – Chairman RQL

FROM: Adam Carter Chief Financial Officer

SUBJECT: RQL Executive

DATE: 26 March 2012

Dear Bob,

Following the resignations today of senior executives of Racing Queensland Limited (RQL) today of, Mr Malcolm Tuttle (CEO), Mr Jamie Orchard (Director of Integrity Operations), Mr Paul Brennan (Director of Product Development) and Ms Shara Reid (Senior Corporate Counsel/Company Secretary).

I have been instructed to invoke clause 15.2 of the Executive Employment Agreement in light of the change in Government from Saturday's election. It is an event giving the employee the right pursuant to clause 15.2 of the Employment Agreement

The clause was approved by the RQL board on the 5 August 2011

The clause 15.2 is as follows:-

- 15.2 Within 14 days of the occurrence of a Material Adverse Change, you may resign from your employment by giving seven days' written notice. This notice period may be waived by the Chairman of the Board of directors of RQL at the Chairman's discretion. If you resign by reason of A Material Adverse Change, you will be entitled to:
- a) A payment of a sum equivalent to the TRV you would have been entitled to receive had you remained employed until the end of the term referred to in clause 2.4 of this contract, however not exceeding a sum equivalent to 14 months of your TRV;
 - b) A severance payment calculated in accordance with the relevant scale contained in any redundancy policy of RQL; and
 - c) Any accrued but unpaid entitlements

For the purposes of the is clause, **Material Adverse Change** means a change in the Queensland State Government, RQL ceasing to be the approved Control Body under the *Racing Act 2002* (Qld), a material adverse change in the makeup of the RQL Board of directors, or your reporting lines, or an organisational restructure that materially impacts on your role at RQL in a manner adverse to you.

- 4.2 Your service with RQL will be calculated from the date you commenced employment with RQL and not from the date of this contract for the purpose of applicable service related entitlements and benefits under this contract


As per the advice from Norton Rose the resignation cannot be classified as a bona fide redundancy and is a termination and has been treated as so, for tax purposes for the ATO.

The following amounts will be paid in accordance with the Clause 15.2 above and statutory entitlements:-

Name	Termination 14 Months	Severance Payment	Annual Leave	Long Service Leave	Gross	Tax	Net
Malcolm Tuttle	417,431.20	82,567.14	71,646.92	182,926.06	754,571.32	290,255.51	464,315.81
Jamie Orchard	320,030.59	36,925.86	28,538.41		385,494.86	142,564.83	242,930.03
Paul Brennan	250,458.72	49,540.28	40,003.79	72,284.29	412,287.07	145,005.30	267,281.77
Shara Reid (Murray)	166,972.48	30,274.62	3,611.95		200,859.05	54,356.00	146,503.05
	1,154,892.99	199,307.90	143,801.07	255,210.35	1,753,212.30	632,181.64	1,121,030.66

Annual Leave and long service leave have been calculated in accordance with the executives' employment agreements and RQL policies and what the meridian payroll system has calculated. These have been checked and verified.

Please can you confirm your acceptance of the above and authorise this payment to be made.



RG Bentley
Chairman RQL

End Memorandum...

Adam Carter

From: Malcolm Tuttle <malcolmtuttle@yahoo.com>
Sent: Wednesday, 28 March 2012 11:25 AM
To: Adam Carter
Subject: Re: Confirmation

Tks Adam
Confirmed. Let me know if you require anything further.
Regards

From: Adam Carter <acarter@racingqueensland.com.au>
To: 'Malcolm Tuttle' <malcolmtuttle@yahoo.com>
Sent: Wednesday, 28 March 2012 11:09 AM
Subject: Confirmation

Dear Mal,

Please can you confirm in writing of the acceptance of the below clause 15.9 as per your employment agreement

15.9 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.

I have a board meeting at 12pm today and RQL needs to confirm.

Regards

Adam Carter
Acting Chief Executive Officer
PO Box 63, Sandgate QLD 4017
W +61 7 3869 9702
M +61 40076 1700
F +61 7 3269 9304
E acarter@racingqueensland.com.au
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Adam Carter

From: Jamie Orchard <ajorchard@windowslive.com>
Sent: Wednesday, 28 March 2012 11:15 AM
To: Adam Carter
Subject: Re: Confirmation

Adam

I confirm the acceptance of clause 15.9. It is in my contract so I consider myself bound by this and all other terms and will comply accordingly.

Regards
Jamie

Sent from my iPhone

On 28/03/2012, at 11:10 AM, "Adam Carter" <acarter@racingqueensland.com.au> wrote:

Dear Jamie,

Please can you confirm in writing of the acceptance of the below clause 15.9 as per your employment agreement

15.9 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.

I have a board meeting at 12pm today and RQL needs to confirm.

Regards

Adam Carter
Acting Chief Executive Officer
<image003.png> PO Box 63, Sandgate QLD 4017
W +61 7 3869 9702
M +61 40076 1700
F +61 7 3269 9304
E acarter@racingqueensland.com.au
W www.racingqueensland.com.au

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Adam Carter

From: Paul Brennan <pbrennan@contource.com.au>
Sent: Wednesday, 28 March 2012 2:10 PM
To: Toni Fenwick; Adam Carter
Subject: RE: Confirmation

Adam

As discussed via telephone, please accept this email as confirmation that I will assist Racing Queensland in any way possible into the future.

I agree to clause 15.9 so please do not hesitate to contact me should anyone at Racing Queensland require any assistance.

Thanks for your assistance and I look forward to catching up soon.

Regards,

Paul Brennan

CEO

For and on behalf of:

CONTOUR Consulting Engineers Pty Ltd


Phone (07) 5493 9777 Fax (07) 5493 6888

Email pbrennan@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: Toni Fenwick [mailto:tfenwick@racingqueensland.com.au]
Sent: Wednesday, 28 March 2012 12:11 PM
To: Paul Brennan
Subject: FW: Confirmation
Importance: High

Paul

Can you please confirm the below requirement.

Thanks

Toni

From: Adam Carter
Sent: Wednesday, 28 March 2012 11:59 AM
To: Toni Fenwick
Subject: FW: Confirmation

Toni,

Please confirm.

Thanks

Adam Carter

Acting Chief Executive Officer



RACING
QUEENSLAND

PO Box 63, Sandgate QLD 4017

W +61 7 3869 9702

M +61 40076 1700

F +61 7 3269 9304

E acarter@racingqueensland.com.au

W www.racingqueensland.com.au

From: Adam Carter

Sent: Wednesday, 28 March 2012 11:10 AM

To: 'traceyree@hotmail.com'

Subject: Confirmation

Dear Paul,

Please can you confirm in writing of the acceptance of the below clause 15.9 as per your employment agreement

15.9 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.

I have a board meeting at 12pm today and RQL needs to confirm.

Regards

Adam Carter

Acting Chief Executive Officer



RACING
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Adam Carter

From: Shara Reid <rshara@y7mail.com>
Sent: Wednesday, 28 March 2012 11:17 AM
To: Adam Carter
Subject: Re: Confirmation

Dear Adam

I confirm my acceptance of clause 15.9 of my employment agreement.

Kind regards

Shara

Sent from my iPhone

On 28/03/2012, at 11:10 AM, Adam Carter <acarter@racingqueensland.com.au> wrote:

Dear Shara,

Please can you confirm in writing of the acceptance of the below clause 15.9 as per your employment agreement

15.9 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.

I have a board meeting at 12pm today and RQL needs to confirm.

Regards

Adam Carter

Acting Chief Executive Officer

<image002.png> PO Box 63, Sandgate QLD 4017

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NAB Connect

Payroll Report

Payment Type: Payroll
Payment ID: 26319402
Value date: 28-Mar-2012

Filename: EFTPAYMENT
Status: Requires authorisation
DE User ID/Name: 411423/RACING QUEENSLAND LI
Pay from account: Racing Queensland LTD/084-004 173211930

Total Amount: AUD \$1,033,913.16
Number of credit transactions: 4
Description: 0000000026/03/2012
Remitter Name: RACING QLD

Table with 6 columns: Account Name, BSB, Account No, Amount, Reference, Status. Rows include Tuttle Malcolm, Brennan Paul John, Murray Shara Louise, Orchard Alfred Jamie, and Racing Queensland LTD.

End of Report

Handwritten signatures and dates: 28 Mar 2012, 28/3/12, 28/3/12

Payments register

Payment summary

Payment ID 26319402	Payment type Payroll
Status Processed	Remitter name RACING QLD
DE user ID 411423 RACING QUEENSLAND LI	Description 000000026/03/2012
Pay from account name Racing Queensland LTD	File name EFTPAYMENT
Pay from account BSB and number 084-004 173211930	Total amount AUD 1,033,913.16
Value date 28/03/2012	Number of credit transactions 4

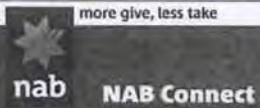
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Transactions **History**

[First](#) [Previous](#) Page 2 of 2

Date & time	Description
28/03/2012 15:25:02 EST	Payment has passed Account Validation.
28/03/2012 15:25:02 EST	Payment successfully validated.
28/03/2012 15:25:01 EST	Payment 26319402 was successfully uploaded by [].

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Payments register

Payment summary

Payment ID 26319402	Payment type Payroll
Status Processed	Remitter name RACING QLD
DE user ID 411423 RACING QUEENSLAND LI	Description 000000026/03/2012
Pay from account name Racing Queensland LTD	File name EFTPAYMENT
Pay from account BSB and number 084-004 173211930	Total amount AUD 1,033,913.16
Value date 28/03/2012	Number of credit transactions 4

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Transactions History

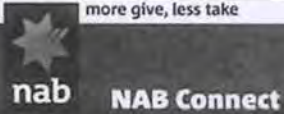
Date & time	Description
28/03/2012 16:31:46 EST	Payment has been processed. Other bank credit accounts submitted in Batch 3545431.
28/03/2012 16:05:49 EST	Payment is ready to be submitted for processing.
28/03/2012 15:35:48 EST	Funds have been reserved.
28/03/2012 15:35:48 EST	Available funds check passed.
28/03/2012 15:35:47 EST	[6206575760] has signed the payment.
28/03/2012 15:35:47 EST	[6206575760] has authorised the payment.
28/03/2012 15:35:47 EST	Payment has been fully authorised.
28/03/2012 15:34:10 EST	Payment has passed limit check.
28/03/2012 15:28:57 EST	[6206527825] has authorised the payment.
28/03/2012 15:25:03 EST	Payment is ready for authorisation - 2 authorisations required.

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User status

Message



• You may use one or multiple fields when defining your search criteria

Search criteria

User ID

Last name

First name

Advanced search

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User search results

10 users found as at 9:48 AM AEST, Friday 2 August 2013

Page 1

Select	User ID ▾	Last name ▲	First name ▾	Status ▾	Date & time logged in ▾
	6206687393	BAKER	CARRIE	Active	4:22 PM AEST, Wednesday 31 July 2013
	6206645940	CAMENZIND	SARAH	Active	4:35 PM AEST, Wednesday 24 April 2013
	6206575760	CARTER	ADAM	Active	5:12 PM AEST, Wednesday 29 August 2012
	6206669480	Cunningham	Whitney	Active	4:18 PM AEST, Wednesday 17 July 2013
	6206527825	DREW	SHARON	Active	4:34 PM AEST, Tuesday 23 July 2013
	6206630043	LORENA	LEANNE	Active	2:39 PM AEST, Thursday 1 August 2013
	6206567334	MATHOFER	RONALD	Active	12:43 PM AEST, Monday 8 July 2013
	6206619388	Parton	Felicity	Active	8:02 AM AEST, Friday 2 August 2013
	6206682162	Schreiber	Karin	Active	4:16 PM AEST, Wednesday 31 July 2013
	6206591339	VAN DER WAAL	CORNELIS	Active	9:37 AM AEST, Friday 2 August 2013

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Transaction History Report (Continued)

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
28/03/2012	INTER-BANK CREDIT Green collar Molly A J MARSHALL Racing Queenslan			100.00 CR	
28/03/2012	INTER-BANK CREDIT INV 582205 MRS LYNETTE BRYA QLD RACING LTD			93.50 CR	
28/03/2012	REVERSAL CREDIT RACING QUEENSLAND Tate Hopkins 064473INCORRECT ACCT			80.00 CR	
28/03/2012	INTER-BANK CREDIT GPERRETT GLENN PERRETT RACING QUEENSLAN			62.50 CR	
28/03/2012	EFTPOS CREDIT FLEXIPAY 28/03 13:27 TOOWOOMBA HURSLEY RD			55.00 CR	
28/03/2012	INTER-BANK CREDIT TTMORRI012-582287 MRS KAY MORRISEY RACING QUEENSLAN			44.00 CR	
28/03/2012	INTER-BANK CREDIT TTKRUZE000 SHANE SCHIAVONE Racing Queenslan			42.00 CR	
28/03/2012	INTER-BANK CREDIT SI/007102 MICRO CH MR BRIAN SMITH RACING QUEENSLAN			20.00 CR	
28/03/2012	INTER-BANK CREDIT TWDUNCA000 RDuncan WISHARLAWNSE Racing Queenslan			3.40 CR	
28/03/2012	AUTOMATIC DRAWING 000000 PYMT-ID 26318036 Racing Queenslan		26,150.58 DR		
28/03/2012	AUTOMATIC DRAWING 000000 PYMT-ID 26318027 RAC QLD LTD		475,776.25 DR		
* 28/03/2012	AUTOMATIC DRAWING 0000000026/03/2012 PYMT-ID 26319402 Racing Queenslan		1,033,913.16 DR		4,025,395.97 CR

End of report



Account details

Account balance summary

Account name
RQL WORKING ACCOUNT
Account number
084-004 17-321-1930
Currency
AUD

Opening balance: 2,802,854.45 CR
Total credits: 2,758,381.51 CR
Total debits: 1,535,839.99 DR
Closing balance: 4,025,395.97 CR
Date from: 28 March 2012
Date to: 28 March 2012

Transaction details

Table with 6 columns: Date, Narrative, Reference, Debit amount, Credit amount, EOD balance. Contains 13 rows of transaction data for 28/03/2012.

Transaction Report

Racing Queensland Limited

Transaction Report - Grouped By "Surname", Incl Std Trans, Print Date Worked

Page 1 of 1

Period End Date: 26/03/2012

Code	Name	Location	Pay Point	Pay Frequency	Period	Advice	Generate Payment	Recommence				
Cost Account	Hours	Unit	Rate	Rate Factor	Percent	Value	Component	Description - Leave Reason	Leave From	Leave To	Date Worked	
00264	Brennan, Paul John	SE QLD										
Termination			26/03/2012		Resignation		Racing Serv		Monthly	1	1	Yes
P01RS0201	370.52	0.00	108.6410	0.00	0.00	40,253.66		Term AL Gross				
P01RS0201	666.10	0.00	108.6410	0.00	0.00	72,365.77		Term LSL Gross				
P01RS0201	0.00	0.00	0.0000	0.00	0.00	49,540.28		Term ETP - Taxable				
P01RS0201	0.00	0.00	0.0000	0.00	0.00	250,458.72		Term ETP (Superable) - Taxable				
						412,618.43		Gross Taxable Total				
						-168,197.53		Tax (Incl Adjust)				
						244,420.90		Net Pay				
P01RS0201	0.00	0.00	0.0000	0.00	9.00	22,541.28	Super	QS / 9 - 9% No SGL ruling Superannuation				
10710	Murray, Shara Louise	SE QLD										
Termination			26/03/2012		Resignation		Legal CC		Monthly	1	1	Yes
P01LE0201	52.17	0.00	72.4273	0.00	0.00	3,778.53		Term AL Gross				
P01LE0201	0.00	0.00	0.0000	0.00	0.00	30,274.62		Term ETP - Taxable				
P01LE0201	0.00	0.00	0.0000	0.00	0.00	166,972.48		Term ETP (Superable) - Taxable				
						201,025.63		Gross Taxable Total				
						-68,481.70		Tax (Incl Adjust)				
						132,543.93		Net Pay				
P01LE0201	0.00	0.00	0.0000	0.00	9.00	15,027.52	Super	QS / 9 - 9% No SGL ruling Superannuation				
10811	Orchard, Alfred Jamie	SE QLD										
Termination			26/03/2012		Resignation		DIO		Monthly	1	1	Yes
P01IS0201	207.88	0.00	138.8190	0.00	0.00	28,857.69		Term AL Gross				
P01IS0201	0.00	0.00	0.0000	0.00	0.00	36,925.86		Term ETP - Taxable				
P01IS0201	0.00	0.00	0.0000	0.00	0.00	320,030.59		Term ETP (Superable) - Taxable				
						365,814.14		Gross Taxable Total				
						-154,962.75		Tax (Incl Adjust)				
						230,851.39		Net Pay				
P01IS0201	0.00	0.00	0.0000	0.00	9.00	28,802.75	Super	QS / 9 - 9% No SGL ruling Superannuation				
00002	Tuttle, Malcolm	SE QLD										
Termination			26/03/2012		Resignation		Appr COM		Monthly	1	1	Yes
P01FE0201	397.57	0.00	181.0683	0.00	0.00	71,967.32		Term AL Gross				
P01FE0201	1,010.87	0.00	181.0683	0.00	0.00	183,036.51		Term LSL Gross				
P01FE0201	0.00	0.00	0.0000	0.00	0.00	82,567.14		Term ETP - Taxable				
P01FE0201	0.00	0.00	0.0000	0.00	0.00	417,431.20		Term ETP (Superable) - Taxable				
						755,022.17		Gross Taxable Total				
						-328,925.23		Tax (Incl Adjust)				
						426,096.94		Net Pay				
P01FE0201	0.00	0.00	0.0000	0.00	9.00	37,566.81	Super	QS / 9 - 9% No SGL ruling Superannuation				

Handwritten: 26 Mar 2012
Handwritten: 26/3/12

Payroll Report

Racing Queensland Limited

Payroll Report - Totals (Report), Report by Employee Location

Page 1 of 1

Period End Date: 26/03/2012

Report Total:

	Hours	Units	Amount
Term Annual Leave	1028.14		144,877.20
Term ETP - Taxable	0.00		199,307.90
Term ETP (Superable) - Taxable	0.00		1,154,892.99
Term LSL	1676.97		255,402.28
Gross Taxable Total	0.00		1,754,480.37
Tax (Incl Adjust)	0.00		-720,567.21
Net Pay	0.00		1,033,913.16
Superannuation	0.00		103,940.36
Total Cost	0.00		1,858,420.73

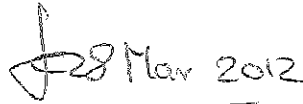
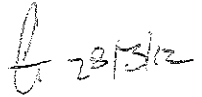
✓ 28 Mar 2012
123/3/12

EFT Audit Report

Racing Queensland Limited

EFT Audit Report		Page 1 of 1
EFT User Number	411423	Period End Date 26/03/2012
Payee Account Number	173211930	Date Created 28/03/2012
Payee Bank Details	NAB (084-004)	Date to be Processed 28/03/2012
File Produced	NAB	

Location	Employee Code	Account Name	BSB Number	Account Number	Transaction Code	Net Pay Amount
Payroll Company	1 - Racing Queensland Limited					
SE QLD	00002	Tuttie Malcolm	064-145	10258247	53	426,096.94
SE QLD	00264	Brennan Paul John	484-799	046654541	53	244,420.90
SE QLD	10710	Murray Shara Louise	064-124	10251401	53	132,543.93
SE QLD	10811	Orchard Alfred Jamie	814-282	30069217	53	230,851.39
				Payroll Company Total: 1 - Racing Queensland Limited		1,033,913.16
SELF-BAL		Racing Queensland LTD	084-004	173211930	13	1,033,913.16
					Total Paid	4
					Total Not Paid	0
					Total Pay Amount	✓ 1,033,913.16


 28 Mar 2012

 28/3/12

Costing Report

Racing Queensland Limited

Costing Report - Totals (This Pay, Employee, Report) Grouped By "Payroll Company" then "Cost Account", Incl Super

Page 1 of 2

Period End Date: 26/03/2012

	Normal Hours Normal Amount Adds Before Tax	RDO Hours RDO Amount Adds After Tax	T/Half Hours T/Half Amount Deds Before Tax	Double Hours Double Amount Deds After Tax	Penalty Hours Penalty Amount Term Pay A	Premium Hours Premium Amount Term Pay B	Annual Hours Annual Amount ETP Amount	LSL Hours LSL Amount Comp D / Inv	Sick Leave Hours Sick Leave Amount Term Leave Load	Other Leave Hours Other Leave Amount Tax Adjustment	Avg Rate Act o/t Hours Super Values	Net Pay Total Cost Total Tax
1 - Racing Queensland Limited												
P01FE0201 - FT EXECUTIVE HEAD OFFICE												
00002 - Tuttle, Malcolm												
	0.00	0.00	0.00	0.00	0.00	0.00	397.57	1010.87	0.00	0.00	0.0000	426,096.94
	0.00	0.00	0.00	0.00	0.00	0.00	71,987.32	183,036.51	0.00	0.00	0.00	792,590.98
	0.00	0.00	0.00	0.00	0.00	0.00	499,998.34	0.00	0.00	0.00	37,568.81	-328,925.23
Group Totals For: P01FE0201 - FT EXECUTIVE HEAD OFFICE	0.00	0.00	0.00	0.00	0.00	0.00	397.57	1010.87	0.00	0.00	0.0000	426,096.94
	0.00	0.00	0.00	0.00	0.00	0.00	71,987.32	183,036.51	0.00	0.00	0.00	792,590.98
	0.00	0.00	0.00	0.00	0.00	0.00	499,998.34	0.00	0.00	0.00	37,568.81	-328,925.23
P01IS0201 - FT INTEGRITY HO												
10811 - Orchard, Alfred Jamie												
	0.00	0.00	0.00	0.00	0.00	0.00	207.88	0.00	0.00	0.00	0.0000	230,851.39
	0.00	0.00	0.00	0.00	0.00	0.00	28,857.69	0.00	0.00	0.00	0.00	414,616.89
	0.00	0.00	0.00	0.00	0.00	0.00	356,956.45	0.00	0.00	0.00	28,802.75	-154,962.75
Group Totals For: P01IS0201 - FT INTEGRITY HO	0.00	0.00	0.00	0.00	0.00	0.00	207.88	0.00	0.00	0.00	0.0000	230,851.39
	0.00	0.00	0.00	0.00	0.00	0.00	28,857.69	0.00	0.00	0.00	0.00	414,616.89
	0.00	0.00	0.00	0.00	0.00	0.00	356,956.45	0.00	0.00	0.00	28,802.75	-154,962.75
P01LE0201 - FT LEGAL HO												
10710 - Murray, Shara Louise												
	0.00	0.00	0.00	0.00	0.00	0.00	52.17	0.00	0.00	0.00	0.0000	132,543.93
	0.00	0.00	0.00	0.00	0.00	0.00	3,778.53	0.00	0.00	0.00	0.00	216,053.15
	0.00	0.00	0.00	0.00	0.00	0.00	197,247.10	0.00	0.00	0.00	15,027.52	-68,481.70
Group Totals For: P01LE0201 - FT LEGAL HO	0.00	0.00	0.00	0.00	0.00	0.00	52.17	0.00	0.00	0.00	0.0000	132,543.93
	0.00	0.00	0.00	0.00	0.00	0.00	3,778.53	0.00	0.00	0.00	0.00	216,053.15
	0.00	0.00	0.00	0.00	0.00	0.00	197,247.10	0.00	0.00	0.00	15,027.52	-68,481.70
P01RS0201 - FT RACING HO												
00264 - Brennan, Paul John												
	0.00	0.00	0.00	0.00	0.00	0.00	370.52	666.10	0.00	0.00	0.0000	244,420.90
	0.00	0.00	0.00	0.00	0.00	0.00	40,253.66	72,365.77	0.00	0.00	0.00	435,159.71
	0.00	0.00	0.00	0.00	0.00	0.00	299,999.00	0.00	0.00	0.00	22,541.28	-168,197.53
Group Totals For: P01RS0201 - FT RACING HO	0.00	0.00	0.00	0.00	0.00	0.00	370.52	666.10	0.00	0.00	0.0000	244,420.90
	0.00	0.00	0.00	0.00	0.00	0.00	40,253.66	72,365.77	0.00	0.00	0.00	435,159.71
	0.00	0.00	0.00	0.00	0.00	0.00	299,999.00	0.00	0.00	0.00	22,541.28	-168,197.53
Group Totals For: 1 - Racing Queensland Limited												

Period End Date: 26/03/2012

	Normal Hours Normal Amount Adds Before Tax	RDO Hours RDO Amount Adds After Tax	T/Half Hours T/Half Amount Deds Before Tax	Double Hours Double Amount Deds After Tax	Penalty Hours Penalty Amount Term Pay A	Premium Hours Premium Amount Term Pay B	Annual Hours Annual Amount ETP Amount	LSL Hours LSL Amount Comp D / Inv	Sick Leave Hours Sick Leave Amount Term Leave Load	Other Leave Hours Other Leave Amount Tax Adjustment	Avg Rate Act o/t Hours Super Values	Net Pay Total Cost Total Tax
1 - Racing Queensland Limited												
	0.00	0.00	0.00	0.00	0.00	0.00	1028.14	1676.97	0.00	0.00	0.0000	1,033,913.16
	0.00	0.00	0.00	0.00	0.00	0.00	144,877.20	255,402.28	0.00	0.00	0.00	1,858,420.73
	0.00	0.00	0.00	0.00	0.00	0.00	1,354,200.89	0.00	0.00	0.00	103,940.36	-720,567.21
Report Total:												
	0.00	0.00	0.00	0.00	0.00	0.00	1028.14	1676.97	0.00	0.00	0.0000	1,033,913.16
	0.00	0.00	0.00	0.00	0.00	0.00	144,877.20	255,402.28	0.00	0.00	0.00	1,858,420.73
	0.00	0.00	0.00	0.00	0.00	0.00	1,354,200.89	0.00	0.00	0.00	103,940.36	-720,567.21

SENDER TO KEEP
LIFT
& FEEL
088839765093



28 March 2012

Malcolm Tuttle
78 Gerler Road
Hendra Qld 4011

Racing Queensland Limited
A.B.N 62 142 786 824
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

Dear Malcolm

Please find enclosed your payslip detailing your termination payment in line with the conditions pertained in your individual employment agreement.

Once again, Racing Queensland Limited would like to thank you for your contributions and we wish you the best for your future endeavours.

Yours sincerely



Adam Carter
Acting Chief Executive Officer

SENDER TO KEEP
091945626097



**RACING
QUEENSLAND**

28 March 2012

Jamie Orchard
91 Delaney Court
Carindale Qld 4152

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

Dear Jamie

Please find enclosed your payslip detailing your termination payment in line with the conditions pertained in your individual employment agreement.

Once again, Racing Queensland Limited would like to thank you for your contributions and we wish you the best for your future endeavours.

Yours sincerely

Adam Carter
Acting Chief Executive Officer



28 March 2012

Paul Brennan
5 Lang Street
Pelican Waters, Qld 4551

Racing Queensland Limited
A B N-52 142 786 674
Reecourse 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

Dear Paul

Please find enclosed your payslip detailing your termination payment in line with the conditions pertained in your individual employment agreement.

Once again, Racing Queensland Limited would like to thank you for your contributions and we wish you the best for your future endeavours.

Yours sincerely

Adam Carter
Acting Chief Executive Officer

SENDER TO KEEP
091945627094
LIFT & PEEL



28 March 2012

Shara Murray
23 Ridgegarden Drive
Morayfield Qld 4506

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

Dear Shara

Please find enclosed your payslip detailing your termination payment in line with the conditions pertained in your individual employment agreement.

Once again, Racing Queensland Limited would like to thank you for your contributions and we wish you the best for your future endeavours.

Yours sincerely

Adam Carter
Acting Chief Executive Officer

From: Kelly, Michael - Racing [<mailto:Michael.Kelly@racing.qld.gov.au>]

Sent: Wednesday, 28 March 2012 5:33 PM

To: Adam Carter

Cc: Perrett, Carol; Setter, Robert; Kearra Christensen

Subject: Correspondence from Deputy Premier and Minister for Racing

Adam

Please find attached correspondence for your attention.

Can you please provide this to Mr Bentley (or, in his absence, the Deputy Chairman) as a matter of priority.

The originals will be sent to RQL tomorrow.

Should you need to discuss this matter please do not hesitate to contact me.

MK

Mike Kelly

Executive Director
Office of Racing
Department of Employment,
Economic Development and Innovation



Our ref:

Your ref:

28 March 2012

Mr Bob Bentley
Chair
Racing Queensland Limited
Racecourse Road
Deagon QLD 4017

Dear Mr Bentley

Proposed action regarding Racing Queensland Limited

As Minister responsible for racing, I enclose a notice of direction to Racing Queensland Limited under section 45 of the *Racing Act 2002* to review Racing Queensland Limited's 'Policy for employment of non-licensed staff'.

In addition, I also enclose an invitation to approve additional conditions on Racing Queensland Limited's control body approval issued on 22 June 2010.

Should Racing Queensland wish to make any representations to me prior to Racing Queensland finalising the review of the policy or the invitation to make additional conditions, these should be made no later than 11 April 2012.

In the meantime, I ask that Racing Queensland Limited not take any action contrary to the matters listed as paragraphs (1)-(4) of the attached invitation, and paragraphs (1)-(3) of the attached notice of direction.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Jeff Seeney".

JEFF SEENEY MP
Deputy Premier and Minister for
Racing
Member for Callide

NOTICE OF DIRECTION UNDER SECTION 45 OF THE RACING ACT 2002

To: Racing Queensland Limited
Racecourse Road
Deagon QLD 4017

As Minister responsible for administration of the *Racing Act 2002*, under section 45(1) of that Act, I have formed the belief that it is necessary to give Racing Queensland Limited, as a control body under that Act, a direction under section 45 of that Act, as described below, for the following reasons:

- (a) to ensure public confidence in the integrity of the Queensland racing industry;
- (b) to ensure that Racing Queensland Limited, as a control body under that Act, is managing the codes of racing for which it is responsible, in the interests of those codes;
- (c) to ensure that the actions of Racing Queensland Limited, as a control body under that Act, are accountable and its decision-making processes are transparent.

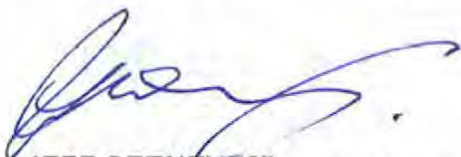
Notice is hereby given pursuant to section 45 of the *Racing Act 2002* that Racing Queensland Limited is directed to review its policy entitled '*Policy for employment of non-licensed staff*'.

In reviewing the '*Policy for employment of non-licensed staff*', Racing Queensland Limited is directed to take into account the need to amend the policy, in the interests of the matters described in (a)–(c) above, to provide that, without the written approval of the chief executive Officer of the department responsible for racing, and administration of the *Racing Act*, Racing Queensland Limited is not to:

1. terminate the employment of any staff;
2. employ any new staff;
3. make redundancy/termination payments to any staff

The amended '*Policy for employment of non-licensed staff*' is to be provided to me no later than 26 April 2012.

Dated this 28th day of March 2012.



JEFF SEENEV MP
Deputy Premier and Minister for Racing

**INVITATION TO APPLY FOR ADDITIONAL CONDITION ON RACING
QUEENSLAND LIMITED'S CONTROL BODY APPROVAL UNDER THE RACING
ACT 2002**

To: Racing Queensland Limited
Racecourse Road
Deagon QLD 4017

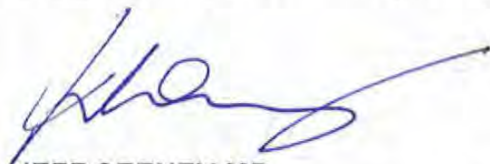
I invite Racing Queensland Limited as a control body under the *Racing Act 2002* to apply to me as Minister responsible for that Act, under section 31 of the *Racing Act* to vary the approval of Racing Queensland Limited as a control body, by adding the following condition:

"Racing Queensland Limited must obtain the approval in writing of the chief executive of the department responsible for the administration of the *Racing Act* prior to:

1. paying any accounts, debts or any other payments, however described, in excess of \$20,000;
2. terminating the employment of any person employed by Racing Queensland Limited;
3. employing any person; or
4. entering into any contract or legally binding agreement, where the consideration is in excess of \$20,000.

The payment of prize money published in the April 2012 edition of the Racing Calendar and effective as at 28 March 2012 is exempt from the above requirement to obtain approval."

Dated this 28th day of March 2012.



JEFF SEENEV MP
Deputy Premier and Minister for Racing

From: Kelly, Michael - Racing [<mailto:Michael.Kelly@racing.qld.gov.au>]

Sent: Tuesday, 27 March 2012 6:31 PM

To: Adam Carter

Cc: Kearra Christensen; Perrett, Carol

Subject: Correspondence to be provided to RQL Directors

Adam

Please find attached urgent correspondence from the Deputy Premier to all RQL Directors.

Can you please provide this correspondence to all RQL Directors as a matter of urgency and advise me when this has been done.

A hard copy of the letter will be forwarded to RQL in due course.

MK

Mike Kelly

Executive Director

Office of Racing
Department of Employment,
Economic Development and Innovation



Our ref:

27 MAR 2012

Your ref:

Mr Bob Bentley
Chair, Racing Queensland Limited
Racecourse Road
Deagon Queensland 4017

Dear Mr Bentley

Proposed audits of Racing Queensland Limited

As Minister responsible for racing, I take this opportunity to notify you that I propose, in the very near future, to request the Auditor-General to audit Racing Queensland Limited, pursuant to section 60 of the *Racing Act 2002*. I will also ask the chief executive responsible for the *Racing Act* to prepare for me a program pursuant to section 46 of the *Racing Act* which focuses on the suitability of Racing Queensland Limited as a control body to manage codes of racing in Queensland.

It will be necessary for Racing Queensland Limited to preserve all records for the purposes of the proposed audits. Please confirm that all records of Racing Queensland Limited will be preserved.

I take this opportunity to notify you that it is possible that some documents of Racing Queensland Limited may be needed in evidence in judicial proceedings, and I therefore draw your attention to section 129 of the Criminal Code which provides that it is an offence to damage a document which may be needed in evidence in a judicial proceeding, with an intent to stop it being used in evidence.

I also take this opportunity to remind you, as Chair of the Racing Queensland Limited board of directors, of the fiduciary duties the directors owe Racing Queensland Limited as a company under the *Corporations Act*. I am also forwarding a copy of this letter to the other directors of Racing Queensland Limited.

Section 59 of the *Racing Act* provides that Racing Queensland Limited is a unit of public administration under the *Crime and Misconduct Act 2001*, to the extent of Racing Queensland Limited's operations as a control body for the purposes of performing its function under the *Racing Act*.

Should any issues, past or present be identified that raise the issue of possible misconduct and/or non-compliance with relevant legislation, these matters will be referred to the appropriate bodies for investigation.

Finally, I also take this opportunity to remind you and other directors of the board that it is possible that whatever directors and officers insurance that Racing Queensland Limited has in place, may not be applicable if the directors are found not to be acting in the interests of Racing Queensland Limited as a company.

Yours sincerely



JEFF SEENEY MP
Deputy Premier and Minister for
Racing
Member for Callide

Copy to:

Mr Tony Hanmer, Deputy Chair

Mr Bill Ludwig, Director

Mr Wayne Milner, Director

Mr Brad Ryan, Director

Mr Bob Lette, Director

From: Bob Lette [<mailto:blette@mullinslaw.com.au>]

Sent: Wednesday, 28 March 2012 8:29 AM

To: Adam Carter

Cc: Robert Bentley; R Bentley

Subject: Fwd: Racing Queensland Limited

Good morning Adam

Please find enclosed notice of resignation as a director. The original and my Deagon access pass will be delivered to you by courier this morning.

Regards

Bob Lette

0419 712 042

NOTE:

1. The contents of this email and any attachments are confidential and privileged. Any unauthorised use of the contents is expressly prohibited. If you receive this email in error, please contact the sender and then delete the email.
 2. Before opening or using any attachments, please check them for viruses and defects. The sender does not accept any liability for any damage caused by such viruses and/or defects. Please notify the sender of any virus and/or defect should you discover same.
 3. This email is also subject to copyright. No part of it should be reproduced, adapted or communicated without the written consent of the copyright owner. Any personal information in this email must be handled in accordance with the Privacy Act 1988 (Cth).
-

The Secretary
Racing Queensland Limited
Racecourse Road
Deagon, Queensland


I, Robert James Lette, hereby tender my resignation as a Director of Racing Queensland Limited effective from receipt of this notice.

Having today been elected President of Tattersall's Club at the Annual General Meeting and consequently to be appointed to the Committee and President of Tattersall's Racing Club Incorporated, I am disqualified from holding the position of a Director of Racing Queensland Limited under the provisions of the Queensland Racing Act.

As I am no longer a Director of Racing Queensland Limited, I am not entitled to be a member of the Company in terms of the Constitution of the Company.

Please confirm receipt of this notice to blette@mullinslaw.com.au with a copy to me at 160 Mt Ommaney Drive, Jindalee, Qld 4074, confirming also the appropriate notices will be filed with ASIC under the Corporations Law within the time limits provided under that Act.

Dated 27th March 2012



Robert James Lette

C.c Mr R Bentley
Chairman
Racing Queensland Limited

PRODUCT AND PROGRAM
AGREEMENT

Date: 9 June 1999

TOTALISATOR ADMINISTRATION BOARD OF QUEENSLAND
("TABQ")

QUEENSLAND RACE PRODUCT CO LTD
("Product Co")

QUEENSLAND PRINCIPAL CLUB, QUEENSLAND HARNESS RACING BOARD and
GREYHOUND RACING AUTHORITY
("Queensland Control Bodies")

CLAYTON UTZ

215 Adelaide St Brisbane Qld 4000 Australia
GPO Box 55 Brisbane Qld 4001 DX 128 Brisbane
Ph (07) 3292 7000 Int + 017 3292 7000 Fax (07) 3292 7950

TABLE OF CONTENTS

1. DEFINITIONS AND INTERPRETATION	1
2. CONDITIONS	7
3. COMMENCEMENT AND TERM	8
4. RELATIONSHIP OF PARTIES	8
5. PRODUCT CO AND THE QUEENSLAND CONTROL BODIES	8
6. PRODUCT AND STRATEGY COMMITTEE	10
7. SUPPLY OF QUEENSLAND RACING CALENDAR AND QUEENSLAND RACING PROGRAM	11
8. WAGERING PROGRAM	14
9. SUPPLY OF AUSTRALIAN RACING PRODUCT	15
10. CONSIDERATION FOR SUPPLY OF AUSTRALIAN RACING PRODUCT AND QUEENSLAND RACING PROGRAM	19
11. ON-COURSE COMMISSIONS	21
12. BREACH	21
13. DISPUTE RESOLUTION	22
14. TERMINATION	23
15. FORCE MAJEURE	25
16. CONFIDENTIAL INFORMATION	25
17. INDEMNITY	28
18. WARRANTIES	28
19. GENERAL	29

AGREEMENT made at Brisbane on this 9th day of June 1999.

BETWEEN: TOTALISATOR ADMINISTRATION BOARD OF QUEENSLAND of 240 Sandgate Road, Albion ("TABQ")

AND: QUEENSLAND RACE PRODUCT CO LTD ACN 081 743 722 of 161 Breakfast Creek Road, Newstead ("Product Co")

AND: QUEENSLAND PRINCIPAL CLUB of 161 Breakfast Creek Road, Newstead

AND: QUEENSLAND HARNESS RACING BOARD of Amy Street, Breakfast Creek

AND: GREYHOUND RACING AUTHORITY of Amy Street, Breakfast Creek

RECITALS

- A. TABQ conducts the Race Wagering Business pursuant to the Race Wagering Licence.
- B. Product Co has agreed to supply the Australian Racing Product, Queensland Racing Calendar and Queensland Racing Program for use by TABQ in its Race Wagering Business on the terms of this Agreement.
- C. The Queensland Control Bodies have agreed that each of them will ensure Product Co meets and performs its obligations under this Agreement.
- D. Product Co will receive the Product Fee under this Agreement as agent for the Queensland Control Bodies and the Queensland Racing Entities.

IT IS AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following words and expressions have the following meanings respectively:-

"Approved Race Telecaster" means a Race telecaster approved by the TABQ from time to time.

"Audiovisual Television Coverage" means audiovisual television coverage (including associated interviews and activities) of Races conducted at Race Meetings held by Queensland Racing Entities.

"Australian Racing Information" means all the information relating to Racing in Australia that is necessary for the efficient and effective conduct of Race Wagering on Racing in Australia and includes information of the nature set out in Schedule One.

"Australian Racing Product" means Australian Racing Information which is in the format specified by TABQ to Product Co in accordance with clause 9.3 of this Agreement or any part of it.

"Business Day" means a day other than a Saturday, Sunday or public holiday in Brisbane.

"Confidential Information" means, in relation to a party:-

- (a) information of every kind in any way connected with or relating to the Race Wagering Business;
- (b) information of every kind in any way connected with or relating to the terms of this Agreement;
- (c) information of one party which is disclosed to or observed by another party (the "Receiving Party") in connection with the performance of its obligations under this Agreement and which is regarded by the first-mentioned party as confidential to it and is so notified to the Receiving Party and which includes information relating to technology, designs, trade secrets, customer data bases and information of a commercially sensitive nature;
- (d) all communications between the parties (or any of them) or between the parties (or any of them) and any third person or persons, which relate to any aspect of the Race Wagering Business and the contents of those communications.

But Confidential Information does not include any information which:-

- (A) is in the Receiving Party's possession from another source and which was not disclosed in breach of this Agreement;
- (B) is already in the public domain and was not disclosed in breach of this Agreement;
- (C) is independently developed by the Receiving Party, except where the information is based on Confidential Information.

"Corporations Law" means the Corporations Law within the meaning of section 13(2) of the *Corporations (Queensland) Act 1990*.

"Dispose" means, in relation to any property, to sell, transfer, assign, create an Encumbrance over, declare oneself as trustee of or part with the benefit of or otherwise dispose of the relevant property (or any interest in it or any part of it).

"Effective Date" means the date on which the last of the events set out in clause 2 occurs.

"Encumbrance" means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set off, or any other security agreement or arrangement in favour of any person and "Encumber" has a corresponding meaning.

"Event of Insolvency" means

- (a) a body corporate which becomes an "externally-administered body corporate" within the meaning of that term in section 9 of the Corporations Law; or
- (b) a mortgagee in possession of any asset of a person; or
- (c) an application is made to a court for an order (not being an application withdrawn or dismissed within 30 days) or a resolution is passed to wind up a corporation.

The expression does not include the appointment of an administrator under section 51 of the *Wagering Act 1998*.

"Financial Year" means a period commencing on 1 July in any year and ending on 30 June in the following year.

"Government Consents" means all permissions, licences, authorisations, approvals, consents, waivers, exemptions and indications of no objection from any Governmental Agency (whether within or outside Australia) granted to or held by TABQ and necessary for the conduct of the Race Wagering Business (but excluding the Race Wagering Licence and all permissions, licences, authorisations, approvals, consents, waivers, exemptions and indications of no objection relating to it).

"Governmental Agency" means any government or any governmental or semi-governmental entity, authority, agency, commission, corporation or body (including, those constituted or formed under any statute), but does not include TABQ or any of its subsidiaries.

"Gross Wagering Revenue" means:

- (a) the amount wagered (and not refunded) by customers of the TABQ, in the course of conducting Race Wagering on Racing in Australia less:-
 - (i) declared dividends; and
 - (ii) unpaid fractions.

and

- (b) the amount wagered (and not refunded) by customers of the TABQ, in the course of conducting Race Wagering on racing in jurisdictions other than Australia less:-
- (i) declared dividends;
 - (ii) unpaid fractions; and
 - (iii) the costs incurred by TABQ to acquire the information and other Intellectual Property relating to racing in jurisdictions other than Australia and deductions levied on or payable in respect of such information and Intellectual Property such as, for example, foreign taxes and exchange rate variations.

"Independent Expert" means the person referred to in clause 13.

"Intellectual Property" means any intellectual or industrial property including patents, all patentable inventions, copyright, trademarks, designs, trade, business or company names, or other proprietary rights, or any rights to registration of such rights, whether created before or after the date of this Agreement.

"Interstate Racing Entities" means any club, society, association, corporation or body of persons (whether corporate or incorporate) by whatever name called which has been or is established in any jurisdiction in the Commonwealth of Australia (other than Queensland) for the purpose of conducting or controlling races of galloping horses, trotting horses or greyhounds or information used in the conduct of such racing and includes any person who conducts or controls such racing or information used in such racing.

"Marketing Rights" means any right :

- (a) to market and to replay, produce, record, create, reproduce, transmit, broadcast, narrowcast, multipoint, point to point, on-line service, diffuse, distribute and publish any part of the Audiovisual Television Coverage in any and all forms of television whether now known or hereafter devised; and
- (b) to permit any part of the Audiovisual Television Coverage to be performed in public, domestic and other venues live or on a delayed basis; and
- (c) to broadcast or rebroadcast any part of the Audiovisual Television Coverage by way of slow-motion or other replays or in any summaries or digest subsequently relayed, reproduced, transmitted, broadcast, distributed or published; and
- (d) to insert into the Audiovisual Television Coverage commercials, editorial comment, announcements or other programming in its sole discretion; and
- (e) to reproduce or permit the reproduction of any part of the Audiovisual Television Coverage to enable the exploitation of any or all of the above rights; and

(f) to licence, sub-licence or assign any or all of the above rights.

but excluding the right of an Approved Race Telecaster to technologically alter the identity or appearance of, or any signage appearing on, a race track, a horse, jockey, trotting horse, driver or greyhound or their costumes or equipment ("Material") except for Material which disparages or competes with the Race Wagering Business, in the gambling market. For the avoidance of doubt, the term technologically alter, does not include superimposing information which may obscure Material (for example, superimposing results of Races, dividend information etc) nor does the term include editing or superimposing images, promotions or advertisements to the extent or in the manner that are carried out as at 28 May, 1999.

"Minimum Component", for a Financial Year, means a minimum number and type of Races scheduled to be conducted in Queensland by Queensland Racing Entities in that Financial Year upon which Race Wagering is to be conducted, and allocated in the manner used in Schedule 2.

"Minister" means the Minister of the State responsible for the administration of the *Wagering Act 1998*.

"Product Fee" means the consideration payable to Product Co pursuant to clause 10.1.

"Queensland Control Bodies" means severally, the Queensland Principal Club, the Queensland Harness Racing Board and the Greyhound Racing Authority and their respective successors.

"Queensland Racing Entity" means entities (whether incorporated or unincorporated) registered by any of the Queensland Control Bodies under the *Racing and Betting Act 1980* as race clubs, trotting clubs and greyhound clubs.

"Queensland Racing Calendar", for a Financial Year, means a calendar of Race Meetings scheduled to be held in Queensland during that Financial Year and which details the number of Race Meetings to be held, the days of the week on which the Race Meetings will be held, whether it will be a day, twilight or evening Race Meeting, the estimated number of Races to be held at the Race Meetings, the estimated numbers of starters in each Race, identification of the Queensland Racing Entity to hold the Race Meetings and identification of the feature Races to be conducted at the Race Meetings.

"Queensland Racing Program", for a Financial Year means the programs of Races upon which wagering could be offered, scheduled to be held at Race Meetings scheduled in the Queensland Racing Calendar for that Financial Year.

"Race" means a race for galloping horses, trotting horses or greyhounds or any one or more of them as the context requires scheduled to be held at a Race Meeting and "Racing" has a corresponding meaning.

"Race Meeting" means a meeting for lawfully conducting the racing of galloping horses, trotting horses or greyhounds conducted in Queensland by Queensland Racing Entities or conducted outside Queensland.

"Race Wagering" means the conduct of wagering on Racing pursuant to the Race Wagering Licence.

"Race Wagering Business" means the operation of the business of Race Wagering by TABQ.

"Race Wagering Licence" means the wagering licence to be granted to TABQ pursuant to the *Wagering Act 1998*.

"Receiving Party" has the meaning given in clause 1.1 under the heading "Confidential Information".

"Related Body Corporate" has the meaning given in the Corporations Law.

"Serious Breach" means an act or omission of a party in breach of an obligation under this Agreement and constituting wilful default or gross negligence by the defaulting party or any breach which is specified in this Agreement to be a Serious Breach.

"State" means the State of Queensland.

"Term" means the term of this Agreement as defined by clause 3.

"Third Party Charge" means the amount of any fee payable or other consideration given by TABQ to obtain the equivalent of the Australian Racing Product and the costs and expenses incurred by TABQ in procuring the equivalent of the Australian Racing Product from a source other than Product Co.

"Wagering Program" means Races selected by TABQ upon which Race Wagering will be offered.

"Year" means any period of 12 consecutive calendar months.

1.2 Interpretation

(a) In this Agreement:-

(i) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

(ii) references to a party includes its permitted successors and permitted assigns;

- (iii) a reference to this Agreement or to any other deed, agreement or document (other than the contracts between the Queensland Racing Entities and Sky Channel Pty Ltd existing as at 14 October 1997) includes, respectively, this Agreement or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
 - (iv) words importing the singular include the plural (and vice versa), and words denoting a given gender include all other genders;
 - (v) a reference to a clause or a schedule is a reference to a clause or schedule of this Agreement;
 - (vi) references to currency are references to Australian currency unless otherwise specifically provided;
 - (vii) references to the Corporations Law any other act of the State or Commonwealth parliament, code regulation or ordinance or to any statutory instrument issued under any of them or to any provision of any of them will be read as though the words "or any existing or future statutory instrument, modification or re-enactment or any statutory provisions substituted therefore" were added to that reference;
 - (viii) a reference to a person includes an individual, corporation, Governmental Agency, estate, trust, partnership, or association, two or more persons having a joint or common interest or any other legal or commercial entity or undertaking; and
 - (ix) a reference to the Race Wagering Licence will be read to mean the licence as it is in force from time to time in accordance with the *Wagering Act 1998*.
- (b) References to dates which do not fall on a Business Day will be construed as references to the immediately subsequent Business Day. Wherever in this Agreement a period of time is referred to, the day upon which the period commences will be the day after the day from which the period is expressed to run or the day after the day upon which the event occurs which causes the period to start running.
- (c) All the Schedules to this Agreement constitute an integral part of and are deemed to be incorporated in this Agreement.

2. CONDITIONS

This Agreement is conditional upon each of the following events occurring by or on 1 July 1999:-

- (a) the grant to TABQ of the Race Wagering Licence;

- (b) commencement of the *Wagering Act 1998* and the *Racing Legislation Amendment Act 1998*;
- (c) the written approval by the Minister to this Agreement pursuant to the *Wagering Act 1998*;
- (d) the Queensland Control Bodies entering into:
 - (i) a new intercode agreement or other arrangements which TABQ is reasonably satisfied with; and
 - (ii) arrangements in relation to Queensland Racing Entities which arrangements TABQ is reasonably satisfied will have the effect that the Queensland Racing Entities are legally obligated to do all things necessary so that Product Co and the Queensland Control Bodies can comply with their obligations under this Agreement.

3. COMMENCEMENT AND TERM

This Agreement will commence on the Effective Date and operate for the duration of the period for which the Race Wagering Licence grants to TABQ exclusivity unless sooner terminated under the terms of this Agreement.

30 June 2014 15 YEARS

4. RELATIONSHIP OF PARTIES

Nothing in this Agreement will be considered or interpreted as constituting between the TABQ and any other party, a relationship of partners, agent, trustee or fiduciary.

5. PRODUCT CO AND THE QUEENSLAND CONTROL BODIES

- 5.1 (a) Product Co and each Queensland Control Body acknowledge that it will carry out its obligations under this Agreement at all times with a view to optimising the revenue generated by the Race Wagering Business.
- (b) Product Co and each Queensland Control Body will use their best endeavours to ensure that Queensland Racing Entities do not have advertisers or sponsors of Races or Race Meetings which disparage or compete with the Race Wagering Business, in the gambling market.
- (c) Nothing in clause 5.1(b) will prohibit Queensland Racing Entities continuing to have advertisers or sponsors of Races and Race Meetings which compete with the Race Wagering Business, in the gambling market provided:-
 - (i) the identity of the advertisers and sponsors is the same as the identity of the advertisers and sponsors as at 31 May 1999; and
 - (ii) the type of the advertising or sponsorship with the relevant advertiser or sponsor is the same as the type of the advertising or sponsorship with the relevant advertiser or sponsor as at 31 May 1999 and as evidenced in accordance with clause 5.1(c)(iii). For the avoidance of doubt, the consideration or benefit received by the relevant Queensland Racing Entities

- may increase provided the nature and scope of the advertising or sponsorship does not change; and
- (iii) evidence is provided to the TABQ by Product Co, the Queensland Control Bodies or the relevant Queensland Racing Entity within 10 Business Days of the Effective Date of the following items in relation to the type of advertising and sponsorship as at 31 May 1999:
- A. the identity of all sponsors and the relevant Queensland Racing Entity in relation to each sponsor;
 - B. the Race(s), Race Meeting(s) or other event(s) relating to Racing which is sponsored by each of the identified sponsors;
 - C. the identity of all advertisers, their products and the relevant Queensland Racing Entity in relation to each advertiser and product;
 - D. the name of the Race Meeting or Race course or other site or publication where the advertising for each product is to take place; and
 - E. the nature of the advertising (including visual or audio) for each product for example if it is advertising on billboards situated at the location of a Race Meeting, track advertising (including advertising which would be visible or audible on any Audiovisual Television Coverage or audible on any live feed on radio) or advertising in race books distributed by the Queensland Racing Entity or available at the Race Meeting; and
- (iv) Product Co, the Queensland Control Bodies or the relevant Queensland Racing Entity notifies the TABQ, within 10 Business days of entering into any arrangements with advertisers or sponsors of Races and Race Meetings which compete with the Race Wagering Business, in the gambling market, of the particulars of the kind set out in clause 5.1(c)(iii) A to E.

- 5.2 Each of the Queensland Control Bodies will ensure that Product Co meets and performs its obligations under this Agreement, including ensuring that Queensland Racing Entities provide to Product Co such Australian Racing Product as required to enable Product Co to meet its obligations under this Agreement.
- 5.3 Each of the Queensland Control Bodies is liable for any breach by Product Co of its obligations under this Agreement. To the extent that a breach by Product Co involves or relates to a particular code or codes of Racing the Queensland Control Body or Bodies responsible for that code or codes hereby indemnify and shall keep indemnified the other Queensland Control Body or Bodies, as the case may be, from and against liability for such breach.
- 5.4 The liability of Product Co and the Queensland Control Bodies is several.
- 5.5 The Queensland Control Bodies must enter into (on or before the Effective Date) and must maintain and enforce binding contracts with the Queensland Racing Entities who are registered with them from time to time to the effect set out in clause 5.6.

5.6 The rules of the relevant Queensland Control Body will at all times during the term of this Agreement require that each Queensland Racing Entity registered with them does all things necessary or as directed by the Queensland Control Body from time to time (including providing Product Co with such Australian Racing Product as required by Product Co from time to time) to ensure Product Co meets its obligations under this Agreement.

6. PRODUCT AND STRATEGY COMMITTEE

6.1 Establishment of Product and Strategy Committee

TABQ and Product Co will establish a committee to be known as the "Product and Strategy Committee" for the purpose of consulting with each other:-

- (a) with respect to each draft of the Queensland Racing Calendar so as to use their best endeavours to expeditiously resolve any issue concerning the quality, spread and quantity of Race Meetings in the draft Queensland Racing Calendar;
- (b) on strategies of TABQ to promote and develop Race Wagering in Australia and strategies of Product Co and the Queensland Control Bodies to promote and develop Racing; and
- (c) on any changes to the Minimum Component.

6.2 Composition and Procedures of Committee

- (a) The Product and Strategy Committee will comprise up to six persons of which up to three representatives will be nominated by TABQ and up to three representatives will be nominated by Product Co.
- (b) The Committee members will appoint a Chairman of the meetings.
- (c) The Product and Strategy Committee will meet at such times and at such places as agreed by the Committee members to consult as required by this clause (but in any event at least every 6 months).
- (d) One representative of TABQ and one representative of Product Co shall constitute a quorum at meetings of the Committee.
- (e) TABQ and Product Co shall each meet its own costs associated with its representatives participating in meetings of the Committee.
- (f) TABQ and Product Co can change any of their representatives on the Committee by notice to the other.
- (g) TABQ and Product Co shall ensure that their respective representatives execute a confidentiality undertaking on the terms contained in Schedule 5.

- (h) The Product and Strategy Committee will be for the purpose of consultation only and will not have any power or authority to bind TABQ or Product Co or to vary any of the terms of this Agreement or any of the arrangements contemplated by this Agreement.
- (i) Any comment made by a representative of TABQ or Product Co or any resolution or recommendation of the Product and Strategy Committee will not prejudice or preclude or constitute a waiver by either TABQ or Product Co in the exercise of any of its rights or remedies under this Agreement.

7. SUPPLY OF QUEENSLAND RACING CALENDAR AND QUEENSLAND RACING PROGRAM

7.1 Determination of the Queensland Racing Calendar

- (a) The Queensland Racing Calendar for the Financial Year ending 30 June, 2000 will be the calendar set out in Schedule 3.
- (b) Product Co must prepare and submit to TABQ, a draft Queensland Racing Calendar for each Financial Year during the Term commencing with the Financial Year ending 30 June 2001, for finalisation by 31 March in the preceding Financial Year.
- (c) The Race Meetings to be included in the draft Queensland Racing Calendar must be spread appropriately during the Financial Year having regard to the quality and proposed timing of Race Meetings held by Interstate Racing Entities.
- (d) TABQ must expeditiously review each draft of the Queensland Racing Calendar.
- (e) If TABQ and Product Co have not agreed on the Queensland Racing Calendar for a Financial Year by 31 March in the preceding Financial Year, then the Queensland Racing Calendar will be the Queensland Racing Calendar for the previous Financial Year. In the event that there are Race Meetings in the Queensland Racing Calendar for the previous Financial Year which could not be held for reasons outside the control of Product Co, the Queensland Control Bodies or the Queensland Racing Entities then Product Co will substitute another Race Meeting of like quality and timing to the reasonable satisfaction of TABQ.

7.2 Determination of Queensland Racing Program

- (a) Product Co must prepare and submit to TABQ the Queensland Racing Program at such times throughout the Financial Year as are reasonable and customary.

- (b) If there is any variation to the Queensland Racing Program that would impact on the Wagering Program after the Queensland Racing Program has been provided by Product Co to TABQ, Product Co must notify TABQ immediately and request TABQ's consent to any such variation. If TABQ's consent is granted then TABQ may amend the Wagering Program accordingly.

7.3 Intellectual Property Rights in the Queensland Racing Calendar and Queensland Racing Program

- (a) Queensland Racing Calendar and Queensland Racing Program is the Intellectual Property of Product Co

Each of the parties acknowledges that, to the extent that Intellectual Property or rights of confidentiality exist in or in connection with the Queensland Racing Calendar or Queensland Racing Program supplied by Product Co to TABQ, or in connection with the format of the Queensland Racing Calendar or Queensland Racing Program, that Intellectual Property and those rights of confidentiality are as between the parties to this Agreement solely those of Product Co.

- (b) Protection of Intellectual Property Rights in the Queensland Racing Calendar and Queensland Racing Program

- (i) Product Co must promptly take all reasonable action to protect its title to and Intellectual Property in the Queensland Racing Calendar or the Queensland Racing Program, to the extent that such Intellectual Property exists. Product Co must also defend challenges to the ownership or registration thereof by third persons in any country of the world. Such actions and defence will be at Product Co's own costs in all respects.
- (ii) TABQ, if requested by Product Co in writing, must use reasonable efforts to safeguard any Intellectual Property of Product Co in the Queensland Racing Calendar or the Queensland Racing Program to the extent that such Intellectual Property exists and to the extent that it has standing to do so but will not be liable for any costs in this respect. TABQ does not have to use any efforts to safeguard any Intellectual Property of Product Co unless the costs associated with such efforts are met by Product Co in a manner acceptable to TABQ.

7.4 Permitted Use of the Queensland Racing Calendar and the Queensland Racing Program

- (a) Product Co consents to the use of the Queensland Racing Calendar and the Queensland Racing Program solely for the conduct of the Race Wagering Business by TABQ and for the purposes it is used by TABQ as at 26 May 1999 ("Existing Purposes"). Such use includes the adaptation of the Queensland Racing Calendar or the Queensland Racing Program into any format.

- (b) Subject to clause 7.4(c) TABQ must not, without the prior written agreement of Product Co:-
- (i) disclose the Queensland Racing Calendar or the Queensland Racing Program to any third party unless it is necessary or desirable for the conduct of the Race Wagering Business or Existing Purposes.
 - (ii) use the Queensland Racing Calendar or the Queensland Racing Program for any purpose other than for the conduct of the Race Wagering Business or Existing Purposes;
 - (iii) publish, broadcast, sell, licence or otherwise deal with the Queensland Racing Calendar or the Queensland Racing Program except to the extent necessary or desirable for the conduct of the Race Wagering Business or Existing Purposes.
- (d) Prohibitions or restrictions on the use or disclosure of the Queensland Racing Calendar or the Queensland Racing Program contained in clause 7.4(b) will not apply to information that is not, or has ceased to be, confidential information or is in the public domain (in either case other than through a breach by TABQ of its obligations under this Agreement).
- (e) Nothing in this clause 7.4 gives TABQ an interest in Intellectual Property subsisting in the Queensland Racing Calendar or the Queensland Racing Program greater than otherwise given by this Agreement.
- (f) For the avoidance of doubt nothing in this Agreement prevents or restricts TABQ using or acquiring the rights to use the Queensland Racing Calendar, Queensland Racing Program, Australian Racing Product, Marketing Rights or any other information or Intellectual Property rights in respect of Racing from any other party in connection with any other business, product or service of TABQ other than the Race Wagering Business or Existing Purpose and TABQ shall have no liability to pay or otherwise compensate any Queensland Control Body or Product Co for or in respect of such uses.

7.5 Exclusivity of Supply of Queensland Racing Calendar and Queensland Racing Program

- (a) Product Co will be the exclusive supplier to TABQ for the Race Wagering Business of the Queensland Racing Calendar and the Queensland Racing Program.
- (b) Subject to subclause (c), Product Co and the Queensland Control Bodies will not (and will ensure that each Queensland Racing Entity does not) supply the Queensland Racing Calendar or the Queensland Racing Program to any other person for any use directly or indirectly relating to wagering on Racing without the prior written consent of TABQ, which consent shall not be unreasonably withheld where no amount is payable or other consideration or benefit is directly or

indirectly received for or in respect of such supply (other than reciprocal supply of Australian Racing Information to any Interstate Racing Entities where no amount is payable or other consideration or benefit is directly or indirectly received) and where it is considered by TABQ, acting reasonably, beneficial to the Race Wagering Business.

- (c) Product Co, the Queensland Control Bodies and the Queensland Racing Entities are permitted to provide the Queensland Racing Calendar and the Queensland Racing Program to those persons specified in Schedule 4 (but only such part of such information and at such times and for the purposes it is provided as at 20 May 1999) provided however that the Product Fee, in accordance with clause 10.2(d), reduces by such amounts payable or other consideration or benefit, directly or indirectly received (which does not include reciprocal supply of Australian Racing Information where no amount is payable or other consideration or benefit is directly or indirectly received) by any Queensland Racing Entity, any Queensland Control Body or Product Co.
- (d) Product Co and the Queensland Control Bodies shall provide to TABQ on request of TABQ information concerning the provision of the Queensland Racing Calendar to any other persons including all terms of any relevant arrangements.

7.6 Failure to Supply Queensland Racing Calendar or Queensland Racing Program

If Product Co does not provide the Queensland Racing Calendar or the Queensland Racing Program as required by this Agreement it will constitute a Serious Breach and TABQ may suspend payment of the Product Fee until the Serious Breach has been remedied and the compensation for the Serious Breach has been paid.

8. WAGERING PROGRAM

8.1 Determination of Wagering Program

- (a) TABQ will determine the Wagering Program from time to time after it has received the Queensland Racing Calendar from Product Co and will notify Product Co of the Wagering Program or amended Wagering Program from time to time.
- (b) TABQ must incorporate the Minimum Component in the Wagering Program. However if the Queensland Racing Calendar does not include the whole of the Minimum Component TABQ will only be required to incorporate in the Wagering Program that part of the Minimum Component included in the Queensland Racing Calendar.

8.2 Performance of Wagering Program

- (a) Product Co and the Queensland Control Bodies must ensure that each Queensland Racing Entity conducts all Races in the Wagering Program which form part of the Queensland Racing Calendar in accordance with the official rules of Racing applicable to the conduct of Race Meetings by the Queensland Racing Entity.

- (b) TABQ will provide Race Wagering on all Races in the Minimum Component which are conducted and telecast live to TABQ outlets by an Approved Race Telecaster.

9. SUPPLY OF AUSTRALIAN RACING PRODUCT

9.1 Obligation to Supply the Australian Racing Product

Product Co must supply Australian Racing Product to TABQ

9.2 Timing of Supply of Australian Racing Product

Product Co will supply TABQ with Australian Racing Product in relation to each Race on which TABQ offers wagering and in each case in sufficient time as will enable the effective and efficient conduct of Race Wagering.

9.3 Format

- (a) TABQ will give notice to Product Co from time to time of the format in which the Australian Racing Information is to be provided. TABQ may specify any format such as a hard copy or electronic copy of written or diagrammatic material or a hard copy or an electronic copy of sound recordings or may specify a third party's service which is required such as services from the Racing Services Bureau provided that format is consistent with standards generally considered to be best practice in the Racing industry in Australia.
- (b) Product Co must comply with any requirements of TABQ (acting reasonably) in relation to the format in which it requires Australian Racing Information to be provided from time to time.
- (c) Product Co will ensure that each Queensland Racing Entity provides TABQ with access and facilities at Race Meetings nominated by TABQ to enable TABQ or its nominee, if it so elects, conduct calls on Races for live feed on radio in the same manner as exists as at 20 May, 1999 .

9.4 Exclusivity of Supply of Australian Racing Product

- (a) Subject to clause 9.5 and the supply of Audiovisual Television Coverage and products derived from the Marketing Rights to TABQ, Product Co will be the exclusive supplier of Australian Racing Product to TABQ for use in the Race Wagering Business.
- (b) Subject to clause 7.5(b) Product Co and the Queensland Control Bodies will not (and will ensure that each Queensland Racing Entity does not) supply or grant any rights in relation to Australian Racing Product, Australian Racing Information, Audiovisual Television Coverage or the Marketing Rights to any other person for any use directly or indirectly relating to wagering on Racing without the written consent of TABQ.

- (c) Nothing in clause 9.4(b) will prohibit Queensland Racing Entities from providing:
- (i) Audiovisual Television Coverage and Australian Racing Product and/or Australian Racing Information and the Marketing Rights associated with the Audiovisual Television Coverage to Sky Channel Pty Ltd pursuant to the contracts existing as at 14 October, 1997 between the Queensland Racing Entities and Sky Channel Pty Ltd during the term of those contracts (not counting any extensions of term where the Queensland Racing Entities agreed to an extension); or
 - (ii) Audiovisual Television Coverage to the holder of a television broadcasting licence for broadcast or communication to the public free of charge (except any broadcast or communication in connection with a service (including a teletext service) that provides no more than data, or no more than text (with or without associated still images) or a service that makes programs available on demand on a point to point basis, including a dial-up service) provided:
 - A. No amount is payable or other consideration or benefit is directly or indirectly received; and
 - B. No advertising during the broadcast or communication or sponsor of the broadcast or communication disparages or competes with the Race Wagering Business, in the gambling market;
- (d) Nothing in clause 9.4(c)(ii) will prohibit Queensland Racing Entities from providing Audiovisual Television Coverage to the holder of a broadcasting licence provided:-
- (i) it is necessary to fulfil any enforceable obligation on the Queensland Racing Entity to the holder of a broadcasting licence which existed as at 31 May 1999; and
 - (ii) Product Co and the Queensland Control Bodies ensure that any Queensland Racing Entities continue to fulfil any enforceable obligations which existed as at 31 May, 1999 on the Queensland Racing Entity to give consideration or a benefit to a holder of a broadcasting licence in exchange for the broadcast or communication to the public for free of charge of Audiovisual Television Coverage; and
 - (iii) Product Co, the Queensland Control Bodies or the relevant Queensland Racing Entity notifies the TABQ, within 10 Business Days of the Effective Date of details of the enforceable obligation referred to in clauses 9.4(d)(i) and (ii)

- (e) If a contract between a Queensland Racing Entity and Sky Channel Pty Ltd existing as at 14 October, 1997 expires or is terminated Product Co and the Queensland Control Bodies must ensure that the Queensland Racing Entity or Product Co supplies the Audiovisual Television Coverage, the Australian Racing Product and/or the Australian Racing Information associated with the Audiovisual Television Coverage and the Marketing Rights to an Approved Race Telecaster on the terms and conditions consented to by TABQ.
- (f) TABQ must consent to such supply to an Approved Race Telecaster if the following conditions are met and may consent in its absolute discretion even if the following conditions are not met:
 - (i) Product Co or the Queensland Racing Entity provides to TABQ a copy of the proposed agreement with the Approved Race Telecaster;
 - (ii) the Approved Race Telecaster must have also entered into arrangements with TABQ for the supply of Audiovisual Television Coverage and/or products derived from the Marketing Rights which are satisfactory to TABQ and which does not require the payment by TABQ of any greater consideration than that currently paid by TABQ in relation to the supply of Audiovisual Television Coverage and/or products derived from the Marketing Rights; and
 - (iii) the agreement between Product Co or the Queensland Racing Entity and the Approved Race Telecaster provides that in exercising its rights the Approved Race Telecaster will not enter into any licence or other agreement, whether formal or informal, and by way of agency or other use, with any person who is directly or indirectly associated or involved in wagering on Racing unless the person is authorised and regulated in Australia by a Governmental Agency of the Commonwealth of Australia or any State or Territory of the Commonwealth of Australia to conduct wagering on Racing.

9.5 Inability to Supply Australian Racing Product

- (a) If Product Co cannot procure the Australian Racing Product it is required to supply to TABQ or cannot comply with the requirements of TABQ in relation to the format in which TABQ requires Australian Racing Information pursuant to clause 9.3 then for the period TABQ reasonably believes, after consultation with Product Co, Product Co will not be able to procure Australian Racing Product, TABQ may procure the equivalent of the Australian Racing Product from any other source and incur a Third Party Charge.
- (b) The amount of any Third Party Charge must be reasonably commercial in the circumstances, having regard to the need to maintain continuity of Australian Racing Product.

- (c) TABQ may pay any Third Party Charge incurred pursuant to clause 9.5(a) and the Product Fee, in accordance with clause 10.2(c) will correspondingly be reduced by the amount of that Third Party Charge.
- (d) TABQ will expeditiously notify Product Co of the details of any arrangements TABQ may make to procure Australian Racing Product pursuant to clause 9.5(a).
- (e) TABQ must when obtaining Australian Racing Product from any other source pursuant to clause 9.5(a) use its best endeavours to obtain Australian Racing Product on terms which allow for the supply to cease immediately should Product Co recommence supply of the relevant Australian Racing Product.

9.6 Intellectual Property Rights in the Australian Racing Product

- (a) Australian Racing Product is the Intellectual Property of Product Co

Each of the parties acknowledges that, to the extent Intellectual Property or rights of confidentiality exist in or in connection with Australian Racing Product supplied by Product Co to TABQ or that Intellectual Property and rights of confidentiality are as between the parties to this Agreement solely those of Product Co.

- (b) Protection of Intellectual Property Rights in the Australian Racing Product

- (i) Product Co must promptly take all reasonable action to protect its title to and Intellectual Property in any Australian Racing Product, to the extent that such Intellectual Property exists. Product Co must also defend challenges to the ownership or registration thereof by third persons in any country of the world. Such actions and defence will be at Product Co's own costs in all respects.
- (ii) TABQ if requested by Product Co in writing must use reasonable efforts to safeguard any Intellectual Property of Product Co in Australian Racing Product to the extent that such Intellectual Property exists and to the extent that it has standing to do so but will not be liable for any costs in this respect. TABQ does not have to use any efforts to safeguard any Intellectual Property of Product Co unless the costs associated with such efforts are met by Product Co in a manner acceptable to TABQ.

9.7 Permitted Use of the Australian Racing Product

- (a) Product Co consents to the use of the Australian Racing Product solely for the conduct of the Race Wagering Business by TABQ and for the purposes it is used by TABQ as at 26 May 1999 ("Existing Purposes") irrespective of whether the Australian Racing Product is provided by Product Co or another source as provided by clause 9.5. Such use includes the adaptation of the Australian Racing Product into any format.

- (b) Subject to clause 9.7(c), TABQ must not, without the prior written agreement of Product Co:-
 - (i) disclose the Australian Racing Product to any third party unless it is necessary for the efficient and effective conduct or promotion of the Race Wagering Business and Existing Purposes;
 - (ii) use Australian Racing Product supplied by Product Co for any purpose other than the conduct of the Race Wagering Business and Existing Purposes; or
 - (iii) publish, broadcast, sell, licence or otherwise deal with any Australian Racing Product except to the extent required for the conduct of the Race Wagering Business and Existing Purposes.
- (c) Prohibitions or restrictions on use or disclosure contained in clause 9.7(b) of any Australian Racing Product will not apply to Australian Racing Product that is not, or has ceased to be, confidential information or is in the public domain (in either case other than through a breach by TABQ of its obligations under this Agreement).
- (d) Nothing in this clause 9.7 gives TABQ an interest in Intellectual Property subsisting in connection with any Australian Racing Product greater than otherwise given by this Agreement.

10. CONSIDERATION FOR SUPPLY OF AUSTRALIAN RACING PRODUCT AND QUEENSLAND RACING PROGRAM

10.1 Consideration for Australian Racing Product and Queensland Racing Program

Subject to clause 10.2, and in consideration of Product Co and each Queensland Control Body performing their respective obligations under this Agreement, TABQ will pay a fee to Product Co, as agent for the Queensland Control Bodies and the Queensland Racing Entities, monthly in arrears within 10 Business Days of the end of the month, calculated as follows:

- (a) In the period after the Effective Date to the date that any issued shares in TABQ are held by any person other than, the State of Queensland or any person holding shares beneficially for the State of Queensland, ("the date of privatisation of the TABQ") of an amount equal to the sum of -
 - (i) a fixed amount of \$2,833,333 per month (or prorated for any part of the month) for which this Agreement applies; and
 - (ii) a variable amount equal to 22% of the Gross Wagering Revenue for the month (or prorated for any part of the month) for which this Agreement applies;

- (b) In the period from the date of the privatisation of the TABQ to the date which is the first anniversary of the date of privatisation of the TABQ an amount equal to the sum of:
 - (i) a fixed amount of \$2,916,667 per month (or prorated for any part of the month) for which this Agreement applies; and
 - (ii) a variable amount equal to 25% of the Gross Wagering Revenue for the month (or prorated for any part of the month) for which this Agreement applies;
- (c) In the period from the first anniversary of the date of the privatisation of the TABQ to the fourth anniversary of the date of privatisation of the TABQ an amount equal to the sum of:
 - (i) a fixed amount of \$2,916,667 per month (or prorated for any part of the month) for which this Agreement applies; and
 - (ii) a variable amount equal to 26.5% of the Gross Wagering Revenue for the month (or prorated for any part of the month) for which this Agreement applies;
- (d) In the period from the fourth anniversary of the date of privatisation of the TABQ to the expiry or termination of this Agreement a variable amount equal to 39% of the Gross Wagering Revenue for the month (or prorated for any part of the month) for which this Agreement applies.

10.2 Deductions from the Fee Payable pursuant to Clause 10.1

TABQ is irrevocably authorised to deduct and set off from the fee payable pursuant to clause 10.1:-

- (a) the amount of any liquidated debt payable by Product Co or the Queensland Control Bodies under clause 12.3 of this Agreement; and
- (b) the amount of any monetary compensation payable by Product Co or the Queensland Control Bodies under clause 12.5 of this Agreement; and
- (c) the Third Party Charge; and
- (d) the amount calculated in accordance with clause 7.5(c).

10.3 No Obligation to Queensland Racing Entity

Payment to Product Co of the Product Fee is made in full and complete consideration for the performance by Product Co and each Queensland Control Body of its obligations under this Agreement, and no further payments are required to be made or further consideration given under this Agreement or otherwise to Product Co, the Queensland Control Bodies or any Queensland Racing Entity as consideration for the performance of obligations under this Agreement.

10.4 TABQ will provide to Product Co a copy of its audited annual financial statements as soon as practicable after the public release of such statements.

11. ON-COURSE COMMISSIONS

The TABQ agrees to enter into agency agreements with Queensland Racing Entities in relation to TABQ agencies located on the venues from which Racing Meetings are held on terms to be negotiated between TABQ and the applicable Queensland Racing Entities. The commission payable to any Queensland Racing Entity under an agency agreement will be 4.9% of the wagering turnover of the relevant agency. The Queensland Racing Entity will be responsible under the agency agreement for all the capital and operating costs associated with operating the relevant agency.

12. BREACH

12.1 Breach

A breach by a defaulting party of this Agreement does not give any rights to the non-defaulting party to terminate this Agreement except as provided by clause 14.

12.2 Remediating Breach

If any party to this Agreement commits a breach of this Agreement and the breach is capable of being remedied by the defaulting party:

- (a) the defaulting party will remedy the breach;
- (b) the non-defaulting party may within five Business Days after becoming aware of the breach, give notice to the defaulting party specifying the breach and demanding that the defaulting party promptly remedy or commence remedying the breach;
- (c) if the defaulting party does not remedy the breach or commence reasonable and diligent action towards remedying the breach within a reasonable time after receipt of a notice under 12.2(b) the non-defaulting party may, without prejudice to its other rights in that event, elect to remedy the default of the defaulting party either in whole or in part.

12.3 Costs of Remedying Breach

The amount paid or costs and expenses incurred by a non-defaulting party in remedying the default in accordance with clause 12.2 will be a liquidated debt due and payable by the defaulting party to the non-defaulting party.

12.4 Breaches not Capable of Remedy

If a breach of this Agreement is not capable of being remedied, the defaulting party or the non-defaulting party may refer the matter to the Independent Expert under the dispute resolution mechanism in clause 13 for resolution of how the effects of the breach are to be dealt with.

12.5 Compensation for Serious Breach

If a breach of this Agreement constitutes a Serious Breach, the defaulting party will pay adequate monetary compensation to the non-defaulting party in accordance with the following provisions:

- (a) The non-defaulting party may give a notice to the defaulting party specifying the Serious Breach and the amount of monetary compensation that is required by the non-defaulting party in relation to the Serious Breach;
- (b) If the parties do not reach agreement on the monetary compensation to be paid or provided by the defaulting party within 21 days of service of the notice under clause 12.5(a) any party may refer the dispute to the Independent Expert under the dispute resolution mechanism provided for in clause 13.
- (c) The defaulting party must pay the monetary compensation agreed by the parties or determined by a Court to the non-defaulting parties within 14 days of agreement or the delivery of the determination of the Court.

13. DISPUTE RESOLUTION

13.1 Independent Expert

Disputes which may be referred to an Independent Expert in accordance with this Agreement may be submitted in writing by any party to a suitably qualified expert who has no direct or indirect personal interest in the outcome of the resolution of the dispute and who will be selected by agreement between the parties or failing agreement between them within seven days after they commence to discuss the selection of an Independent Expert, at the request of any party by:

- (a) the president or chairman of the Institute of Company Directors (Queensland Division) or if that person is an advisor or partner of an advisor to a party, the president or chairman of the Australian Merchant Bankers Association (Queensland Division); or

- (b) the president or chairman of such other organisation or body as the parties may agree.

13.2 Written Submissions

The written submissions to the Independent Expert must state the specific matter to be resolved together with all other reasonably relevant matters (including, without limitation, any requirements under this Agreement relating to the particular matter being referred for resolution).

13.3 Method for Resolving Dispute

The Independent Expert will use his or her expertise to determine the best method for resolution of the dispute and determine a time period and processes for the parties to attempt to resolve the dispute.

13.4 Information and Assistance

The parties must supply the Independent Expert with any information, assistance and co-operation which the Independent Expert may request in connection with the resolution of the dispute.

13.5 Fees and Expenses of Independent Expert

Unless otherwise provided in this Agreement or unless the Independent Expert, in its absolute discretion, determines that the conduct of any party is such that it should bear all or a greater proportion of the fees and expenses of the Independent Expert, the fees and expenses of the Independent Expert will be borne by the parties in equal shares.

13.6 Court Proceedings

Neither party will commence or maintain any proceedings in any Court with respect to a dispute referred to the Independent Expert until the expiration of the time period determined by the Independent Expert for the parties to attempt to resolve the dispute.

14. TERMINATION

14.1 This Agreement may be terminated by TABQ by 30 days written notice to Product Co and the Queensland Control Bodies if:

- (a) there is an Event of Insolvency in relation to Product Co or any of the Queensland Control Bodies; or
- (b) Product Co purports to Dispose of its interests in this Agreement without the prior written consent of TABQ; or

- (c) if there is a change in effective control of Product Co as at the date of this Agreement without the prior written consent of TABQ, such consent is not to be unreasonably withheld where the change in effective control does not affect the ability of Product Co to perform its obligations under this Agreement; or
- (d) if any of the Queensland Control Bodies ceases to exist or ceases to have those functions and powers conferred on it as at the Effective Date which enable it to control the Racing code and/or perform all of its obligations under this Agreement except where such functions and powers and obligations of the Queensland Control Body under this Agreement are legally assumed by a successor statutory entity.

14.2 Product Co may terminate this Agreement by 30 days written notice to TABQ and the Queensland Control Bodies if:-

- (a) there is an Event of Insolvency in relation to TABQ; or
- (b) TABQ purports to Dispose of its interests in this Agreement without the prior written consent of Product Co; or
- (c) there is a change in effective control of TABQ as at the date of this Agreement without the prior written consent of Product Co, such consent is not to be unreasonably withheld where the change in effective control does not affect the ability of TABQ to perform its obligations under this Agreement.

14.3 The Queensland Control Bodies have no right to terminate this Agreement.

14.4 Notwithstanding any other provision in this Agreement, the following events will not give rise to a right to terminate or a breach of this Agreement and will not be perceived in any way or require the consent of any party:-

- (a) the corporatisation of TABQ;
- (b) the privatisation of TABQ including:-
 - (i) a change in effective control of TABQ, which results from the State relinquishing control;
 - (ii) the assignment of this Agreement by TABQ pursuant to a direction from the State.

14.5 For the purpose of this clause "effective control" means the control of the composition of the board of directors of the party, the control of more than half of the voting power of the party or the control of more than half of the issued ordinary share capital of the party.

15. FORCE MAJEURE

15.1 No Liability During Force Majeure

A party will not be liable for any delay in or failure to observe or perform any of its duties or obligations under this Agreement (other than a delay or failure to make a payment of any amount payable under this Agreement) if:-

- (a) the delay or failure arises from a cause beyond its reasonable control including act of God, strike, lock out or other labour difficulty, act of public enemy, war, blockade, revolution, riot, insurrection, civil commotion, lightning, storm, flood, cancellation of a Race Meeting due to rain or other natural causes, fire, earthquake, explosion, or any action, inaction, demand, order, restraint, restriction, requirement, prevention, frustration or hindrance by or of any person, government or other competent authority, embargo, unavailability of essential equipment or other material, lack of transportation or any other cause whether specifically referred to above or otherwise which is beyond its reasonable control;
- (b) it has taken all proper precautions, due care and reasonable alternative measures with the object and intent of avoiding the delay or failure and of carrying out its obligations under this Agreement, provided that nothing in this clause 15.1 requires a party to settle or compromise a labour dispute if the party in its sole discretion considers that to do so will be contrary to its best interest; and
- (c) as soon as possible after the beginning of the occurrence which affects the ability of the party claiming under this clause to observe or perform any of its duties or obligations under this Agreement, the party gives notice to the other parties claiming the benefit of this clause of the specific nature of the occurrence and as far as possible estimating its duration and the probable extent to which the party will be unable to observe or perform its obligations.

15.2 Force Majeure Effects to be Overcome

The party claiming the benefits of clause 15.1 must use all reasonable endeavours promptly to overcome the adverse consequences and effects of the cause in question, subject always to the proviso in clause 15.1(b).

16. CONFIDENTIAL INFORMATION

16.1 Protected Information

Each party undertakes and agrees:-

- (a) not to use in any way any Confidential Information of another party without the prior written approval of the other party or otherwise in accordance with clause 16.2;

- (b) not to disclose to any person or allow or assist or make it possible for any person to observe any Confidential Information of another party, without the prior written approval of the other party or otherwise in accordance with clause 16.2;
- (c) not to disclose any Confidential Information of another party to any person or allow or assist or make it possible for any person to observe any Confidential Information, without the prior written approval of the party to whom the Confidential Information relates or otherwise in accordance with the provisions of clause 16.2.

16.2 Permitted Disclosure

Nothing in clause 16.1 prohibits the disclosure of Confidential Information of another party by a party (a "Disclosing Party"):-

- (a) to a Related Body Corporate of the Disclosing Party;
- (b) if and to the extent required pursuant to any necessary applicable legislation or other legal requirement or pursuant to the rules or regulations of the Australian Stock Exchange Limited or any foreign stock exchange recognised by the Australian Stock Exchange Limited which are applicable to the Disclosing Party or any Related Body Corporate of the Disclosing Party;
- (c) if and to the extent that it may be necessary or desirable to disclose information to any Governmental Agency in connection with the application for the Race Wagering Licence or compliance with obligations under the *Wagering Act 1998* or any Government Consents which are necessary for the conduct of the Race Wagering Business or otherwise in relation to this Agreement but only after the Disclosing Party has consulted with the other party;
- (d) to the Independent Expert or the professional advisors and consultants of the Disclosing Party whose duties in relation to the Disclosing Party necessarily require the disclosure;
- (e) subject to clause 16.3, to employees, officers and agents of the Disclosing Party whose duties in relation to the Disclosing Party necessarily require the disclosure;
- (f) pursuant to a binding order of any Court of competent jurisdiction or other competent authority provided that a copy of that binding order and details of the information and material to be disclosed are given to the other party by the Disclosing Party prior to that disclosure;
- (g) in any proceedings arising out of or in connection with the Race Wagering Business to the extent necessary to protect the lawful interest of the Disclosing Party provided that the Disclosing Party notifies the other party of its intention to make that disclosure and provides to it details of the material and information to be disclosed;

- (h) if and to the extent required by a contractual obligation of the Disclosing Party existing by virtue of contractual provisions entered into by the party with third parties prior to the execution of this Agreement provided however that the Disclosing Party has notified the other party of those obligations prior to the execution of this Agreement;
- (i) to Queensland Racing Entities to the extent required to enable Product Co and the Queensland Control Bodies to fulfil their obligations under this Agreement,

provided however that any disclosure pursuant to clauses 16.2(a) and (d) (other than a disclosure in good faith to legal advisors of the Disclosing Party) will only be made subject to the person to whom disclosure is made covenanting and agreeing with the parties to maintain confidentiality.

16.3 Use of Information by Employees

- (a) Each Disclosing Party must use its best endeavours to procure that each of its employees, officers or agents to whom Confidential Information is or has been disclosed or by whom Confidential Information has been or may be observed (each of whom is in this clause 16.3 referred to as a "Disclosee") must not improperly disclose or improperly use any Confidential Information contrary to the requirements of this clause 16, either during or after the termination of the Disclosee's employment, office or agency with the Disclosing Party.
- (b) Any breach by a Disclosee of any undertaking as to non-disclosure will be deemed to be a breach of that Disclosing Party of that undertaking or obligation and in any event that Disclosing Party will use reasonable endeavours to enforce or procure the enforcement of that undertaking or obligation.
- (c) In performing any of its obligations pursuant to this clause 16.3 each Disclosing Party may reasonably determine whether litigation to procure compliance with any current or former employee, officer or agent of any Disclosing Party is warranted.
- (d) If requested in writing from time to time by a party, a Disclosing Party must provide to it a list of the names, addresses and officers of those employees, officers and agents to whom the Disclosing Party has disclosed Confidential Information, together with a description of the nature of the Confidential Information so disclosed.

16.4 Survives Termination

The provisions of this clause 16 will survive and continue to bind the parties for a period of two years following termination of this Agreement.

16.5 Law of Confidentiality

The undertakings and agreements contained in this Agreement will be in addition to and will in no way derogate from the obligations of the parties in respect of secret and Confidential Information at law, in equity or under any statute or trade or professional custom or use.

16.6 No Assistance for Unauthorised Disclosure

Parties must not at any time make or assist any other person whatsoever to make any unauthorised disclosure or use of any Confidential Information and must take all practical steps to procure and ensure that every person who (as its employee, officer, agent or otherwise through or from it) creates, develops, acquires or becomes possessed or appraised of any Confidential Information at any time does not make (or assist any other person to make) any unauthorised disclosure or use of that Confidential Information.

17. INDEMNITY

Each party indemnifies the other against all claims, actions, damages, losses, costs, expenses and payments which the other party pays, suffers, incurs or is liable for in respect of:

- (a) a breach by the first party of any of its obligations under this Agreement; or
- (b) a breach of any law, statutory or otherwise of any unlawful act or omission on the part of the first party.

18. WARRANTIES

18.1 Representations and Warranties of Parties

Each of the parties represents and warrants to the other parties:-

- (a) it has full right, power and authority to enter into this Agreement and undertake the obligations imposed by this Agreement;
- (b) that all consents and approvals lawfully required for it to enter into this Agreement have been duly given;
- (c) that all necessary action to authorise the entering into and the performance by it of its obligations under this Agreement has been taken;
- (d) that the entering into by it of this Agreement will not contravene any law, its memorandum and articles of association, its constitution, any agreement to which it is a party or any judgement applying to it;

- (e) that to the best of its knowledge and belief no litigation or administration action is in process or being threatened which involves that party and which could materially effect the ability of the party to perform its obligations under this Agreement;
- (f) that it is able to pay its debts as and when they fall due.

18.2 Representations and Warranties of Product Co

Product Co represents and warrants to TABQ:-

- (a) it has recourse to adequate facilities, including staff and expertise to perform its obligations under this Agreement;
- (b) it has sufficient right, title and interest in and to the Queensland Racing Calendar, the Queensland Racing Program and the Australian Racing Product to enable it to perform its obligations under this Agreement and confer the rights on TABQ purported to be conferred on TABQ under this Agreement;
- (c) any material incorporated within the Queensland Racing Calendar, the Queensland Racing Program and the Australian Racing Product will not infringe the rights of any third party.

19. GENERAL

19.1 Notices

Any notice or other communication which must be given, served or made under or in connection with this Agreement:

- (a) must be in writing in order to be valid;
- (b) is sufficient if executed by the party giving, serving or making the notice or on its behalf by any attorney, director, secretary, other duly authorised officer or solicitor of such party;
- (c) will be deemed to have been duly served, given or made in relation to a person if it is delivered or posted by prepaid post to the address, or facsimile to the number of that person set out in this Agreement (or at such other address or number as is notified in writing by that person to the other parties from time to time); and
- (d) will be deemed to be served, given or made:
 - (i) (in the case of prepaid post) on the second Business Day after the date of posting;

- (ii) (in the case of facsimile) on receipt of a transmission report confirming successful transmission; and
- (iii) (in the case of delivery by hand) on delivery.

19.2 Governing Law

This Agreement is governed by and is to be construed according to the laws of Queensland.

19.3 Jurisdiction

- (a) (Acceptance of jurisdiction): Each of the parties irrevocably submits to and accepts generally and unconditionally, the non-exclusive jurisdiction of the courts and appellate courts of Queensland with respect to any legal action or proceedings which may be brought at any time relating in any way to this Agreement.
- (b) (No objection to inconvenient forum): Each of the parties irrevocably waives any objection it may now or in the future have to the venue of any action or proceedings, and any claim it may now or in the future have that the action or proceeding has been brought in an inconvenient forum.

19.4 Severability

Any provision of this Agreement which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions.

19.5 Amendments

This Agreement may not be modified, amended or otherwise varied except by a document in writing signed by or on behalf of each of the parties.

19.6 Waiver

No waiver or indulgence by any party to this Agreement is binding on the parties unless it is in writing. No waiver of one breach of any term or condition of this Agreement will operate as a waiver of another breach of the same or any other term or condition of this Agreement.

19.7 Further Acts

The parties will promptly do and perform all further acts and execute and deliver all further documents required by law or reasonably requested by any other party to carry out and effect the intent and purpose of this Agreement.

19.8 Assignment/Encumbrance

- (a) No party can assign their rights and obligations under this Agreement without the consent of the other parties.
- (b) Subject to sub-clause (c) no party can Encumber its interests in this Agreement without the consent of the other parties.
- (c) Consent will not unreasonably be withheld in the event that Product Co wishes to Encumber its interests in this Agreement provided the Encumbrance in no way adversely affects Product Co meeting its obligations under this Agreement.

19.9 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together constitute one and the same document.

19.10 Expenses

Each party will meet its own costs in relation to the preparation and execution of this Agreement, and any subsequent consent, agreement, approval, waiver or amendment to this Agreement.

19.11 Stamp Duties

Product Co and TABQ will share equally the expense of all stamp duty , including fines and penalties, which may be payable to or required to be paid to any appropriate authority or determined to be payable in connection with the execution, delivery or performance of this Agreement.

19.12 No Representation or Reliance

Each party acknowledges that:

- (a) they have no duty to supply to the other information in relation to or affecting the other before the date of this Agreement;
- (b) it has relied on its own inquiries as to any relationship or transaction between the parties whether or not recorded in this Agreement; and
- (c) it has not entered into this Agreement in reliance on or as a result of any representation, promise, statement, conduct or inducement to it by or on behalf of any other person otherwise than as provided in this Agreement.

19.13 Costs

Each party will be responsible for all of its own costs incurred in the performance of its obligations under this Agreement.

19.14 Whole Agreement

This Agreement supersedes and invalidates all other commitments, representations and warranties relating to the subject matter hereof which may have been made by the parties either orally or in writing prior to the date hereof, and which will become null and void from the date this Agreement is signed.

19.15 Powers

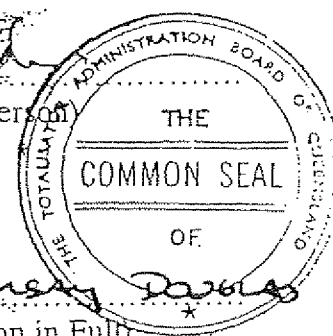
All the powers of persons under this Agreement are to be exercised for the purpose for which they are given and not any ulterior purpose. If a person uses a power for an improper purpose or the substantial purpose is improper the exercise of the power is invalid.

Product and Program Agreement

SIGNED as an agreement.

THE COMMON SEAL of TOTALISATOR)
ADMINISTRATION BOARD OF)
QUEENSLAND was affixed in accordance with a)
resolution of TOTALISATOR)
ADMINISTRATION BOARD OF)
QUEENSLAND in the presence of:

(Signature of Chairperson)



ROBERT RAMSEY DAVIES
(Name of Chairperson in Full)

(Signature of Secretary)

BARRIE JAMES FLETON
(Name of Secretary in Full)

THE COMMON SEAL of QUEENSLAND)
RACE PRODUCT CO LTD ACN 081 743 722)
was affixed in accordance with its Constitution in)
the presence of:

(Signature of Director)



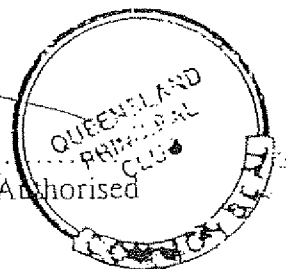
David Stewart Roseman
(Name of Director in Full)

(Signature of Secretary/Director)

PETER WILLIAM CLOWELL
(Name of Secretary/Director in Full)

THE SEAL of QUEENSLAND PRINCIPAL)
CLUB affixed pursuant to a resolution of the)
QUEENSLAND PRINCIPAL CLUB by)
ANDREW (2910) BIRCH)
(Chairperson/Authorised Officer)

(Signature of Chairperson/Authorised Officer)



THE SEAL of QUEENSLAND HARNES)
RACING BOARD affixed pursuant to a resolution)
of the QUEENSLAND HARNES RACING)
BOARD by DUN BERNARD CROWLEY)
(Secretary/Chairperson)

(Signature of Secretary/Chairperson)



THE SEAL of GREYHOUND RACING)
AUTHORITY affixed pursuant to a resolution of)
the GREYHOUND RACING AUTHORITY by)
Ross Graham Brown)
(Secretary/Chairperson):)

(Signature of Secretary/Chairperson)

SCHEDULE 1

Australian Racing Information

1. Interstate Racing Calendar and Racing Program

Racing calendar and Racing programs for each of the Australian States and Territories (other than Queensland).

2. Racecourse Details

Name of racecourse
Track conditions
Weather
Rail position
Length of straight
Track circumference
Penetrometer reading

3. Race Details

Name of race
Number of race
Start time
Category of class of race
Standing/mobile start for harness racing
Distance
Number of runners
Number of emergencies and reserves
Prize money
Name of sponsors
Application of any racing incentive scheme (eg. QRIS, VOBIS)

4. Thoroughbred/Horse/Dog Details

Name
Number
Weight to carry (including any allowance for apprentice jockey, if applicable)
Barrier numbers and barrier details and box numbers
Racing colours for greyhounds
Age
Sex (If male, whether entire or gelded)
Gear and Gear Changes (eg. blinkers, pacifiers, nose roll, tongue tie)
Colour
Pedigree - Sire and Dam
Name of jockey/driver (where applicable)
Name of owner(s)

Name of trainer(s)

Racing history eg. starts, wins, placings and prize money

Results of last 5 races (where applicable) including race name, distance, class, weight carried, barrier number, position in field, winner of race, winning time, winning margins and final odds.

5. Jockey/Driver Details

Name

Sex

Colour of Silks

Apprentice Details

Rider and driver changes

6. Race Events

Running of the race

Commentary by race caller

Scratchings, late scratchings, selections and tips

7. Race Results

Placings

Times of place getters

Winning margins

Protest details and results (where applicable)

Correct weight

8. General Racing Industry Information

Trends and developments relating to racing, breeding, training and riding/driving

Queensland Racing Entities

Racing statistics

SCHEDULE 2

MINIMUM COMPONENT

	Race Meetings	Day	Race Meetings	Twilight	Race Meetings	Evening
Monday	52	Gallops	-	-	52	Greyhound
Tuesday	52	Gallops	52	Harness Greyhound	or 52	Greyhound
Wednesday	52	Gallops	52	Greyhound	52	Greyhound
Thursday	52	Gallops	52	Harness	52	Greyhound
Friday	51	Gallops	52	Greyhound	52	Harness
Saturday	51	Eagle Farm Doomben	or 52	Gallops	52	Harness
	52	Gold Coast				
	1	Ipswich Cup				
Sunday	35	Gallops	-	-	-	-

SCHEDULE 3

QUEENSLAND RACING CALENDAR FOR FINANCIAL YEAR ENDING 30 JUNE 2000

JULY 1999	SEQRA	DOYNS & SWORA	C.R.E.	C.W.Q.R.A.	N.O.R.A.
THURSDAY 1	BEAUFORT HIBERNIAN				
FRIDAY 2	NO. COY				Oak Park Amateur
SATURDAY 3	TTC, GCYC, SCYC (H), Bundaberg, Gympie (H)	TTC, Cunnamulla (Mailbox)	Rockhampton, Emerald, Thangool	Wroonah	Cairns, Mackay, Mount Isa, Oak Park Amateur, Townsville
SUNDAY 4	SCYC				
MONDAY 5					
TUESDAY 6					
WEDNESDAY 7	BTC				
THURSDAY 8	LOCKYER				
FRIDAY 9					MTC, Coen Amateur
SATURDAY 10	QTC, GCYC, SCYC (H), Gympie, Namungo	TTC, Warwick, Roma	Gladstone (Newmarket), Ridgeford	Longreach Amateur, Capella	Coen Amateur, Gladstone, Hughenden, Mackay, Mount Isa (H), Normanton, Townsville
SUNDAY 11	SCYC				
MONDAY 12					
TUESDAY 13					
WEDNESDAY 14	SCYC				
THURSDAY 15	SCYC				
FRIDAY 16			RUC		
SATURDAY 17	BTC, GCYC, BSK (*), SCYC (H), Bundaberg, Gympie (H)	TTC, C/Warrego, Goundwilwil	Dingo (Trap)	Murrumbidgee	Cairns (H), Collinsville, John Creek, Mount Isa (H), Townsville
SUNDAY 18	SCYC				
MONDAY 19					
TUESDAY 20					CJC
WEDNESDAY 21	QTC				
THURSDAY 22	BTC				
FRIDAY 23			RUC		
SATURDAY 24	TATT'S, GCYC, SCYC (H), Gympie	TTC, Dalby, Dawson	Gladstone (Cup)	Tambor, Clermont	Cairns (H), Co-Maine Amateur, Innalal, Mackay, Mount Isa, Stanford, Townsville
SUNDAY 25	SCYC				Down
MONDAY 26					
TUESDAY 27					
WEDNESDAY 28	QTC				
THURSDAY 29	BTC				
FRIDAY 30					TTC
SATURDAY 31	BTC, GCYC, SCYC (H), Bundaberg, Gympie (H)	TTC, Morven, St. George	Emerald, Yeppoon	Bacabine	Atherton, Cairns (H), Clermont, Mackay, Mount Isa (H), Townsville

AUGUST 1999	SEQIRA	DOWNS & SWQRA	C.J.A.	C.W.Q.B.A.	S.Q.B.A.
SUNDAY 1	SCFC				
MONDAY 2					
TUESDAY 3			RJC		
WEDNESDAY 4	BTC				
THURSDAY 5	TTC				
FRIDAY 6	KILCOY				Mount Isa
SATURDAY 7	QTC, GCYC, SCFC (B), Gympie	TTC, Warwick, C/Warrego	Thangool (Cup)	Yarala, Morambak	Cairns, Cardfield Amateur, Herbert River, Mount Isa(B), Townsville(B)
SUNDAY 8					
MONDAY 9	LOCKYER				
TUESDAY 10			RJC		
WEDNESDAY 11	QTC				
THURSDAY 12	TTC				
FRIDAY 13					TTC
SATURDAY 14	QTC, GCYC, SCFC (B), Bundaberg, Nanao, Gympie (B)	TTC, Goondiwindi (Cup)	Rockhampton, Gladstone	Blackall	Cairns, Mackay, Mount Isa, North Gregory, Townsville, Townsville(B)
SUNDAY 15	SCFC		Emerald		
MONDAY 16					
TUESDAY 17					MTC
WEDNESDAY 18	GCYC				
THURSDAY 19		DALBY			
FRIDAY 20	BEAUBERT				
SATURDAY 21	BTC, GCYC, SCFC (B), Gympie (B)	TTC, Cunnamulla, Roma	Rockhampton, Middlemount	Longreach Diggers	Atherton, Bowen, Cairns(B), Mackay(B), Mount Isa(B), Prarie, Sedan Dip, Townsville
SUNDAY 22	SCFC				
MONDAY 23					
TUESDAY 24	ISR				
WEDNESDAY 25	QTC				
THURSDAY 26	GYMPIE				
FRIDAY 27					NQ AMATEURS
SATURDAY 28	QTC, GCYC, SCFC (B), Gympie (B)	TTC, Gympie, Warra	Gladstone, Yeppoon (Newmarket)	Barcaldine	North Qld Amateurs, Bullockin, Cairns, Mackay, Mount Isa(B)
SUNDAY 29	SCFC				
MONDAY 30					
TUESDAY 31			RJC		

SEPTEMBER	SIQQA	HOWNS & SWORA	CH.A.	E.W.Q.R.A.	N.Q.R.A.
WEDNESDAY 1	HTC				
THURSDAY 2	HTC				
FRIDAY 3	SEACOV			Hidrehe	
SATURDAY 4	HTC, GCCTC, SCTC (B), Handberg, Gynole (B)	TTC, Chindilla	Hokkaypoo, Hecora, Thapod	Hidrehe	Chokoye, Maky, Monu, Erenville
SUNDAY 5	SCTC				
MONDAY 6					
TUESDAY 7	QTC				
WEDNESDAY 8	HTC				
THURSDAY 9	LOCKYER				
FRIDAY 10					
SATURDAY 11	QTC, GCCTC, SCTC (B), Gynole, Gynole	TTC, Wanda, C/Waraga, Sura (Cup)	Arctonic River AHC, Yarpoo	Longexh, Bedovic	FAR NO ASIATERS Far North Old Amason, Thokua, Corrid, Maky, Hecora, Thapod
SUNDAY 12					
MONDAY 13					
TUESDAY 14					
WEDNESDAY 15	HTC				
THURSDAY 16		DAILY			
FRIDAY 17	HEADSHEET			Twin Hill	
SATURDAY 18	QTC, GCCTC, SCTC (B), Handberg, Wanda, Gynole (B)	TTC, Hecora (Cup), Gynoleball	Rochkaypoo, Hecora	Twin Hill, Hecora, Tando	Arctonic, Chok, Hecora, Hecora, Maky, Thapod, Monu, Hecora, Thapod, Hecora, Thapod
SUNDAY 19	SCTC				TTC, Wanda Peak
MONDAY 20					
TUESDAY 21					
WEDNESDAY 22	HTC				
THURSDAY 23		TTC (N)	RJC		
FRIDAY 24	HSN				Isan Amason
SATURDAY 25	HTC, GCCTC, SCTC (B), Gynole	TTC, Hecora	Hecora, Hecora, Hecora (B)	Wofokob	Chok, Eren Amason, Hecora, Maky, Monu, Hecora, Hecora, Thapod, Hecora, Thapod
SUNDAY 26	SCTC				
MONDAY 27					
TUESDAY 28	QTC				
WEDNESDAY 29	HTC				
THURSDAY 30	HTC				

OCTOBER	SRQRA	DOWNS & SWQRA	C.R.A.	C.W.Q.R.A.	R.Q.R.A.
FRIDAY 1			RJC		
SATURDAY 2	BTC, GCTC, SCTC, Bundaberg, Gympie (B)	TTC, Coonambulla, Tara	Thangool, Rockhampton(B)	Blackall, Moranbah	Bowen, Gairdenvale, Hopfield, Mount Isa(B), Townsville
SUNDAY 3					
MONDAY 4	QTC				TTC
TUESDAY 5					
WEDNESDAY 6	BTC				
THURSDAY 7	ITC				
FRIDAY 8		DALBY			
SATURDAY 9	QTC, GCTC, SCTC (B), Gympie, Nanango	TTC, Warwick (Cup), Aqualicella	Emerald (100), Theedare, Yeppoon, Gladstone(B)	Aramac	Burdekin, Cairns, Clermont, Georgetown, Mackay, Mount Isa(B), Proserpine, Townsville(B)
SUNDAY 10	SCTC		Rockhampton IYC Tents(B)		
MONDAY 11					
TUESDAY 12			RJC		Innisfail
WEDNESDAY 13	BTC				
THURSDAY 14	LOCKYER			Jundah	
FRIDAY 15	KH.COY			Jundah	Cairns(B), Clarend Towers, Amhurst, Innisfail, Mackay, Mount Isa, Richmond, Townsville
SATURDAY 16	QTC, GCTC, SCTC, Bundaberg, Wondai, Gympie (B)	TTC, Maranoa, Stanbroke	Rockhampton, Springboro, Thangool	Jundah	
SUNDAY 17					
MONDAY 18					
TUESDAY 19					
WEDNESDAY 20	ITC				TTC
THURSDAY 21		TTC (N)			
FRIDAY 22	BBN				
SATURDAY 23	BTC, GCTC, SCTC (B), Gympie, Mt. Perry	TTC, Dawson, Cl/Warrego, Clifton	Rockhampton (Carlton Place), Gladstone	Innisfail, Clermont	Cairns, Julia Creek, Mackay, Mareeba, Mount Isa(B), Townsville
SUNDAY 24	SCTC				
MONDAY 25					
TUESDAY 26					
WEDNESDAY 27	ITC				
THURSDAY 28					NTC
FRIDAY 29					Atherton, Cairns, Mount Isa(B), Quandy, Townsville
SATURDAY 30	BTC, GCTC, SCTC, Gympie (B)	TTC, Injune	Rockhampton, Gladstone(B)	Lougheed, Moranbah	
SUNDAY 31					

NOVEATHER	SEQHA	DOWNS & SWQRA	C.R.A.	C.W.Q.R.A.	S.Q.H.A.
MONDAY 1					
TUESDAY 2	QTC, Gold Coast, Sunshine Coast, Beauderett, Bondaberg, Gympie, Gayndah, Kambilla	Tumucumba, C/Watrego	Rockhampton, Bowerald, Gladstone, Thangool, Yeppoon	Barcaldine, Moranbah (H)	Barcaldine, Colton, Inverell(H), Mackay, Murrumbidgee, Mount Isa, Richmond, Yassville
WEDNESDAY 3	ITC				
THURSDAY 4	ITC				
FRIDAY 5					
SATURDAY 6	ITC, GCYC, SCTC (H), Gympie (H)	TTC, Dalby	Rockhampton	Stavelange	Cairns, Mount Isa(H), Townsville(H)
SUNDAY 7	SCTC				
MONDAY 8					TTC
TUESDAY 9					
WEDNESDAY 10	ITC				
THURSDAY 11			RJC		
FRIDAY 12	KH,COY				
SATURDAY 13	QTC, GCYC, SCTC (H), Gympie (H)	TTC, Roma	Burr/Bblackwater, Monte, Rockhampton(H)	Fericht	Cairns, Mackay, Mount Isa, Townsville
SUNDAY 14	SCTC				
MONDAY 15					
TUESDAY 16	ITC				
WEDNESDAY 17	ITC				TTC
THURSDAY 18					
FRIDAY 19	ESK				
SATURDAY 20	QTC, GCYC, SCTC (H), Bondaberg, Gympie (H)	TTC, Inell, Goodliwinell	Gladstone	Tandee, Clement	Bowen, Cairns, Mackay, Mount Isa(H), Townsville(H)
SUNDAY 21	SCTC				
MONDAY 22					
TUESDAY 23			RJC		
WEDNESDAY 24	QTC				
THURSDAY 25	LOCKYRR				TTC
FRIDAY 26					
SATURDAY 27	ITC, GCYC, SCTC (H), Gympie, Bibovald	TTC, Warwick	Rockhampton, Bowerald	Langresch	Cairns, Mackay, Mount Isa, Townsville(H) Atherton, Barcaldine
SUNDAY 28	SCTC				
MONDAY 29					
TUESDAY 30					

DECEMBER	NEHA	DOWNNS & SWORA	C.R.A.	C.W.Q.R.A.	N.Q.R.A.
WEDNESDAY 1	TTC				
THURSDAY 2	SCFC				
FRIDAY 3			RIC		
SATURDAY 4	TATTS, GUTC, SCTC (H), Boushberg, Nanaaga, Gynpic (H)	TTC, Warr	Thangout	Hatchfield, Morandah	Calm, MacKay, Mount Isa(II), Townsville(II)
SUNDAY 5	SCTC				
MONDAY 6					
TUESDAY 7	QTC				
WEDNESDAY 8	TTC				
THURSDAY 9	LOCKYER				TTC
FRIDAY 10					
SATURDAY 11	RTC, GCTC, SCTC (H), Wondal, Gynpic (H)	TTC, Roma, Texas	Rockhampton		Calm, Herbert River, MacKay, Mount Isa, Townsville(II)
SUNDAY 12	SCFC				
MONDAY 13					
TUESDAY 14					
WEDNESDAY 15	BYC				
THURSDAY 16		TTC (N)			TTC
FRIDAY 17			IUC		
SATURDAY 18	QTC, GCTC, SCTC, Gynpic	TTC, Chokhilla	Gladstone		Calm, Mount Isa, Townsville(II)
SUNDAY 19					
MONDAY 20					
TUESDAY 21					
WEDNESDAY 22	TTC				
THURSDAY 23		DALBY			MTC
FRIDAY 24					
SATURDAY 25	CHRISTMAS DAY				
SUNDAY 26	SCTC	TTC	Calliope		MacKay, Townsville
MONDAY 27	QTC, GCTC, Boushberg	Warwick	Yepoon		MacKay, Townsville
TUESDAY 28	TTC				
WEDNESDAY 29	TTC				
THURSDAY 30			RIC		
FRIDAY 31	TTC				

1990 - JANUARY	SEQRA	DOWNS & SWORA	C.R.A.	E.W.Q.R.A.	S.Q.R.A.
SATURDAY 1	ITC, GCTC, SCTC (B), Kumbia, Gympie (B)	TTC, Dawson			Calong(B), Georgetown, Inala(B), Mackay, Moon Is(B), Townsville(B)
SUNDAY 2	SCTC				
MONDAY 3	QTC				Georgetown
TUESDAY 4					TTC
WEDNESDAY 5	GCTC				
THURSDAY 6		DALRY			
FRIDAY 7			WJC		
SATURDAY 8	GCTC, ITC, SCTC (B), Bundaberg, Namago, Gympie (B)	TTC, Roma			Calong(B), Mackay(B), Mareeba, Moon Is(B), Townsville(B)
SUNDAY 9	SCTC				
MONDAY 10					
TUESDAY 11					TTC
WEDNESDAY 12	ITC				
THURSDAY 13	QTC				
FRIDAY 14	BEAUBENBERT				
SATURDAY 15	ITC, GCTC, SCTC (B), Gympie	TTC, Bell	Rockhampton		Calong, Moon Is(B), Townsville
SUNDAY 16	SCTC				
MONDAY 17					
TUESDAY 18					
WEDNESDAY 19	ITC				
THURSDAY 20			WJC		
FRIDAY 21	KILCOY				
SATURDAY 22	QTC, GCTC, SCTC (B), Gympie (B)	TTC	Gladstone		Calong, Moon Is(B), Townsville
SUNDAY 23	SCTC				
MONDAY 24					
TUESDAY 25		TTC (N)			
WEDNESDAY 26	ITC, Gympie	Warwick, Wandoan			Atherton, Burdekin, Moon Is(B)
THURSDAY 27			WJC		
FRIDAY 28	LOCKYER				
SATURDAY 29	QTC, GCTC, SCTC (B), Gympie (B)	TTC	Yeppoon		Calong, Mackay, Moon Is(B), Townsville(B)
SUNDAY 30	SCTC				
MONDAY 31					

FEBRUARY	SEQRA	DOWNS & SWOBA	G.R.A.	C.W.Q.R.A.	S.Q.R.A.
TUESDAY 1					TTC
WEDNESDAY 2	RTC				
THURSDAY 3	QTC				
FRIDAY 4	BRANDENBURY				
SATURDAY 5	RTC, GCTC, SCTC (B), Bundaberg, Gympie (B)	TTC, Dawson	Rockhampton		Cairns(B), Mackay, Mount Isa(B), Townsville(B)
SUNDAY 6	SCFC		Gladstone		
MONDAY 7					
TUESDAY 8					QTC
WEDNESDAY 9	RTC				
THURSDAY 10		TTC (N)	RTC		
FRIDAY 11	KILCOY				
SATURDAY 12	QTC, GCTC, SCTC (B), Gympie	TTC, Warwick	Inverell, Tamworth		Cairns, Mackay, Mount Isa, Townsville
SUNDAY 13	SCFC				
MONDAY 14					
TUESDAY 15	RTC				
WEDNESDAY 16	QTC				
THURSDAY 17	RTC				
FRIDAY 18	ESK				
SATURDAY 19	TATTS, GCTC, SCTC (B), Bundaberg, Gympie (B)	TTC, Jandowae	Rockhampton		Atherton, Bundaberg, Cairns, Mackay, Mount Isa(B), Townsville(B)
SUNDAY 20	SCFC				
MONDAY 21					
TUESDAY 22					TTC
WEDNESDAY 23	RTC				
THURSDAY 24	LOCKYER				
FRIDAY 25			RTC		
SATURDAY 26	QTC, GCTC, SCTC(B), Gympie, Isisford	TTC, Stanthorpe	Gladstone, Yeppoon	Morambah	Cairns, Mackay, Townsville(B)
SUNDAY 27	SCFC				
MONDAY 28					
TUESDAY 29					TTC

MONTH	STATION	NEWS & SPORTS	G.M.A.	C.W.O.R.A.	N.O.R.A.
MONDAY 1	QTC				
TUESDAY 2		DAILY (NEWS/SPORTS)			
WEDNESDAY 3	KILCOY				
THURSDAY 4	HTC, GCTC, SCTC (B), Wondal, Gympie (B)	TTC, Warwick	Rochampton, Inverald	Langwath	Bonnie, Cairn, Mackay, Moran, Mount Light, Townsville (B)
FRIDAY 5	SCTC				
SATURDAY 6					
SUNDAY 7					
MONDAY 8	HTC				
TUESDAY 9	LOCKYER				
WEDNESDAY 10	HTC, GCTC, SCTC (B), Gympie, Nanapa	TTC, Chinchilla, St. George	Gladstone, Ypsilon (Silver Route)	Blackall, Glenwald	TTC Aurora, Cairn, Mackay, Moran (A), Townsville
THURSDAY 11	SCTC				
FRIDAY 12	QTC				
SATURDAY 13					
SUNDAY 14	HTC				
MONDAY 15	HTC				
TUESDAY 16	HTC				
WEDNESDAY 17	HTC				
THURSDAY 18	QTC, GCTC, SCTC (B), Bundaberg, Gympie (B)	TTC, Warwick	Springvale St. Part, Thompson	Highland	Bonnie, Cairn, Mackay, Moran (A), Townsville (B)
FRIDAY 19	SCTC	Groundwood (Grand in Grand)	HTC (St Part)		
SATURDAY 20					
SUNDAY 21					
MONDAY 22	QTC				
TUESDAY 23					
WEDNESDAY 24	BEAUDESBERT				
THURSDAY 25	HTC, GCTC, SCTC (B), Capri, Gympie (B)	TTC, Bell	Rochampton (Silver Route), Inverald	Aurora	Cairn, Moran, Mackay, Moran (A), Townsville
FRIDAY 26	SCTC		Capri		
SATURDAY 27					
SUNDAY 28	GYMPY				
MONDAY 29	HTC				
TUESDAY 30					
WEDNESDAY 31					
THURSDAY 1		TTC (WESTWOOD)			
FRIDAY 2					
SATURDAY 3					
SUNDAY 4					
MONDAY 5					
TUESDAY 6					
WEDNESDAY 7					
THURSDAY 8					
FRIDAY 9					
SATURDAY 10					
SUNDAY 11					

APRIL	SEQRA	BOWNS & SWQRA	C.H.A.	C.W.O.B.A.	S.I.H.A.
SATURDAY 1	QTC, GCYC, SCTC (H), Bundaberg, Gympie (H)	TTC, Wyandra	Lions Club Blackwater	Longreach	Calma, Chockery, Herbert River, Mackay, Mount Isa(H), Townsville(H)
SUNDAY 2	SCTC				
MONDAY 3					
TUESDAY 4					TTC
WEDNESDAY 5	ITC				
THURSDAY 6		DALRY (Cup)			
FRIDAY 7	KILCOY	Roma PRC			
SATURDAY 8	HTC, GCYC, SCTC (H), Gympie	TTC, Noorana, Roma PRC	Emerald, Thangool	Blackall	Calma, Mackay(H), Mount Isa, North Gregory, Yoweri, Townsville(H)
SUNDAY 9	SCTC		RJC (Nissan 2YD)		
MONDAY 10					
TUESDAY 11					
WEDNESDAY 12	QTC				
THURSDAY 13	LOCKYER				
FRIDAY 14	ESK				Western Pione
SATURDAY 15	HTC, GCYC, SCTC (H), Bundaberg, Wondai, Gympie (H)	TTC, C/Warrego, Goondiwindi PRC	Rockhampton, Bluff/Blackwater, Montu, Gladstone(H)	Alpha	Calma(H), Inverfail, Mackay, Mount Isa, Townsville, Western Pione
SUNDAY 16	SCTC				
MONDAY 17					
TUESDAY 18					CJC
WEDNESDAY 19	ITC				
THURSDAY 20			RJC		
FRIDAY 21	GOOD FRIDAY				
SATURDAY 22	QTC, GCYC, SCTC, Gympie, Namungo	TTC, Warwick, Roma, Ribton	Bonnie, Gladstone	Barefield	Bowling, Bowen, Calma, Emerald, Mount Isa(H), Townsville
SUNDAY 23					
MONDAY 24	QTC	Angabilla	Yeppoon		Cannoeval, Emerald, Marree, Mount Isa(H), Mackay
TUESDAY 25	HTC, BEAUDENBART (*)	Cowanilla, Mber			Cannoeval, Mount Isa(H)
WEDNESDAY 26	ITC				
THURSDAY 27			RJC		
FRIDAY 28					TTC
SATURDAY 29	HTC, GCYC, SCTC (H), Bundaberg, Gympie (H)	TTC, Warwick PRC	Duaringa (Train), Rockhampton(H), Gladstone(H)	Barefield	Bundaberg, Calma, Gregory Downs, Mackay, Mount Guner, Mount Isa(H), Townsville(H)
SUNDAY 30	SCTC	Dalby Amateurs			

DAY	NEJHA	DOWNS & SQUJIA	C.L.A.	C.W.O.J.L.A.	S.O.J.L.A.
MONDAY 1	ITC		Bridgeport (Cup)		Mayfield Amateur, Mount Carmel, Mount Hill (H)
TUESDAY 2					
WEDNESDAY 3	ITC				
THURSDAY 4					YTC
FRIDAY 5	KILCOY				
SATURDAY 6	OTC, GCFC, SCTC (H), Mr. Perry, Gynopie (H)	YTC, Clifton, Jansuwez	Thames (Cup), Yppoum (Cup)	Langford, Morantsh	Cairn, Mount (H), Richmond Amateur, Trosser, Townsville (H)
SUNDAY 7	SCTC				
MONDAY 8					
TUESDAY 9			RJC		
WEDNESDAY 10	OTC				
THURSDAY 11					YTC
FRIDAY 12	ITC (SHOW DAY)				Daley Amateur Penn
SATURDAY 13	ITC, GCFC, SCTC (H), Burrellswan	YTC, C/Warrago, Conkwinali	Rockhampton, Emerald, Gladstone	Aranac	Daley Amateur Penn, Cairn, Chelgrave, Clonoury, Macky, Mount Hill (H), Townsville
SUNDAY 14	SCTC				
MONDAY 15	ITC				
TUESDAY 16					
WEDNESDAY 17	GCFC				
THURSDAY 18	LOCKYER				
FRIDAY 19					
SATURDAY 20	OTC, GCFC, ISW (L), SCTC (H), Kumbie	YTC, Warwick, Roma, Boonunga	Rockhampton, Thompson	Yamba, Clonoury	MACKAY AMATEURS, Trosser Hill Pentic Amateur
SUNDAY 21	SCTC				
MONDAY 22					
TUESDAY 23					GCFC
WEDNESDAY 24	ITC				
THURSDAY 25	BUNDAHERG				
FRIDAY 26	BEAUFORT				
SATURDAY 27	ITC, GCFC, SCTC (H), Gynopie (H)	YTC, Quipia, Calbedilla	Rockhampton Emerald, Emerald (Cup), Gladstone	Blackville	Almaden, Borekwin, Cairn, Mount (H), Richmond, Townsville (H)
SUNDAY 28	SCTC				
MONDAY 29					
TUESDAY 30					
WEDNESDAY 31	ITC				YTC

JUNE	SEQRA	DOWNS & SWQRA	C.H.A.	C.W.Q.R.A.	N.Q.R.A.
THURSDAY 1		DALBY			
FRIDAY 2	KILCOY				
SATURDAY 3	QTC, GCTC, SCTC (II), Gympie, Nanango	TTC, Winton, Noondra	Rockhampton (Lightning)	Longreach, Peak Downs	Bowen, Cairns(II), Inglewood, Mount Isa, Townsville
SUNDAY 4	SCTC				
MONDAY 5					CJC
TUESDAY 6					
WEDNESDAY 7	ITC				
THURSDAY 8	LOCKYER				
FRIDAY 9					
SATURDAY 10	QTC, GCTC, SCTC (II), Bundaberg, Gympie (II)	TTC, Jandowae, Talwood	Rockhampton (Rising Star), Moon, Springvale	Blackall, Moranbah	Bowen River, Cairns(II), Mackay, Mareeba, Marreebun, Mount Isa, Townsville
SUNDAY 11	SCTC				
MONDAY 12	QTC		CQ Amateurs, Calliope		Mareeba, Towert
TUESDAY 13					
WEDNESDAY 14	FTC				
THURSDAY 15			IJC (Newmarket)		
FRIDAY 16	BEAUVISBERT				
SATURDAY 17	ITC, GCTC, SCTC (II), Gympie, Eidsvold	TTC, Bell, Roma	Rockhampton (Cup), Emerald	Longreach	Cairns, Mount Isa(II), Richmond, Townsville
SUNDAY 18	SCTC				
MONDAY 19					
TUESDAY 20					
WEDNESDAY 21	QTC				TTC
THURSDAY 22					Cooktown Amateur
FRIDAY 23	BSK				
SATURDAY 24	TATTS, GCTC, SCTC (II), Bundaberg, Wondal, Gympie (II)	TTC, C/Warrego, Warwick	Dingo (Cup), Gladstone, Rockhampton (B)	Bareedine	Cooktown Amateur, Bundelin, Cairns(II), Innisfail, Mackay, McIlroy, Mount Isa(II), Townsville(II)
SUNDAY 25	SCTC				
MONDAY 26					
TUESDAY 27			IJC		
WEDNESDAY 28	ITC				
THURSDAY 29		DALBY			
FRIDAY 30					TTC, Laura Amateur

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

JULY	SE QUEENSLAND	NTH QUEENSLAND
THURSDAY 1	Brisbane (N)	Cairns (N), Rockhampton (N), Mackay (N)
FRIDAY 2	Ipswich (T)	
SATURDAY 3	Capalaba (D)	Lower Burdekin (D)
SUNDAY 4		Bundaberg (D)
MONDAY 5	Brisbane (N)	
TUESDAY 6	Beenleigh (T), Ipswich (N)	
WEDNESDAY 7	Gold Coast (T), Toowoomba (N)	
THURSDAY 8	Brisbane (N)	Cairns (N), Mount Isa (N), Rockhampton (N), Mackay (N)
FRIDAY 9	Ipswich (T)	
SATURDAY 10	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 11		
MONDAY 12	Brisbane (N)	
TUESDAY 13	Beenleigh (T), Ipswich (N)	
WEDNESDAY 14	Gold Coast (T), Toowoomba (N)	
THURSDAY 15	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 16	Ipswich (T)	
SATURDAY 17	Capalaba (D)	
SUNDAY 18		Bundaberg (D)
MONDAY 19	Brisbane (N)	
TUESDAY 20	Beenleigh (T), Ipswich (N)	
WEDNESDAY 21	Gold Coast (T), Toowoomba (N)	
THURSDAY 22	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 23	Ipswich (T)	
SATURDAY 24	Capalaba (D)	Bundaberg (D)
SUNDAY 25		
MONDAY 26	Brisbane (N)	
TUESDAY 27	Beenleigh (T), Ipswich (N)	
WEDNESDAY 28	Gold Coast (T), Toowoomba (N)	
THURSDAY 29	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 30	Ipswich (T)	
SATURDAY 31	Capalaba (D)	Lower Burdekin (D)

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

	SE QUEENSLAND	NTH QUEENSLAND
AUGUST		
SUNDAY 1		Bundaberg (D)
MONDAY 2	Brisbane (N)	
TUESDAY 3	Beenleigh (T), Ipswich (N)	
WEDNESDAY 4	Gold Coast (T), Toowoomba (N)	
THURSDAY 5	Brisbane (N)	Calrns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 6	Ipswich (T)	
SATURDAY 7	Capalaba (D)	Bundaberg (D)
SUNDAY 8		
MONDAY 9	Brisbane (N)	
TUESDAY 10	Beenleigh (T), Ipswich (N)	
WEDNESDAY 11	Gold Coast (T), Toowoomba (N)	
THURSDAY 12	Brisbane (N)	Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 13	Ipswich (T)	
SATURDAY 14	Capalaba (D)	Bundaberg (D), Lower Burdokin (D)
SUNDAY 15		Mount Isa (D)
MONDAY 16	Brisbane (N)	
TUESDAY 17	Beenleigh (T), Ipswich (N)	
WEDNESDAY 18	Toowoomba (N)	
THURSDAY 19	Brisbane (N)	Calrns (N), Townsville (N), Rockhampton (N)
FRIDAY 20	Ipswich (T)	
SATURDAY 21	Capalaba (D)	
SUNDAY 22		Bundaberg (D), Mount Isa (D)
MONDAY 23	Brisbane (N)	
TUESDAY 24	Beenleigh (T), Ipswich (N)	
WEDNESDAY 25	Gold Coast (T), Toowoomba (N)	
THURSDAY 26	Brisbane (N)	Calrns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 27	Ipswich (T)	
SATURDAY 28	Capalaba (D)	Bundaberg (D), Lower burdekin (D)
SUNDAY 29		Mount Isa (D)
MONDAY 30	Brisbane (N)	
TUESDAY 31	Beenleigh (T), Ipswich (N)	

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

SEPTEMBER	SE QUEENSLAND	NTH QUEENSLAND
WEDNESDAY 1	Gold Coast (T)	
THURSDAY 2	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 3	Ipswich (T)	
SATURDAY 4	Capalaba (D)	
SUNDAY 5		Bundaberg (D), Mount Isa (D)
MONDAY 6	Brisbane (N)	
TUESDAY 7	Beenleigh (T), Ipswich (N)	
WEDNESDAY 8	Gold Coast (T), Toowoomba (N)	
THURSDAY 9	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 10	Ipswich (T)	
SATURDAY 11	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 12		
MONDAY 13	Brisbane (N)	
TUESDAY 14	Beenleigh (T), Ipswich (N)	
WEDNESDAY 15	Gold Coast (T), Toowoomba (N)	
THURSDAY 16	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 17	Ipswich (T)	
SATURDAY 18	Capalaba (D)	
SUNDAY 19		Bundaberg (D), Mount Isa (D)
MONDAY 20	Brisbane (N)	
TUESDAY 21	Beenleigh (T), Ipswich (N)	
WEDNESDAY 22	Gold Coast (T), Toowoomba (N)	
THURSDAY 23	Brisbane (N)	Cairns (N), Rockhampton (N), Mackay (N)
FRIDAY 24	Ipswich (T)	
SATURDAY 25	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 26		Mount Isa (D)
MONDAY 27	Brisbane (N)	
TUESDAY 28	Beenleigh (T), Ipswich (N)	
WEDNESDAY 29	Gold Coast (T), Toowoomba (N)	
THURSDAY 30	Brisbane (N)	Bundaberg (N), Townsville (N), Rockhampton (N), Mackay (N)

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000 1

OCTOBER	SE QUEENSLAND	NTH QUEENSLAND
FRIDAY 1	Ipswich (T)	
SATURDAY 2	Capalaba (D)	Lower Burdekin (D)
SUNDAY 3		
MONDAY 4	Brisbane (N)	
TUESDAY 5	Beenleigh (T), Ipswich (N)	
WEDNESDAY 6	Gold Coast (T), Toowoomba (N)	
THURSDAY 7	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 8	Ipswich (T)	
SATURDAY 9	Capalaba (D)	Bundaberg (D)
SUNDAY 10	Capalaba (D)	
MONDAY 11	Brisbane (N)	
TUESDAY 12	Beenleigh (T), Ipswich (N)	
WEDNESDAY 13	Gold Coast (T), Toowoomba (N)	
THURSDAY 14	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 15	Ipswich (T)	
SATURDAY 16	Capalaba (D)	Lower Burdekin (D)
SUNDAY 17		
MONDAY 18	Brisbane (N)	
TUESDAY 19	Beenleigh (T), Ipswich (N)	
WEDNESDAY 20	Gold Coast (T), Toowoomba (N)	
THURSDAY 21	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 22	Ipswich (T)	
SATURDAY 23	Capalaba (D)	Bundaberg (D)
SUNDAY 24		
MONDAY 25	Brisbane (N)	
TUESDAY 26	Beenleigh (T), Ipswich (N)	
WEDNESDAY 27	Gold Coast (T), Toowoomba (N)	
THURSDAY 28	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 29	Ipswich (T)	
SATURDAY 30	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 31		

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

NOVEMBER	SE QUEENSLAND	NTH QUEENSLAND
MONDAY 1	Brisbane (N)	
TUESDAY 2	Capalaba (D), Beenleigh (T), Ipswich (N)	
WEDNESDAY 3	Gold Coast (T), Toowoomba (N)	
THURSDAY 4	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N)
FRIDAY 5	Ipswich (T)	
SATURDAY 6	Capalaba (D)	Bundaberg (D)
SUNDAY 7		
MONDAY 8	Brisbane (N)	
TUESDAY 9	Beenleigh (T), Ipswich (N)	
WEDNESDAY 10	Gold Coast (T), Toowoomba (N)	
THURSDAY 11	Brisbane (N)	Cairns (N), Mount Isa (N), Rockhampton (N), Mackay (N)
FRIDAY 12	Ipswich (T)	
SATURDAY 13	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 14		
MONDAY 15	Brisbane (N)	
TUESDAY 16	Beenleigh (T), Ipswich (N)	
WEDNESDAY 17	Gold Coast (T), Toowoomba (N)	
THURSDAY 18	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 19	Ipswich (T)	
SATURDAY 20	Capalaba (D)	
SUNDAY 21		
MONDAY 22	Brisbane (N)	
TUESDAY 23	Beenleigh (T), Ipswich (N)	
WEDNESDAY 24	Gold Coast (T), Toowoomba (N)	
THURSDAY 25	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 26	Ipswich (T)	
SATURDAY 27	Capalaba (D)	Bundaberg (D)
SUNDAY 28		
MONDAY 29	Brisbane (N)	
TUESDAY 30	Beenleigh (T), Ipswich (N)	

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

DECEMBER	SE QUEENSLAND	NTH QUEENSLAND
WEDNESDAY 1	Gold Coast (T), Toowoomba (N)	
THURSDAY 2	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 3	Ipswich (T)	
SATURDAY 4	Capalaba (D)	
SUNDAY 5		
MONDAY 6	Brisbane (N)	
TUESDAY 7	Beenleigh (T), Ipswich (N)	
WEDNESDAY 8	Gold Coast (T), Toowoomba (N)	
THURSDAY 9	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 10	Ipswich (T)	
SATURDAY 11	Capalaba (D)	Bundaberg (D)
SUNDAY 12		
MONDAY 13	Brisbane (N)	
TUESDAY 14	Beenleigh (T), Ipswich (N)	
WEDNESDAY 15	Gold Coast (T), Toowoomba (N)	
THURSDAY 16	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 17	Ipswich (T)	
SATURDAY 18	Capalaba (D)	Bundaberg (D)
SUNDAY 19		
MONDAY 20	Brisbane (N)	
TUESDAY 21	Beenleigh (T), Ipswich (N)	
WEDNESDAY 22	Gold Coast (T), Toowoomba (N)	
THURSDAY 23	Brisbane (N)	Bundaberg (N), Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 24	Ipswich (T)	
SATURDAY 25		
SUNDAY 26		
MONDAY 27	Brisbane (N)	
TUESDAY 28	Beenleigh (T), Ipswich (N)	
WEDNESDAY 29	Gold Coast (T), Toowoomba (N)	
THURSDAY 30	Brisbane (N)	Townsville (N), Rockhampton (N)
FRIDAY 31	Ipswich (T)	

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

JANUARY	SE QUEENSLAND	NTH QUEENSLAND
SATURDAY 1	Capalaba (D)	Bundaberg (D)
SUNDAY 2		
MONDAY 3	Brisbane (N)	
TUESDAY 4	Beenleigh (T), Ipswich (N)	
WEDNESDAY 5	Toowoomba (N)	
THURSDAY 6	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 7	Ipswich (T)	
SATURDAY 8	Capalaba (D)	Bundaberg (D)
SUNDAY 9		
MONDAY 10	Brisbane (N)	
TUESDAY 11	Beenleigh (T), Ipswich (N)	
WEDNESDAY 12	Gold Coast (T), Toowoomba (N)	
THURSDAY 13	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 14	Ipswich (T)	
SATURDAY 15	Capalaba (D)	
SUNDAY 16		
MONDAY 17	Brisbane (N)	
TUESDAY 18	Beenleigh (T), Ipswich (N)	
WEDNESDAY 19	Gold Coast (T), Toowoomba (N)	
THURSDAY 20	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 21	Ipswich (T)	
SATURDAY 22	Capalaba (D)	Bundaberg (D)
SUNDAY 23		
MONDAY 24	Brisbane (N)	
TUESDAY 25	Beenleigh (T), Ipswich (N)	
WEDNESDAY 26	Gold Coast (T), Toowoomba (N)	
THURSDAY 27	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 28	Ipswich (T)	
SATURDAY 29	Capalaba (D)	Bundaberg (D)
SUNDAY 30		
MONDAY 31	Brisbane (N)	

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GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000 1

FEBRUARY	SE QUEENSLAND	NTH QUEENSLAND
TUESDAY 1	Beenleigh (T), Ipswich (N)	
WEDNESDAY 2	Gold Coast (T), Toowoomba (N)	
THURSDAY 3	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 4	Ipswich (T)	
SATURDAY 5	Capalaba (D)	
SUNDAY 6		
MONDAY 7	Brisbane (N)	
TUESDAY 8	Beenleigh (T), Ipswich (N)	
WEDNESDAY 9	Gold Coast (T), Toowoomba (N)	
THURSDAY 10	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 11	Ipswich (T)	
SATURDAY 12	Capalaba (D)	Bundaberg (D)
SUNDAY 13	Capalaba (D)	
MONDAY 14	Brisbane (N)	
TUESDAY 15	Beenleigh (T), Ipswich (N)	
WEDNESDAY 16	Gold Coast (T), Toowoomba (N)	
THURSDAY 17	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N)
FRIDAY 18	Ipswich (T)	
SATURDAY 19	Capalaba (D)	Bundaberg (D)
SUNDAY 20		
MONDAY 21	Brisbane (N)	
TUESDAY 22	Beenleigh (T), Ipswich (N)	
WEDNESDAY 23	Gold Coast (T), Toowoomba (N)	
THURSDAY 24	Brisbane (N)	Bundaberg (N), Mount Isa (N), Townsville (N), Rockhampton (N)
FRIDAY 25	Ipswich (T)	
SATURDAY 26	Capalaba (D)	Lower Burdekin (D)
SUNDAY 27		
MONDAY 28	Brisbane (N)	
TUESDAY 29	Beenleigh (T), Ipswich (N)	

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GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

MARCH	SE QUEENSLAND	NTH QUEENSLAND
WEDNESDAY 1	Gold Coast (T), Toowoomba (N)	
THURSDAY 2	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N)
FRIDAY 3	Ipswich (T)	
SATURDAY 4	Capalaba (D)	Bundaberg (D)
SUNDAY 5		
MONDAY 6	Brisbane (N)	
TUESDAY 7	Beenleigh (T), Ipswich (N)	
WEDNESDAY 8	Gold Coast (T), Toowoomba (N)	
THURSDAY 9	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 10	Ipswich (T)	
SATURDAY 11	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 12		
MONDAY 13	Brisbane (N)	
TUESDAY 14	Beenleigh (T), Ipswich (N)	
WEDNESDAY 15	Gold Coast (T), Toowoomba (N)	
THURSDAY 16	Brisbane (N)	Bundaberg (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 17	Ipswich (T)	
SATURDAY 18	Capalaba (D)	
SUNDAY 19		
MONDAY 20	Brisbane (N)	
TUESDAY 21	Beenleigh (T), Ipswich (N)	
WEDNESDAY 22	Gold Coast (T), Toowoomba (N)	
THURSDAY 23	Brisbane (N)	Cairns (N), Mount Isa (N), Mackay (N)
FRIDAY 24	Ipswich (T)	
SATURDAY 25	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 26		
MONDAY 27	Brisbane (N)	
TUESDAY 28	Beenleigh (T), Ipswich (N)	
WEDNESDAY 29	Gold Coast (T), Toowoomba (N)	
THURSDAY 30	Brisbane (N)	Bundaberg (N), Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 31	Ipswich (T)	

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

APRIL	SE QUEENSLAND	NTH QUEENSLAND
SATURDAY 1	Capalaba (D)	
SUNDAY 2		
MONDAY 3	Brisbane (N)	
TUESDAY 4	Beenleigh (T), Ipswich (N)	
WEDNESDAY 5	Gold Coast (T), Toowoomba (N)	
THURSDAY 6	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 7	Ipswich (T)	
SATURDAY 8	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 9		
MONDAY 10	Brisbane (N)	
TUESDAY 11	Beenleigh (T), Ipswich (T)	
WEDNESDAY 12	Gold Coast (T), Toowoomba (N)	
THURSDAY 13	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 14	Ipswich (T)	
SATURDAY 15	Capalaba (D)	
SUNDAY 16		
MONDAY 17	Brisbane (N)	
TUESDAY 18	Beenleigh (T), Ipswich (N)	
WEDNESDAY 19	Gold Coast (T), Toowoomba (N)	
THURSDAY 20	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 21		
SATURDAY 22	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 23		
MONDAY 24	Brisbane (N)	Mount Isa (D)
TUESDAY 25	Beenleigh (T), Ipswich (N)	
WEDNESDAY 26	Gold Coast (T), Toowoomba (N)	
THURSDAY 27	Brisbane (N)	Cairns (N), Mackay (N)
FRIDAY 28	Ipswich (T)	
SATURDAY 29	Capalaba (D)	Bundaberg (D)
SUNDAY 30		Mount Isa (D)

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

MAY	SE QUEENSLAND	NTH QUEENSLAND
MONDAY 1	Brisbane (N)	Bundaberg (D), Mackay (D)
TUESDAY 2	Beenleigh (T), Ipswich (N)	
WEDNESDAY 3	Gold Coast (T), Toowoomba (N)	
THURSDAY 4	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N)
FRIDAY 5	Ipswich (T)	
SATURDAY 6	Capalaba (D)	Lower Burdekin (D)
SUNDAY 7		
MONDAY 8	Brisbane (N)	
TUESDAY 9	Beenleigh (T)	
WEDNESDAY 10	Gold Coast (T), Toowoomba (N)	
THURSDAY 11	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 12		
SATURDAY 13	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 14		
MONDAY 15	Brisbane (N)	
TUESDAY 16	Beenleigh (T), Ipswich (N)	
WEDNESDAY 17	Toowoomba (N)	
THURSDAY 18	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 19	Ipswich (T)	
SATURDAY 20	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 21		
MONDAY 22	Brisbane (N)	
TUESDAY 23	Beenleigh (T), Ipswich (N)	
WEDNESDAY 24	Gold Coast (T), Toowoomba (N)	
THURSDAY 25	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 26	Ipswich (T)	
SATURDAY 27	Capalaba (D)	Bundaberg (D)
SUNDAY 28		
MONDAY 29	Brisbane (N)	
TUESDAY 30	Beenleigh (T), Ipswich (N)	
WEDNESDAY 31	Gold Coast (T), Toowoomba (N)	

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

JUNE	SE QUEENSLAND	NTH QUEENSLAND
THURSDAY 1	Brisbane (N)	Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 2	Ipswich (T)	
SATURDAY 3	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 4		Mount Isa (D)
MONDAY 5	Brisbane (N)	
TUESDAY 6	Beenleigh (T), Ipswich (N)	
WEDNESDAY 7	Gold Coast (T), Toowoomba (N)	
THURSDAY 8	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 9	Ipswich (T)	
SATURDAY 10	Capalaba (D)	
SUNDAY 11		
MONDAY 12	Brisbane (N)	Bundaberg (D), Mount Isa (D)
TUESDAY 13	Beenleigh (T), Ipswich (N)	
WEDNESDAY 14	Gold Coast (T), Toowoomba (N)	
THURSDAY 15	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N)
FRIDAY 16	Ipswich (T)	
SATURDAY 17	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 18		Mount Isa (D)
MONDAY 19	Brisbane (N)	
TUESDAY 20	Beenleigh (T), Ipswich (N)	
WEDNESDAY 21	Gold Coast (T), Toowoomba (N)	
THURSDAY 22	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N)
FRIDAY 23	Ipswich (T)	
SATURDAY 24	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 25		Mount Isa (D)
MONDAY 26	Brisbane (N)	
TUESDAY 27	Beenleigh (T), Ipswich (N)	
WEDNESDAY 28	Gold Coast (T), Toowoomba (N)	
THURSDAY 29	Brisbane (N)	Cairns (N), Rockhampton (N)
FRIDAY 30	Ipswich (T)	

QHRB Race Dates - 1999/2000

Club	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Albion 51 Sat nights	Sa 3 Sa 10 Tu 13	Sa 7 Sa 14 Sa 21	Sa 4 Sa 11 Sa 18	Sa 2 Sa 9 Sa 16	Sa 6 Sa 13 Sa 20	Sa 4 Sa 11 Sa 18	Sa 1 Sa 8 Sa 15	Sa 5 Sa 12 Tu 15	Sa 4 Sa 11 Sa 18	Sa 1 Sa 8 Sa 15	Sa 6 Sa 13 Sa 20	Sa 3 Sa 10 Sa 17
Tues 2 day/twilight (53 dates)	Sa 17 Sa 24 Sa 31	Sa 28	Sa 25	Sa 23 Sa 30	Sa 27		Sa 22 Sa 29	Sa 19 Sa 26	Sa 25	Sa 22 Sa 29	Sa 27	Sa 24
Gold Coast day/twilight (53 dates)	Th 1 Th 8 Th 22 Th 29	Th 5 Th 12 Th 19 Th 26	Th 2 Th 9 Th 16 Th 23 Th 30	Th 7 Th 14 Th 21 Th 28	Th 4 Th 11 Th 18 Th 25	Th 2 Th 9 Th 16 Th 23 Th 30	Th 6 Th 13 Th 20 Th 27	Th 3 Th 10 Th 17 Th 24	Th 2 Th 9 Th 16 Th 23 Th 30	Th 6 Th 13 Th 20 Th 27	Th 4 Th 11 Th 18 Th 24	Th 1 Th 8 Th 15 Th 22 Th 29
Redcliffe Tues Day/Twilight (49 dates)	Tu 6 Tu 20	Tu 3 Tu 10	Tu 7 Tu 14	Tu 5 Tu 12	Tu 9 Tu 16	Tu 7 Tu 14	Tu 4 Tu 11	Tu 1 Tu 8	Tu 7 Tu 14	Tu 4 Tu 11	Tu 2 Tu 9	Tu 6 Tu 13
	Tu 27	Tu 17 Tu 24 Tu 31	Tu 21 Tu 28	Tu 19 Tu 26	Tu 23 Tu 30	Tu 21 Tu 28	Tu 18 Tu 25	Tu 22 Tu 29	Tu 21 Tu 28	Tu 18 Tu 25	Tu 16 Tu 23 Tu 30	Tu 20 Tu 27
Redcliffe Fri nights (52 dates)	Fr 2 Fr 9 Fr 16 Fr 23 Fr 30	Fr 6 Fr 13 Fr 20 Fr 27	Fr 3 Fr 10 Fr 17 Fr 24	Fr 1 Fr 8 Fr 15 Fr 22 Fr 29	Fr 5 Fr 12 Fr 19 Fr 26	Fr 3 Fr 10 Fr 17 Fr 24 Fr 31	Fr 7 Fr 14 Fr 21 Fr 28	Fr 4 Fr 11 Fr 18 Fr 25	Fr 3 Fr 10 Fr 17 Fr 24 Fr 31	Fr 7 Fr 14 Fr 21 Fr 28	Fr 5 Fr 12 Fr 19 Fr 26	Fr 2 Fr 9 Fr 16 Fr 23 Fr 30
Rocklea Saturday day Tuesday day Non-TAB) (52 dates)	Sa 3 Sa 10 Sa 17 Sa 24 Sa 31	Sa 7 Sa 14 Sa 21 Sa 28	Sa 4 Sa 11 Sa 18 Sa 25 Sa 30	Sa 2 Sa 9 Sa 16 Sa 23 Sa 27	Tu 2 Sa 6 Sa 13 Sa 20 Sa 27	Sa 4 Sa 11 Sa 18 Sa 25 Sa 29	Sa 1 Sa 8 Sa 15 Sa 22 Sa 29	Sa 5 Sa 12 Sa 19 Sa 26	Sa 4 Sa 11 Sa 18 Sa 25 Sa 29	Sa 1 Sa 8 Sa 15 Sa 22 Sa 29	Sa 6 Sa 13 Sa 20 Sa 27	Sa 3 Sa 10 Sa 17 Sa 24
Ackay 10 day meetings Non-TAB)	We 7 Sa 17	Sa 7 We 18	We 15 We 22	Sa 2 Mo 4	Th 4 Sa 6	W 1 W 15	Mo 3 Sa 15	We 2 We 15	We 8 We 15	Su 9 Sa 22	Mo 1 Sa 6	Sa 3 Mo 12
	We 28	Sa 21	We 29 We 30	We 13 Sa 30	We 24	Sa 18 Mo 27	Sa 22 We 25	Sa 26 We 29	We 29	Tu 25	Sa 27	Sa 17
Hampton Saturday day Non-TAB) (36 dates)	Sa 10 Sa 17 Sa 24 Sa 31	Sa 7 Su 15 Sa 28	Su 5 Sa 11 Sa 25	Sa 2 Sa 9 Su 24	Su 7 Sa 13 Sa 20	Sa 4 Su 12 Sa 18	Sa 15 Sa 29	Su 6 Sa 12 Su 20	Su 5 Sa 11 Sa 18	Sa 1 Sa 8 Sa 29	Su 7 Su 14 We 24	Su 11 W 21 Sa 24
Townsville Friday night Non-TAB) (35 dates)	Fr 16 Fr 23 Fr 30	Fri 6 Fr 13 Fr 20	Fr 3 Fr 10 Fr 24	Fr 1 Fr 15 Fr 22 Fr 29	Fr 5 Fr 12 Fr 19 Fr 26	Fr 3 Fr 10 Fr 17	Fr 28	Fr 4 Fr 11 Fr 18	Fr 3 Fr 10 Fr 17 Fr 31	Fr 14	Fr 5 Fr 19 Fr 25	Fr 2 Fr 9 Fr 16

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SCHEDULE 4

1. Persons permitted to receive the Queensland Racing Calendar and/or the Queensland Racing Program from the Queensland Principal Club (at such times and for such purposes as the Queensland Racing Calendar and/or the Queensland Racing Program were provided as at 20 May 1999):
 - (a) Australian Racing Board
PO Box 159
KENSINGTON NSW 1465
 - (b) New South Wales Thoroughbred Racing Board (Principal Club)
PO Box 528
KENSINGTON NSW 2033
 - (c) Victoria Racing Club (Principal Club)
400 Epsom Road
FLEMINGTON VIC 3031
 - (d) Western Australian Turf Club (Principal Club)
GPO Box 222
BELMONT WA 6104
 - (e) South Australian Thoroughbred Racing Authority (Principal Club)
GPO Box 2646
ADELAIDE SA 5001
 - (f) Tasmanian Thoroughbred Racing Council (Principal Club)
PO Box 1329
LAUNCESTON TAS 7250
 - (g) Darwin Turf Club (Principal Club)
GPO Box 589
DARWIN NT 0801
 - (h) ACT Racing Club
PO Box 1
WATSON ACT 2602
 - (i) Queensland Principal Club (Principal Club)
PO Box 629
HAMILTON CENTRAL QLD 4007
 - (j) Internet www.australian-racing.net.au

2. Persons permitted to receive the Queensland Racing Calendar and/or the Queensland Racing Program from Queensland Harness Racing Board (at such times and for such purposes as the Queensland Racing Calendar and/or the Queensland Racing Program were provided as at 20 May 1999):
 - (a) Harness Racing Australia, 7th Level, 390 St Kilda Road, Melbourne, Victoria, 3004 www.harness.org.au
 - (b) Mr John Gresham, Racebook Company, PO Box 280, Virginia Qld 4014
Mr Paul Bolack, Bolack Publications, 92 Archer Court, Changers Flat Qld 4133
Media Press (Printers of Trotguide), 7 Garners Avenue, Marrickville NSW 2204
 - (c) Australian Associated Press (AAP Information Services), 9 Lang Street, Sydney NSW

3. Persons permitted to receive the Queensland Racing Calendar and/or the Queensland Racing Program from Greyhound Racing Authority (at such times and for such purposes as the Queensland Racing Calendar and/or the Queensland Racing Program were provided as at 20 May 1999):
 - (a) Internet - information is provided on the Greyhound Racing Authority's own website graq.org.au which is available to all Internet users, and is downloaded by the registered greyhound clubs to produce their race books.
 - (b) Tabform - PO Box 345, Essendon Vic 3040 (Peter and John Pearson)
Bolack Publications - PO Box 186, Archerfield Qld 4108
Australian Associated Press, Sydney NSW (AAP Information Services, 9 Lang Street, Sydney NSW)
Successability Thoroughbred Racing Services - PO Box 95, Jamison ACT 2614 (Warren Block)
DeFax Publications Pty Ltd - Locked Bag 12, Lidcombe NSW 2141 (Nadine Wigley)
 - (c) Greyhound Racing Victoria - 438-442 William Street, Melbourne (Adam Wallish). This information is accessed by VicTab.
 - (d) Dene Newell, Harness Racing Technology, Sydney. This information is provided by the GRA to the Queensland Office of Racing which passes it on to Harness Racing Technology who provide access to the Northern Territory TAB.

Product and Program Agreement

- (e) Tetra's Communications (only the following information provided) -- 11th floor, 7688 George Street, Sydney NSW 2000:
 - (i) Fields
 - (ii) Scratchings

- (f) NSW Greyhound Racing Authority, 16188 Bridge Street, Liddcombe NSW

SCHEDULE 5

CONFIDENTIALITY UNDERTAKING

DEED POLL made on 1999

BY [name] of [address] ("the Representative")

TO TOTALISATOR ADMINISTRATION BOARD OF QUEENSLAND of 240 Sandgate Road, Albion ("TABQ")

- OR -

QUEENSLAND RACE PRODUCT CO LTD ACN 081 743 722 of 161 Breakfast Creek Road, Newstead ("Product Co")

BACKGROUND

- A. The Representative has been nominated by [TABQ or Product Co] to represent it on the Product and Strategy Committee established pursuant to the Product and Program Agreement made between Totalisator Administration Board of Queensland, Queensland Race Product Co Limited, The Queensland Principal Club, The Queensland Harness Racing Board and Greyhound Racing Authority.
- B. As a representative of [TABQ or Product Co] on the Product and Strategy Committee, the Representative may come into possession of Confidential Information in respect of which the Representative has agreed to provide this Undertaking.

THIS DEED PROVIDES

1. INTERPRETATION

In this Agreement:

"Confidential Information" means:-

- (a) information of every kind in any way connected with or relating to the:-
- (i) Race Wagering Business;
 - (ii) The Queensland Racing Calendar;
 - (iii) strategies of the TABQ to promote or develop Race Wagering or strategies of Product Co and the Queensland Control Bodies to promote and develop Racing; or
 - (iv) the Minimum Component.

- (b) information of a person ("the Discloser") which is disclosed to or observed by the Representative at meetings of the Product and Strategy Committee or by reason of the Representative's participation in the Product and Strategy Committee and which is regarded by the Discloser as confidential to it and is so notified to the Representative and which includes information relating to technology, designs, trade secrets, customer databases and information of a commercially sensitive nature;

but Confidential Information does not include any information which:-

- (c) is in the Representatives possession from another source and which was not disclosed in breach of this Undertaking;
- (d) is already in the public domain and was not disclosed in breach of this Undertaking; or
- (e) is independently developed by the Representative, except where the information is based on Confidential Information.

"Financial Year" means a period commencing on 1 July in any year and ending on 30 June in the following year.

"Minimum Component" for a Financial Year, means a minimum number and type of Races scheduled to be conducted in Queensland by Queensland Racing Entities in that Financial Year upon which Race Wagering is to be conducted, and allocated in the manner used in Schedule 2 in the Product and Program Agreement entered into between TABQ and Product Co.

"Product Co" means Queensland Race Product Co Ltd ACN 081 743 722.

"Queensland Control Bodies" means severally, the Queensland Principal Club, the Queensland Harness Racing Board and the Greyhound Racing Authority and their respective successors.

"Queensland Racing Calendar" for a Financial Year, means a calendar of Race Meetings scheduled to be held in Queensland during that Financial Year and which details the number of Race Meetings to be held, the days of the week on which the Race Meetings will be held, whether it will be a day, twilight or evening Race Meeting, the estimated number of Races to be held at the Race Meetings, the estimated numbers of starters in each Race, identification of the Queensland Racing Entity to hold the Race Meetings and identification of the feature Races to be conducted at the Race Meetings.

"Queensland Racing Entity" means entities (whether incorporated or unincorporated) registered by any of the Queensland Control Bodies under the *Racing and Betting Act 1980* as race clubs, trotting clubs and greyhound clubs.

"Race" means a race for galloping horses, trotting horses or greyhounds or any one or more of them as the context requires scheduled to be held at a Race Meeting and "Racing" has a corresponding meaning.

"Race Meeting" means a meeting for lawfully conducting the racing of galloping horses, trotting horses or greyhounds conducted in Queensland by Queensland Racing Entities or conducted outside Queensland.

"Race Wagering" means the conduct of wagering on Racing pursuant to the Race Wagering Licence.

"Race Wagering Business" means the operation of the business of Race Wagering by TABQ.

"Race Wagering Licence" means the wagering licence to be granted to TABQ pursuant to the *Wagering Act 1998*.

"TABQ" means Totalisator Administration Board of Queensland.

2. UNDERTAKING

Subject to clause 3, the Representative undertakes to and agrees with [TABQ or Product Co] that the Representative will:-

- (a) not disclose or provide Confidential Information to any person or allow or assist or make it possible for any person to observe any Confidential Information for any purpose other than for the purposes of the Product and Strategy Committee or [TABQ or Product Co]'s participation in that Committee without the prior written approval of [TABQ or Product Co]; and
- (b) not to exploit or use any Confidential Information for any purpose other than for the purposes of the Product and Strategy Committee or [TABQ or Product Co]'s participation in that Committee.

3. EXCEPTIONS

The Representative will be entitled to disclose Confidential Information if required to be disclosed by:-

- (a) any law or regulation having the force of law; or
- (b) a binding order of any Court of competent jurisdiction or other competent authority,

but only to the extent required by the order, law or regulation concerned and provided that a copy of that binding order, law or regulation concerned, and details of the information and materials to be disclosed are given to [TABQ or Product Co] prior to the disclosure.

4. LAW OF CONFIDENTIALITY

The undertaking contained in this Deed will be in addition to and in no way derogate from any obligation of the Representative in respect of secret and Confidential Information at law, in equity or under any statute, or trade or professional custom or use.

5. DURATION

This Deed shall remain in effect until [TABQ or Product Co] has given the Representative notice in writing that the Representative is released from the obligations contained in this Deed.

6. MISCELLANEOUS

The interpretation and construction of this Deed shall be governed and determined in accordance with the law of the State of Queensland and the parties shall submit to the jurisdiction of the Courts of that State.

EXECUTED as a Deed

SIGNED SEALED AND DELIVERED by the)
Representative in the presence of:)
) (Signature)

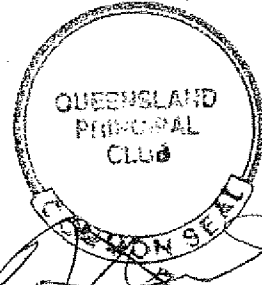
.....
(Signature of Witness)

.....
(Name of Witness in Full)

SIGNED as an agreement.

THE SEAL of QUEENSLAND)
PRINCIPAL CLUB affixed pursuant to a)
resolution of QUEENSLAND PRINCIPAL)
CLUB by)

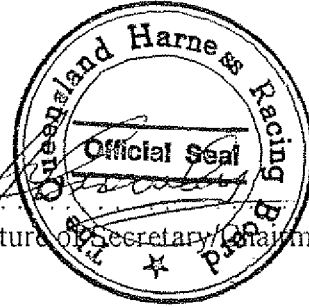
Andrew Craig Baete
.....
(Chairman/Authorised Officer)



.....
(Signature of Chairman/Authorised Officer)

THE SEAL of QUEENSLAND)
HARNESS RACING BOARD affixed)
pursuant to a resolution of QUEENSLAND)
HARNESS RACING BOARD by)

John Bernard Cooley
.....
(Secretary/Chairman)




.....
(Signature of Secretary/Chairman)

THE SEAL of GREYHOUND RACING)
AUTHORITY affixed pursuant to a)
resolution of GREYHOUND RACING)
AUTHORITY by)

Koss Geshan Dawson
.....
(Secretary/Chairman)

[Signature]
.....
(Signature of Secretary/Chairman)

Certified


Chairman

CORPORATIONS LAW

CONSTITUTION

OF

**QUEENSLAND RACE PRODUCT CO LTD
ACN 081 743 722**

**(adopted by a special resolution of members
passed on 28 June 1999)**

MINTER ELLISON

Lawyers
Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

DX 102 Brisbane
Telephone (07) 3226 6333
Facsimile (07) 3229 1066

NPW 9703592

CORPORATIONS LAW
COMPANY LIMITED BY GUARANTEE
CONSTITUTION
OF
QUEENSLAND RACE PRODUCT CO LTD
ACN 081 743 722

1. PRELIMINARY

1.1 In this Constitution, the following words and expressions have the meanings indicated.

'**Alternate Director**' means a person appointed as an alternate director under clause 16.

'**Auditor**' means the Company's auditor.

'**Board**' means the board of directors.

'**Chairman**' means the chairman of Directors

'**Company**' means Queensland Race Product Co Ltd ACN 081 743 722.

'**Constitution**' means the constitution of the Company as amended from time to time.

'**Control Bodies**' means QPC, QHRB and GRA.

'**Director**' includes any person occupying the position of director of the Company and, where appropriate, includes an Alternate Director.

'**Directors**' means all or some of the Directors acting as a Board.

'**GRA**' means Greyhound Racing Authority established under section 76 of the *Racing and Betting Act* and its successors.

'**Greyhound Code**' means the GRA and each of the race clubs for the time being registered by the GRA under the *Racing and Betting Act*.

'**Harness Code**' means the QHRB and each of the race clubs for the time being registered by the QHRB under the *Racing and Betting Act*.

'**Member**' means a member under clause 3.

'**Office**' means the Company's registered office.

'**QHRB**' means Queensland Harness Racing Board established under section 35 of the *Racing and Betting Act* and its successors.

'**QPC**' means Queensland Principal Club established under section 11 of the *Racing and Betting Act* and its successors.

'Queensland Racing Entity' means all of the Queensland Racing Entities.

'Queensland Racing Entity' means an entity within the Greyhound Code, the Harness Code or the Thoroughbred Code.

'Queensland Racing Industry' means all of the Queensland Racing Entities.

'QRI Intercode Agreement' means the Queensland Racing Industry Intercode Agreement signed in June 1999 between the QPC, the QHRB and the GRA.

'Racing and Betting Act' means the *Racing and Betting Act 1980* (as amended).

'Register' means the register of Members of the Company.

'registered address' means the last known address of a Member as noted in the Register.

'Seal' means the Company's common seal.

'Secretary' means the secretary of the Company.

'TABQ' means the Totalisator Administration Board of Queensland in its present form and as a corporatised and/or privatised entity, and includes any wholly owned subsidiary of that entity.

'Thoroughbred Code' means the QPC and each of the race clubs for the time being registered by the QPC under the *Racing and Betting Act*.

1.2 In this Constitution

- (a) words importing the singular include the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) words importing persons include corporations, and organisations whether incorporated or not;
- (d) subject to this Constitution, words and expressions defined in the *Corporations Law* have the same meaning in this Constitution; and
- (e) headings are for ease of reference only and do not affect the construction of this Constitution.

2. NAME

The name of the company is Queensland Race Product Co Ltd.

3. OBJECTS

- 3.1 The Company is established to encourage animal racing by acting as agent for the Queensland Racing Industry in its relationship with TABQ.
- 3.2 The Company can only exercise the powers in subsection 161(1) of the Corporations Law to:
- (a) carry out the object in clause 3.1; and
 - (b) do all things incidental or convenient in relation to the exercise of the powers under clause 3.2(a).
- 3.3 The income and property of the Company will be applied solely towards the object of the Company set out in clause 3.1.
- 3.4 The liability of the members is limited.
- 3.5 If the Company is wound up:
- (a) each member; and
 - (b) each person who has ceased to be a member in the preceding year,
- undertakes to contribute to the property of the Company for the:
- (c) payment of debts and liabilities of the Company (in relation to clause 3.5(b), contracted before the person ceased to be a member) and payment of costs, charges and expenses of winding up; and
 - (d) adjustment of the rights of the contributories amongst themselves,
- such amount as may be required, not exceeding \$10.
- 3.6 If any surplus remains following the winding up of the Company, the surplus will not be paid to or distributed amongst the members, but will be given or transferred to another corporation, body, fund or institution which has a similar object specified in its constitution to the object of the Company and which prohibits the distribution of income and capital to at least the same extent as the Company. This corporation, body, fund or association will be determined by the members.
- 3.7 Clauses 3.5 and 3.6 do not prevent the Company:
- (a) paying to any Director who is a Member reasonable commercial remuneration for his or her services as a Director and costs and expenses incurred in carrying out his or her duties as a Director;
 - (b) paying to any Director or any company or firm in which a Director has an interest reasonable amounts for any goods, services or consultancies pursuant to any agreement with the Company in the normal course of business;

- (c) indemnifying any Director or other officer in accordance with this Constitution or as otherwise permitted by law; or
- (d) paying any premium in respect of a contract insuring a person who is or has been an officer of the Company as permitted by law.

3.8 No income or property of the Company will be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise, other than in accordance with clauses 3.3, 3.6 or 3.7.

3.9 A special resolution altering, adding to or omitting a provision contained in this Constitution must:

- (a) be passed by all of the Members; and
- (b) have the written consent of each of the Control Bodies,

to have effect.

4. MEMBERSHIP

4.1 The Members are the Directors from time to time. A person who consents in writing to be a Director is taken to have agreed to be a Member.

4.2 A Member must not be a Queensland Racing Entity, or a trustee for a Queensland Racing Entity.

4.3 Members are not required to pay any entrance fees or annual subscriptions.

4.4 The Secretary must enter each Member's name in the Register and issue a certificate of membership to each Member. The certificate remains the property of the Company and is to be returned to the Company on demand in writing by the Secretary.

4.5 Membership of the Company is not transferrable whether by operation of law or otherwise and all rights and privileges of membership of the Company cease upon the Member ceasing to be a Member.

5. CEASING TO BE A MEMBER

5.1 A Member's membership of the Company ceases if the Member ceases to be a Director.

6. POWERS OF ATTORNEY

6.1 If a Member executes or proposes to execute any document or do any act by or through an attorney, the Member must deliver the instrument appointing the Attorney to the Company for notation.

6.2 The Company may require the Member to lodge a certified copy of the instrument for retention by the Company and ask for whatever evidence it thinks appropriate that the power of attorney is effective and continues to be in force.

7. GENERAL MEETINGS

- 7.1 The Directors may, at any time, convene a general meeting.
- 7.2 A Member may:
- (a) only requisition the Directors to convene a general meeting in accordance with the *Corporations Law*; and
 - (b) not convene or join in convening a general meeting except under the *Corporations Law*.
- 7.3 A notice convening a general meeting must:
- (a) specify the place, date and hour of the meeting; and
 - (b) state the general nature of the business to be transacted at the meeting.
- 7.4 A notice of an annual general meeting need not state that the business to be transacted at the meeting includes:
- (a) the consideration of accounts and the reports of the Directors and auditors; or
 - (b) the appointment and fixing of the remuneration of the Auditor.
- 7.5
- (a) The Directors may postpone or cancel any general meeting whenever they think fit (other than a meeting convened as the result of a requisition under clause 7.2).
 - (b) The Directors must give notice of the postponement or cancellation to all persons entitled to receive notices from the Company.
- 7.6 The failure or accidental omission to send a notice of a general meeting or the postponement of a general meeting to any Member or the non-receipt of a notice by any Member does not invalidate the proceedings or any resolution passed at the general meeting.

8. PROCEEDINGS AT GENERAL MEETINGS

- 8.1 No business may be transacted at a general meeting unless a quorum of Members is present when the meeting proceeds to business.
- 8.2 A quorum is four Members.
- 8.3 If the Directors have not been unanimously appointed by the Control Bodies in accordance with clause 14.3, the quorum must consist of:
- (a) two of the Directors appointed by the QPC;
 - (b) the Director appointed by the QHRB; and
 - (c) the Director appointed by the GRA.

- 8.4 If a quorum is not present within 30 minutes after the time appointed for a meeting:
- (a) if the meeting was convened on the requisition of Members, it is automatically dissolved; or
 - (b) in any other case:
 - (i) it will stand adjourned to the same time and place seven days after the meeting, or to another day, time and place determined by the Directors; and
 - (ii) if at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting will be dissolved.

9. CHAIRMAN

9.1 The Chairman will be the chairman at every general meeting.

9.2 If:

- (a) there is no Chairman;
- (b) the Chairman is not present within 15 minutes after the time appointed for holding the meeting; or
- (c) the Chairman is unwilling to act as chairman of the meeting,

the Members present may appoint a chairman of the meeting.

10. ADJOURNMENT

10.1 The chairman of a meeting at which a quorum is present:

- (a) may, in his discretion, adjourn a meeting; and
- (b) must adjourn a meeting if a majority of Members directs him or her to do so.

10.2 An adjourned meeting may take place at a different venue to the initial meeting.

10.3 The only business that can be transacted at an adjourned meeting is the unfinished business of the initial meeting.

10.4 If a general meeting has been adjourned for more than 21 days, notice of an adjourned meeting must be given.

11. DECISION OF QUESTIONS

- 11.1 Subject to the *Corporations Law* in relation to special resolutions, a resolution is carried if a majority of the votes cast on the resolution are in favour of the resolution.
- 11.2 A resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded, before or on the declaration of the result of the show of hands, by:
- (a) the chairman; or
 - (b) at least 3 Members who have the right to vote at the meeting.
- 11.3 A declaration by the chairman that a resolution has been carried, carried by a specified majority, or lost and an entry to that effect in the minutes of the meeting, are conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against the resolution.

12. NO CASTING VOTE OF CHAIRMAN

- 12.1 In the case of an equality of votes at any general meeting, the chairman will not have a second or casting vote.

13. VOTES OF MEMBERS

- 13.1 A Member entitled to vote has one vote.
- 13.2 A Member may appoint a proxy by a written appointment signed by the appointor or the appointor's attorney.
- 13.3 If a Member appoints a proxy, the proxy may vote on a show of hands.
- 13.4 A proxy need not be a Member.
- 13.5 An appointment of a proxy must be in a form approved by the Directors. Schedule 1 sets out a form which will be deemed to be approved by the Directors unless they resolve to use a different form.
- 13.6 A proxy may vote or abstain as he or she chooses except to the extent that an appointment of the proxy indicates the manner in which the proxy will vote on any resolution. The proxy must vote or abstain on a show of hands in accordance with any instructions on the appointment.
- 13.7 A proxy's appointment is valid at an adjourned meeting.
- 13.8 The written appointment of a proxy or an attorney must be deposited at the Office, or another address nominated by the Company, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the appointee proposes to vote.
- 13.9 If the appointment purports to be executed under a power of attorney or other authority, then the original document, or a certified copy of it, must be deposited with the appointment.

13.10 A vote cast in accordance with an appointment of proxy or power of attorney is valid even if before the vote was cast the appointor:

- (a) died;
- (b) became of unsound mind or a person whose person or estate was liable to be dealt with in any way under the laws relating to mental health; or
- (c) revoked the proxy or power,

unless written notification of the death, unsoundness of mind or revocation was received at the Office before the relevant meeting or adjourned meeting.

14. APPOINTMENT OF DIRECTORS

14.1 The company is to have six Directors.

14.2 The power of appointment of Directors is vested in the Control Bodies acting on behalf of the Queensland Racing Entity.

14.3 On each occasion on which Directors are to be appointed, if the Control Bodies are not unanimous as to who is to be appointed, the right of appointment is to be exercised by the QPC, the QHRB or the GRA so that at any time the number of Directors appointed by each of those control bodies is as follows:

- (a) four directors appointed by the QPC;
- (b) one director appointed by the QHRB; and
- (c) one director appointed by the GRA.

14.4 Directors are to be appointed for a term of three years but are eligible for re-appointment.

14.5 At the time of appointment of the first Directors by the Control Bodies under this Constitution, the Control Bodies will determine which Directors (being at least three) are to retire at the end of a period of 18 months.

14.6 Every 18 months one-half of the Directors will retire and their replacements will be appointed according to the principles set out in this clause 14.

14.7 The principles set out in this clause 14 apply in relation to appointment of Directors on rotation and replacement of directors wherever a vacancy occurs.

15. VACATION OF OFFICE

15.1 The office of a Director immediately becomes vacant if the Director:

- (a) dies;
- (b) is prohibited by the *Corporations Law* from continuing as a Director;

- (c) becomes bankrupt or makes any general arrangement or composition with his or her creditors;
- (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the laws relating to mental health;
- (e) resigns as a Member or Director, by notice in writing to the Company;
- (f) is absent from Directors' meetings for six consecutive months without leave of absence from the Directors; or
- (g) being an interim Director appointed under clause 19.2 ceases to hold office under that clause.

16. POWERS AND DUTIES OF DIRECTORS

- 16.1 The business of the Company is managed by the Directors who may exercise all powers of the Company that this Constitution and the *Corporations Law* do not require to be exercised by the Company in general meeting.

17. PROCEEDINGS OF DIRECTORS

- 17.1 A Director may at any time, and the Secretary must on the requisition of a Director, convene a Directors' meeting. A Directors' meeting must be convened by not less than 48 hours written notice of a meeting to each Director and each Director's alternate.
- 17.2 (a) A Directors' meeting may be held by the Directors communicating with each other by any technological means by which they are able to hear each other and to participate in discussion.
- (b) The Directors need not all be physically present in the same place for a Directors' meeting to be held.
- (c) A Director participating in a meeting held in accordance with this Constitution and the *Corporations Law* is taken to be present and entitled to vote at the meeting.
- 17.3 Clause 17.2 applies to meetings of Directors' committees.
- 17.4 The Directors may meet together, adjourn and regulate their meetings as they think fit.
- 17.5 A quorum for a Directors' meeting is four. Subject to the *Corporations Law*, a Director or Alternate Director interested in a contract or arrangement within the meaning of clause 19 shall be counted in a quorum notwithstanding his or her interest.
- 17.6 If the Directors have not been unanimously appointed by the Control Bodies in accordance with clause 14.3, the quorum must consist of:
- (a) two of the Directors appointed by the QPC;
 - (b) the Director appointed by the QHRB; and

(c) the Director appointed by the GRA.

- 17.7 Questions arising at a meeting of Directors are to be decided by a majority of votes of the Directors present and voting.
- 17.8 In the case of an equality of votes, the Chairman will not have a second or casting vote.
- 17.9 An Alternate Director has one vote for each Director for whom he or she is an alternate. If the Alternate Director is also a Director, he or she also has a vote as a Director.

18. ALTERNATE DIRECTORS

- 18.1 A Director may, with the approval of:
- (a) the Directors; and
 - (b) the Control Body or Control Bodies which appointed the Director,
- appoint any person as his or her alternate for a period determined by that Director.
- 18.2 An Alternate Director is entitled to notice of a Directors' meeting and, if the appointor is not present at a meeting, is entitled to attend, be counted in a quorum and vote as a Director.
- 18.3 An Alternate Director is an officer of the Company and is not an agent of the appointor.
- 18.4 The provisions of this Constitution which apply to Directors also apply to Alternate Directors.
- 18.5 The appointment of an Alternate Director may be revoked at any time by the appointor or by the other Directors. An Alternate Director's appointment ends automatically when his or her appointor ceases to be a Director.
- 18.6 Any appointment or revocation under this clause must be effected by notice in writing to the Company.

19. REMAINING DIRECTORS

- 19.1 The Directors may act even if there are vacancies on the board.
- 19.2 If the number of Directors is not sufficient to constitute a quorum at a Directors' meeting, the Directors may act only to appoint an interim Director who will only hold office until a replacement Director is appointed by the Control Bodies in accordance with clause 14.

20. CHAIRMAN OF DIRECTORS

- 20.1 The Directors may elect a Director as chairman of Directors' meetings and may determine the period for which the chairman will hold office.

- 20.2 If no chairman is elected or if the chairman is not present at any Directors' meeting within ten minutes after the time appointed for the meeting to begin, the Directors present may elect a Director to be chairman of the meeting.

21. DIRECTORS' CONTRACTS AND ARRANGEMENTS WITH THE COMPANY

- 21.1 A Director may hold any other office or place of profit under the Company, except that of Auditor, in conjunction with the office of Director, at remuneration and on conditions determined by the Directors.
- 21.2 A Director will not be disqualified by his office from holding any office or place of profit under any company in which the Company is interested or from contracting with the Company.
- 21.3 Any contract or arrangement entered into by or on behalf of the Company in which any Director is interested will not be avoided.
- 21.4 A Director will not be liable to account to the Company for any profit arising from any such office or place of profit or realised by any such contract or arrangement by reason only of the Director holding that office or of the fiduciary relations established.
- 21.5 A Director must disclose the nature of his or her interest in any such contract or arrangement.
- 21.6 The Secretary will record in the minutes any disclosure given by a Director under clause 21.5.
- 21.7 Subject to the *Corporations Law*, a Director may vote in respect of any contract or arrangement in which he or she is interested.
- 21.8 A Director may be appointed as the Director in whose presence the Seal of the Company is to be affixed to any instrument notwithstanding that he or she is interested in the contract or arrangement to which the instrument relates.

22. DIRECTORS' COMMITTEES

- 22.1 The Directors may delegate any of their powers, other than those which by law must be dealt with by the Directors as a Board, to a committee or committees. The Directors may at any time revoke any delegation of power to a committee.
- 22.2 At least one member of each committee must be a Director.
- 22.3 A committee must exercise its powers in accordance with any directions of the Directors and a power exercised in that way is deemed to have been exercised by the Directors.
- 22.4 A committee may be authorised to sub-delegate all or any of the powers for the time being vested in it.
- 22.5 Meetings of a committee will be governed by the provisions of this Constitution which deal with Directors' meetings so far as they are applicable and are not inconsistent with any directions of the Directors.

23. WRITTEN RESOLUTIONS

- 23.1 If all the Directors who are eligible to vote on a resolution have signed a document containing a statement that they are in favour of a resolution in terms set out in the document, then a resolution in those terms is deemed to have been passed at a Directors' meeting held on the day on which the document was last signed by a Director.
- 23.2 For the purposes of clause 21.1, two or more identical documents, each of which is signed by one or more Directors, together constitute one document signed by those Directors on the days on which they signed the separate documents.
- 23.3 Any document referred to in this clause may be faxed.
- 23.4 The minutes of Directors' meetings must record that a meeting was held in accordance with clause 21.
- 23.5 The principles of this clause apply to meetings of Directors' committees as if all members of the committee were Directors.

24. VALIDITY OF ACTS OF DIRECTORS

- 24.1 If it is discovered that:
- (a) there was a defect in the appointment of a person as a Director, Alternate Director or member of a Directors' committee; or
 - (b) a person appointed to one of those positions was disqualified,
- all acts of the Directors or the Directors' committee before the discovery was made are as valid as if the person had been duly appointed and was not disqualified.

25. MINUTES AND REGISTERS

- 25.1 The Directors must cause minutes to be made of:
- (a) the names of the Directors present at all general meetings, Directors' meetings and meetings of Directors' committees;
 - (b) all proceedings of general meetings, Directors' meetings and meetings of Directors' committees;
 - (c) all appointments of officers;
 - (d) all resolutions made by the Directors and Directors' committees; and
 - (e) all disclosures of interests made in accordance with the *Corporations Law* and this Constitution.
- 25.2 Minutes must be signed by the chairman of the meeting or by the chairman of the next meeting.

26. SEALS

- 26.1 If the Company has a Seal, the Directors must provide for its safe custody.
- 26.2 The Seal must not be used without the authority of the Directors or a Directors' committee authorised to use the Seal.
- 26.3 Every document to which the Seal is affixed must be signed by a Director and be countersigned by another Director, the Secretary or another person appointed by the Directors to countersign the document.

27. DISTRIBUTIONS AND GRANTS

- 27.1 The Company has been established to encourage animal racing and accordingly all funds available for distribution by the Company must be paid by way of grants to Queensland Racing Entities.
- 27.2 Subject to clause 27.1, the Company will make payments of all funds in accordance with the Queensland Racing Entity Intercode Agreement and any other agreements or directions for the time being in place between the Control Bodies.
- 27.3 Subject to clauses 3.3, 3.6 and 3.7:
- (a) the Company will not distribute or grant funds to any person other than a Queensland Racing Entity; and
 - (b) the Company will not pay any dividend or other distribution whatsoever to its Members.

28. NOTICES

- 28.1 Every Member must provide to the Secretary an address within Queensland for service of notices to be registered as his or her address for the purposes of the *Corporations Law* and this Constitution. A Member may also provide a fax number for service of notices.
- 28.2 Notice may be given by the Company to any person who is entitled to receive notice under this Constitution by having it served personally, faxed or delivered or sent by post to his or her registered address or the address supplied by the person to the Company for sending notices to the person.
- 28.3 A notice given in accordance with clause 28.2 is taken to be received:
- (a) if hand delivered, on delivery;
 - (b) if sent by prepaid post, 3 days after the date of posting; or
 - (c) if sent by fax, when the sender's facsimile system generates a message confirming successful transmission of the total number of pages of the notice.

28.4 A certificate in writing signed by a Director, Secretary or other officer of the Company that a document or its envelope or wrapper was addressed and stamped and was posted is conclusive evidence of posting.

28.5 Subject to the *Corporations Law*, the signature to a written notice given by the Company may be written or printed.

29. PERSONS ENTITLED TO NOTICE

29.1 Notice of every general meeting must be given to:

- (a) every Member;
- (b) every Director and Alternate Director; and
- (c) the Auditor.

29.2 No other person is entitled to receive notice of a general meeting.

30. INDEMNITY AND INSURANCE

30.1 To the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company against any liability incurred by that person as an officer of the Company to a person other than the Company or a related body corporate of the Company, unless the liability arises out of conduct on the part of the officer which:

- (a) involves a lack of good faith; or
- (b) is contrary to the Company's express instructions.

30.2 The Company indemnifies every officer of the Company against any liability for costs and expenses incurred by the person in his or her capacity as officer of the Company:

- (a) in defending any proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or
- (b) in connection with an application, in relation to those proceedings, in which the Court grants relief to the person under the *Corporations Law*.

30.3 Subject to the *Corporations Law*, the Company may pay a premium in respect of a contract insuring a person who is or has been an officer against liability incurred by the person as an officer.

30.4 For the purposes of this clause 30, 'officer' means a Director as defined in this Constitution or an executive officer as defined by the *Corporations Law*.

**SCHEDULE 1
FORM OF PROXY**

I,

of

am a Member of Queensland Race Product Co Ltd

I appoint as my proxy

of

or failing him or her

of

or failing him or her the chairperson of the general meeting of the Company to be held on 19..... atam/pm to vote for me at that meeting and at any adjournment of it.

This form is to be used in accordance with the directions below. Unless the proxy is directed, he or she may vote or abstain as he or she thinks fit.

RESOLUTION

FOR AGAINST ABSTAIN

INSTRUCTION

To direct the proxy to cast all votes covered by this instrument in a particular manner place a tick or a cross in the relevant box.

I understand that if I have not directed my proxy how to vote, my proxy may vote or abstain from voting as he or she thinks fit.

DATED:

.....
Signature of member

.....
Signature of member

CORPORATIONS ACT 2001

CONSTITUTION

OF

**QUEENSLAND RACE PRODUCT CO LTD
ACN 081 743 722**

(adopted on 16 October 2006)

**CORPORATIONS ACT 2001
COMPANY LIMITED BY GUARANTEE**

CONSTITUTION

OF

**QUEENSLAND RACE PRODUCT CO LTD
ACN 081 743 722**

1. PRELIMINARY

1.1 In this Constitution, the following words and expressions have the meanings indicated:

‘**Alternate Director**’ means a person appointed as an Alternate Director under clause 18.

‘**Auditor**’ means the Company’s Auditor.

‘**Board**’ means the Board of Directors.

‘**Chairman**’ means the Chairman of Directors.

‘**Company**’ means Queensland Race Product Co Ltd ACN 081 743 722.

‘**Constitution**’ means the constitution of the Company as amended from time to time.

‘**Control Bodies**’ means QRL, QHRB and GRA.

‘**Corporations Act**’ means the *Corporations Act 2001*.

‘**Director**’ includes any person occupying the position of Director of the Company and, where appropriate, includes an Alternate Director.

‘**Directors**’ means all or some of the Directors acting as a Board.

‘**GRA**’ means Greyhound Racing Authority established under section Schedule 1, Part 4 of the *Racing Act 2002 (Queensland)* and its successors.

‘**Greyhound Code**’ means the GRA and each of the race clubs for the time being registered by the GRA under the *Racing Act 2002 (Queensland)*.

‘**Harness Code**’ means the QHRB and each of the race clubs for the time being registered by the QHRB under the *Racing Act 2002 (Queensland)*.

‘**Member**’ means a member under clause 4.

‘**Office**’ means the Company’s registered office.

‘**QHRB**’ means Queensland Harness Racing Board established under Schedule 1, Part 3 of the *Racing Act 2002 (Queensland)* and its successors.

‘QRL’ means Queensland Racing Limited, a company limited by guarantee and not having a Share Capital.

‘Queensland Racing Entity’ means all of the Queensland Racing Entities.

‘Queensland Racing Entities’ means an entity within the Greyhound Code, the Harness Code or the Thoroughbred Code.

‘Queensland Racing Industry’ means all of the Queensland Racing Entities.

‘QRI Intercode Agreement’ means the Queensland Racing Industry Intercode Agreement signed in June 1999 between the QRL (previously Queensland Principal Club), the QHRB and the GRA.

‘Racing Act’ means the *Racing Act 2002 (Queensland)*.

‘Register’ means the register of Members of the Company.

‘Registered Address’ means the last know address of a Member as noted in the Register.

‘Seal’ mean the Company’s common seal.

‘Secretary’ means the Secretary of the Company.

‘TABQ’ means the Totalisator Administration Board of Queensland in its present form and as a corporatised and/or privatised entity, and includes any wholly owned subsidiary of that entity. TABQ is now know as **UNiTAB Limited (UNiTAB)**.¹

‘Thoroughbred Code’ means QRL and each of the race clubs for the time being registered by QRL under the Racing Act.

1.2 In this Constitution

- (a) words importing the singular include the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) words importing persons include corporations, and organisations whether incorporated or not;
- (d) subject to this Constitution, words and expressions defined in the Corporations Act have the same meaning in this Constitution; and

¹ The TABQ Board became corporatised on 1 July 1999 as a Government-owned entity (TAB Queensland Limited).

On 16 November 1999 UNiTAB was listed on the Australian Stock Exchange Limited by a public float.

On 12 October 2006, UNiTAB became part of Tattersall’s Limited as a result of a merger of both companies.

- (e) headings are for ease of reference only and do not affect the construction of this Constitution.

2. NAME

The name of the company is Queensland Race Product Co Ltd.

3. OBJECTS

- 3.1 The Company is established to encourage animal racing by acting as agent for the Queensland Racing Industry in its relationship with UNiTAB.
- 3.2 The Company can only exercise the powers in section 161(1) of the Corporations Act to:
- (a) carry out the object in clause 3.1; and
 - (b) do all things incidental or convenient in relation to the exercise of the powers under clause 3.2(a).
- 3.3 The income and property of the Company will be applied solely towards the object of the Company set out in clause 3.1.
- 3.4 The liability of the members is limited.
- 3.5 If the Company is wound up:
- (a) each member; and
 - (b) each person who has ceased to be a member in the preceding year,
- undertakes to contribute to the property of the Company for the:
- (c) payment of debts and liabilities of the Company (in relation to clause 3.5(b), contracted before the person ceased to be a member) and payment of costs, charges and expenses of winding up; and
 - (d) adjustment of the rights of the contributories amongst themselves,
- such amount as may be required, not exceeding \$10.
- 3.6 If any surplus remains following the winding up of the Company, the surplus will not be paid to or distributed amongst the members, but will be given or transferred to another corporation, body, fund or institution which has a similar object specified in its constitution to the object of the Company and which prohibits the distribution of income and capital to at least the same extent as the Company. This corporation, body, fund or association will be determined by the members.

3.7 Clauses 3.5 and 3.6 do not prevent the Company:

- (a) paying to any Director who is a Member reasonable commercial remuneration for his or her services as a Director and costs and expenses incurred in carrying out his or her duties as a Director;
- (b) paying to any Director or any company or firm in which a Director has an interest reasonable amounts for any goods, services or consultancies pursuant to any agreement with the Company in the normal course of business;
- (c) indemnifying any Director or other officer in accordance with this Constitution or as otherwise permitted by law; or
- (d) paying any premium in respect of a contract insuring a person who is or has been an officer of the Company as permitted by law.

3.8 No income or property of the Company will be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise, other than in accordance with clauses 3.3, 3.6 or 3.7.

3.9 A special resolution altering, adding to or omitting a provision contained in this Constitution must:

- (a) be passed by all of the Members; and
 - (b) have the written consent of each of the Control Bodies,
- to have effect.

4. MEMBERSHIP

4.1 The Members are the Directors from time to time. A person who consents in writing to be a Director is taken to have agreed to be a Member.

4.2 Members are not required to pay any entrance fees or annual subscriptions.

4.3 The Secretary must enter each Member's name in the Register and issue a certificate of membership to each Member. The certificate remains the property of the Company and is to be returned to the Company on demand in writing by the Secretary.

4.4 Membership of the Company is not transferable whether by operation of law or otherwise and all rights and privileges of membership of the Company cease upon the Member ceasing to be a Member.

5. CEASING TO BE A MEMBER

5.1 A Member's membership of the Company ceases if the Member ceases to be a Director.

6. POWERS OF ATTORNEY

- 6.1 If a Member executes or proposes to execute any document or do any act by or through an attorney, the Member must deliver the instrument appointing the Attorney to the Company for notation.
- 6.2 The Company may require the Member to lodge a certified copy of the instrument for retention by the Company and ask for whatever evidence it thinks appropriate that the power of attorney is effective and continues to be in force.

7. GENERAL MEETINGS

- 7.1 The Directors may, at any time, convene a general meeting.
- 7.2 A Member may:
- (a) only requisition the Directors to convene a general meeting in accordance with the Corporations Act; and
 - (b) not convene or join in convening a general meeting except under the Corporations Act.
- 7.3 A notice convening a general meeting must contain all information required by the Corporations Act including:
- (a) specify the place, date and hour of the meeting; and
 - (b) state the general nature of the business to be transacted at the meeting.
- 7.4 A notice of an Annual General Meeting need not state that the business to be transacted at the meeting includes:
- (a) the consideration of accounts and the reports of the Directors and Auditors; or
 - (b) the appointment and fixing of the remuneration of the Auditor.
- 7.5
- (a) The Directors may postpone or cancel any general meeting whenever they think fit (other than a meeting convened as the result of a requisition under clause 7.2).
 - (c) The Directors must give notice of the postponement or cancellation to all persons entitled to receive notices from the Company.
- 7.6 The failure or accidental omission to send a notice of a general meeting or the postponement of a general meeting to any member or the non-receipt of a notice by any Member does not invalidate the proceedings or any resolution passed at the general meeting.

8. PROCEEDINGS AT GENERAL MEETINGS

- 8.1 No business may be transacted at a general meeting unless a quorum of Members is present in person or by proxy or attorney at the time when the meeting is due to commence.

- 8.2 A quorum is four Members.
- 8.3 If the Directors have not been unanimously appointed by the Control Bodies in accordance with clause 14.3, the quorum must consist of:
- (a) two of the Directors appointed by QRL;
 - (b) the Director appointed by the QHRB; and
 - (c) the Director appointed by the GRA.
- 8.4 If a quorum is not present within 30 minutes after the time appointed for a meeting:
- (a) if the meeting was convened on the requisition of Members, it is automatically dissolved; or
 - (b) in any other case:
 - (i) it will stand adjourned to the same time and place seven days after the meeting, or to another day, time and place determined by the Directors; and
 - (ii) if at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting will be dissolved.

9. CHAIRMAN

9.1 The Chairman will be the Chairman at every general meeting.

9.2 If:

- (a) there is no Chairman;
- (b) the Chairman is not present within 15 minutes after the time appointed for holding the meeting; or
- (c) the Chairman is unwilling to act as Chairman of the meeting,

the Members present may appoint a Chairman of the meeting.

10. ADJOURNMENT

10.1 The Chairman of a meeting at which a quorum is present:

- (a) may, in his discretion, adjourn a meeting; and
- (b) must adjourn a meeting if a majority of Members directs him or her to do so.

10.2 An adjourned meeting may take place at a different venue to the initial meeting.

10.3 The only business that can be transacted at an adjourned meeting is the unfinished business of the initial meeting.

10.4 If a general meeting has been adjourned for more than 21 days, notice of an adjourned meeting must be given.

11. DECISION OF QUESTIONS

11.1 Subject to the Corporations Act in relation to special resolutions, a resolution is carried if a majority of the votes cast on the resolution are in favour of the resolution.

11.2 A resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded, before or on the declaration of the result of the show of hands, by:

- (a) the Chairman; or
- (b) at least three (3) Members who have the right to vote at the meeting.

11.3 A declaration by the Chairman that a resolution has been carried, carried by a specified majority, or lost and an entry to that effect in the minutes of the meeting, are conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against the resolution.

12. NO CASTING VOTE OF CHAIRMAN

12.1 In the case of an equality of votes at any general meeting, the Chairman will not have a second or casting vote.

13. VOTES OF MEMBERS

13.1 A Member entitled to vote has one vote.

13.2 A Member may appoint a proxy by a written appointment signed by the appointer or the appointer's attorney.

13.3 If a Member appoints a proxy, the proxy may vote on a show of hands.

13.4 A proxy need not be a Member.

13.5 An appointment of a proxy must be in a form approved by the Directors. Schedule 1 sets out a form which will be deemed to be approved by the Directors unless they resolve to use a different form.

13.6 A proxy may vote or abstain as he or she chooses except to the extent that an appointment of the proxy indicates the manner in which the proxy will vote on any resolution. The proxy must vote or abstain on a show of hands in accordance with any instructions on the appointment.

13.7 A proxy's appointment is valid at an adjourned meeting.

13.8 The written appointment of a proxy or an attorney must be deposited at the Office, or another address nominated by the Company, not less than 48 hours before the time for holding a meeting or adjourned meeting at which the appointee proposes to vote.

13.9 If the appointment purports to be executed under a power of attorney or other authority, then the original document, or a certified copy of it, must be deposited with the appointment.

13.10 A vote cast in accordance with an appointment of proxy or power of attorney is valid even if before the vote was cast the appointer:

- (a) died;
- (b) became of unsound mind or a person whose person or estate was liable to be dealt with in any way under the laws relating to mental health; or
- (c) revoked the proxy or power,

unless written notification of the death, unsoundness of mind or revocation was received at the Office before the relevant meeting or adjourned meeting.

14. APPOINTMENT OF DIRECTORS

14.1 The company is to have six (6) Directors.

14.2 The power of appointment of Directors is vested in the Control Bodies acting on behalf of the Queensland Racing Entity.

14.3 On each occasion on which Directors are to be appointed, the right of appointment is to be exercised by QRL, the QHRB or the GRA so that at any time the number of Directors appointed by each of those Control Bodies is as follows:

- (a) four (4) directors appointed by QRL
- (b) one (1) director appointed by the QHRB; and
- (d) one (1) director appointed by the GRA.

14.4 Directors are to be appointed for a term of three (3) years.

14.5 A retiring Director may act until the conclusion of the Annual General Meeting of which he or she retires.

14.6 Each Director retiring from office is eligible for re-appointment as a Director of the Company.

14.7 The principles set out in this clause 14 apply in relation to the replacement of Directors wherever a vacancy occurs.

15. VACATION OF OFFICE

15.1 Each Director will remain in office until his or her office is vacated pursuant to clause 15.2.

15.2 The company may by ordinary resolution remove any Director before the expiration of his or her period of office.

The office of a Director is vacated if that Director:-

- (a) dies;
- (b) is prohibited by the *Corporations Act 2001* from continuing as a Director;
- (c) becomes bankrupt or makes any general arrangement or composition with his or her creditors;
- (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the laws relating to mental health;
- (e) resigns as a Member or Director, by notice in writing to the Company;
- (f) is absent from Directors' meetings for six (6) consecutive months without leave of absence from the Directors; or
- (g) being an interim Director appointed under clause 19.2 ceases to hold office under that clause.

16. POWERS AND DUTIES OF DIRECTORS

- 16.1 The business of the Company is managed by the Directors who may exercise all powers of the Company that this Constitution and the Corporations Act do not require to be exercised by the Company in general meeting.

17. PROCEEDINGS OF DIRECTORS

- 17.1 A Director may at any time, and the Secretary must on the requisition of a Director, convene a Directors' meeting. A Directors' meeting must be convened by not less than 48 hours written notice of a meeting to each Director and each Director's alternate.
- 17.2 (a) A Directors' meeting may be held by the Directors communicating with each other by any technological means by which they are able to hear each other and to participate in discussion.
- (b) The Directors need not all be physically present in the same place for a Directors' meeting to be held.
- (c) A Director participating in a meeting held in accordance with this Constitution and the Corporations Act is taken to be present and entitled to vote at the meeting.
- 17.3 Clause 17.2 applies to meetings of Directors' committees.
- 17.4 The Directors may meet together, adjourn and regulate their meetings as they see fit.
- 17.5 A quorum for Directors' meetings is four (4). Subject to the Corporations Act, a Director or Alternate Director interested in a contract or arrangement within the meaning of clause 21 shall be counted in a quorum notwithstanding his or her interest.

- 17.6 If the Directors have not been unanimously appointed by the Control Bodies in accordance with clause 14.3, the quorum must consist of:
- (a) two (2) of the Directors appointed by QRL;
 - (b) the Director appointed by the QHRB; and
 - (c) the Director appointed by the GRA
- 17.7 Questions arising at a meeting of Directors are to be decided by a majority of votes of the Directors present and voting.
- 17.8 In the case of an equality of votes, the Chairman will not have a second or casting vote.
- 17.9 An Alternate Director has one vote for each Director for whom he or she is an alternate. If the Alternate Director is also a Director, he or she also has a vote as a Director.

18. ALTERNATE DIRECTORS

- 18.1 A Director may, with the approval of:
- (a) the Directors; and
 - (b) the Control Body or Control Bodies which appointed the Director,
- appoint any person as his or her alternate for a period determined by that Director.
- 18.2 An Alternate Director is entitled to notice of a Directors' meeting and, if the appointer is not present at a meeting, is entitled to attend, be counted in a quorum and vote as a Director.
- 18.3 An Alternate Director is an officer of the Company and is not an agent of the appointer.
- 18.4 The provisions of this Constitution which apply to Directors also apply to Alternate Directors.
- 18.5 The appointment of an Alternate Director may be revoked at any time by the appointer or by the other Directors. An Alternate Director's appointment ends automatically when his or her appointer ceases to be a Director.
- 18.6 Any appointment or revocation under this clause must be effected by notice in writing to the Company.

19. REMAINING DIRECTORS

- 19.1 The Directors may act even if there are vacancies on the Board.
- 19.2 If the number of Directors is not sufficient to constitute a quorum at a Directors' meeting, the Directors may act only to appoint an interim Director who will only hold office until a replacement Director is appointed by the Control Bodies in accordance with clause 14.

20. CHAIRMAN OF DIRECTORS

- 20.1 The Directors may elect a Director as Chairman of Directors' meetings and may determine the period for which the Chairman will hold office.
- 20.2 If no Chairman is elected or if the Chairman is not present at any Directors' meetings within ten minutes after the time appointed for the meeting to begin, the Directors present may elect a Director to be Chairman of the meeting.

21. DIRECTORS' CONTRACTS AND ARRANGEMENTS WITH THE COMPANY

- 21.1 A Director may hold any other office or place of profit under the Company, except that of Auditor, in conjunction with the office of Director, at remuneration and on conditions determined by the Directors.
- 21.2 A Director will not be disqualified by his office from holding any office or place of profit under any company in which the Company is interested or from contracting with the Company.
- 21.3 Any contract or arrangement entered into by or on behalf of the Company in which any Director is interested will not be avoided.
- 21.4 A Director will not be liable to account to the Company for any profit arising from any such office or place of profit or realised by any such contract or arrangement by reason only of the Director holding that office or of the fiduciary relations established.
- 21.5 A Director must disclose the nature of his or her interest in any such contract or arrangement.
- 21.6 The Secretary will record in the minutes any disclosure given by a Director under clause 21.5.
- 21.7 Subject to the Corporations Act, a Director may vote in respect of any contract or arrangement in which he or she is interested.
- 21.8 A Director may be appointed as the Director in whose presence the Seal of the Company is to be affixed to any instrument notwithstanding that he or she is interested in the contract or arrangement to which the instrument relates.

22. DIRECTORS' COMMITTEES

- 22.1 The Directors may delegate any of their powers, other than those which by law must be dealt with by the Directors as a Board, to a committee or committees. The Directors may at any time revoke any delegation of power to a committee.
- 22.2 At least one member of each committee must be a Director.
- 22.3 A committee must exercise its powers in accordance with any directions of the Directors and a power exercised in that way is deemed to have been exercised by the Directors.
- 22.4 A committee may be authorised to sub-delegate all or any of the powers for the time being vested in it.

22.5 Meetings of a committee will be governed by the provisions of this Constitution which deal with Directors' meetings so far as they are applicable and are not inconsistent with any directions of the Directors.

23. WRITTEN RESOLUTIONS

23.1 If all the Directors who are eligible to vote on a resolution have signed a document containing a statement that they are in favour of a resolution in terms set out in the document, then a resolution in those terms is deemed to have been passed at a Directors' meeting held on the day on which the document was last signed by a Director.

23.2 For the purposes of clause 23.1, two or more identical documents, each of which is signed by one or more Directors, together constitute one document signed by those Directors on the days on which they signed the separate documents.

23.3 Any document referred to in this clause may be faxed and/or emailed.

23.4 The minutes of Directors' meetings must record that a meeting was held in accordance with clause 21.

23.5 The principles of this clause apply to meetings of Directors' committees as if all members of the committee were Directors.

24. VALIDITY OF ACTS OF DIRECTORS

24.1 If it is discovered that:

- (a) there was a defect in the appointment of a person as a Director, Alternate Director or member of a Directors' committee; or
- (b) a person appointed to one of those positions was disqualified,

all acts of the Directors or the Directors' committee before the discovery was made are as valid as if the person had been duly appointed and was not disqualified.

25. MINUTES AND REGISTERS

25.1 The Directors must cause minutes to be made of:

- (a) the names of the Directors present at all general meetings, Directors' meetings and meetings of Directors' committees;
- (b) all proceedings of general meetings, Directors' meetings and meetings of Directors' committees;
- (c) all appointments of officers;
- (d) all resolutions made by the Directors and Directors' committees; and
- (e) all disclosures of interest made in accordance with the Corporations Act and this Constitution.

25.2 Minutes must be signed by the Chairman of the meeting or by the Chairman of the next meeting.

26. SEALS

26.1 If the Company has a Seal, the Directors must provide for its safe custody.

26.2 The Seal must not be used without the authority of the Directors or a Directors' committee authorised to use the Seal.

26.3 Every document to which the Seal is affixed must be signed by a Director and be countersigned by another Director, the Secretary or another person appointed by the Directors to countersign the document.

27. DISTRIBUTIONS AND GRANTS

27.1 The Company has been established to encourage animal racing and accordingly all funds available for distribution by the Company must be paid by way of grants to Queensland Racing Entities.

27.2 Subject to clause 27.1, the Company will make payments of all funds in accordance with the Queensland Racing Entity Intercode Agreement and any other agreements or direction for the time being in place between the Control Bodies.

27.3 Subject to clauses 3.3, 3.6 and 3.7:

- (a) the Company will not distribute or grant funds to any person other than a Queensland Racing Entity; and
- (b) the Company will not pay any dividend or other distribution whatsoever to its Members.

28. NOTICES

28.1 Every Member must provide to the Secretary an address within Queensland for service of notices to be registered as his or her address for the purposes of the Corporations Act and this Constitution. A Member may also provide a fax number and email address for service of notices.

28.2 Notice may be given by the Company to any person who is entitled to receive notice under this Constitution by having it served personally, faxed, e-mailed or delivered or sent by post to his or her registered address or the address supplied by the person to the Company for sending notices to the person.

28.3 A notice given in accordance with clause 28.2 is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, 3 days after the date of posting; or

- (c) if sent by fax, when the sender's facsimile system generates a message confirming successful transmission of the total number of pages of the notice.
- (d) if sent by e-mail, service will be deemed to be effected on the day of transmission, so long as the sender of the notice does not receive a delivery failure message in respect of the e-mail.

28.4 A certificate in writing signed by a Director, Secretary or other officer of the Company that a document or its envelope or wrapper was addressed and stamped and was posted is conclusive evidence of posting.

28.5 Subject to the Corporations Act, the signature to a written notice given by the Company may be written or printed.

29. PERSONS ENTITLED TO NOTICE

29.1 Notice of every Annual General Meeting must be given to:

- (a) Every Member;
- (b) Every Director and Alternate Director; and
- (c) The Auditor

29.2 No other person is entitled to receive notice of an Annual General Meeting.

30. INDEMNITY AND INSURANCE

30.1 To the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company against any liability incurred by that person as an officer of the Company to a person other than the Company or a related body corporate of the Company, unless the liability arises out of conduct on the part of the officer which:

- (a) involves a lack of good faith; or
- (b) is contrary to the Company's express instructions.

30.2 The Company indemnifies every officer of the Company against any liability for costs and expenses incurred by the person in his or her capacity as officer of the Company:

- (a) in defending any proceedings, whether civil or criminal, in which judgement is given in favour of the person or in which the person is acquitted; or
- (c) in connection with an application, in relation to those proceedings, in which the Court grants relief to the person under the Corporations Act.

30.3 Subject to the Corporations Act, the Company may pay a premium in respect of a contract insuring a person who is or has been an officer against liability incurred by the person as an officer.

30.4 For the purposes of this clause 30, '*officer*' means a Director as defined in this Constitution or an executive officer as defined by the Corporations Act.

**SCHEDULE 1
FORM OF PROXY**

I, _____

Of _____

Am a Member of Queensland Race Product Co Ltd

I appoint as my proxy _____

Of _____

Or failing him or her _____

Of _____

Or failing him or her the Chairperson of the *Annual General Meeting / *General

Meeting of the Company to be held on _____ 200__ at _____ am/pm to
vote for me at that meeting and at any adjournment of it.

This form is to be used in accordance with the directions below. Unless the proxy is
directed, he or she may vote or abstain as he or she thinks fit.

RESOLUTION	FOR	AGAINST	ABSTAIN
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSTRUCTION

To direct the proxy to cast all votes covered by this instrument in a particular manner place
a tick or a cross in the relevant box.

I understand that if I have not directed my proxy how to vote, my proxy may vote or abstain
from voting as he or she thinks fit.

DATED: _____

Signature of Member

Name of Member

Name of Queensland Racing Entity

* strike out whichever is not desired.

TAB QUEENSLAND LIMITED (formerly known as
TOTALISATOR ADMINISTRATION BOARD OF QUEENSLAND)
("TABQ")

QUEENSLAND RACE PRODUCT CO LTD
("Product Co")

QUEENSLAND THOROUGHBRED RACING BOARD
(formerly known as the **QUEENSLAND PRINCIPAL CLUB**)
("QTRB")

QUEENSLAND HARNESS RACING BOARD
("QHRB")

GREYHOUND RACING AUTHORITY
("GRA")

AMENDMENT DEED No. 1
with respect to the
Product and Program Agreement



AMENDMENT DEED

This Deed is made the 1st day of October 2002.

- BETWEEN:** TAB QUEENSLAND LIMITED ACN 085 691 738 (formerly known as the TOTALISATOR ADMINISTRATION BOARD OF QUEENSLAND) of 240 Sandgate Road, Albion ("TABQ")
- AND:** QUEENSLAND RACE PRODUCT CO LTD ACN 081 743 722 of 161 Breakfast Creek Road, Newstead ("Product Co")
- AND:** QUEENSLAND THOROUGHBRED RACING BOARD (formerly known as the QUEENSLAND PRINCIPAL CLUB) of 161 Breakfast Creek Road, Newstead ("QTRB")
- AND:** QUEENSLAND HARNESS RACING BOARD of Amy Street, Breakfast Creek ("QHRB")
- AND:** GREYHOUND RACING AUTHORITY of Amy Street, Breakfast Creek ("GRA")

RECITALS

- A. On 9 June 1999 TABQ, Product Co and the Queensland Control Bodies entered into an agreement entitled the Product and Program Agreement (the "Product and Program Agreement").
- B. The Product and Program Agreement may only be amended by a document in writing signed by or on behalf of the parties to that agreement.
- C. The parties to the Product and Program Agreement who are also parties to this Deed have agreed to amend the Product and Program Agreement as set out in this Deed.

THIS DEED PROVIDES:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In the interpretation of this Deed (including the recitals), unless inconsistent with the subject or context, each of the expressions defined in clause 1.1 of the Product and Program Agreement shall have the meaning there ascribed in this Deed.

1.2 Interpretation

- (a) In this Deed:-
- (i) headings are for convenience only and do not affect interpretation;
- and unless the context indicates a contrary intention:
- (ii) references to a party includes its permitted successors and permitted assigns;
 - (iii) a reference to this Deed or to any other deed, agreement or document (other than the contracts between the Queensland Racing Entities and Sky Channel Pty Ltd existing as at 14 October 1997) includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
 - (iv) words importing the singular include the plural (and vice versa), and words denoting a given gender include all other genders;
 - (v) a reference to a clause or a schedule is a reference to a clause or schedule of this Deed;
 - (vi) references to currency are references to Australian currency unless otherwise specifically provided;
 - (vii) references to the Corporations Act, any other act of the State or Commonwealth parliament, code regulation or ordinance or to any statutory instrument issued under any of them or to any provision of any of them will be read as though the words "or any existing or future statutory instrument, modification or re-enactment or any statutory provisions substituted therefore" were added to that reference;
 - (viii) a reference to a person includes an individual, corporation, Governmental Agency, estate, trust, partnership, or association, two or more persons having a joint or common interest or any other legal or commercial entity or undertaking; and
 - (ix) a reference to the Race Wagering Licence will be read to mean the licence as it is in force from time to time in accordance with the Wagering Act 1998.
- (b) References to dates which do not fall on a Business Day will be construed as references to the immediately subsequent Business Day. Wherever in this Deed a period of time is referred to, the day upon which the period commences will be the day after the day from which the period is expressed to run or the day after the day upon which the event occurs which causes the period to start running.
-
- (c) All the Schedules to this Deed constitute an integral part of and are deemed to be incorporated in this Deed.

2. AMENDMENT TO THE PRODUCT AND PROGRAM AGREEMENT

It is agreed by the parties to this Deed that the Product and Program Agreement be amended as follows:

- (a) That clause 1.1 of the Product and Program Agreement be amended by deleting the definition "Minimum Component" and replacing it with the following:

"Minimum Component", for a Racing Year, means a minimum number and type of Races scheduled to be conducted in Queensland by Queensland Racing Entities in that Racing Year upon which Race Wagering is to be conducted, and allocated in the manner used in Schedule 2."

- (b) That clause 1.1 of the Product and Program Agreement be amended by deleting the definition "Queensland Racing Calendar" and replacing it with the following:

"Queensland Racing Calendar", for a Racing Year means a calendar of Race Meetings scheduled to be held in Queensland during that Racing Year and which details the number of Race Meetings to be held, the days of the week on which the Race Meetings will be held, whether it will be a day, twilight or evening Race Meeting, the estimated number of Races to be held at the Race Meetings, the estimated number of starters in each Race, identification of the Queensland Racing Entity to hold the Race Meetings and identification of the feature Races to be conducted at the Race Meetings."

- (c) That clause 1.1 of the Product and Program Agreement be amended by deleting the definition "Queensland Racing Program" and replacing it with the following:

"Queensland Racing Program", for a Racing Year means the programs of Races upon which wagering could be offered, scheduled to be held at Race Meetings scheduled in the Queensland Racing Calendar for that Racing Year."

- (d) That clause 1.1 of the Product and Program Agreement be amended by adding the following definition after the definition of "Race Wagering Licence":

"Racing Year" means:

- (a) between 00:01 hours on the Effective Date and midnight 30 June 2000, the period commencing on 1 July 1999 and ending on 30 June 2000 (the **"Initial Racing Year"**);
- (b) between 00:01 hours on 1 July 2000 and midnight 30 June 2001, the period commencing on 1 July 2000 and ending on 30 June 2001;
- (c) between 00:01 hours on 1 July 2001 and midnight 31 July 2002, the period commencing on 1 July 2001 and ending on 31 July 2002;
- (d) thereafter, the period commencing on 1 August in any year and ending on 31 July in the following year."

- ~~(e) That clause 5.1(b) of the Product and Program Agreement be amended by deleting clause 5.1(b) and replacing it with the following:~~

5.1 (b) Product Co and each Queensland Control Body will use their best endeavours to ensure that Queensland Racing Entities do not have advertisers or sponsors of Races or Race Meetings which disparage or compete with the Race Wagering Business, in the gambling market. By way of example, and not by way of limitation, the following will be deemed to be advertisers or sponsors which disparage or compete with the Race Wagering Business in the gambling market:

- (i) any entity (or a Related Body Corporate of such entity) which undertakes gambling in casinos lawfully operated under the Casino Control Act 1982;
 - (ii) any entity (or a Related Body Corporate of such entity) which conducts lotteries or other gaming schemes conducted under the provisions of the Lotteries Act 1997."
- (f) That clause 5.1 of the Product and Program Agreement be amended by adding the following clauses after clause 5.1(c):
 - "(d) Nothing in clause 5.1(b) will prohibit Queensland Racing Entities continuing to have advertisers or sponsors of Races and Race Meetings as identified in Schedule 6 which compete with the Race Wagering Business provided that:
 - (i) the identity of the advertisers and sponsors set out in Schedule 6 does not change; and
 - (ii) the type of the advertising or sponsorship with the relevant advertiser or sponsor is the same as the type of the advertising or sponsorship with the relevant advertiser or sponsor as at the date of this Deed. For the avoidance of doubt, the consideration or benefit received by the relevant Queensland Racing Entity may increase provided the nature and scope of the advertising or sponsorship does not change.
 - (e) Nothing in clause 5.1(b) will prohibit a Queensland Racing Entity accepting sponsors of Race Meetings which compete with the Race Wagering Business if such sponsorship:
 - (i) solely relates to a Race Meeting upon which TABQ does not offer wagering in respect of any Races comprised in the said Race Meeting; and
 - (ii) provided that in relation to such Race Meeting the sponsor does not:
 - A. receive naming rights with respect to such Race Meeting; and
 - B. sponsor more than 25% of the Races comprised in the said Race Meeting.
 - (f) Nothing in clause 5.1(b) will prohibit a Queensland Racing Entity accepting advertisers or sponsors of Races and Race Meetings ~~which compete with the Race Wagering Business if such sponsorship or advertising receives TABQ's prior approval in writing (which approval may be given in TABQ entire discretion).~~
 - (g) In the event that a Queensland Racing Entity (the "**Defaulting Queensland Racing Entity**") accepts or maintains a sponsorship or advertising which contravenes clause 5.1(b) ("**Contravening Sponsorship or Advertising**"), Product Co and each Queensland Control Body shall (without limiting their obligations under clause 5.1(b)):

- (i) withdraw any funding provided or to be provided by Product Co and any Queensland Control Body ("**Withdrawn Funding**") to the Defaulting Queensland Racing Entity for the Race Meeting(s) to which the Contravening Sponsorship or Advertising relates; and
 - (ii) not in any manner reapply or reallocate such Withdrawn Funding to the Defaulting Queensland Racing Entity; and
 - (iii) if any Defaulting Queensland Racing Entity contravenes clause 5.1(b) on 2 or more occasions, pay TABQ an amount being 200% of the value of the Contravening Sponsorship or Advertising on each such occasion a contravention occurs (and if the value of the Contravening Sponsorships or Advertising is not agreed between the parties, within 5 days of either party requesting agreement by notice in writing, it shall be determined in accordance with clause 13 of this Agreement)."
- (g) That clause 7.1 of the Product and Program Agreement be amended by deleting clause 7.1 and replacing it with the following:

"7.1 Determination of the Queensland Racing Calendar

- (a) The Queensland Racing Calendar for the Initial Racing Year will be the calendar set out in Schedule 3;
 - (b) Product Co must prepare and submit to TABQ, a draft Queensland Racing Calendar for each Racing Year during the Term commencing with the Racing Year ending 30 June 2001, for finalisation by 31 March in the preceding Racing Year;
 - (c) The Race Meetings to be included in the draft Queensland Racing Calendar must be spread appropriately during the Racing Year having regard to the quality and proposed timing of Race Meetings held by Interstate Racing Entities.
 - (d) TABQ must expeditiously review each draft of the Queensland Racing Calendar;
 - (e) If TABQ and Product Co have not agreed on the Queensland Racing Calendar for a Racing Year by 31 March in the preceding Racing Year, then the Queensland Racing Calendar will be the Queensland Racing Calendar for the previous Racing Year. In the event that there are Race Meetings in the Queensland Racing Calendar for the previous Racing Year which could not be held for reasons outside the control of Product Co, the Queensland Control Bodies or the Queensland Racing Entities then Product Co will substitute another Race Meeting of like quality and timing to the reasonable satisfaction of TABQ."
- (h) That clause 7.2(a) of the Product and Program Agreement be amended by deleting clause 7.2(a) and replacing it with the following:
- "(a) Product Co must prepare and submit to TABQ the Queensland Racing Program at such times throughout the Racing Year as are reasonable and customary."

- (i) That the heading of Schedule 3 of the Product and Program Agreement be amended by deleting the word "Financial" and replacing it with "Racing".
- (j) That a new Schedule 6 be added after Schedule 5 to the Product and Program Agreement as follows:

" Schedule 6

- (a) Permitted sponsor or advertiser for the Queensland Turf Club pursuant to clause 5.1(d)

SPONSOR	
Identity of Sponsor	Race, Race Meeting or Event Sponsored
Treasury Casino	Brisbane Cup Day (10.06.02)

- (b) Permitted sponsor or advertiser for the Gold Coast Turf Club pursuant to Clause 5.1(d)

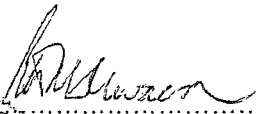
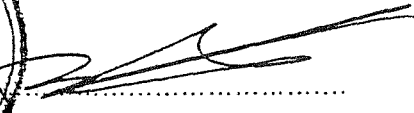
SPONSOR	
Identity of Sponsor	Race, Race Meeting or Event Sponsored
Conrad Jupiters	Magic Millions Race Day (12.01.02)


3. CONFIRMATION

In all other respects the parties confirm the terms of the Product and Program Agreement.

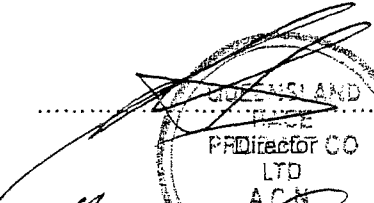
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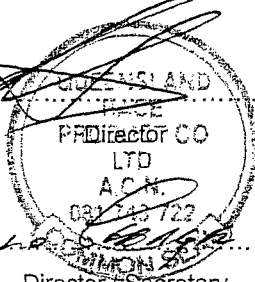
THE COMMON SEAL of)
TAB QUEENSLAND LIMITED)
ACN 085 691 738 was affixed in)
accordance with its Constitution,)
in the presence of:)


.....
Director

.....
Director / Secretary




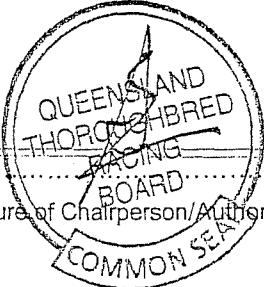
THE COMMON SEAL of)
QUEENSLAND RACE PRODUCT)
CO LTD ACN 081 743 722 was)
affixed in accordance with its)
Constitution, in the presence of:)


.....
Director / Secretary

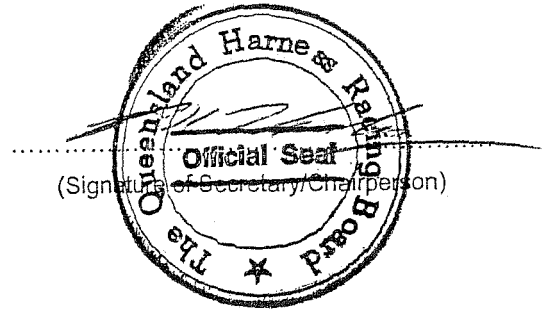


THE SEAL of QUEENSLAND)
THOROUGHBRED RACING BOARD)
affixed pursuant to a resolution of the)
QUEENSLAND THOROUGHBRED)
RACING BOARD by)
.....)
(Chairperson/Authorised Officer)


.....
(Signature of Chairperson/Authorised Officer)



THE SEAL of QUEENSLAND
HARNESS RACING BOARD
affixed pursuant to a resolution of
the QUEENSLAND HARNESS
RACING BOARD by
[Signature]
(Secretary/Chairperson)



THE SEAL of GREYHOUND
RACING AUTHORITY affixed
pursuant to a resolution of the
GREYHOUND RACING AUTHORITY
by *[Signature]*
(Secretary/Chairperson)



CORPORATIONS ACT 2001

CONSTITUTION

OF

**QUEENSLAND RACE PRODUCT CO LTD
ACN 081 743 722**

(adopted on 16 October 2006)

**CORPORATIONS ACT 2001
COMPANY LIMITED BY GUARANTEE**

CONSTITUTION

OF

**QUEENSLAND RACE PRODUCT CO LTD
ACN 081 743 722**

1. PRELIMINARY

1.1 In this Constitution, the following words and expressions have the meanings indicated:

‘**Alternate Director**’ means a person appointed as an Alternate Director under clause 18.

‘**Auditor**’ means the Company’s Auditor.

‘**Board**’ means the Board of Directors.

‘**Chairman**’ means the Chairman of Directors.

‘**Company**’ means Queensland Race Product Co Ltd ACN 081 743 722.

‘**Constitution**’ means the constitution of the Company as amended from time to time.

‘**Control Bodies**’ means QRL, QHRB and GRA.

‘**Corporations Act**’ means the *Corporations Act 2001*.

‘**Director**’ includes any person occupying the position of Director of the Company and, where appropriate, includes an Alternate Director.

‘**Directors**’ means all or some of the Directors acting as a Board.

‘**GRA**’ means Greyhound Racing Authority established under section Schedule 1, Part 4 of the *Racing Act 2002 (Queensland)* and its successors.

‘**Greyhound Code**’ means the GRA and each of the race clubs for the time being registered by the GRA under the *Racing Act 2002 (Queensland)*.

‘**Harness Code**’ means the QHRB and each of the race clubs for the time being registered by the QHRB under the *Racing Act 2002 (Queensland)*.

‘**Member**’ means a member under clause 4.

‘**Office**’ means the Company’s registered office.

‘**QHRB**’ means Queensland Harness Racing Board established under Schedule 1, Part 3 of the *Racing Act 2002 (Queensland)* and its successors.

'**QRL**' means Queensland Racing Limited, a company limited by guarantee and not having a Share Capital.

'**Queensland Racing Entity**' means all of the Queensland Racing Entities.

'**Queensland Racing Entities**' means an entity within the Greyhound Code, the Harness Code or the Thoroughbred Code.

'**Queensland Racing Industry**' means all of the Queensland Racing Entities.

'**QRI Intercode Agreement**' means the Queensland Racing Industry Intercode Agreement signed in June 1999 between the QRL (previously Queensland Principal Club), the QHRB and the GRA.

'**Racing Act**' means the *Racing Act 2002 (Queensland)*.

'**Register**' means the register of Members of the Company.

'**Registered Address**' means the last know address of a Member as noted in the Register.

'**Seal**' mean the Company's common seal.

'**Secretary**' means the Secretary of the Company.

'**TABQ**' means the Totalisator Administration Board of Queensland in its present form and as a corporatised and/or privatised entity, and includes any wholly owned subsidiary of that entity. TABQ is now know as **UNiTAB** Limited (UNiTAB).¹

'**Thoroughbred Code**' means QRL and each of the race clubs for the time being registered by QRL under the Racing Act.

1.2 In this Constitution

- (a) words importing the singular include the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) words importing persons include corporations, and organisations whether incorporated or not;
- (d) subject to this Constitution, words and expressions defined in the Corporations Act have the same meaning in this Constitution; and

¹ The TABQ Board became corporatised on 1 July 1999 as a Government-owned entity (TAB Queensland Limited).

On 16 November 1999 UNiTAB was listed on the Australian Stock Exchange Limited by a public float.

On 12 October 2006, UNiTAB became part of Tattersall's Limited as a result of a merger of both companies.

- (e) headings are for ease of reference only and do not affect the construction of this Constitution.

2. NAME

The name of the company is Queensland Race Product Co Ltd.

3. OBJECTS

3.1 The Company is established to encourage animal racing by acting as agent for the Queensland Racing Industry in its relationship with UNiTAB.

3.2 The Company can only exercise the powers in section 161(1) of the Corporations Act to:

- (a) carry out the object in clause 3.1; and
- (b) do all things incidental or convenient in relation to the exercise of the powers under clause 3.2(a).

3.3 The income and property of the Company will be applied solely towards the object of the Company set out in clause 3.1.

3.4 The liability of the members is limited.

3.5 If the Company is wound up:

- (a) each member; and
- (b) each person who has ceased to be a member in the preceding year,

undertakes to contribute to the property of the Company for the:

- (c) payment of debts and liabilities of the Company (in relation to clause 3.5(b), contracted before the person ceased to be a member) and payment of costs, charges and expenses of winding up; and
- (d) adjustment of the rights of the contributories amongst themselves,

such amount as may be required, not exceeding \$10.

3.6 If any surplus remains following the winding up of the Company, the surplus will not be paid to or distributed amongst the members, but will be given or transferred to another corporation, body, fund or institution which has a similar object specified in its constitution to the object of the Company and which prohibits the distribution of income and capital to at least the same extent as the Company. This corporation, body, fund or association will be determined by the members.

- 3.7 Clauses 3.5 and 3.6 do not prevent the Company:
- (a) paying to any Director who is a Member reasonable commercial remuneration for his or her services as a Director and costs and expenses incurred in carrying out his or her duties as a Director;
 - (b) paying to any Director or any company or firm in which a Director has an interest reasonable amounts for any goods, services or consultancies pursuant to any agreement with the Company in the normal course of business;
 - (c) indemnifying any Director or other officer in accordance with this Constitution or as otherwise permitted by law; or
 - (d) paying any premium in respect of a contract insuring a person who is or has been an officer of the Company as permitted by law.
- 3.8 No income or property of the Company will be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise, other than in accordance with clauses 3.3, 3.6 or 3.7.
- 3.9 A special resolution altering, adding to or omitting a provision contained in this Constitution must:
- (a) be passed by all of the Members; and
 - (b) have the written consent of each of the Control Bodies,
- to have effect.

4. MEMBERSHIP

- 4.1 The Members are the Directors from time to time. A person who consents in writing to be a Director is taken to have agreed to be a Member.
- 4.2 Members are not required to pay any entrance fees or annual subscriptions.
- 4.3 The Secretary must enter each Member's name in the Register and issue a certificate of membership to each Member. The certificate remains the property of the Company and is to be returned to the Company on demand in writing by the Secretary.
- 4.4 Membership of the Company is not transferable whether by operation of law or otherwise and all rights and privileges of membership of the Company cease upon the Member ceasing to be a Member.

5. CEASING TO BE A MEMBER

- 5.1 A Member's membership of the Company ceases if the Member ceases to be a Director.

6. POWERS OF ATTORNEY

- 6.1 If a Member executes or proposes to execute any document or do any act by or through an attorney, the Member must deliver the instrument appointing the Attorney to the Company for notation.
- 6.2 The Company may require the Member to lodge a certified copy of the instrument for retention by the Company and ask for whatever evidence it thinks appropriate that the power of attorney is effective and continues to be in force.

7. GENERAL MEETINGS

- 7.1 The Directors may, at any time, convene a general meeting.
- 7.2 A Member may:
- (a) only requisition the Directors to convene a general meeting in accordance with the Corporations Act; and
 - (b) not convene or join in convening a general meeting except under the Corporations Act.
- 7.3 A notice convening a general meeting must contain all information required by the Corporations Act including:
- (a) specify the place, date and hour of the meeting; and
 - (b) state the general nature of the business to be transacted at the meeting.
- 7.4 A notice of an Annual General Meeting need not state that the business to be transacted at the meeting includes:
- (a) the consideration of accounts and the reports of the Directors and Auditors; or
 - (b) the appointment and fixing of the remuneration of the Auditor.
- 7.5
- (a) The Directors may postpone or cancel any general meeting whenever they think fit (other than a meeting convened as the result of a requisition under clause 7.2).
 - (c) The Directors must give notice of the postponement or cancellation to all persons entitled to receive notices from the Company.
- 7.6 The failure or accidental omission to send a notice of a general meeting or the postponement of a general meeting to any member or the non-receipt of a notice by any Member does not invalidate the proceedings or any resolution passed at the general meeting.

8. PROCEEDINGS AT GENERAL MEETINGS

- 8.1 No business may be transacted at a general meeting unless a quorum of Members is present in person or by proxy or attorney at the time when the meeting is due to commence.

- 8.2 A quorum is four Members.
- 8.3 If the Directors have not been unanimously appointed by the Control Bodies in accordance with clause 14.3, the quorum must consist of:
- (a) two of the Directors appointed by QRL;
 - (b) the Director appointed by the QHRB; and
 - (c) the Director appointed by the GRA.
- 8.4 If a quorum is not present within 30 minutes after the time appointed for a meeting:
- (a) if the meeting was convened on the requisition of Members, it is automatically dissolved; or
 - (b) in any other case:
 - (i) it will stand adjourned to the same time and place seven days after the meeting, or to another day, time and place determined by the Directors; and
 - (ii) if at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting will be dissolved.

9. CHAIRMAN

- 9.1 The Chairman will be the Chairman at every general meeting.
- 9.2 If:
- (a) there is no Chairman;
 - (b) the Chairman is not present within 15 minutes after the time appointed for holding the meeting; or
 - (c) the Chairman is unwilling to act as Chairman of the meeting,
- the Members present may appoint a Chairman of the meeting.

10. ADJOURNMENT

- 10.1 The Chairman of a meeting at which a quorum is present:
- (a) may, in his discretion, adjourn a meeting; and
 - (b) must adjourn a meeting if a majority of Members directs him or her to do so.
- 10.2 An adjourned meeting may take place at a different venue to the initial meeting.
- 10.3 The only business that can be transacted at an adjourned meeting is the unfinished business of the initial meeting.

- 10.4 If a general meeting has been adjourned for more than 21 days, notice of an adjourned meeting must be given.

11. DECISION OF QUESTIONS

- 11.1 Subject to the Corporations Act in relation to special resolutions, a resolution is carried if a majority of the votes cast on the resolution are in favour of the resolution.
- 11.2 A resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded, before or on the declaration of the result of the show of hands, by:
- (a) the Chairman; or
 - (b) at least three (3) Members who have the right to vote at the meeting.
- 11.3 A declaration by the Chairman that a resolution has been carried, carried by a specified majority, or lost and an entry to that effect in the minutes of the meeting, are conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against the resolution.

12. NO CASTING VOTE OF CHAIRMAN

- 12.1 In the case of an equality of votes at any general meeting, the Chairman will not have a second or casting vote.

13. VOTES OF MEMBERS

- 13.1 A Member entitled to vote has one vote.
- 13.2 A Member may appoint a proxy by a written appointment signed by the appointer or the appointer's attorney.
- 13.3 If a Member appoints a proxy, the proxy may vote on a show of hands.
- 13.4 A proxy need not be a Member.
- 13.5 An appointment of a proxy must be in a form approved by the Directors. Schedule 1 sets out a form which will be deemed to be approved by the Directors unless they resolve to use a different form.
- 13.6 A proxy may vote or abstain as he or she chooses except to the extent that an appointment of the proxy indicates the manner in which the proxy will vote on any resolution. The proxy must vote or abstain on a show of hands in accordance with any instructions on the appointment.
- 13.7 A proxy's appointment is valid at an adjourned meeting.
- 13.8 The written appointment of a proxy or an attorney must be deposited at the Office, or another address nominated by the Company, not less than 48 hours before the time for holding a meeting or adjourned meeting at which the appointee proposes to vote.

13.9 If the appointment purports to be executed under a power of attorney or other authority, then the original document, or a certified copy of it, must be deposited with the appointment.

13.10 A vote cast in accordance with an appointment of proxy or power of attorney is valid even if before the vote was cast the appointer:

- (a) died;
- (b) became of unsound mind or a person whose person or estate was liable to be dealt with in any way under the laws relating to mental health; or
- (c) revoked the proxy or power,

unless written notification of the death, unsoundness of mind or revocation was received at the Office before the relevant meeting or adjourned meeting.

14. APPOINTMENT OF DIRECTORS

14.1 The company is to have six (6) Directors.

14.2 The power of appointment of Directors is vested in the Control Bodies acting on behalf of the Queensland Racing Entity.

14.3 On each occasion on which Directors are to be appointed, the right of appointment is to be exercised by QRL, the QHRB or the GRA so that at any time the number of Directors appointed by each of those Control Bodies is as follows:

- (a) four (4) directors appointed by QRL
- (b) one (1) director appointed by the QHRB; and
- (d) one (1) director appointed by the GRA.

14.4 Directors are to be appointed for a term of three (3) years.

14.5 A retiring Director may act until the conclusion of the Annual General Meeting of which he or she retires.

14.6 Each Director retiring from office is eligible for re-appointment as a Director of the Company.

14.7 The principles set out in this clause 14 apply in relation to the replacement of Directors wherever a vacancy occurs.

15. VACATION OF OFFICE

15.1 Each Director will remain in office until his or her office is vacated pursuant to clause 15.2.

15.2 The company may by ordinary resolution remove any Director before the expiration of his or her period of office.

The office of a Director is vacated if that Director:-

- (a) dies;
- (b) is prohibited by the *Corporations Act 2001* from continuing as a Director;
- (c) becomes bankrupt or makes any general arrangement or composition with his or her creditors;
- (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the laws relating to mental health;
- (e) resigns as a Member or Director, by notice in writing to the Company;
- (f) is absent from Directors' meetings for six (6) consecutive months without leave of absence from the Directors; or
- (g) being an interim Director appointed under clause 19.2 ceases to hold office under that clause.

16. POWERS AND DUTIES OF DIRECTORS

16.1 The business of the Company is managed by the Directors who may exercise all powers of the Company that this Constitution and the Corporations Act do not require to be exercised by the Company in general meeting.

17. PROCEEDINGS OF DIRECTORS

17.1 A Director may at any time, and the Secretary must on the requisition of a Director, convene a Directors' meeting. A Directors' meeting must be convened by not less than 48 hours written notice of a meeting to each Director and each Director's alternate.

- 17.2 (a) A Directors' meeting may be held by the Directors communicating with each other by any technological means by which they are able to hear each other and to participate in discussion.
- (b) The Directors need not all be physically present in the same place for a Directors' meeting to be held.
- (c) A Director participating in a meeting held in accordance with this Constitution and the Corporations Act is taken to be present and entitled to vote at the meeting.

17.3 Clause 17.2 applies to meetings of Directors' committees.

17.4 The Directors may meet together, adjourn and regulate their meetings as they see fit.

17.5 A quorum for Directors' meetings is four (4). Subject to the Corporations Act, a Director or Alternate Director interested in a contract or arrangement within the meaning of clause 21 shall be counted in a quorum notwithstanding his or her interest.

- 17.6 If the Directors have not been unanimously appointed by the Control Bodies in accordance with clause 14.3, the quorum must consist of:
- (a) two (2) of the Directors appointed by QRL;
 - (b) the Director appointed by the QHRB; and
 - (c) the Director appointed by the GRA
- 17.7 Questions arising at a meeting of Directors are to be decided by a majority of votes of the Directors present and voting.
- 17.8 In the case of an equality of votes, the Chairman will not have a second or casting vote.
- 17.9 An Alternate Director has one vote for each Director for whom he or she is an alternate. If the Alternate Director is also a Director, he or she also has a vote as a Director.

18. ALTERNATE DIRECTORS

- 18.1 A Director may, with the approval of:
- (a) the Directors; and
 - (b) the Control Body or Control Bodies which appointed the Director,
- appoint any person as his or her alternate for a period determined by that Director.
- 18.2 An Alternate Director is entitled to notice of a Directors' meeting and, if the appointer is not present at a meeting, is entitled to attend, be counted in a quorum and vote as a Director.
- 18.3 An Alternate Director is an officer of the Company and is not an agent of the appointer.
- 18.4 The provisions of this Constitution which apply to Directors also apply to Alternate Directors.
- 18.5 The appointment of an Alternate Director may be revoked at any time by the appointer or by the other Directors. An Alternate Director's appointment ends automatically when his or her appointer ceases to be a Director.
- 18.6 Any appointment or revocation under this clause must be effected by notice in writing to the Company.

19. REMAINING DIRECTORS

- 19.1 The Directors may act even if there are vacancies on the Board.
- 19.2 If the number of Directors is not sufficient to constitute a quorum at a Directors' meeting, the Directors may act only to appoint an interim Director who will only hold office until a replacement Director is appointed by the Control Bodies in accordance with clause 14.

20. CHAIRMAN OF DIRECTORS

- 20.1 The Directors may elect a Director as Chairman of Directors' meetings and may determine the period for which the Chairman will hold office.
- 20.2 If no Chairman is elected or if the Chairman is not present at any Directors' meetings within ten minutes after the time appointed for the meeting to begin, the Directors present may elect a Director to be Chairman of the meeting.

21. DIRECTORS' CONTRACTS AND ARRANGEMENTS WITH THE COMPANY

- 21.1 A Director may hold any other office or place of profit under the Company, except that of Auditor, in conjunction with the office of Director, at remuneration and on conditions determined by the Directors.
- 21.2 A Director will not be disqualified by his office from holding any office or place of profit under any company in which the Company is interested or from contracting with the Company.
- 21.3 Any contract or arrangement entered into by or on behalf of the Company in which any Director is interested will not be avoided.
- 21.4 A Director will not be liable to account to the Company for any profit arising from any such office or place of profit or realised by any such contract or arrangement by reason only of the Director holding that office or of the fiduciary relations established.
- 21.5 A Director must disclose the nature of his or her interest in any such contract or arrangement.
- 21.6 The Secretary will record in the minutes any disclosure given by a Director under clause 21.5.
- 21.7 Subject to the Corporations Act, a Director may vote in respect of any contract or arrangement in which he or she is interested.
- 21.8 A Director may be appointed as the Director in whose presence the Seal of the Company is to be affixed to any instrument notwithstanding that he or she is interested in the contract or arrangement to which the instrument relates.

22. DIRECTORS' COMMITTEES

- 22.1 The Directors may delegate any of their powers, other than those which by law must be dealt with by the Directors as a Board, to a committee or committees. The Directors may at any time revoke any delegation of power to a committee.
- 22.2 At least one member of each committee must be a Director.
- 22.3 A committee must exercise its powers in accordance with any directions of the Directors and a power exercised in that way is deemed to have been exercised by the Directors.
- 22.4 A committee may be authorised to sub-delegate all or any of the powers for the time being vested in it.

- 22.5 Meetings of a committee will be governed by the provisions of this Constitution which deal with Directors' meetings so far as they are applicable and are not inconsistent with any directions of the Directors.

23. WRITTEN RESOLUTIONS

- 23.1 If all the Directors who are eligible to vote on a resolution have signed a document containing a statement that they are in favour of a resolution in terms set out in the document, then a resolution in those terms is deemed to have been passed at a Directors' meeting held on the day on which the document was last signed by a Director.
- 23.2 For the purposes of clause 23.1, two or more identical documents, each of which is signed by one or more Directors, together constitute one document signed by those Directors on the days on which they signed the separate documents.
- 23.3 Any document referred to in this clause may be faxed and/or emailed.
- 23.4 The minutes of Directors' meetings must record that a meeting was held in accordance with clause 21.
- 23.5 The principles of this clause apply to meetings of Directors' committees as if all members of the committee were Directors.

24. VALIDITY OF ACTS OF DIRECTORS

- 24.1 If it is discovered that:
- (a) there was a defect in the appointment of a person as a Director, Alternate Director or member of a Directors' committee; or
 - (b) a person appointed to one of those positions was disqualified,

all acts of the Directors or the Directors' committee before the discovery was made are as valid as if the person had been duly appointed and was not disqualified.

25. MINUTES AND REGISTERS

- 25.1 The Directors must cause minutes to be made of:
- (a) the names of the Directors present at all general meetings, Directors' meetings and meetings of Directors' committees;
 - (b) all proceedings of general meetings, Directors' meetings and meetings of Directors' committees;
 - (c) all appointments of officers;
 - (d) all resolutions made by the Directors and Directors' committees; and
 - (e) all disclosures of interest made in accordance with the Corporations Act and this Constitution.

25.2 Minutes must be signed by the Chairman of the meeting or by the Chairman of the next meeting.

26. SEALS

26.1 If the Company has a Seal, the Directors must provide for its safe custody.

26.2 The Seal must not be used without the authority of the Directors or a Directors' committee authorised to use the Seal.

26.3 Every document to which the Seal is affixed must be signed by a Director and be countersigned by another Director, the Secretary or another person appointed by the Directors to countersign the document.

27. DISTRIBUTIONS AND GRANTS

27.1 The Company has been established to encourage animal racing and accordingly all funds available for distribution by the Company must be paid by way of grants to Queensland Racing Entities.

27.2 Subject to clause 27.1, the Company will make payments of all funds in accordance with the Queensland Racing Entity Intercode Agreement and any other agreements or direction for the time being in place between the Control Bodies.

27.3 Subject to clauses 3.3, 3.6 and 3.7:

- (a) the Company will not distribute or grant funds to any person other than a Queensland Racing Entity; and
- (b) the Company will not pay any dividend or other distribution whatsoever to its Members.

28. NOTICES

28.1 Every Member must provide to the Secretary an address within Queensland for service of notices to be registered as his or her address for the purposes of the Corporations Act and this Constitution. A Member may also provide a fax number and email address for service of notices.

28.2 Notice may be given by the Company to any person who is entitled to receive notice under this Constitution by having it served personally, faxed, e-mailed or delivered or sent by post to his or her registered address or the address supplied by the person to the Company for sending notices to the person.

28.3 A notice given in accordance with clause 28.2 is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, 3 days after the date of posting; or

- (c) if sent by fax, when the sender's facsimile system generates a message confirming successful transmission of the total number of pages of the notice.
- (d) if sent by e-mail, service will be deemed to be effected on the day of transmission, so long as the sender of the notice does not receive a delivery failure message in respect of the e-mail.

28.4 A certificate in writing signed by a Director, Secretary or other officer of the Company that a document or its envelope or wrapper was addressed and stamped and was posted is conclusive evidence of posting.

28.5 Subject to the Corporations Act, the signature to a written notice given by the Company may be written or printed.

29. PERSONS ENTITLED TO NOTICE

29.1 Notice of every Annual General Meeting must be given to:

- (a) Every Member;
- (b) Every Director and Alternate Director; and
- (c) The Auditor

29.2 No other person is entitled to receive notice of an Annual General Meeting.

30. INDEMNITY AND INSURANCE

30.1 To the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company against any liability incurred by that person as an officer of the Company to a person other than the Company or a related body corporate of the Company, unless the liability arises out of conduct on the part of the officer which:

- (a) involves a lack of good faith; or
- (b) is contrary to the Company's express instructions.

30.2 The Company indemnifies every officer of the Company against any liability for costs and expenses incurred by the person in his or her capacity as officer of the Company:

- (a) in defending any proceedings, whether civil or criminal, in which judgement is given in favour of the person or in which the person is acquitted; or
- (c) in connection with an application, in relation to those proceedings, in which the Court grants relief to the person under the Corporations Act.

30.3 Subject to the Corporations Act, the Company may pay a premium in respect of a contract insuring a person who is or has been an officer against liability incurred by the person as an officer.

30.4 For the purposes of this clause 30, '*officer*' means a Director as defined in this Constitution or an executive officer as defined by the Corporations Act.

**SCHEDULE 1
FORM OF PROXY**

I, _____

Of _____

Am a Member of Queensland Race Product Co Ltd

I appoint as my proxy _____

Of _____

Or failing him or her _____

Of _____

Or failing him or her the Chairperson of the *Annual General Meeting / *General

Meeting of the Company to be held on _____ 200__ at _____ am/pm to
vote for me at that meeting and at any adjournment of it.

This form is to be used in accordance with the directions below. Unless the proxy is
directed, he or she may vote or abstain as he or she thinks fit.

RESOLUTION	FOR	AGAINST	ABSTAIN
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSTRUCTION

To direct the proxy to cast all votes covered by this instrument in a particular manner place
a tick or a cross in the relevant box.

I understand that if I have not directed my proxy how to vote, my proxy may vote or abstain
from voting as he or she thinks fit.

DATED: _____

Signature of Member

Name of Member

Name of Queensland Racing Entity

* strike out whichever is not desired.

QUEENSLAND RACING INDUSTRY

INTERCODE AGREEMENT

**QUEENSLAND PRINCIPAL CLUB
(QPC)**

**QUEENSLAND HARNESS RACING BOARD
(QHRB)**

**GREYHOUND RACING AUTHORITY
(GRA)**

MINTER ELLISON
Lawyers
Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

DX 102 Brisbane
Telephone (07) 3226 6333
Facsimile (07) 3229 1066

NPW 9703592

TABLE OF CONTENTS

1.	INTERPRETATION	1
2.	THE ROLE AND OBJECTIVES OF PRODUCT CO	2
3.	UNDERTAKINGS BY THE CONTROL BODIES	2
4.	ALLOCATION OF FUNDS AS BETWEEN CODES	2
5.	FURTHER AGREEMENTS	4
6.	TERM	4
	SCHEDULE 1	5
	SCHEDULE 2	6
	SCHEDULE 3	23

QUEENSLAND RACING INDUSTRY

INTERCODE AGREEMENT

DATE **30 JUNE 1999**

PARTIES **QUEENSLAND PRINCIPAL CLUB (QPC)** of 161 Breakfast Creek Road, Newstead

QUEENSLAND HARNESS RACING BOARD (QHRB) of Amy Street, Breakfast Creek, and

GREYHOUND RACING AUTHORITY (GRA) of Amy Street, Breakfast Creek

RECITALS

- A. QPC, QHRB and GRA are statutory bodies constituted under the *Racing and Betting Act* to encourage animal racing.
- B. QPC controls, supervises, regulates and promotes galloping horse racing in Queensland.
- C. QHRB, subject to the direction of the Minister, has the control and general supervision throughout Queensland of trotting.
- D. GRA, subject to the direction of the Minister, has the control and general supervision throughout Queensland of greyhound racing.
- E. Pursuant to their respective powers under the *Racing and Betting Act*, the Control Bodies have formed Product Co.
- F. Product Co and the Control Bodies have entered into the Product and Program Agreement with TABQ.
- G. The parties enter into this agreement to record the arrangements between the 3 Codes in relation to Product Co and the distribution of its revenue under the Product and Program Agreement.

AGREEMENT

1. INTERPRETATION

- 1.1 Schedule 1 contains definitions of terms used in this agreement and interpretation provisions.

2. THE ROLE AND OBJECTIVES OF PRODUCT CO

- 2.1 The primary objective of Product Co is to encourage animal racing by acting as agent for the Queensland Racing Industry in its relationship with TABQ.
- 2.2 Product Co is to act in the best interests of the Queensland Racing Industry rather than individual Codes or individual Queensland Racing Entities.
- 2.3 The directors of Product Co are to act in the best interests of Product Co and the Queensland Racing Industry, rather than individual Codes or individual Queensland Racing Entities.
- 2.4 Product Co will receive the Product Fee as agent for the Queensland Racing Industry.
- 2.5 Product Co will distribute the Product Fee in accordance with the provisions of clause 4 of this Agreement.

3. UNDERTAKINGS BY THE CONTROL BODIES

- 3.1 As soon as practicable after signing this agreement, and in any event before the Effective Date, the Control Bodies will cause Product Co to be established by adopting as its Constitution the terms of the draft constitution set out in Schedule 2, and by establishing its membership and board in accordance with that Constitution.
- 3.2 Each Control Body irrevocably appoints Product Co to be its agent for all the purposes of the Product and Program Agreement and for all dealings with TABQ and the receipt of the Product Fee from TABQ.
- 3.3 On or before the Effective Date the Control Bodies will, in consultation with each other and with Product Co, establish arrangements in accordance with clauses 2(d), 5.5 and 5.6 of the Product and Program Agreement.
- 3.4 The Control Bodies will not substantially alter the arrangements established under clause 3.2 without prior consultation with each other, and will in any event meet together at least once each year to consult with each other about the terms and efficacy of the arrangements from time to time in force, and about proposals for changing the arrangements.

4. ALLOCATION OF FUNDS AS BETWEEN CODES

- 4.1 The distribution of income of the Queensland Racing Industry on and from the Effective Date and during the term of the Product and Program Agreement is to be made in accordance with the following fixed distribution percentages (the Distribution Percentage)-

Thoroughbred Code	76.0 %
Harness Code	14.5 %
Greyhound Code	9.5%

- 4.2 The Distribution Percentage is to apply to-
- (a) all revenue of Product Co, other than payments (if any) made from time to time in reimbursement of actual operating expenses
 - (b) all other payments made to the Queensland Racing Industry for general distribution within the Queensland Racing Industry by the TABQ and/or the Queensland Government or any Minister, department or agency of it including:
 - (i) payment of an amount of approximately \$6 million being the balance of the Racing Development Fund on corporatisation of TABQ, and
 - (ii) payment of an amount of \$10 million on privatisation of TABQ.
- 4.3 Product Co is to pay all amounts for distribution to each Code to the relevant Control Body for that Code. The distribution within each Code will be determined by each Control Body according to the internal arrangements which each of them has in place from time to time with the Race Clubs registered by them.
- 4.4 Despite clauses 4.1, 4.2 and 4.3-
- (a) Product Co is not required to make any payment or distribution if to do so would breach a term of the Product and Program Agreement;
 - (b) where a breach by Product Co of an obligation under the Product and Program Agreement involves or relates to a particular Code, or to a particular Queensland Racing Entity, Product Co is entitled to withhold or defer payment to the Control Body for that Code or Entity until the failure is remedied, and to deduct from the amount withheld a fair and reasonable amount to enable Product Co to remedy the failure and to meet any costs, expenses or damages arising from the failure.
- 4.5 If there is a breach of the kind referred to in clause 4.4(b), the Control Body for the Code or Queensland Racing Entity in breach will indemnify and keep indemnified the other Control Bodies from and against all liability for the breach.
- 4.6 Product Co is to make payments under this agreement within 5 business days after receipt of funds for distribution.
- 4.7 All Queensland Racing Industry costs and expenses of the incorporation and establishment of Product Co, negotiations in relation to the restructure of TABQ, establishing the Product and Program Agreement and this Agreement and implementing those Agreements and the arrangements under clause 3.2, and all ongoing costs and expenses (including the remuneration and expenses of directors of Product Co), to the extent that they are not payable by any other entity, or are not incurred solely for the benefit of a particular Queensland Racing Entity, Control Body or Code, or as a result of the default of any one of them, are to be paid and borne by the Queensland Racing Industry according to the Distribution Percentages.

5. FURTHER AGREEMENTS

5.1 Each of the Control Bodies will-

- (a) enter into any further agreements, and
- (b) cause the Race Clubs under their respective control to enter into agreements,

to ensure that the Product and Program Agreement and this Agreement are fully and properly implemented to the benefit of the Queensland Racing Industry.

6. TERM

6.1 The term of this agreement is the term of the Product and Program Agreement.

SCHEDULE 1

1. 'Codes' means the Greyhound Code, the Harness Code and the Thoroughbred Code.
2. 'Control Bodies' means QPC, QHRB and GRA
3. 'Distribution Percentage' has the meaning given in clause 4.1.
4. 'Effective Date' means the Effective Date as defined in the Product and Program Agreement.
5. 'GRA' means Greyhound Racing Authority and its successors.
6. 'Greyhound Code' means the GRA and each Race Club registered from time to time by GRA under the *Racing and Betting Act*.
7. 'Harness Code' means the QHRB and each Race Club registered from time to time by QHRB under the *Racing and Betting Act*.
8. 'Product Co' means Queensland Race Product Co Ltd ACN 081 743 722.
9. 'Product and Program Agreement' means the agreement described by that name, dated 9 June 1999, entered into by Product Co, the Control Bodies and TABQ, a copy of which is in Schedule 3.
10. 'Product Fee' means all monies payable to Product Co under the Product and Program Agreement.
11. 'QHRB' means Queensland Harness Racing Board and its successors.
12. 'QPC' means Queensland Principal Club and its successors.
13. 'Queensland Racing Industry' means all of the Queensland Racing Entities.
14. 'Queensland Racing Entity' means an entity within the Greyhound Code, the Harness Code or the Thoroughbred Code.
15. 'Race Clubs' means the race clubs, trotting clubs and greyhound racing clubs registered from time to time by the relevant Control Body under the *Racing and Betting Act*.
16. 'TABQ' means the Totalisator Administration Board of Queensland in its present form and as a corporatised and/or privatised entity, and includes any wholly owned subsidiary of that entity.
17. 'Thoroughbred Code' means the QPC and each Race Club registered from time to time by QPC under the *Racing and Betting Act*.
18. A reference to any legislation is to be construed in accordance with the *Acts Interpretation Act 1901* (Cth) or the equivalent State legislation, as applicable from time to time.

SCHEDULE 2

CONSTITUTION OF QUEENSLAND RACE PRODUCT CO LTD

CORPORATIONS LAW

CONSTITUTION

OF

**QUEENSLAND RACE PRODUCT CO LTD
ACN 081 743 722**

(adopted on)

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CORPORATIONS LAW
COMPANY LIMITED BY GUARANTEE
CONSTITUTION
OF
QUEENSLAND RACE PRODUCT CO LTD
ACN 081 743 722

1. PRELIMINARY

1.1 In this Constitution, the following words and expressions have the meanings indicated.

'Alternate Director' means a person appointed as an alternate director under clause 16.

'Auditor' means the Company's auditor.

'Board' means the board of directors.

'Chairman' means the chairman of Directors

'Company' means Queensland Race Product Co Ltd ACN 081 743 722.

'Constitution' means the constitution of the Company as amended from time to time.

'Control Bodies' means QPC, QHRB and GRA.

'Director' includes any person occupying the position of director of the Company and, where appropriate, includes an Alternate Director.

'Directors' means all or some of the Directors acting as a Board.

'GRA' means Greyhound Racing Authority established under section 76 of the *Racing and Betting Act* and its successors.

'Greyhound Code' means the GRA and each of the race clubs for the time being registered by the GRA under the *Racing and Betting Act*.

'Harness Code' means the QHRB and each of the race clubs for the time being registered by the QHRB under the *Racing and Betting Act*.

'Member' means a member under clause 3.

'Office' means the Company's registered office.

'QHRB' means Queensland Harness Racing Board established under section 35 of the *Racing and Betting Act* and its successors.

'QPC' means Queensland Principal Club established under section 11 of the *Racing and Betting Act* and its successors.

'**Queensland Racing Entity**' means all of the Queensland Racing Entities.

'**Queensland Racing Entity**' means an entity within the Greyhound Code, the Harness Code or the Thoroughbred Code.

'**Queensland Racing Industry**' means all of the Queensland Racing Entities.

'**QRI Intercode Agreement**' means the Queensland Racing Industry Intercode Agreement signed in June 1999 between the QPC, the QHRB and the GRA.

'**Racing and Betting Act**' means the *Racing and Betting Act 1980* (as amended).

'**Register**' means the register of Members of the Company.

'**registered address**' means the last known address of a Member as noted in the Register.

'**Seal**' means the Company's common seal.

'**Secretary**' means the secretary of the Company.

'**TABQ**' means the Totalisator Administration Board of Queensland in its present form and as a corporatised and/or privatised entity, and includes any wholly owned subsidiary of that entity.

'**Thoroughbred Code**' means the QPC and each of the race clubs for the time being registered by the QPC under the *Racing and Betting Act*.

1.2 In this Constitution

- (a) words importing the singular include the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) words importing persons include corporations, and organisations whether incorporated or not;
- (d) subject to this Constitution, words and expressions defined in the *Corporations Law* have the same meaning in this Constitution; and
- (e) headings are for ease of reference only and do not affect the construction of this Constitution.

2. NAME

The name of the company is Queensland Race Product Co Ltd.

3. OBJECTS

3.1 The Company is established to encourage animal racing by acting as agent for the Queensland Racing Industry in its relationship with TABQ.

3.2 The Company can only exercise the powers in subsection 161(1) of the Corporations Law to:

- (a) carry out the object in clause 3.1; and
- (b) do all things incidental or convenient in relation to the exercise of the powers under clause 3.2(a).

3.3 The income and property of the Company will be applied solely towards the object of the Company set out in clause 3.1.

3.4 The liability of the members is limited.

3.5 If the Company is wound up:

- (a) each member; and
- (b) each person who has ceased to be a member in the preceding year,

undertakes to contribute to the property of the Company for the:

- (c) payment of debts and liabilities of the Company (in relation to clause 3.5(b), contracted before the person ceased to be a member) and payment of costs, charges and expenses of winding up; and
- (d) adjustment of the rights of the contributories amongst themselves,

such amount as may be required, not exceeding \$10.

3.6 If any surplus remains following the winding up of the Company, the surplus will not be paid to or distributed amongst the members, but will be given or transferred to another corporation, body, fund or institution which has a similar object specified in its constitution to the object of the Company and which prohibits the distribution of income and capital to at least the same extent as the Company. This corporation, body, fund or association will be determined by the members.

3.7 Clauses 3.5 and 3.6 do not prevent the Company:

- (a) paying to any Director who is a Member reasonable commercial remuneration for his or her services as a Director and costs and expenses incurred in carrying out his or her duties as a Director;
- (b) paying to any Director or any company or firm in which a Director has an interest reasonable amounts for any goods, services or consultancies pursuant to any agreement with the Company in the normal course of business;

- (c) indemnifying any Director or other officer in accordance with this Constitution or as otherwise permitted by law; or
- (d) paying any premium in respect of a contract insuring a person who is or has been an officer of the Company as permitted by law.

3.8 No income or property of the Company will be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise, other than in accordance with clauses 3.3, 3.6 or 3.7.

3.9 A special resolution altering, adding to or omitting a provision contained in this Constitution must:

- (a) be passed by all of the Members; and
- (b) have the written consent of each of the Control Bodies,
to have effect.

4. MEMBERSHIP

4.1 The Members are the Directors from time to time. A person who consents in writing to be a Director is taken to have agreed to be a Member.

4.2 A Member must not be a Queensland Racing Entity, or a trustee for a Queensland Racing Entity.

4.3 Members are not required to pay any entrance fees or annual subscriptions.

4.4 The Secretary must enter each Member's name in the Register and issue a certificate of membership to each Member. The certificate remains the property of the Company and is to be returned to the Company on demand in writing by the Secretary.

4.5 Membership of the Company is not transferrable whether by operation of law or otherwise and all rights and privileges of membership of the Company cease upon the Member ceasing to be a Member.

5. CEASING TO BE A MEMBER

5.1 A Member's membership of the Company ceases if the Member ceases to be a Director.

6. POWERS OF ATTORNEY

6.1 If a Member executes or proposes to execute any document or do any act by or through an attorney, the Member must deliver the instrument appointing the Attorney to the Company for notation.

6.2 The Company may require the Member to lodge a certified copy of the instrument for retention by the Company and ask for whatever evidence it thinks appropriate that the power of attorney is effective and continues to be in force.

7. GENERAL MEETINGS

7.1 The Directors may, at any time, convene a general meeting.

7.2 A Member may:

- (a) only requisition the Directors to convene a general meeting in accordance with the *Corporations Law*; and
- (b) not convene or join in convening a general meeting except under the *Corporations Law*.

7.3 A notice convening a general meeting must:

- (a) specify the place, date and hour of the meeting; and
- (b) state the general nature of the business to be transacted at the meeting.

7.4 A notice of an annual general meeting need not state that the business to be transacted at the meeting includes:

- (a) the consideration of accounts and the reports of the Directors and auditors; or
- (b) the appointment and fixing of the remuneration of the Auditor.

7.5 (a) The Directors may postpone or cancel any general meeting whenever they think fit (other than a meeting convened as the result of a requisition under clause 7.2).

- (b) The Directors must give notice of the postponement or cancellation to all persons entitled to receive notices from the Company.

7.6 The failure or accidental omission to send a notice of a general meeting or the postponement of a general meeting to any Member or the non-receipt of a notice by any Member does not invalidate the proceedings or any resolution passed at the general meeting.

8. PROCEEDINGS AT GENERAL MEETINGS

8.1 No business may be transacted at a general meeting unless a quorum of Members is present when the meeting proceeds to business.

8.2 A quorum is four Members.

8.3 If the Directors have not been unanimously appointed by the Control Bodies in accordance with clause 14.3, the quorum must consist of:

- (a) two of the Directors appointed by the QPC;
- (b) the Director appointed by the QHRB; and
- (c) the Director appointed by the GRA.

8.4 If a quorum is not present within 30 minutes after the time appointed for a meeting:

- (a) if the meeting was convened on the requisition of Members, it is automatically dissolved; or
- (b) in any other case:
 - (i) it will stand adjourned to the same time and place seven days after the meeting, or to another day, time and place determined by the Directors; and
 - (ii) if at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting will be dissolved.

9. CHAIRMAN

9.1 The Chairman will be the chairman at every general meeting.

9.2 If:

- (a) there is no Chairman;
- (b) the Chairman is not present within 15 minutes after the time appointed for holding the meeting; or
- (c) the Chairman is unwilling to act as chairman of the meeting,

the Members present may appoint a chairman of the meeting.

10. ADJOURNMENT

10.1 The chairman of a meeting at which a quorum is present:

- (a) may, in his discretion, adjourn a meeting; and
- (b) must adjourn a meeting if a majority of Members directs him or her to do so.

10.2 An adjourned meeting may take place at a different venue to the initial meeting.

10.3 The only business that can be transacted at an adjourned meeting is the unfinished business of the initial meeting.

10.4 If a general meeting has been adjourned for more than 21 days, notice of an adjourned meeting must be given.

13.10 A vote cast in accordance with an appointment of proxy or power of attorney is valid even if before the vote was cast the appointor:

- (a) died;
- (b) became of unsound mind or a person whose person or estate was liable to be dealt with in any way under the laws relating to mental health; or
- (c) revoked the proxy or power,

unless written notification of the death, unsoundness of mind or revocation was received at the Office before the relevant meeting or adjourned meeting.

14. APPOINTMENT OF DIRECTORS

14.1 The company is to have six Directors.

14.2 The power of appointment of Directors is vested in the Control Bodies acting on behalf of the Queensland Racing Entity.

14.3 On each occasion on which Directors are to be appointed, if the Control Bodies are not unanimous as to who is to be appointed, the right of appointment is to be exercised by the QPC, the QHRB or the GRA so that at any time the number of Directors appointed by each of those control bodies is as follows:

- (a) four directors appointed by the QPC;
- (b) one director appointed by the QHRB; and
- (c) one director appointed by the GRA.

14.4 Directors are to be appointed for a term of three years but are eligible for re-appointment.

14.5 At the time of appointment of the first Directors by the Control Bodies under this Constitution, the Control Bodies will determine which Directors (being at least three) are to retire at the end of a period of 18 months.

14.6 Every 18 months one-half of the Directors will retire and their replacements will be appointed according to the principles set out in this clause 14.

14.7 The principles set out in this clause 14 apply in relation to appointment of Directors on rotation and replacement of directors wherever a vacancy occurs.

15. VACATION OF OFFICE

15.1 The office of a Director immediately becomes vacant if the Director:

- (a) dies;
- (b) is prohibited by the *Corporations Law* from continuing as a Director;

11. DECISION OF QUESTIONS

- 11.1 Subject to the *Corporations Law* in relation to special resolutions, a resolution is carried if a majority of the votes cast on the resolution are in favour of the resolution.
- 11.2 A resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded, before or on the declaration of the result of the show of hands, by:
- (a) the chairman; or
 - (b) at least 3 Members who have the right to vote at the meeting.
- 11.3 A declaration by the chairman that a resolution has been carried, carried by a specified majority, or lost and an entry to that effect in the minutes of the meeting, are conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against the resolution.

12. NO CASTING VOTE OF CHAIRMAN

- 12.1 In the case of an equality of votes at any general meeting, the chairman will not have a second or casting vote.

13. VOTES OF MEMBERS

- 13.1 A Member entitled to vote has one vote.
- 13.2 A Member may appoint a proxy by a written appointment signed by the appointor or the appointor's attorney.
- 13.3 If a Member appoints a proxy, the proxy may vote on a show of hands.
- 13.4 A proxy need not be a Member.
- 13.5 An appointment of a proxy must be in a form approved by the Directors. Schedule 1 sets out a form which will be deemed to be approved by the Directors unless they resolve to use a different form.
- 13.6 A proxy may vote or abstain as he or she chooses except to the extent that an appointment of the proxy indicates the manner in which the proxy will vote on any resolution. The proxy must vote or abstain on a show of hands in accordance with any instructions on the appointment.
- 13.7 A proxy's appointment is valid at an adjourned meeting.
- 13.8 The written appointment of a proxy or an attorney must be deposited at the Office, or another address nominated by the Company, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the appointee proposes to vote.
- 13.9 If the appointment purports to be executed under a power of attorney or other authority, then the original document, or a certified copy of it, must be deposited with the appointment.

- (c) becomes bankrupt or makes any general arrangement or composition with his or her creditors;
- (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the laws relating to mental health;
- (e) resigns as a Member or Director, by notice in writing to the Company;
- (f) is absent from Directors' meetings for six consecutive months without leave of absence from the Directors; or
- (g) being an interim Director appointed under clause 19.2 ceases to hold office under that clause.

16. POWERS AND DUTIES OF DIRECTORS

- 16.1 The business of the Company is managed by the Directors who may exercise all powers of the Company that this Constitution and the *Corporations Law* do not require to be exercised by the Company in general meeting.

17. PROCEEDINGS OF DIRECTORS

- 17.1 A Director may at any time, and the Secretary must on the requisition of a Director, convene a Directors' meeting. A Directors' meeting must be convened by not less than 48 hours written notice of a meeting to each Director and each Director's alternate.
- 17.2 (a) A Directors' meeting may be held by the Directors communicating with each other by any technological means by which they are able to hear each other and to participate in discussion.
- (b) The Directors need not all be physically present in the same place for a Directors' meeting to be held.
- (c) A Director participating in a meeting held in accordance with this Constitution and the *Corporations Law* is taken to be present and entitled to vote at the meeting.
- 17.3 Clause 17.2 applies to meetings of Directors' committees.
- 17.4 The Directors may meet together, adjourn and regulate their meetings as they think fit.
- 17.5 A quorum for a Directors' meeting is four. Subject to the *Corporations Law*, a Director or Alternate Director interested in a contract or arrangement within the meaning of clause 19 shall be counted in a quorum notwithstanding his or her interest.
- 17.6 If the Directors have not been unanimously appointed by the Control Bodies in accordance with clause 14.3, the quorum must consist of:
- (a) two of the Directors appointed by the QPC;
 - (b) the Director appointed by the QHRB; and

(c) the Director appointed by the GRA.

17.7 Questions arising at a meeting of Directors are to be decided by a majority of votes of the Directors present and voting.

17.8 In the case of an equality of votes, the Chairman will not have a second or casting vote.

17.9 An Alternate Director has one vote for each Director for whom he or she is an alternate. If the Alternate Director is also a Director, he or she also has a vote as a Director.

18. ALTERNATE DIRECTORS

18.1 A Director may, with the approval of:

(a) the Directors; and

(b) the Control Body or Control Bodies which appointed the Director,

appoint any person as his or her alternate for a period determined by that Director.

18.2 An Alternate Director is entitled to notice of a Directors' meeting and, if the appointor is not present at a meeting, is entitled to attend, be counted in a quorum and vote as a Director.

18.3 An Alternate Director is an officer of the Company and is not an agent of the appointor.

18.4 The provisions of this Constitution which apply to Directors also apply to Alternate Directors.

18.5 The appointment of an Alternate Director may be revoked at any time by the appointor or by the other Directors. An Alternate Director's appointment ends automatically when his or her appointor ceases to be a Director.

18.6 Any appointment or revocation under this clause must be effected by notice in writing to the Company.

19. REMAINING DIRECTORS

19.1 The Directors may act even if there are vacancies on the board.

19.2 If the number of Directors is not sufficient to constitute a quorum at a Directors' meeting, the Directors may act only to appoint an interim Director who will only hold office until a replacement Director is appointed by the Control Bodies in accordance with clause 14.

20. CHAIRMAN OF DIRECTORS

20.1 The Directors may elect a Director as chairman of Directors' meetings and may determine the period for which the chairman will hold office.

0.2 If no chairman is elected or if the chairman is not present at any Directors' meeting within ten minutes after the time appointed for the meeting to begin, the Directors present may elect a Director to be chairman of the meeting.

21. DIRECTORS' CONTRACTS AND ARRANGEMENTS WITH THE COMPANY

21.1 A Director may hold any other office or place of profit under the Company, except that of Auditor, in conjunction with the office of Director, at remuneration and on conditions determined by the Directors.

21.2 A Director will not be disqualified by his office from holding any office or place of profit under any company in which the Company is interested or from contracting with the Company.

21.3 Any contract or arrangement entered into by or on behalf of the Company in which any Director is interested will not be avoided.

21.4 A Director will not be liable to account to the Company for any profit arising from any such office or place of profit or realised by any such contract or arrangement by reason only of the Director holding that office or of the fiduciary relations established.

21.5 A Director must disclose the nature of his or her interest in any such contract or arrangement.

21.6 The Secretary will record in the minutes any disclosure given by a Director under clause 21.5.

21.7 Subject to the *Corporations Law*, a Director may vote in respect of any contract or arrangement in which he or she is interested.

21.8 A Director may be appointed as the Director in whose presence the Seal of the Company is to be affixed to any instrument notwithstanding that he or she is interested in the contract or arrangement to which the instrument relates.

22. DIRECTORS' COMMITTEES

22.1 The Directors may delegate any of their powers, other than those which by law must be dealt with by the Directors as a Board, to a committee or committees. The Directors may at any time revoke any delegation of power to a committee.

22.2 At least one member of each committee must be a Director.

22.3 A committee must exercise its powers in accordance with any directions of the Directors and a power exercised in that way is deemed to have been exercised by the Directors.

22.4 A committee may be authorised to sub-delegate all or any of the powers for the time being vested in it.

22.5 Meetings of a committee will be governed by the provisions of this Constitution which deal with Directors' meetings so far as they are applicable and are not inconsistent with any directions of the Directors.

23. WRITTEN RESOLUTIONS

- 23.1 If all the Directors who are eligible to vote on a resolution have signed a document containing a statement that they are in favour of a resolution in terms set out in the document, then a resolution in those terms is deemed to have been passed at a Directors' meeting held on the day on which the document was last signed by a Director.
- 23.2 For the purposes of clause 21.1, two or more identical documents, each of which is signed by one or more Directors, together constitute one document signed by those Directors on the days on which they signed the separate documents.
- 23.3 Any document referred to in this clause may ^{be} faxed. *De*
- 23.4 The minutes of Directors' meetings must record that a meeting was held in accordance with clause 21.
- 23.5 The principles of this clause apply to meetings of Directors' committees as if all members of the committee were Directors.

24. VALIDITY OF ACTS OF DIRECTORS

- 24.1 If it is discovered that:
- (a) there was a defect in the appointment of a person as a Director, Alternate Director or member of a Directors' committee; or
 - (b) a person appointed to one of those positions was disqualified,
- all acts of the Directors or the Directors' committee before the discovery was made are as valid as if the person had been duly appointed and was not disqualified.

25. MINUTES AND REGISTERS

- 25.1 The Directors must cause minutes to be made of:
- (a) the names of the Directors present at all general meetings, Directors' meetings and meetings of Directors' committees;
 - (b) all proceedings of general meetings, Directors' meetings and meetings of Directors' committees;
 - (c) all appointments of officers;
 - (d) all resolutions made by the Directors and Directors' committees; and
 - (e) all disclosures of interests made in accordance with the *Corporations Law* and this Constitution.
- 25.2 Minutes must be signed by the chairman of the meeting or by the chairman of the next meeting.

26. SEALS

- 26.1 If the Company has a Seal, the Directors must provide for its safe custody.
- 26.2 The Seal must not be used without the authority of the Directors or a Directors' committee authorised to use the Seal.
- 26.3 Every document to which the Seal is affixed must be signed by a Director and be countersigned by another Director, the Secretary or another person appointed by the Directors to countersign the document.

27. DISTRIBUTIONS AND GRANTS

- 27.1 The Company has been established to encourage animal racing and accordingly all funds available for distribution by the Company must be paid by way of grants to Queensland Racing Entities.
- 27.2 Subject to clause 27.1, the Company will make payments of all funds in accordance with the Queensland Racing Entity Intercode Agreement and any other agreements or directions for the time being in place between the Control Bodies.
- 27.3 Subject to clauses 3.3, 3.6 and 3.7:
- (a) the Company will not distribute or grant funds to any person other than a Queensland Racing Entity; and
 - (b) the Company will not pay any dividend or other distribution whatsoever to its Members.

28. NOTICES

- 28.1 Every Member must provide to the Secretary an address within Queensland for service of notices to be registered as his or her address for the purposes of the *Corporations Law* and this Constitution. A Member may also provide a fax number for service of notices.
- 28.2 Notice may be given by the Company to any person who is entitled to receive notice under this Constitution by having it served personally, faxed or delivered or sent by post to his or her registered address or the address supplied by the person to the Company for sending notices to the person.
- 28.3 A notice given in accordance with clause 28.2 is taken to be received:
- (a) if hand delivered, on delivery;
 - (b) if sent by prepaid post, 3 days after the date of posting; or
 - (c) if sent by fax, when the sender's facsimile system generates a message confirming successful transmission of the total number of pages of the notice.

- 28.4 A certificate in writing signed by a Director, Secretary or other officer of the Company that a document or its envelope or wrapper was addressed and stamped and was posted is conclusive evidence of posting.
- 28.5 Subject to the *Corporations Law*, the signature to a written notice given by the Company may be written or printed.

29. PERSONS ENTITLED TO NOTICE

- 29.1 Notice of every general meeting must be given to:
- (a) every Member;
 - (b) every Director and Alternate Director; and
 - (c) the Auditor.
- 29.2 No other person is entitled to receive notice of a general meeting.

30. INDEMNITY AND INSURANCE

- 30.1 To the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company against any liability incurred by that person as an officer of the Company to a person other than the Company or a related body corporate of the Company, unless the liability arises out of conduct on the part of the officer which:
- (a) involves a lack of good faith; or
 - (b) is contrary to the Company's express instructions.
- 30.2 The Company indemnifies every officer of the Company against any liability for costs and expenses incurred by the person in his or her capacity as officer of the Company:
- (a) in defending any proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or
 - (b) in connection with an application, in relation to those proceedings, in which the Court grants relief to the person under the *Corporations Law*.
- 30.3 Subject to the *Corporations Law*, the Company may pay a premium in respect of a contract insuring a person who is or has been an officer against liability incurred by the person as an officer.
- 30.4 For the purposes of this clause 30, 'officer' means a Director as defined in this Constitution or an executive officer as defined by the *Corporations Law*.

**SCHEDULE 1
FORM OF PROXY**

I,

of

am a Member of Queensland Race Product Co Ltd

I appoint as my proxy

of

or failing him or her

of

or failing him or her the chairperson of the general meeting of the Company to be held on
..... 19..... atam/pm to vote for me at that meeting and at any
adjournment of it.

This form is to be used in accordance with the directions below. Unless the proxy is directed, he
or she may vote or abstain as he or she thinks fit.

RESOLUTION

FOR AGAINST ABSTAIN

INSTRUCTION

To direct the proxy to cast all votes covered by this instrument in a particular manner place a tick
or a cross in the relevant box.

I understand that if I have not directed my proxy how to vote, my proxy may vote or abstain
from voting as he or she thinks fit.

DATED:

.....
Signature of member

.....
Signature of member

SCHEDULE 3
PRODUCT AND PROGRAM AGREEMENT

PRODUCT AND PROGRAM
AGREEMENT

Date: 9 June 1999

TOTALISATOR ADMINISTRATION BOARD OF QUEENSLAND
("TABQ")

QUEENSLAND RACE PRODUCT CO LTD
("Product Co")

QUEENSLAND PRINCIPAL CLUB, QUEENSLAND HARNESS RACING BOARD and
GREYHOUND RACING AUTHORITY
("Queensland Control Bodies")

CLAYTON UTZ

215 Adelaide St Brisbane Qld 4000 Australia
GPO Box 55 Brisbane Qld 4001 DX 128 Brisbane
Ph (07) 3292 7000 Int + 017 3292 7000 Fax (07) 3292 7950

TABLE OF CONTENTS

1. DEFINITIONS AND INTERPRETATION	1
2. CONDITIONS	7
3. COMMENCEMENT AND TERM	8
4. RELATIONSHIP OF PARTIES	8
5. PRODUCT CO AND THE QUEENSLAND CONTROL BODIES	8
6. PRODUCT AND STRATEGY COMMITTEE	10
7. SUPPLY OF QUEENSLAND RACING CALENDAR AND QUEENSLAND RACING PROGRAM	11
8. WAGERING PROGRAM	14
9. SUPPLY OF AUSTRALIAN RACING PRODUCT	15
10. CONSIDERATION FOR SUPPLY OF AUSTRALIAN RACING PRODUCT AND QUEENSLAND RACING PROGRAM	19
11. ON-COURSE COMMISSIONS	21
12. BREACH	21
13. DISPUTE RESOLUTION	22
14. TERMINATION	23
15. FORCE MAJEURE	25
16. CONFIDENTIAL INFORMATION	25
17. INDEMNITY	28
18. WARRANTIES	28
19. GENERAL	29

AGREEMENT made at Brisbane on this 9th day of June 1999.

BETWEEN: TOTALISATOR ADMINISTRATION BOARD OF QUEENSLAND of 240 Sandgate Road, Albion ("TABQ")

AND: QUEENSLAND RACE PRODUCT CO LTD ACN 081 743 722 of 161 Breakfast Creek Road, Newstead ("Product Co")

AND: QUEENSLAND PRINCIPAL CLUB of 161 Breakfast Creek Road, Newstead

AND: QUEENSLAND HARNESS RACING BOARD of Amy Street, Breakfast Creek

AND: GREYHOUND RACING AUTHORITY of Amy Street, Breakfast Creek

RECITALS

- A. TABQ conducts the Race Wagering Business pursuant to the Race Wagering Licence.
- B. Product Co has agreed to supply the Australian Racing Product, Queensland Racing Calendar and Queensland Racing Program for use by TABQ in its Race Wagering Business on the terms of this Agreement.
- C. The Queensland Control Bodies have agreed that each of them will ensure Product Co meets and performs its obligations under this Agreement.
- F. Product Co will receive the Product Fee under this Agreement as agent for the Queensland Control Bodies and the Queensland Racing Entities.

IT IS AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following words and expressions have the following meanings respectively:-

"Approved Race Telecaster" means a Race telecaster approved by the TABQ from time to time.

"Audiovisual Television Coverage" means audiovisual television coverage (including associated interviews and activities) of Races conducted at Race Meetings held by Queensland Racing Entities.

"Australian Racing Information" means all the information relating to Racing in Australia that is necessary for the efficient and effective conduct of Race Wagering on Racing in Australia and includes information of the nature set out in Schedule One.

"Australian Racing Product" means Australian Racing Information which is in the format specified by TABQ to Product Co in accordance with clause 9.3 of this Agreement or any part of it.

"Business Day" means a day other than a Saturday, Sunday or public holiday in Brisbane.

"Confidential Information" means, in relation to a party:-

- (a) information of every kind in any way connected with or relating to the Race Wagering Business;
- (b) information of every kind in any way connected with or relating to the terms of this Agreement;
- (c) information of one party which is disclosed to or observed by another party (the "Receiving Party") in connection with the performance of its obligations under this Agreement and which is regarded by the first-mentioned party as confidential to it and is so notified to the Receiving Party and which includes information relating to technology, designs, trade secrets, customer data bases and information of a commercially sensitive nature;
- (d) all communications between the parties (or any of them) or between the parties (or any of them) and any third person or persons, which relate to any aspect of the Race Wagering Business and the contents of those communications.

But Confidential Information does not include any information which:-

- (A) is in the Receiving Party's possession from another source and which was not disclosed in breach of this Agreement;
- (B) is already in the public domain and was not disclosed in breach of this Agreement;
- (C) is independently developed by the Receiving Party, except where the information is based on Confidential Information.

"Corporations Law" means the Corporations Law within the meaning of section 13(2) of the *Corporations (Queensland) Act 1990*.

"Dispose" means, in relation to any property, to sell, transfer, assign, create an Encumbrance over, declare oneself as trustee of or part with the benefit of or otherwise dispose of the relevant property (or any interest in it or any part of it).

"Effective Date" means the date on which the last of the events set out in clause 2 occurs.

"Encumbrance" means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set off, or any other security agreement or arrangement in favour of any person and "Encumber" has a corresponding meaning.

"Event of Insolvency" means

- (a) a body corporate which becomes an "externally-administered body corporate" within the meaning of that term in section 9 of the Corporations Law; or
- (b) a mortgagee in possession of any asset of a person; or
- (c) an application is made to a court for an order (not being an application withdrawn or dismissed within 30 days) or a resolution is passed to wind up a corporation.

The expression does not include the appointment of an administrator under section 51 of the *Wagering Act 1998*.

"Financial Year" means a period commencing on 1 July in any year and ending on 30 June in the following year.

"Government Consents" means all permissions, licences, authorisations, approvals, consents, waivers, exemptions and indications of no objection from any Governmental Agency (whether within or outside Australia) granted to or held by TABQ and necessary for the conduct of the Race Wagering Business (but excluding the Race Wagering Licence and all permissions, licences, authorisations, approvals, consents, waivers, exemptions and indications of no objection relating to it).

"Governmental Agency" means any government or any governmental or semi-governmental entity, authority, agency, commission, corporation or body (including, those constituted or formed under any statute), but does not include TABQ or any of its subsidiaries.

"Gross Wagering Revenue" means:

- (a) the amount wagered (and not refunded) by customers of the TABQ, in the course of conducting Race Wagering on Racing in Australia less:-
 - (i) declared dividends; and
 - (ii) unpaid fractions.

and

- (b) the amount wagered (and not refunded) by customers of the TABQ, in the course of conducting Race Wagering on racing in jurisdictions other than Australia less:-
 - (i) declared dividends;
 - (ii) unpaid fractions; and
 - (iii) the costs incurred by TABQ to acquire the information and other Intellectual Property relating to racing in jurisdictions other than Australia and deductions levied on or payable in respect of such information and Intellectual Property such as, for example, foreign taxes and exchange rate variations.

"Independent Expert" means the person referred to in clause 13.

"Intellectual Property" means any intellectual or industrial property including patents, all patentable inventions, copyright, trademarks, designs, trade, business or company names, or other proprietary rights, or any rights to registration of such rights, whether created before or after the date of this Agreement.

"Interstate Racing Entities" means any club, society, association, corporation or body of persons (whether corporate or incorporate) by whatever name called which has been or is established in any jurisdiction in the Commonwealth of Australia (other than Queensland) for the purpose of conducting or controlling races of galloping horses, trotting horses or greyhounds or information used in the conduct of such racing and includes any person who conducts or controls such racing or information used in such racing.

"Marketing Rights" means any right :

- (a) to market and to replay, produce, record, create, reproduce, transmit, broadcast, narrowcast, multipoint, point to point, on-line service, diffuse, distribute and publish any part of the Audiovisual Television Coverage in any and all forms of television whether now known or hereafter devised; and
- (b) to permit any part of the Audiovisual Television Coverage to be performed in public, domestic and other venues live or on a delayed basis; and
- (c) to broadcast or rebroadcast any part of the Audiovisual Television Coverage by way of slow-motion or other replays or in any summaries or digest subsequently relayed, reproduced, transmitted, broadcast, distributed or published; and
- (d) to insert into the Audiovisual Television Coverage commercials, editorial comment, announcements or other programming in its sole discretion; and
- (e) to reproduce or permit the reproduction of any part of the Audiovisual Television Coverage to enable the exploitation of any or all of the above rights; and

(f) to licence, sub-licence or assign any or all of the above rights.

but excluding the right of an Approved Race Telecaster to technologically alter the identity or appearance of, or any signage appearing on, a race track, a horse, jockey, trotting horse, driver or greyhound or their costumes or equipment ("Material") except for Material which disparages or competes with the Race Wagering Business, in the gambling market. For the avoidance of doubt, the term technologically alter, does not include superimposing information which may obscure Material (for example, superimposing results of Races, dividend information etc) nor does the term include editing or superimposing images, promotions or advertisements to the extent or in the manner that are carried out as at 28 May, 1999.

"**Minimum Component**", for a Financial Year, means a minimum number and type of Races scheduled to be conducted in Queensland by Queensland Racing Entities in that Financial Year upon which Race Wagering is to be conducted, and allocated in the manner used in Schedule 2.

"**Minister**" means the Minister of the State responsible for the administration of the *Wagering Act 1998*.

"**Product Fee**" means the consideration payable to Product Co pursuant to clause 10.1.

"**Queensland Control Bodies**" means severally, the Queensland Principal Club, the Queensland Harness Racing Board and the Greyhound Racing Authority and their respective successors.

"**Queensland Racing Entity**" means entities (whether incorporated or unincorporated) registered by any of the Queensland Control Bodies under the *Racing and Betting Act 1980* as race clubs, trotting clubs and greyhound clubs.

"**Queensland Racing Calendar**", for a Financial Year, means a calendar of Race Meetings scheduled to be held in Queensland during that Financial Year and which details the number of Race Meetings to be held, the days of the week on which the Race Meetings will be held, whether it will be a day, twilight or evening Race Meeting, the estimated number of Races to be held at the Race Meetings, the estimated numbers of starters in each Race, identification of the Queensland Racing Entity to hold the Race Meetings and identification of the feature Races to be conducted at the Race Meetings.

"**Queensland Racing Program**", for a Financial Year means the programs of Races upon which wagering could be offered, scheduled to be held at Race Meetings scheduled in the Queensland Racing Calendar for that Financial Year.

"**Race**" means a race for galloping horses, trotting horses or greyhounds or any one or more of them as the context requires scheduled to be held at a Race Meeting and "Racing" has a corresponding meaning.

Processing
the info.

"Race Meeting" means a meeting for lawfully conducting the racing of galloping horses, trotting horses or greyhounds conducted in Queensland by Queensland Racing Entities or conducted outside Queensland.

"Race Wagering" means the conduct of wagering on Racing pursuant to the Race Wagering Licence.

"Race Wagering Business" means the operation of the business of Race Wagering by TABQ.

"Race Wagering Licence" means the wagering licence to be granted to TABQ pursuant to the *Wagering Act 1998*.

"Receiving Party" has the meaning given in clause 1.1 under the heading "Confidential Information".

"Related Body Corporate" has the meaning given in the Corporations Law.

"Serious Breach" means an act or omission of a party in breach of an obligation under this Agreement and constituting wilful default or gross negligence by the defaulting party or any breach which is specified in this Agreement to be a Serious Breach.

"State" means the State of Queensland.

"Term" means the term of this Agreement as defined by clause 3.

"Third Party Charge" means the amount of any fee payable or other consideration given by TABQ to obtain the equivalent of the Australian Racing Product and the costs and expenses incurred by TABQ in procuring the equivalent of the Australian Racing Product from a source other than Product Co.

"Wagering Program" means Races selected by TABQ upon which Race Wagering will be offered.

"Year" means any period of 12 consecutive calendar months.

1. Interpretation

(a) In this Agreement:-

(i) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

(ii) references to a party includes its permitted successors and permitted assigns;

- (iii) a reference to this Agreement or to any other deed, agreement or document (other than the contracts between the Queensland Racing Entities and Sky Channel Pty Ltd existing as at 14 October 1997) includes, respectively, this Agreement or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
 - (iv) words importing the singular include the plural (and vice versa), and words denoting a given gender include all other genders;
 - (v) a reference to a clause or a schedule is a reference to a clause or schedule of this Agreement;
 - (vi) references to currency are references to Australian currency unless otherwise specifically provided;
 - (vii) references to the Corporations Law any other act of the State or Commonwealth parliament, code regulation or ordinance or to any statutory instrument issued under any of them or to any provision of any of them will be read as though the words "or any existing or future statutory instrument, modification or re-enactment or any statutory provisions substituted therefore" were added to that reference;
 - (viii) a reference to a person includes an individual, corporation, Governmental Agency, estate, trust, partnership, or association, two or more persons having a joint or common interest or any other legal or commercial entity or undertaking; and
 - (ix) a reference to the Race Wagering Licence will be read to mean the licence as it is in force from time to time in accordance with the *Wagering Act 1998*.
- (b) References to dates which do not fall on a Business Day will be construed as references to the immediately subsequent Business Day. Wherever in this Agreement a period of time is referred to, the day upon which the period commences will be the day after the day from which the period is expressed to run or the day after the day upon which the event occurs which causes the period to start running.
- (c) All the Schedules to this Agreement constitute an integral part of and are deemed to be incorporated in this Agreement.

CONDITIONS

This Agreement is conditional upon each of the following events occurring by or on 1 July 1999:-

- (a) the grant to TABQ of the Race Wagering Licence;

- (b) commencement of the *Wagering Act 1998* and the *Racing Legislation Amendment Act 1998*;
- (c) the written approval by the Minister to this Agreement pursuant to the *Wagering Act 1998*;
- (d) the Queensland Control Bodies entering into:
 - (i) a new intercode agreement or other arrangements which TABQ is reasonably satisfied with; and
 - (ii) arrangements in relation to Queensland Racing Entities which arrangements TABQ is reasonably satisfied will have the effect that the Queensland Racing Entities are legally obligated to do all things necessary so that Product Co and the Queensland Control Bodies can comply with their obligations under this Agreement.

3 COMMENCEMENT AND TERM

This Agreement will commence on the Effective Date and operate for the duration of the period for which the Race Wagering Licence grants to TABQ exclusivity unless sooner terminated under the terms of this Agreement.

4 RELATIONSHIP OF PARTIES

Nothing in this Agreement will be considered or interpreted as constituting between the TABQ and any other party, a relationship of partners, agent, trustee or fiduciary.

5 PRODUCT CO AND THE QUEENSLAND CONTROL BODIES

- 5.1 (a) Product Co and each Queensland Control Body acknowledge that it will carry out its obligations under this Agreement at all times with a view to optimising the revenue generated by the Race Wagering Business.
- (b) Product Co and each Queensland Control Body will use their best endeavours to ensure that Queensland Racing Entities do not have advertisers or sponsors of Races or Race Meetings which disparage or compete with the Race Wagering Business, in the gambling market.
- (c) Nothing in clause 5.1(b) will prohibit Queensland Racing Entities continuing to have advertisers or sponsors of Races and Race Meetings which compete with the Race Wagering Business, in the gambling market provided:-
 - (i) the identity of the advertisers and sponsors is the same as the identity of the advertisers and sponsors as at 31 May 1999; and
 - (ii) the type of the advertising or sponsorship with the relevant advertiser or sponsor is the same as the type of the advertising or sponsorship with the relevant advertiser or sponsor as at 31 May 1999 and as evidenced in accordance with clause 5.1(c)(iii). For the avoidance of doubt, the consideration or benefit received by the relevant Queensland Racing Entities

may increase provided the nature and scope of the advertising or sponsorship does not change; and

- (iii) evidence is provided to the TABQ by Product Co, the Queensland Control Bodies or the relevant Queensland Racing Entity within 10 Business Days of the Effective Date of the following items in relation to the type of advertising and sponsorship as at 31 May 1999:
- A. the identity of all sponsors and the relevant Queensland Racing Entity in relation to each sponsor;
 - B. the Race(s), Race Meeting(s) or other event(s) relating to Racing which is sponsored by each of the identified sponsors;
 - C. the identity of all advertisers, their products and the relevant Queensland Racing Entity in relation to each advertiser and product;
 - D. the name of the Race Meeting or Race course or other site or publication where the advertising for each product is to take place; and
 - E. the nature of the advertising (including visual or audio) for each product for example if it is advertising on billboards situated at the location of a Race Meeting, track advertising (including advertising which would be visible or audible on any Audiovisual Television Coverage or audible on any live feed on radio) or advertising in race books distributed by the Queensland Racing Entity or available at the Race Meeting; and
- (iv) Product Co, the Queensland Control Bodies or the relevant Queensland Racing Entity notifies the TABQ, within 10 Business days of entering into any arrangements with advertisers or sponsors of Races and Race Meetings which compete with the Race Wagering Business, in the gambling market, of the particulars of the kind set out in clause 5.1(c)(iii) A to E.

2 Each of the Queensland Control Bodies will ensure that Product Co meets and performs its obligations under this Agreement, including ensuring that Queensland Racing Entities provide to Product Co such Australian Racing Product as required to enable Product Co to meet its obligations under this Agreement.

3 Each of the Queensland Control Bodies is liable for any breach by Product Co of its obligations under this Agreement. To the extent that a breach by Product Co involves or relates to a particular code or codes of Racing the Queensland Control Body or Bodies responsible for that code or codes hereby indemnify and shall keep indemnified the other Queensland Control Body or Bodies, as the case may be, from and against liability for such breach.

5.4 The liability of Product Co and the Queensland Control Bodies is several.

5.5 The Queensland Control Bodies must enter into (on or before the Effective Date) and must maintain and enforce binding contracts with the Queensland Racing Entities who are registered with them from time to time to the effect set out in clause 5.6.

- 5.6 The rules of the relevant Queensland Control Body will at all times during the term of this Agreement require that each Queensland Racing Entity registered with them does all things necessary or as directed by the Queensland Control Body from time to time (including providing Product Co with such Australian Racing Product as required by Product Co from time to time) to ensure Product Co meets its obligations under this Agreement.

6. PRODUCT AND STRATEGY COMMITTEE

6.1 Establishment of Product and Strategy Committee

TABQ and Product Co will establish a committee to be known as the "Product and Strategy Committee" for the purpose of consulting with each other:-

- (a) with respect to each draft of the Queensland Racing Calendar so as to use their best endeavours to expeditiously resolve any issue concerning the quality, spread and quantity of Race Meetings in the draft Queensland Racing Calendar;
- (b) on strategies of TABQ to promote and develop Race Wagering in Australia and strategies of Product Co and the Queensland Control Bodies to promote and develop Racing; and
- (c) on any changes to the Minimum Component.

6.2 Composition and Procedures of Committee

- (a) The Product and Strategy Committee will comprise up to six persons of which up to three representatives will be nominated by TABQ and up to three representatives will be nominated by Product Co.
- (b) The Committee members will appoint a Chairman of the meetings.
- (c) The Product and Strategy Committee will meet at such times and at such places as agreed by the Committee members to consult as required by this clause (but in any event at least every 6 months).
- (d) One representative of TABQ and one representative of Product Co shall constitute a quorum at meetings of the Committee.
- (e) TABQ and Product Co shall each meet its own costs associated with its representatives participating in meetings of the Committee.
- (f) TABQ and Product Co can change any of their representatives on the Committee by notice to the other.
- (g) TABQ and Product Co shall ensure that their respective representatives execute a confidentiality undertaking on the terms contained in Schedule 5.

- (h) The Product and Strategy Committee will be for the purpose of consultation only and will not have any power or authority to bind TABQ or Product Co or to vary any of the terms of this Agreement or any of the arrangements contemplated by this Agreement.
- (i) Any comment made by a representative of TABQ or Product Co or any resolution or recommendation of the Product and Strategy Committee will not prejudice or preclude or constitute a waiver by either TABQ or Product Co in the exercise of any of its rights or remedies under this Agreement.

7. SUPPLY OF QUEENSLAND RACING CALENDAR AND QUEENSLAND RACING PROGRAM

7.1 Determination of the Queensland Racing Calendar

- (a) The Queensland Racing Calendar for the Financial Year ending 30 June, 2000 will be the calendar set out in Schedule 3.
- (b) Product Co must prepare and submit to TABQ, a draft Queensland Racing Calendar for each Financial Year during the Term commencing with the Financial Year ending 30 June 2001, for finalisation by 31 March in the preceding Financial Year.
- (c) The Race Meetings to be included in the draft Queensland Racing Calendar must be spread appropriately during the Financial Year having regard to the quality and proposed timing of Race Meetings held by Interstate Racing Entities.
- (d) TABQ must expeditiously review each draft of the Queensland Racing Calendar.
- (e) If TABQ and Product Co have not agreed on the Queensland Racing Calendar for a Financial Year by 31 March in the preceding Financial Year, then the Queensland Racing Calendar will be the Queensland Racing Calendar for the previous Financial Year. In the event that there are Race Meetings in the Queensland Racing Calendar for the previous Financial Year which could not be held for reasons outside the control of Product Co, the Queensland Control Bodies or the Queensland Racing Entities then Product Co will substitute another Race Meeting of like quality and timing to the reasonable satisfaction of TABQ.

7.2 Determination of Queensland Racing Program

- (a) Product Co must prepare and submit to TABQ the Queensland Racing Program at such times throughout the Financial Year as are reasonable and customary.

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- (b) If there is any variation to the Queensland Racing Program that would impact on the Wagering Program after the Queensland Racing Program has been provided by Product Co to TABQ, Product Co must notify TABQ immediately and request TABQ's consent to any such variation. If TABQ's consent is granted then TABQ may amend the Wagering Program accordingly.

7.3 **Intellectual Property Rights in the Queensland Racing Calendar and Queensland Racing Program**

- (a) **Queensland Racing Calendar and Queensland Racing Program is the Intellectual Property of Product Co**

Each of the parties acknowledges that, to the extent that Intellectual Property or rights of confidentiality exist in or in connection with the Queensland Racing Calendar or Queensland Racing Program supplied by Product Co to TABQ, or in connection with the format of the Queensland Racing Calendar or Queensland Racing Program, that Intellectual Property and those rights of confidentiality are as between the parties to this Agreement solely those of Product Co.

- (b) **Protection of Intellectual Property Rights in the Queensland Racing Calendar and Queensland Racing Program**

- (i) Product Co must promptly take all reasonable action to protect its title to and Intellectual Property in the Queensland Racing Calendar or the Queensland Racing Program, to the extent that such Intellectual Property exists. Product Co must also defend challenges to the ownership or registration thereof by third persons in any country of the world. Such actions and defence will be at Product Co's own costs in all respects.

- (ii) TABQ, if requested by Product Co in writing, must use reasonable efforts to safeguard any Intellectual Property of Product Co in the Queensland Racing Calendar or the Queensland Racing Program to the extent that such Intellectual Property exists and to the extent that it has standing to do so but will not be liable for any costs in this respect. TABQ does not have to use any efforts to safeguard any Intellectual Property of Product Co unless the costs associated with such efforts are met by Product Co in a manner acceptable to TABQ.

7. **Permitted Use of the Queensland Racing Calendar and the Queensland Racing Program**

- (a) Product Co consents to the use of the Queensland Racing Calendar and the Queensland Racing Program solely for the conduct of the Race Wagering Business by TABQ and for the purposes it is used by TABQ as at 26 May 1999 ("Existing Purposes"). Such use includes the adaptation of the Queensland Racing Calendar or the Queensland Racing Program into any format.

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- (b) Subject to clause 7.4(c) TABQ must not, without the prior written agreement of Product Co:-
- (i) disclose the Queensland Racing Calendar or the Queensland Racing Program to any third party unless it is necessary or desirable for the conduct of the Race Wagering Business or Existing Purposes.
 - (ii) use the Queensland Racing Calendar or the Queensland Racing Program for any purpose other than for the conduct of the Race Wagering Business or Existing Purposes;
 - (iii) publish, broadcast, sell, licence or otherwise deal with the Queensland Racing Calendar or the Queensland Racing Program except to the extent necessary or desirable for the conduct of the Race Wagering Business or Existing Purposes.
- (d) Prohibitions or restrictions on the use or disclosure of the Queensland Racing Calendar or the Queensland Racing Program contained in clause 7.4(b) will not apply to information that is not, or has ceased to be, confidential information or is in the public domain (in either case other than through a breach by TABQ of its obligations under this Agreement).
- (e) Nothing in this clause 7.4 gives TABQ an interest in Intellectual Property subsisting in the Queensland Racing Calendar or the Queensland Racing Program greater than otherwise given by this Agreement.
- (f) For the avoidance of doubt nothing in this Agreement prevents or restricts TABQ using or acquiring the rights to use the Queensland Racing Calendar, Queensland Racing Program, Australian Racing Product, Marketing Rights or any other information or Intellectual Property rights in respect of Racing from any other party in connection with any other business, product or service of TABQ other than the Race Wagering Business or Existing Purpose and TABQ shall have no liability to pay or otherwise compensate any Queensland Control Body or Product Co for or in respect of such uses.

7.5 Exclusivity of Supply of Queensland Racing Calendar and Queensland Racing Program

- (a) Product Co will be the exclusive supplier to TABQ for the Race Wagering Business of the Queensland Racing Calendar and the Queensland Racing Program.
- ~~*~~ (b) Subject to subclause (c), Product Co and the Queensland Control Bodies will not (and will ensure that each Queensland Racing Entity does not) supply the Queensland Racing Calendar or the Queensland Racing Program to any other person for any use directly or indirectly relating to wagering on Racing without the prior written consent of TABQ, which consent shall not be unreasonably withheld where no amount is payable or other consideration or benefit is directly or

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indirectly received for or in respect of such supply (other than reciprocal supply of Australian Racing Information to any Interstate Racing Entities where no amount is payable or other consideration or benefit is directly or indirectly received) and where it is considered by TABQ, acting reasonably, beneficial to the Race Wagering Business.

- (c) Product Co, the Queensland Control Bodies and the Queensland Racing Entities are permitted to provide the Queensland Racing Calendar and the Queensland Racing Program to those persons specified in Schedule 4 (but only such part of such information and at such times and for the purposes it is provided as at 20 May 1999) provided however that the Product Fee, in accordance with clause 10.2(d), reduces by such amounts payable or other consideration or benefit, directly or indirectly received (which does not include reciprocal supply of Australian Racing Information where no amount is payable or other consideration or benefit is directly or indirectly received) by any Queensland Racing Entity, any Queensland Control Body or Product Co.
- (d) Product Co and the Queensland Control Bodies shall provide to TABQ on request of TABQ information concerning the provision of the Queensland Racing Calendar to any other persons including all terms of any relevant arrangements.

7.6 Failure to Supply Queensland Racing Calendar or Queensland Racing Program

If Product Co does not provide the Queensland Racing Calendar or the Queensland Racing Program as required by this Agreement it will constitute a Serious Breach and TABQ may suspend payment of the Product Fee until the Serious Breach has been remedied and the compensation for the Serious Breach has been paid.

WAGERING PROGRAM

1 Determination of Wagering Program

- (a) TABQ will determine the Wagering Program from time to time after it has received the Queensland Racing Calendar from Product Co and will notify Product Co of the Wagering Program or amended Wagering Program from time to time.
- (b) TABQ must incorporate the Minimum Component in the Wagering Program. However if the Queensland Racing Calendar does not include the whole of the Minimum Component TABQ will only be required to incorporate in the Wagering Program that part of the Minimum Component included in the Queensland Racing Calendar.

2 Performance of Wagering Program

- (a) Product Co and the Queensland Control Bodies must ensure that each Queensland Racing Entity conducts all Races in the Wagering Program which form part of the Queensland Racing Calendar in accordance with the official rules of Racing applicable to the conduct of Race Meetings by the Queensland Racing Entity.

- (b) TABQ will provide Race Wagering on all Races in the Minimum Component which are conducted and telecast live to TABQ outlets by an Approved Race Telecaster.

9. SUPPLY OF AUSTRALIAN RACING PRODUCT

9.1 Obligation to Supply the Australian Racing Product

Product Co must supply Australian Racing Product to TABQ

9.2 Timing of Supply of Australian Racing Product

Product Co will supply TABQ with Australian Racing Product in relation to each Race on which TABQ offers wagering and in each case in sufficient time as will enable the effective and efficient conduct of Race Wagering.

9.3 Format

- (a) TABQ will give notice to Product Co from time to time of the format in which the Australian Racing Information is to be provided. TABQ may specify any format such as a hard copy or electronic copy of written or diagrammatic material or a hard copy or an electronic copy of sound recordings or may specify a third party's service which is required such as services from the Racing Services Bureau provided that format is consistent with standards generally considered to be best practice in the Racing industry in Australia.
- (b) Product Co must comply with any requirements of TABQ (acting reasonably) in relation to the format in which it requires Australian Racing Information to be provided from time to time.
- (c) Product Co will ensure that each Queensland Racing Entity provides TABQ with access and facilities at Race Meetings nominated by TABQ to enable TABQ or its nominee, if it so elects, conduct calls on Races for live feed on radio in the same manner as exists as at 20 May, 1999 .

9.4 Exclusivity of Supply of Australian Racing Product

- (a) Subject to clause 9.5 and the supply of Audiovisual Television Coverage and products derived from the Marketing Rights to TABQ, Product Co will be the exclusive supplier of Australian Racing Product to TABQ for use in the Race Wagering Business.
- (b) Subject to clause 7.5(b) Product Co and the Queensland Control Bodies will not (and will ensure that each Queensland Racing Entity does not) supply or grant any rights in relation to Australian Racing Product, Australian Racing Information, Audiovisual Television Coverage or the Marketing Rights to any other person for any use directly or indirectly relating to wagering on Racing without the written consent of TABQ.

- (c) Nothing in clause 9.4(b) will prohibit Queensland Racing Entities from providing:
- (i) Audiovisual Television Coverage and Australian Racing Product and/or Australian Racing Information and the Marketing Rights associated with the Audiovisual Television Coverage to Sky Channel Pty Ltd pursuant to the contracts existing as at 14 October, 1997 between the Queensland Racing Entities and Sky Channel Pty Ltd during the term of those contracts (not counting any extensions of term where the Queensland Racing Entities agreed to an extension); or
 - (ii) Audiovisual Television Coverage to the holder of a television broadcasting licence for broadcast or communication to the public free of charge (except any broadcast or communication in connection with a service (including a teletext service) that provides no more than data, or no more than text (with or without associated still images) or a service that makes programs available on demand on a point to point basis, including a dial-up service) provided:
 - A. No amount is payable or other consideration or benefit is directly or indirectly received; and
 - B. No advertising during the broadcast or communication or sponsor of the broadcast or communication disparages or competes with the Race Wagering Business, in the gambling market;
- (d) Nothing in clause 9.4(c)(ii) will prohibit Queensland Racing Entities from providing Audiovisual Television Coverage to the holder of a broadcasting licence provided:-
- (i) it is necessary to fulfil any enforceable obligation on the Queensland Racing Entity to the holder of a broadcasting licence which existed as at 31 May 1999; and
 - (ii) Product Co and the Queensland Control Bodies ensure that any Queensland Racing Entities continue to fulfil any enforceable obligations which existed as at 31 May, 1999 on the Queensland Racing Entity to give consideration or a benefit to a holder of a broadcasting licence in exchange for the broadcast or communication to the public for free of charge of Audiovisual Television Coverage; and
 - (iii) Product Co, the Queensland Control Bodies or the relevant Queensland Racing Entity notifies the TABQ, within 10 Business Days of the Effective Date of details of the enforceable obligation referred to in clauses 9.4(d)(i) and (ii)

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- (e) If a contract between a Queensland Racing Entity and Sky Channel Pty Ltd existing as at 14 October, 1997 expires or is terminated Product Co and the Queensland Control Bodies must ensure that the Queensland Racing Entity or Product Co supplies the Audiovisual Television Coverage, the Australian Racing Product and/or the Australian Racing Information associated with the Audiovisual Television Coverage and the Marketing Rights to an Approved Race Telecaster on the terms and conditions consented to by TABQ.
- (f) TABQ must consent to such supply to an Approved Race Telecaster if the following conditions are met and may consent in its absolute discretion even if the following conditions are not met:
- (i) Product Co or the Queensland Racing Entity provides to TABQ a copy of the proposed agreement with the Approved Race Telecaster;
 - (ii) the Approved Race Telecaster must have also entered into arrangements with TABQ for the supply of Audiovisual Television Coverage and/or products derived from the Marketing Rights which are satisfactory to TABQ and which does not require the payment by TABQ of any greater consideration than that currently paid by TABQ in relation to the supply of Audiovisual Television Coverage and/or products derived from the Marketing Rights; and
 - (iii) the agreement between Product Co or the Queensland Racing Entity and the Approved Race Telecaster provides that in exercising its rights the Approved Race Telecaster will not enter into any licence or other agreement, whether formal or informal, and by way of agency or other use, with any person who is directly or indirectly associated or involved in wagering on Racing unless the person is authorised and regulated in Australia by a Governmental Agency of the Commonwealth of Australia or any State or Territory of the Commonwealth of Australia to conduct wagering on Racing.

Inability to Supply Australian Racing Product

- (a) If Product Co cannot procure the Australian Racing Product it is required to supply to TABQ or cannot comply with the requirements of TABQ in relation to the format in which TABQ requires Australian Racing Information pursuant to clause 9.3 then for the period TABQ reasonably believes, after consultation with Product Co, Product Co will not be able to procure Australian Racing Product, TABQ may procure the equivalent of the Australian Racing Product from any other source and incur a Third Party Charge.
- (b) The amount of any Third Party Charge must be reasonably commercial in the circumstances, having regard to the need to maintain continuity of Australian Racing Product.

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- (c) TABQ may pay any Third Party Charge incurred pursuant to clause 9.5(a) and the Product Fee, in accordance with clause 10.2(c) will correspondingly be reduced by the amount of that Third Party Charge.
- (d) TABQ will expeditiously notify Product Co of the details of any arrangements TABQ may make to procure Australian Racing Product pursuant to clause 9.5(a).
- (e) TABQ must when obtaining Australian Racing Product from any other source pursuant to clause 9.5(a) use its best endeavours to obtain Australian Racing Product on terms which allow for the supply to cease immediately should Product Co recommence supply of the relevant Australian Racing Product.

9.6 Intellectual Property Rights in the Australian Racing Product

- (a) Australian Racing Product is the Intellectual Property of Product Co

Each of the parties acknowledges that, to the extent Intellectual Property or rights of confidentiality exist in or in connection with Australian Racing Product supplied by Product Co to TABQ or that Intellectual Property and rights of confidentiality are as between the parties to this Agreement solely those of Product Co.

- (b) Protection of Intellectual Property Rights in the Australian Racing Product

- (i) Product Co must promptly take all reasonable action to protect its title to and Intellectual Property in any Australian Racing Product, to the extent that such Intellectual Property exists. Product Co must also defend challenges to the ownership or registration thereof by third persons in any country of the world. Such actions and defence will be at Product Co's own costs in all respects.
- (ii) TABQ if requested by Product Co in writing must use reasonable efforts to safeguard any Intellectual Property of Product Co in Australian Racing Product to the extent that such Intellectual Property exists and to the extent that it has standing to do so but will not be liable for any costs in this respect. TABQ does not have to use any efforts to safeguard any Intellectual Property of Product Co unless the costs associated with such efforts are met by Product Co in a manner acceptable to TABQ.

9.7 Permitted Use of the Australian Racing Product

- (a) Product Co consents to the use of the Australian Racing Product solely for the conduct of the Race Wagering Business by TABQ and for the purposes it is used by TABQ as at 26 May 1999 ("Existing Purposes") irrespective of whether the Australian Racing Product is provided by Product Co or another source as provided by clause 9.5. Such use includes the adaptation of the Australian Racing Product into any format.

- (b) Subject to clause 9.7(c), TABQ must not, without the prior written agreement of Product Co:-
- (i) disclose the Australian Racing Product to any third party unless it is necessary for the efficient and effective conduct or promotion of the Race Wagering Business and Existing Purposes;
 - (ii) use Australian Racing Product supplied by Product Co for any purpose other than the conduct of the Race Wagering Business and Existing Purposes; or
 - (iii) publish, broadcast, sell, licence or otherwise deal with any Australian Racing Product except to the extent required for the conduct of the Race Wagering Business and Existing Purposes.
- (c) Prohibitions or restrictions on use or disclosure contained in clause 9.7(b) of any Australian Racing Product will not apply to Australian Racing Product that is not, or has ceased to be, confidential information or is in the public domain (in either case other than through a breach by TABQ of its obligations under this Agreement).
- (d) Nothing in this clause 9.7 gives TABQ an interest in Intellectual Property subsisting in connection with any Australian Racing Product greater than otherwise given by this Agreement.

10. CONSIDERATION FOR SUPPLY OF AUSTRALIAN RACING PRODUCT AND QUEENSLAND RACING PROGRAM

10.1 Consideration for Australian Racing Product and Queensland Racing Program

Subject to clause 10.2, and in consideration of Product Co and each Queensland Control Body performing their respective obligations under this Agreement, TABQ will pay a fee to Product Co, as agent for the Queensland Control Bodies and the Queensland Racing Entities, monthly in arrears within 10 Business Days of the end of the month, calculated as follows:

- (a) In the period after the Effective Date to the date that any issued shares in TABQ are held by any person other than, the State of Queensland or any person holding shares beneficially for the State of Queensland, ("the date of privatisation of the TABQ") of an amount equal to the sum of -
 - (i) a fixed amount of \$2,833,333 per month (or prorated for any part of the month) for which this Agreement applies; and
 - (ii) a variable amount equal to 22% of the Gross Wagering Revenue for the month (or prorated for any part of the month) for which this Agreement applies;

- (b) In the period from the date of the privatisation of the TABQ to the date which is the first anniversary of the date of privatisation of the TABQ an amount equal to the sum of:
- (i) a fixed amount of \$2,916,667 per month (or prorated for any part of the month) for which this Agreement applies; and
 - (ii) a variable amount equal to 25% of the Gross Wagering Revenue for the month (or prorated for any part of the month) for which this Agreement applies;
- (c) In the period from the first anniversary of the date of the privatisation of the TABQ to the fourth anniversary of the date of privatisation of the TABQ an amount equal to the sum of:
- (i) a fixed amount of \$2,916,667 per month (or prorated for any part of the month) for which this Agreement applies; and
 - (ii) a variable amount equal to 26.5% of the Gross Wagering Revenue for the month (or prorated for any part of the month) for which this Agreement applies;
- (d) In the period from the fourth anniversary of the date of privatisation of the TABQ to the expiry or termination of this Agreement a variable amount equal to 39% of the Gross Wagering Revenue for the month (or prorated for any part of the month) for which this Agreement applies.

1 2 Deductions from the Fee Payable pursuant to Clause 10.1

TABQ is irrevocably authorised to deduct and set off from the fee payable pursuant to clause 10.1:-

- (a) the amount of any liquidated debt payable by Product Co or the Queensland Control Bodies under clause 12.3 of this Agreement; and
- (b) the amount of any monetary compensation payable by Product Co or the Queensland Control Bodies under clause 12.5 of this Agreement; and
- (c) the Third Party Charge; and
- (d) the amount calculated in accordance with clause 7.5(c).

0.3 No Obligation to Queensland Racing Entity

Payment to Product Co of the Product Fee is made in full and complete consideration for the performance by Product Co and each Queensland Control Body of its obligations under this Agreement, and no further payments are required to be made or further consideration given under this Agreement or otherwise to Product Co, the Queensland Control Bodies or any Queensland Racing Entity as consideration for the performance of obligations under this Agreement.

0.4 TABQ will provide to Product Co a copy of its audited annual financial statements as soon as practicable after the public release of such statements.

11. ON-COURSE COMMISSIONS

The TABQ agrees to enter into agency agreements with Queensland Racing Entities in relation to TABQ agencies located on the venues from which Racing Meetings are held on terms to be negotiated between TABQ and the applicable Queensland Racing Entities. The commission payable to any Queensland Racing Entity under an agency agreement will be 4.9% of the wagering turnover of the relevant agency. The Queensland Racing Entity will be responsible under the agency agreement for all the capital and operating costs associated with operating the relevant agency.

12. BREACH

12.1 Breach

A breach by a defaulting party of this Agreement does not give any rights to the non-defaulting party to terminate this Agreement except as provided by clause 14.

12.2 Remedying Breach

If any party to this Agreement commits a breach of this Agreement and the breach is capable of being remedied by the defaulting party:

- (a) the defaulting party will remedy the breach;
- (b) the non-defaulting party may within five Business Days after becoming aware of the breach, give notice to the defaulting party specifying the breach and demanding that the defaulting party promptly remedy or commence remedying the breach;
- (c) if the defaulting party does not remedy the breach or commence reasonable and diligent action towards remedying the breach within a reasonable time after receipt of a notice under 12.2(b) the non-defaulting party may, without prejudice to its other rights in that event, elect to remedy the default of the defaulting party either in whole or in part.

2.3 Costs of Remedying Breach

The amount paid or costs and expenses incurred by a non-defaulting party in remedying the default in accordance with clause 12.2 will be a liquidated debt due and payable by the defaulting party to the non-defaulting party.

2.4 Breaches not Capable of Remedy

If a breach of this Agreement is not capable of being remedied, the defaulting party or the non-defaulting party may refer the matter to the Independent Expert under the dispute resolution mechanism in clause 13 for resolution of how the effects of the breach are to be dealt with.

12.5 Compensation for Serious Breach

If a breach of this Agreement constitutes a Serious Breach, the defaulting party will pay adequate monetary compensation to the non-defaulting party in accordance with the following provisions:

- (a) The non-defaulting party may give a notice to the defaulting party specifying the Serious Breach and the amount of monetary compensation that is required by the non-defaulting party in relation to the Serious Breach;
- (b) If the parties do not reach agreement on the monetary compensation to be paid or provided by the defaulting party within 21 days of service of the notice under clause 12.5(a) any party may refer the dispute to the Independent Expert under the dispute resolution mechanism provided for in clause 13.
- (c) The defaulting party must pay the monetary compensation agreed by the parties or determined by a Court to the non-defaulting parties within 14 days of agreement or the delivery of the determination of the Court.

13 DISPUTE RESOLUTION

13.1 Independent Expert

Disputes which may be referred to an Independent Expert in accordance with this Agreement may be submitted in writing by any party to a suitably qualified expert who has no direct or indirect personal interest in the outcome of the resolution of the dispute and who will be selected by agreement between the parties or failing agreement between them within seven days after they commence to discuss the selection of an Independent Expert, at the request of any party by:

- (a) the president or chairman of the Institute of Company Directors (Queensland Division) or if that person is an advisor or partner of an advisor to a party, the president or chairman of the Australian Merchant Bankers Association (Queensland Division); or

- (b) the president or chairman of such other organisation or body as the parties may agree.

13.2 Written Submissions

The written submissions to the Independent Expert must state the specific matter to be resolved together with all other reasonably relevant matters (including, without limitation, any requirements under this Agreement relating to the particular matter being referred for resolution).

13.3 Method for Resolving Dispute

The Independent Expert will use his or her expertise to determine the best method for resolution of the dispute and determine a time period and processes for the parties to attempt to resolve the dispute.

13.4 Information and Assistance

The parties must supply the Independent Expert with any information, assistance and cooperation which the Independent Expert may request in connection with the resolution of the dispute.

13.5 Fees and Expenses of Independent Expert

Unless otherwise provided in this Agreement or unless the Independent Expert, in its absolute discretion, determines that the conduct of any party is such that it should bear all or a greater proportion of the fees and expenses of the Independent Expert, the fees and expenses of the Independent Expert will be borne by the parties in equal shares.

13.6 Court Proceedings

Neither party will commence or maintain any proceedings in any Court with respect to a dispute referred to the Independent Expert until the expiration of the time period determined by the Independent Expert for the parties to attempt to resolve the dispute.

14. TERMINATION

4.1 This Agreement may be terminated by TABQ by 30 days written notice to Product Co and the Queensland Control Bodies if:

- (a) there is an Event of Insolvency in relation to Product Co or any of the Queensland Control Bodies; or
- (b) Product Co purports to Dispose of its interests in this Agreement without the prior written consent of TABQ; or

- (c) if there is a change in effective control of Product Co as at the date of this Agreement without the prior written consent of TABQ, such consent is not to be unreasonably withheld where the change in effective control does not affect the ability of Product Co to perform its obligations under this Agreement; or
- (d) if any of the Queensland Control Bodies ceases to exist or ceases to have those functions and powers conferred on it as at the Effective Date which enable it to control the Racing code and/or perform all of its obligations under this Agreement except where such functions and powers and obligations of the Queensland Control Body under this Agreement are legally assumed by a successor statutory entity.

14.2 Product Co may terminate this Agreement by 30 days written notice to TABQ and the Queensland Control Bodies if:-

- (a) there is an Event of Insolvency in relation to TABQ; or
- (b) TABQ purports to Dispose of its interests in this Agreement without the prior written consent of Product Co; or
- (c) there is a change in effective control of TABQ as at the date of this Agreement without the prior written consent of Product Co, such consent is not to be unreasonably withheld where the change in effective control does not affect the ability of TABQ to perform its obligations under this Agreement.

14.3 The Queensland Control Bodies have no right to terminate this Agreement.

14.4 Notwithstanding any other provision in this Agreement, the following events will not give rise to a right to terminate or a breach of this Agreement and will not be perceived in any way or require the consent of any party:-

- (a) the corporatisation of TABQ;
- (b) the privatisation of TABQ including:-
 - (i) a change in effective control of TABQ, which results from the State relinquishing control;
 - (ii) the assignment of this Agreement by TABQ pursuant to a direction from the State.

14.5 For the purpose of this clause "effective control" means the control of the composition of the board of directors of the party, the control of more than half of the voting power of the party or the control of more than half of the issued ordinary share capital of the party.

15. FORCE MAJEURE

15.1 No Liability During Force Majeure

A party will not be liable for any delay in or failure to observe or perform any of its duties or obligations under this Agreement (other than a delay or failure to make a payment of any amount payable under this Agreement) if:-

- (a) the delay or failure arises from a cause beyond its reasonable control including act of God, strike, lock out or other labour difficulty, act of public enemy, war, blockade, revolution, riot, insurrection, civil commotion, lightning, storm, flood, cancellation of a Race Meeting due to rain or other natural causes, fire, earthquake, explosion, or any action, inaction, demand, order, restraint, restriction, requirement, prevention, frustration or hindrance by or of any person, government or other competent authority, embargo, unavailability of essential equipment or other material, lack of transportation or any other cause whether specifically referred to above or otherwise which is beyond its reasonable control;
- (b) it has taken all proper precautions, due care and reasonable alternative measures with the object and intent of avoiding the delay or failure and of carrying out its obligations under this Agreement, provided that nothing in this clause 15.1 requires a party to settle or compromise a labour dispute if the party in its sole discretion considers that to do so will be contrary to its best interest; and
- (c) as soon as possible after the beginning of the occurrence which affects the ability of the party claiming under this clause to observe or perform any of its duties or obligations under this Agreement, the party gives notice to the other parties claiming the benefit of this clause of the specific nature of the occurrence and as far as possible estimating its duration and the probable extent to which the party will be unable to observe or perform its obligations.

15.2 Force Majeure Effects to be Overcome

The party claiming the benefits of clause 15.1 must use all reasonable endeavours promptly to overcome the adverse consequences and effects of the cause in question, subject always to the proviso in clause 15.1(b).

16. CONFIDENTIAL INFORMATION

16.1 Protected Information

Each party undertakes and agrees:-

- (a) not to use in any way any Confidential Information of another party without the prior written approval of the other party or otherwise in accordance with clause 16.2;

- (b) not to disclose to any person or allow or assist or make it possible for any person to observe any Confidential Information of another party, without the prior written approval of the other party or otherwise in accordance with clause 16.2;
- (c) not to disclose any Confidential Information of another party to any person or allow or assist or make it possible for any person to observe any Confidential Information, without the prior written approval of the party to whom the Confidential Information relates or otherwise in accordance with the provisions of clause 16.2.

16.2 Permitted Disclosure

Nothing in clause 16.1 prohibits the disclosure of Confidential Information of another party by a party (a "Disclosing Party"):-

- (a) to a Related Body Corporate of the Disclosing Party;
- (b) if and to the extent required pursuant to any necessary applicable legislation or other legal requirement or pursuant to the rules or regulations of the Australian Stock Exchange Limited or any foreign stock exchange recognised by the Australian Stock Exchange Limited which are applicable to the Disclosing Party or any Related Body Corporate of the Disclosing Party;
- (c) if and to the extent that it may be necessary or desirable to disclose information to any Governmental Agency in connection with the application for the Race Wagering Licence or compliance with obligations under the *Wagering Act 1998* or any Government Consents which are necessary for the conduct of the Race Wagering Business or otherwise in relation to this Agreement but only after the Disclosing Party has consulted with the other party;
- (d) to the Independent Expert or the professional advisors and consultants of the Disclosing Party whose duties in relation to the Disclosing Party necessarily require the disclosure;
- (e) subject to clause 16.3, to employees, officers and agents of the Disclosing Party whose duties in relation to the Disclosing Party necessarily require the disclosure;
- (f) pursuant to a binding order of any Court of competent jurisdiction or other competent authority provided that a copy of that binding order and details of the information and material to be disclosed are given to the other party by the Disclosing Party prior to that disclosure;
- (g) in any proceedings arising out of or in connection with the Race Wagering Business to the extent necessary to protect the lawful interest of the Disclosing Party provided that the Disclosing Party notifies the other party of its intention to make that disclosure and provides to it details of the material and information to be disclosed;

- (h) if and to the extent required by a contractual obligation of the Disclosing Party existing by virtue of contractual provisions entered into by the party with third parties prior to the execution of this Agreement provided however that the Disclosing Party has notified the other party of those obligations prior to the execution of this Agreement;
- (i) to Queensland Racing Entities to the extent required to enable Product Co and the Queensland Control Bodies to fulfil their obligations under this Agreement,

provided however that any disclosure pursuant to clauses 16.2(a) and (d) (other than a disclosure in good faith to legal advisors of the Disclosing Party) will only be made subject to the person to whom disclosure is made covenanting and agreeing with the parties to maintain confidentiality.

16.3 Use of Information by Employees

- (a) Each Disclosing Party must use its best endeavours to procure that each of its employees, officers or agents to whom Confidential Information is or has been disclosed or by whom Confidential Information has been or may be observed (each of whom is in this clause 16.3 referred to as a "Disclosee") must not improperly disclose or improperly use any Confidential Information contrary to the requirements of this clause 16, either during or after the termination of the Disclosee's employment, office or agency with the Disclosing Party.
- (b) Any breach by a Disclosee of any undertaking as to non-disclosure will be deemed to be a breach of that Disclosing Party of that undertaking or obligation and in any event that Disclosing Party will use reasonable endeavours to enforce or procure the enforcement of that undertaking or obligation.
- (c) In performing any of its obligations pursuant to this clause 16.3 each Disclosing Party may reasonably determine whether litigation to procure compliance with any current or former employee, officer or agent of any Disclosing Party is warranted.
- (d) If requested in writing from time to time by a party, a Disclosing Party must provide to it a list of the names, addresses and officers of those employees, officers and agents to whom the Disclosing Party has disclosed Confidential Information, together with a description of the nature of the Confidential Information so disclosed.

6.4 Survives Termination

The provisions of this clause 16 will survive and continue to bind the parties for a period of two years following termination of this Agreement.

16.5 Law of Confidentiality

The undertakings and agreements contained in this Agreement will be in addition to and will in no way derogate from the obligations of the parties in respect of secret and Confidential Information at law, in equity or under any statute or trade or professional custom or use.

16.6 No Assistance for Unauthorised Disclosure

Parties must not at any time make or assist any other person whatsoever to make any unauthorised disclosure or use of any Confidential Information and must take all practical steps to procure and ensure that every person who (as its employee, officer, agent or otherwise through or from it) creates, develops, acquires or becomes possessed or appraised of any Confidential Information at any time does not make (or assist any other person to make) any unauthorised disclosure or use of that Confidential Information.

17. INDEMNITY

Each party indemnifies the other against all claims, actions, damages, losses, costs, expenses and payments which the other party pays, suffers, incurs or is liable for in respect of:

- (a) a breach by the first party of any of its obligations under this Agreement; or
- (b) a breach of any law, statutory or otherwise of any unlawful act or omission on the part of the first party.

18. WARRANTIES

18.1 Representations and Warranties of Parties

Each of the parties represents and warrants to the other parties:-

- (a) it has full right, power and authority to enter into this Agreement and undertake the obligations imposed by this Agreement;
- (b) that all consents and approvals lawfully required for it to enter into this Agreement have been duly given;
- (c) that all necessary action to authorise the entering into and the performance by it of its obligations under this Agreement has been taken;
- (d) that the entering into by it of this Agreement will not contravene any law, its memorandum and articles of association, its constitution, any agreement to which it is a party or any judgement applying to it;

- (e) that to the best of its knowledge and belief no litigation or administration action is in process or being threatened which involves that party and which could materially effect the ability of the party to perform its obligations under this Agreement;
- (f) that it is able to pay its debts as and when they fall due.

18.2 Representations and Warranties of Product Co

Product Co represents and warrants to TABQ:-

- (a) it has recourse to adequate facilities, including staff and expertise to perform its obligations under this Agreement;
- (b) it has sufficient right, title and interest in and to the Queensland Racing Calendar, the Queensland Racing Program and the Australian Racing Product to enable it to perform its obligations under this Agreement and confer the rights on TABQ purported to be conferred on TABQ under this Agreement;
- (c) any material incorporated within the Queensland Racing Calendar, the Queensland Racing Program and the Australian Racing Product will not infringe the rights of any third party.

19. GENERAL

19.1 Notices

Any notice or other communication which must be given, served or made under or in connection with this Agreement:

- (a) must be in writing in order to be valid;
- (b) is sufficient if executed by the party giving, serving or making the notice or on its behalf by any attorney, director, secretary, other duly authorised officer or solicitor of such party;
- (c) will be deemed to have been duly served, given or made in relation to a person if it is delivered or posted by prepaid post to the address, or facsimile to the number of that person set out in this Agreement (or at such other address or number as is notified in writing by that person to the other parties from time to time); and
- (d) will be deemed to be served, given or made:
 - (i) (in the case of prepaid post) on the second Business Day after the date of posting;

- (ii) (in the case of facsimile) on receipt of a transmission report confirming successful transmission; and
- (iii) (in the case of delivery by hand) on delivery.

19.2 Governing Law

This Agreement is governed by and is to be construed according to the laws of Queensland.

19.3 Jurisdiction

- (a) **(Acceptance of jurisdiction):** Each of the parties irrevocably submits to and accepts generally and unconditionally, the non-exclusive jurisdiction of the courts and appellate courts of Queensland with respect to any legal action or proceedings which may be brought at any time relating in any way to this Agreement.
- (b) **(No objection to inconvenient forum):** Each of the parties irrevocably waives any objection it may now or in the future have to the venue of any action or proceedings, and any claim it may now or in the future have that the action or proceeding has been brought in an inconvenient forum.

19.4 Severability

Any provision of this Agreement which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions.

19.5 Amendments

This Agreement may not be modified, amended or otherwise varied except by a document in writing signed by or on behalf of each of the parties.

19.6 Waiver

No waiver or indulgence by any party to this Agreement is binding on the parties unless it is in writing. No waiver of one breach of any term or condition of this Agreement will operate as a waiver of another breach of the same or any other term or condition of this Agreement.

19.7 Further Acts

The parties will promptly do and perform all further acts and execute and deliver all further documents required by law or reasonably requested by any other party to carry out and effect the intent and purpose of this Agreement.

19.8 Assignment/Encumbrance

- (a) No party can assign their rights and obligations under this Agreement without the consent of the other parties.
- (b) Subject to sub-clause (c) no party can Encumber its interests in this Agreement without the consent of the other parties.
- (c) Consent will not unreasonably be withheld in the event that Product Co wishes to Encumber its interests in this Agreement provided the Encumbrance in no way adversely affects Product Co meeting its obligations under this Agreement.

19.9 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together constitute one and the same document.

19.10 Expenses

Each party will meet its own costs in relation to the preparation and execution of this Agreement, and any subsequent consent, agreement, approval, waiver or amendment to this Agreement.

19.11 Stamp Duties

Product Co and TABQ will share equally the expense of all stamp duty , including fines and penalties, which may be payable to or required to be paid to any appropriate authority or determined to be payable in connection with the execution, delivery or performance of this Agreement.

19.12 No Representation or Reliance

Each party acknowledges that:

- (a) they have no duty to supply to the other information in relation to or affecting the other before the date of this Agreement;
- (b) it has relied on its own inquiries as to any relationship or transaction between the parties whether or not recorded in this Agreement; and
- (c) it has not entered into this Agreement in reliance on or as a result of any representation, promise, statement, conduct or inducement to it by or on behalf of any other person otherwise than as provided in this Agreement.

19.13 Costs

Each party will be responsible for all of its own costs incurred in the performance of its obligations under this Agreement.

19.14 Whole Agreement

This Agreement supersedes and invalidates all other commitments, representations and warranties relating to the subject matter hereof which may have been made by the parties either orally or in writing prior to the date hereof, and which will become null and void from the date this Agreement is signed.

19.15 Powers

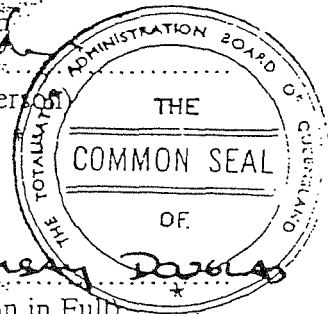
All the powers of persons under this Agreement are to be exercised for the purpose for which they are given and not any ulterior purpose. If a person uses a power for an improper purpose or the substantial purpose is improper the exercise of the power is invalid.

SIGNED as an agreement.

THE COMMON SEAL of TOTALISATOR)
ADMINISTRATION BOARD OF)
QUEENSLAND was affixed in accordance with a)
resolution of TOTALISATOR)
ADMINISTRATION BOARD OF)
QUEENSLAND in the presence of:

[Handwritten Signature]

(Signature of Chairperson)



[Handwritten Signature]

(Signature of Secretary)

ROBERT RAMSEY DAVIS
(Name of Chairperson in Full)

BARRIE JAMES FLETTON
(Name of Secretary in Full)

THE COMMON SEAL of QUEENSLAND)
RACE PRODUCT CO LTD ACN 081 743 722)
was affixed in accordance with its Constitution in)
the presence of:

[Handwritten Signature]

(Signature of Director)



[Handwritten Signature]

(Signature of Secretary/Director)

LEVIN SEBERT HASEMAN
(Name of Director in Full)

PETER WILLIAM CALDWELL
(Name of Secretary/Director in Full)

THE SEAL of QUEENSLAND PRINCIPAL)
CLUB affixed pursuant to a resolution of the)
QUEENSLAND PRINCIPAL CLUB by)
ANDREW (2910) BURLEY)
(Chairperson/Authorised Officer)

[Handwritten Signature]

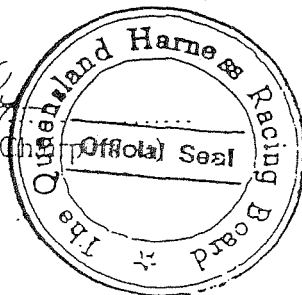
(Signature of Chairperson/Authorised Officer)



THE SEAL of QUEENSLAND HARNES)
RACING BOARD affixed pursuant to a resolution)
of the QUEENSLAND HARNES RACING)
BOARD by DUN BERNARD CROWLEY)
(Secretary/Chairperson)

[Handwritten Signature]

(Signature of Secretary/Chairperson)



THE SEAL of GREYHOUND RACING)
AUTHORITY affixed pursuant to a resolution of)
the GREYHOUND RACING AUTHORITY by)
ROSS GIBSON PRYOR)
(Secretary/Chairperson):)

[Handwritten Signature]

(Signature of Secretary/Chairperson)

SCHEDULE 1

Australian Racing Information

1. Interstate Racing Calendar and Racing Program

Racing calendar and Racing programs for each of the Australian States and Territories (other than Queensland).

2. Racecourse Details

Name of racecourse
Track conditions
Weather
Rail position
Length of straight
Track circumference
Penetrometer reading

3. Race Details

Name of race
Number of race
Start time
Category of class of race
Standing/mobile start for harness racing
Distance
Number of runners
Number of emergencies and reserves
Prize money
Name of sponsors
Application of any racing incentive scheme (eg. QRIS, VOBIS)

4. Thoroughbred/Horse/Dog Details

Name
Number
Weight to carry (including any allowance for apprentice jockey, if applicable)
Barrier numbers and barrier details and box numbers
Racing colours for greyhounds
Age
Sex (If male, whether entire or gelded)
Gear and Gear Changes (eg. blinkers, pacifiers, nose roll, tongue tie)
Colour
Pedigree - Sire and Dam
Name of jockey/driver (where applicable)
Name of owner(s)

Name of trainer(s)
Racing history eg. starts, wins, placings and prize money
Results of last 5 races (where applicable) including race name, distance, class, weight carried, barrier number, position in field, winner of race, winning time, winning margins and final odds.

5. Jockey/Driver Details

Name
Sex
Colour of Silks
Apprentice Details
Rider and driver changes

6. Race Events

Running of the race
Commentary by race caller
Scratchings, late scratchings, selections and tips

7. Race Results

Placings
Times of place getters
Winning margins
Protest details and results (where applicable)
Correct weight

8. General Racing Industry Information

Trends and developments relating to racing, breeding, training and riding/driving
Queensland Racing Entities
Racing statistics

Product and Program Agreement

SCHEDULE 2

MINIMUM COMPONENT

	Race Meetings	Day	Race Meetings	Twilight	Race Meetings	Evening
Monday	52	Gallops	-	-	52	Greyhound
Tuesday	52	Gallops	52	Harness Greyhound	or 52	Greyhound
Wednesday	52	Gallops	52	Greyhound	52	Greyhound
Thursday	52	Gallops	52	Harness	52	Greyhound
Friday	51	Gallops	52	Greyhound	52	Harness
Saturday	51 52 1	Eagle Farm Doomben Gold Coast Ipswich Cup	or 52	Gallops	52	Harness
Sunday	35	Gallops	-	-	-	-

SCHEDULE 3

QUEENSLAND RACING CALENDAR FOR FINANCIAL YEAR ENDING 30 JUNE 2000

AUGUST 1999	SEQHA	DOVNS & SWQHA	C.H.A.	C.W.Q.H.A.	S.Q.H.A.
SUNDAY 1	SCFC				
MONDAY 7					
TUESDAY 3			RJC		
WEDNESDAY 4	ITC				
THURSDAY 5	ITC				
FRIDAY 6	KILCOY				Mount Isa
SATURDAY 7	QTC, GCFC, SCTC (II), Gympie	TTC, Warwick, C/Warrego	Thangool (Cup)	Yaraka, Moranbah	Cairns, Corfield Amateur, Herbert River, Mount Isa(II), Townsville(II)
SUNDAY 8					
MONDAY 9	LOCKYER				
TUESDAY 10			RJC		
WEDNESDAY 11	QTC				
THURSDAY 12	ITC				
FRIDAY 13					TTC
SATURDAY 14	QTC, GCFC, SCTC (II), Bundaberg, Nanango, Gympie (II)	TTC, Goondiwindi (Cup)	Rockhampton, Gladstone	Blackall	Cairns, Mackay, Mount Isa, North Gregory, Towers, Townsville(II)
SUNDAY 15	SCFC		Emerald		
MONDAY 16					
TUESDAY 17					ATC
WEDNESDAY 18	GCFC				
THURSDAY 19		DALBY			
FRIDAY 20	DEAUBESERT				
SATURDAY 21	ITC, GCFC, SCTC (II), Gympie (II)	TTC, Cunnamulla, Roma	Rockhampton, Middlemount	Longreach Diggers	Atherton, Bowen, Cairns(II), Mackay(II), Mount Isa(II), Prarie, Sejan Dip, Townsville
SUNDAY 22	SCFC				
MONDAY 23					
TUESDAY 24	ESK				
WEDNESDAY 25	QTC				
THURSDAY 26	GYMPIE				
FRIDAY 27					NQ AMATEURS
SATURDAY 28	QTC, GCFC, SCTC (II), Gympie (II)	TTC, Oullpie, Warra	Gladstone, Yeppoon (Newmarket)	Bacaldine	North Old Amateurs, Burketown, Cairns, Mackay, Mount Isa(II)
SUNDAY 29	SCFC				
MONDAY 30					
TUESDAY 31			RJC		

SEPTEMBER	SEQUA	HOWAN & SWOJA	C.I.A.	C.W.O.H.A.	N.O.H.A.
WEDNESDAY 1	HTC				
THURSDAY 2	TTC				
FRIDAY 3	KILCOY			Ilidaville	
SATURDAY 4	HTC, GCTC, SCTC (H), Bundeberg, Gynple (H)	TTC, Chusilla	Heckampun, Inzerah, Thangpal	Ilidaville	Camuric, Mistry, Alton H, Erenville
SUNDAY 5	SCTC				
MONDAY 6					
TUESDAY 7	QTC				
WEDNESDAY 8	HTC				
THURSDAY 9	LOCKYER				
FRIDAY 10					EAR HQ AKATHURS
SATURDAY 11	QTC, GCTC, SCTC (H), Gynple, Gaymah	TTC, Warwick, C/Warego, Sura (Cup)	Makente River AHC, Yrpoon	Langrekh, Hedovic	Far North Old Amurort, Burckin, Corfil, Mistry, Kiron (L, Townville(D))
SUNDAY 12					
MONDAY 13					
TUESDAY 14					
WEDNESDAY 15	HTC				
THURSDAY 16		DAILY			
FRIDAY 17	HEADSHEET			Twin Hills	
SATURDAY 18	QTC, GCTC, SCTC (H), Bundeberg, Wondil, Gynple (H)	TTC, Howan (Cup), Grandwheel	Heckampun, Heabone	Twin Hills, Howan, Tando	Adkron, Camu, Hedon River, Mistry, Deger, Alton (L, North Gynple), Townville(D)
SUNDAY 19	SCTC				TTC, Western Peak
MONDAY 20					
TUESDAY 21					
WEDNESDAY 22	HTC				
THURSDAY 23		TTC (H)			
FRIDAY 24	ESK				Ear Amur
SATURDAY 25	HTC, GCTC, SCTC (H), Gynple	TTC, Howa	Inzerah, Doringa, Gialhoo(H)	Windrah	Camu, Ear Amur, Inzerah, Mistry, Alton H(H), Kishoon, Townville
SUNDAY 26	SCTC				
MONDAY 27					
TUESDAY 28	QTC				
WEDNESDAY 29	HTC				
THURSDAY 30	HTC				

OCTOBER	SEQRA	DOWNS & SWOIRA	C.R.A.	C.W.Q.R.A.	N.Q.R.A.
FRIDAY 1			IJC		
SATURDAY 2	ITC, GCFC, SCFC, Bunkberg, Gympie (B)	TTC, Cunnamulla, Tara	Thangool, Rockhampton(B)	Ilfracombe, Moranbah	Bowen, Goolberrule, Ingleside, Mount Isa(B), Townsville
SUNDAY 3					
MONDAY 4	QTC				
TUESDAY 5					TTC
WEDNESDAY 6	ITC				
THURSDAY 7	ITC				
FRIDAY 8		DAILY			
SATURDAY 9	QTC, GCFC, SCFC (B), Gympie, Nanango	TTC, Warwick (Cup), Augathella	Emerald (100), Theodore, Yepoon, Gladstone(B)	Aramac	Burdin, Cairns, Cloncurry, Georgetown, Mackay, Mount Isa(B), Pentridge, Townsville(B)
SUNDAY 10	SCFC		Rockhampton IYO Telah(B)		
MONDAY 11					
TUESDAY 12			IJC		
WEDNESDAY 13	ITC				Isisfail
THURSDAY 14	LOCKYER				
FRIDAY 15	KH.COY			Jundah	
SATURDAY 16	QTC, GCFC, SCFC, Bunkberg, Wondai, Gympie (B)	TTC, Maranoa, Stanthorpe	Rockhampton, Springvale, Thangool	Jundah	Cairns(B), Charters Towers, Amurree, Isisfail, Mackay, Mount Isa, Richmond, Townsville
SUNDAY 17					
MONDAY 18					
TUESDAY 19					
WEDNESDAY 20	ITC				
THURSDAY 21		TTC (N)			TTC
FRIDAY 22	ESK				
SATURDAY 23	ITC, GCFC, SCFC (B), Gympie, Mt. Perry	TTC, Dawson, C/Warrago, Clifton	Rockhampton (Carlton Place), Gladstone	Isisford, Clermont	Cairns, Julia Creek, Mackay, Mareeba, Mount Isa(B), Townsville
SUNDAY 24	SCFC				
MONDAY 25					
TUESDAY 26					
WEDNESDAY 27	ITC				
THURSDAY 28					
FRIDAY 29					ITC
SATURDAY 30	ITC, GCFC, SCFC, Gympie (B)	TTC, Injune	Rockhampton, Gladstone(B)	Lungreah, Moranbah	Atherton, Cairns, Mount Isa(B), Quilby, Townsville
SUNDAY 31					

NOVEMBER	SIQUNA	DOVNS & SWQUNA	CI.K.A.	C.W.Q.K.A.	N.I.Q.K.A.
MONDAY 1					
TUESDAY 2	OTC, Gald Coast, Smaahie Coast, Haaaheseri, Haaahiekerp, Gympie, Gympie, Kumbia	Traawoonia, C/Waarego	Reekhampon, Eneerid, Haaahaw, Tlaapari, Yippana	Haaahie, Kuraahie (U)	Haaahie, C/ah, Eneerid, Aa, Yy, Haaahie, Aaon Iy, Kaaahaw, Taaahie
WEDNESDAY 3	TTC				
THURSDAY 4	HTC				
FRIDAY 5					
SATURDAY 6	HTC, GCTC, SCTC (U), Gympie (U)	TTC, Dally	Reekhampon	Saaahie	Ginn, Aaon Iy, Taaahie, Taaahie (U)
SUNDAY 7	SCTC				
MONDAY 8					
TUESDAY 9					
WEDNESDAY 10	TTC				
THURSDAY 11					
FRIDAY 12	RII.CDY		RII.C		
SATURDAY 13	OTC, GCTC, SCTC (U), Gympie (U)	TTC, Kuma	Haaahiekerp, Aaon, Reekhampon(U)	Keehie	Ginn, Aaahie, Aaon Iy, Taaahie
SUNDAY 14	SCTC				
MONDAY 15					
TUESDAY 16	HTC				
WEDNESDAY 17	TTC				
THURSDAY 18					
FRIDAY 19	ESK				
SATURDAY 20	OTC, GCTC, SCTC (U), Haaahiekerp, Gympie (U)	TTC, Haaahie, Gaaahiekerp	Gaaahiekerp	Taaahie, Gaaahiekerp	Haaahie, Ginn, Aaahie, Aaon Iy, Taaahie (U)
SUNDAY 21	SCTC				
MONDAY 22					
TUESDAY 23			RII.C		
WEDNESDAY 24	OTC				
THURSDAY 25	LOCKYHIE				
FRIDAY 26					
SATURDAY 27	HTC, GCTC, SCTC (U), Gympie, Haaahiekerp	TTC, Waawik	Reekhampon, Eneerid	Haaahiekerp	Ginn, Aaahie, Aaon Iy, Taaahie (U)
SUNDAY 28	SCTC				
MONDAY 29					
TUESDAY 30					

DECEMBER	SEKORA	DOWN & SWORA	GR.A.	CWQ.R.A.	N.Q.R.A.
WEDNESDAY 1	ITC				
THURSDAY 2	SCIC				
FRIDAY 3			ITC		
SATURDAY 4	TAT'S, GCTC, SCTC (0), Humberke, Nanganq, Gyaple (0)	TTC, Wora	Thongol	Itocdlie, Anorahoh	Colou, Alxay, Nison Inqil, Tomsydlitli
SUNDAY 5	SCIC				
MONDAY 6					
TUESDAY 7	QTC				
WEDNESDAY 8	ITC				
THURSDAY 9	LOCKYER				
FRIDAY 10					TTC
SATURDAY 11	ITC, GCTC, SCTC (0), Wondj, Gyaple (0)	TTC, Rona, Texas	Keckhampon		Colou, Helken Kwee, Alxay, Nison Inq, Tomsydlitli
SUNDAY 12	SCIC				
MONDAY 13					
TUESDAY 14					
WEDNESDAY 15	QTC				
THURSDAY 16			TTC (N)		TTC
FRIDAY 17			ITC		
SATURDAY 18	QTC, GCTC, SCTC, Gyaple	TTC, Chikidila	Galstone		Colou, Nison Inq, Tomsydlitli
SUNDAY 19					
MONDAY 20					
TUESDAY 21					
WEDNESDAY 22	ITC				
THURSDAY 23		DALNY			
FRIDAY 24					ITTC
SATURDAY 25	CHRISTMAS DAY				
SUNDAY 26	SCIC		TTC		Alxay, Tovezi
MONDAY 27	QTC, GCTC, Humberke	Wawick	Yepman		Marets, Tomsydlitli
TUESDAY 28	ITC				
WEDNESDAY 29	ITC				
THURSDAY 30			ITC		
FRIDAY 31	ITC				

1990 - JANUARY	SEQIRA	DOWNS & SWIRA	C.R.A.	C.W.Q.R.A.	N.Q.R.A.
SATURDAY 1	ITC, GCFC, SCFC (H), Kumbia, Gympie (H)	TTC, Dawson			Cairns(H), Georgetown, Innisfail, Mackay, Mount Isa(H), Townsville(H)
SUNDAY 2	SCFC				
MONDAY 3	QTC				Georgetown
TUESDAY 4					TTC
WEDNESDAY 5	GCFC				
THURSDAY 6		DALBY			
FRIDAY 7			IJC		
SATURDAY 8	GCFC, ITC, SCFC (H), Bundaberg, Nanango, Gympie (H)	TTC, Roma			Cairns(H), Mackay(H), Mareeba, Mount Isa(H), Townsville(H)
SUNDAY 9	SCFC				
MONDAY 10					
TUESDAY 11					TTC
WEDNESDAY 12	ITC				
THURSDAY 13	QTC				
FRIDAY 14	BEAUDESERT				
SATURDAY 15	ITC, GCFC, SCFC (H), Gympie	TTC, Bell	Rockhampton		Cairns, Mount Isa(H), Townsville
SUNDAY 16	SCFC				
MONDAY 17					
TUESDAY 18					
WEDNESDAY 19	ITC				
THURSDAY 20			IJC		
FRIDAY 21	KILCOY				
SATURDAY 22	QTC, GCFC, SCFC (H), Gympie (H)	TTC	Gladstone		Cairns, Mount Isa(H), Townsville
SUNDAY 23	SCFC				
MONDAY 24					
TUESDAY 25		TTC (N)			
WEDNESDAY 26	ITC, Gympie	Warwick, Wandoan			Alberton, Burdekin, Mount Isa(H)
THURSDAY 27			IJC		
FRIDAY 28	LOCKYER				
SATURDAY 29	QTC, GCFC, SCFC (H), Gympie (H)	TTC	Yeppoon		Cairns, Mackay, Mount Isa(H), Townsville(H)
SUNDAY 30	SCFC				
MONDAY 31					

FEBRUARY	SEQHA	DOVNS & SWQHA	C.R.A.	C.W.Q.R.A.	S.Q.R.A.
TUESDAY 1					TTC
WEDNESDAY 2	ITC				
THURSDAY 3	QTC				
FRIDAY 4	INHADESERT				
SATURDAY 5	BTC, GCTC, SCTC (H), Bundaberg, Gympie (H)	TTC, Dawson	Rockhampton		Cairns(H), Innisfail, Mackay, Mount Isa(H), Townsville(H)
SUNDAY 6	SCTC		Gladstone		
MONDAY 7					
TUESDAY 8					CJC
WEDNESDAY 9	ITC				
THURSDAY 10		TTC (N)	IJC		
FRIDAY 11	KH.COY				
SATURDAY 12	QTC, GCTC, SCTC (H), Gympie	TTC, Warwick	Emerald, Thangool		Cairns, Mackay, Mount Isa, Townsville
SUNDAY 13	SCTC				
MONDAY 14					
TUESDAY 15	BTC				
WEDNESDAY 16	QTC				
THURSDAY 17	ITC				
FRIDAY 18	BSK				
SATURDAY 19	TATTS, GCTC, SCTC (H), Bundaberg, Gympie (H)	TTC, Jandowae	Rockhampton		Atherton, Burdekin, Cairns, Mackay, Mount Isa(H), Townsville(H)
SUNDAY 20	SCTC				
MONDAY 21					
TUESDAY 22					TTC
WEDNESDAY 23	BTC				
THURSDAY 24	LOCKYER				
FRIDAY 25			IJC		
SATURDAY 26	QTC, GCTC, SCTC(H), Gympie, Eidsvold	TTC, Stanthorpe	Gladstone, Yeppoon	Moranbah	Cairns, Mount Isa, Townsville(H)
SUNDAY 27	SCTC				
MONDAY 28					
TUESDAY 29					TTC

DATE	SECTOR	DOWNS & SWOON	C.I.A.	C.W.O.R.A.	R.Q.I.A.
WEDNESDAY 1	OTC				
THURSDAY 2		DAILY (reworked)			
FRIDAY 3	RILCOY				
SATURDAY 4	HTC, (GCTC, SCTC (0), Wondal, Gynpic (0))	TTC, Wazels	Lockhampton, Inverail	Langrath	Blacklie, Chinn, Mackay, Manly, Stuart In(0), Townsville(0)
SUNDAY 5	SCTC				
MONDAY 6					
TUESDAY 7					
WEDNESDAY 8	HTC				
THURSDAY 9	LOCKYER				
FRIDAY 10					
SATURDAY 11	HTC, (GCTC, SCTC (0), Gynpic, Manago)	TTC, Chinkilla, St. George	Chadstone, Ypsilon (Silver Inance)	Blackall, Clermont	Alicton, Carn, Mackay, Mount Isa, Townsville
SUNDAY 12	SCTC				
MONDAY 13	OTC				
TUESDAY 14					
WEDNESDAY 15	HTC				
THURSDAY 16	HTC				
FRIDAY 17	ESK				
SATURDAY 18	OTC, (GCTC, SCTC (0), Handberg, Gynpic (0))	TTC, CWarrego	Springcove St. Park, Thangford	Inland	Dunklin, Carn, Mackay, Mount Isa, Townsville(0)
SUNDAY 19	SCTC	Goodwin (Small in Good)			
MONDAY 20					
TUESDAY 21					
WEDNESDAY 22	OTC				
THURSDAY 23		TTC (0)			
FRIDAY 24	BEAUVESBERT				
SATURDAY 25	HTC, (GCTC, SCTC (0), Dophah, Gynpic (0))	TTC, Inl	Ironbough(Sales) (Chen), Inverail	Aranac	Carn, Inverail, Mackay, Mount Isa, Townsville
SUNDAY 26	SCTC				
MONDAY 27					
TUESDAY 28	GVALPIE				
WEDNESDAY 29	HTC				
THURSDAY 30		TTC (WHEEWOOD)			
FRIDAY 31					

AMPH.	SEQUA	HEWNS & SWOZIA	C.R.A.	C.W.O.R.A.	SEQUA
SATURDAY 1	QTC, GCTC, SCTC (II), Bundaberg, Gympie (II)	TTC, Wynora	Lions Club Blackwater	Longreach	Chim, Guncurry, Herbert River, Mackay, Mount Isa (II), Townsville (II)
SUNDAY 2	SCTC				
MONDAY 3					
TUESDAY 4					TTC
WEDNESDAY 5	ITC	DALRY (Camp)			
THURSDAY 6		Roma PRC			
FRIDAY 7	KILCOY	TTC, Neerana, Roma PRC	Emerald, Thangool	Blackall	Chim, Mackay (II), Mount Isa, South Gregory, Toowoomba (II)
SATURDAY 8	ITC, GCTC, SCTC (II), Gympie				
SUNDAY 9	SCTC		RUC (Nissan 2YQ)		
MONDAY 10					
TUESDAY 11					
WEDNESDAY 12	QTC				
THURSDAY 13	LOCKYER				
FRIDAY 14	ISK				Western Pacific
SATURDAY 15	ITC, GCTC, SCTC (II), Bundaberg, Wondai, Gympie (II)	TTC, C/Warrago, Goodwin PRC	Rockhampton, Mullumbidgee, Roma, Gladstone (II)	Alpha	Carroll, Inwood, Mackay, Mount Isa, Townsville, Western Pacific
SUNDAY 16	SCTC				
MONDAY 17					
TUESDAY 18					C/C
WEDNESDAY 19	ITC				
THURSDAY 20					
FRIDAY 21	GOOD FRIDAY				
SATURDAY 22	QTC, GCTC, SCTC, Gympie, Neerana	TTC, Wawock, Roma, Pilsnon	Emerald, Thangool	Baraldine	Bradley, Bowen, Chim, Inwood, Neerana (II), Townsville
SUNDAY 23					
MONDAY 24	QTC	Augathella	Yepoon		Carroll, Inwood, Mackay, Mount Isa, Mackay
TUESDAY 25	ITC, HEADMASTER (C)	Cunnamulla, Miller			Carroll, Mount Isa (II)
WEDNESDAY 26	ITC				
THURSDAY 27					
FRIDAY 28					
SATURDAY 29	ITC, GCTC, SCTC (II), Bundaberg, Gympie (II)	TTC, Wawock PRC	Darling (Train), Rockhampton (II), Gladstone (II)	Daraldine	TTC
SUNDAY 30	SCTC	Dolly Amateurs			Bundaberg, Chim, Gregory, Bowen, Mackay, Mount Isa, Neerana, Roma (II), Townsville (II)

MAY	SEQRA	DOWNS & SWIIRA	C.I.A.	C.W.Q.R.A.	S.Q.H.A.
MONDAY 1	ITC		Ridgehands (Cup)		Mingels Amateur, Mount Garret, Mount Isa(II)
TUESDAY 2					
WEDNESDAY 3	ITC				
THURSDAY 4					TTC
FRIDAY 5	KILCOY				
SATURDAY 6	QTC, GCFC, SCTC (II), Mt. Perry, Gympie (II)	TTC, Clifton, Jandowae	Theodore (Cup), Yeppoon (Cup)	Longreach, Moranbah	Cairns, Mount Isa, Richmond Amateur, Tuxera, Townsville(II)
SUNDAY 7	SCTC				
MONDAY 8					
TUESDAY 9			RJC		
WEDNESDAY 10	QTC				
THURSDAY 11					TTC
FRIDAY 12	ITC (SHOW DAY)				Oakley Amateur Picnic
SATURDAY 13	ITC, GCFC, SCTC (II), Burrandowan	TTC, C/Warrego, Goondiwindi	Rockhampton, Emerald, Gladstone	Aramac	Oakley Amateur Picnic, Cairns, Challenge, Clermont, Mackay, Mount Isa(II), Townsville
SUNDAY 14	SCTC				
MONDAY 15	ITC				
TUESDAY 16					
WEDNESDAY 17	GCFC				
THURSDAY 18	LOCKYER				
FRIDAY 19					MACKAY AMATEURS, Tower Hill Picnic Amateur
SATURDAY 20	QTC, GCFC, BSK(*), SCTC (II), Koolha	TTC, Warwick, Roma, Fromanga	Rockhampton, Thargool	Tamborine, Clermont	Mackay Amateur, Tower Hill Picnic Amateur, Cairns(II), Innisfail, Mount Isa, Townsville
SUNDAY 21	SCTC				
MONDAY 22					
TUESDAY 23					GC
WEDNESDAY 24	ITC				
THURSDAY 25	BUNDABERG				
FRIDAY 26	BUHADSHIFF				
SATURDAY 27	ITC, GCFC, SCTC (II), Gayndah, Gympie (II)	TTC, Quilpie, Chinchilla	Rockhampton Emeralds, Emerald (Cup), Gladstone	Murcumbe	Almaden, Burdekin, Cairns, Mount Isa, Richmond, Townsville(II)
SUNDAY 28	SCTC				
MONDAY 29					
TUESDAY 30					ITC
WEDNESDAY 31	ITC				

FRIDAY 2	KH.COY				
SATURDAY 3	QTC, GCFC, SCTC (II), Gympie, Nanango	TTC, Warloan, Noocundra	Rockhampton (Lightning)	Longreach, Peak Downs	Bowen, Cairns(II), Hughton, Mount Isa, Townsville
SUNDAY 4	SCTC				
MONDAY 5					
TUESDAY 6					CJC
WEDNESDAY 7	ITC				
THURSDAY 8	LOCKYER				
FRIDAY 9					
SATURDAY 10	QTC, GCFC, SCTC (II), Bundaberg, Gympie (II)	TTC, Jandowae, Talwood	Rockhampton (Rising Star), Monto, Springvale	Blackall, Moranbah	Bowen River, Cairns(II), Mackay, Mareeba, Maxwellton, Mount Isa, Townsville
SUNDAY 11	SCTC				
MONDAY 12	QTC		CQ Amateurs, Calliope		Mareeba, Towers
TUESDAY 13					
WEDNESDAY 14	ITC				
THURSDAY 15			RJC (Newmarket)		
FRIDAY 16	BEAUDESERT				
SATURDAY 17	ITC, GCFC, SCTC (II), Gympie, Eidsvold	TTC, Bell, Roma	Rockhampton (Cup), Emerald	Longreach	Cairns, Mount Isa(II), Richmond, Townsville
SUNDAY 18	SCTC				
MONDAY 19					
TUESDAY 20					
WEDNESDAY 21	QTC				
THURSDAY 22					TTC
FRIDAY 23	FSK				Cooltown Amateur
SATURDAY 24	TATT'S, GCFC, SCTC (II), Bundaberg, Wondal, Gympie (II)	TTC, C/Warrego, Warwick	Dingo (Cup), Gladstone, Rockhampton (II)	Barcaldine	Cooltown Amateur, Burdekin, Cairns(II), Innisfail, Mackay, McKinlay, Mount Isa(II), Townsville(II)
SUNDAY 25	SCTC				
MONDAY 26					
TUESDAY 27			RJC		
WEDNESDAY 28	HTC				
THURSDAY 29		DALBY			
FRIDAY 30					TTC, Laura Amateur

RACE DATES 1999/2000

JULY	SE QUEENSLAND	NTH QUEENSLAND
THURSDAY 1	Brisbane (N)	Cairns (N), Rockhampton (N), Mackay (N)
FRIDAY 2	Ipswich (T)	
SATURDAY 3	Capalaba (D)	Lower Burdekin (D)
SUNDAY 4		Bundaberg (D)
MONDAY 5	Brisbane (N)	
TUESDAY 6	Beenleigh (T), Ipswich (N)	
WEDNESDAY 7	Gold Coast (T), Toowoomba (N)	
THURSDAY 8	Brisbane (N)	Cairns (N), Mount Isa (N), Rockhampton (N), Mackay (N)
FRIDAY 9	Ipswich (T)	
SATURDAY 10	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 11		
MONDAY 12	Brisbane (N)	
TUESDAY 13	Beenleigh (T), Ipswich (N)	
WEDNESDAY 14	Gold Coast (T), Toowoomba (N)	
THURSDAY 15	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 16	Ipswich (T)	
SATURDAY 17	Capalaba (D)	
SUNDAY 18		Bundaberg (D)
MONDAY 19	Brisbane (N)	
TUESDAY 20	Beenleigh (T), Ipswich (N)	
WEDNESDAY 21	Gold Coast (T), Toowoomba (N)	
THURSDAY 22	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 23	Ipswich (T)	
SATURDAY 24	Capalaba (D)	Bundaberg (D)
SUNDAY 25		
MONDAY 26	Brisbane (N)	
TUESDAY 27	Beenleigh (T), Ipswich (N)	
WEDNESDAY 28	Gold Coast (T), Toowoomba (N)	
THURSDAY 29	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 30	Ipswich (T)	
SATURDAY 31	Capalaba (D)	Lower Burdekin (D)

RACE DATES 1999/2000

AUGUST	SE QUEENSLAND	NTH QUEENSLAND
SUNDAY 1		Bundaberg (D)
MONDAY 2	Brisbane (N)	
TUESDAY 3	Boonlough (T), Ipswich (N)	
WEDNESDAY 4	Gold Coast (T), Toowoomba (N)	
THURSDAY 5	Brisbane (N)	Calrns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 6	Ipswich (T)	
SATURDAY 7	Capalaba (D)	Bundaberg (D)
SUNDAY 8		
MONDAY 9	Brisbane (N)	
TUESDAY 10	Beenleigh (T), Ipswich (N)	
WEDNESDAY 11	Gold Coast (T), Toowoomba (N)	
THURSDAY 12	Brisbane (N)	Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 13	Ipswich (T)	
SATURDAY 14	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 15		Mount Isa (D)
MONDAY 16	Brisbane (N)	
TUESDAY 17	Beenleigh (T), Ipswich (N)	
WEDNESDAY 18	Toowoomba (N)	
THURSDAY 19	Brisbane (N)	Calrns (N), Townsville (N), Rockhampton (N)
FRIDAY 20	Ipswich (T)	
SATURDAY 21	Capalaba (D)	
SUNDAY 22		Bundaberg (D), Mount Isa (D)
MONDAY 23	Brisbane (N)	
TUESDAY 24	Beenleigh (T), Ipswich (N)	
WEDNESDAY 25	Gold Coast (T), Toowoomba (N)	
THURSDAY 26	Brisbane (N)	Calrns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 27	Ipswich (T)	
SATURDAY 28	Capalaba (D)	Bundaberg (D), Lower burdekin (D)
SUNDAY 29		Mount Isa (D)
MONDAY 30	Brisbane (N)	
TUESDAY 31	Boonlough (T), Ipswich (N)	

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

SEPTEMBER	SE QUEENSLAND	NTH QUEENSLAND
WEDNESDAY 1	Gold Coast (T)	
THURSDAY 2	Brisbane (N)	Calrns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 3	Ipswich (T)	
SATURDAY 4	Capalaba (D)	
SUNDAY 5		Bundaberg (D), Mount Isa (D)
MONDAY 6	Brisbane (N)	
TUESDAY 7	Beenleigh (T), Ipswich (N)	
WEDNESDAY 8	Gold Coast (T), Toowoomba (N)	
THURSDAY 9	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 10	Ipswich (T)	
SATURDAY 11	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 12		
MONDAY 13	Brisbane (N)	
TUESDAY 14	Beenleigh (T), Ipswich (N)	
WEDNESDAY 15	Gold Coast (T), Toowoomba (N)	
THURSDAY 16	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 17	Ipswich (T)	
SATURDAY 18	Capalaba (D)	
SUNDAY 19		Bundaberg (D), Mount Isa (D)
MONDAY 20	Brisbane (N)	
TUESDAY 21	Beenleigh (T), Ipswich (N)	
WEDNESDAY 22	Gold Coast (T), Toowoomba (N)	
THURSDAY 23	Brisbane (N)	Calrns (N), Rockhampton (N), Mackay (N)
FRIDAY 24	Ipswich (T)	
SATURDAY 25	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 26		Mount Isa (D)
MONDAY 27	Brisbane (N)	
TUESDAY 28	Beenleigh (T), Ipswich (N)	
WEDNESDAY 29	Gold Coast (T), Toowoomba (N)	
THURSDAY 30	Brisbane (N)	Bundaberg (N), Townsville (N), Rockhampton (N), Mackay (N)

RACE DATES 1999/2000

OCTOBER	SE QUEENSLAND	NTH QUEENSLAND
FRIDAY 1	Ipswich (T)	
SATURDAY 2	Capalaba (D)	Lower Burdekin (D)
SUNDAY 3		
MONDAY 4	Brisbane (N)	
TUESDAY 5	Beenleigh (T), Ipswich (N)	
WEDNESDAY 6	Gold Coast (T), Toowoomba (N)	
THURSDAY 7	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 8	Ipswich (T)	
SATURDAY 9	Capalaba (D)	Bundaberg (D)
SUNDAY 10	Capalaba (D)	
MONDAY 11	Brisbane (N)	
TUESDAY 12	Beenleigh (T), Ipswich (N)	
WEDNESDAY 13	Gold Coast (T), Toowoomba (N)	
THURSDAY 14	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 15	Ipswich (T)	
SATURDAY 16	Capalaba (D)	Lower Burdekin (D)
SUNDAY 17		
MONDAY 18	Brisbane (N)	
TUESDAY 19	Doonolgh (T), Ipswich (N)	
WEDNESDAY 20	Gold Coast (T), Toowoomba (N)	
THURSDAY 21	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 22	Ipswich (T)	
SATURDAY 23	Capalaba (D)	Bundaberg (D)
SUNDAY 24		
MONDAY 25	Brisbane (N)	
TUESDAY 26	Doonolgh (T), Ipswich (N)	
WEDNESDAY 27	Gold Coast (T), Toowoomba (N)	
THURSDAY 28	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 29	Ipswich (T)	
SATURDAY 30	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 31		

RACE DATES 1999/2000

NOVEMBER	SE QUEENSLAND	NTH QUEENSLAND
MONDAY 1	Brisbane (N)	
TUESDAY 2	Capalaba (D), Beenleigh (T), Ipswich (N)	
WEDNESDAY 3	Gold Coast (T), Toowoomba (N)	
THURSDAY 4	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N)
FRIDAY 5	Ipswich (T)	
SATURDAY 6	Capalaba (D)	Bundaberg (D)
SUNDAY 7		
MONDAY 8	Brisbane (N)	
TUESDAY 9	Beenleigh (T), Ipswich (N)	
WEDNESDAY 10	Gold Coast (T), Toowoomba (N)	
THURSDAY 11	Brisbane (N)	Cairns (N), Mount Isa (N), Rockhampton (N), Mackay (N)
FRIDAY 12	Ipswich (T)	
SATURDAY 13	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 14		
MONDAY 15	Brisbane (N)	
TUESDAY 16	Beenleigh (T), Ipswich (N)	
WEDNESDAY 17	Gold Coast (T), Toowoomba (N)	
THURSDAY 18	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 19	Ipswich (T)	
SATURDAY 20	Capalaba (D)	
SUNDAY 21		
MONDAY 22	Brisbane (N)	
TUESDAY 23	Beenleigh (T), Ipswich (N)	
WEDNESDAY 24	Gold Coast (T), Toowoomba (N)	
THURSDAY 25	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 26	Ipswich (T)	
SATURDAY 27	Capalaba (D)	Bundaberg (D)
SUNDAY 28		
MONDAY 29	Brisbane (N)	
TUESDAY 30	Beenleigh (T), Ipswich (N)	

RACE DATES 1999/2000

DECEMBER	SE QUEENSLAND	NTH QUEENSLAND
WEDNESDAY 1	Gold Coast (T), Toowoomba (N)	
THURSDAY 2	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 3	Ipswich (T)	
SATURDAY 4	Capalaba (D)	
SUNDAY 5		
MONDAY 6	Brisbane (N)	
TUESDAY 7	Beenleigh (T), Ipswich (N)	
WEDNESDAY 8	Gold Coast (T), Toowoomba (N)	
THURSDAY 9	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 10	Ipswich (T)	
SATURDAY 11	Capalaba (D)	Bundaberg (D)
SUNDAY 12		
MONDAY 13	Brisbane (N)	
TUESDAY 14	Beenleigh (T), Ipswich (N)	
WEDNESDAY 15	Gold Coast (T), Toowoomba (N)	
THURSDAY 16	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 17	Ipswich (T)	
SATURDAY 18	Capalaba (D)	Bundaberg (D)
SUNDAY 19		
MONDAY 20	Brisbane (N)	
TUESDAY 21	Beenleigh (T), Ipswich (N)	
WEDNESDAY 22	Gold Coast (T), Toowoomba (N)	
THURSDAY 23	Brisbane (N)	Bundaberg (N), Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 24	Ipswich (T)	
SATURDAY 25		
SUNDAY 26		
MONDAY 27	Brisbane (N)	
TUESDAY 28	Beenleigh (T), Ipswich (N)	
WEDNESDAY 29	Gold Coast (T), Toowoomba (N)	
THURSDAY 30	Brisbane (N)	Townsville (N), Rockhampton (N)
FRIDAY 31	Ipswich (T)	

RACE DATES 1999/2000

JANUARY	SE QUEENSLAND	NTH QUEENSLAND
SATURDAY 1	Capalaba (D)	Bundaberg (D)
SUNDAY 2		
MONDAY 3	Brisbane (N)	
TUESDAY 4	Beenleigh (T), Ipswich (N)	
WEDNESDAY 5	Toowoomba (N)	
THURSDAY 6	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 7	Ipswich (T)	
SATURDAY 8	Capalaba (D)	Bundaberg (D)
SUNDAY 9		
MONDAY 10	Brisbane (N)	
TUESDAY 11	Beenleigh (T), Ipswich (N)	
WEDNESDAY 12	Gold Coast (T), Toowoomba (N)	
THURSDAY 13	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 14	Ipswich (T)	
SATURDAY 15	Capalaba (D)	
SUNDAY 16		
MONDAY 17	Brisbane (N)	
TUESDAY 18	Beenleigh (T), Ipswich (N)	
WEDNESDAY 19	Gold Coast (T), Toowoomba (N)	
THURSDAY 20	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 21	Ipswich (T)	
SATURDAY 22	Capalaba (D)	Bundaberg (D)
SUNDAY 23		
MONDAY 24	Brisbane (N)	
TUESDAY 25	Beenleigh (T), Ipswich (N)	
WEDNESDAY 26	Gold Coast (T), Toowoomba (N)	
THURSDAY 27	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 28	Ipswich (T)	
SATURDAY 29	Capalaba (D)	Bundaberg (D)
SUNDAY 30		
MONDAY 31	Brisbane (N)	

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

FEBRUARY	SE QUEENSLAND	NTH QUEENSLAND
TUESDAY 1	Doonolgh (T), Ipswich (N)	
WEDNESDAY 2	Gold Coast (T), Toowoomba (N)	
THURSDAY 3	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 4	Ipswich (T)	
SATURDAY 5	Capalaba (D)	
SUNDAY 6		
MONDAY 7	Brisbane (N)	
TUESDAY 8	Deenlegh (T), Ipswich (N)	
WEDNESDAY 9	Gold Coast (T), Toowoomba (N)	
THURSDAY 10	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 11	Ipswich (T)	
SATURDAY 12	Capalaba (D)	Bundaberg (D)
SUNDAY 13	Capalaba (D)	
MONDAY 14	Brisbane (N)	
TUESDAY 15	Beenlegh (T), Ipswich (N)	
WEDNESDAY 16	Gold Coast (T), Toowoomba (N)	
THURSDAY 17	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N)
FRIDAY 18	Ipswich (T)	
SATURDAY 19	Capalaba (D)	Bundaberg (D)
SUNDAY 20		
MONDAY 21	Brisbane (N)	
TUESDAY 22	Beenlegh (T), Ipswich (N)	
WEDNESDAY 23	Gold Coast (T), Toowoomba (N)	
THURSDAY 24	Brisbane (N)	Bundaberg (N), Mount Isa (N), Townsville (N), Rockhampton (N)
FRIDAY 25	Ipswich (T)	
SATURDAY 26	Capalaba (D)	Lower Burdekin (D)
SUNDAY 27		
MONDAY 28	Brisbane (N)	
TUESDAY 29	Beenlegh (T), Ipswich (N)	

QUEENSLAND RACING AUTHORITY
RACE DATES 1999/2000

MARCH	SE QUEENSLAND	NTH QUEENSLAND
WEDNESDAY 1	Gold Coast (T), Toowoomba (N)	
THURSDAY 2	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N)
FRIDAY 3	Ipswich (T)	
SATURDAY 4	Capalaba (D)	Bundaberg (D)
SUNDAY 5		
MONDAY 6	Brisbane (N)	
TUESDAY 7	Beenleigh (T), Ipswich (N)	
WEDNESDAY 8	Gold Coast (T), Toowoomba (N)	
THURSDAY 9	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 10	Ipswich (T)	
SATURDAY 11	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 12		
MONDAY 13	Brisbane (N)	
TUESDAY 14	Beenleigh (T), Ipswich (N)	
WEDNESDAY 15	Gold Coast (T), Toowoomba (N)	
THURSDAY 16	Brisbane (N)	Bundaberg (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 17	Ipswich (T)	
SATURDAY 18	Capalaba (D)	
SUNDAY 19		
MONDAY 20	Brisbane (N)	
TUESDAY 21	Beenleigh (T), Ipswich (N)	
WEDNESDAY 22	Gold Coast (T), Toowoomba (N)	
THURSDAY 23	Brisbane (N)	Cairns (N), Mount Isa (N), Mackay (N)
FRIDAY 24	Ipswich (T)	
SATURDAY 25	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 26		
MONDAY 27	Brisbane (N)	
TUESDAY 28	Beenleigh (T), Ipswich (N)	
WEDNESDAY 29	Gold Coast (T), Toowoomba (N)	
THURSDAY 30	Brisbane (N)	Bundaberg (N), Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 31	Ipswich (T)	

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

APRIL	SE QUEENSLAND	NTH QUEENSLAND
SATURDAY 1	Capalaba (D)	
SUNDAY 2		
MONDAY 3	Brisbane (N)	
TUESDAY 4	Beenleigh (T), Ipswich (N)	
WEDNESDAY 5	Gold Coast (T), Toowoomba (N)	
THURSDAY 6	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 7	Ipswich (T)	
SATURDAY 8	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 9		
MONDAY 10	Brisbane (N)	
TUESDAY 11	Beenleigh (T), Ipswich (T)	
WEDNESDAY 12	Gold Coast (T), Toowoomba (N)	
THURSDAY 13	Brisbane (N)	Bundaberg (N), Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 14	Ipswich (T)	
SATURDAY 15	Capalaba (D)	
SUNDAY 16		
MONDAY 17	Brisbane (N)	
TUESDAY 18	Beenleigh (T), Ipswich (N)	
WEDNESDAY 19	Gold Coast (T), Toowoomba (N)	
THURSDAY 20	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 21		
SATURDAY 22	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 23		
MONDAY 24	Brisbane (N)	Mount Isa (D)
TUESDAY 25	Beenleigh (T), Ipswich (N)	
WEDNESDAY 26	Gold Coast (T), Toowoomba (N)	
THURSDAY 27	Brisbane (N)	Cairns (N), Mackay (N)
FRIDAY 28	Ipswich (T)	
SATURDAY 29	Capalaba (D)	Bundaberg (D)
SUNDAY 30		Mount Isa (D)

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

MAY	SE QUEENSLAND	NTH QUEENSLAND
MONDAY 1	Brisbane (N)	Bundaberg (D), Mackay (D)
TUESDAY 2	Beenleigh (T), Ipswich (N)	
WEDNESDAY 3	Gold Coast (T), Toowoomba (N)	
THURSDAY 4	Brisbane (N)	Mount Isa (N), Townsville (N), Rockhampton(N)
FRIDAY 5	Ipswich (T)	
SATURDAY 6	Capalaba (D)	Lower Burdekin (D)
SUNDAY 7		
MONDAY 8	Brisbane (N)	
TUESDAY 9	Beenleigh (T)	
WEDNESDAY 10	Gold Coast (T), Toowoomba (N)	
THURSDAY 11	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 12		
SATURDAY 13	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 14		
MONDAY 15	Brisbane (N)	
TUESDAY 16	Beenleigh (T), Ipswich (N)	
WEDNESDAY 17	Toowoomba (N)	
THURSDAY 18	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 19	Ipswich (T)	
SATURDAY 20	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 21		
MONDAY 22	Brisbane (N)	
TUESDAY 23	Beenleigh (T), Ipswich (N)	
WEDNESDAY 24	Gold Coast (T), Toowoomba (N)	
THURSDAY 25	Brisbane (N)	Cairns (N), Mount Isa (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 26	Ipswich (T)	
SATURDAY 27	Capalaba (D)	Bundaberg (D)
SUNDAY 28		
MONDAY 29	Brisbane (N)	
TUESDAY 30	Beenleigh (T), Ipswich (N)	
WEDNESDAY 31	Gold Coast (T), Toowoomba (N)	

GREYHOUND RACING AUTHORITY
RACE DATES 1999/2000

JUNE	SE QUEENSLAND	NTH QUEENSLAND
THURSDAY 1	Brisbane (N)	Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 2	Ipswich (T)	
SATURDAY 3	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 4		Mount Isa (D)
MONDAY 5	Brisbane (N)	
TUESDAY 6	Beenleigh (T), Ipswich (N)	
WEDNESDAY 7	Gold Coast (T), Toowoomba (N)	
THURSDAY 8	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N), Mackay (N)
FRIDAY 9	Ipswich (T)	
SATURDAY 10	Capalaba (D)	
SUNDAY 11		
MONDAY 12	Brisbane (N)	Bundaberg (D), Mount Isa (D)
TUESDAY 13	Beenleigh (T), Ipswich (N)	
WEDNESDAY 14	Gold Coast (T), Toowoomba (N)	
THURSDAY 15	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N)
FRIDAY 16	Ipswich (T)	
SATURDAY 17	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 18		Mount Isa (D)
MONDAY 19	Brisbane (N)	
TUESDAY 20	Beenleigh (T), Ipswich (N)	
WEDNESDAY 21	Gold Coast (T), Toowoomba (N)	
THURSDAY 22	Brisbane (N)	Cairns (N), Townsville (N), Rockhampton (N)
FRIDAY 23	Ipswich (T)	
SATURDAY 24	Capalaba (D)	Bundaberg (D), Lower Burdekin (D)
SUNDAY 25		Mount Isa (D)
MONDAY 26	Brisbane (N)	
TUESDAY 27	Beenleigh (T), Ipswich (N)	
WEDNESDAY 28	Gold Coast (T), Toowoomba (N)	
THURSDAY 29	Brisbane (N)	Cairns (N), Rockhampton (N)
FRIDAY 30	Ipswich (T)	

QHRB Race Dates - 1999/2000

Club	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Abion 1 Sat nights	Sa 3 Sa 10 Tu 13	Sa 7 Sa 14 Sa 21	Sa 4 Sa 11 Sa 18	Sa 2 Sa 9 Sa 16	Sa 6 Sa 13 Sa 20	Sa 4 Sa 11 Sa 18	Sa 1 Sa 8 Sa 15	Sa 5 Sa 12 Tu 15	Sa 4 Sa 11 Sa 18	Sa 1 Sa 8 Sa 15	Sa 6 Sa 13 Sa 20	Sa 3 Sa 10 Sa 17
Weekend day/twilight (3 dates)	Sa 24 Sa 31			Sa 30			Sa 29	Sa 26		Sa 29		
Gold Coast day/twilight (3 dates)	Th 1 Th 8 Th 15 Th 22 Th 29	Th 5 Th 12 Th 19 Th 26	Th 2 Th 9 Th 16 Th 23 Th 30	Th 7 Th 14 Th 21 Th 28	Th 4 Th 11 Th 18 Th 25	Th 2 Th 9 Th 16 Th 23 Th 30	Th 6 Th 13 Th 20 Th 27	Th 3 Th 10 Th 17 Th 24	Th 2 Th 9 Th 16 Th 23 Th 30	Th 6 Th 13 Th 20 Th 27	Th 4 Th 11 Th 18 Th 24	Th 1 Th 8 Th 15 Th 22 Th 29
Redcliffe Weekend day/twilight (3 dates)	Tu 6 Tu 20	Tu 3 Tu 10	Tu 7 Tu 14	Tu 5 Tu 12	Tu 9 Tu 16	Tu 7 Tu 14	Tu 4 Tu 11	Tu 1 Tu 8	Tu 7 Tu 14	Tu 4 Tu 11	Tu 2 Tu 9	Tu 6 Tu 13
	Tu 27	Tu 17 Tu 24 Tu 31	Tu 21 Tu 28	Tu 19 Tu 26	Tu 23 Tu 30	Tu 21 Tu 28	Tu 18 Tu 25	Tu 22 Tu 29	Tu 21 Tu 28	Tu 18 Tu 25	Tu 16 Tu 23 Tu 30	Tu 20 Tu 27
Redcliffe nights (3 dates)	Fr 2 Fr 9 Fr 16 Fr 23 Fr 30	Fr 6 Fr 13 Fr 20 Fr 27	Fr 3 Fr 10 Fr 17 Fr 24	Fr 1 Fr 8 Fr 15 Fr 22 Fr 29	Fr 5 Fr 12 Fr 19 Fr 26	Fr 3 Fr 10 Fr 17 Fr 24 Fr 31	Fr 7 Fr 14 Fr 21 Fr 28	Fr 4 Fr 11 Fr 18 Fr 25	Fr 3 Fr 10 Fr 17 Fr 24 Fr 31	Fr 7 Fr 14 Fr 21 Fr 28	Fr 5 Fr 12 Fr 19 Fr 26	Fr 2 Fr 9 Fr 16 Fr 23 Fr 30
Shaklea Friday day Saturday day (4-TAB) (3 dates)	Sa 3 Sa 10 Sa 17 Sa 24 Sa 31	Sa 7 Sa 14 Sa 21 Sa 28	Sa 4 Sa 11 Sa 18 Sa 25	Sa 2 Sa 9 Sa 16 Sa 23 Sa 30	Tu 2 Sa 6 Sa 13 Sa 20 Sa 27	Sa 4 Sa 11 Sa 18	Sa 1 Sa 8 Sa 15 Sa 22 Sa 29	Sa 5 Sa 12 Sa 19 Sa 26	Sa 4 Sa 11 Sa 18 Sa 25	Sa 1 Sa 8 Sa 15 Sa 22 Sa 29	Sa 6 Sa 13 Sa 20 Sa 27	Sa 3 Sa 10 Sa 17 Sa 24
Shaklea day (4-TAB)	We 7 Sa 17	Sa 7 We 18	We 15 We 22	Sa 2 Mo 4	Th 4 Sa 6	W 1 W 15	Mo 3 Sa 15	We 2 We 15	We 8 We 15	Su 9 Sa 22	Mo 1 Sa 6	Sa 3 Mo 12
	We 26	Sa 21	We 29 We 30	We 13 Sa 30	We 24	Sa 18 Mo 27	Sa 22 We 25	Sa 26	We 29	Tu 25	Sa 27	Sa 17
Hampton Friday day Saturday day (4-TAB) (3 dates)	Sa 10 Sa 17 Sa 24 Sa 31	Sa 7 Su 15 Sa 28	Su 5 Sa 11 Sa 25	Sa 2 Sa 9 Su 24	Su 7 Sa 13 Sa 20	Sa 4 Su 12 Sa 18	Sa 15 Sa 29	Su 6 Sa 12 Su 20	Su 5 Sa 11 Sa 18	Sa 1 Sa 8 Sa 29	Su 7 Su 14 We 24	Su 11 W 21 Sa 24
Windsorville Friday night (4-TAB) (3 dates)	Fr 16 Fr 23 Fr 30	Fri 6 Fr 13 Fr 20	Fr 3 Fr 10 Fr 24	Fr 1 Fr 15 Fr 22 Fr 29	Fr 5 Fr 12 Fr 19 Fr 26	Fr 3 Fr 10 Fr 17	Fr 20	Fr 4 Fr 11 Fr 18	Fr 3 Fr 10 Fr 17 Fr 31	Fr 14	Fr 5 Fr 19 Fr 26	Fr 2 Fr 9 Fr 16

03.06.99:1

SCHEDULE 4

1. Persons permitted to receive the Queensland Racing Calendar and/or the Queensland Racing Program from the Queensland Principal Club (at such times and for such purposes as the Queensland Racing Calendar and/or the Queensland Racing Program were provided as at 20 May 1999):
 - (a) Australian Racing Board
PO Box 159
KENSINGTON NSW 1465
 - (b) New South Wales Thoroughbred Racing Board (Principal Club)
PO Box 528
KENSINGTON NSW 2033
 - (c) Victoria Racing Club (Principal Club)
400 Epsom Road
FLEMINGTON VIC 3031
 - (d) Western Australian Turf Club (Principal Club)
GPO Box 222
BELMONT WA 6104
 - (e) South Australian Thoroughbred Racing Authority (Principal Club)
GPO Box 2646
ADELAIDE SA 5001
 - (f) Tasmanian Thoroughbred Racing Council (Principal Club)
PO Box 1329
LAUNCESTON TAS 7250
 - (g) Darwin Turf Club (Principal Club)
GPO Box 589
DARWIN NT 0801
 - (h) ACT Racing Club
PO Box 1
WATSON ACT 2602
 - (i) Queensland Principal Club (Principal Club)
PO Box 629
HAMILTON CENTRAL QLD 4007
 - (j) Internet www.australian-racing.net.au

Product and Program Agreement

2. Persons permitted to receive the Queensland Racing Calendar and/or the Queensland Racing Program from Queensland Harness Racing Board (at such times and for such purposes as the Queensland Racing Calendar and/or the Queensland Racing Program were provided as at 20 May 1999):
 - (a) Harness Racing Australia, 7th Level, 390 St Kilda Road, Melbourne, Victoria, 3004 www.harness.org.au
 - (b) Mr John Gresham, Racebook Company, PO Box 280, Virginia Qld 4014
Mr Paul Bolack, Bolack Publications, 92 Archer Court, Changers Flat Qld 4133
Media Press (Printers of Trotguide), 7 Garners Avenue, Marrickville NSW 2204
 - (c) Australian Associated Press (AAP Information Services), 9 Lang Street, Sydney NSW

3. Persons permitted to receive the Queensland Racing Calendar and/or the Queensland Racing Program from Greyhound Racing Authority (at such times and for such purposes as the Queensland Racing Calendar and/or the Queensland Racing Program were provided as at 20 May 1999):
 - (a) Internet - information is provided on the Greyhound Racing Authority's own website graq.org.au which is available to all Internet users, and is downloaded by the registered greyhound clubs to produce their race books.
 - (b) Tabform - PO Box 345, Essendon Vic 3040 (Peter and John Pearson)
Bolack Publications - PO Box 186, Archerfield Qld 4108
Australian Associated Press, Sydney NSW (AAP Information Services, 9 Lang Street, Sydney NSW)
Successability Thoroughbred Racing Services - PO Box 95, Jamison ACT 2614 (Warren Block)
DeFax Publications Pty Ltd - Locked Bag 12, Lidcombe NSW 2141 (Nadine Wigley)
 - (c) Greyhound Racing Victoria - 438-442 William Street, Melbourne (Adam Wallish). This information is accessed by VicTab.
 - (d) Dene Newell, Harness Racing Technology, Sydney. This information is provided by the GRA to the Queensland Office of Racing which passes it on to Harness Racing Technology who provide access to the Northern Territory TAB.

- (e) Telads Communications (only the following information provided) – 1st floor, 768 George Street, Sydney NSW 2000:
 - (i) Fields
 - (ii) Scratchings

- (f) NSW Greyhound Racing Authority, 16-18 Bridge Street, Lidcombe NSW

SCHEDULE 5

CONFIDENTIALITY UNDERTAKING

DEED POLL made on 1999

BY [name] of [address] ("the Representative")

TO TOTALISATOR ADMINISTRATION BOARD OF QUEENSLAND of 240 Sandgate Road, Albion ("TABQ")

- OR -

QUEENSLAND RACE PRODUCT CO LTD ACN 081 743 722 of 161 Breakfast Creek Road, Newstead ("Product Co")

BACKGROUND

- A. The Representative has been nominated by [TABQ or Product Co] to represent it on the Product and Strategy Committee established pursuant to the Product and Program Agreement made between Totalisator Administration Board of Queensland, Queensland Race Product Co Limited, The Queensland Principal Club, The Queensland Harness Racing Board and Greyhound Racing Authority.
- B. As a representative of [TABQ or Product Co] on the Product and Strategy Committee, the Representative may come into possession of Confidential Information in respect of which the Representative has agreed to provide this Undertaking.

THIS DEED PROVIDES

1. INTERPRETATION

In this Agreement:

"Confidential Information" means:-

- (a) information of every kind in any way connected with or relating to the:-
 - (i) Race Wagering Business;
 - (ii) The Queensland Racing Calendar;
 - (iii) strategies of the TABQ to promote or develop Race Wagering or strategies of Product Co and the Queensland Control Bodies to promote and develop Racing; or
 - (iv) the Minimum Component.

- (b) information of a person ("the Discloser") which is disclosed to or observed by the Representative at meetings of the Product and Strategy Committee or by reason of the Representative's participation in the Product and Strategy Committee and which is regarded by the Discloser as confidential to it and is so notified to the Representative and which includes information relating to technology, designs, trade secrets, customer databases and information of a commercially sensitive nature;

but Confidential Information does not include any information which:-

- (c) is in the Representatives possession from another source and which was not disclosed in breach of this Undertaking;
- (d) is already in the public domain and was not disclosed in breach of this Undertaking; or
- (e) is independently developed by the Representative, except where the information is based on Confidential Information.

"Financial Year" means a period commencing on 1 July in any year and ending on 30 June in the following year.

"Minimum Component" for a Financial Year, means a minimum number and type of Races scheduled to be conducted in Queensland by Queensland Racing Entities in that Financial Year upon which Race Wagering is to be conducted, and allocated in the manner used in Schedule 2 in the Product and Program Agreement entered into between TABQ and Product Co.

"Product Co" means Queensland Race Product Co Ltd ACN 081 743 722.

"Queensland Control Bodies" means severally, the Queensland Principal Club, the Queensland Harness Racing Board and the Greyhound Racing Authority and their respective successors.

"Queensland Racing Calendar" for a Financial Year, means a calendar of Race Meetings scheduled to be held in Queensland during that Financial Year and which details the number of Race Meetings to be held, the days of the week on which the Race Meetings will be held, whether it will be a day, twilight or evening Race Meeting, the estimated number of Races to be held at the Race Meetings, the estimated numbers of starters in each Race, identification of the Queensland Racing Entity to hold the Race Meetings and identification of the feature Races to be conducted at the Race Meetings.

"Queensland Racing Entity" means entities (whether incorporated or unincorporated) registered by any of the Queensland Control Bodies under the *Racing and Betting Act 1980* as race clubs, trotting clubs and greyhound clubs.

"Race" means a race for galloping horses, trotting horses or greyhounds or any one or more of them as the context requires scheduled to be held at a Race Meeting and "Racing" has a corresponding meaning.

"Race Meeting" means a meeting for lawfully conducting the racing of galloping horses, trotting horses or greyhounds conducted in Queensland by Queensland Racing Entities or conducted outside Queensland.

"Race Wagering" means the conduct of wagering on Racing pursuant to the Race Wagering Licence.

"Race Wagering Business" means the operation of the business of Race Wagering by TABQ.

"Race Wagering Licence" means the wagering licence to be granted to TABQ pursuant to the *Wagering Act 1998*.

"TABQ" means Totalisator Administration Board of Queensland.

2. UNDERTAKING

Subject to clause 3, the Representative undertakes to and agrees with [TABQ or Product Co] that the Representative will:-

- (a) not disclose or provide Confidential Information to any person or allow or assist or make it possible for any person to observe any Confidential Information for any purpose other than for the purposes of the Product and Strategy Committee or [TABQ or Product Co]'s participation in that Committee without the prior written approval of [TABQ or Product Co]; and
- (b) not to exploit or use any Confidential Information for any purpose other than for the purposes of the Product and Strategy Committee or [TABQ or Product Co]'s participation in that Committee.

3. EXCEPTIONS

The Representative will be entitled to disclose Confidential Information if required to be disclosed by:-

- (a) any law or regulation having the force of law; or
- (b) a binding order of any Court of competent jurisdiction or other competent authority,

but only to the extent required by the order, law or regulation concerned and provided that a copy of that binding order, law or regulation concerned, and details of the information and materials to be disclosed are given to [TABQ or Product Co] prior to the disclosure.

4. LAW OF CONFIDENTIALITY

The undertaking contained in this Deed will be in addition to and in no way derogate from any obligation of the Representative in respect of secret and Confidential Information at law, in equity or under any statute, or trade or professional custom or use.

5. DURATION

This Deed shall remain in effect until [TABQ or Product Co] has given the Representative notice in writing that the Representative is released from the obligations contained in this Deed.

6. MISCELLANEOUS

The interpretation and construction of this Deed shall be governed and determined in accordance with the law of the State of Queensland and the parties shall submit to the jurisdiction of the Courts of that State.

EXECUTED as a Deed

SIGNED SEALED AND DELIVERED by the)
Representative in the presence of:)

)
) (Signature)

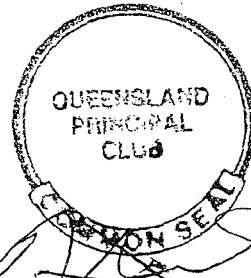
.....
(Signature of Witness)

.....
(Name of Witness in Full)

SIGNED as an agreement.

THE SEAL of QUEENSLAND)
PRINCIPAL CLUB affixed pursuant to a)
resolution of QUEENSLAND PRINCIPAL)
CLUB by)

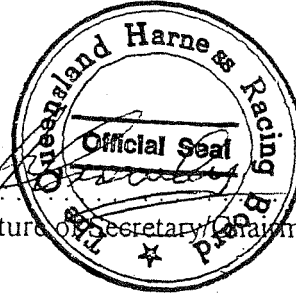
Andrew Craig Maick
.....
(Chairman/Authorised Officer)



.....
(Signature of Chairman/Authorised Officer)

THE SEAL of QUEENSLAND)
HARNESS RACING BOARD affixed)
pursuant to a resolution of QUEENSLAND)
HARNESS RACING BOARD by)

John Bernard Crowley
.....
(Secretary/Chairman)



.....
(Signature of Secretary/Chairman)

THE SEAL of GREYHOUND RACING)
AUTHORITY affixed pursuant to a)
resolution of GREYHOUND RACING)
AUTHORITY by)

Ross Asher Dawson
.....
(Secretary/Chairman)

Ross Asher Dawson
.....
(Signature of Secretary/Chairman)

QUEENSLAND RACING INDUSTRY
INTERCODE AGREEMENT

QUEENSLAND PRINCIPAL CLUB
(QPC)

QUEENSLAND HARNESS RACING BOARD
(QHRB)

GREYHOUND RACING AUTHORITY
(GRA)

MINTER ELLISON
Lawyers
Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

DX 102 Brisbane
Telephone (07) 3226 6333
Facsimile (07) 3229 1065

NPW 9703592

TABLE OF CONTENTS

1.	INTERPRETATION	1
2.	THE ROLE AND OBJECTIVES OF PRODUCT CO	2
3.	UNDERTAKINGS BY THE CONTROL BODIES	2
4.	ALLOCATION OF FUNDS AS BETWEEN CODES	2
5.	FURTHER AGREEMENTS	4
6.	TERM	4
	SCHEDULE 1	5
	SCHEDULE 2	6
	SCHEDULE 3	23

QUEENSLAND RACING INDUSTRY

INTERCODE AGREEMENT

DATE

30 JUNE 1999

PARTIES

QUEENSLAND PRINCIPAL CLUB (QPC) of 161 Breakfast Creek Road, Newstead

QUEENSLAND HARNESS RACING BOARD (QHRB) of Amy Street, Breakfast Creek, and

GREYHOUND RACING AUTHORITY (GRA) of Amy Street, Breakfast Creek

RECITALS

- A. QPC, QHRB and GRA are statutory bodies constituted under the *Racing and Betting Act* to encourage animal racing.
- B. QPC controls, supervises, regulates and promotes galloping horse racing in Queensland.
- C. QHRB, subject to the direction of the Minister, has the control and general supervision throughout Queensland of trotting.
- D. GRA, subject to the direction of the Minister, has the control and general supervision throughout Queensland of greyhound racing.
- E. Pursuant to their respective powers under the *Racing and Betting Act*, the Control Bodies have formed Product Co.
- F. Product Co and the Control Bodies have entered into the Product and Program Agreement with TABQ.
- G. The parties enter into this agreement to record the arrangements between the 3 Codes in relation to Product Co and the distribution of its revenue under the Product and Program Agreement.

AGREEMENT

1. INTERPRETATION

- 1.1 Schedule 1 contains definitions of terms used in this agreement and interpretation provisions.

2. THE ROLE AND OBJECTIVES OF PRODUCT CO

- 2.1 The primary objective of Product Co is to encourage animal racing by acting as agent for the Queensland Racing Industry in its relationship with TABQ.
- 2.2 Product Co is to act in the best interests of the Queensland Racing Industry rather than individual Codes or individual Queensland Racing Entities.
- 2.3 The directors of Product Co are to act in the best interests of Product Co and the Queensland Racing Industry, rather than individual Codes or individual Queensland Racing Entities.
- 2.4 Product Co will receive the Product Fee as agent for the Queensland Racing Industry.
- 2.5 Product Co will distribute the Product Fee in accordance with the provisions of clause 4 of this Agreement.

3. UNDERTAKINGS BY THE CONTROL BODIES

- 3.1 As soon as practicable after signing this agreement, and in any event before the Effective Date, the Control Bodies will cause Product Co to be established by adopting as its Constitution the terms of the draft constitution set out in Schedule 2, and by establishing its membership and board in accordance with that Constitution.
- 3.2 Each Control Body irrevocably appoints Product Co to be its agent for all the purposes of the Product and Program Agreement and for all dealings with TABQ and the receipt of the Product Fee from TABQ.
- 3.3 On or before the Effective Date the Control Bodies will, in consultation with each other and with Product Co, establish arrangements in accordance with clauses 2(d), 5.5 and 5.6 of the Product and Program Agreement.
- 3.4 The Control Bodies will not substantially alter the arrangements established under clause 3.2 without prior consultation with each other, and will in any event meet together at least once each year to consult with each other about the terms and efficacy of the arrangements from time to time in force, and about proposals for changing the arrangements.

4. ALLOCATION OF FUNDS AS BETWEEN CODES

- 4.1 The distribution of income of the Queensland Racing Industry on and from the Effective Date and during the term of the Product and Program Agreement is to be made in accordance with the following fixed distribution percentages (the Distribution Percentage)-

Thoroughbred Code	76.0 %
Harness Code	14.5 %
Greyhound Code	9.5%

SCHEDULE 2

CONSTITUTION OF QUEENSLAND RACE PRODUCT CO LTD

- 4.2 The Distribution Percentage is to apply to-
- (a) all revenue of Product Co, other than payments (if any) made from time to time in reimbursement of actual operating expenses
 - (b) all other payments made to the Queensland Racing Industry for general distribution within the Queensland Racing Industry by the TABQ and/or the Queensland Government or any Minister, department or agency of it including:
 - (i) payment of an amount of approximately \$6 million being the balance of the Racing Development Fund on corporatisation of TABQ, and
 - (ii) payment of an amount of \$10 million on privatisation of TABQ.
- 4.3 Product Co is to pay all amounts for distribution to each Code to the relevant Control Body for that Code. The distribution within each Code will be determined by each Control Body according to the internal arrangements which each of them has in place from time to time with the Race Clubs registered by them.
- 4.4 Despite clauses 4.1, 4.2 and 4.3-
- (a) Product Co is not required to make any payment or distribution if to do so would breach a term of the Product and Program Agreement;
 - (b) where a breach by Product Co of an obligation under the Product and Program Agreement involves or relates to a particular Code, or to a particular Queensland Racing Entity, Product Co is entitled to withhold or defer payment to the Control Body for that Code or Entity until the failure is remedied, and to deduct from the amount withheld a fair and reasonable amount to enable Product Co to remedy the failure and to meet any costs, expenses or damages arising from the failure.
- 4.5 If there is a breach of the kind referred to in clause 4.4(b), the Control Body for the Code or Queensland Racing Entity in breach will indemnify and keep indemnified the other Control Bodies from and against all liability for the breach.
- 4.6 Product Co is to make payments under this agreement within 5 business days after receipt of funds for distribution.
- 4.7 All Queensland Racing Industry costs and expenses of the incorporation and establishment of Product Co, negotiations in relation to the restructure of TABQ, establishing the Product and Program Agreement and this Agreement and implementing those Agreements and the arrangements under clause 3.2, and all ongoing costs and expenses (including the remuneration and expenses of directors of Product Co), to the extent that they are not payable by any other entity, or are not incurred solely for the benefit of a particular Queensland Racing Entity, Control Body or Code, or as a result of the default of any one of them, are to be paid and borne by the Queensland Racing Industry according to the Distribution Percentages.

5. FURTHER AGREEMENTS

5.1 Each of the Control Bodies will-

- (a) enter into any further agreements, and
- (b) cause the Race Clubs under their respective control to enter into agreements,

to ensure that the Product and Program Agreement and this Agreement are fully and properly implemented to the benefit of the Queensland Racing Industry.

6. TERM

6.1 The term of this agreement is the term of the Product and Program Agreement.

SCHEDULE 1

1. 'Codes' means the Greyhound Code, the Harness Code and the Thoroughbred Code.
2. 'Control Bodies' means QPC, QHRB and GRA
3. 'Distribution Percentage' has the meaning given in clause 4.1.
4. 'Effective Date' means the Effective Date as defined in the Product and Program Agreement.
5. 'GRA' means Greyhound Racing Authority and its successors.
6. 'Greyhound Code' means the GRA and each Race Club registered from time to time by GRA under the *Racing and Betting Act*.
7. 'Harness Code' means the QHRB and each Race Club registered from time to time by QHRB under the *Racing and Betting Act*.
8. 'Product Co' means Queensland Race Product Co Ltd ACN 081 743 722.
9. 'Product and Program Agreement' means the agreement described by that name, dated 9 June 1999, entered into by Product Co, the Control Bodies and TABQ, a copy of which is in Schedule 3.
10. 'Product Fee' means all monies payable to Product Co under the Product and Program Agreement.
11. 'QHRB' means Queensland Harness Racing Board and its successors.
12. 'QPC' means Queensland Principal Club and its successors.
13. 'Queensland Racing Industry' means all of the Queensland Racing Entities.
14. 'Queensland Racing Entity' means an entity within the Greyhound Code, the Harness Code or the Thoroughbred Code.
15. 'Race Clubs' means the race clubs, trotting clubs and greyhound racing clubs registered from time to time by the relevant Control Body under the *Racing and Betting Act*.
16. 'TABQ' means the Totalisator Administration Board of Queensland in its present form and as a corporatised and/or privatised entity, and includes any wholly owned subsidiary of that entity.
17. 'Thoroughbred Code' means the QPC and each Race Club registered from time to time by QPC under the *Racing and Betting Act*
18. A reference to any legislation is to be construed in accordance with the *Acts Interpretation Act 1901* (Cth) or the equivalent State legislation, as applicable from time to time.

Friday 2 February 2007

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting commenced at 9.36am
Meeting concluded at 1.45pm

Board Directors Present:	Bob Bentley –Chairman Tony Hanmer – Deputy Chairman Michael Lambert Bill Andrews Bill Ludwig
Management / Employees Present During Various Items:	Malcolm Tuttle – Chief Operations Manager Adam Carter – Finance Manager Darryl Kyle – Business Analyst Shara Murray – Legal Compliance Counsel & Company Secretary Paul Brennan – Racing Services Manager David Rowan – IT & Communications Manager Andrew Hedges – Director Integrity Operations Reid Sanders – Chief Steward Peter Smith – Training & Licensing Manager
Minutes:	Kelly Skuse – Board Secretary

The Deputy Chairman assumed the role of the Chair and commenced the meeting at 9.36am.

The Chairman had been delayed.

SECTION 1 – STANDING ITEMS

1.1 Apologies

There were no apologies.

1.2 Additional Declaration of Conflicts of Interest

The following additional conflicts of interest were declared and added to Attachment “A”:-

- **Mr Bill Andrews**
 - Member of the Racehorse Owners Association.

- **Mr Bob Bentley**

- Director of Australian Racing Board
- Chairman of the Australian National Racing Committee

The Board **NOTED** Attachment “A”.

1.3 Confirmation of Minutes of Queensland Racing Limited BM#6 on 1 December 2006

The Board made the following amendments to the minutes:-

Item 2.5 – “Queensland Race Product Co” (Page 6)

- The word “*resumed*” to be changed to “*assumed*”. This sentence to now read:-

“Mr Hanmer assumed the role of the Chair.”

Item 2.6 – RISA (Racing Information Services Australia) (Page 6)

- The following words to be deleted:-

“and could not give a satisfactory answer”. This sentence to now read:-

“New South Wales Racing’s CEO had been continually frustrating Queensland’s entry and the Chairman undertook that he would progress the matter at the next ARB meeting and have the situation resolved.”

Item 4.2 – State Development – Synthetic Track Project Funding

With respect to the second paragraph, the word “*department*” to be deleted, and the words “*Office of*” to be added.

This paragraph will now read:-

*“The Board **NOTED** the paper provided and Mr Hedges advised that since completion of the paper, he had received a telephone call from the Office of State Development requesting Mr Hedges to provide a four page document as to why Queensland Racing Limited, a public company, limited by guarantee requires Government assistance.”*

Motion moved by Mr Andrews, seconded by Mr Lambert: -

That the QRL Board Meeting Minutes of 1 December 2006 with the above amendments be received and confirmed. **Carried**

1.4 Action Sheet

The Board **NOTED** the action sheet.

1.5 Flying Minute

The Board confirmed that the following matters were dealt with by “*Flying Minute*” since the last Board meeting on 1 December 2006.

- Resolution to approve the draft policy for consultation on the use of registered racetracks for ARQ events (5 December 2006)
- Resolution to approve the Metropolitan Racing Policy - Brisbane (2 January 2007)

Moved by Mr Hanmer, seconded by Mr Andrews:-

That the above Flying Minutes be noted as circulated to the Board.

Carried

Tabling of Product and Strategy Meeting Minutes – 24 November 2006

Mr Hanmer tabled the minutes of the Product and Strategy Committee Meeting held on Friday 24 November 2006.

The Deputy Chairman, Mr Hanmer, vacated the Chair.

The Chairman, Mr Bentley, assumed the role of the Chair.

SECTION 2 – COMMITTEE / EXECUTIVE REPORTS

2.1 Finance Management Report – November 2006 & December 2006

Present – Mr Carter

The Board **NOTED** the finance report as presented by Mr Carter.

November 2006

For the month ended 30 November 2006, Queensland Racing recorded a profit of \$3.5M which is up \$1.2M on budget and up \$1.1M compared to month to date for financial year 05/06 and up \$4.2M compared to year to date financial year 05/06.

December 2006

For the month ended 31 December 2006, Queensland Racing recorded a profit of \$547K which is up \$1.3M on budget and up \$347K compared to month to date for financial year 05/06.

The year to date profit is at \$9.4M, up \$4.8M on budget due to the increase in Product and Program fees being an increase of \$3.6M or 8% on financial year 05/06. The Board **NOTED** the reduction in administration expenditure, the main component being the decrease in legal fees expended on the Daubney / Rafter Commission.

Given the strong growth in wagering in the first 6 months of the year with an estimated 5% growth on financial year 05/06 and if costs remain in accordance with budget then a forecasted profit of \$5M remains achievable.

Mr Lambert raised the issue of prizemoney distributions to the industry and whether the Racing Department considered any increases for 2007 / 2008.

Mr Andrews commented that consideration should be given to country and provincial prizemoney as Queensland Racing has raised the prizemoney to acceptable levels for the metropolitan programme.

The Chairman informed the Board that he had already had discussions with Mr Brennan and a recommendation will be forthcoming to the Board in due course and the needs of country and provincial prizemoney levels will be considered.

2.2 Wagering Report – November 2006 & December 2006

Present – Mr Tuttle, Mr Kyle and Mr Carter

The Board noted the wagering report.

In summary Mr Kyle highlighted the following:-

- The average wagering turnover per Queensland TAB meeting is \$1.036M on two less meetings to financial year 05/06.
- Product and Program Fee \$3.2M (+8.3%) ahead of budget and \$2.7M better than the year to date November 05 result.
- Wagering on overseas product for November 2006 was \$3.8M and year to date \$14.58M. This equates to approximately \$904K revenue, fees of \$431K. Net return of approximately \$473K with Thoroughbred share (76%) or \$359K.

The Chairman advised the Board that the QTC / BTC / Gold Coast would also be recipients of a revenue payment from Sky Channel from their separate agreements.

Mr Kyle advised that for the 2007 / 2008 year he was considering a conservative 2½ % turnover increase for budgeting purposes.

2.3 Audit Committee Report

Mr Lambert advised that the Audit Committee meeting had taken place prior to this Board meeting.

The Committee discussed the following items:-

- **Review of Non-TAB Clubs** - Clubs were identified who were underperforming.
- **Quarterly Operational Key Performance Indicators (KPI's)** – Additional Racing Appeal information to be incorporated.

- **Financial Management Practice Manual (FMPM)** – This has been completed and will be placed on QRL website. A version for Clubs is to be distributed.
- **Risk Management Policy** – A workshop with TAB Clubs deferred from March to May 2007 to incorporate risk management.
- **Insurance Public Liability Update** – QRL is seeking to settle as many claims as possible and trying to reduce the cost.

The Board **NOTED** the report from Mr Lambert.

SECTION 3 – ITEMS FOR DECISION

3.1 Licensing Report

Present – Mr Tuttle

The Board **ADOPTED** the licensing report.

Motion moved by Mr Hanmer, seconded by Mr Andrews:-

That the new licenses for the period 23 November 2006 to 22 January 2007 as presented be approved.

Carried

3.2 Cairns Jockey Club Relocation Project

Present – Mr Tuttle, Mr Kyle and Ms Murray

Ms Murray updated the Board on the proposed sale of Cannon Park, Cairns and the relocation of the Cairns Jockey Club facility to Warner Road

Ms Murray advised that the original “*in principle*” approval from QRL was conditional as set out in QRL’s letter to the Cairns Jockey Club dated 2 July 2004 and confirmed in correspondence dated 26 September 2006.

The Board asked Mr Kyle of his assessment of the original business plan, and had he received any information subsequent that would cause him to rethink his position. Mr Kyle advised that he had considered an amount of material that had been provided by the Cairns Jockey Club which had forwarded an updated financial plan dated 8 December 2006. Mr Kyle said that he had assessed the material, but on the information before him and the projections given he could not recommend the plan to the Board.

Advice received from Mr Hubbard of PricewaterhouseCoopers (PWC) was also discussed in detail.

The Board acting on the advice of PWC and a thorough analysis by executive staff resolved to advise the Cairns Jockey Club that it will withdraw its in principle approval for the sale of the Cannon Park complex.

Motion moved by Mr Hanmer, seconded by Mr Ludwig:-

The Board resolved to withdraw its in principle approval for the sale of the Cannon Park complex on the basis that the conditions precedent has not been met.

Carried

Follow-Up:-

- Advise the Cairns Jockey Club and the Hon. Andrew Fraser MP, Minister for Local Government, Planning, Sport and Recreation that QRL is withdrawing its in-principal approval for the sale of the Cannon Park complex, due to the conditions precedent not being met.

3.3 Employment of Video Production Resource

Present – Mr Brennan and Mr Rowan

Mr Brennan advised that the purpose of this paper was for the Board to consider the employment of a cameraman / editor to fill a part time position which had been vacated. The Board **NOTED** that for the past 2 years, QRL had employed a part time cameraman to take footage at feature racedays throughout regional Queensland, which is then provided to Sky Channel and Regional Television Stations for their dissemination.

Mr Brennan and Mr Rowan outlined the proposed initiatives that would be undertaken with the employment of a full time cameraman / editor for a 12 month trial period.

Motion moved by Mr Hanmer, seconded by Mr Andrews:-

QRL to engage the services of a full time cameraman on a 12 month contract. The effectiveness of this initiative to be reviewed after 6 and 12 months.

Carried

3.4 Contribution to Queensland Racehorse Owners' Association

Present – Mr Brennan and Mr Rowan

Mr Brennan advised that the purpose of the paper was for the Board to consider approving a financial contribution to the Queensland Racehorse Owners' Association (QROA) Gold Card initiative.

Mr Brennan advised that he and Mr Tuttle met with Mr Wayne Milner to discuss a proposal that would provide Queensland owners similar privileges to those offered throughout Victoria, when attending Queensland TAB meetings.

Mr Brennan advised that the concept had been extremely well received by all the clubs approached and there is agreement that each of the clubs would receive an annual payment in return for providing increased privileges to Queensland owners.

Mr Brennan stated that he intended to fund this initiative from the unutilised prizemoney pool, in which at the end of December 2006 there was \$560,000 out of a budgeted \$610,000 for the 2006/07 financial year.

Motion moved by Mr Lambert, seconded by Mr Hanmer:-

For the Board to approve a \$100,000 one off contribution to the Queensland Racehorse Owners Association (QROA) for the costs associated with the implementation of the Queensland Gold Card.

In providing these funds to the QROA, QRL is to stipulate that RISA is to administer this system on behalf of the QROA.

Carried

3.5 Local Rule 31

Present – Ms Murray

Ms Murray highlighted the amendments to Local Rule 31.

Mr Andrews outlined some minor changes directly to Ms Murray.

The Board approved the amendments to Local Rule 31.

Carried

3.6 One-Fifth Odds

Present – Mr Hedges and Mr Sanders

The Board **NOTED** Mr Sanders paper which requested Board approval for Queensland Bookmakers to at least offer one-fifth odds for the place bet when betting “Win and Place” or “Each Way” betting when there are 8 or more runners.

Mr Sanders advised that currently Local Rule(LR) 140 requires bookmakers to offer at least one quarter of the odds on display for the win if there are 8 or more runners.

The Board **RESOLVED** that no changes be made to LR 140.

3.7 Sale of Demountable Buildings

Present – Mr Brennan

The Board considered Mr Brennan’s paper on the potential sale of a number of the demountable buildings located on the Deagon facility that were previously utilised by Queensland Race Training.

The Board **NOTED** that there were 6 demountable buildings that were in the Deagon facility and presently only two of these blocks were used by the Training Department.

Mr Brennan highlighted the amount that QRL paid for each of these blocks and the various options he had considered.

Motion moved by Mr Andrews, seconded by Mr Ludwig:-

That QRL put out to tender the purchase and removal of the four demountable buildings, to ensure the sale and removal of these structures is transparent and that the industry receives an equitable return on these assets.

Carried

SECTION 4 – ITEMS FOR DISCUSSION / NOTING

4.1 Merger of Equals, Brisbane Turf Club (BTC) & Queensland Turf Club (QTC) (Mergeco)

Present – Mr Tuttle

Mr Tuttle updated the Board in relation to the merger of equals between the Brisbane Turf Club (BTC) and the Queensland Turf Club (QTC).

The Board **NOTED** the tabled documents as follows:-

- Constitution of Mergeco Limited
- Merger of Equals – Timetable
- February 2007 QRL Magazine Article by the Chairman
- Indicative Costs of the Merger of Equals

Mr Tuttle advised the Board that the BTC in particular had moved from their originally stated position regarding the sale of Doomben. Mr Lambert stated that for the Merger to be successful, the individual Boards of the BTC and QTC would need to make a recommendation.

Mr Hanmer advised the Board that he had met with the Phillips Group, a public relations communication consultancy company who had prepared a proposal to assist with the public relations support for *Mergeco*.

Motion moved by Mr Hanmer, seconded by Mr Lambert:-

To approve the proposal submitted by the Phillips Group for QRL to the sum of \$150,000.

Carried

4.2 Update on Gold Coast Turf Club Relocation

Present – Mr Tuttle

The Chairman reported that it looked like that the Gold Coast Turf Club relocation project was feasible. The Board **NOTED** that the Chairman was presently in the process of collating a submission for Government on this proposal. The Chairman will keep the Board informed of any future developments.

4.3 Strategy for South Queensland Clubs

Present – Mr Tuttle

Mr Tuttle advised that the purpose of the Board paper was to transmit to the Board a copy of the document which had been prepared for Government in relation to QRL's strategy for metropolitan racing in Brisbane, the development of Corbould Park and the relocation of the Gold Coast Turf Club.

The Board **NOTED** the document.

4.4 Economic Impact Re: Potential Relocation of the Gold Coast Turf Club

Present – Mr Tuttle

The Board **NOTED** the Board paper provided by Mr Tuttle on the projected economic impact associated with a potential relocation of the Gold Coast Turf Club (GCTC) and Magic Millions (MM).

Mr Tuttle highlighted that the GCTC and MM are rapidly outgrowing the Bundall site and the lack of potential growth associated with the current site has attracted criticism from a number of areas. He advised that QRL had been investigating the potential relocation of the GCTC to a site at Palm Meadows in accordance with the Chairman's comments regarding the relocation of the GCTC.

The Board **NOTED** the key findings in the IER report.

4.5 Analysis of Stabling Requirements for South East Queensland - Recommendations

Present – Mr Tuttle

Mr Tuttle outlined to the Board the recommendations and proposed follow-up actions regarding the analysis of stabling requirements for South East Queensland.

The Board **NOTED** the comprehensive report.

4.6 Main Roads Resumption (Deagon)

Present – Mr Brennan

Mr Brennan advised the Board on the potential Main Roads resumption of a small portion of the Deagon facility.

The Board heard that the potential resumption was part of the second Gateway Bridge proposal, which will necessitate widening the corridor between the Gateway Bridge and the Bruce Highway.

At this stage the amount of land, if any, required to be resumed is yet to be determined, although early indications are that only a small parcel of land adjoining the Gateway Motorway will be required.

Mr Brennan advised that after viewing the proposed area of land, he was of the view that any resumption would not have any significant impact on the existing track, other than the shortening of the 900m chute.

The Board **NOTED** the information provided by Mr Brennan.

4.7 Quarterly Operational Key Performance Indicators

Present – Mr Kyle

Mr Kyle provided the Board with operational key performance indicators for the year to date to the end of the second quarter (ending 31 December 2006).

In summary Mr Kyle reported that for the year to date to the end of December 2006 QRL appears to be operating well in all areas due mainly to growth in the major revenue line and cost control.

4.8 Sunshine Coast Racing Pty Ltd

Present – Ms Murray

Ms Murray updated the Board in relation to Sunshine Coast Racing Pty Ltd. The Board **NOTED** that the Sunshine Coast Racing Pty Ltd had their first official Board meeting on 8 January 2007.

Ms Murray tabled the draft Caloundra City Council minutes from the meeting dated 18 January 2007, wherein a resolution was passed confirming the execution of the Contract of Sale of Corbould Park Racecourse.

4.9 Queensland Principal Club & Ors – ats- Hognno & Lee

Present – Ms Murray

Ms Murray updated the Board in relation to a Supreme Court action where the Plaintiffs claim against the Queensland Principal Club for misfeasance in public office, negligence, defamation and costs on an indemnity basis and against former stewards, Reardon and Clifford in 1998.

The Board **NOTED** the update and were of the view that this matter should be settled as soon as practicable.

Motion moved by Mr Andrews, seconded by Mr Lambert:-

That a formal offer of settlement be made to the Plaintiffs' Solicitors comprising of:-

1. *\$120,000 for damages plus costs of the District Court scale to be assessed if not agreed.*
2. *That the plaintiffs discontinue their present proceedings against QRL.*
3. *That the plaintiffs execute a release in favour of QRL on terms to be agreed.*
4. *The offer of settlement to remain open for a period of 14 days from the date upon which the offer is received.*
5. *Ms Murray to seek further instructions from Mr Andrews once a response is received to our offer.*

Carried

4.10 Bowen Turf Club Subdivision

Present – Ms Murray

Ms Murray advised the Board that out of the 8 parcels of land in the first subdivision there were only two remaining lots which were presently under contract but had not settled. It was **NOTED** that settlement was pending.

Ms Murray advised also that the second subdivision of land was presently being negotiated and the subdivision would probably be finalised in approximately 6 months.

The Board would be kept updated on developments as they occur.

4.11 Racing Information Services Australia (RISA)

Present – Ms Murray

Ms Murray updated the Board in relation to QRL's entry into RISA.

It was reported that all Principal Racing Authorities have signed the Participation Agreement for QRL's entry to RISA, except for Racing NSW.

The Board **NOTED** the correspondence dated 17 January 2007 from the Chairman to Mr Andrew Harding.

Attempts were presently being made to resolve the matter.

The Board to be kept updated on this matter.

4.12 Race Fields Legislation and Betting Exchanges

Present – Mr Hedges and Mr Sanders

Mr Hedges advised that the purpose of this paper was to provide the Board with an overview of what is occurring across Australia in relation to Race Fields Legislation and Betting Exchanges.

Mr Hedges advised that he will keep the Board informed of any developments in relation to Race Fields legislation and betting exchanges.

The Board **NOTED** the report.

4.13 Synthetic Track Project Update

Present – Mr Hedges and Mr Sanders

Mr Hedges and Mr Sanders updated the Board on the synthetic track project.

It was reported that expression of interest documentation was sent out to six key suppliers of all weather synthetic surfaces. The deadline has now closed and expressions of interest were received from all six suppliers. The submissions consist of comprehensive information which must be compared against selection criteria.

Mr Hedges also reported that he met with the Coordinator-General and the Deputy Coordinator General to discuss the progression of the funding proposal for the installation of four synthetic surfaces at Sunshine Coast, Gold Coast, Toowoomba and Eagle Farm.

The Board will be kept informed on developments and submissions to Government.

The Chairman advised that when he was recently in Singapore, the Singapore Turf Club advised that they are installing a polytrack and stalock surface by the end of February 2007. The Singapore Race Club has agreed to share its information on the track projects with QRL. The Chairman will review the track surfaces in approximately April or May 2007, once they have had time to settle.

4.14 Employment of Foreign Trackriders

Present – Mr Smith

Mr Smith advised that the purpose of his paper was to keep the Board informed on the current options regarding the employment of foreign trackriders.

Mr Smith highlighted that different states have attempted to address the shortage of trackriders throughout Australia through accessing overseas riders and apprentices.

Mr Smith advised the Board that there is no likelihood of a variation in threshold criteria for Labour Agreements and the terms and conditions of employment applying

to applicants (employers or employees). These criteria are fixed for all industries, trades and skills and are never varied for individual situations.

The Board thanked Mr Smith for his comprehensive report.

SECTION 5 – GENERAL BUSINESS

5.1 Next Meeting – 2 March 2007

The Chairman confirmed that the next Board meeting would take place on **Friday 2 March 2007**.

5.2 Smart Card Proposal

Present – Mr Rowan and Mr Brennan

Mr Rowan and Mr Brennan reported that they and other QRL Managers had met with Mr Bill Murray, who had developed the concept of a smart card. The smart card was to incorporate the possible payment of prizemoney, petrol discounts and an identification card.

The amount of potential revenue that could be generated from this card was calculated to be in the order of \$5 million.

Mr Rowan stated that QRL needed to look at the viability of the card and whether it can be promoted as something that is required by licensees.

5.3 Reduction of Consumption of Water Usage

Present – Mr Hedges and Mr Brennan

Mr Hedges and Mr Brennan reported that the Hon Andrew Fraser MP, Minister for Local Government, Planning, Sport and Recreation had requested that QRL review the water usage consumption for all race clubs. Mr Hedges and Mr Brennan reported that they were working with the Clubs to develop a strategy for all Clubs.

Follow-Up:-

The Chairman advised the executives that this project was to be ongoing and outcomes to be monitored.

5.4 Liquor Licensing Breach – Queensland Turf Club (QTC)

Present - Mr Hedges

Mr Hedges reported that unofficially Liquor Licensing have charged the Queensland Turf Club for their breach of the Liquor Licensing Act. Mr Hedges reported that as the Control Body we will be advised officially.

Mr Ludwig inquired if the licensed areas were to be reduced at the QTC. If this was to occur as a consequence there could be a review whether underage people should be allowed entry on those larger race days.

5.5 Asian Racing Conference - Dubai

The Chairman reported that he attended the Asian Racing Conference which was held in Dubai. (Conference – 21 to 25 January 2007).

The changes that were being contemplated by QRL were consistent with the progress that was being made internationally. Speakers from the U.S.A., France and Japan all emphasised the need for synthetic surfaces, particularly from an animal welfare and water saving position.

Co-mingling of pools was a major topic, but there were many problems that needed addressing internationally as rules and stewards' interpretations varied greatly. The co-mingling of pools benefits those racing states that own the totalisators and control the racing industry, like Western Australia, Singapore, Japan and Hong Kong.

It was very evident that countries where there was Government ownership of racing, the Governments of those countries are investing heavily in racing infrastructure, realising the flow on value of the connection between international trade and racing.

The Chairman reported that from a racing point of view the conference was beneficial.

The meeting concluded at 1.45pm.

Confirmed as a true record



R.G. Bentley

Chairman

Dated... 2.../...3.../...../2007

ATTACHMENT “A”

Mr Bob Bentley

Director of UNiTAB Limited
Director of Tattersall’s Limited
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Bill Ludwig

Secretary of the Australian Workers’ Union (including signing of all correspondence and Industrial Instruments)
Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Board Member of WorkCover Queensland

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners’ Association

MEMORANDUM

TO: MR BOB BENTLEY

FROM: MR MALCOLM TUTTLE

**SUBJECT: CONSIDERATION FOR AUSTRALIAN RACING
PRODUCT AND QUEENSLAND RACING
PROGRAM**

DATE: APRIL 28, 2008

Bob,

Following on from our discussions this morning and telephone conversations with Mr Barrie Fletton of UNITAB and Mr Myles Foreman of RISA, it appears as though it will be difficult to obtain detailed information on the breakdown of wagering within the various pooling jurisdictions in Australia.

There may be an opportunity to pursue this information though the Australian Racing Board, as discussions increase regarding the 'Gentleman's Agreement'. However, in terms of the Product and Program Agreement, each of the Control Bodies and Product Co. has an obligation to supply the Australian racing product (ARP) and Queensland racing program.

The ARP, in the Product and Program Agreement, is defined as Australian racing information, which is in the format specified by TAB Queensland (TABQ) to Product Co. in accordance with Clause 9.3 of this agreement or any part of it. Clause 9.3 provides detail in relation to the format of the ARP as required by TABQ. Australian racing information is defined as all information relating to racing Australian that is necessary for the efficient and effective conduct of race wagering on racing in Australia and includes information of the nature set out in schedule one of the Product and Program Agreement.

Quite clearly, the obligation of Product Co. to supply the ARP to TABQ was built on the agreement known as the 'Gentleman's Agreement' whereby the various States and Territories throughout Australia exchange racing product, that is racing information free-of-charge on the basis that pari-mutuel wagering operators will use that information to generate race wagering and ultimately, as

a result, provide a Product Fee, through various mechanisms, to the Principal Racing Authority in each of the States.

Notwithstanding that accurate information in relation to the amount of wagering that occurs on the various States' product with the various pari-mutuel wagering operators will be difficult to obtain, we are able to determine an indicative position regarding import and export of Queensland thoroughbred product.

Mr Adam Carter is currently preparing a report dealing with the 2006/07 Financial Year on domestic thoroughbred racing only. Adam has been requested to consider the total Queensland UNiTAB pool for thoroughbreds only (bearing in mind this is the Queensland component of the overall pool and will exclude the South Australian and Northern Territory components) and to deduct the Queensland thoroughbred wagering component. As a result, this will leave all wagering, other than that which has occurred on Queensland thoroughbreds. International thoroughbred product will also be removed.

Following this, Adam will obtain a total pari-mutuel wagering figure on Queensland thoroughbreds throughout Australia (estimated to be at approximately \$1,576.81M less the amount that is wagered on Queensland thoroughbreds in the Queensland component of the overall UNiTAB pool. This will leave an amount that is wagered on Queensland thoroughbreds in pools, other than the UNiTAB pool.

On the basis that the later figure is greater than the amount of wagering that occurs on other thoroughbred products in the Queensland UNiTAB pool, Queensland Racing Limited should be considered a net exporter of wagering on its own product through pari-mutuel operators in Australia.

Adam should have the above figure shortly, although, it will be difficult to obtain the same information for other States of Australia.

On the basis that UNiTAB would be prepared to release specific information for the Northern Territory and South Australia, the position for these States could be obtained, however, we would be reliant on TABCORP to provide detailed information on its pools.

Myles Foreman has outlined that he continues to seek information from both UNiTAB and TABCORP and may be in a position in the not too distant future to release this information, but could only do so with the approval of both UNiTAB and TABCORP.

In terms of the obligation supply of the ARP, Product Co. must, under the provisions of the Product and Program Agreement, provide this to UNiTAB. Failure to do so causes TABQ to obtain the equivalent to the ARP from any other source and in doing so may incur a Third Party Charge (TPC). The amount of the TPC must be reasonably commercial having regard to the need to maintain continuity of the ARP. In procuring the ARP and incurring a TPC TABQ is then entitled to reduce the Product Fee payable to Product Co.

accordingly. It is impossible to forecast, with any degree of certainty, what a TPC may be.

Regards
Malcolm

Note. Adam has just advised that based on the 2006/07FY, Queensland Racing was a net exporter of \$70.5M of thoroughbred product. Please advise if anything further is required at this stage.

Cc. Mr Adam Carter (hand delivered)
Finance Manager, Queensland Racing Limited

End Memorandum...



Minutes of
Queensland Racing Limited
Board Meeting



Friday 4 July 2008

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced at 8:30am
Meeting Concluded at 2:52pm

Board Directors Present: Bob Bentley – *Chairman*
Tony Hanmer
Michael Lambert
Bill Ludwig
Bill Andrews

In attendance: Mal Tuttle – *Chief Operations Manager*
Jamie Orchard – *Director Integrity Operations*
Adam Carter – *Finance Manager*
Paul Brennan – *Racing Services Manager*

Minutes: Laura Hains – *Board Secretary*

The Chairman commenced the meeting at 8.30am.

SECTION 1 – STANDING ITEMS

1.1 Apologies

The Board noted the apology of Mr Bill Ludwig.

1.2 Declaration of Conflicts of Interest

The Board NOTED Attachment “A”.

1.3 Confirmation of Minutes of Queensland Racing Limited BM#22 on 6 June 2008

The Board made the following amendments to the minutes:-

2.1 Palm Meadows Update*Michael Lambert*

Under matters that need to be addressed - matter 1 be changed to read.

1. Meetings with GCCC officers to gain sufficient information to decide whether to proceed either through normal council processes or seek to proceed through the Project of State Significance process

3.1 Finance and Wagering Report April 2008*Adam Carter*

The finance and wagering minute is to now read.

April 2008 resulted in a surplus of \$626K compared to the budget of \$1 million. QRL surplus YTD in FY 07/08 is up \$6.4 million to \$19.6 million from \$13.2 million YTD in FY 06/07. In April revenue is up \$1.4 million on budget due to the timing of the Training Track Subsidy of \$400K and Magic Millions feature race funds of \$595K. Expenditure is also up \$2.3 million on budget mainly due to unplaced starter rebates for the Magic Millions of \$563K .

Wagering for thoroughbreds in April has decreased -0.58% as compared to the increase in Harness 24.5% and Greyhounds 25.83% for April. QLD Thoroughbreds share of 3 code wagering in QLD is 76.55% and 22.72% of National Thoroughbred wagering.

Product and Program Fee is \$3.75 million or 4.6% down on budget YTD and \$1.82 million or 2.3% down on prior year.

Performance Indicators show that QRL's revenue and operating costs have been affected by the outbreak of EI in all areas. Total additional costs due to EI from 25 August 2007 to 30 April 2008 are \$1.103 million.

Total Project Costs to date for FY07/08 are \$1.616 million.

Total Capital Works contribution costs to date for FY07/08 are \$1.315 million.

The Board APPROVES the April 2008 Finance and Wagering Report.

3.2 Cairns Jockey Club*Adam Carter*

Paragraph four is to now read:

'Forecasts supplied show operating profit for FY 07/08 of \$86,200 and operating profit before depreciation of \$159,554'

4.5 Section 113 – Racing Act 2002*Shara Murray*

The following words be removed from the end of the first sentence - *'and the future problems that will be encountered'*

5.5 Tax Relief – Outline of Approach*Malcolm Tuttle*

The word ‘blushed’ be changed to ‘*published*’

The Board **RESOLVED** that the QRL Board Meeting Minutes of 6 June 2008 with the above amendments be received and confirmed.

MOVED by Mr Michael Lambert, **SECONDED** by Tony Hanmer

1.4 Action Sheet*Chairman*

The Board **NOTED** the action sheet.

1.5 Correspondence / Matters for Noting*Chairman*

The Board noted the Correspondence in the Agenda and the following was tabled and discussed:

- ◆ **Letters from the QTC and BTC in response to the Chairman’s letter concerning the combined Master Planning Process for Doomben and Eagle Farm. – See attachment “B”**

The Board **RESOLVED** that Mr Bentley respond to both the QTC and BTC correcting information in their letters, in line with QRL’s policy and the Board position.

- ◆ **Letter from Wayne Milner, Chairman of BTC titled “Open Letter to Members” – See attachment “C”**

The Board **RESOLVED** that Adam Carter is to contact the BTC and clarify the financial position of the BTC and advise the Board.

ACTION

Adam Carter to ascertain the financial situation of the BTC and advise the Board.

- ◆ **Letter from the BTC and QTC re: “Admin Subsidy” – See Attachment “D”**

The Board discussed the correspondence at length and **RESOLVED** that QRL will continue to pay admin subsidy until the merger occurs, the current policy be amended to continue subsidy until 1 July 2009.

ACTION

Adam Carter to be advised that the administration subsidy will be payable for the full financial year 08/09.

SECTION 2 – DIRECTORS

2.1 Palm Meadows Update

Michael Lambert

Mr Lambert updated the Board on the Palm Meadows development. The following matters need to be progressed to complete the feasibility assessment:

- ◆ Meetings with GCCC Councillors to gain sufficient information to decide whether to proceed either through normal council processes or seek to proceed through the Project of State Significance process.
- ◆ Satisfactory response from the Treasurer in regard to earlier correspondence.
- ◆ Satisfactory ‘in-principle’ signoff with the Officers on the principles for assessing the hydrological assessment of the development.
- ◆ Completion of the highest and best use valuation of the Bundall site, with input and commercial assessment from Stockland and satisfactory hydrology and traffic assessments
- ◆ Satisfactory Stockland market assessment of the Palm Meadows commercial development.
- ◆ Agreement with GCTC on the development and its role with the racing component of the development
- ◆ Value management assessment of the racing facilities and a final valuation of the development.
- ◆ Agreement with Treasury on bridging finance of the development

The Board **NOTED** the update provided.

2.2 RISA: Report on Board Meeting

Michael Lambert

Mr Lambert advised that there were three (3) RISA meetings held in Sydney on 19 June 2008.

- 1) First meeting of the Trainers Service Centre
- 2) Meeting of members
- 3) Meeting of the RISA Board

Mr Lambert provided an overview of all three (3) meetings as detailed in the board paper and then provided the following recommendations to the Board:

1. Note the report on RISA and members meetings
2. Agree to put in place actions to enforce the regulatory requirement for horse ownership syndicates to have a AFSL
3. Support the National Race Book product and encourage all TAB clubs to utilise the product
4. Provide in principle endorsement for the adoption of a single national system covering all the IT systems used for PRA's, subject to further work to be undertaken and the execution of a Memorandum of Understanding with RISA on this project.
5. Commission IT to assess the likely major IT software systems development that will need to be undertaken in the next five (5) to seven (7) years.

6. Assess further the benefits of QRL participating in a national bet monitoring system by exploring the matter both with RISA and Racing Victoria
7. Undertake a full assessment of QRL's copyright protections, having regard to the check list to be provided by Allens

The Board made the following comments to three (3) of the recommendations:

5. David Rowan, IT manager has been sought to conduct a review of QRL's IT commitments for the next five (5) years.
6. Mal Tuttle to discuss with Jamie Orchard the Director Integrity Operations the commitment by QRL to this system.
7. Mal Tuttle to explore with Allens the terms of such a review.

The Board added the recommendation below to the list:

8. Explore with ARB and RISA obtaining legal advice on intellectual property on broadcasting rights on racing.

The Board **APPROVED** the recommendations 1- 7 contained within the Board paper with the above comments and added recommendation 8 as detailed above.

MOVED by Tony Hanmer **SECONDED** by Bill Andrews

2.3 Legislation to restructure NSW racing

Michael Lambert

Mr Lambert provided advice to the Board on his understanding of the intent of the revised NSW Race Fields Legislation. *See attachment "F"* Mr Lambert also tabled at the meeting the Racing Legislation Amendment Act 2006. *See attachment "E"*

Mr Lambert advised that he will be meeting with Peter V'Landys the CEO of Racing NSW on Monday 7th July 2008. At this meeting Mr Lambert will attempt to clarify the following issues:

1. Whether Tabcorp (NSW) will have its current 4% fee on NSW TAB turnover replaced with the 1.5% fee on turnover on NSW races
2. How will the stated prime purpose of the legislation, stated to be to impose a fee on free riders, work in the case of corporate book makers and Betfair operating on phone and internet wagering which does not require the wagering entity to access racing information.
3. Is there intended to be uniform 1.5% fee
4. Ability of NSW to impose its fee on interstate wagering entities
5. Implications of the break down of The Gentlemen's Agreement.

Mr Lambert then concluded that while the legislation may have a modest benefit of charging a fee to wagering operators who are currently free riders, the negative impact on the way racing is paid will have major windfall financial impacts, both positive and negative, and will break down The Gentlemen's Agreement with negative consequences for the quality of the National Racing Program.

The Board **AGREED** with Mr Lambert's interpretation of the NSW Legislation.

ACTION

Mr Lambert to update the Board at the next meeting of the issues he intended to clarify with Mr Peter V'Landys CEO Racing NSW.

2.4 Queensland Racing Industry Awards 2008/2009*Tony Hanmer*

Mr Hanmer updated the Board on the Queensland Racing Industry Awards (QRIA) for 2008/2009.

The 2008 QRIA will be held on Thursday 14th August at the Sofitel Hotel Brisbane.

Mr Hanmer advised that due to the Equine Influenza (EI) a somewhat scaled down awards night has been appropriate. Mr Hanmer also advised that 42 tables, 420 person event at \$140.00 per person for a glamorous Black Tie Evening has been confirmed.

Mr Hanmer advised that sponsorship targets have already been met and exceeded, only 2 tables remain to date. The QRIA will be preceded by the QTC EKKA day; the QTC has agreed to give all attendees free entry to this race day.

Mr Hanmer advised that current sponsors will immediately be approached after the 2008 event to ensure continuity is maintained. Gold Class sponsors will also be invited to a race day at Doomben on July 16 and a Golf Day at North Lakes on July 21.

Mr Hanmer advised that a sponsor for alcohol has not been signed as yet but assuming a sponsor is signed the cost should only be approximately \$20K -\$30K.

The Board **NOTED** the update and thanked Mr Hanmer and the communications team for their good work.

2.5 EI Marketing Campaign*Tony Hanmer*

Tony Hanmer updated the Board on the current situation regarding the Equine Influenza Marketing Initiative Fund (EMIF).

Mr Hanmer advised that the State Government via the Racing Office will shortly confirm the allocation of these funds to Queensland Racing, in parallel to this process creative concepts have been produced and a concept is currently being worked up to finality.

Mr Hanmer advised that to ensure commitments are not made until funding is finally approved the programme has been slowed. However, it is anticipated that a further report will be available for the August Board meeting.

The Board **NOTED** the update provided.

2.6 Constitutional Issues (In-Camera)**Chairman**

Mr David Grace of Cooper Grace and Ward and Mr Orchard of QRL attended the meeting at 11 a.m.

Mr Grace explained the background and requirements to be met prior to a Board resolution being passed calling meetings of Class A members, Class B members and a General Meeting of Queensland Racing Limited.

In particular, Mr Grace noted that each Board member had a conflict of interest in respect of the proposal to amend the Constitution of Queensland Racing Limited as the result of the proposed amendment would be to extend the term of the Board from three (3) years to six (6) years without rotation, provide the Board members with remuneration during the extended period of office and modify the way Board members are selected in future.

Mr Grace advised that a joint opinion has been obtained from Mr David Jackson QC of the Sydney Bar and Mr Andrew Herbert of the Brisbane Bar who have advised that while each Board member has a conflict of interest, there is nothing illegal or contrary to the principles of corporate governance in proceeding in the manner proposed, namely to make a declaration of conflict and, with the benefit of ASIC's declaration, to call a meeting of each class of members and a general meeting to seek the amendment to the constitution. The opinion suggested that extending the period in office of Board members to six (6) years is not excessive and even the longest serving members' period of eight (8) years is acceptable, being on 'the extremity of reason'.

The joint opinion of Mr Jackson QC and Mr Herbert was tabled. *See attachment "G"*

In light of the conflict existing, Mr Grace advised that Board members were prevented from resolving to call the class and general meetings unless either:

1. A quorum of members without a conflict passed the resolution;
2. ASIC makes a declaration allowing the Board to consider the matter despite the conflict; or
3. A general meeting is called to consider the matter.

As neither options 1 nor 3 were feasible, Counsel having recommended that, in the interests of the Directors being seen to be squeaky clean, Directors not take option 3, ASIC had been approached and had made the necessary declaration.

The declaration of ASIC dated 3 July 2008 was tabled. *See attachment "H"*

Each of the following members then signed and tabled a declaration in relation to their conflict of interest :

- Mr Robert Bentley;
- Mr Tony Hanmer;
- Mr Bill Andrews; and
- Mr Michael Lambert

Mr Grace outlined the process for the selection of Board members in future and the manner of conducting the class and general meeting on 6 August 2008. In particular, the importance of each Class A member appointing a proxy (not relying upon the member's representative) to vote at the meeting of Class A members was stressed.

Bill Ludwig then joined the meeting by telephone and Mr Grace repeated the substance of the matters already discussed. In particular Mr Grace outlined the issues relating to the conflict of interest and invited Mr Ludwig to make the declaration in the same terms as the other members. Mr Ludwig made the declaration in those terms.

The Board **RESOLVED** to:

1. Convene a meeting of Class A members of Queensland Racing Limited at 10.30 a.m. on 6 August 2008 to consider the matters set out in the tabled notice of meeting;
2. Convene a meeting of Class B members of Queensland Racing Limited at 11a.m. on 6 August 2008 to consider the matters set out in the tabled notice of meeting; and
3. Convene a General Meeting of Queensland Racing Limited at 11.30 a.m.(or earlier to immediately follow the finish of the Class B Members' meeting on 6 August 2008 to consider the matters set out in the tabled notice of meeting.

The resolution was **MOVED** by Mr Lambert and **SECONDED** Mr Hanmer.

Mr Grace and Mr Orchard then withdrew from the meeting.

SECTION 3 –9 DEPARTMENTS

3.1 Finance and Wagering Report May 2008

Adam Carter

May 2008 resulted in a MTD deficit of \$3M. Revenue is up \$761K due to the Product and Program fee being above budget. QRL surplus is up \$4.2 million from \$12.3 million YTD in FY 06/07 to \$16.6 million YTD in FY 07/08.

MTD Expenditure capital works is down \$123K on budget due to variances in the racing program such as club capital works, Jockey Work Cover and consultancy costs.

Month on month growth in wagering for Queensland shows thoroughbreds increasing for May at 10.75% compared to the increase in Harness 13.14% and Greyhounds 38.00%. QLD Thoroughbreds holding 76.43% of 3 code wagering in QLD and 23.83% of National Thoroughbred wagering.

YTD Product and Program Fee is \$2.94 million or 3.33% down on budget and \$0.963 million or 1.11% down on prior year. Forecasted surplus for FY07/08 is to be approximately \$14M.

Performance Indicators as reported in the Business Plan show that QRL's revenue and operating costs have been affected by the outbreak of EI in all areas. Total additional costs due to EI from 25 August 2007 to 31 May 2008 are \$1.2 million excluding \$457K reimbursement for inoculations from the DPI.

Total Project Costs to date for FY07/08 are \$1.898 million.

Total Capital Works contribution costs to date for FY07/08 are \$1.348 million.

The Board **APPROVED** the May 2008 Finance and Wagering Report.

3.2 Budget - Version (2)

Adam Carter

Mr Carter updated the Board on the Budget for FY08/09. Mr Carter advised that the budget has been developed to complement the Business Plan and new prizemoney initiatives. The Budget incorporates the Racing Program and Administration, Integrity Operations, Racing and Administration, the Deagon Training Facility Project

Mr Carter provided an overview of the QRL project expenditure for FY08/09. The Board made the following comments:

B1 Deagon Development

The Board noted that the amount of \$12 million may not be incurred and is subject to a feasibility study that is still to be prepared and subsequent approval of the Board for the Master Plan.

Synthetic Tracks

The Government Contributions are not recognised on QRL's income statement until tracks are installed. The Board noted that self funding of \$9 -\$10million may be incurred for both Toowoomba and Deagon after the contribution of \$4 M per track Government Funding.

Gold Coast - Palm Meadows

Mr Lambert advised that the only costs to be taken into account in the FY08/09 budget should be the feasibility and consultancy expenses up to \$1 million. However, if the project is to be approved the costs could be up to \$10.8 million.

Sky Channel Broadcast Rights

Mr Tuttle advised that this should be in the vicinity of \$600K not \$1 million.

Oncourse Broadcast Production

Mr Tuttle advised that Mr Lou Bickle is no longer interested in selling the business. This item is to be removed from the proposed project expenditure list.

Rockhampton Jockey Club Course Development

Mr Lambert advised that the proposed upgrade should be captured in the budget as a QRL contribution.

Mr Adam Carter then tabled 'Version 2 budget recommendations' *See attachment "I"*

The Board **APPROVED** the Version 2 Budget recommendations detailing an operating surplus before extraordinary items of \$841K and Net Deficit after extraordinary items of \$8.8M with the exception of recommendation 4 to be deferred to the August Board meeting once further analysis has been done.

MOVED Tony Hanmer **SECONDED** Michael Lambert

3.3 Commercial Horse Assistance Payment Scheme Update *Adam Carter*

Mr Carter updated the Board on the Commercial Horse Assistance Payment Scheme (CHAPS) and the Trainers who currently have outstanding CHAPS monies.

Mr Carter advised the Board that through the CHAPS reconciliation process for CHAPS I, II and III there were a number of underpayments and overpayments where incorrect horse numbers were declared, incorrect statutory declarations or incorrect paperwork submitted. Mr Carter advised that this has resulted with additional payments being made to trainers. A review has been undertaken both internally and by an independent auditor to ensure that the cost recovery of \$360K is in accordance with the Federal Government CHAPS funding guidelines.

Mr Carter detailed the CHAPS I, II & III recovery

1. CHAPS I recovery from initial payment for 31 days - \$268K, 74.3% of total outstanding.
2. CHAPS II recovery \$75K, 20.9% of total outstanding.
3. CHAPS I, II & III recovery \$14K 4% of total outstanding
4. CHAPS 5YO recovery \$3K 1% of total outstanding

Mr Carter advised that QRL is required to abide by the requirement of the Dept. Agriculture, Fisheries and Forestry (DAFF) funding agreement and must recover costs from trainers where the guidelines were not complied with.

Mr Carter advised that the total outstanding CHAPS payment is \$360K. Mr Carter also advised that if Trainers do not repay their debt they will be placed on the forfeit list and will not be able to nominate in accordance with QRL credit terms for trainers. Trainers have been given 60 days from date of invoice to pay the money. Mr Carter sought approval from the Board to grant an additional 4 weeks for trainers to repay the money.

Mr Carter advised that a full review of all outstanding debt as at 30 June 2008 will be provided to the Audit Committee on the 8 August 2008. Mr Carter also advised that if QRL is unsuccessful in recovering the outstanding debt, QRL will incur the outstanding costs on behalf of DAFF and not be reimbursed.

The Board **APPROVED** the additional credit terms of 4 weeks for trainers to repay the outstanding CHAPS money.

ACTION

Adam Carter to update the Board at the next meeting of outstanding CHAPS repayments.

3.4 Risk Management Policy Version (2)

Adam Carter

Mr Carter presented to the Board a generic guide for the establishment and implementation of the QRL Racing Industry Risk Management Policy Version 2 and processes for both TAB clubs and Non TAB clubs.

The Board **RESOLVED** to approve the policy 'in principle', with the policy to be signed off by the Audit committee in August 2008.

3.5 Event Management Policy Version (2)

Adam Carter

Mr Carter presented to the Board a generic guide for the establishment and implementation of the QRL Racing Event Management Policy Version 2 and processes for both TAB clubs and Non TAB clubs. The policy compliments the Industry Risk Management Policy.

The Board **RESOLVED** to approve the policy 'in principle', with the policy to be signed off by the Audit committee in August 2008.

4.1 Metropolitan Racing Policy

Malcolm Tuttle

This Policy was discussed under item 1.5 *Correspondence for noting*. The Board **RESOLVED** to keep the current policy until 1 July 2009 subject to a complete review and the outcome of the proposed merger of the QTC and BTC.

4.2 Review of Policy

Chairman

The Board were advised that the 'Forms Policy' was due to expire in July 2008. The policy was reviewed by Mr Malcolm Tuttle, Chief Operations Manager and no changes were necessary.

This was **NOTED** by the Board.

5.1 Deagon Development*Malcolm Tuttle*

Mr Tuttle updated the Board in relation to the development of the Deagon Training Centre (DTC)

Mr Tuttle advised that previously the Board has committed to the upgrade of the DTC to include infield stabling and improved training facilities.

Mr Tuttle advised that Nettletontribe has been engaged as the architect. THG Resource Strategists have been engaged to assist with the preliminary stages of town planning. Mr Warren Williams the General Manager of BTC has been engaged to facilitate best practice in relation to track design. The Board was further advised that a meeting was planned with the local Councillor and that the Board could expect to receive further concept drawings at the next meeting.

The Board **NOTED** the updated.

5.2 Business Plan 08/09*Malcolm Tuttle*

Mr Tuttle tabled with the Board the Draft Business Plan 2008/09 Version 3.

The Board discussed the draft plan and recommended that the document be reduced in size by removing the less strategic initiatives.

5.3 Strategic Plan 2008 -2011*Malcolm Tuttle*

This item was deferred to the August 8, 2008 Board Meeting.

5.4 Oncourse Broadcast Production*Malcolm Tuttle*

The Board **NOTED** that Mr Lou Bickle has decided not to offer for sale his Oncourse Broadcast Company.

5.5 Broadcast Rights*Malcolm Tuttle*

Mr Tuttle advised the Board that this project had been progressed on the basis that there will be an aggregation and assignment of Broadcast Rights.

Mr Tuttle advised that subsequent to the Meeting on May 22, 2008 with all TAB clubs, he wrote to them requesting 'in-principle' support, albeit conditional, for the aggregation and assignment of broadcast rights. The replies received to date are attached to the Board paper.

Mr Tuttle advised that QRL has outlined to the clubs that it will fund the engagement of consultants/negotiators that will have primary carriage of the project.

The Board noted Mr Lambert's comments that recent advice to RISA suggested that PRAs may have some ownership of the IP as it relates to Broadcast.

Mr Tuttle undertook to ensure this was qualified prior to progressing with the project on the basis that the Clubs hold primary ownership of the Broadcast.

Mr Tuttle also advised that he and the Chairman have held discussions with TVN, and TVN's advice was that QRL kept their options open. To the extent they had no fundamental objection to the prospect of QRL becoming an equity partner in TVN.

The Board **NOTED** the update.

5.6 Licensing Assistance Group

Malcolm Tuttle

Mr Tuttle sought approval from the Board to contribute \$50K per annum to the Licensee Assistance Association (LAA).

Mr Tuttle advised that on June 22, 2008 he and Mr Bill Andrews met with the current members of the LAA. At the meeting a number of matters were discussed, these include:

- A request for the current constitution of the LAA;
- The role of the Jockeys Assistance Association;
- The structure of the LAA;
- The number of and nature of the meetings held by the LAA; and
- General discussion in relation to the role of the LAA.

Mr Tuttle advised that one of the main issues faced by the LAA is its lack of capacity to raise sufficient funds to make a material difference for distressed licensees. As such, Mr Tuttle proposed that the Board of QRL commit to an annual contribution of \$50K to assist in this regard.

Should the Board agree to commit to this contribution with the first payment in the 2008/09 financial year, Mr Bill Andrews has undertaken to join the LAA with a view to assisting with the role of the association, whilst ensuring that the association conducts its business to an appropriate standard.

The Board **APPROVED** the contribution to the LAA of \$50K per annum and **NOTED** that Mr Bill Andrews will be joining the LAA as a member.

MOVED Tony Hanmer **SECONDED** Michael Lambert.

5.7 Increased Industry funding – Outline of Approach*Malcolm Tuttle*

Mr Tuttle sought approval from the Board to engage IER to undertake an exercise that will lead to an approach being made to the Queensland State Government for additional industry funding.

Mr Tuttle advised that IER is a company that is well positioned to prepare a detailed analysis, which could lead to an application for the redirection of wagering tax to the racing industries in Queensland.

Mr Tuttle advised that meetings have been held with the Chief Executive Officers (CEO's) of the QLD Harness and Greyhound codes to confirm their support for an approach to the Government for taxation relief.

Mr Tuttle advised that the financial costs for the work of IER is approximately \$84K.

During an informal discussion with Mr Bob Lette, Chairman of QLD Harness it was suggested that QRL could contribute 50% of the overall cost with Harness and Greyhound 25% each. This has not been formally put to either of the Harness or Greyhound Boards. Mr Tuttle advised that on the basis that QRL accepts this approach the financial impact will be approximately \$42K.

The Board **APPROVED** the engagement of IER and paying 50% of the costs associated with the study.

MOVED Bill Andrews **SECONDED** Tony Hanmer.

5.8 Equine Influenza – Callinan Report*Malcolm Tuttle*

Mr Tuttle updated the Board in relation to the Callinan Report, the Federal Government's response, and the Equine Influenza (EI) Class Action proposed by law firm, 'Attwood Marshall'.

Mr Tuttle provided an overview of the proposed action by 'Attwood Marshall', which can be found in the Board paper corresponding to this item.

The Board discussed the item at length and **RESOLVED** that QRL would not pursue the joining of a Class Action or similar at this stage

6.1 Licensing Report*Peter Smith*

There were no issues with the licensing report.

The Board **APPROVED** the May 2008 Licensing Report

MOVED by Bill Andrews, **SECONDED** by Michael Lambert

7.1 Sponsorship Policy

David Rowan

Mr Hanmer provided an overview of the paper compiled by David Rowan IT Manager, for the approval of the Board.

The Board reviewed the draft policy provided and made no changes

The Board **APPROVED** the sponsorship policy and **NOTED** it's publication on the QRL intranet site.

7.1 History of Racing in Queensland

Claire Power

Mr Tuttle provided an overview of the paper compiled by Claire Power Senior Communications Officer seeking a decision from the Board to further develop the project to officially record History of Racing in Queensland.

Mr Tuttle advised that to further develop this initiative the following areas will need to be clarified:

- Financial implications including research and staffing
- Duration
- Overall expectation to the form of a project plan

Mr Tuttle sought a commitment from the Board for the amount of up to \$250,000 to be incurred in the 2008/09 financial year.

The Board **APPROVED** the development of the above initiative and a commitment of \$250,000 to be incurred in the FY08/09.

MOVED Tony Hanmer **SECONDED** Bill Andrews

8.1 Regional Seminars

Paul Brennan

Mr Brennan updated the Board on the 12 Regional Seminars recently conducted throughout Queensland from 11 June – 23 June 2008.

Mr Brennan advised that all the seminars went in excess of four (4) hours and during the breaks and at the conclusion, seminar participants had the ability to liaise directly with QRL Board and staff.

In addition to the seminars providing a great opportunity for QRL to interact with stakeholders, Mr Brennan advised that they also acted as a great team building exercise with those staff and Board members in attendance being required to work together to appropriately engage and inform participants.

Mr Brennan asked the Board to note the update and expressed his interest towards discussions on the benefits associated with the conduct of these seminars at two to three year intervals.

Additionally, Mr Brennan recommended that once QRL has revised the governance, funding and race dates model it would be beneficial for the Chairman to attend a number of regional venues to discuss the benefits associated with the revised model, prior to holding discussions with the Queensland Country Racing Committee and Government.

The Board **NOTED** the update provided by Mr Brennan.

8.2 Winter Carnival Update

Paul Brennan

Mr Brennan updated the Board on the racing related performance indicators benchmarked during the Queensland Winter Racing Carnival.

Mr Brennan tabled an updated spreadsheet that provides a three year comparison of off-course wagering and average starters, as well as interstate and overseas participation. *See attachment "J"*

Mr Brennan highlighted that the National racing schedule has been completely disrupted following EI and the draconian quarantine requirements implemented by New Zealand Authorities. It made it nearly impossible for international participants to participate in QLD's Winter Carnival.

Mr Brennan advised that despite the downturn in the above-mentioned areas, wagering has grown by 5.1%.

The Board discussed the need for a better marketing campaign in the lead up to the next Winter Carnival, and in particular a campaign to canvass our New Zealand stakeholders.

The Board **NOTED** the update

8.3 Corbould Park Lights

Paul Brennan

Mr Brennan sought the Boards further approval on the installation of lights at Corbould Park due to an increase in the initial quote.

Mr Brennan advised the Board at the June Meeting that contractors Neil T Fallon Services Pty Ltd should be approved at a cost of \$4.3 million (ex GST). However, since the last Board meeting this cost has risen to an amount of \$ 6 – 7 million.

Mr Brennan advised that due to the increase he has requested Neil T Fallon Services Pty Ltd to separate the quote in three (3) areas: The lighting of,

1. Synthetic Track
2. Course Proper
3. Both

Mr Brennan will then provide this advice to the Board for approval.

Mr Brennan again advised that the Sunshine Coast Racing Trust does not have sufficient funds to facilitate this project and that it is proposed that QRL be responsible for the costs associated with the installation of the lights and that QRL takes additional units in the Sunshine Coast Racing Trust.

The Board **NOTED** the update and await the advice on the break up of costs of the three proposals. Mr Brennan advised that this may be dealt with by way of flying minute, prior to the next Board meeting.

9.0 General Business

Chairman

Gold Coast Turf Club - Renovation of Ground Floor areas of the Club.

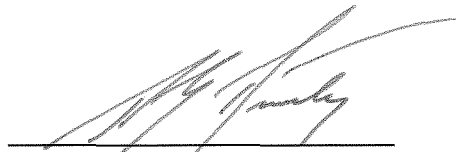
The Chairman tabled correspondence from the Gold Coast Turf Club seeking approval to incur approximately \$843,218.26 plus GST, for renovations to the Ground Floor areas of the Club. *See attachment` "K"*

The Board **APPROVED** the Gold Coast Turf Club to incur the expenditure for Renovations of the Ground Floor areas of the Club.

MOVED Bill Andrews **SECONDED** Tony Hanmer.

MEETING CONCLUDED AT 2:52PM

CONFIRMED AS A TRUE RECORD.



R.G. Bentley

Chairman

Dated...../...../2008

ATTACHMENT “A”

Mr Bob Bentley

Director of Tattersall’s Limited
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Michael Lambert

Director of RISA
Director of the Trainers Service Centre

Mr Bill Ludwig

Secretary of the Australian Workers’ Union (including signing of all correspondence and Industrial Instruments)
Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Board Member of WorkCover Queensland

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners’ Association

COMMERCIAL IN CONFIDENCE

MINUTES OF PRODUCT AND STRATEGY COMMITTEE MEETING
HELD AT UNITAB HEAD OFFICE ON
TUESDAY 15 JULY 2008 AT 10.00AM

<u>Attendees:</u>	Mr T Hanmer	-	QR
	Mr M Tuttle	-	QR (ex officio)
	Mr A Kelly	-	QHRB (ex officio)
	Mr D Beavis	-	GRA (ex officio)
	Mr B Fletton	-	UNITAB
	Mr B Tamer	-	UNITAB

Mr Tony Hanmer assumed the chair.

Item 1: Report on the performance of UNITAB's Queensland race wagering business for F08 – (Product Co)

All Queensland totalisator sales in F08 finished within 0.3% of F07 notwithstanding an EI decimated first half which saw the business turn 6.7% down on the corresponding period in F07 at the halfway mark of F08. The strong H2 result was underpinned by the introduction of fractional betting, fewer interruptions from inclement weather and more overseas racing coverage. On-course sales in H2 (-1.3%) did not recover to the extent of off-course sales (+7.1%).

The significant contribution made by the greyhound racing industry through EI was noted. Revenue on sales of \$2.039M was 15.981% within the statutory cap allowable of 16.000%.

Item 2: Report on UNiTAB's wagering turnover and revenue performance for F09 - (Product Co)

The pattern of strong growth experienced in F08 H2 is expected to continue into H1 F09. Despite the ongoing threat of reduced discretionary spending fuelled by spiralling petrol prices and rising interest rates the growth rate is anticipated to accelerate to be in the vicinity of 4% to 5% in F09.

Revenue is expected to be between 15.900% and 15.925% in F09.

Item 3: Report on UNiTAB's wagering turnover on the 2008 Winter racing carnival - (Product Co)

Weaker than expected sales of \$32.6M was the lowest returned since \$30.6M in 2003. Sales were knocked around by additional competition from a delayed Sydney Autumn Racing Carnival, knock on effects of EI which affected interstate and New Zealand participation, odds-on favourites in both of the BTC's Group 1 sprint races and inclement weather in the latter part of the carnival.

Mr. Tuttle indicated that they are cognisant of the need to optimise the quality of the available horse pool by avoiding a clash with the Sydney Autumn Racing Carnival wherever possible, but still allowing sufficient time for connections to ready their charges for the Spring Racing Carnival.

Item 4: Amendment requested to clause 6.2 (f) of the Product and program Agreement - (UNiTAB)

UNiTAB tabled Confidentiality Agreement signed by Messrs Fletton and Tamer (committee members) and Mr Powell and Ms Tucker as alternates.

Item 5: Queensland Racing's wet weather policy – (UNiTAB)

Whilst QR's current policy does allow for the transfer of a turf meeting at the Sunshine Coast to the cushion track in the case of inclement weather this option does not extend to other race tracks.

Queensland Racing is monitoring the response to their recently introduced wet weather policy at the Sunshine Coast and thought will be given to applying the policy across other south-east Queensland venues in the case of extreme circumstances.

Item 6: Queensland Racing's night racing intentions – (UNiTAB)

Mr Tuttle provided a brief overview of Queensland Racings future night racing intentions which included the installation of lights at the Sunshine Coast to assist the seamless transition from turf to a cushion racing surface in Toowoomba in the near future. QR indicated that it will explore other time slot opportunities to utilise the lights at the Sunshine Coast once Toowoomba comes back on line. No additional product is planned.

Item 7: Future competitor sponsorship of Queensland racing – (UNiTAB)

UNiTAB considered the sponsorship of race 5 at Doomben on Wednesday 16 July 2008 to be in breach of the Product and Program Agreement (PPA).

Mr Tony Hanmer undertook to raise the matter with the BTC to remind them of their obligations with respect to sponsorship under the PPA.

Item 8: Queensland Harness Board (QHRB) and Greyhound Racing Authority's (GRA) racing calendars – (UNiTAB)

Recent developments at the Gold Coast and Albion Park racing complexes encouraged UNiTAB to request an update on the future of the harness and greyhound racing in Queensland.

Both Mr Kelly and Mr Beavis indicated that they are confident that an optimal outcome can be delivered by three race tracks albeit in the case of the GRA at two venues to ensure current levels of racing continue to be available to UNiTAB punters. They advised that there will be no disruption to Sky Channel coverage.

Item 9: Combining the STAB, NSWTAB and UNiTAB totalisator pools – (QHRB)

Mr Fletton indicated that UNiTAB intended to maintain the strategic advantage of a separate pool whilst bidding for interstate wagering licences. He noted that in the longer term, serious consideration would be given to combining pools where smaller volumes warranted this. UNiTAB is currently developing the capability to comingle but is at least twelve months away from being in a position to offer co-mingled pools.

Item 10: Interactive TV and the timing of its introduction into Queensland, South Australia and the Northern Territory – (QHRB)

UNiTAB has signed a Memorandum of Understanding with Two Way to allow it to progress the development of an interactive wagering platform in Queensland. UNiTAB is hopeful that interactive wagering can be rolled out within the next six to twelve months provided the Queensland Office of Liquor, Gaming and Racing views its submission as an extension of existing selling channels.

Our level of confidence in making interactive wagering available to South Australia punter's is significantly lower than in Queensland whilst the Northern Territory will have to wait until interactive wagering is available on the Astar platform.

Item 11: UNiTAB's position on the Victorian wagering licence - (QHRB)

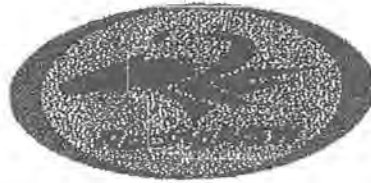
Despite the complex logistical considerations involved UNiTAB reaffirmed its intention to bid for the Victorian wagering licence allocated in 2012.

Item 12: "The Gentleman's Agreement" – Combating the corporate bookmakers and betting exchanges – race field legislation – (QHRB)

Mr Tuttle indicated that whilst QR believed that it would not be disadvantaged by New South Wales race field's legislation based on the existing racing schedule QR would encourage the Queensland government to introduce similar legislation to ensure that it avoided becoming an importer of racing.

The meeting closed at 12.45pm

---oOo---



22 July 2008

Mr Barrie Fletton
Chief Executive
UNITAB Wagering
240 Sandgate Road
ALBION QLD 4010

Dear Mr Fletton

Publication of NSW Race Fields by Australian Wagering Operators

I refer to your letter dated 16 July 2008 which Racing NSW received yesterday.

The recently proclaimed amendments to the *Racing Administration Act 1998 (NSW)* ("the Act") require all wagering operators, amongst persons, to obtain the approval of Racing NSW to any publication of a NSW thoroughbred race field (whether that publication occurs in NSW or elsewhere).

No exemptions from the requirement to obtain approval from Racing NSW under the Act have been granted to any wagering operator. Racing NSW would strenuously object to any such exemption being granted to UNITAB Wagering or any other wagering operator.

Accordingly, UNITAB Wagering will need to apply to Racing NSW for approval under the Act to publish NSW thoroughbred race fields. In accordance with the *Racing Administration Regulations 2005 (NSW)* ("the Regulations"), such application is ordinarily required to be lodged with Racing NSW at least 30 days in advance (i.e. by 2 August 2008 given the "offence" provisions of the Act commence from 1 September 2008). However, to facilitate the introduction of this new regime, Racing NSW has publicly stated that it will accept applications up to 11 August 2008 for a 1 September 2008 commencement.

Racing NSW, in administering race fields approvals under the Act, will treat on a consistent basis all wagering operators who hold a wagering licence under the laws of any Australian State, the ACT or the Northern Territory irrespective of the type of betting they conduct (whether totalizator operators, bookmakers or betting exchanges).

I will not respond in detail in relation to each of the specific matters raised in your letter, but would note the following:

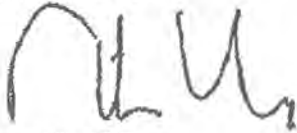
- The "mutuality conventions" to which you refer in your letter are not legally binding nor are they formally recognized. Rather it is an informal practice which developed in the context of a wagering market and regulatory environment very different from that which currently prevails. The current regulatory and commercial landscape for

RACING NSW (ABN 88 281 604 417)
Level 7, 61 Druitt Street, Sydney NSW 2000
Telephone: (02) 9551 7600
Facsimile: (02) 9551 7601

wagering in Australia was taken into account by Racing NSW in formulating the fees which it will charge to all Australian wagering operators under the race fields legislation. To put Racing NSW's proposed charges into context, they will represent less than 25% of the fees which you state in your letter are being paid by UNITAB to the Queensland and SA racing industries and apply only in respect of bets taken on NSW thoroughbred racing.

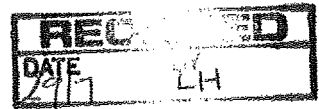
- UNITAB Wagering's arrangements with RISA, which expire in November 2008, related to the supply to UNITAB Wagering of formatted, consolidated wagering information for which UNITAB Wagering pays a fixed annual data processing and formatting fee. These arrangements are different in kind to, and do not confer, an approval to publish NSW race fields for the purpose of the Act.

Yours Faithfully



Peter V'landys
Chief Executive

cc. Qld Racing
SA Racing
NT Government
RISA
The Hon. Graham West MP, NSW Minister for Gaming and Racing



24 July 2008

Mr Malcolm Tuttle
Chief Operations Manager
Queensland Racing
SANDGATE QLD 4017

Dear Malcolm

Re: Publication of NSW Race Fields by Australian Wagering Operators

Further to my letter dated 16 July 2008, please find enclosed the response we have received from Racing NSW on the matter of the publication of NSW race fields.

As you will note from the Racing NSW response, Racing NSW would object to UNiTAB being granted an exemption from the requirement to obtain approval from Racing NSW to publish NSW thoroughbred race fields as required by the Racing Administration Act 1998 (NSW) (the Act). As part of this approval process, UNiTAB would be required to pay a fee equal to 1.5% of its wagering turnover on NSW thoroughbred races to Racing NSW. A similar fee will also be required in relation to NSW greyhound racing. We do not yet know whether Harness Racing NSW also intends to charge a fee to publish its race fields.

As you would be aware, pursuant to its obligations under the Product and Program Agreement dated on or about 9 June 1999 between UNiTAB (formerly TABQ), Queensland Race Product Co Limited (**Product Co**) and each of the Queensland Control Bodies, Product Co is required to, amongst other things, supply to UNiTAB for use in its race wagering business, *'information relating to racing in Australia that is necessary for the efficient and effective conduct of race wagering on racing in Australia'* (**Australian Racing Product**). Australian Racing Product would, by its very definition, include access to and publication of NSW thoroughbred race fields in UNiTAB's race wagering business.

Clauses 9.5 and 10.2 of the Product and Program Agreement relevantly provide that should Product Co be unable to procure the supply of Australian Racing Product as required by UNiTAB, UNiTAB may reduce the product fee payable to Product Co by any amount required to be paid by UNiTAB to procure the Australian Racing Product for use in its race wagering business. In the case of NSW thoroughbred racing, this amount would be equal to 1.5% of wagering turnover on NSW thoroughbred racing (**NSW Race Fields Fee**).

Please accept this letter as written notification that should UNiTAB be required to pay the NSW Race Fields Fee or any similar fee to Racing NSW, UNiTAB will off-set this amount against the product fee payable to Product Co.

NSW Race Fields/002

UNiTAB Limited ABN 84 085 691 738
240 Sandgate Road, Albion, Queensland, 4010, Australia
PO Box 248, Albion, Queensland, 4010, Australia
Tel: 61 7 3637 1500 Fax: 61 7 3256 2373
www.TABonline.com.au
A Tatts Group Company

RQL.106.002.0119



Obviously, we would not wish to see the Queensland racing industry negatively impacted by the actions of Racing NSW, however, as you would appreciate, without exemption from the requirement to be approved by Racing NSW, UNITAB will be forced by way of legislation to pay this fee.

We therefore ask that you take this matter up with Racing NSW as a matter of urgency with a view to resolving this matter in a manner which is satisfactory to both the Queensland racing industry and UNITAB.

I look forward to your advice on the outcome of your discussions with Racing NSW.

In the event that you come to the view that Racing NSW wishes to remain intransigent on this matter, you may like to consider whether an approach to the Queensland Government to introduce like legislation will assist you in compensating for some or all of the losses incurred as a result of the NSW legislation.

In the meantime, should you wish to discuss this matter further, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to be "Barrie Fletton", written over a horizontal line.

Barrie Fletton
Chief Executive

Bob
Bentley
copy

PRIVATE & CONFIDENTIAL



**QUEENSLAND
RACING**

BOARD MEETING #24

**Friday 8 August 2008
at 9:30am**

11



BOARD PAPER NUMBER: 1.1

Apologies

There are no apologies

1.2



BOARD PAPER NUMBER: 1.2

Declarations of Conflict of Interest

Please find attached declarations of Conflict of Interest.

Mr Bob Bentley

Director of Tattersall's Limited
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Michael Lambert

Director of RISA
Director of the Trainers Service Centre

Mr Bill Ludwig

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)
Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Board Member of WorkCover Queensland

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners' Association

1.3



BOARD PAPER NUMBER: 1.3

Confirmation of Minutes of:

Board Meeting #23 – 4 July 2008

Please find draft minutes attached.



Minutes of
Queensland Racing Limited
Board Meeting



Friday 4 July 2008

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced at 8:30am
Meeting Concluded at 2:52pm

Board Bob Bentley – *Chairman*
Directors Tony Hanmer
Present: Michael Lambert
 Bill Ludwig
 Bill Andrews

In attendance: Mal Tuttle – *Chief Operations Manager*
 Jamie Orchard – *Director Integrity Operations*
 Adam Carter – *Finance Manager*
 Paul Brennan – *Racing Services Manager*

Minutes: Laura Hains – *Board Secretary*

The Chairman commenced the meeting at 8.30am.

SECTION 1 – STANDING ITEMS

1.1 Apologies

The Board noted the apology of Mr Bill Ludwig.

1.2 Declaration of Conflicts of Interest

The Board NOTED Attachment “A”.

**1.3 Confirmation of Minutes of Queensland Racing Limited BM#22 on
6 June 2008**

The Board made the following amendments to the minutes:-

2.1 Palm Meadows Update

Michael Lambert

Under matters that need to be addressed - matter 1 be changed to read.

- 1. Meetings with GCCC officers to gain sufficient information to decide whether to proceed either through normal council processes or seek to proceed through the Project of State Significance process*

3.1 Finance and Wagering Report April 2008

Adam Carter

The finance and wagering minute is to now read.

April 2008 resulted in a surplus of \$626K compared to the budget of \$1 million. QRL surplus YTD in FY 07/08 is up \$6.4 million to \$19.6 million from \$13.2 million YTD in FY 06/07. In April revenue is up \$1.4 million on budget due to the timing of the Training Track Subsidy of \$400K and Magic Millions feature race funds of \$595K. Expenditure is also up \$2.3 million on budget mainly due to unplaced starter rebates for the Magic Millions of \$563K.

Wagering for thoroughbreds in April has decreased -0.58% as compared to the increase in Harness 24.5% and Greyhounds 25.83% for April. QLD Thoroughbreds share of 3 code wagering in QLD is 76.55% and 22.72% of National Thoroughbred wagering.

Product and Program Fee is \$3.75 million or 4.6% down on budget YTD and \$1.82 million or 2.3% down on prior year.

Performance Indicators show that QRL's revenue and operating costs have been affected by the outbreak of EI in all areas. Total additional costs due to EI from 25 August 2007 to 30 April 2008 are \$1.103 million.

Total Project Costs to date for FY07/08 are \$1.616 million.

Total Capital Works contribution costs to date for FY07/08 are \$1.315 million.

The Board APPROVES the April 2008 Finance and Wagering Report.

3.2 Cairns Jockey Club

Adam Carter

Paragraph four is to now read:

'Forecasts supplied show operating profit for FY 07/08 of \$86,200 and operating profit before depreciation of \$159,554'

4.5 Section 113 – Racing Act 2002

Shara Murray

The following words be removed from the end of the first sentence - *'and the future problems that will be encountered'*

5.5 Tax Relief – Outline of Approach

Malcolm Tuttle

The word ‘blushed’ be changed to ‘*published*’

The Board **RESOLVED** that the QRL Board Meeting Minutes of 6 June 2008 with the above amendments be received and confirmed.

MOVED by Mr Michael Lambert, **SECONDED** by Tony Hanmer

1.4 Action Sheet

Chairman

The Board **NOTED** the action sheet.

1.5 Correspondence / Matters for Noting

Chairman

The Board noted the Correspondence in the Agenda and the following was tabled and discussed:

- ◆ Letters from the QTC and BTC in response to the Chairman’s letter concerning the combined Master Planning Process for Doomben and Eagle Farm. – *See attachment “B”*

The Board **RESOLVED** that Mr Bentley respond to both the QTC and BTC correcting information in their letters, in line with QRL’s policy and the Board position.

- ◆ Letter from Wayne Milner, Chairman of BTC titled “Open Letter to Members” – *See attachment “C”*

The Board **RESOLVED** that Adam Carter is to contact the BTC and clarify the financial position of the BTC and advise the Board.

ACTION

Adam Carter to ascertain the financial situation of the BTC and advise the Board.

- ◆ Letter from the BTC and QTC re: “Admin Subsidy” – *See Attachment “D”*

The Board discussed the correspondence at length and **RESOLVED** that QRL will continue to pay admin subsidy until the merger occurs, the current policy be amended to continue subsidy until 1 July 2009.

ACTION

Adam Carter to be advised that the administration subsidy will be payable for the full financial year 08/09.

SECTION 2 – DIRECTORS

2.1 Palm Meadows Update

Michael Lambert

Mr Lambert updated the Board on the Palm Meadows development. The following matters need to be progressed to complete the feasibility assessment:

- ◆ Meetings with GCCC officers to gain sufficient information to decide whether to proceed either through normal council processes or seek to proceed through the Project of State Significance process
- ◆ Satisfactory response from the Treasurer in regard to earlier correspondence satisfactory 'in-principle' signoff with the Councillors on the principles for assessing the hydrological assessment of the development.
- ◆ Completion of the highest and best use valuation of the Bundall, with input and commercial assessment from Stockland and satisfactory hydrology and traffic assessments
Satisfactory Stockland market assessment of the Palm Meadows commercial development.
- ◆ Agreement with GCTC on the development and its role with the racing component of the development
- ◆ Value management assessment of the racing facilities and a final valuation of the development.
- ◆ Agreement with Treasury on bridging finance of the development

The Board NOTED the update provided.

2.2 RISA: Report on Board Meeting

Michael Lambert

Mr Lambert advised that there were three (3) RISA meetings held in Sydney on 19 June 2008.

- 1) First meeting of the Trainers Service Centre
- 2) Meeting of members
- 3) Meeting of the RISA Board

Mr Lambert provided an overview of all three (3) meetings as detailed in the board paper and then provided the following recommendations to the Board:

1. Note the report on RISA and members meetings
2. Agree to put in place actions to enforce the regulatory requirement for horse ownership syndicates to have a AFSL
3. Support the National Race Book product and encourage all TAB clubs to utilise the product
4. Provide in principle endorsement for the adoption of a single national system covering all the IT systems used for PRA's, subject to further work to be undertaken and the execution of a Memorandum of Understanding with RISA on this project.
5. Commissioner IT to assess the likely major IT software systems development that will need to be undertaken in the next five (5) to seven (7) years.

6. Assess further the benefits of QRL participating in a national bet monitoring system by exploring the matter both with RISA and Racing Victoria
7. Undertake a full assessment of QRL's copyright protections, having regard to the check list to be provided by Allens

The Board made the following comments to three (3) of the recommendations:

5. David Rowan, IT manager has been sought to conduct a review of QRL's IT commitments for the next five (5) years.
6. Mal Tuttle to discuss with Jamie Orchard the Director Integrity Operations the commitment by QRL to this system.
7. Mal Tuttle to explore with Allens the terms of such a review.

The Board added the below recommendation to the list:

8. Explore with ARB and RISA obtaining legal advice on intellectual property on broadcasting rights on racing.

The Board APPROVED the recommendations 1- 7 contained within the Board paper with the above comments and added recommendation 8 as detailed above.

MOVED by Tony Hanmer SECONDED by Bill Andrews

2.3 Legislation to restructure NSW racing

Michael Lambert

Mr Lambert provided advice to the Board on his understanding of the intent of the revised NSW Race Fields Legislation. *See attachment "F"* Mr Lambert also tabled at the meeting the Racing Legislation Amendment Act 2006. *See attachment "E"*

Mr Lambert advised that he will be meeting with Peter V'Landys the CEO of Racing NSW on Monday 7th July 2008. At this meeting Mr Lambert will attempt to clarify the following issues:

1. Whether Tabcorp (NSW) will have its current 4% fee on NSW TAB turnover replaced with the 1.5% fee on turnover on NSW races
2. How will the stated prime purpose of the legislation, stated to be to impose a fee on free riders, work in the case of corporate book makers and Betfair operating on phone and internet wagering which does not require the wagering entity to access racing information.
3. Is there intended to be uniform 1.5% fee
4. Ability of NSW to impose its fee on interstate wagering entities
5. Implications of the break down of The Gentlemen's Agreement.

Mr Lambert then concluded that while the legislation may have a modest benefit of charging a fee to wagering operators who are currently free riders, the negative impact on the way racing is paid will have major windfall financial impacts, both positive and negative, and will break down The Gentlemen's Agreement with negative consequences for the quality of the National Racing Program.

The Board AGREED with Mr Lambert's interpretation of the NSW Legislation.

ACTION

Mr Lambert to update the Board at the next meeting of the issues he intended to clarify with Mr Peter V'Landys CEO Racing NSW.

2.4 Queensland Racing Industry Awards 2008/2009*Tony Hanmer*

Mr Hanmer updated the Board on the Queensland Racing Industry Awards (QRIA) for 2008/2009.

The 2008 QRIA will be held on Thursday 14th August at the Sofitel Hotel Brisbane.

Mr Hanmer advised that due to the Equine Influenza (EI) a somewhat scaled down awards night has been appropriate. Mr Hanmer also advised that 42 tables, 420 person event at \$140.00 per person for a glamorous Black Tie Evening has been confirmed.

Mr Hanmer advised that sponsorship targets have already been met and exceeded, only 2 tables remain to date. The QRIA will be preceded by the QTC EKKA day; the QTC has agreed to give all attendees free entry to this race day.

Mr Hanmer advised that current sponsors will immediately be approached after the 2008 event to ensure continuity is maintained. Gold Class sponsors will also be invited to a race day at Doomben on July 16 and a Golf Day at North Lakes on July 21.

Mr Hanmer advised that a sponsor for alcohol has not been signed as yet but assuming a sponsor is signed the cost should only be approximately \$20K - \$30K.

The Board **NOTED** the update and thanked Mr Hanmer and the communications team for their good work.

2.5 EI Marketing Campaign*Tony Hanmer*

Tony Hanmer updated the Board on the current situation regarding the Equine Influenza Marketing Initiative Fund (EMIF).

Mr Hanmer advised that the State Government via the Racing Office will shortly confirm the allocation of these funds to Queensland Racing, in parallel to this process creative concepts have been produced and a concept is currently being worked up to finality.

Mr Hanmer advised that to ensure commitments are not made until funding is finally approved the programme has been slowed. However, it is anticipated that a further report will be available for the August Board meeting.

The Board **NOTED** the update provided.

2.6 Constitutional Issues (In-Camera)

Chairman

Mr David Grace of Cooper Grace and Ward and Mr Orchard of QRL attended the meeting at 11 a.m.

Mr Grace explained the background and requirements to be met prior to a Board resolution being passed calling meetings of Class A members, Class B members and a General Meeting of Queensland Racing Limited.

In particular, Mr Grace noted that each Board member had a conflict of interest in respect of the proposal to amend the Constitution of Queensland Racing Limited as the result of the proposed amendment would be to extend the term of the Board from three (3) years to six (6) years without rotation, provide the Board members with remuneration during the extended period of office and modify the way Board members are selected in future.

Mr Grace advised that a joint opinion has been obtained from Mr David Jackson QC of the Sydney Bar and Mr Andrew Herbert of the Brisbane Bar who have advised that while each Board member has a conflict of interest, there is nothing illegal or contrary to the principles of corporate governance in proceeding in the manner proposed, namely to make a declaration of conflict and, with the benefit of ASIC's declaration, to call a meeting of each class of members and a general meeting to seek the amendment to the constitution. The opinion suggested that extending the period in office of Board members to six (6) years is not excessive and even the longest serving members' period of eight (8) years is acceptable, being on 'the extremity of reason'.

The joint opinion of Mr Jackson QC and Mr Herbert was tabled. *See attachment "G"*

In light of the conflict existing, Mr Grace advised that Board members were prevented from resolving to call the class and general meetings unless either:

1. A quorum of members without a conflict passed the resolution;
2. ASIC makes a declaration allowing the Board to consider the matter despite the conflict; or
3. A general meeting is called to consider the matter.

As neither options 1 nor 3 were feasible, Counsel having recommended that, in the interests of the Directors being seen to be squeaky clean, Directors not take option 3, ASIC had been approached and had made the necessary declaration.

The declaration of ASIC dated 3 July 2008 was tabled. *See attachment "H"*

Each of the following members then signed and tabled a declaration in relation to their conflict of interest :

- Mr Robert Bentley;
- Mr Tony Hanmer;
- Mr Bill Andrews; and
- Mr Michael Lambert

Mr Grace outlined the process for the selection of Board members in future and the manner of conducting the class and general meeting on 6 August 2008. In particular, the importance of each Class A member appointing a proxy (not relying upon the member's representative) to vote at the meeting of Class A members was stressed.

Bill Ludwig then joined the meeting by telephone and Mr Grace repeated the substance of the matters already discussed. In particular Mr Grace outlined the issues relating to the conflict of interest and invited Mr Ludwig to make the declaration in the same terms as the other members. Mr Ludwig made the declaration in those terms.

The Board **RESOLVED** to:

1. Convene a meeting of Class A members of Queensland Racing Limited at 10.30 a.m. on 6 August 2008 to consider the matters set out in the tabled notice of meeting;
2. Convene a meeting of Class B members of Queensland Racing Limited at 11a.m. on 6 August 2008 to consider the matters set out in the tabled notice of meeting; and
3. Convene a General Meeting of Queensland Racing Limited at 11.30 a.m.(or earlier to immediately follow the finish of the Class B Members' meeting on 6 August 2008 to consider the matters set out in the tabled notice of meeting.

The resolution was **MOVED** by Mr Lambert and **SECONDED** Mr Hanmer.

Mr Grace and Mr Orchard then withdrew from the meeting.

SECTION 3 –9 DEPARTMENTS

3.1 Finance and Wagering Report May 2008

Adam Carter

May 2008 resulted in a MTD deficit of \$3M. QRL surplus is up \$4.2 million from \$12.3 million YTD in FY 06/07 to \$16.6 million YTD in FY 07/08. Revenue is up \$761K due to the Product and Program fee being above budget.

MTD Expenditure capital works is down \$123K on budget due to variances in the racing program such as club capital works, Jockey Work Cover and consultancy costs.

Month on month growth in wagering for Queensland shows thoroughbreds increasing for May at 10.75% compared to the increase in Harness 13.14% and Greyhounds 38.00%. QLD Thoroughbreds holding 76.43% of 3 code wagering in QLD and 23.83% of National Thoroughbred wagering.

YTD Product and Program Fee is \$2.94 million or 3.33% down on budget and \$0.963 million or 1.11% down on prior year. Forecasted surplus for FY07/08 is to be approximately \$14M.

Performance Indicators as reported in the Business Plan show that QRL's revenue and operating costs have been affected by the outbreak of EI in all areas. Total additional costs due to EI from 25 August 2007 to 31 May 2008 are \$1.2 million excluding \$457K reimbursement for inoculations from the DPI.

Total Project Costs to date for FY07/08 are \$1.898 million.

Total Capital Works contribution costs to date for FY07/08 are \$1.348 million.

The Board **APPROVED** the May 2008 Finance and Wagering Report.

3.2 Budget - Version (2)

Adam Carter

Mr Carter updated the Board on the Budget for FY08/09. Mr Carter advised that the budget has been developed to complement the Business Plan and new prizemoney initiatives. The Budget incorporates the Racing Program and Administration, Integrity Operations, Racing and Administration, the Deagon Training Facility Project

Mr Carter provided an overview of the QRL project expenditure for FY08/09. The Board made the following comments:

BI Deagon Development

The Board noted that the amount of \$12 million may not be incurred due to a feasibility study that is still to be prepared and approval granted from the Board for the Master Plan.

Synthetic Tracks

The Government Contributions are not recognised on QRL's income statement until tracks are installed. The Board noted that self funding of \$9 - \$10 million may be incurred for both Toowoomba and Deagon after the contribution of \$4 M per track Government Funding.

Gold Coast - Palm Meadows

Mr Lambert advised that the only costs to be taken into account in the FY08/09 budget should be the feasibility and consultancy expenses up to \$1 million. However, if the project is to be approved the costs could be up to \$10.8 million.

Sky Channel Broadcast Rights

Mr Tuttle advised that this should be in the vicinity of \$600K not \$1 million.

Oncourse Broadcast Production

Mr Tuttle advised that Mr Louis Bickle is no longer interested in selling the business. This item is to be removed from the proposed project expenditure list.

Rockhampton Jockey Club Course Development

Mr Lambert advised that the proposed upgrade should be captured in the budget as a QRL contribution.

Mr Adam Carter then tabled 'Version 2 budget recommendations' *See attachment "I"*

The Board APPROVED the Version 2 Budget recommendations detailing an operating surplus before extraordinary items of \$841K and Net Deficit after extraordinary items of \$8.8M with the exception of recommendation 4 to be deferred to the August Board meeting once further analysis has been done.

MOVED Tony Hanmer SECONDED Michael Lambert

3.3 Commercial Horse Assistance Payment Scheme Update *Adam Carter*

Mr Carter updated the Board on the Commercial Horse Assistance Payment Scheme (CHAPS) and the Trainers who currently have outstanding CHAPS monies.

Mr Carter advised the Board that through the CHAPS reconciliation process for CHAPS I, II and III there were a number of underpayments and overpayments where incorrect horse numbers were declared, incorrect statutory declarations or incorrect paperwork submitted. Mr Carter advised that this has resulted with additional payments being made to trainers. A review has been undertaken both internally and by an independent auditor to ensure that the cost recovery of \$360K is in accordance with the Federal Government CHAPS funding guidelines.

Mr Carter detailed the CHAPS I, II & III recovery

1. CHAPS I recovery from initial payment for 31 days - \$267K,
74.3% of total outstanding.
 2. CHAPS II recovery \$75K,
20.9% of total outstanding.
 3. CHAPS I, II & III recovery \$14K
4% of total outstanding
- 992/12* ✓

Mr Carter advised that QRL is required to abide by the requirement of the Dept. Agriculture, Fisheries and Forestry (DAFF) funding agreement and must recover costs from trainers where the guidelines were not complied with.

Mr Carter advised that the total outstanding CHAPS payment is \$360K. Mr Carter also advised that if Trainers do not repay their debt they will be placed on the forfeit list and will not be able to nominate in accordance with QRL credit terms for trainers. Trainers have been given 60 days from date of invoice to pay the money. Mr Carter sought approval from the Board to grant an additional 4 weeks for trainers to repay the money.

Mr Carter advised that a full review of all outstanding debt as at 30 June 2008 will be provided to the Audit Committee on the 8 August 2008. Mr Carter also advised that if

QRL is unsuccessful in recovering the outstanding debt, QRL will incur the outstanding costs on behalf of DAFF and not be reimbursed.

The Board **APPROVED** the additional credit terms of 4 weeks for trainers to repay the outstanding CHAPS money.

ACTION

Adam Carter to update the Board at the next meeting of outstanding CHAPS repayments.

3.4 Risk Management Policy Version (2)*Adam Carter*

Mr Carter presented to the Board a generic guide for the establishment and implementation of the QRL Racing Industry Risk Management Policy Version 2 and processes for both TAB clubs and Non TAB clubs.

The Board **RESOLVED** to approve the policy 'in principle', with the policy to be signed off by the Audit committee in August 2008.

3.5 Event Management Policy Version (2)*Adam Carter*

Mr Carter presented to the Board a generic guide for the establishment and implementation of the QRL Racing Event Management Policy Version 2 and processes for both TAB clubs and Non TAB clubs. The policy compliments the Industry Risk Management Policy.

The Board **RESOLVED** to approve the policy 'in principle', with the policy to be signed off by the Audit committee in August 2008.

4.1 Metropolitan Racing Policy*Malcolm Tuttle*

This Policy was discussed under item 1.5 *Correspondence for noting*. The Board **RESOLVED** to keep the current policy until 1 July 2009 subject to a complete review and the outcome of the proposed merger of the QTC and BTC.

4.2 Review Of Policy*Chairman*

~~Due to Ms Murray's absence from the meeting~~ the Chairman advised the Board that the 'Forms Policy' was due to expire. The Chairman advised that the policy was sent to QRL's Chief Operations Manager Malcolm Tuttle. Only minor changes were amended to the policy.

The Board **NOTED** the minor changes to the policy.

5.1 Deagon Development*Malcolm Tuttle*

Mr Tuttle updated the Board in relation to the development of the Deagon Training Centre (DTC)

Mr Tuttle advised that previously the Board has committed to the upgrade of the DTC to include infield stabling and improved training facilities.

Mr Tuttle advised that Nettletontribe has been engaged as the architect. THG Resource Strategists have been engaged to assist with the preliminary stages of town planning. Mr Warren Williams the General Manager of BTC has been engaged to facilitate best practice in relation to track design. The Board was further advised that a meeting was planned with the local Councillor and that the Board could expect to receive further concept drawings at the next meeting.

The Board NOTED the updated.

5.2 Business Plan 08/09*Malcolm Tuttle*

Mr Tuttle tabled with the Board the Draft Business Plan 2008/09 Version 3.

The Board discussed the draft plan and recommended that the document be reduced in size by removing the less strategic initiatives.

5.3 Strategic Plan 2008 -2011*Malcolm Tuttle*

This item was deferred to the August 8, 2008 Board Meeting.

5.4 Oncourse Broadcast Production*Malcolm Tuttle*

The Board NOTED that Mr Louis Bickle has decided not to offer for sale his Oncourse Broadcast Company.

5.5 Broadcast Rights*Malcolm Tuttle*

Mr Tuttle advised the Board that this project had been progressed on the basis that there will be an aggregation and assignment of Broadcast Rights.

Mr Tuttle advised that subsequent to the Meeting on May 22, 2008 with all TAB clubs, he wrote to them requesting 'in-principle' support, albeit conditional, for the aggregation and assignment of broadcast rights. The replies received to date are attached to the Board paper.

Mr Tuttle advised that QRL has outlined to the clubs that it will fund the engagement of consultants/negotiators that will have primary carriage of the project.

The Board noted Mr Lambert's comments that recent advice to RISA suggested that PRAs may have some ownership of the IP as it relates to Broadcast.

Mr Tuttle undertook to ensure this was qualified prior to progressing with the project on the basis that the Clubs hold primary ownership of the Broadcast.

Mr Tuttle also advised that he and the Chairman ^{QRL} have held discussions with TVN, and TVN's advice was to keep your options open, ^{Comments} to the extent they had no fundamental objection to the prospect of QRL becoming an equity partner in TVN.

The Board **NOTED** the update.

5.6 Licensing Assistance Group

Malcolm Tuttle

Mr Tuttle sought approval from the Board to contribute \$50K per annum to the Licensee Assistance Association (LAA).

Mr Tuttle advised that on June 22, 2008 he and Mr Bill Andrews met with the current members of the LAA. At the meeting a number of matters were discussed, these include:

- A request for the current constitution of the LAA;
- The role of the Jockeys Assistance Association;
- The structure of the LAA;
- The number of and nature of the meetings held by the LAA; and
- General discussion in relation to the role of the LAA.

Mr Tuttle advised that one of the main issues faced by the LAA is its lack of capacity to raise sufficient funds to make a material difference for distressed licensees. As such, Mr Tuttle proposed that the Board of QRL commit to an annual contribution of \$50K to assist in this regard.

Should the Board agree to commit to this contribution with the first payment in the 2008/09 financial year, Mr Bill Andrews has undertaken to join the LAA with a view to assisting with the role of the association, whilst ensuring that the association conducts its business to an appropriate standard.

The Board **APPROVED** the contribution to the LAA of \$50K per annum and **NOTED** that Mr Bill Andrews will be joining the LAA as a member.

MOVED Tony Hanmer **SECONDED** Michael Lambert.

5.7 Increased Industry funding – Outline of Approach

Malcolm Tuttle

Mr Tuttle sought approval from the Board to engage IER to undertake an exercise that will lead to an approach being made to the Queensland State Government for additional industry funding.

Mr Tuttle advised that IER a company that is well positioned to prepare a detailed analysis, which would lead to an application for the redirection of wagering tax to the racing industries in Queensland.

Mr Tuttle advised that meetings have been held with the Chief Executive Officers (CEO's) of the QLD Harness and Greyhound industries to confirm their support for an approach to the Government for taxation relief.

Mr Tuttle advised that the financial costs for the work of IER is approximately \$84K.

During an informal discussion with Mr Bob Lette, Chairman of QLD Harness it was suggested that QRL could contribute 50% of the overall cost with Harness and Greyhound 25% each. This has not been formally put to either of the Harness or Greyhound Boards. Mr Tuttle advised that on the basis that QRL accepts this approach the financial impact will be approximately \$42K.

The Board APPROVED the engagement of IER and paying 50% of the costs associated with the study.

MOVED Bill Andrews SECONDED Tony Hanmer.

5.8 Equine Influenza – Callinan Report

Malcolm Tuttle

Mr Tuttle updated the Board in relation to the Callinan Report, the Federal Government's response, and the Equine Influenza (EI) Class Action proposed by law firm, 'Attwood Marshall'.

Mr Tuttle provided an overview of the proposed action by 'Attwood Marshall', which can be found in the Board paper corresponding to this item.

The Board discussed the item at length and RESOLVED that QRL would not peruse the joining of a Class Action or similar at this stage

6.1 Licensing Report

Peter Smith

There were no issues with the licensing report.

The Board APPROVED the May 2008 Licensing Report

MOVED by Bill Andrews, SECONDED by Michael Lambert

7.1 Sponsorship Policy

David Rowan

Mr Hanmer provided an overview of the paper compiled by David Rowan IT Manager, for the approval of the Board.

The Board reviewed the draft policy provided and made no changes

The Board **APPROVED** the sponsorship policy and **NOTED** its publication on the QRL intranet site.

7.1 History of Racing in Queensland

Claire Power

Mr Tuttle provided an overview of the paper compiled by Claire Power Senior Communications Officer seeking a decision from the Board to further develop the project to officially record History of Racing in Queensland.

Mr Tuttle advised that to further develop this initiative the following areas will need to be clarified:

- Financial implications including research and staffing
- Duration
- Overall expectation to the form of a project plan

Mr Tuttle sought a commitment from the Board for the amount of up to \$250,000 to be incurred in the 2008/09 financial year.

The Board **APPROVED** the development of the above initiative and a commitment of \$250,000 to be incurred in the FY08/09.

MOVED Tony Hanmer **SECONDED** Bill Andrews

8.1 Regional Seminars

Paul Brennan

Mr Brennan updated the Board on the 12 Regional Seminars recently conducted throughout Queensland from 11 June – 23 June 2008.

Mr Brennan advised that all the seminars went in excess of four (4) hours and during the breaks and at the conclusion, seminar participants had the ability to liaise directly with QRL Board and staff.

In addition to the seminars providing a great opportunity for QRL to interact with stakeholders, Mr Brennan advised that they also acted as a great team building exercise with those staff and Board members in attendance being required to work together to appropriately engage and inform participants.

Mr Brennan asked the Board to note the update and expressed his interest towards discussions on the benefits associated with the conduct of these seminars at two to three year intervals.

Additionally, Mr Brennan recommended that once QRL has revised the governance, funding and race dates model it would be beneficial for the Chairman to attend a number of regional venues to discuss the benefits associated with the revised model, prior to holding discussions with the Queensland Country Racing Committee and Government.

The Board NOTED the update provided by Mr Brennan.

8.2 Winter Carnival Update

Paul Brennan

Mr Brennan updated the Board on the racing related performance indicators benchmarked during the Queensland Winter Racing Carnival.

Mr Brennan tabled an updated spreadsheet that provides a three year comparison of off-course wagering and average starters, as well as interstate and overseas participation. *See attachment "J"*

Mr Brennan highlighted that the National racing schedule has been completely disrupted following EI and the draconian quarantine requirements implemented by New Zealand Authorities. It made it nearly impossible for international stakeholder to participate in QLD's Winter Carnival.

Mr Brennan advised that despite the downturn in the above-mentioned areas, wagering ~~as~~ grown by 5.1%. ✓

The Board discussed the need for a better marketing campaign in the lead up to the next Winter Carnival, and in particular a campaign to canvass our New Zealand stakeholders.

The Board NOTED the update

8.3 Corbould Park Lights

Paul Brennan

Mr Brennan sought the Boards further approval on the installation of lights at Corbould Park due to an increase in the initial quote.

Mr Brennan advised the Board at the June Meeting that contractors Neil T Fallon Services Pty Ltd should be approved at a cost of \$4.3 million (ex GST). However, since the last Board meeting this cost has risen to an amount of \$ 6 – 7 million.

Mr Brennan advised that due to the increase he has requested Neil T Fallon Services Pty Ltd to separate the quote in three (3) areas: The lighting of,

1. Synthetic Track
2. Course Proper
3. Both

Mr Brennan will then provide this advice to the Board for approval.

Mr Brennan again advised that the Sunshine Coast Racing Trust does not have sufficient funds to facilitate this project and that it is proposed that QRL be responsible for the costs associated with the installation of the lights and that QRL takes additional units in the Sunshine Coast Racing Trust.

The Board **NOTED** the update and await the advice on the break up of costs of the three proposals. Mr Brennan advised that this may be dealt with by way of flying minute, prior to the next Board meeting.

9.0 General Business

Chairman

Gold Coast Turf Club - Renovation of Ground Floor areas of the Club.

The Chairman tabled correspondence from the Gold Coast Turf Club seeking approval to incur approximately \$843,218.26 plus GST, for renovations to the Ground Floor areas of the Club. *See attachment` "K"*

The Board **APPROVED** the Gold Coast Turf Club to incur the expenditure for Renovations of the Ground Floor areas of the Club.

MOVED Bill Andrews **SECONDED** Tony Hanmer.

MEETING CONCLUDED AT 2:52PM

CONFIRMED AS A TRUE RECORD.



R.G. Bentley

Chairman

Dated...../...../2008

ATTACHMENT “A”

Mr Bob Bentley

Director of Tattersall’s Limited
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Michael Lambert

Director of RISA
Director of the Trainers Service Centre

Mr Bill Ludwig

Secretary of the Australian Workers’ Union (including signing of all correspondence and Industrial Instruments)
Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Board Member of WorkCover Queensland

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners’ Association

14



BOARD PAPER NUMBER: 1.4

Action Sheet

Please note the attached Action Sheet.

QUEENSLAND RACING LIMITED
(ACN 116 735 374)
BOARD MEETING #24
ACTION SHEET

ITEM	ACTION REQUIRED & LAST BOARD MEETING MATTER CONSIDERED	ACTION OFFICER	THIS MEETING	COMMENT
Palm Meadows /Bundall	Comprehensive update provided (BM#23 – 4 July 2008)	Malcolm Tuttle Michael Lambert	Board Meeting #24 <u>Friday 8 August 2008</u>	Verbal update
Sunshine Coast Racing Pty Ltd	Update on DA application Update on MCU for excess land (BM#21 - 9 May 2008)	Paul Brennan Shara Murray	Board Meeting #25 <u>Friday 5 September 2008</u>	Board to be kept up to date.
2008 -2011 strategic Plan		Malcolm Tuttle	Board Meeting #25 <u>Friday 5 September 2008</u>	
Policy on the Formation and Management of Clubs	The Board agreed with the amendments concerning 'grant of a licence and conditions.' The Board sought further amendments to be made concerning: (a) application for a licence, and (b) club management (BM#22 – 6 June 2008)	Shara Murray	Board Meeting #24 <u>Friday 8 August 2008</u>	

QUEENSLAND RACING LIMITED
(ACN 116 735 374)
BOARD MEETING #24
ACTION SHEET

ITEM	ACTION REQUIRED & LAST BOARD MEETING MATTER CONSIDERED	ACTION OFFICER	THIS MEETING	COMMENT
Club Operational Subsidy Review	Formulate a plan for QRL to provide the staffing of all integrity at race meetings. (BM # 9 – 13 April 2007)	Malcolm Tuttle Jamie Orchard	Board Meeting #25 <u>Friday 5 September 2008</u>	
Cairns Jockey Club	Mr Bob Roberts and Michael Stewart attended the June Meeting and answered questions from the Board. (BM # 22 – 6 June 2008)	Malcolm Tuttle Ron Mothofer	Board Meeting #25 <u>Friday 5 September 2008</u>	Update
Deagon Training Development Plan		Malcolm Tuttle	Board Meeting #24 <u>Friday 8 August 2008</u>	
Sky Channel – Broadcast Rights Agreement	Mr Tuttle advised that subsequent to the Meeting on May 22, 2008 with all TAB clubs, he wrote to them requesting ‘in-principle’ support, albeit conditional, for the aggregation and assignment of broadcast rights (BM#23 – 4 July 2008)	Malcolm Tuttle Michael Lambert	Board Meeting #24 <u>Friday 8 August 2008</u>	

QUEENSLAND RACING LIMITED
(ACN 116 735 374)
BOARD MEETING #24
ACTION SHEET

ITEM	ACTION REQUIRED & LAST BOARD MEETING MATTER CONSIDERED	ACTION OFFICER	THIS MEETING	COMMENT
Government Contribution to EI Marketing Initiative	<p>To finalise the funding agreement QRL was required to provide the marketing proposal submission to the Office of Racing to gain the \$0.65M funding approval. This submission is currently in progress at the Office of Racing.</p> <p>(BM#22 6 June 2008)</p>	<p>Tony Hanmer David Rowan</p>	<p>Board Meeting #24 <u>Friday 8 August 2008</u></p>	

15



BOARD PAPER NUMBER: 1.5

Correspondence for Noting

Please find attached correspondence for noting

- ◆ Letter from Bob Bentley to Andrew Fraser dated July 29, 2008.
Re: Publication of NSW Race Fields by Australian Wagering Operators.

COPY



July 29, 2008

Hon. Andrew Fraser, MP
Treasurer
Queensland Government, Treasury
GPO Box 611
BRISBANE QLD 4001

Queensland Racing Limited
A.B.N. 93 116 735 374
Racecourse Rd Deagon QLD 4017
PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@queenslandracing.com.au
W www.queenslandracing.com.au

(Email & Post)

Dear Minister

As you have been aware for some time Queensland Racing Limited (QRL) has been seeking the support of Government to introduce Race Fields legislation similar or parallel with, Victoria 2006, West Australia (WA) 2007, South Australia 2007, to protect the income base of the Queensland industry in the event of a breakdown in the Gentlemen's Agreement.

NSW has recently enacted legislation and is aggressively seeking to charge a product fee, whilst Victoria is currently amending its legislation, which previously recognised The Gentlemen's Agreement, to a more aggressive stance and will not exempt interstate wagering operators (UNITAB and WA Tote)

The Queensland industry is exposed to substantive losses of revenue through the lack of corresponding legislation.

Reference is made to our recent discussions on Tuesday 22 July, 2008 involving the recently introduced Race Fields legislation by the NSW Government.

As explained during our recent discussion, Racing NSW, as a result of the recently introduced legislation will levy a fee equivalent to 1.5% of wagering turnover on NSW racing product.

As a result of this fee being levied against UNITAB, UNITAB will pass on the associated costs to the 3 control bodies (refer enclosed letter). The product fee payable to the 3 codes of racing in Queensland will be diminished. As a consequence, QRL remains of the view that the State Government, in

consultation with the industry, should move quickly to develop similar Race Fields legislation that would, in essence, have the effect of combating the financial impact that the 3 codes of racing in Queensland will feel as a result of UNITAB being able to pass on the associated costs to the racing industries in Queensland. On the basis that Racing Victoria takes a position to reduce the impact of the move by NSW, and relies fully on its own legislation, the annual impact on the thoroughbred racing industry in Queensland will be substantial.

It is understood that "Crown Law" opinion in respect of the NSW Legislation is being sought and no doubt that opinion will prove valuable. Our concern is that there will be lag time between the implementation of the NSW Legislation and the enactment of appropriate Queensland Race Fields legislation to protect the Queensland industries and as a result the 3 codes of racing will bear the brunt of any associated costs.

Your Government is urged to commit resources as a matter of urgency, in consultation with the 3 codes of racing, to the development of draft legislation so that, if needed, it can be promptly enacted.

Attached are two pieces of correspondence, one from Racing NSW dated July 22, 2008 and the other from UNITAB dated July 24, 2008.

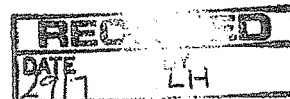
I await your positive response to our request.

Yours faithfully



R.G. BENTLEY
Chairman

- Cc **Tony Hanmer** (Email & Post)
Chairman Product Co.
Board Director Queensland Racing Ltd.
- Cc **Bob Lette** (Email & Post)
Chairman Queensland Harness Racing
- Cc **Kerry Watson** (Email & Post)
Acting Chairman, Queensland Greyhound
- Cc **Bill Andrews** (Email & Post)
Board Director Queensland Racing Ltd.
- Cc **Bill Ludwig** (Email & Post)
Board Director Queensland Racing Ltd.
- Cc **Michael Lambert** (Email & Post)
Board Director Queensland Racing Ltd.



24 July 2008

Mr Malcolm Tuttle
Chief Operations Manager
Queensland Racing
SANDGATE QLD 4017

Dear Malcolm

Re: Publication of NSW Race Fields by Australian Wagering Operators

Further to my letter dated 16 July 2008, please find enclosed the response we have received from Racing NSW on the matter of the publication of NSW race fields.

As you will note from the Racing NSW response, Racing NSW would object to UNiTAB being granted an exemption from the requirement to obtain approval from Racing NSW to publish NSW thoroughbred race fields as required by the Racing Administration Act 1998 (NSW) (the Act). As part of this approval process, UNiTAB would be required to pay a fee equal to 1.5% of its wagering turnover on NSW thoroughbred races to Racing NSW. A similar fee will also be required in relation to NSW greyhound racing. We do not yet know whether Harness Racing NSW also intends to charge a fee to publish its race fields.

As you would be aware, pursuant to its obligations under the Product and Program Agreement dated on or about 9 June 1999 between UNiTAB (formerly TABQ), Queensland Race Product Co Limited (**Product Co**) and each of the Queensland Control Bodies, Product Co is required to, amongst other things, supply to UNiTAB for use in its race wagering business, 'information relating to racing in Australia that is necessary for the efficient and effective conduct of race wagering on racing in Australia' (**Australian Racing Product**). Australian Racing Product would, by its very definition, include access to and publication of NSW thoroughbred race fields in UNiTAB's race wagering business.

- Clauses 9.5 and 10.2 of the Product and Program Agreement relevantly provide that should Product Co be unable to procure the supply of Australian Racing Product as required by UNiTAB, UNiTAB may reduce the product fee payable to Product Co by any amount required to be paid by UNiTAB to procure the Australian Racing Product for use in its race wagering business. In the case of NSW thoroughbred racing, this amount would be equal to 1.5% of wagering turnover on NSW thoroughbred racing (**NSW Race Fields Fee**).

Please accept this letter as written notification that should UNiTAB be required to pay the NSW Race Fields Fee or any similar fee to Racing NSW, UNiTAB will off-set this amount against the product fee payable to Product Co.

NSW Race Fields/002

UNITAB Limited ABN 84 085 691 738
240 Sandgate Road, Albion, Queensland, 4010, Australia
PO Box 248, Albion, Queensland, 4010, Australia
Tel: 61 7 3637 1500 Fax: 61 7 3256 2373
www.TABonline.com.au
A Tatts Group Company



Obviously, we would not wish to see the Queensland racing industry negatively impacted by the actions of Racing NSW, however, as you would appreciate, without exemption from the requirement to be approved by Racing NSW, UNITAB will be forced by way of legislation to pay this fee.

We therefore ask that you take this matter up with Racing NSW as a matter of urgency with a view to resolving this matter in a manner which is satisfactory to both the Queensland racing industry and UNITAB.

I look forward to your advice on the outcome of your discussions with Racing NSW.

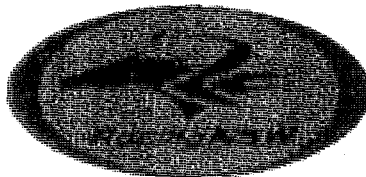
In the event that you come to the view that Racing NSW wishes to remain intransigent on this matter, you may like to consider whether an approach to the Queensland Government to introduce like legislation will assist you in compensating for some or all of the losses incurred as a result of the NSW legislation.

In the meantime, should you wish to discuss this matter further, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to be "Barrie Fletton", written in a cursive style.

Barrie Fletton
Chief Executive



22 July 2008

Mr Barrie Fletton
Chief Executive
UNITAB Wagering
240 Sandgate Road
ALBION QLD 4010

Dear Mr Fletton

Publication of NSW Race Fields by Australian Wagering Operators

I refer to your letter dated 16 July 2008 which Racing NSW received yesterday.

The recently proclaimed amendments to the *Racing Administration Act 1998 (NSW)* ("the Act") require all wagering operators, amongst persons, to obtain the approval of Racing NSW to any publication of a NSW thoroughbred race field (whether that publication occurs in NSW or elsewhere).

No exemptions from the requirement to obtain approval from Racing NSW under the Act have been granted to any wagering operator. Racing NSW would strenuously object to any such exemption being granted to UNITAB Wagering or any other wagering operator.

Accordingly, UNITAB Wagering will need to apply to Racing NSW for approval under the Act to publish NSW thoroughbred race fields. In accordance with the *Racing Administration Regulations 2005 (NSW)* ("the Regulations"), such application is ordinarily required to be lodged with Racing NSW at least 30 days in advance (i.e. by 2 August 2008 given the "offence" provisions of the Act commence from 1 September 2008). However, to facilitate the introduction of this new regime, Racing NSW has publicly stated that it will accept applications up to 11 August 2008 for a 1 September 2008 commencement.

Racing NSW, in administering race fields approvals under the Act, will treat on a consistent basis all wagering operators who hold a wagering licence under the laws of any Australian State, the ACT or the Northern Territory irrespective of the type of betting they conduct (whether totalizator operators, bookmakers or betting exchanges).

I will not respond in detail in relation to each of the specific matters raised in your letter, but would note the following:

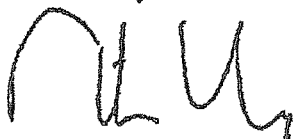
- The "mutuality conventions" to which you refer in your letter are not legally binding nor are they formally recognized. Rather it is an informal practice which developed in the context of a wagering market and regulatory environment very different from that which currently prevails. The current regulatory and commercial landscape for

RACING NSW (ABN 86 281 604 417)
Level 7, 51 Druitt Street, Sydney NSW 2000
Telephone: (02) 9551 7500
Facsimile: (02) 9551 7501

wagering in Australia was taken into account by Racing NSW in formulating the fees which it will charge to all Australian wagering operators under the race fields legislation. To put Racing NSW's proposed charges into context, they will represent less than 25% of the fees which you state in your letter are being paid by UNITAB to the Queensland and SA racing industries and apply only in respect of bets taken on NSW thoroughbred racing.

- UNITAB Wagering's arrangements with RISA, which expire in November 2008, related to the supply to UNITAB Wagering of formatted, consolidated wagering information for which UNITAB Wagering pays a fixed annual data processing and formatting fee. These arrangements are different in kind to, and do not confer, an approval to publish NSW race fields for the purpose of the Act.

Yours Faithfully



Peter V'landys
Chief Executive

- cc. Qld Racing
SA Racing
NT Government
RISA
The Hon. Graham West MP, NSW Minister for Gaming and Racing



LICENCEES' ASSISTANCE ASSOCIATION



Chairman
Des Mullins
15 Cerbaia Close
Bridgeman Downs Q 4035
Ph: (07) 3263 1461

Secretary
Sandra Vizer
35 Hamilton Ave
Hendra Q 4011
Ph: 3268 2239
Fax: 3268 2259

E-mail: svizer@bigpond.net.au

25th July 2008

Malcolm Tuttle
Chief Operations Manager
Queensland Racing
PO Box 63
Sandgate Q 4017

Dear Malcolm

On behalf of the Chairman and Committee of the Licencees' Assistance Association, I would like to thank the Queensland Racing Board for the generous financial contribution of \$50,000.00.

We welcome Mr Bill Andrews on our committee and look forward to working with him.

This contribution will help us to continue to assist the licencees of the racing industry in times of need.

Regards

Sandra Vizer
Secretary/Treasurer
Licencees' Assistance Association

**MANILLA
DIVIDERS
10 TAB A4**



Ref No: 37400
Made in China
www.marbig.com.au



BOARD PAPER NUMBER: 2.1

Palm Meadows / Bundall

This item will be presented verbally.

2.2



BOARD PAPER NUMBER: 2.2

Race Fields Legislation and the 'Gentlemen's Agreement'

PURPOSE:

The purpose of this paper is to determine an approach to take to the next Australian Racing Board (ARB) meeting on August 14, 2008.

BACKGROUND AND ISSUES:

Various States, namely New South Wales (NSW), Victoria, Western Australia and South Australia have either enacted or drafted legislation that is referred to as Racing Fields Legislation. The purpose of this legislation is to outlaw unauthorised use of racing information for wagering purposes and, second, to obtain an economic return on the use of that information.

NSW is the most recent State to enact such information and this legislation, unlike the previous legislation does impact on the racing industries of other states, and in particular, on what has been termed the 'Gentlemen's Agreement'. This issue has been listed for discussion at the ARB meeting on August 14, 2008. This paper has been prepared to set out the factual position and to identify the key issues.

Since the privatisation of the TABs, the Australian racing industries have been funded in the main by a Product and Program Agreement entered into by the racing industry of each jurisdiction and the TAB that has a licence to operate in that jurisdiction. These agreements are referred to as Product and Program Agreements or Product Supply Agreements and do vary in their financial terms between the States. The Racing Victoria Limited (RVL) agreement with TABCORP is based on a 25% interest in the wagering and gaming profits of TABCORP, though with the recent loss by TABCORP of its gaming licence from 2010 there will be a need to restructure it. The Racing NSW agreement is in contrast based on a set percentage of race wagering turnovers, while the agreement between UNITAB in Queensland, South Australia and the Northern Territory is based on a set percentage of gross wagering revenue (39% in the case of the 3 codes in Queensland).

Each TAB pays a combined fee to the racing industry of the jurisdiction in which it operates and that payment is then divided up and passed to each racing code according to the terms set out in an Inter Code Agreement.

The TABs operating in each jurisdiction are as follows:

Jurisdiction	TAB	Term of Licence
NSW	TABCORP	Exclusivity expires in 2019 and licence in 2097
Victoria	TABCORP	Exclusivity and licence expire in 2012
Queensland	UNiTAB/Tattersall's	Exclusivity expires in 2014 and licence in 2098
South Australia	UNiTAB/Tatts	Exclusivity expires in 2016 and licence in 2100
Western Australia	WATAB	Perpetual licence
Tasmania	TOTE Tasmania	Perpetual licence
Northern Territory	UNiTAB/Tattersall's	Exclusivity and licence expire in 2015
Australian Capital Territory	ACTTAB	Exclusivity expires in 2016 and licence is perpetual

The effect of these arrangements in effect the TAB in each jurisdiction is charged a % fee for the entire wagering turnover undertaken by that TAB in that jurisdiction, regardless of the origin of the product and program. Thus in the case of Queensland, the fee is set on wagering turnover by Queensland residents through UNiTAB on all Australian and overseas racing. Thus, for example, at present, Racing NSW and RVL do not get a fee for any Queensland resident wagering on NSW and Victorian racing and conversely QRL does not get a fee for NSW and Victorian residents wagering on Queensland races. This arrangement is what has been termed the 'Gentlemen's Agreement'. It is an agreement that each racing industry can contract for the delivery of all Australian racing product to its TAB and the other racing industries will not seek a fee for their racing product from that TAB and vice versa .

The terms of the Product and Program Agreements between each Principal Racing Authority and its TAB differ in various ways. For example the UNiTAB agreement with QRL states that the fee paid to QRL covers turnover on all racing product by Queensland residents, regardless of the location of the racing and in the event that any other jurisdiction seeks to impose a fee on their racing product then UNiTAB will net off that fee against the fee payable to Product Co and hence QRL. There are similar provisions in certain parts of the other TAB agreements. However, in the case of Racing NSW there is no provision by

which TABCORP can pass through a fee incurred in accessing other States racing product. In addition, in respect to NSW and Victoria, there is a provision in the Racing Distribution Agreement (RDA), which covers each of them and TABCORP that states that neither can charge the other State for their racing product.

In the last few years there has been growing leakage of wagering revenue away from the TABs and licensed on track bookmakers to both corporate bookmakers located in the Northern Territory and to Betfair. The Northern Territory arrangement involves attractive tax rates for corporate bookmakers who do not make a contribution to funding racing. The leakage was first through phone betting but has accelerated with the use of the internet. These bookmakers have the added advantage that they can operate 24/7. It is estimated that turnover of Northern Territory bookmakers on race wagering has reached about \$3B per annum, nearly all of that involving wagering by non Northern Territory punters on non Northern Territory races. After having a market share of race wagering of almost 100%, today the offcourse TABs have about 68% and oncourse about 5%, while oncourse bookmakers have 8% and offcourse bookmakers have 19%. The loss of 20% of turnover from the TABs represents a major loss of revenue by all TABs and racing industries. In addition, overseas race wagering operators access Australian racing to provide both wagering to overseas punters as well as to Australian punters.

Over a number of years the Australasian Conference of Racing Ministers considered the issue of leakage of wagering away from the TABs and hence the racing industries and various officers' working parties were established to report on the issues. In 2005, the ARB made a submission to the Conference seeking Australia wide Race Fields Legislation. What flowed from this was not Australia wide legislation, but a request from each racing control body to its jurisdictional government to enact Legislation. Four State Governments did this – Victoria, NSW, Western Australia and South Australia, with the first three States enacting the legislation while South Australia tabled it but did not enact it. In addition, each of the three States that enacted legislation has amended it subsequently in various ways.

Victoria amended its omnibus *Gambling Regulation Act* in 2005 and in 2007. The 2005 amendment made it an offence for unauthorised publication and use of race field's information by wagering service providers. The 2007 amendment provided for a racing control body to impose conditions for any approval to use race fields, including charging a fee. The legislation also provided for an avenue for independent review of any decision made by the control body, though the actual payment of fees could not be appealed. It is understood that RVL has applied the provisions of the *Act* to seek payments from wagering service providers using Victorian race fields, but has taken to date the decision not to apply it to TABs, on the basis that they already make a substantial financial contribution.

Western Australia enacted legislation in 2006, amending the *Betting Control Act*. The amendments did three things:

- made the establishment of a betting exchange an offence;
- made it an offence to bet with a betting exchange; and
- made it an offence to publish WA race field's information without approval.

To date, it is believed, Western Australia has not sought to apply charges for field information.

Also in 2006, South Australia released a draft of a bill which had the same provisions as the Western Australian legislation.

NSW enacted Race Fields Legislation in 2006 but did not pass necessary regulations until 2007 and Racing NSW has only now sought to apply its provisions. The form of this legislation, given it is the most recent and contentious, is discussed further in the section below.

While the Queensland Government was approached to enact race field's legislation, it has chosen not to do so. The opposition did table a race field's bill, but the Government refused to support it. The Chairman has now written to the Treasurer to obtain his support for Race Fields Legislation.

In March 2008, the High Court found in favour of Betfair, in a constitutional challenge launched by Betfair against provisions of the Western Australian legislation. The court found that the provisions banning betting exchanges and betting on betting exchanges were in conflict with section 92 of the Constitution, which requires free trade within the Commonwealth of Australia. However, the court did not consider the provision relating to race fields.

NSW Legislation

The NSW Government, at the behest of each of the NSW Racing Control Bodies, has passed legislation, namely the *Racing Legislation Amendment Act 2006* and the *Racing Administration Amendment Regulation 2008* (publication of race fields). Both can be sourced from www.racingnsw.com.au. The express purpose of the legislation, as stated both by the Minister for Racing and Racing NSW, is the requirement all race wagering operators, regardless of location, to pay a fee for use of the racing product for wagering purposes. The legislation covers the three racing codes.

The legislation works by requiring any entity that accesses NSW race information to register with the relevant NSW Control Body. The Control Body in turn can establish conditions for accessing the race information, including imposing a fee. It is intended to impose a uniform fee of 1.5% on wagering turnover on NSW racing by wagering providers with an

exemption from the fee for wagering operators with less than \$5M per annum turnover. This fee is in addition to the current fee, which in the case of NSW is 4.7% on TABCORP wagering turnover. While TABCORP (NSW) is legally required to pay the 1.5% fee for its turnover on NSW wagering, this is netted off against the 4.7% fee.

In assessing the impact of the legislation, it is necessary to distinguish initial impacts and second and subsequent round effects as entities react to the legislation. Set out below is an assessment of the impacts, assuming that the legislation is legally valid.

The first round effects are as follows:

- All entities using NSW race information for wagering purposes would be required to register with the NSW Racing Control Bodies and those with turnover above \$5M per annum would be required to pay a fee of 1.5% of turnover on NSW races, regardless of the location of the punter.
- TABCORP (NSW) will continue to pay its 4.7% on all its wagering turnover and the 1.5% fee on its turnover on NSW races is set off against the 4.7% fee.
- Under a pre existing RDA covering TABCORP and NSW and Victorian racing, there is no charge for racing between the two States. Thus NSW cannot get an export credit for Victorian wagering on NSW races and Victoria cannot charge NSW for Victorian wagering on NSW races. Under this set off arrangement NSW is the winner and Victoria the loser given the flow of wagering between the two States.
- Under the agreement between UNiTAB and the Queensland racing codes, any charge levied by other States for their racing product gets offset against the payment to the racing industries. Thus in the case of Queensland, TABCORP (NSW) will charge UNiTAB for Queensland wagering on NSW races which is netted against the fee payable to QRL. Thus the net effect is that the charge levied by NSW racing for race wagering by interstate punters is passed through to the racing industries in the other States, subject to the specific provisions in each agreement.

While the NSW legislation takes effect from September 1, NSW will provide rebates until December to provide in effect a transitional period if other jurisdictions wish to implement legislation by then. If all jurisdictions put in place similar legislation then the situation changes as each racing industry imposes a charge on the interstate wagering on its product. In effect each State still levies its current fee in the same way and then receives export credits for interstate wagering on its product and pays import charges for wagering by its residents on the wagering product of

other States. Under normal circumstances, just considering TAB wagering NSW, together with Western Australia, Tasmania and the Northern Territory should be net losers and Victoria, Queensland and South Australia net winners, given that the first group are net importers and the second group are net exporters. However, NSW appears to be shielded from the full impact by two factors:

- the RDA with Victoria saves NSW the net cost of interstate wagering between NSW and Victoria; and
- the agreement with TABCORP (NSW) means that TABCORP absorbs the import charges from other States for TABCORP (NSW) wagering on their products .

Neither of the above two factors is a cost to Queensland or other states, being borne by Victoria and TABCORP, respectively. In addition to the impact on existing TAB wagering fees, there is the impact of the legislation in expanding the coverage of product fees to include all non TAB wagering at a 1.5% rate. In-principle all jurisdictions could be winners depending on the size and the distribution of non TAB wagering that is captured. However, it is highly unlikely that much of this wagering is on Tasmanian, Northern Territory or Western Australian racing so the position for these jurisdictions should remain negative.

Racing NSW has access to data that has enabled to make some broad assessments of the financial impacts once legislation is in place in all jurisdictions and allowing for additional non-TAB revenue. Their assessment is as follows:

- NSW, Victoria and Queensland are large winners. Victoria and Queensland, because they are net exporters and benefit from tapping non-TAB wagering on their product. While NSW is a winner, despite being a net importer, due to the two factors listed above plus the revenue from non-TAB wagering on its product. On NSW's calculations, if Queensland was to introduce similar legislation, it would achieve a positive financial outcome at a wagering rate set at or above 1.2%, excluding any consideration of non-TAB wagering. The addition of non-TAB wagering would provide a significant net benefit to Queensland. Racing NSW assesses the net benefit to Queensland at between \$15M to \$20M per annum.
- South Australia is a modest winner being a net exporter.
- Western Australia, Tasmania and the Northern Territory are big losers, as they are large net importers and do not pick up much non-TAB wagering.

The NSW intention is to also charge overseas wagering entities for the product they use. Where overseas wagering entities use the product for

wagering, by their overseas clients, a 1.5% fee will apply. However, it is proposed to seek to use the *Commonwealth's Interactive Gambling Act* to preclude such transactions where they currently take wagering from Australian clients on Australian racing. The *Act* can preclude, under regulations, Australian banks from dealing with offshore wagering operators that are not suitably licensed or approved to operate in Australia.

In order to provide greater clarity on the working of the NSW legislation both now with NSW alone and then when other jurisdictions have similar legislation a worked numeric example is provided at Attachment A.

Key Issues

There are a number of issues raised by the NSW Race Fields Legislation and the more general matter of protecting and achieving a suitable economic return for the racing industry from the use of race fields.

1. Ensuring a reasonable contribution from all wagering entities

The first issue is to ensure that an appropriate return is paid by all users of race field information. To the extent that there are free riders such as corporate bookmakers and Betfair, it means first, that it is an uneven playing field penalising those that pay a fee relative to those that do not and, second, it results in a leakage of revenue away from the racing industry. Accordingly, we need to be clear that we support the principle of the Race Fields Legislation and any concerns that we express relate to specific aspects of legislation, not to its broad purpose.

2. Impact on the 'Gentlemen's Agreement'

The NSW legislation does represent a move away from the 'Gentlemen's Agreement', in the sense that an element of revenue is now tied specifically to the program of an individual State. The previous approach had the merit that all jurisdictions remuneration was tied to the wagering of their residents on a national program, and therefore, in theory, each had an incentive to achieve the best possible national program. While the NSW approach does introduce an element of the PRA revenue tied to wagering on its program, the national component of revenue still remains the dominant component. NSW has advised that their current product and program fee is about \$160M. The new component is estimated to produce about \$25M. While this is significant, it is modest relative to the core component of the revenue.

However, the legislation certainly marks a move away from the 'Gentlemen's Agreement', which could gather momentum over time.

3. Relative impact on each PRA

Clearly the application of the NSW approach does have a differential impact across PRAs. There would appear to be some justice in the negative impact on Tasmania and the Northern Territory in view of the Governments of those two jurisdictions contributing substantially to the current problems of the racing industry. The case of Western Australia appears somewhat different. While it has been well treated financially in the past relative to its contribution to the racing product, it does operate in a time zone that assists the overall national program. Hence, there may be a case to seek to mitigate to some degree the impact on Western Australia (but not full mitigation).

It should be noted that NSW racing would normally be a loser in any move away from the 'Gentlemen's Agreement', given that NSW is a substantial net importer of race wagering product. What reverses this situation is the combination of a no charge agreement between NSW and Victoria, as well as the provision in the agreement with TABCORP that does not allow TABCORP to pass on any charges it incurs in NSW residents betting on races in other jurisdictions.

4. Effectiveness and Legality of the approach

The point has been made that the corporate bookmakers and other wagering operators, at whom the legislation is directed, operate on the basis of phone and internet transactions, and hence, do not publish or use a racing program. NSW legal advice is that any reference to any part of the racing material is captured by the legislation. In this regard any transaction will have to cite a horse number, a race number and racing event that is sufficient to trigger the provisions of the legislation.

NSW has indicated that the legislation, while it has no limitation on its applicability, has a weakness, in that, it does not have enforcement provisions. They are seeking to rectify this significant omission as a priority.

5. Relation to Racing Information Services Australia (RISA) fees

RISA charges wagering operators for formatted racing material. This charge is in addition to the Product and Program Fee levied by each PRA. The Product and Program fee is a

fee for the right to wager. The RISA fee is a charge for the provision of racing information in a particular format. The NSW legislation should have no impact on the RISA arrangements, though there is a suspicion that Racing NSW will seek to exclude from RISA agreements with wagering operators. It should be noted that both Racing NSW and Thoroughbred Racing South Australia Limited are requiring that RISA only enter into monthly renewed agreements with wagering bodies.

6. Broadcast rights

A separate but related issue is the case of broadcast rights. There is a need for an alignment between the agreed national racing program and coverage by Sky Channel (SKY) and ThoroughVision (TVN). At present, in each State, other than Victoria, the racing clubs enter into contracts with SKY and TVN. In NSW, under its new governance legislation, it has the negative right that clubs must secure its approval to deal in broadcast rights, but it does not have the positive power to deal in those rights itself. A specific concern with the approach, adopted by NSW, is that it would be in its economic interest to influence SKY to more favourably cover NSW racing at the expense of racing in other States.

OPTIONS:

Possible options are as follows:

- all jurisdictions agree on following a common approach;
- the common approach maintains the integrity of the 'Gentlemen's Agreement' and while applying the requirement to seek authorisation for use of race fields to all parties, only applies charges to those wagering service providers that are currently free riding;
- agree to full alignment between the agreed national race program and the broadcast program;
- confirm that RISA will be the sole vehicle to exploit the commercially the racing material of the racing information; and/or
- establish a working group to assess how to bring broadcast rights under RISA .

FINANCIAL IMPACT:

Not applicable.

LEGAL IMPLICATIONS:

Not applicable.

STAFF IMPLICATIONS:

Not applicable.

OTHER STAKEHOLDER IMPACTS:

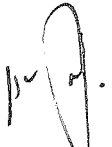
Not applicable.

COMMUNICATION STRATEGY:

Not applicable.

DECISION REQUIRED:

This paper has been submitted for the information of the Board, and to determine an approach to take to the ARB meeting.



MR MICHAEL LAMBERT
Board Director



MR MALCOLM TUTTLE
Chief Operations Manager

Actioning Officer:

2.3



BOARD PAPER NUMBER: 2.3

Racing Intellectual Property, Copyright and Broadcast Rights

PURPOSE:

The purpose of this paper is to set out at a broad level what is the understanding on the racing industry's intellectual property rights with respect to both racing material and broadcast rights and how that interest can be protected.

BACKGROUND AND ISSUES:

Ownership of Racing Material

The core racing material is defined as the following:

- the nominations list;
- the nominations /weights list;
- the progressive acceptors list;
- the final acceptors list; and
- the race result.

Other information includes information on horse's pedigree, racing colours, etc. Owing to some uncertainty about whether and to what extent the racing industry had any copyright over such material, an extensive review was commissioned in 2004 by the Australian Racing Board (ARB) and Racing Information Services Australia (RISA) to investigate this issue, the review being undertaken by Mr Jim Dwyer of Allens Arthur Robinson.

The key legal case in this area is Desktop Marketing Systems versus Telstra (2002), wherein the full Federal Court found that while the information in the Yellow Pages was a series of facts (it is not possible to copyright facts), Telstra undertakes skills and efforts in compiling the information and thus had copyright of the Yellow Pages. This was consistent with the earlier case, Canterbury Race Course versus Hopkins (1931), which found that skill and effort was involved in producing a racing program.

The Allens report concluded that the racing material referred to above was compiled with skill, judgment or knowledge, as well as effort and

thus constitutes “literary works“ for the purpose of copyright. The owners of the racing material were assessed to be each of RISA and the Principal Racing Authorities (PRA), and to some extent, racing clubs, the latter to the extent, if any, that they have a role in the creation of this material. In this regard the PRAs have assigned their rights to RISA for the purposes of commercially exploiting the material and for defending legally the ownership of these rights but ultimately the PRAs are the owners.

In order to protect the ownership it is necessary to ensure that there is proper identification of copyright wherever the information is displayed. It should be noted that while the racing material is available for free on the RISA website that does not undermine the legal protection as the information can only be for personal use, not for the purpose of conducting wagering.

There has been a more recent court decision that of Channel 9 versus Ice TV wherein Channel 9 sued Ice TV for utilising freely available TV program information in a product that it sold to transmit program information to a receptor placed on TVs. In this case the Federal Court found in favour of Channel 9.

Broadcast Rights

The racing clubs contract with both Sky Channel and ThoroughVisioN (TVN) to broadcast races and the issue is who owns the broadcast right and the actual broadcast itself. In this case, the advice of Mr Jim Dwyer is that one needs to distinguish the broadcast right, the actual broadcast (the film) and the racing material. The race clubs have the right to allow a party to access their venue to make a broadcast. Unless it is stated to the contrary in the agreement between the club and the broadcaster, the broadcaster owns the broadcast. In making the broadcast racing material will be captured in the film. It is the position of RISA that the party making the broadcast requires a licence for the use of the racing material captured in the broadcast. This position has been conveyed to TVN. If the agreement is silent on this point the broadcaster may be able to argue that it has an implied right to use the racing material.

The Way Forward

At present discussions are being held with the TAB race clubs to seek to have them assign their broadcast rights to Queensland Racing Limited (QRL), so that QRL can negotiate on behalf of the industry. The legal advice that has been provided as summarised above would indicate that this is an appropriate approach. The only suggested refinement is to document recognition both by the racing clubs and the broadcaster of the use of the copyrighted racing materials.

In regard to the actual racing material itself, it is highly desirable to ensure that there is adequate statement of copyright on all QRL's racing material. At the last RISA meeting it was suggested that each PRA commission a suitable legal party to do such an assessment. In view of the extensive work already undertaken by Allens it is suggested that they be commissioned to do this. To this end, discussions are underway with Allens to outline the cost of such work.

OPTIONS:

Not applicable.

FINANCIAL IMPACT:

Not applicable at this stage.

LEGAL IMPLICATIONS:

Not applicable at this stage .

STAFF IMPLICATIONS:

Not applicable.

OTHER STAKEHOLDER IMPACTS:

Not applicable.

COMMUNICATION STRATEGY:

Not applicable.

DECISION REQUIRED:

It is recommended that QRL Board approve:

- continuing with negotiations to achieve assignment of broadcast rights from the TAB race clubs to QRL for the purposes of negotiating those broadcast rights with Sky Channel and TVN on behalf of the industry, but include in those arrangements recognition of the ownership of racing material captured in the broadcast; and
- commissioning Allen Arthur Robinson to undertake a review of current copyright protection incorporated into QRLs racing material with a view to ensure action is taken to fully protect QRLs copyright position.



MR MICHAEL LAMBERT
Board Director



MR MALCOLM TUTTLE
Chief Operations Manager

Actioning Officer:

2.4



BOARD PAPER NUMBER: 2.4

Marketing Campaign

This item will be presented verbally.

2.5



BOARD PAPER NUMBER: 25

Product Co Update

PURPOSE:

The purpose of this paper is to update the Board on the Product Co Meeting held on Tuesday July 15, 2008 at UNiTAB Head Office.

BACKGROUND AND ISSUES:

The Product Co. Strategy meeting was held at UNiTAB on Tuesday July 15, 2008. In addition to QRL there were representatives from the two other codes. The minutes are attached to this paper and are self explanatory, a couple of points covered informally which may be of interest are that UNiTAB anticipate a minimum 5% and possibly 6% growth this financial year. This assertion was interrogated thoroughly by the committee members as to its robustness.

UNiTAB maintain their estimate is reasonable, last year's financial result being essentially the same as FY07 as well as historic financials which indicate that at a time of consumer financial stress, wagering remains robust.

Attached separately to the Minutes, are 2 additional attachments. The first, is for TABQ FY08 turnover divided into on course and off course wagering. This gives an interesting comparison on 1st half and 2nd half effects of EI on the 3 codes.

The second attachment entitled "Winter Racing Carnival Statistics" gives a holistic view of Winter Carnival Statistics for 1992 to 2008 by individual meeting. Reviewing these statistics will give interesting cause for thought - let me emphasise from a UNiTAB perspective 08 Winter Carnival outcomes were significantly below those of 07. An immediate reaction to blame EI/weather will be resisted when it is recognised that apart from 2003 this is the lowest Carnival total since 2001.

CONCLUSION:

N/A

FINANCIAL IMPACT:

N/A

LEGAL IMPLICATIONS:

N/A

STAFF IMPLICATIONS:

N/A

OTHER STAKEHOLDER IMPACTS:

N/A

COMMUNICATION STRATEGY:

N/A

DECISION REQUIRED

No decision is required. The Board are asked to note the update.

Tony Hanmer
Deputy Chairman

COMMERCIAL IN CONFIDENCE

MINUTES OF PRODUCT AND STRATEGY COMMITTEE MEETING
HELD AT UNITAB HEAD OFFICE ON
TUESDAY 15 JULY 2008 AT 10.00AM

<u>Attendees:</u>	Mr T Hanmer	-	QR
	Mr M Tuttle	-	QR (ex officio)
	Mr A Kelly	-	QHRB (ex officio)
	Mr D Beavis	-	GRA (ex officio)
	Mr B Fletton	-	UNITAB
	Mr B Tamer	-	UNITAB

Mr Tony Hanmer assumed the chair.

Item 1: Report on the performance of UNITAB's Queensland race wagering business for F08 – (Product Co)

All Queensland totalisator sales in F08 finished within 0.3% of F07 notwithstanding an EI decimated first half which saw the business turn 6.7% down on the corresponding period in F07 at the halfway mark of F08. The strong H2 result was underpinned by the introduction of fractional betting, fewer interruptions from inclement weather and more overseas racing coverage. On-course sales in H2 (-1.3%) did not recover to the extent of off-course sales (+7.1%).

The significant contribution made by the greyhound racing industry through EI was noted. Revenue on sales of \$2.039M was 15.981% within the statutory cap allowable of 16.000%.

Item 2: Report on UNITAB's wagering turnover and revenue performance for F09 - (Product Co)

The pattern of strong growth experienced in F08 H2 is expected to continue into H1 F09. Despite the ongoing threat of reduced discretionary spending fuelled by spiralling petrol prices and rising interest rates the growth rate is anticipated to accelerate to be in the vicinity of 4% to 5% in F09.

Revenue is expected to be between 15.900% and 15.925% in F09.

Item 3: Report on UNITAB's wagering turnover on the 2008 Winter racing carnival - (Product Co)

Weaker than expected sales of \$32.6M was the lowest returned since \$30.6M in 2003. Sales were knocked around by additional competition from a delayed Sydney Autumn Racing Carnival, knock on effects of EI which affected interstate and New Zealand participation, odds-on favourites in both of the BTC's Group 1 sprint races and inclement weather in the latter part of the carnival.

Mr. Tuttle indicated that they are cognisant of the need to optimise the quality of the available horse pool by avoiding a clash with the Sydney Autumn Racing Carnival wherever possible, but still allowing sufficient time for connections to ready their charges for the Spring Racing Carnival.

Item 4: Amendment requested to clause 6.2 (f) of the Product and program Agreement - (UNiTAB)

UNiTAB tabled Confidentiality Agreement signed by Messrs Fletton and Tamer (committee members) and Mr Powell and Ms Tucker as alternates.

Item 5: Queensland Racing's wet weather policy – (UNiTAB)

Whilst QR's current policy does allow for the transfer of a turf meeting at the Sunshine Coast to the cushion track in the case of inclement weather this option does not extend to other race tracks.

Queensland Racing is monitoring the response to their recently introduced wet weather policy at the Sunshine Coast and thought will be given to applying the policy across other south-east Queensland venues in the case of extreme circumstances.

Item 6: Queensland Racing's night racing intentions – (UNiTAB)

Mr Tuttle provided a brief overview of Queensland Racings future night racing intentions which included the installation of lights at the Sunshine Coast to assist the seamless transition from turf to a cushion racing surface in Toowoomba in the near future. QR indicated that it will explore other time slot opportunities to utilise the lights at the Sunshine Coast once Toowoomba comes back on line. No additional product is planned.

Item 7: Future competitor sponsorship of Queensland racing – (UNiTAB)

UNiTAB considered the sponsorship of race 5 at Doomben on Wednesday 16 July 2008 to be in breach of the Product and Program Agreement (PPA).

Mr Tony Hanmer undertook to raise the matter with the BTC to remind them of their obligations with respect to sponsorship under the PPA.

Item 8: Queensland Harness Board (QHRB) and Greyhound Racing Authority's (GRA) racing calendars – (UNiTAB)

Recent developments at the Gold Coast and Albion Park racing complexes encouraged UNiTAB to request an update on the future of the harness and greyhound racing in Queensland.

Both Mr Kelly and Mr Beavis indicated that they are confident that an optimal outcome can be delivered by three race tracks albeit in the case of the GRA at two venues to ensure current levels of racing continue to be available to UNiTAB punters. They advised that there will be no disruption to Sky Channel coverage.

Item 9: Combining the STAB, NSWTAB and UNiTAB totalisator pools – (QHRB)

Mr Fletton indicated that UNiTAB intended to maintain the strategic advantage of a separate pool whilst bidding for interstate wagering licences. He noted that in the longer term, serious consideration would be given to combining pools where smaller volumes warranted this. UNiTAB is currently developing the capability to comingle but is at least twelve months away from being in a position to offer co-mingled pools.

Item 10: Interactive TV and the timing of its introduction into Queensland, South Australia and the Northern Territory – (QHRB)

UNiTAB has signed a Memorandum of Understanding with Two Way to allow it to progress the development of an interactive wagering platform in Queensland. UNiTAB is hopeful that interactive wagering can be rolled out within the next six to twelve months provided the Queensland Office of Liquor, Gaming and Racing views its submission as an extension of existing selling channels.

Our level of confidence in making interactive wagering available to South Australia punter's is significantly lower than in Queensland whilst the Northern Territory will have to wait until interactive wagering is available on the Austar platform.

Item 11: UNiTAB's position on the Victorian wagering licence - (QHRB)

Despite the complex logistical considerations involved UNiTAB reaffirmed its intention to bid for the Victorian wagering licence allocated in 2012.

Item 12: "The Gentleman's Agreement" – Combating the corporate bookmakers and betting exchanges – race field legislation – (QHRB)

Mr Tuttle indicated that whilst QR believed that it would not be disadvantaged by New South Wales race field's legislation based on the existing racing schedule QR would encourage the Queensland government to introduce similar legislation to ensure that it avoided becoming an importer of racing.

The meeting closed at 12.45pm

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TABQ F08 Turnover (,000)

	H1		H2		F08	
Off		Change	Off	Change	Off	Change
Gallops	687,177	-9.2	727,569	6.0	1,414,746	-1.5
Harness	97,135	-12.8	119,241	6.1	216,376	-3.3
Greyhounds	174,106	28.1	143,396	14.1	317,502	21.1
	958,420	-4.6	990,206	7.1	1,948,626	1.4
On		Change	On	Change	On	Change
Gallops	27,294	-46.7	46,733	-2.0	74,027	-24.3
Harness	1,892	-45.9	3,530	4.0	5,422	-20.8
Greyhounds	3,927	5.6	3,625	3.1	7,552	4.1
	33,124	-43.3	53,878	-1.3	87,002	-22.3
Combined	993,160	-6.7	1,046,088	6.6	2,039,248	-0.3

WINTER RACING CARNIVAL STATISTICS

Year	BTC Cup/Classic	Carlton Cup	Qld Guineas	Labour Day	Hollindale/PM's Cup	Grand Prix	Doomben 10,000	Doomben Cup	QTC Oaks	Stradbroke	Brisbane Cup	Ipswich Cup	Tatts day	Caloundra Cup	Total
1992	1.924	S 2.149	2.649	D 1.991	H 2.257	S 2.664	S 3.066	3.124	3.396	3.475	2.632				29.327
1993	2.583	2.478	2.777	2.267	2.758	3.060	3.722	D 3.537	3.657	3.902	3.403				34.144
1994	D 2.668	S 2.552	S 2.719	H 2.107	2.621	3.151	D 3.856	3.522	3.779	3.935	3.478				34.388
1995	2.142	D 2.149	2.889	S 1.895	2.248	3.166	D 3.274	3.604	3.564	3.965	3.164				32.060
1996	2.274	H 2.003	abandoned	abandoned	2.542	3.257	H 2.739	S 2.786	3.183	3.653	2.902				25.339
1997	2.727	2.499	S 2.811	abandoned	1.628	abandoned	D 3.376	D 3.549	H 2.819	3.930	D 2.814				26.153
1998	H 1.947	S 2.191	*H 1.756	H 1.444	1.619	abandoned	D 3.148	3.482	3.283	4.320	3.078				26.268
1999	2.847	2.841	D 3.095	1.848	S 1.748	H 2.844	D 3.860	D 3.798	*H 1.123	*S 4.175	D 2.976		3.057		31.155
2000	S 2.048	2.853	D 2.440	H 1.307	1.589	2.852	*D 4.086	0	3.559	D 4.425	S 3.074		3.357		28.233
2001	D 2.407	D 2.358	2.721	1.760	1.480	D 3.048	3.509	3.741	3.853	4.813	3.042		3.471		32.732
2002	2.565	2.770	D 2.919	D 1.594	*2.829	1.593	*3.604	3.655	3.855	D*4.235	D 3.051	3.017	3.529	2.718	32.670
2003	D 2.580	0	2.716	1.662	3.008	1.325	3.811	3.942	*D 4.144	D 4.333	3.090	3.400	3.519	D 3.308	30.611
2004	*3.131	0	H 3.160	1.602	3.395	*1.562	*4.267	4.163	4.158	4.777	*3.623	3.283	4.080	3.718	33.838
2005	**D 3.564	0	3.384	1.603	S 3.492	0	***D 4.859	+4.062	++4.548	#5.016	3.323	##3.608	###3.918	*H 2.883	33.851
2006			3.111	1.340	3.863	4.117	4.762	4.490	5.205	5.705	3.331	3.878	3.861	3.577	35.91
			Sir Byrne Hart			BTC Cup	Doomben 10,000	Doomben Cup					Winter Stks		
2007			3.490	0.952	4.079	4.389	4.746	4.834	5.010	6.040	3.825	4.469	4.600	3.866	37.36
2008			2.869	0.903	2.971	3.772	4.829	4.813	H 4.225	S 5.426	H 2.754	4.362	S 4.746	4.077	32.56

Record betting bolded & underlined

Note-Total is up to and including Brisbane cup

3.1

BOARD PAPER NUMBER: 3.1
June 2008 - Finance and Wagering Report.

PURPOSE:

To provide the Board of QRL with information relating to the financial and wagering performance and results of Queensland Racing Limited (QRL) for the month ended and year ended 30 June 2008. These are the first interim results for QRL and have not been audited by BDO Kendalls and are subject to change.

BACKGROUND AND ISSUES:

Executive Summary Year End 30 June 2008

QRL recorded a surplus of \$13.1M up \$4.7M on \$8.4M surplus for FY06/07.

Revenue was down \$2.4M on Budget and down \$2M on FY0607. This is mainly due to the effect of EI on Product and program fee which finished the year 3.6% below budget and 1.7% below FY0607.

Expenditure was down \$9.1M on FY06/07 mainly due to unexpended prizemoney as a result of the EI crisis. This is reflected in the fact that there were 63 less TAB meetings compared to last year and 167 less meetings overall.

Total additional costs due to EI from 25th August 07 to 30 June 2008 are \$1.2M excluding the \$457K reimbursement for inoculations from the DPI.

Performance Indicators as reported in the business plan show that QRL's revenue and operating costs have been affected by the outbreak of EI in all areas.

Organisational and Operational Excellence	Forecast FY 07/08	Target FY07/08	June 08	FY 06/07	FY 05/06	FY 04/05
Ratio of Operating Costs to Product Fee Revenue	<11.5%	<11.5%	13.8%	10.9%	11.3%	13.1%
Product Fee Revenue Growth	0%	2.5%	-3.6%	+6.30%	+1.05%	+6.50%
Consolidated QRL Operating Surplus	\$14M	\$3.952M	\$13.1 M	\$8.6M	\$ 3.428M	\$ 3.281M
QRL Operating Costs	<\$10M	<\$10M	\$12.9M	\$10.319M	\$10.07M	\$11.55M
QRL Operating Costs to Total Expenses	<12%	<12%	13.9%	10.4%	11.6%	13.5%
QRL Operating Costs to Total Expenses Excl EI Costs	<12%	<12%	13.1%	10.4%	11.6%	13.5%

June 2008

June 2008 has resulted in an unfavourable result down \$780K compared to the budget. MTD, QRL recorded a deficit of \$3.5M.

MTD – June 2008

- Revenue was down by \$225K due to the Product and Program Fee being \$555K or 6.7% below budget.

- Expenditure was up \$555K on budget. Favourable variances in the racing program such as QTIS \$130K, Jockey Work Cover of \$82K were offset by Administration expenditure including consultancy costs of \$116K and provision for bad debts \$97K.

The Impact of EI on starters and number of races.

	YTD 30-June-08	YTD 30-June-07	Down	Down %
TAB Starters	28,836	32,943	-4,107	-12.5%
Non TAB Starters	10,321	14,054	-3,733	-26.6%
No of Races	3,863	4,816	-953	-19.8%
No of Meetings	563	730	-167	-22.9%

Wagering

Month on month growth in wagering for Queensland shows thoroughbreds decreased for June at -9.04% compared to the decrease in Harness -15.09% and Greyhounds -5.98%.

QLD Only % Growth in Wagering per mth

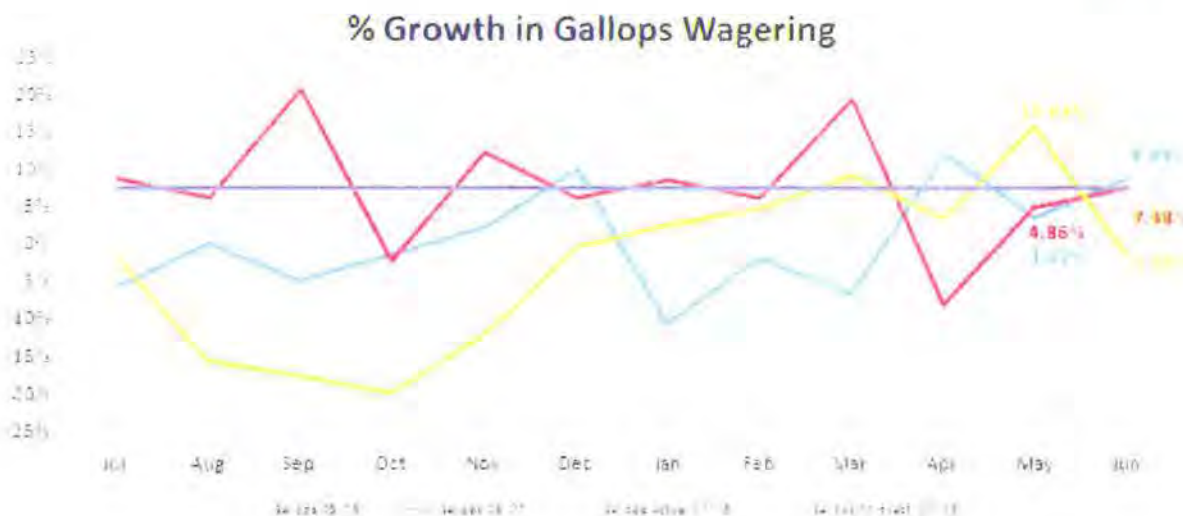


Total wagering growth on YTD basis compared to last year follows as per the attached UNITAB Calendar Turnover month on month report for June 2008:

	QLD	NATIONAL
Thoroughbreds	-17.91%	-3.45%
Harness	-23.06%	-3.82%
Greyhounds	+9.13%	+20.90%
		-0.28%

Figures quoted are YTD FY0708 unless otherwise stated:

- QLD Thoroughbreds holding 77.17% of 3 code wagering in QLD and 24.88% of national Thoroughbred wagering.
- Thoroughbreds account for 73.14% of national 3 code wagering.
- Average wagering turnover per QLD TAB meeting.
 - June 07 \$50.24M : 30 meetings = \$1.675M
 - June 08 \$45.70M : 34 meetings = \$1.523M
 - YTD June 07 \$451.4M : 398 Meetings = \$1.134M
 - YTD June 08 \$370.5M : 335 Meetings = \$1.106M
- Product and Program Fee is \$3.52M or 3.64% down on budget YTD.



KEY RESULT AREAS YTD JUNE FY 07/08 vs. YTD FY06/07

Revenue down \$2M or 1.9% on FY06/07 and up \$5.2M or 5.2% on FY05/06

- P&P Fee is down \$1.6M or 1.7% on FY06/07 and \$4.3M up on FY05/06.
- Administration revenue is up \$1M on prior year mainly due to the DPI reimbursement of Inoculations of \$458K. Positive growth in interest is due to the increased amount invested with Queensland Treasury Corporation, which totals \$38M (This \$38M is excluding the Synthetic track funding of \$12M) as at the end of June 08 as compared to \$37M in June 07 and \$23M in June 06. QRL has not yet been able to be reimbursed \$4M for the Synthetic track at Corbould Park. This should occur early in the new financial year when Treasury authorises QRL to draw down the funds.

Expenditure is down \$6.7M or 6.7% on FY06/07 and down \$4.4M or 4.6% on FY05/06

- The decrease in expenditure as compared to FY06/07 is mainly due to the impact of EI on the number of races held and therefore overall prizemoney distributed. YTD QRL has conducted 953 less races than YTD June 2007.
- An increase in administration costs in areas such as consultancy fees which has increased \$760K compared to last financial year mainly due to projects such as the Palms Meadows development which has incurred expenditure YTD of \$1.1M.

Update on Projects -

Synthetic Track funding – Toowoomba Turf Club

As at 30 June 2008, total costs incurred for the synthetic track is \$1.7M. This includes costs for consultancy from civil engineering contractors and materials from Equestrian Surfaces.

An update on all project costs as well as capital works contributions to race clubs is detailed below and will be provided at each subsequent board meeting.

TOTAL Projects costs to date for FY07/08

PROJECT NAME	DESCRIPTION	TOTAL
BEAUDESERT RACE COURSE	Consultancy fees sand track	30,135.30
BOWEN TURF CLUB	Engineering stormwater	1,852.50
BTC & QTC MERGER	Club one merger	53,319.83
EQUINE INFLUENZA	All expenditure on EI	783,983.51
GOLD COAST TURF CLUB	Palm Meadows Development	1,098,596.11
IPSWICH TURF CLUB	Fibre Optic cable	109,291.13
MAGIC MILLIONS	Promotions for MM	24,880.91
MARKETING EVENTS	Promotion events	5,314.07
PLEYSTOWE CRESCENT	Repairs & Maintenance	13,786.10
PA IPOS PROJECT	Purchasing procurement sys.	3,590.00
STABLING FACILITIES SUN COAST	Consultancy Fees	1,900.00
WATER RECYCLING	Consultancy Fees	857.50
DISASTER RECOVERY	Software	39,123.37
SUNSHINE COAST TURF CLUB	Studio Equipment	18,938.86
DEAGON DEVELOPMENT	Relocate Towers	9,600.00
TOWNSVILLE / CLUDEN	Track health Assessment	5,221.25
MACKAY TURF CLUB	Track health Assessment	1,030.00
WINTER CARNIVAL	Winter Race Book	29,174.88
EI MARKETING FUND	Stage 1 EIMF progress fee	5,760.00
ROCKHAMPTON MASTER PLAN	Running Rails	86,000.01
EAGLE FARM	Running Rails	186,647.31
GRAND TOTAL		2,509,002.64

TOTAL capital works contribution costs to date for FY07/08

TURF CLUB	DESCRIPTION	TOTAL
BEAUDESERT RACE COURSE	Sand Track	158,120.67
EAGLE FARM	Horse walkway, towers, dam	1,182,347.41
GOLD COAST TURF CLUB	Track upgrade	143,110.43
IPSWICH TURF CLUB	Cabling fibre optics	80,043.62
ROCKHAMPTON	Jockey club master plan development. Running Rails	118,300.01
SUNSHINE COAST TURF CLUB	Additional work towers	56,834.61
SYNTHETIC TRACK	Cushion track analysis	1,485.00
TOWNSVILLE / CLUDEN	Stewards tower	23,881.25
DEAGON DEVELOPMENT	Relocate towers	9,000.00
GRAND TOTAL		1,773,123.82

OPTIONS:

Not Applicable

FINANCIAL IMPACT:

Subject to year end adjustments by the auditors BDO Kendalls, QRL is projecting an operating surplus of \$ 13.1M.

QRL incurred an additional expenditure due to EI due to 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.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

Not Applicable

DECISION REQUIRED

That the Board accept the Interim June 2008 finance and wagering report as presented with the final audited financials statements to be presented at the 5 September 2008 Board meeting.



Adam Carter
Finance Manager

Actioning Officer: - Murray Dyke - Accountant

Mission

To create the commercial and regulatory environment for Queensland Racing to deliver a viable, prosperous and sustainable industry

Critical Result Areas

Queensland Racing measures its outcomes from five (5) critical result areas:

- Corporate Governance
- Financial Performance
- Product and Customer Service Delivery
- Operational Excellence
- Risk Management, Safety and Integrity

Finance and Wagering Report

JUNE 2008

- Result As at 30 June 08
- Financial Summary
- Program Summaries
- UNiTAB Calendar Wagering Turnover Report
- Wagering Graphs

Notes:

Act Budget

QUEENSLAND RACING LIMITED							
RESULT AS AT 30 JUNE 2008							
INCOME	YTD June 08	Budget YTD June 08	Variance	%	YTD June 07	Variance	%
Other	\$2,058,903	\$1,087,100	\$971,803	47%	\$1,564,823	\$494,080	32%
Club levies	\$0	\$6,000	(\$6,000)	0%	\$8,363	(\$8,363)	-100%
Licence and Registration fees	\$705,648	\$634,100	\$71,548	10%	\$715,542	(\$9,895)	-1%
QTIS Registrations	\$55,052	\$860,000	(\$804,948)	-1462%	\$939,080	(\$884,028)	-94%
Fines	\$216,750	\$200,000	\$16,750	8%	\$228,570	(\$11,820)	-5%
Racing Fees	\$6,542,028	\$6,815,000	(\$272,972)	-4%	\$7,059,613	(\$517,585)	-7%
Product & Program fee	\$93,326,331	\$96,820,000	(\$3,493,669)	-4%	\$94,971,917	(\$1,645,586)	-2%
Grant - Training track subsidy	\$860,000	\$800,000	\$60,000	7%	\$860,000	\$0	0%
Interest	\$2,018,655	\$1,000,000	\$1,018,655	50%	\$1,452,054	\$566,601	39%
Total Income	\$105,783,367	\$108,222,200	(\$2,438,833)	-2%	\$107,799,962	(\$2,016,594)	-2%
EXPENDITURE							
Club Distribution	\$59,092,017	\$69,798,300	(\$10,706,283)	-18%	\$66,685,711	\$7,593,694	11%
QTIS	\$2,382,650	\$3,878,000	(\$1,495,350)	-63%	\$3,579,350	\$1,196,700	33%
Capital Works	\$1,773,123	\$2,000,000	(\$226,877)	-13%	\$1,076,229	(\$696,893)	-65%
Admin Subsidy	\$7,684,577	\$7,799,500	(\$114,923)	-1%	\$8,064,200	\$379,623	5%
Jockey Riding Fee	\$5,490,099	\$6,650,000	(\$1,159,902)	-21%	\$6,345,598	\$855,500	13%
Nominations & Acceptances	\$217,218	\$430,799	(\$213,581)	-98%	\$398,824	\$181,606	46%
Sky Channel	\$77,597	\$95,000	(\$17,403)	-22%	\$82,467	\$4,870	6%
Starters Subsidies	\$722,971	\$0	\$722,971	100%	\$26,550	(\$696,420)	-2623%
Other	\$2,490,384	\$1,304,404	\$1,185,980	48%	\$1,305,635	(\$1,184,749)	-91%
Salaries, Wages and Associated Costs	\$5,268,349	\$5,730,012	(\$461,663)	-9%	\$5,107,138	(\$161,211)	-3%
Administration	\$2,812,516	\$2,335,540	\$476,976	17%	\$2,267,813	(\$544,703)	-24%
Committee/Board Expenses	\$367,595	\$387,400	(\$19,805)	-5%	\$353,642	(\$13,953)	-4%
Motor Vehicle and Travel Expenses	\$424,170	\$471,496	(\$47,326)	-11%	\$504,839	\$80,669	16%
Insurance	\$1,648,129	\$1,779,500	(\$131,371)	-8%	\$1,989,609	\$341,479	17%
Legal	\$181,071	\$410,000	(\$228,929)	-126%	\$370,039	\$188,968	51%
Consulting Fees	\$1,546,452	\$699,750	\$846,702	55%	\$786,333	(\$760,119)	-97%
Depreciation	\$503,884	\$500,000	\$3,884	1%	\$468,155	(\$35,729)	-8%
Total Expenditure	\$92,682,801	\$104,269,701	(\$11,586,900)	-13%	\$99,412,133	\$6,729,332	7%
Net Profit / (Loss)	\$13,100,567	\$3,952,499	\$9,148,067	-15%	\$8,387,829	\$4,712,738	56%

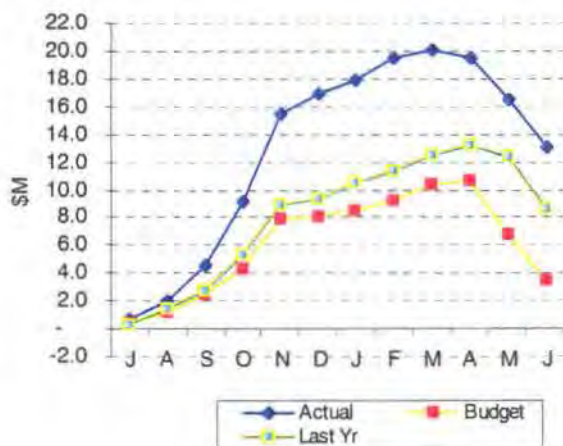
Consolidated Financial Summary

Month 000s		Income Statement	YTD 000s		YTD FY 0607 000s	
Actual	Budget		Actual	Budget	Actual	Variance 06/07
9,664	9,709	Operating Revenue				
542	731	Racing Program	100,740	105,247	103,803	(3,063)
6	0	Racing and Administration	4,104	2,656	3,560	545
17	44	Integrity Services	473	3	13	461
38	7	Deagon Racecourse	254	230	232	22
		Training	211	87	192	19
10,266	10,491	Total Revenue	105,783	108,222	107,800	(2,017)
		Operating Expenditure				
12,293	12,210	Racing Program	79,803	93,134	88,945	(9,142)
813	558	Racing and Administration	7,345	6,182	5,743	1,602
531	330	Integrity Services	4,465	3,823	3,652	813
78	55	Deagon Racecourse	603	659	607	(5)
44	50	Training	465	471	462	4
13,758	13,203	Total Operating Exp.	92,681	104,270	99,408	(6,727)
(3,491)	(2,712)	Net Profit/(Loss)	13,102	3,952	8,392	4,711

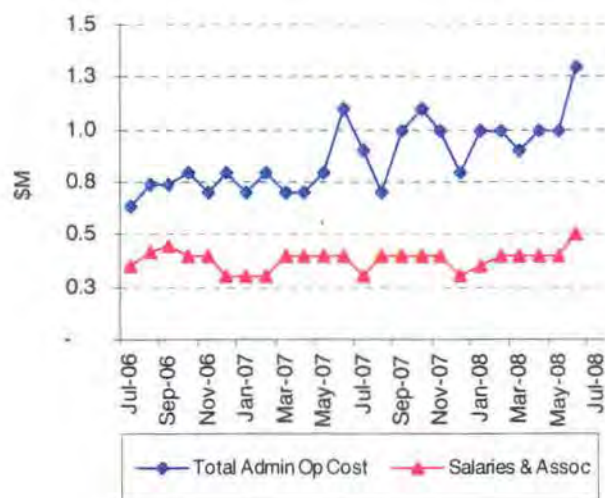
Commentary

Queensland Racing reported a deficit of \$3.5M, which is \$780K unfavourable compared to the budgeted deficit for the month of June 2008. The majority of the variance being consultancy costs \$116K above budget and year end adjustments for bad debts \$100K and accruals for June casuals \$52K. Month to date revenue was down by \$225K, YTD Revenue is down \$2M on prior year. The preliminary FY0708 surplus is currently at \$13.1M. YTD expenditure is \$9.1M down on budget and down \$4.7M on prior year.

Consolidated Profit and Loss (YTD)

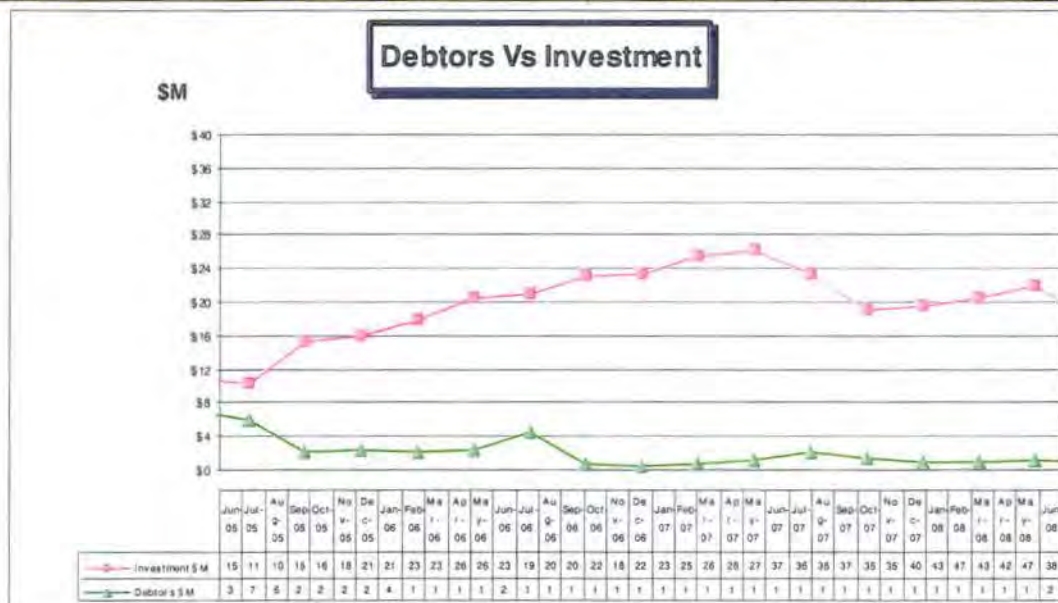


Administration Operating Costs



Balance Sheet

Previous Year	CURRENT ASSETS	Current Month	Previous Month	Variance
000s		000s	000s	000s
37,337	Cash Assets	38,167	47,825	(9,658)
11,539	Receivables	13,511	7,287	6,224
32	Other	(165)	(183)	18
48,908	TOTAL CURRENT ASSETS	51,513	54,929	(3,417)
	NON-CURRENT ASSETS			
11,000	Investment SCR	11,000	11,000	0
22,265	Property, Plant and Equipment	23,800	27,998	(4,197)
33,265	TOTAL NON-CURRENT ASSETS	34,800	38,998	(4,197)
82,172	TOTAL ASSETS	86,313	93,927	(7,614)
	CURRENT LIABILITIES			
551	Overdraft	94	543	(449)
7,290	Payables	2,778	1,379	1,400
17,767	Other Payables	13,803	19,099	(5,295)
437	Provisions	502	447	55
553	Fees Paid In Advance	489	480	10
26,598	TOTAL CURRENT LIABILITIES	17,667	21,946	(4,279)
	NON-CURRENT LIABILITIES			
436	Provisions	473	449	24
436	TOTAL NON-CURRENT LIABILITIES	473	449	24
27,034	TOTAL LIABILITIES	18,140	22,395	(4,256)
55,138	NET ASSETS	68,173	71,532	(3,358)
42,713	Retained Profits	55,616	59,107	(3,491)
12,424	Asset Revaluation Reserve	12,557	12,424	133
55,138	TOTAL EQUITY	68,173	71,532	(3,358)



Racing Program Summary

Month 000s		Income Statement	YTD 000s		YTD 06/07
Actual	Budget		Actual	Budget	Actual
		Operating Revenue			
7,780	8,335	Product & Program Fee	93,326	96,820	94,972
25	-	QTIS Registrations	57	860	939
400	370	Grant - Training Tracks	800	740	800
351	373	Starters Fee Revenue	3,119	3,900	3,834
114	95	Non-Starter Fee Revenue	798	940	885
53	40	Scratching Fee	398	440	457
785	485	Feature Race Accept Fee	1,954	1,400	1,595
15	10	NRD Scratching Fee	132	135	140
142	1	Miscellaneous Income	156	12	180
9,664	9,709	Total Revenue	100,740	105,247	103,803
		Operating Expenditure			
10,029	9,815	Club Distributions Expenditure	59,092	69,798	66,686
176	306	QTIS Expenditure	2,383	3,878	3,579
425	250	Capital Works Expenses	1,773	2,000	1,076
380	370	Grant - Training Tracks	769	740	759
6	8	Sky Channel Funding	78	95	82
652	650	Club Operational Subsidy	7,685	7,800	8,064
4	11	P & P Fee - Other	732	51	40
8	35	Nominations Expenditure	208	380	382
630	615	Jockey Riding Fee	5,490	6,650	6,349
3	13	Human Drug Testing	58	75	49
(34)	18	Jockey Public Liability Insurance	132	188	344
(15)	9	Trainers Common Law	20	80	27
28	110	Jockey Work Cover Insurance	1,385	1,400	1,507
12,293	12,210	Total Operating Expenditure	79,803	93,134	88,945
(2,629)	(2,501)	Net Profit/(Loss)	20,937	12,113	14,859

Commentary

The Racing Program reported a deficit of \$2.6M against the budgeted deficit of \$2.5M or \$128K unfavourable. Expenditure was up by \$83K. YTD racing surplus is up \$8.8M on budget, \$6.1M on prior year mainly due to the unexpended prizemoney offset by a reduction in P&P Fee due to EI.

Major variances in the period under review include: -

- Product and Program fee was \$555K or 6.65% down on budget for the month. YTD P&P Fee is down \$3.5M or 3.6% on budget, and down \$1.6M or 1.7% on FY06/07.
- The reimbursement of QTIS registrations has affected the result by \$803K YTD.
- Prize money and Feature Race Funding expenditure were over budget for the month. The extra \$750 per Non TAB race accounted for \$126K of the \$214K variance. Savings were also made during the month in Insurances. This was as a result of heavier insurance provisions incurred earlier in the year. YTD there has been 63 less TAB race meetings as compared to last year. This difference is also reflected in the favourable YTD variance of unexpended prizemoney which currently stands at \$10.7M.

Racing, Administration and Integrity Summary

Month 000s		Income Statement	YTD 000s		YTD 06/07
Actual	Budget		Actual	Budget	Actual
		Operating Revenue			
4	10	Clubs Contribution	39	46	68
92	317	Licenses and Registrations	706	634	716
49	10	Marketing Sponsorship	143	60	100
1	0	Marketing Ticket Sales	38	68	43
14	73	Racing Calendar	330	245	149
214	90	Interest Received	2,019	1,000	1,452
33	44	Fines	217	200	229
140	189	Other Income	1,086	406	816
548	732	Total Revenue	4,578	2,659	3,572
		Operating Expenditure			
490	298	Administration Expense	4,790	3,366	3,107
549	432	Salaries & Associated Costs	4,721	5,145	4,545
20	20	Board Expenses	242	240	242
35	25	Stewards Expenses	341	300	297
0	1	Marketing Expenses	30	10	11
5	10	Racing Calendar	21	49	43
28	44	Motor Vehicle & Travel	404	454	485
28	25	Depreciation	324	302	306
188	32	Other	937	138	358
1,343	888	Total Operating Expenditure	11,810	10,005	9,394
(796)	(156)	Net Profit/(Loss)	(7,232)	(7,346)	(5,822)

Commentary

Racing, Administration and Integrity reported a deficit of \$796K for the month of June, which is \$640K unfavourable to the budget. YTD expenditure is over budget by \$1.8M and up on prior year by \$2.4M due to costs incurred for EI and consultancy fees on the Gold Coast Palm Meadows development.

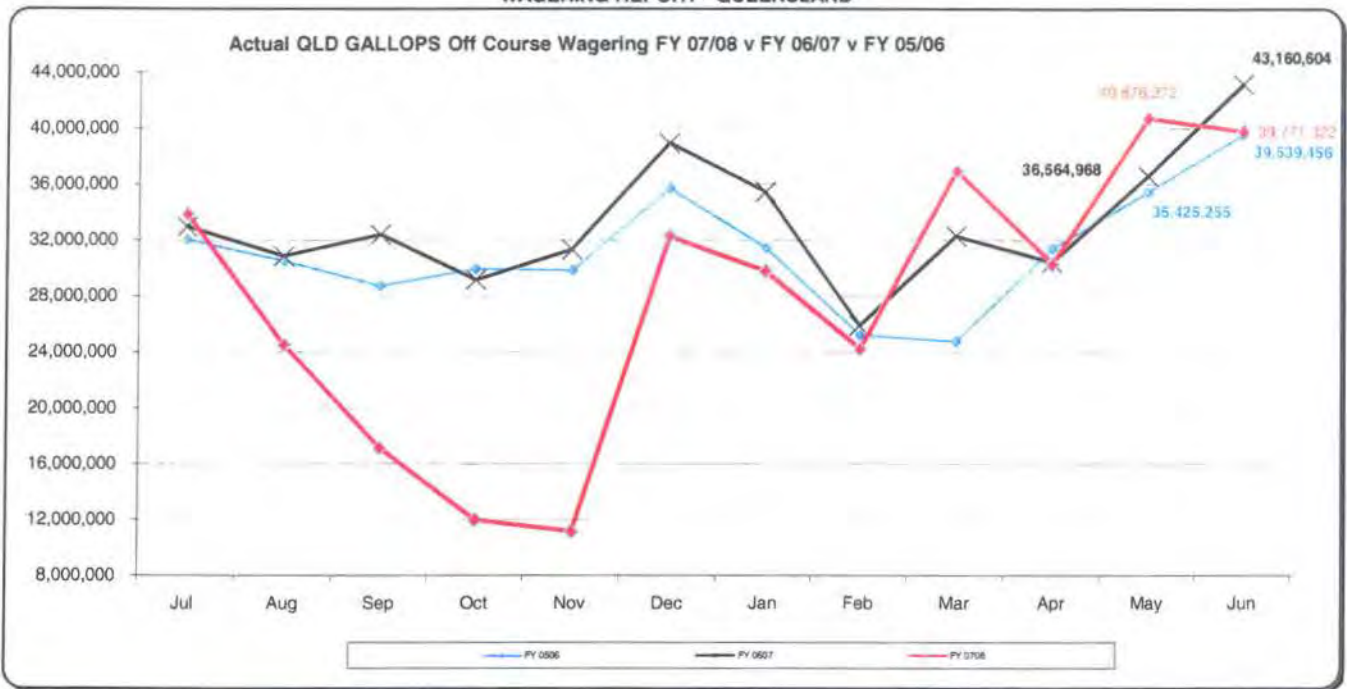
Major variances in the period under review include: -

- Interest received was favourable to budget by \$124K. Revenue YTD includes \$457K reimbursement of EI costs from DPI and \$350K recovery of Merge Co costs from Queensland Turf Club and Brisbane Turf Club.
- Administration expenses are over budget mainly due to consultancy costs on the Palm Meadows development (\$1.1M) and EI (\$308K).
- Other expenses are over budget mainly due to expenditure on the EI crisis which has now cost QRL \$784K YTD.
- MTD The unfavourable variance in salary and wages is due to June accrual for casual labour \$52K, and \$49K end of year adjustment for long service leave. YTD salaries and associated costs are under budget by \$424K or 8% mainly due the Track Manager position not been filled and the timing of the new Director of Integrity Operations. Salaries and Associated costs are over last year by \$176K. This is mainly due to contract labour from EI

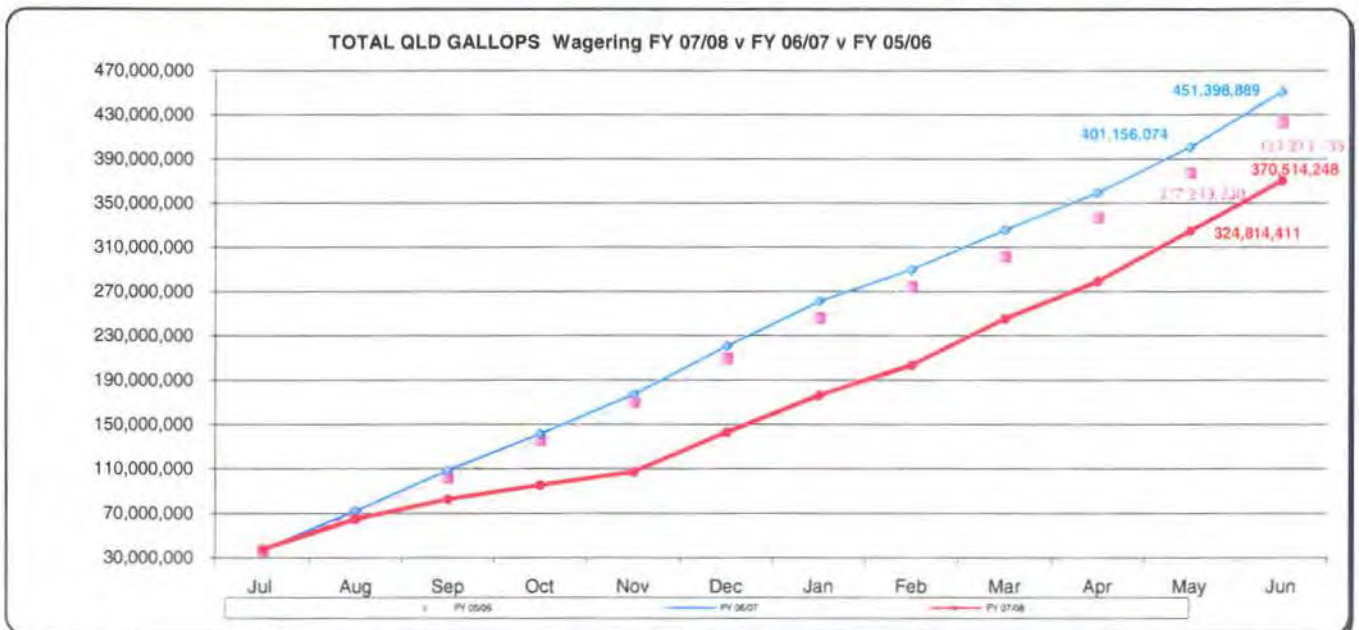
Queensland Calendar Turnover Report By Racing Code/Location (strictly confidential-for internal use only by QR, QHRB & GRA)

	Period 1 Jun 2008 to 30 Jun 2008					Year to Date 30 Jun 2008				
	Meetings		This Year			Meetings		This Year		
	This Year	Last Year	\$	%	Growth	This Year	Last Year	\$	%	Growth
Gallops										
Queensland	34	30	45,699,837	36.45	-9.04	335	398	370,514,246	24.88	-17.91
New South Wales	44	34	25,656,344	20.42	20.81	420	540	295,688,825	19.86	-21.37
Victoria	40	40	28,853,640	22.96	-1.47	483	501	476,778,343	32.09	9.86
Northern Territory	5	5	385,881	0.30	-27.19	67	67	5,090,523	0.34	3.40
South Australia	11	13	8,944,273	7.11	-21.49	166	167	127,723,048	8.57	5.49
ACT	1	3	451,026	0.35	-67.85	21	10	10,340,221	0.69	100.86
Western Australia	19	17	9,434,476	7.50	4.34	219	219	114,427,384	7.68	19.34
Tasmania	5	4	1,781,578	1.41	44.58	58	59	20,531,440	1.37	15.86
New Zealand	25	14	1,817,659	1.44	25.11	288	157	41,557,588	2.79	101.68
South Africa	4	3	127,444	0.10	46.41	110	50	4,101,383	0.27	128.51
Japan	3	2	137,910	0.10	13.23	17	13	943,730	0.06	35.91
SING				0.00	0.00	18		2,794,173	0.18	0.00
ENG	8	2	115,349	0.09	-24.10	36	2	490,217	0.03	222.53
Hong Kong	8	7	2,234,997	1.77	61.82	75	78	17,792,637	1.19	42.48
	207	174	125,640,213	100.00	-1.50 %	2313	2261	1,488,773,758	100.00	-3.45 %
Trotting										
Queensland	20	22	4,749,754	23.32	-15.09	197	259	45,906,032	20.69	-23.06
New South Wales	37	35	5,738,897	28.21	0.13	302	427	45,725,473	20.61	-26.85
Victoria	40	42	5,566,708	27.34	-4.55	498	504	72,456,983	32.71	9.42
South Australia	12	14	1,669,852	8.20	-6.80	147	155	19,823,132	8.93	-0.74
ACT				0.00	0.00	8	15	497,639	0.22	-46.24
Western Australia	17	12	1,315,091	6.45	14.77	212	150	19,472,961	8.77	33.40
Tasmania	10	7	661,987	3.25	20.67	71	69	6,270,583	2.82	6.41
New Zealand	9		658,593	3.23	0.00	126	17	11,846,411	5.25	1,301.49
	145	132	20,360,882	100.00	-1.56 %	1561	1596	221,799,214	100.00	-3.82 %
Greyhounds										
Queensland	27	29	4,672,806	19.16	-5.98	364	361	63,710,548	19.59	9.13
New South Wales	52	50	6,557,762	26.89	8.82	632	615	82,685,325	25.43	18.45
Victoria	63	63	8,171,662	33.55	1.75	776	774	109,386,385	33.70	15.01
Northern Territory	4	5	63,163	0.25	30.94	50	51	564,672	0.17	7.90
South Australia	20	18	2,115,345	8.67	-4.93	240	232	27,888,883	8.57	23.73
ACT	4	2	470,488	1.92	227.93	26	17	2,385,009	0.73	114.02
Western Australia	25	18	780,958	3.20	36.84	239	192	10,838,655	3.33	54.31
Tasmania	13	12	1,142,648	4.68	7.13	156	152	14,914,468	4.58	3.93
New Zealand	12		410,459	1.68	0.00	164	2	12,681,476	3.90	56,317.27
	220	197	24,385,289	100.00	6.62 %	2647	2396	325,055,422	100.00	20.90 %
Total	572	503	170,386,385		-0.43 %	6521	6253	2,035,628,394		-0.28 %

WAGERING REPORT - QUEENSLAND

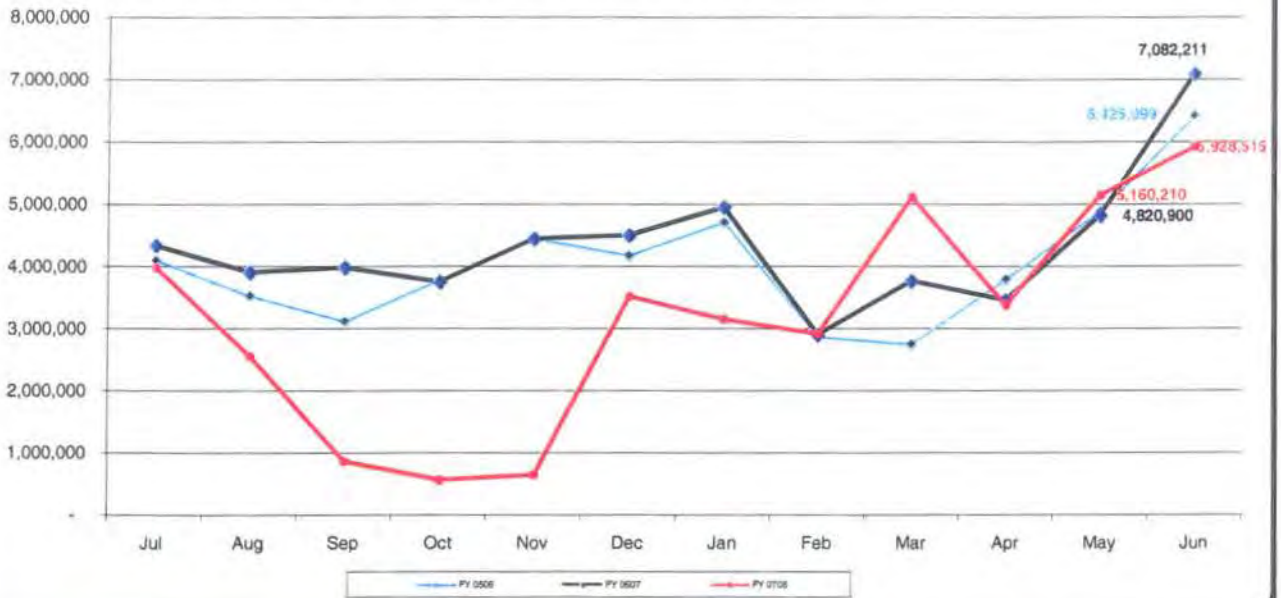


Off Course Wagering	June	YTD	% Off Course Wagering	FY 06/07 June	FY 06/07 YTD	Average t/o 07/08
BEAUDESERT		2,528,817	0.8%		767,601	421,470
CAIRNS		69,844,793	21.0%	2,514,704	93,371,876	2,116,509
DOOMBEN	2,977,811	73,434,468	22.1%	20,184,096	105,549,574	2,447,816
EAGLE FARM & Tatts	13,746,886					
EMERALD						
ESK						
GOLD COAST	3,154,365	42,144,461	12.7%	3,930,209	51,789,888	936,544
GYMPIE						
IPSWICH	5,520,794	25,916,167	7.8%	5,138,163	33,471,784	836,005
KILCOY						
MACKAY	559,762	9,137,972	2.7%	340,352	5,968,474	507,665
ROCKHAMPTON	1,617,120	21,218,134	6.4%	467,976	17,116,039	606,232
SUNSHINE COAST	8,056,881	39,395,973	11.8%	7,465,065	49,957,764	856,434
TOOWOOMBA	2,078,037	23,409,144	7.0%	1,826,466	25,773,182	570,955
TOWNSVILLE	2,059,666	19,712,965	5.9%	1,292,973	15,889,372	532,783
GATTON						
ROMA		637,469	0.2%			637,469
CHARLEVILLE		1,736,748	0.5%			434,187
NANANGO						
MT ISA		1,997,492	0.6%			399,498
EMERALD		417,036	0.1%			417,036
INNISFAIL		616,217	0.2%			616,217
DEAGON		477,650	0.1%			477,650
Grand Total	39,771,322	332,625,505	100%	43,160,604	399,455,653	12,814,469
		89.8%			88.5%	



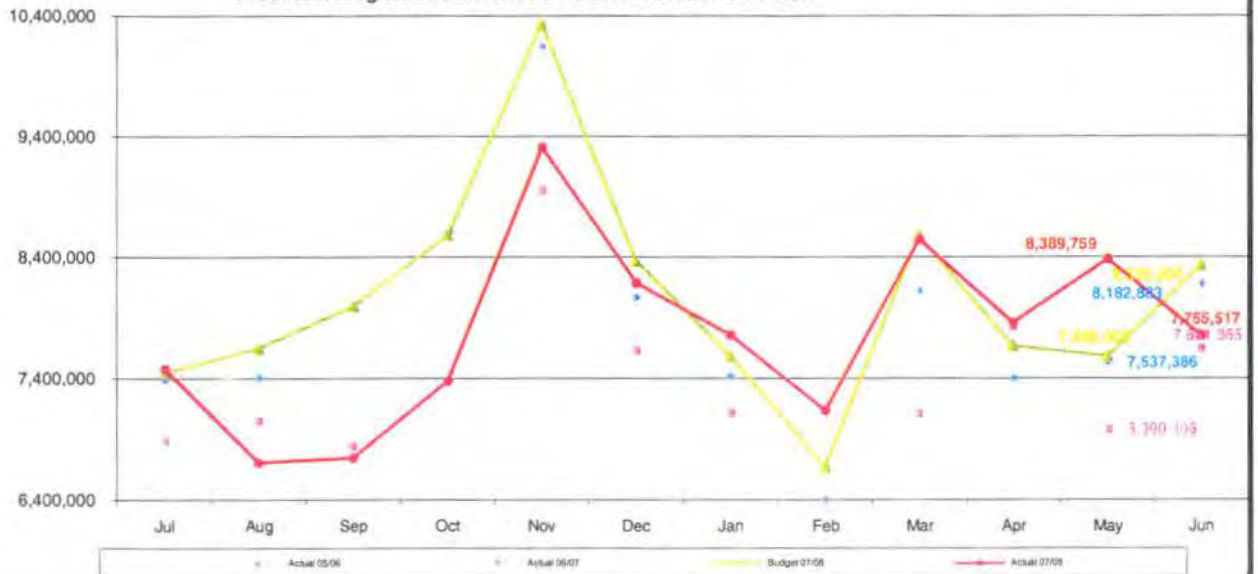
YTD difference = \$80.9M down or -17.92% on YTD June 2007. 63 less meetings so far in FY 07/08 due to EI

Actual QLD GALLOPS On Course Wagering FY 07/08 v FY 06/07 v FY 05/06



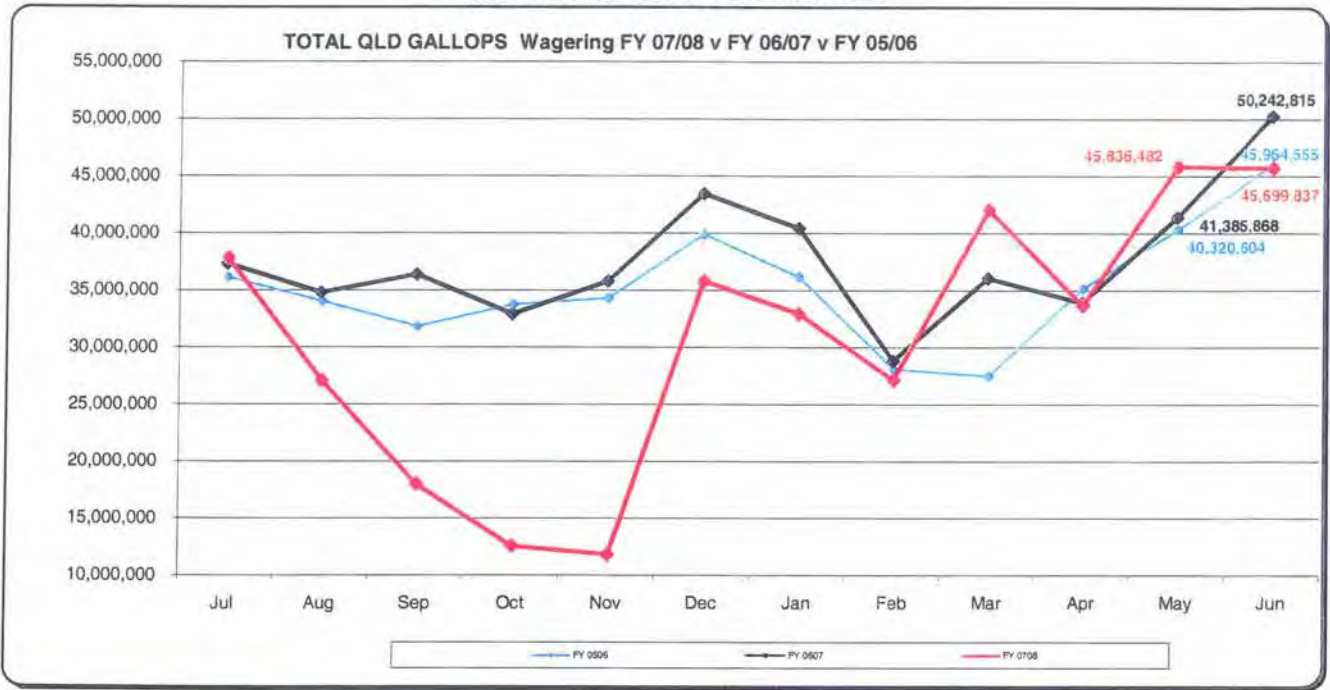
On Course Wagering	June	YTD	% On Course Wagering	FY 06/07 June	FY 06/07 YTD	Average t/o 07/08
BEAUDESERT	11,063	50,943	0.1%	6,253	52,751	0
CAIRNS	-	167,900	0.4%	-	152,790	27,983.38
DOOMBEN	208,308	8,768,794	23.1%	165,347	12,287,590	265,721.04
EAGLE FARM & Tatts	2,668,853	9,498,196	25.1%	3,901,608	14,263,379	316,606.53
EMERALD	-	-	-	-	-	-
ESK	-	29,643	0.1%	-	35,130	-
GOLD COAST	609,360	7,395,052	19.5%	838,010	11,485,919	164,334.49
GYMPIE	4,890	22,736	0.1%	4,858	21,429	-
IPSWICH	901,867	2,214,901	5.8%	755,643	2,596,538	71,448.41
KILCOY	8,774	33,973	0.1%	8,114	34,820	-
MACKAY	36,303	550,201	1.5%	13,430	336,080	30,566.70
ROCKHAMPTON	161,127	1,151,010	3.0%	64,092	897,453	32,886.01
SUNSHINE COAST	924,296	4,139,143	10.9%	986,940	5,582,707	89,981.37
TOOWOOMBA	182,394	2,167,697	5.7%	189,898	2,884,891	52,870.67
TOWNSVILLE	199,918	1,515,380	4.0%	144,493	1,285,402	40,956.22
GATTON	11,362	17,024	0.0%	3,516	18,132	-
ROMA	-	26,341	0.1%	-	-	26,341.00
CHARLEVILLE	-	38,846	0.1%	-	-	9,711.38
NANANGO	-	-	-	-	-	-
MT ISA	-	55,451	0.1%	-	-	11,090.10
EMERALD	-	14,340	0.0%	-	8,493	14,340.00
INNISFAIL	-	30,987	0.1%	-	-	30,986.50
DEAGON	-	184	0.0%	-	-	184.00
Grand Total	5,928,515	37,888,741	100%	7,082,211	51,943,503	1,186,008
		10.2%			11.5%	

Product & Program Fee Revenue FY 07/08 v FY 06/07 v FY 05/06

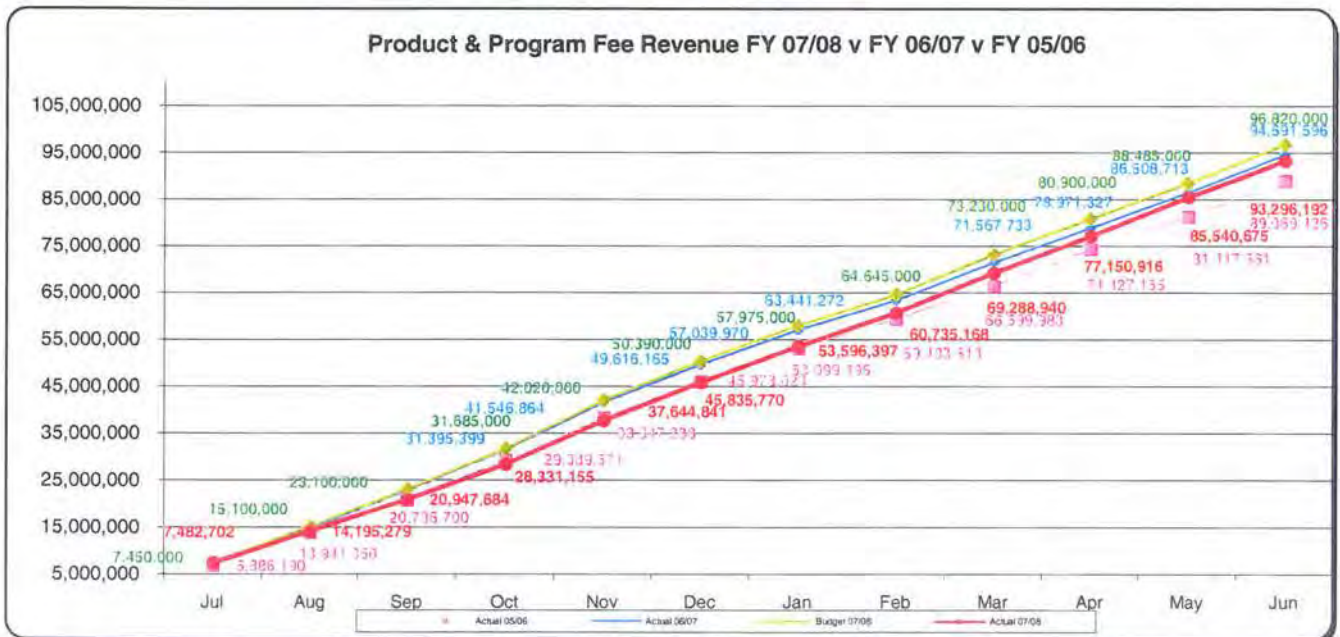


June 08 revenue down \$427K on June 07 and \$579K below budget.

WAGERING REPORT - QUEENSLAND



All Wagering	June	YTD	% of all wagering	FY 06/07 YTD	YTD Variance %	No. meets 07/08	Average t/o 07/08
BEAUDESERT	11,063	50,943	0.0%	52,751	-3.43%	-	-
CAIRNS	-	2,696,718	0.7%	920,391	193.00%	6	449,453
DOOMBEN	3,186,119	78,613,587	21.2%	105,659,466	-25.60%	33	2,382,230
EAGLE FARM & Tatts	16,415,739	82,932,664	22.4%	119,812,952	-30.78%	30	2,764,422
EMERALD	-	-	0.0%	-	0.00%	-	-
ESK	-	29,643	0.0%	35,130	-15.62%	-	-
GOLD COAST	3,763,725	49,539,513	13.4%	63,275,807	-21.71%	45	1,100,878
GYMPIE	4,890	22,736	0.0%	21,429	6.10%	-	-
IPSWICH	6,422,661	28,131,067	7.6%	36,068,322	-22.01%	31	907,454
KILCOY	8,774	33,973	0.0%	34,820	-2.43%	-	-
MACKAY	596,065	9,688,172	2.6%	6,304,554	53.67%	18	538,232
ROCKHAMPTON	1,778,248	22,369,144	6.0%	18,013,491	24.18%	35	639,118
SUNSHINE COAST	8,981,177	43,535,115	11.7%	55,540,471	-21.62%	46	946,416
TOOWOOMBA	2,260,431	25,575,844	6.9%	28,658,073	-10.76%	41	623,825
TOWNSVILLE	2,259,584	21,228,345	5.7%	16,974,775	25.06%	37	573,739
GATTON	11,362	17,024	0.0%	18,132	-6.11%	-	-
ROMA	-	663,810	0.2%	-	100.00%	1	663,810
CHARLEVILLE	-	1,775,593	0.5%	-	100.00%	4	443,898
NANANGO	-	-	0.0%	-	0.00%	-	-
MT ISA	-	2,052,943	0.6%	-	100.00%	5	410,589
EMERALD	-	431,376	0.1%	8,493	4979.49%	1	431,376
INNISFAIL	-	647,204	0.2%	-	100.00%	1	647,204
DEAGON	-	478,833	0.1%	-	100.00%	1	477,834
Grand Total	45,699,837	370,514,245	100.0%	451,399,057	-308 @ avg \$1130/mil	335	1,106,013
	Growth	-17.91%					3,302



3.2

8/19/08

BOARD PAPER NUMBER: 3.2

Budget 2008-2009 Initiatives Version 3

PURPOSE:

To provide the Board with the Budget Version 3 for the year ended 30 June 2009 for Queensland Racing Limited (QRL) following on from recommendations from the July 4, Board Meeting.

BACKGROUND AND ISSUES:

The updated budget as per attachment "A" is presented for FY08/09, Version 3, for consideration.

The Budget has been developed to compliment the Business Plan and prizemoney initiatives.

The budget incorporates the Racing Program and Administration which includes Integrity Operations, Racing and Administration, the Deagon Facility Program and Training.

The budgeted FY08/09 operating surplus before extraordinary items is \$691K and after extraordinary items of is a deficit \$8.96M.

After extraordinary expenditure the FY08/09 budget deficit is \$8.96M on the back of a forecast \$13.1M surplus for FY 07/08. Planned total 2009 revenue is \$110M, up \$4M or 4% up on \$106M for the FY07/08 year. Total budgeted expenditure has increased by \$16.6M on the FY 07/08 expenditure mainly due to proposed increases in prize money, Club Capital commitments including Toowoomba Turf Club Synthetic Track of \$5M net cost to QRL, and proposed payroll costs.

There have been no changes to the budget from the July board meeting with the exception of QRL's contribution to the Owners Card through RISA of \$150K.

The budget is also subject to the approval of the proposed jockey riding fee increase of \$140 per ride at a total cost to QRL of \$611K. This has been incorporated in Budget Version 3. The proposed increase in Barrier Trial riding fee has not been taken into account.

OPTIONS:

None

FINANCIAL IMPACT:

The projected 2008-2009 budget reflects a net operating surplus of \$691K and after extraordinary items a net deficit of \$8.96M. This is subject to a conservative growth in the Product and Program fee of 3%.

QRL continues to have a very strong balance sheet increasing its equity annually to forecasted FY 08/09 \$48M. QRL has \$30M dollars invested and is forecasted to reduce to \$25M after the Winter Racing Carnival.

See Attachment "A" for budget version 3.

LEGAL IMPLICATIONS:

None

STAFF IMPLICATIONS:

None

OTHER STAKEHOLDER IMPACTS:

None

COMMUNICATION STRATEGY:

Discussion at this meeting

DECISION REQUIRED

That the Board adopt the 2008-2009 Budget Version 3 reflecting an \$691K operating surplus, with the addition of extraordinary items a budget deficit of \$8.96M



Adam Carter
FINANCE MANAGER

QUEENSLAND RACING LIMITED
BUDGET 2008/2009 Version 3 Adjusted for Board Outcomes from 4 July 2008

INCOME	BUDGET 08/09	Forecast FY07/08	BUDGET 0708	FY0607	FY0506	Budget 0809			
						Vs FY0708	% Var	% Var	
Other	\$1,201,096	\$2,058,903	\$1,087,100	\$1,564,823	\$922,449	(\$857,807)	-42%	31.6%	
Club levies	\$6,240	\$0	\$6,000	\$8,363	\$19,290	\$6,240	#DIV/0!	-100.0%	
Licence and Registration fees	\$929,447	\$705,648	\$634,100	\$715,542	\$681,189	\$223,800	32%	-1.4%	
QTIS Registrations	\$894,400	\$55,052	\$860,000	\$939,080	\$862,447	\$839,348	1525%	-94.1%	
Fines	\$208,000	\$216,750	\$200,000	\$228,570	\$209,399	(\$8,750)	-4%	-5.2%	
Racing Fees	\$7,087,600	\$6,542,028	\$6,815,000	\$7,059,613	\$6,906,774	\$545,572	8%	-7.3%	
Product & Program fee	\$97,821,074	\$93,326,331	\$96,820,000	\$94,971,917	\$89,030,949	\$4,494,743	5%	-1.7%	
Grant - Training track subsidy	\$860,000	\$860,000	\$800,000	\$860,000	\$860,000	\$0	0%	0.0%	
Interest	\$1,000,000	\$2,018,655	\$1,000,000	\$1,452,054	\$1,074,623	(\$1,018,655)	-50%	39.0%	
Total Income	\$110,007,858	\$105,783,367	\$108,222,200	\$107,799,962	\$100,567,119	\$4,224,491	4%	-1.9%	
EXPENDITURE									
Club Distributions	\$72,614,698	\$59,092,017	\$69,798,300	\$66,685,711	\$63,044,395	(\$13,522,681)	-23%	11.4%	
QTIS	\$4,500,000	\$2,382,650	\$3,878,000	\$3,579,350	\$4,318,875	(\$2,117,350)	-89%	33.4%	
Capital Works	\$2,000,000	\$1,773,123	\$2,000,000	\$1,076,229	\$193,312	(\$226,877)	-13%	-64.8%	
Admin Subsidy	\$7,792,500	\$7,684,577	\$7,799,500	\$8,064,200	\$8,444,561	(\$107,923)	-1%	4.7%	
Jockey Riding Fees	\$6,478,167	\$5,490,099	\$6,650,000	\$6,345,598	\$6,167,368	(\$988,068)	-18%	13.5%	
Nominations and Acceptances	\$448,031	\$217,218	\$430,799	\$398,824	\$405,885	(\$230,813)	-106%	45.5%	
Sky Channel	\$98,800	\$77,597	\$95,000	\$82,467	\$86,597	(\$21,203)	-27%	5.9%	
Starters Subsidy	\$0	\$722,971	\$0	\$26,500	(\$3,000)	\$722,971	100%	-2628.2%	
Other	\$1,747,368	\$2,528,723	\$1,346,604	\$1,305,635	\$1,308,073	\$781,354	31%	-93.7%	
Salaries, Wages and Associated Costs	\$5,998,109	\$5,268,349	\$5,730,012	\$5,107,138	\$5,597,697	(\$729,760)	-14%	-3.2%	
Administration	\$2,792,595	\$2,759,782	\$2,335,540	\$2,267,813	\$2,059,647	(\$32,813)	-1%	-21.7%	
Committee/Board Expenses	\$473,266	\$367,595	\$387,400	\$353,642	\$275,592	(\$105,671)	-29%	-3.9%	
Motor Vehicle and Travel Expenses	\$446,468	\$424,170	\$429,296	\$504,839	\$416,089	(\$22,298)	-5%	16.0%	
Insurance	\$2,106,680	\$1,648,129	\$1,779,500	\$1,989,609	\$1,763,943	(\$458,551)	-28%	17.2%	
Legal	\$400,000	\$181,071	\$410,000	\$370,039	\$220,283	(\$218,929)	-121%	51.1%	
Consulting Fees	\$900,000	\$1,546,452	\$699,750	\$786,333	\$435,570	\$646,452	42%	-96.7%	
Depreciation	\$520,465	\$503,884	\$500,000	\$468,155	\$451,936	(\$16,581)	-3%	-7.6%	
Total Expenditure	\$109,317,147	\$92,668,406	\$104,269,701	\$99,412,082	\$95,186,821	(\$16,648,741)	-18%	6.8%	
Net Surplus / (Deficit)	\$690,711	\$13,114,961	\$3,952,499	\$8,387,879	\$5,380,298	(\$12,424,250)	-148%	56.4%	
Extraordinary Items									
Revenue									
- Proceeds on Sale Bowen Racecourse Land	\$200,000								
Expenditure									
- History of Racing in Queensland	\$250,000								
- Net Cost to QRL - Toowoomba Synthetic Track	\$5,000,000								
- Gold Coast - Palm Meadows	\$1,000,000								
- Sky Channel Rights Consultancy/Legal Fees	\$600,000								
- Rockhampton Course Development	\$3,000,000								
Revised Net Surplus / (Deficit)	(\$8,959,289)	\$13,114,961	\$3,952,499	\$8,387,879	\$5,380,298				

10/2008

Administration Revenue		\$3,136,783	\$4,783,206	\$2,727,200	\$3,740,782	\$2,697,551
Operating Costs	a	\$13,394,751	\$13,691,745	\$11,950,602	\$11,274,531	\$12,528,829
% Operating Costs To P&P fee		14%	15%	12%	12%	14%
% QR Operating Costs to Total Expenses		12%	15%	11%	11%	13%
% Admin of Total Revenue		9%	8%	9%	7%	10%
Business Plan - % Operating Costs to P&P Fee		<11.5%				
P&P Fee Forecast		\$ 97,821,074.42	\$ 93,326,331.21	\$ 96,820,000.00	\$ 94,971,916.91	\$ 89,030,949.42
Operating Costs Target -	b	\$ 11,249,423.56	\$ 10,732,528.09	\$ 11,134,300.00	\$ 10,921,770.44	\$ 10,238,559.18
Budget Version 2 Operating Costs Over Target (a - b)		\$ 2,145,327.35	\$ 2,959,216.86	\$ 816,301.81	\$ 352,760.16	\$ 2,290,269.41
Budget Version 2 Operating Costs Over Target (a - b)		19%	28%	7%	3%	22%

3.3



BOARD PAPER NUMBER: 3.3
QUEENSLAND JOCKEY'S ASSOCIATION SUBMISSION FOR RIDING FEES INCREASE

PURPOSE:

To inform the Board of the submission from the Queensland Jockey's Association for the review of Queensland Jockey's riding fees and the establishment of a career benefit fund as is in place in NSW and Victoria.

BACKGROUND AND ISSUES:

At a recent meeting on July 10, 2008 with QRL officials, the Queensland Jockey's Association (QJA) presented a submission outlining the concerns of the association over the current riding fees, as well as the lack of a career benefits fund in Queensland given the disparity between Queensland and the other two main thoroughbred racing states of NSW and Victoria.

In the attached submission the QJA argues that the costs for Jockeys to conduct their trade has increased dramatically, and more recently with the sharp rise in travelling costs due to fuel cost increases. The QJA cites FUELTRAC statistical information showing an increase from January 2004 to June 2008 in the order of 58%. Given that Queensland Racing spans the whole of the state with 131 clubs, jockeys are often required to travel great distances to provincial and country meetings to earn their incomes.

The QJA argue that the standard CPI based annual increases do not take into account the increases in travel costs, equipment costs, or the extra travel involved for Queensland Jockeys, and so they propose a \$23.00 per ride increase from \$127.00 to \$150.00, a minimum ride allowance of \$66.00 for three or less rides per race meeting, and the introduction of a career benefit fund such as that in place in NSW and Victoria. ✓

WHAT A RIDER GETS IN QUEENSLAND:

	2006-07	2007-08	2008-09
<i>Flat Riding/Engagement Fee</i>	\$123.50	\$127.00	TBA
<i>Jumps Riding/Engagement Fee</i>	n/a	n/a	n/a
<i>Minimum Ride Allowance (1,2, or 3 rides at a meeting)</i>	n/a	n/a	n/a
<i>Career Benefit Fund per ride</i>	n/a	n/a	n/a

WHAT A RIDER GETS IN VICTORIA:

	2006-07	2007-08	2008-09
<i>Flat Riding/Engagement Fee</i>	\$145.00	\$152.50	\$160.00
<i>Jumps Riding/Engagement Fee</i>	\$250.00	\$265.00	\$280.90
<i>Minimum Ride Allowance (1,2, or 3 rides at a meeting)</i>	\$60.00	\$63.00	\$66.00
<i>Career Benefit Fund per ride</i>	\$5.00	\$7.50	\$10.00

WHAT A RIDER GETS IN NSW:

<i>GST Exclusive</i>	2006-07	2007-08	2008-09 AJA Request
<i>Flat Riding/Engagement Fee</i>	\$125.75	\$130.75	\$150.00
<i>Jumps Riding/Engagement Fee</i>	n/a	n/a	n/a
<i>Minimum Ride Allowance (1,2, or 3 rides at a meeting)</i>	n/a	n/a	n/a
<i>Career Benefit Fund per ride</i>	\$4.55	\$5.00	\$5.00

* FLAT FEE OF \$80.00 PAID FOR PICNIC MEETINGS

To be noted that Racing NSW is currently negotiating the increase in the jockey riding fee of the requested \$150 per ride and have deferred the increase until the new Board is appointed in September/October 2008. The CEO of Racing NSW has not committed to the AJA's request.

ANNUAL CPI INCREASE

Period	Syd	Melb	Bris	Adel	Perth	Hob	Dar	Canb	Weighted average
Percentage change (from previous financial year)									
2007-08	3.0	3.5	4.1	3.3	3.6	3.0	3.5	3.6	3.4
June - 08	4.3	4.4	5.1	4.6	4.5	3.5	3.9	4.4	4.5

SOURCE: AUSTRALIAN BUREAU OF STATISTICS WEBSITE 23/07/2008

PROPOSED

OPTIONS:

1. Agree to the QJA's submission for an increase in the current riding fees, and negotiate the way forward for the establishment of a career benefit fund for Queensland Jockey's adopting either the NSW or Victorian model as the basis.
2. Negotiate a more moderate increase in the riding fees sought, and negotiate with the QJA on the way forward with the establishment of a career benefit fund such as that currently in place in NSW or Victoria. Below is a list of possible alternatives incorporating Career Benefit Fund as well as Minimum Riding fees.

	Riding Fee Ex GST	Career Benefit Fund	Minimum Riding Fee	Minimum Ride Fee Total	Total Based on FY0607	Increase based on FY0607
Starters (Horses System)				15,071	47,014	
Current	127.00				5,970,778	
Option 1 CPI	132.21	5.00			6,450,650	479,872
Option 1a CPI +	132.21	5.00	20.00	301,420	6,752,070	781,292
Option 1b CPI +	132.21	5.00	33.00	497,343	6,947,993	977,215
Option 1c CPI +	132.21	5.00	66.00	994,686	7,445,336	1,474,558
Option 2	140.00				6,581,960	611,182
Option 2a	140.00	5.00	20.00	301,420	7,118,450	1,147,672
Option 2b	140.00	5.00	33.00	497,343	7,314,373	1,343,595
Option 2c	140.00	5.00	66.00	994,686	7,811,716	1,840,938
Option 3	150.00	5.00	20.00	301,420	7,588,590	1,617,812
Option 3a	150.00	5.00	33.00	497,343	7,784,513	1,813,735
Option 3b	150.00	5.00	66.00	994,686	8,281,856	2,311,078

3. Involve states in formulating a uniform policy for the three major racing authorities for the provision of riding fees and career benefit funds to be negotiated in the same manner as enterprise agreements, such as three year agreements factoring the overall growth/uplift per annum of CPI or other percentage basis. This would encourage Jockeys to remain primarily in their home state, alleviating the problem of Jockeys leaving their respective state in order to achieve better conditions and benefits.

FINANCIAL IMPACT:

As per the QJA request the increase of rider fees would cost QRL \$1,081,322 based on a \$23 per ride increase to \$150 based on the total of 47,014 starts in FY 0607 (with all calculations based on flat riding). Additionally the introduction of a career benefit fund would cost in the order of \$470,140 based on the Victorian Racing model of \$10 per ride or \$235,000 based on \$5 per ride as per NSW contribution.

The FY08/09 budget of Net Surplus before extraordinary items of \$691K incorporates an increase in the riding fee of \$13 from \$127 to \$140 as per Option 4 below.

The budget does not include a minimum riders allowance or career benefit or increase in the barrier trial riding fee.

Riding Fee	\$	\$ Increase	% Increase	# Starters FY0607	\$ Value	\$ Increase
Current	\$127			47,014	\$ 5,970,778	
Option 1	\$132	\$5	4%		\$ 6,205,848	\$ 235,070
Option 2	\$135	\$8	6%		\$ 6,346,890	\$ 376,112
Option 3	\$137	\$10	8%		\$ 6,440,918	\$ 470,140
Option 4	\$140	\$13	10%		\$ 6,581,960	\$ 611,182
Option 5	\$145	\$18	14%		\$ 6,817,030	\$ 846,252
Option 6	\$147	\$20	16%		\$ 6,911,058	\$ 940,280
Option 7	\$150	\$23	18%		\$ 7,052,100	\$ 1,081,322
*CPI based increase		\$5.72	4.5%	47,014	\$ 6,239,698	\$ 268,920

The introduction of a minimum ride allowance such as that in place for Victorian Jockeys would, if in place in FY0607, have cost the industry an additional \$300K to \$995K based on Option 1 and 3 below. As shown below three options have been calculated based upon actual data sourced from Horses.

Minimum Ride Allowance	\$	FY 0506	FY 0607	FY 0708
Less than 3 starts per meeting		14,729	15,071	11,299
Option 1	\$20	\$294,580	\$301,420	\$225,980
Option 2	\$33	\$486,057	\$497,343	\$372,867
Option 3	\$66	\$972,114	\$994,686	\$745,734

Barrier Trial Riding Fee

An increase in the Barrier Trial fees from the current level to the proposed 35% parity of Jockeys Riding Fees would increase costs by 38%, or \$16.95 per ride based on current jockey riding fees. If this was in place in previous periods it would have increased costs considerably. The table below illustrates the impact on previous years. Barrier Trial fees have remained the same over the past 3 years.

FY	Barrier Trial Rides	Riding Fees BT	Total Riding Fees BT	BT Fee @ 35% of Riding Fee	Difference	% Difference
FY0506	5,177	\$27.50	\$142,368	\$230,118	\$87,750	38%
FY0607	5,676	\$27.50	\$156,090	\$252,298	\$96,208	38%
FY0708	5,751	\$27.50	\$158,153	\$255,632	\$97,479	38%

Proposed increase to Barrier Trial fees is 25% of proposed Jockey Riding fees of \$140 per ride.

FY	Barrier Trial Rides	Riding Fees BT	Total Riding Fees BT	BT Fee @ 25% of Riding Fee	Difference	% Difference
FY0607	5,676	\$27.50	\$156,090	\$198,660	\$42,570	27%
FY0708	5,751	\$27.50	\$158,153	\$201,285	\$43,132	27%

LEGAL IMPLICATIONS:

N/A

STAFF IMPLICATIONS:

N/A

OTHER STAKEHOLDER IMPACTS:

The impact of an increase to the jockey riding fees would have a flow on affect to Trainers in the form of riders declared scratching fee. This is an additional scratching fee, equivalent to the riders fee, will be charged to the trainers of horses that are scratched after a rider has been declared, where the riders' fee is payable, as agent of the owners.

In particular the proposed increase in Barrier Trial riding fees coupled with the proposed increase to the general riding fee and introduction of a minimum ride fee would see costs to trainers increase considerably on current fee structure in place.

The increase in the riding fee of \$13 to \$140 will increase QRL's contribution to country racing by approximately \$185K per annum.

COMMUNICATION STRATEGY:

A media release to be prepared and a letter sent to the AJA, QJA, and Office of Racing and to jockeys.

RECOMMENDATION:

1. It is recommended that the Jockey riding fee be increased to \$140 and not the \$150 requested by the AJA as per option 4 effective 1 September 2008, which represents a rise of \$13.00, or 10%. This represents more than double the increase in Consumer Price Index (CPI) for 2008. The agreement would be effective for 2 years with an increase in CPI as at 30 June for Brisbane.
2. Further it is recommended that a Minimum Riders Allowance not be adopted for jockeys with three or less rides in any given race meeting. Further analysis and negotiations to be undertaken. The Victorian model allows for a \$66.00 fee and this is the amount sought by the QJA. Three possible options have been included for consideration by the Board. It is important to note these increases have not been included in the current budget calculations and, as can be seen below, represent a large increase, depending on the option selected.

Minimum Ride Allowance	\$	FY 0506	FY 0607	FY 0708
Less than 3 starts per meeting		14,729	15,071	11,299
Option 1	\$20	\$294,580	\$301,420	\$225,980
Option 2	\$33	\$486,057	\$497,343	\$372,867
Option 3	\$66	\$972,114	\$994,686	\$745,734

3. It is recommended that the Barrier Trial Riding fees are increased from \$27.50 to \$35 being 25% of the proposed jockey riding fee of \$140 and not the 35% requested by the QJA. Based on FY0607 the cost would be \$199K, an increase on previous fees of \$42K per annum. This increase has not been included in the current budget.
4. It is recommended that QRL and QJA negotiate the way forward for the establishment of a career benefit fund for Queensland Jockey's adopting either the NSW or Victorian model as the basis effective in the New



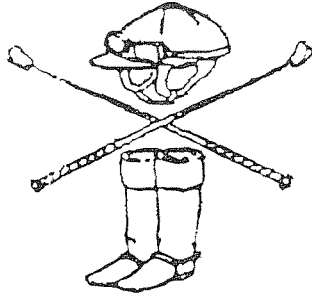
Adam Carter
Finance Manager

Actioning Officer: **Ron Mathofer**
Business Analyst

17/6/08

Queensland Jockeys' Association Inc.

PRESIDENT: Richard Pratt
Mobile: 0401 666 745
SECRETARY: Pam O'Neill
Mobile: 0412 657 039



ADDRESS ALL CORRESPONDENCE
P. O. Box 14
Clayfield QLD 4011
Telephone: (07) 3351 6348
Fax: (07) 3351 6348
ABN 57 192 901 365

Private and confidential
(by Express Post)

13 June 2008

SENDER TO KEEP
B08584122

Mr Bob Bentley
Chairman
Queensland Racing
P.O. Box 63,
Sandgate Q 4017

Dear Bob,

Please find enclosed hard copy of the QJA submission previously emailed. The \$4.00 deduction per ride for Workers Compensation contribution has stuck in the craw of the rank and file. What I'm proposing is that with a significant increase to the riding fee (justified by huge cost increases) then the increase (new) figure could be reduced by \$4.00 so that the jocks see it as an abolition of their contribution to W.C.

I think it's to to the stage that if we want to keep enough jocks in the game then we must get the Riding Fee up, big time.

Please let me know your thoughts.

Kind regards

Richard Pratt
President QJA

THE BOARD OF QUEENSLAND RACING

SUBMISSION FROM THE QJA FOR AN INCREASE IN RIDING FEE

HISTORY OF THE QUEENSLAND RIDING FEE

In recent years, Queensland riders have fallen well behind several of their interstate counterparts. In real terms, they have suffered a significant decline in income while the demands and expenses have increased significantly.

The following summarises the increases in Riding Fees approved by QR over the past four years:

Year	Riding Fee	\$	% Increase
2008	TBA		
1.09.07	\$127.00	\$3.50	2.9
1.09.06	\$123.50	\$3.50	2.9
1.09.05	\$120.00	\$3.00	2.6
1.09.04	\$117.00	\$11.00	12.87

INCREASE IN EXPENSES

Jockeys are experiencing massive increases in costs, significantly more than normally referenced CPI rises. The increase financial burden is emphasised by the heavy dependence on travel and other costs that jockeys have to incur, eg insurances (Public Liability and Personal Accident).

Statistical information from Australia's recognised fuel price tracker, FUELTRAC shows that from January 2004 to June 2008 the price per litre of unleaded fuel in the Brisbane Metropolitan area increased a staggering 58%. Riders are now incurring significant additional costs travelling to race

meetings. It is usual for a majority of our members to drive between 50-60,000 per year, with several travelling 75,000km or more per year.

DECLINE IN JOCKEY NUMBERS

Over the past 9 years, there has been a sobering **43% decline in jockey numbers nationally**. There is little doubt that costs associated with being a professional jockey, particularly travel, have been a major factor in this decline.

The QJA is aware that over the past few years the serious shortage in jockey numbers has impacted on some race clubs to the extent insufficient jockeys have been available to fulfil all riding engagements, particularly at Carnival and Holiday times.

COMPARISON WITH OTHER STATES

State	Riding fee	Career Benefit Fund	Min. Riding Allowance
Vic	\$160	\$10	\$66 (3 engagements or less)
NSW	\$150	\$ 5	
WA	\$132	\$ 5	
Tas.	\$120.45		
SA	Currently under negotiation.		

DECLINE IN INCOME

Australian jockeys receive 5% of prizemoney as well as the basic riding fee. It is clear that Australia is out of step with the rest of the racing world. Historically Australian authorities have justified this figure because of the

culture that owners would make up an additional 5% to riders by way of a gratuity or a "sling".

That may have been that case in the last century, but the problem is that in 2008 this practise has ceased and it is nearly impossible to find a jockey who has received a gratuity from a "grateful owner".

Following is a guide providing comparisons of prizemoney percentages paid to riders in other countries, which should be viewed against the 5% in Australia.

COUNTRY	WIN	2 ND PLACE	3 RD PLACE	4 TH PLACE	5 TH
G. Britian	7.5%	5%	5%	5%	-
Ireland	8.0%	8%	8%	8%	-
HongKong	9.0%	5%	5%	5%	-
Macau	10.0%	5%	5%	-	-
Dubai	10.0%	10%	10%	-	-
S Africa	7.0%	7%	7%	7%	-
Korea	5.7%	5.7%	5.7%	5.7%	-
S'pore	5.0%	2%	1%	0.5%	-
	Of total stake	Of total stake	Of total stake	Of total stake	

MINIMUM RIDE ALLOWANCE

The facts show that in Queensland, a significant percentage of jockeys are attending race meeting for **3 or less rides**. Many jockeys travel considerable distances to Provincial and Country districts only to have a couple of rides. It needs to be emphasised there is no choice for a jockey to travel vast distances to ride in 3 or less races. Jockeys know that if they reject a ride, they are unlikely to be in favour with owners and trainers at future meetings.

The QJA believes that a **Minimum Ride Allowance** should be introduced into Queensland similar to the allowance now provided to Victorian jockeys. Victorian jockeys presently receive a Minimum Ride Allowance of \$63.00 for 3 engagements or less (this will increase to \$66.00 on August 1, 2008.)

PRIVATE ACCIDENT COVER

As from 1 July, 2008, QR will require ALL Queensland jockeys (if not already in place) to take our Private Accident Insurance for a minimum of \$200K. Whilst the QJA applauds QR's initiative in conjunction with improved Workers Compensation Benefits, the reality for many of our members, particularly in the Country, is that it is an impost that will cause further financial strain.

CPI

The annual percentage change in the Consumer Price Index for the All Groups Category from the March quarter 2007 to March quarter 2008 was 4%. Jockeys are doing a job where **increased work related expenses greatly exceed any CPI increases**. What has become evident is that the job of being a jockey in Queensland needs to be redefined and the worth of the job reassessed (see Appendix A).

SUMMARY

1. The riding fee should be increased by \$23.00 from \$127.00 to \$150.00 to recognise the massive increase in costs that have been absorbed by Queensland riders in recent years, when at the same time real incomes have declined.
2. A minimum Ride Allowance of \$66.00 should be introduced for 3 engagements or less.

3. That the agreement include a mechanism for reasonable adjustments to the riding fees for the next 2 years.
4. The Barrier Trial fee to be maintained at 35% parity with the race riding fee.
5. That Qr and the QJA enter discussions to establish a **Career Benefit Fund** for Queensland jockeys in line with that already established in NSW.

I respectfully request that the QJA submission is tables at the Board's next meeting on 4 July, 2008.

Yours sincerely,

Richard Pratt
President QJA

.c.c	Mr Adam Carter	Finance Manager QRL
c.c	Mr Malcolm Tuttle	Chief Operations Manager QRL
.c.c	Ms Pam O'Neill	Secretary - QJA
c.c.	Mr Jason Taylor	Vice President QJA

APPENDIX A

JOB DESCRIPTION - QUEENSLAND JOCKEY 2008

1. Cope with massive increases in the price of fuel (approximately 17.07% Country Qld for the past 12 months) while being rewarded with increases linked to the Consumer Price Index of just over 3%.
2. Cope with massive travel expenses and long travel times to country venues.
3. Do a job where increased work related expenses greatly exceed any CPI increases.
4. Expect to work in what can be the most extreme of climatic conditions.
5. Expect to work in facilities that are largely outdated, poorly presented and nowhere near acceptable given the most basic OH&S expectations of 2008.
6. Have no long-term job security, certainty of income, annual leave, sick leave entitlements, long service leave or employer superannuation contributions.
7. Know that the culture of a 5% gratuity from owners for riding a winner has disappeared.
8. Know that the 5% prizemoney percentage you receive is well below basically every other recognised racing centre in the world.
9. Be responsible for funding your own Public Liability Insurance.
10. Be responsible for your own Death and Disability Insurance, if you can afford to take it out.

APPENDIX A cont.

11. Play a role in the education and mentoring of young Apprentices. whilst extremely worthy it has to be noted this is done on a completely voluntary basis.
12. See fellow riders relocate to other States and overseas for better pay and conditions.
13. Be responsible for funding the purchase of and replacement of your own compulsory work related safety equipment (vest, helmet, irons etc.)
14. Deal with increased media pressure and more public scrutiny and criticism due to more camera/video/TV footage.

Physical Danger/Psychological & Emotional Pressure

15. Have an average of 5 weeks off work per year due to injury. (Source: 2008 National Jockey Safety Review.)
16. Have a career where the average retirement age is around 30 and the skills developed in your job are non transferable.
17. Maintain a body weight up to 20% below your natural weight.
18. Come to terms with the knowledge that on average two of your fellow Australian riders will be killed every year doing exactly the same job as yourself. (2007)
19. Expect 100% guarantee of a fracture injury directly as a result of your job of being a jockey. (Bone Density Study: Victoria 2005)

APPENDIX A cont.

20. Expect the early onset of osteopenia due in part to the physical demands of the job. (Bone Density Survey - Victoria 2005)
21. Be followed by an ambulance every time you go to work..

2.39.



BOARD PAPER NUMBER: 3.3a

National Jockeys Trust

This item will be discussed verbally



354
COPY

NATIONAL JOCKEYS TRUST

17 July 2008

Mr. Bob Bentley
Chairman
Queensland Racing
PO Box 63
SANDGATE QLD 4017

Dear Sir

The National Jockeys' Trust is a public charitable trust established in 2004 by the Australian Jockeys Association with the assistance of the Australian Racing Board, for the purpose of providing funds and other benefits for the relief of the financial difficulties and needs of jockeys (including apprentice jockeys) and their families, especially where such needs arise through serious injury, illness or death of a jockey.

The Trust has been endorsed by the Australian Taxation Office as an income tax exempt charity and as a deductible gift recipient, and has been registered by the charitable organisation's licensing agencies in all 8 States and Territories. Grants of financial assistance made by the Trust are strictly governed by the Trust's Deed.

Dedication and bravery are prerequisites of almost every sport, but I feel sure you would agree with me that these qualities are found in abundance in racing. Australian jockeys are elite athletes who quite literally place their lives on the line every time they compete in a race. Sadly, serious injuries are a frequent occurrence, and more than 300 riders have lost their lives since Australian racing first began. While accident insurance has become an essential feature of racing, all too often there are cases where jockeys and or their families are plunged into financial hardship.

I am pleased to say that support for our fundraising efforts is growing, but even so the National Jockeys' Trust faces a real challenge in raising the funds that are required to provide meaningful assistance to an acceptable percentage of those who qualify under the NJT's charter.

You would no doubt be aware that the Australian Jockeys Association has been able to secure **JAYCO** as a sponsor of jockeys during the 2007 and 2008 years. The beneficiary of this sponsorship is the **National Jockeys' Trust**. I would like to emphasise that Jockeys do not benefit personally from these arrangements. At this stage the Australian Jockeys Association has not been able to confirm a sponsor for 2009 and beyond.

In these circumstances I was hopeful that Queensland Racing might find it possible to make a contribution to the Trust, which would be most appreciated by all jockeys and their families.

The Australian Jockeys Association would also like to propose to the QTRB that all fines imposed against jockeys for infringement of the Rules of Racing be donated to the National Jockeys Trust.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Innes', written over a large, stylized, circular scribble.

Paul Innes
Chairman of Trustees

c.c. Mr. Malcolm Tuttle
Chief Operations Manager

41

**MANILLA
DIVIDERS
10 TAB A4**



Ref No: 37400
Made in China
www.marbig.com.au



BOARD PAPER NUMBER: 4.1

Policy on the Formation and Management of Clubs

This item will be provided under separate cover

4.2



BOARD PAPER NUMBER: 4.2

Townsville Turf Club

This item will be provided under separate cover

4.3



BOARD PAPER NUMBER: 4.3
LEASE: SCTC

BUSINESS TABLED:

1. A Deed of Variation of the Sunshine Coast Racing Unit Trust (see Attachment 'A'), and
2. A Lease between Sunshine Coast Racing Pty Ltd as Trustee for the Sunshine Coast Racing Unit Trust and the Sunshine Coast Turf Club Inc ABN 22 950 178 141 for Corbould Park Racecourse, Lot 200 on SP 189338 (see Attachment 'B')

RESOLUTIONS:

1. To approve the variation and execute the Deed of Variation, and
2. To agree to enter into and execute the Lease.

SHARA MURRAY
Legal Compliance Counsel
Company Secretary

Attachment A

**DEED OF VARIATION
THE SUNSHINE COAST RACING
UNIT TRUST**

COOPER GRACE WARD
Lawyers
Level 23, Central Plaza Two
66 Eagle Street, Brisbane 4000

Ph (61-7) 3231 2444
Fax (61-7) 3221 4356
www.cgw.com.au

CJC10046792 1966992v2

THIS DEED OF VARIATION is made on the date set out in Part 1 of the Schedule by the party specified in Part 2 of the Schedule (the Trustee) and the parties specified in Part 3 of the Schedule (the Unitholders)

BACKGROUND

- A. The Trustee is the trustee of the Trust Fund specified in Part 4 of the Schedule (the Trust) which was constituted by the Deed referred to in Part 4 of the Schedule (the Trust Deed).
- B. The Trustee may amend the Trust Deed under the provisions specified in Part 5 of the Schedule with the consent of the Unitholders.
- C. The Unitholders consent to the amendments to the Trust Deed.

VARIATION OF TRUST:

1. The Trustee declares and the Unitholders agree that the Trust Deed is amended in accordance with the following provision of this Deed as from the date of this Deed.

2. Replace the definition of Land with:

"means the land described as Lot 200 on SP 189338, County of Canning, Parish of Bribie owned by the Trustee and being the land shown on the plan attached as Annexure A as Lease A of 47.993 hectares, Area 2 of 21.790 hectares, Area 3 of 15.886 hectares and License A of 4507 square metres".

3. Replace the plan attached as Annexure A with the plan attached to this Deed of Variation as Annexure A.
4. Insert the following new clause:

"17.8 The powers of leasing conferred by this Deed are to lease for any period not exceeding the date immediately before the Perpetuity Date".

In determining the period of a lease for the purpose of this clause any option period is to be taken into account.

This clause is intended to confer upon the Trustee powers larger than those conferred by the Trust Act 1973.

5. This Deed is not intended to vary the rights, interests or entitlements of any default income or capital beneficiary in a manner that would constitute a resettlement of the Trust or result in a trust acquisition or trust surrender.



THE SCHEDULE

PART 1

DATE OF THIS DEED

2008

PART 2

THE TRUSTEE

Sunshine Coast Racing Pty Ltd ACN 120 875 363

PART 3

THE UNITHOLDERS

Sunshine Coast Turf Club Inc ABN 22 950 178 141

Queensland Racing Limited ACN 116 735 374

PART 4

THE TRUST

- | | | |
|-----|----------------------------|---|
| (a) | Name of the Trust Fund: | Sunshine Coast Racing Unit Trust |
| (b) | Particulars of Trust Deed: | |
| | Date: | 1 November 2006 |
| | Trustee: | Sunshine Coast Racing Pty Ltd ACN 120 875 363 |

PART 5

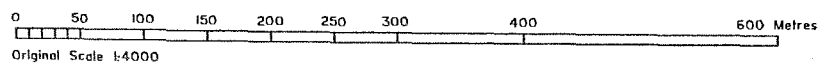
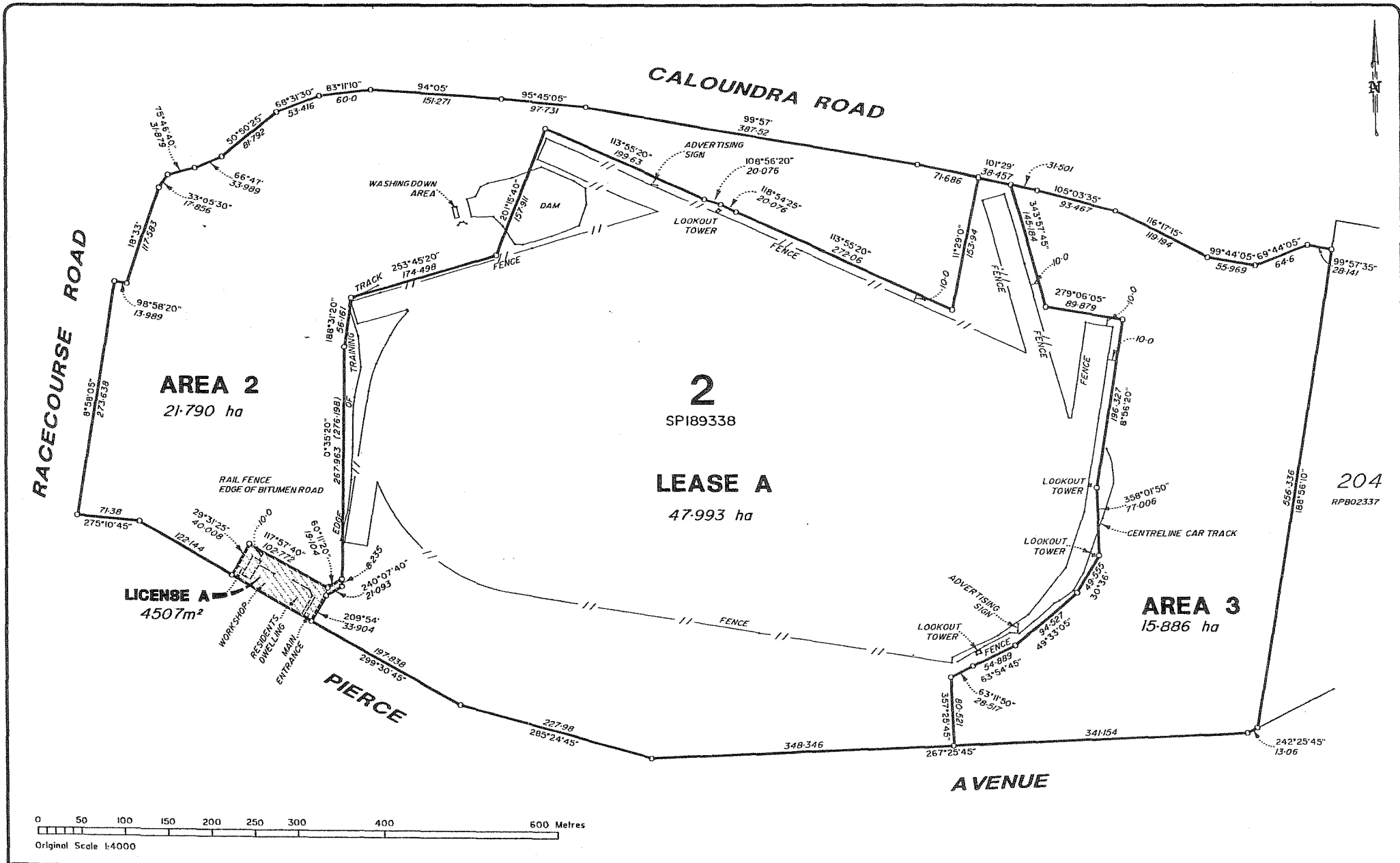
Variation Clause 25.1



Annexure A

See attached plan





Cilent QUEENSLAND RACING Project PROPOSED LEASE PLAN LOT 200 ON SP189338 PARISH OF BRIBIE	Notes A1 Sheet Amendments		Associated Consultants		Designed/ Surveyed KJM	MAROOCHYDORRE SUITE 7 DALTON CENTRE, 1 NEWSPAPER PLACE, PO BOX 8780 MAROOCHYDORRE BC QLD 4556 Phone (07) 5443 3444 Fax (07) 5443 3445 Email: Division3@maroochydorrecity.qld.gov.au		Drawing No. 060655	Amend. D
	No. 2 Date 19/07/04 2007	Amendments CHANGE SIZE OF LICENSE B AREA DELETE LICENSE B	Computer File	Drawn AMR Date 21/ 12/ 2007 Scale 1:4000					

EXECUTED AS A DEED

SIGNED SEALED AND DELIVERED on behalf of
**SUNSHINE COAST RACING PTY LTD ACN 120
875 363** as Trustee in accordance with its
Constitution by a director and a director/secretary or
by a sole director (if applicable) in the presence of:

X
.....
Witness

X
.....
Date

)
X.....
Director

)
X.....
Director/Secretary

SIGNED SEALED AND DELIVERED on behalf of
**SUNSHINE COAST TURF CLUB INC ABN 22 950
178 141** as Unitholder in the presence of:

X
.....
Witness

X
.....
Date

)
X.....
Officer

)
X.....
Officer

SIGNED SEALED AND DELIVERED on behalf of
**QUEENSLAND RACING LIMITED ACN 116 735
374** as Unitholder in accordance with its
Constitution by a director and a director/secretary or
by a sole director (if applicable) in the presence of:

X
.....
Witness

X
.....
Date

)
X.....
Director

)
X.....
Director/Secretary

CJC10046792 1966992v2



Attachment B

LEASE/SUB LEASE

FORM 7 Version 6
Page 1 of 27

Land Title Act 1994, Land Act 1994 and Water Act 2000



Dealing Number
OFFICE USE ONLY
Privacy Statement

Collection of this information is authorised by the Land Title Act 1994 the Land Act 1994 and the Water Act 2000 and is used to maintain the publicly searchable registers in the land registry and the water register. For more information about privacy in NR&W see the department's website.

1. Lessor Sunshine Coast Racing Pty Ltd ACN 120 875 363 as Trustee under instrument 711035483	Lodger (Name, address, E-mail & phone number) Cooper Grace Ward GPO Box 834, Brisbane 4001 Tel: 3231 2526 Ref: CJC: DJG 10034797	Lodger Code 501	
2. Lot on Plan Description Lot 200 on SP 189338	County CANNING	Parish BRIBIE	Title Reference 50661191
3. Lessee Given names	Surname/Company name and number (include tenancy if more than one) Sunshine Coast Turf Club Inc ABN 22 950 178 141		

4. Interest being leased
Fee Simple

5. Description of premises being leased

The part of the land described as Lease A and hatched on the attached Complex Plan

6. Term of lease

Commencement date/event: 01 /11/2006
Expiry date: See Items Schedule and/or Event:
*Options:

#Insert *nil* if no option or insert option period (eg 3 years or 2 x 3 years)

7. Rental/Consideration

See Schedule

8. Grant/Execution

The Lessor leases the premises described in item 5 to the Lessee for the term stated in item 6

Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994

..... signature

..... full name

..... qualification

Witnessing Officer

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

X / /
Execution Date

X
Director, SCRT
X
Director / Co- Sec.
SCRT Lessor's Signature

9. Acceptance

The Lessee accepts the lease and acknowledges the amount payable or other considerations for the lease.

..... signature

..... full name

..... qualification

Witnessing Officer

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

X / /
Execution Date

X
Director, SCTC
X
Director, SCTC
Lessee's Signature

Title Reference 50661191

ITEMS SCHEDULE

Item 1	Lessor:	Sunshine Coast Racing Pty Ltd ACN 120 875 363
	Address for service:	Racecourse Road DEAGON QLD 4017
	Trust:	Sunshine Coast Racing Unit Trust
Item 2	Lessee:	Sunshine Coast Turf Club Inc ABN 22 950 178 141
	Address for service:	Corbould Park, Pierce Avenue CALOUNDRA QLD 4551
Item 3	First year's Rent	\$130,000 plus GST
Item 4	CPI Review Date:	Each anniversary of the Commencement Date except if a Capital Expenditure Review Date.
Item 5	Capital Expenditure Review Date:	Every 5th anniversary of the Commencement Date until the Expiry Date.
Item 6	Is the Lessee required to contribute to the Lessor's Outgoings:	Yes
Item 7	Permitted Use:	Thoroughbred racecourse and training facility and associated services and facilities.
Item 8	Amount of Public Liability Insurance:	\$20,000,000 or such higher amount as the Lessor notifies the Lessee from time to time. The Lessor will review the amount of Public Liability Insurance on every 5th anniversary of the Commencement Date until the Expiry Date
Item 9	Expiry Date	The day immediately preceding the Perpetuity Date of the Sunshine Coast Racing Trust as provided for in the Trust Deed dated 1 November 2006 as varied.

Title Reference 50661191

CONTENTS

- 1. DEFINITIONS AND INTERPRETATION**
 - 1.1 Accounting Year
 - 1.2 Agreed Proportion
 - 1.3 Commencement Date
 - 1.4 Complex
 - 1.5 CPI
 - 1.6 Expiry Date
 - 1.7 Insolvent
 - 1.8 Insured Risks
 - 1.9 Items
 - 1.10 Lease
 - 1.11 Lessee's Property
 - 1.12 Lessor's Property
 - 1.13 Manager
 - 1.14 Outgoings
 - 1.15 Premises
 - 1.16 Review Date
 - 1.17 Rules
 - 1.18 Specific Outgoings
 - 1.19 Interpretation
- 2. DURATION OF LEASE**
 - 2.1 Duration
 - 2.2 Right of First Refusal to take further Lease
 - 2.3 Monthly Tenancy when Lease Expires
- 3. LESSEE'S PAYMENTS**
 - 3.1 Rent
 - 3.2 Consumer Price Index Rent
 - 3.3 Capital Expenditure Rent
 - 3.4 Interim Rent
 - 3.5 Tenancy Charges
 - 3.6 Lessor's Outgoings
 - 3.7 Costs and Charges
 - 3.8 Interest
 - 3.9 GST
- 4. USE OF PREMISES**
 - 4.1 Permitted Use
 - 4.2 Compliance
 - 4.3 Management
 - 4.4 Conduct of Business
 - 4.5 Proper Use of Facilities
 - 4.6 Noxious Use
 - 4.7 Signs and Installations
 - 4.8 Cleaning
 - 4.9 Air Conditioning
- 5. REPAIRS AND ALTERATIONS**
 - 5.1 Good Repair
 - 5.2 Structural Work
 - 5.3 Specific Repairs and Maintenance
 - 5.4 Alterations Equipment and Partitions
 - 5.5 Lessor's Inspection
 - 5.6 Notice of Repair
 - 5.7 Lessor's Repair
 - 5.8 Repair at the end of the Lease
 - 5.9 Lessee's Fixtures at the end of the Lease
- 6. INSURANCE**
 - 6.1 Lessee's Insurance
 - 6.2 Policy
 - 6.3 Additional Premiums
 - 6.4 Prejudice of Insurance
 - 6.5 Inflammable Substances
 - 6.6 Fire Regulations
- 7. RELEASE INDEMNITY AND TRUSTEES LIABILITY**
 - 7.1 Exemption of Lessor from liability
 - 7.2 Indemnity
 - 7.3 Assignment by Lessor
 - 7.4 Lessor's Liability as Trustee
- 8. ASSIGNMENT AND SUBLETTING**
 - 8.1 Restriction in dealing
 - 8.2 Surrender Offer
 - 8.3 Consent
 - 8.4 Assignee
 - 8.5 Formalities
 - 8.6 Fees
 - 8.7 Corporate Lessee
 - 8.8 Mortgage of Lease
 - 8.9 Sub Lease
- 9. QUIET ENJOYMENT**
 - 9.1 Quiet Enjoyment
 - 9.2 Other Reservations
- 10. DEFAULT**
 - 10.1 Essential Terms
 - 10.2 Lessor's Right to Terminate
 - 10.3 Amount recoverable by Lessor
 - 10.4 Lessor's Rights Against Lessee's Property
- 11. RESUMPTION DESTRUCTION OR DAMAGE TO THE COMPLEX OR PREMISES**
 - 11.1 Resumption
 - 11.2 Destruction or Damage
 - 11.3 No Obligation to Rebuild
 - 11.4 No Rebuilding
 - 11.5 Lessee's Damage
 - 11.6 Continuing liability of Lessee
 - 11.7 Adjustment for Unusable Premises
 - 11.8 Use of Part of the Premises
- 12. GENERAL**
 - 12.1 Notices
 - 12.2 Consent or Approval of Lessor
 - 12.3 Saturdays Sundays and Public Holidays
 - 12.4 Law
 - 12.5 Notice before Lessor Liable
 - 12.6 Lessor's Powers
 - 12.7 Lessee's Cost
 - 12.8 Lessee's Actions
 - 12.9 Money payable on demand

Title Reference 50661191

RIGHT TO GRANT FUTURE ACCESS AND
EASEMENTS
13.1 Access
13.2 Easements
13.3 Lessor to act in Good Faith
14. ADDITIONAL BUILDINGS AND
IMPROVEMENTS

14.1 Construction of Additional Buildings and
Improvements
14.2 Minimising Convenience
14.3 No Obligations on Lessor

15. License

Title Reference 50661191

DEFINITIONS AND INTERPRETATION

1.1 Accounting Year

Means each year or part of a year during the Lease which ends on June 30 or another date which the Lessor chooses.

1.2 Agreed Proportion

Means the proportion of the Lessor's Outgoings that the Lessee must pay, which is:

- (a) 100%, if the Outgoing is referable only to the Premises ; or
- (b) if the Outgoing is referable to an area larger than the Premises , then the percentage calculated as follows:

$$\text{POP} = (\text{OD} \times \text{PA}) \div \text{AO}$$

Where:

POP is the percentage of Outgoings payable by the Lessee;

OD is the amount of the outgoings in dollars;

PA is the area in m² of the Premises ;

AO is the area in m² in respect of which the Outgoing is payable or referable or which enjoys the benefit of the service in respect of which the Outgoing is payable.

1.3 Commencement Date

Means the date this Lease commences as specified in Item 6 of the Form 7.

1.4 Complex

Means the area shown on the Plan attached and marked "Complex Plan" comprising the thoroughbred racing facility conducted from:

- (a) the Premises, including all fixed improvements including, but not limited to:
 - (i) grandstands;
 - (ii) towers;
 - (iii) fences;
 - (iv) office accommodation;
 - (v) stables;
 - (vi) areas used for car parking; and
 - (vii) all other structures, buildings, amenities or fixed improvements on the Premises;

and

- (b) adjoining lands used in conjunction with the Premises referred to on the Complex Plan as Area 2 and Area 3

1.5 CPI

Means the Consumer Price Index for Brisbane (All Groups) published by the Australian Bureau of Statistics. If the CPI no longer exists it means an index that the President of the Law Society of Queensland decides reflects changes in the cost of living in Australia.

Title Reference 50661191

1.6 Expiry Date

Expiry Date means the date this Lease ends as specified in Item 9 of the Items Schedule.

1.7 Insolvent

Means unable to pay one's debts as and when they fall due. In particular, it means for a corporation having an application lodged for its winding up, which is successful or having a controller or administrator of its assets appointed or a receiver or receiver and manager appointed.

1.8 Insured Risks

Means those disabling causes against which the Lessor insures.

1.9 Items

Means items in the Items Schedule

1.10 Lease

Includes a tenancy arising:

- in contract, by operation of law, in equity or by other means;
- from the Lessee entering into occupation of the Premises;
- from the Lessee paying the whole or part of the Rent; or
- from the execution of the Form 7.

1.11 Lessee's Property

Means all fixtures, fittings, plant and equipment and other property owned by the Lessee and used in the conduct of its business at the Premises.

1.12 Lessor's Property

Means all fixtures, structures, fixed improvements and other property owned by the Lessor and situated at or on the Premises.

1.13 Manager

Means a person or corporation appointed by the Lessor as the Managing Agent of the Complex.

1.14 Outgoings

Means:

- (a) the Lessor's reasonable expenses directly attributable to the operation, maintenance or repair of:
 - (i) the Complex; and
 - (ii) areas used in association with the Complex.

Examples of expenses falling under this category include:

- insurance premiums for:
 - demolition and reinstatement and reconstruction of the Lessor's Property and the Complex and loss or damage by flood, fire, earthquake and other causes;
 - public liability; and
 - loss of profits and consequential loss.
- costs and expenses (including replacements and repainting) and other costs and expenses to maintain the Lessor's Property and the Complex in a safe, clean and presentable condition;

Title Reference 50661191

- expenses associated with the provision of any services at the Complex (such as fire prevention); and
- air conditioning running and maintenance costs including replacement of parts and expenses for the regular cleaning and testing of air conditioning plant and equipment by contractors (if the Lessee does not comply with its obligations under clause 4.9).

(b) charges, levies, premiums, rates or taxes payable by the Lessor because the Lessor is the owner or occupier of:

- (i) the Complex; or
- (ii) the land on which the Complex is situated.

Examples of charges, levies, premiums, rates and taxes falling under this category include:

- rates taxes and levies payable to the Caloundra City Council as the Local Authority for the provision of:
 - water
 - sewerage
 - cleansing
 - rubbish removal
 - other services provided to the Land
- excess water rates or charges for water consumption;
- levies for the provision of fire services or charges by any fire authority;
- environmental protection or public land acquisition levies;
- any other charges, taxes or levies issued against the Lessor as owner of the Complex by any Local, State or Federal authority or other body, authority or entity.

However, Lessor's Outgoings do not include:

- (c) land tax payable on the land on which the Complex or Complex is situated;
- (d) expenditure of a capital nature, including the amortisation of capital costs; and
- (e) payment of interest and charges on amounts borrowed by the Lessor.

1.15 Premises

Means the premises the subject of this Lease being:

- the area described in Item 5 of the Form 7; and
- the Lessor's property installed at the Premises.

1.16 Review Date

Means the date or dates specified in Items 4 and 5.

1.17 Rules

Means any rules of the Complex which the Lessor makes.

1.18 Specific Outgoings

Means all expenses attributable to the Lessee because of the Lessee's direct use of a service or facility to or in the Premises or used for the Permitted Use, including but not limited to water, telephone, gas, communication data costs and electricity charges.

Title Reference 50661191

1.19 Interpretation

In this Lease:

- (a) a person includes the person's executors, administrators, successors, assigns, substitutes and persons who take by novation;
- (b) a corporation includes the corporation's administrators, successors, assigns, substitutes and persons who take by novation;
- (c) headings have been inserted for guidance only and do not affect the interpretation of this Lease;
- (d) statute includes its amendments and replacements and the regulations under it;
- (e) defined words have the meanings given them in this Lease, whether written in the upper case, lower case, or both upper and lower case.

2. DURATION OF LEASE

2.1 Duration

The Lease commences on the Commencement Date in Item 6 of the Form 7 and the initial term expires at midnight on the Expiry Date in Item 6 of the Form 7.

2.2 Right of First Refusal to take further Lease

- (a) If at the end of the Term:
 - (i) the parties do not otherwise agree on terms for the Lessee continuing to occupy the Premises beyond the Expiry Date; and
 - (ii) the Lessor proposes to grant a lease of the Premises to another party for the purpose of the Permitted Use to commence within six months after the Expiry Date,

then the Lessor must first offer to lease the Premises to the Lessee by delivering to the Lessee a lease detailing the rent and the terms and conditions on which the Lessor intends to lease the Premises (the Lessor's Offer).

- (b) If the Lessee does not accept the Lessor's Offer by delivering to the Lessor within 30 days after receipt of the lease from the Lessor (time to be of the essence) the lease executed by the Lessee, then;
 - (i) the Lessee will be deemed to have rejected the Lessor's Offer to lease the Premises to it;
 - (ii) the Lessor's Offer to lease the Premises will be deemed to have been withdrawn; and
 - (iii) the Lessor will be free to lease the Premises to any other party on the terms and conditions contained in the lease delivered to the Lessee.
- (c) However, if the Lessor intends to lease the Premises to another party:
 - (i) for a lower rent; and/or
 - (ii) on terms and conditions more favourable to that party than were contained in the Lessor's Offer,

THEN the Lessor must make a fresh offer to lease the Premises to the Lessee at such lower rent and/or on those more favourable terms and conditions and the provisions of this clause 2.2 will apply in respect of that fresh offer.

2.3 Monthly Tenancy when Lease Expires

If the Lessee occupies the Premises after the Expiry Date or earlier termination of the Lease with the consent of the Lessor, unless clause 2.2 applies, it does so as a monthly Lessee on the following conditions:

- (a) The conditions of the tenancy are the conditions in this Lease which apply on the Expiry Date.
- (b) The Lessor or the Lessee may terminate the monthly tenancy by giving one month's written notice to the other expiring on any day.

Title Reference 50661191

LESSEE'S PAYMENTS

3.1 Rent

- (a) The Lessee must pay rent to the Lessor (the Rent) in accordance with this Clause 3.
- (b) The Lessee must pay:
 - (i) the first instalment on the Commencement Date; and
 - (ii) each subsequent instalment on the first day of each subsequent month.
- (c) Each instalment (except the first and the last if the Commencement Date is not the first day of a month) is for a period of a month. The first instalment is for the period beginning on the Commencement Date and ending on the last day of that month. The last instalment is for the period beginning on the first day of the month including the Expiry Date and ending on the Expiry Date.
- (d) The amount of an instalment for one month is one-twelfth of the annual Rent. An instalment for less than one month is proportionate.
- (e) The Rent for the first year of the term is the amount detailed in Item 3.

3.2 Consumer Price Index Rent

- (a) On each CPI Review Date the Rent will be changed to the Consumer Price Index Rent.
- (b) The Consumer Price Index Rent is calculated by the formula:

$$R = \frac{A \times B}{C}$$

Where:

- R is the Rent for the year under review;
- A is the Rent for the preceding year;
- B is the last CPI determined before the start of the relevant year; and
- C is the last CPI determined one year before the start of the relevant year.

3.3 Capital Expenditure Rent

- (a) On each Capital Expenditure Review Date the Rent will be increased to the Rent payable immediately before the Capital Expenditure Review Date plus the Capital Expenditure Rent.
- (b) The Capital Expenditure Rent is the amount determined in accordance with clause 3.3 (c) to be necessary to provide a return on capital determined to be sufficient to be expended on the Complex over the five year period commencing on the Capital Expenditure Review Date to provide an upgrade of, or additional facilities, necessary to maintain the Complex as a first class thoroughbred horse racing and training facility with associated services on an ongoing basis having regard to:
 - (i) the age of the facilities and services assuming the undertaking of usual and normal annual maintenance;
 - (ii) the need to upgrade, refurbish or redevelop the facilities and services assuming the undertaking of usual and normal annual maintenance;
 - (iii) the need to construct additional facilities or services.
- (c) The Capital Expenditure Rent will be determined in accordance with the following provisions;
 - (i) not less than six months before the Capital Expenditure Review Date, the Lessor and the Lessee will meet for the purpose of discussing and agreeing upon the capital requirements for the Complex having regard to the matters set out in clause 3.3 (b);

Title Reference 50661191

(ii) not more than four months and not less than one month before a Capital Expenditure Review Date, the Lessor must notify the Lessee in writing of the amount that the Lessor reasonably considers will be the amount of the Capital Expenditure Rent to apply as and from the Capital Expenditure Review Date (the Lessor's Capital Expenditure Rent Notice).

(iii) if the Lessee wishes to dispute the amount notified by the Lessor in the Lessor's Capital Expenditure Rent Notice then the Lessee must within fourteen days after receipt of the Lessor's Capital Expenditure Rent Notice give the Lessor written notice of that and specify amount the Lessee reasonably considers to be the amount of the Capital Expenditure Rent to apply as and from the Capital Expenditure Review Date (the Lessee's Capital Expenditure Rent Notice)

(iv) if the Lessee does not dispute the amount notified by the Lessor in the Lessor's Capital Expenditure Rent Notice by giving a Lessee's Capital Expenditure Rent Notice within the time specified in clause 3.3(c)(iii) then the amount specified in the Lessor's Capital Expenditure Rent Notice will be the Capital Expenditure Rent to apply as and from Capital Expenditure Review Date.

(v) if the Lessee gives a Lessee's Capital Expenditure Rent Notice in accordance with clause 3.3(c)(iii) then the Lessor and the Lessee must meet for the purpose of negotiating in good faith with each other in an attempt to resolve the dispute and agree on the Capital Expenditure Rent.

(vi) if the Lessor and the Lessee have not resolved the dispute and agreed on the Capital Expenditure Rent within fourteen days after the date the Lessee gives the Lessor a Lessee's Capital Expenditure Rent Notice in accordance with clause 3.3(c)(iii) notice then the Capital Expenditure Rent must be determined by a Quantity Surveyor agreed upon by the Lessor and the Lessee or failing agreement as appointed by the President for the time being of the Queensland Institute of Quantity Surveyors, or such organisation that succeeds that organisation. Any Quantity Surveyor appointed pursuant to this clause 3.3 (c) (vi) must be;

- active in the Queensland property market and with experience in determining matters relevant to the calculation of the Capital Expenditure Rent;
- qualified to value the Complex and determine the Capital Expenditure Rent; and
- registered as a Quantity Surveyor in Queensland for not less than five years.

(vii) Except in the case of manifest error, the determination of the Capital Expenditure Rent by the Quantity Surveyor will be final and binding on the parties.

(viii) The Lessor and the Lessee must each pay one half of any cost payable to the Quantity Surveyor as a result of the making of a determination pursuant to this clause 3.3

(ix) Time will be deemed to be of the essence with respect to all matters referred to in this clause 3.3 and in particular the time for the giving of notices but nothing prevents a determination of the Capital Expenditure Rent by a Quantity Surveyor or as a result of agreement by the Lessor and the Lessee after a Capital Expenditure Review Date and the parties agree to promptly make an adjustment of the Rent paid as and from the Capital Expenditure Review Date in accordance with clause 3.4.

3.4 Interim Rent

Until the new Rent is determined the Lessee must pay the Rent that applied as at the end of the previous year. The Lessee must pay the difference between the Rent it is paying and the new Rent after determination by the Quantity Surveyor or agreement between the Lessor and the Lessee within 14 days after the new Rent is determined.

3.5 Tenancy Charges

The Lessee must:

- (a) pay the Lessor for any assessments it receives for trade waste, water by measure and other costs which the Lessor reasonably determines to have been incurred in respect of the Premises as a result of a particular use by the Lessee of the Premises; and

Title Reference 50661191

(b) pay for all Specific Outgoings separately billed to the Lessee within the payment terms of the various service providers.

3.6 Lessor's Outgoings

(a) Because Item 6 in the Items Schedule has been completed "Yes" the Lessee must pay the Agreed Proportion of the Lessor's Outgoings.

(b) Subject to clause 3.7(c) the Lessee must pay the Agreed Proportion of the Lessor's Outgoings within 14 days after the Lessor serves the notice on the Lessee requiring payment.

(c)

(i) if the Lessor makes an estimate of the Lessor's Outgoings for an Accounting Year and gives the Lessee notice of that estimate, the Lessee must pay in advance to the Lessor one twelfth of that estimate on the first day of each month when the Lessee pays Rent.

(ii) each instalment is for a period of one month commencing on the first day of each month.

(iii) if the first and last instalments for a period do not fall on the first of a month then payments for those periods will be proportionate.

3.7 Costs and Charges

The Lessee must pay:

(a) all costs, charges and expenses incidental to:

(i) an application for consent even if consent is not given;

(ii) a dealing or proposed dealing with the Lease even if the dealing does not proceed;

(iii) a surrender, termination or attempted termination of the Lease;

(iv) any lawful notice given to the Lessee pursuant to the Lease;

(v) the Lessor re-entering or attempting to re-enter the Premises;

(vi) any proceedings which the Lessor brings to enforce the Lessee's performance of the Lease;
and

(vii) any other costs which the Lessor incurs because the Lessee breaches the Lease; and

(b) the registration fees on:

(i) the Lease; and

(ii) any amendment, variation, assignment or surrender of the Lease.

3.8 Interest

(a) The Lessee must pay interest on any overdue amount owing to the Lessor.

(b) The amount of interest will be calculated on the first business day of each month:

(i) on each daily balance due but not paid by the Lessee to the Lessor on any account;

(ii) from the due date of the payment until payment in full is received.

(c) The interest rate will be 400 basis points above the 10 year bond rate published in the Australian Financial Review on the first day of publication for the year in which such interest rate is to be charged. Interest will be payable on a daily basis from the date that the amount becomes payable until the date of payment.

(d)

(e) Unpaid interest is capitalised on the last day of each month.

Title Reference 50661191

3.9 GST

- (a) In this Lease the following words have the following meanings:
- (i) GST, Input Tax Credit, Tax Invoice and Taxable Supply have the meanings given to them in the GST Act.
 - (ii) GST Act means "A New Tax System (Goods and Services Tax) Act 1999";
 - (iii) Supplier means a party making a Taxable Supply under this Lease to the other party.
- (b) All amounts that a party is required to pay to another party under this Lease are exclusive of GST.
- (c) If any payment made by a party is as a result of a Taxable Supply by a Supplier, then, in addition to the payment, the party receiving the supply must, and at the same time as it makes the payment, pay to the Supplier an additional amount equal to the GST payable by the Supplier on the Taxable Supply.
- (d) If any Outgoings payable by the Lessee to the Lessor include an amount of GST, and the Lessor is entitled to an Input Tax Credit for the amount of GST, then the amount of the Outgoing payable by the Lessee will be reduced by the applicable Input Tax Credit;
- (e) The Supplier must provide the party receiving the Taxable Supply with a Tax Invoice in respect of any amount of GST.

4. USE OF PREMISES

4.1 Permitted Use

The Lessee must use the Premises only for the purpose in Item 7.

4.2 Compliance

The Lessee must comply with all laws and requirements of authorities which relate to:

- (a) the Premises;
- (b) the conduct of the Permitted Use;
- (c) the Lessor's property; and
- (d) the Lessee's use and occupation of the Premises.

4.3 Management

The Lessee must comply with the reasonable requirements of the Lessor or its Manager in relation to the proper management of the Complex including, for example, cleanliness, control of vermin, emergency drills and procedures and the use of equipment and services.

4.4 Conduct of Business

- (a) The Lessee must not for any period of time without proper reason cease to operate the Permitted Use at the Premises.
- (b) The Lessee must not operate any business or conduct any other activity at the Premises which does not comply with the Permitted Use.

4.5 Proper Use of Facilities

- (a) The Lessee must only use the toilets, sinks, drainage and plumbing facilities at the Premises for the purposes for which they were constructed or provided, and must not allow any rubbish to be deposited into those facilities.
- (b) The Lessee must promptly rectify any damage caused as a result of a breach of clause 4.5(a).

Title Reference 50661191

4.6 Noxious Use

The Lessee must not do anything at the Premises which is:

- (a) unlawful or offensive;
- (b) hazardous; or
- (c) likely to cause nuisance, injury or unreasonable disturbance to any other person.

4.7 Signs and Installations

The Lessee must not display any signage at the Premises unless:

- (a) the Lessor has approved the signage; and
- (b) the Lessee has obtained all necessary approvals and consents from the Local Government and any other relevant authorities.

4.8 Cleaning

The Lessee must:

- (a) keep the Premises clean, especially after the conduct of race meetings;
- (b) keep its signage clean and upgraded whenever necessary to ensure a reasonable presentation; and
- (c) store all refuse in appropriate containers until it is removed.

4.9 Air Conditioning

In respect of air conditioning provided to improvements at the Premises:

- (a) the Lessee must maintain the air-conditioning plant and equipment in good working order and condition and for that purpose must:
 - (i) comply with the reasonable requirements of the Lessor in relation to the plant and must not do anything which might interfere with or impair its efficient operation;
 - (ii) allow the Lessor to enter the Premises at any time to repair or replace the plant and equipment, if that is required;
 - (iii) take out and maintain a contract with a reputable air conditioning maintenance contractor to service the plant and equipment on a regular basis and test the quality of conditioned air;
 - (iv) effect such repairs as may be necessary to keep the plant and equipment in good working order and condition and to a standard required by law.
- (b) the Lessor must effect all major repairs of a capital nature or replace the air-conditioning plant and equipment if it becomes permanently inoperable.

5. REPAIRS AND ALTERATIONS

5.1 Good Repair

- (a) The Lessee must at its expense, keep:
 - (i) the Premises;
 - (ii) all signage; and
 - (iii) the Lessor's Property:
 - in good repair and working order and condition; and
 - in accordance with the Lessor's requirements.

Title Reference 50661191

- (b) The obligation to maintain extends to engaging appropriately qualified contractors to directly undertake repairs and preventative maintenance to ensure the Lessor's Property does not deteriorate beyond its anticipated and expected life span, given normal usage.
- (c) The obligation to maintain does not extend to damage caused by:
- (i) reasonable wear and tear; or
 - (ii) Insured Risks, unless the Lessee caused or contributed to the damage so that the Lessor is either unable to make an insurance claim or to recover the full amount that would otherwise have been paid out by the insurance company to the Lessor.

5.2 Structural Work

The Lessee is not obliged to do structural work unless that work is needed because of:

- (a) the Lessee's breach of clause 5.1 or other act, neglect or default;
- (b) the Lessee's particular use of the Premises;
- (c) the number and /or sex of the Lessee's employees; or
- (d) an express requirement in this Lease to do structural work.

5.3 Specific Repairs and Maintenance

- (a) The Lessee must at its own cost and expense:
- (i) keep the interior and exterior of improvements at the Premises, where it has been previously painted, painted and presented to an appropriate standard given the Permitted Use and to the satisfaction of the Lessor;
 - (ii) repair and replace all:
 - broken glass (irrespective of the cause) with glass of the same or substantially similar quality;
 - damaged or broken heating, lighting and electrical equipment (including light globes and fluorescent tubes);
 - damaged; broken or blocked plumbing on the Premises; and
 - other damaged or broken parts of the improvements at the Premises.
 - (iii) maintain in good and trafficable condition any hardstand areas or areas used for car parking in the Complex (excluding repairs of a capital nature); and
 - (iv) keep in good working order and condition (which includes an obligation to effect repairs and enter into maintenance contracts whenever necessary or required) all of the Lessor's Property and all of the Lessee's Property.
- (b) The Lessee must promptly action any work notified by the Lessor to be undertaken at the Complex or on the Lessor's Property.
- (c) The Lessor:
- (i) must at its own cost and expense undertake all repairs and maintenance of a capital nature it considers necessary or desirable in relation to the Lessor's Property;
 - (ii) must carry out all repairs of a capital nature required with respect to any hardstand areas or areas used for car parking in the Complex; and
 - (iii) is not bound to carry out any repair, maintenance or replacement of any item of the Lessor's Property unless the Lessee has first given the Lessor written notice of the defect requiring repair or maintenance.

Title Reference 50661191

5.4 Alterations Equipment and Partitions

Unless the Lessee obtains the written approval of the Lessor which may be:

- (a) given;
- (b) refused; or
- (c) given but subject to such conditions that the Lessor in its sole and absolute discretion considers appropriate,

the Lessee must not do any of the following:

- (i) make any structural alteration or addition at the Premises;
- (ii) install any electrical wiring, equipment or appliance to provide water, gas, lighting, air-conditioning, heating, cooling or ventilating to the Premises; or
- (iii) cause any damage to the Premises.

5.5 Lessor's Inspection

The Lessor may enter the Premises to view their state of repair:

- (a) at all reasonable times after giving the Lessee reasonable notice; or
- (b) if there is an emergency, without notice.

5.6 Notice of Repair

- (a) The Lessor may serve the Lessee with a written notice requiring the Lessee to:
 - (i) repair anything which is the Lessee's responsibility under the Lease; or
 - (ii) comply with its other obligations under this Lease.
- (b) If the Lessee does not carry out any repairs or comply with any obligations that the Lessor requires within a reasonable time, the Lessor may enter the Premises and do so, at the Lessee's expense:
 - (i) at reasonable times after giving the Lessee reasonable notice; or
 - (ii) if there is an emergency, without notice.

5.7 Lessor's Repair

The Lessor is entitled to enter the Premises to carry out repairs, renovations, maintenance or additions, construction works and alterations to the Premises which are reasonably necessary:

- (a) at reasonable times after giving the Lessee reasonable notice; or
- (b) if there is an emergency, without notice.

5.8 Repair at the end of the Lease

The Lessee must, at the end of this Lease:

- (a) remove all of the Lessee's Property;
- (b) deliver back the Premises to the Lessor:
 - (i) with all of the Lessor's Property in good repair and working order and condition;
 - (ii) clean and free from rubbish.
- (c) make good any damage caused by the Lessee in the process of removing the Lessee's Property;

Title Reference 50661191

- (d) carry out any necessary repairs including the termination of or capping of any services to the satisfaction of the Lessor; and
- (e) if required by the Lessor, remove all signage owned by the Lessee outside or inside the Premises and repair any damage caused by that removal to the satisfaction of the Lessor.

5.9 Lessee's Fixtures at the end of the Lease

- (a) Lessee's Property which are not removed by the end of the Lease become the property of the Lessor.
- (b) The Lessor may, at the Lessee's expense, remove, store and dispose of the Lessee's fixtures or property if the Lessee does not remove them.

6. INSURANCE

6.1 Lessee's Insurance

The Lessee must at all times during the Lease:

- (a) keep a public liability policy current in relation to the Premises for an amount not less than the amount stated in Item 8 for a single claim;
- (b) insure all plate and other glass at the Premises against breakages;
- (c) insure the Lessee's Property for its full reinstatement value;
- (d) have such other insurances which the Lessor reasonably requires or which are required by law for the conduct of the Permitted Use.

6.2 Policy

The Lessee must:

- (a) effect each policy with an insurer of good repute and apparently sound financial backing; and
- (b) give the Lessor a certificate of currency issued by the insurer before the Lease starts, before each renewal date of the policy, and at any other time which the Lessor notifies to the Lessee in writing.

6.3 Additional Premiums

The Lessee must pay any extra premiums incurred by the Lessor for any extra risk caused by the use of the Premises by the Lessee.

6.4 Prejudice of Insurance

The Lessee must not do nor omit to do anything which may:

- (a) increase the insurance premium of any insurance policy taken out by the Lessor in relation to the Premises or the Complex; or
- (b) allow an insurer to refuse a claim.

6.5 Inflammable Substances

The Lessee must not store or use chemicals, inflammable liquids, acetylene gas, alcohol or volatile or explosive substances on the Premises or the Complex unless they are kept in appropriate, safe and approved containers as required by law.

Title Reference 50661191

6.6 Fire Regulations

The Lessee must:

- (a) comply with insurance, sprinkler and fire alarm regulations, and any lawful directions given by the Lessor or competent authority;
- (b) pay to the Lessor the cost of any alterations to the sprinklers or fire alarm installation which is necessary because the Lessee has not complied with the regulations and requirements of a local authority, the Insurance Council of Australia or the Lessor's insurer;
- (c) carry out fire drills and emergency evacuation procedures when required; and
- (d) install and maintain first response fire equipment in the Premises;
- (e) have all fire services and facilities at the Premises tested by a licensed contractor every year, or more often if the Lessor requires having regard to best practice codes of the Fire Services Industry.

7. RELEASE INDEMNITY AND TRUSTEES LIABILITY

7.1 Exemption of Lessor from liability

- (a) The Lessee acknowledges it occupies and uses the Premises at its own risk (except for personal injuries to the extent that the Lessor causes them).
- (b) The Lessor is not liable to the Lessee for damage to the Lessee's Property or for loss of profits, no matter how it is caused, including that caused by:
 - (i) any defect in the Premises, the Complex or the Lessor's Property;
 - (ii) the operation of facilities or services to the Premises or the Complex; and
 - (iii) water, fire or other like cause.
- (c) The Lessor's exemption from liability extends to its servants and contractors.

7.2 Indemnity

- (a) The Lessee indemnifies the Lessor from all actions and demands which arise during or after the Lease from:
 - (i) the Lessee not complying with the obligations imposed under this Lease;
 - (ii) the escape of any substance through the Lessee's omission or fault; or
 - (iii) the Lessee's occupation and use of the Premises.
- (b) This indemnity :
 - (i) includes penalties and legal and other costs incurred by the Lessor; and
 - (ii) does not apply to personal injuries to the extent that they are caused by the Lessor, its servants and contractors.
- (c) The Lessor's indemnity extends to its servants and contractors.

7.3 Assignment by Lessor

- (a) The Lessor from time to time under the Lease will not be responsible for any breach of the Lease by any successor.
- (b) The Lessee indemnifies the Lessor under the Lease from time to time from all actions and demands against it for any breach of the Lease committed after the Lessor ceases being the owner of the Land.

Title Reference 50661191

7.4 Lessor's Liability as Trustee

- (a) This clause 7.5 applies because the Lessor enters into this Lease in its capacity as Trustee of the Trust referred to in Item 1.
- (b) All provisions of this Lease have effect, and must be applied, subject to this clause.
- (c) For the purposes of this clause:
- (i) Trust Deed means the Trust Deed described in Item 1;
 - (ii) Trust means the trust formed by the Trust Deed;
 - (iii) Trustee means the current trustee of the Trust;
 - (iv) Obligations means all the Trustee's obligations and liabilities:
 - under this Lease or any document collateral to it; and
 - which it gives or enters into pursuant to this Lease; and
 - (v) Assets includes all real or personal property and rights.
- (d) The Lessor is entering into this Lease as Trustee of the Trust. The Lessee acknowledges that:
- (i) the Lessor will incur Obligations only in its capacity as Trustee of the Trust;
 - (ii) only those Assets of the Trust which are under the Trustee's control are available to pay or satisfy those Obligations;
 - (iii) the Lessor is not liable to pay or satisfy any of those Obligations out of any other Assets; and
 - (iv) the Lessee and the Guarantor release the Lessor from any personal liability for any loss which they might suffer because the Lessor breaches this Lease, except to the extent that the liability can be paid out of the Assets of the Trust.

8. ASSIGNMENT AND SUBLETTING

8.1 Restriction in dealing

- (a) The Lessee must not assign part of the Lease.
- (b) The Lessee must not without first complying with clause 8.2, assign the whole of the lease.

8.2 Surrender Offer

- (a) If the Lessee wishes to assign its interest in the whole of the Lease, it must first comply with this clause 8.2.
- (b) If the Lessee notifies the Lessor that it wishes to assign its interest in the whole of the Lease, it will be deemed to have offered to the Lessor to surrender the Lease on the following basis:
- (i) the Lessor will have 28 days after receiving a notice from the Lessee that it wishes to assign its interest in the whole of the Lease (an Assignment Notice) to notify the Lessee whether or not it accepts the deemed offer of the Lessee to surrender the lease;
 - (ii) if the Lessor notifies the Lessee it accepts the Lessee's deemed offer to surrender the Lease, then the Lease will end 28 days after the date of the Assignment Notice;
 - (iii) if the Lessor notifies the Lessee that it does not wish to accept the Lessee's deemed offer to surrender the Lease or does not respond within the time specified in clause 8.2(b)(ii) then the Lessor must deal with the Lessee's request to assign its interest in the whole of the Lease in accordance with clause 8.3.

Title Reference 50661191

8.3 Consent

(a) The Lessor must consent to a proposed assignment of the Lessee's interest in the whole of the Lease if:

(i) the Lessee:

- gives the Lessor full particulars of the proposed assignee, including:
 - the experience of the proposed assignee in conducting the Permitted Use;
 - the names of all directors, shareholders, financiers and all other persons having a direct or indirect interest (financial or otherwise) in the proposed assignee;
 - a full and complete business plan (including financial projections prepared by a qualified chartered accountant or certified practicing accountant in Queensland);
 - such other information and documentation as the Lessor requires to determine the proposed assignee's suitability to take an assignment of the Lessee's interest in the Lease.
- pays the Lessor's reasonable fees, whether or not the dealing proceeds;

(ii) the proposed assignee:

- satisfies the Lessor that it is a respectable and financially sound person, capable of performing the obligations of the Lessee under this Lease; and
- gives the covenants, indemnities and bank and guarantees including bank guarantees or other securities that the Lessor reasonably requires.

(iii) the information and documentation provided under clause 8.3(a)(i) is satisfactory to the Lessor in its sole and absolute discretion.

(b) The Lessor must inform the Lessee whether or not it consents to the proposed dealing within 30 days after:

- (i) the period of time for response by the Lessor to an Assignment Notice given under clause 8.2(b)(i) has expired;
- (ii) the Lessee gives all the information and documentation required under clause 8.3(a)(i).

8.4 Assignee

The Lessee and the assignee must enter into a Deed with the Lessor before any assignment of the Lease in the form required by the Lessor containing:

- (a) a covenant that the assignee will comply with the Lessee's obligations under the Lease; and
- (b) a release by the Lessee of any claim it may then or subsequently have against the Lessor.

8.5 Formalities

The Lessee must ensure that (before any assignment of the Lease) the assignee gives to the Lessor:

- (a) the indemnities and guarantees that the Lessor reasonably requires; and
- (b) a copy of the executed and stamped Transfer of the Lease.

8.6 Fees

The Lessee must pay to the Lessor a non-refundable fee to cover administrative expenses and also its costs (including legal costs) and disbursements for the matters referred to in this clause 8 when demanded by the Lessor.

Title Reference 50661191

8.7 Corporate Lessee

If the Lessee is a corporation (other than a corporation whose shares are listed on the official list of the Australian Stock Exchange Limited ACN 008 629 691) a change in the effective control of the Lessee is deemed to be an assignment of this Lease requiring the Lessee to comply with this clause 8.

8.8 Mortgage of Lease

The Lessee must not use the Lease or the Lessee's Property as security with the Lessor's prior written consent.

8.9 Sub Lease

(a) Subject to clause 8.9(b), the Lessee must not sublease any part or the whole of the Premises, grant any licence or part with possession of the Premises without the Lessor's prior written consent which may be given, refused or given subject to such conditions as the Lessor may in its sole and absolute discretion consider appropriate.

(b) Despite clause 8.9(a), the Lessor will permit the Lessee to licence part of the Premises to a telecommunications supplier for the erection and operation of a telecommunications tower and associated equipment.

(c) The Lessor acknowledges that any remuneration received from the telecommunications supplier in respect of the erection and operation of the telecommunications tower and associated equipment will belong to the Lessee.

(d) The Lessee:

(i) must ensure that the insurance policies effected by the telecommunications supplier note the interest of the Lessor as owner of the Land; and

(ii) indemnifies and agrees to keep indemnified the Lessor from any loss, damage or claim made by any person arising out of the location of the telecommunications tower and associated equipment on the Premises and its use by any person.

9. QUIET ENJOYMENT

9.1 Quiet Enjoyment

Subject to the terms of this Lease, the Lessee may peacefully occupy the Premises without interruption or disturbance from the Lessor or any other person lawfully claiming under it, but only if the Lessee punctually:

(a) pays the Rent and other money payable to the Lessor pursuant to this Lease; and

(b) complies with the Lessee's obligations under the Lease.

9.2 Other Reservations

(a) The Lessor may:

(i) install, maintain, use, repair, alter and replace pipes, ducts, conduits and wires (the "Conduits") leading through the Premises;

(ii) pass and run water, air, electricity, drainage, gas and other services through the Conduits; and

(iii) enter onto the Premises to exercise these rights.

(b) When exercising any rights under clause 9.2(a) the Lessor must use all reasonable endeavours to minimise any inconvenience to the Lessee.

10. DEFAULT

10.1 Essential Terms

(a) The following obligations of the Lessee are essential terms of this Lease:

(i) to pay Rent, specific tenancy charges, services;

Title Reference 50661191

- (ii) to use the Premises only for the Permitted Use;
 - (iii) not to abandon the Premises;
 - (iv) to comply with all laws and requirements of authorities;
 - (v) to keep the Premises in good repair;
 - (vi) not to make alterations or installations without consent;
 - (vii) to maintain insurances;
 - (viii) not to assign its interest in the Lease without complying with clause 8;
 - (ix) not to sub lease part or the whole of the Premises
- (b) Other obligations under the Lease may also be essential terms.

10.2 Lessor's Right to Terminate

The Lessor may terminate the Lease by giving the Lessee notice or by re-entry if the Lessee:

- (a) is Insolvent;
- (b) repudiates its obligations under the Lease;
- (c) does not comply with an essential term of the Lease; or
- (d) does not comply with an obligation under the Lease (which is not an essential term) and (in the Lessor's reasonable opinion):
 - (i) the non-compliance can be remedied but the Lessee does not remedy it within a reasonable time after the Lessor gives the Lessee notice to do so;
 - (ii) the non-compliance cannot be remedied or compensated for; or
 - (iii) the non-compliance cannot be remedied, but the Lessor can be compensated and the Lessee does not pay compensation to the Lessor within a reasonable time after the Lessor gives the Lessee notice to do so.

10.3 Amount recoverable by Lessor

(a) If the Lessor terminates the Lease, the Lessee indemnifies the Lessor, from the date of termination until the Expiry Date, against any liability or loss arising and any cost (including reasonable solicitor and own client legal costs) incurred (whether before or after termination) in connection with:

- (i) the Lessee's breach of the Lease; or
- (ii) the termination of the Lease;

including the Lessor's loss of the benefit of the Lessee performing its obligations under the Lease.

(b) The Lessor must take reasonable steps to mitigate its loss if the Lease is terminated.

(c)

(i) In addition to its other rights and remedies, if the Lessor re-enters the Premises because the Lessee breaches an essential term (whether or not specified as such) the Lessee must pay to the Lessor, as liquidated damages for loss of tenancy, the difference between:

- the money which the Lessee should have paid under the Lease until the Expiry Date; and
- the money which the Lessor receives, or reasonably anticipates that it will receive, from other lessees or occupiers of the Premises during that period.

Title Reference 50661191

- (ii) If the Lessor's Outgoings have not been calculated for any period, the Lessor's Outgoings which the Lessee should pay for that period must be calculated on the basis of the Lessor's Outgoings payable at the time of the re-entry, increased at the commencement of each Lease Year by the same increase in Rent since the start of the previous Lease Year (the words "Lease Year" being interpreted as if the Lease had not been terminated).

10.4 Lessor's Rights Against Lessee's Property

- (a) If the Lessor becomes entitled to re-enter the Premises the Lessee must, within three days after receiving notice from the Lessor to do so, remove all the Lessee's Property.
- (b) If the Lessee does not remove the Lessee's Property within the period specified in clause 10.4(a), then the Lessor may remove them at any time and store or sell them. The Lessee must pay the cost of the removal, storage and sale.
- (c) The Lessor may (if permitted by law) deduct from the proceeds of the sale:
- (i) damages for all Rent and other money which is payable to the Lessor for the period until the Expiry Date, but not paid; and
 - (ii) all costs incurred by the Lessor in connection with the removal, storage and sale.

11. RESUMPTION DESTRUCTION OR DAMAGE TO THE COMPLEX OR PREMISES

11.1 Resumption

The Lessor or the Lessee may terminate this Lease by giving a written notice to the other if the Premises or a substantial part of the Complex is taken for public purposes by any competent authority. Any such action will not reduce the Lessor's or the Lessee's right to take action against the resuming authority.

11.2 Destruction or Damage

If the whole or any part of the Complex is destroyed or damaged causing the Premises to be unusable or inaccessible, then the Lessee may give a notice to the Lessor requesting that it rebuild the Premises.

11.3 No Obligation to Rebuild

Nothing in clause 11.2 requires the Lessor to rebuild the Complex or the Premises or to make them fit for occupation.

11.4 No Rebuilding

If the Lessor decides that it is impractical or undesirable to rebuild the Premises, it must notify the Lessee of that decision within 7 days of making it. The Lessor or the Lessee may terminate the Lease by 7 days' notice to the other if the Lessor:

- (a) does not start rebuilding the Premises within a reasonable time after receiving the Lessee's request; or
- (b) notifies the Lessee of its decision not to rebuild the Premises.

11.5 Lessee's Damage

The Lessee cannot terminate the Lease under this clause 11 and must continue to pay rent and other money under the Lease if:

- (a) the Lessee caused or contributed to (other than in a nominal way) the destruction or damage; or
- (b) the Lessor's insurer refuses to indemnify the Lessor for the destruction or damage because of the actions or default of the Lessee.

11.6 Continuing liability of Lessee

- (a) A termination of the Lease does not affect either party's rights arising from any previous breach or matter.

Title Reference 50661191

- (b) The Lessee remains liable to pay Rent and other money under the Lease up to the date of destruction or damage.

11.7 Adjustment for Unusable Premises

When the Premises or the Complex is destroyed or damaged and the Premises becomes unusable or inaccessible, all Rent and other money payable under the Lease, or a part of the Rent and money proportional to the nature and extent of the damage, abates. The abatement ceases when:

- (a) the Premises is rebuilt; and
- (b) the Premises is made accessible and fit for occupation;
- (c) or when the Lease is terminated under this Part.

11.8 Use of Part of the Premises

The Lessee must continue to operate its business in part of the Premises and pay Rent and other money under the Lease:

- (a) if that part is useable and safe; and
- (b) the Lessor is of the reasonable opinion it is practicable to do so.

12. GENERAL

12.1 Notices

- (a) A notice or approval must be:
 - (i) in writing; and
 - (ii) left at or posted to the address or sent to the facsimile number or email address of the party in Queensland as set out in Items 1, 2 or 3.
- (b) Any party may change its address for service to another address in Queensland by giving a written notice to all other parties.
- (c) A notice by the Lessor may be executed by the Lessor, an officer of the Lessor (if it is a company) or the Manager.
- (d) A notice or approval is taken to be given:
 - (i) if sent by post on the second business day after posting; and
 - (ii) if sent by facsimile or e-mail by 4.00 pm on a business day, on the same business day that it is sent, but otherwise on the next business day, unless the sender is aware that the transmission is impaired.

12.2 Consent or Approval of Lessor

Any consent or approval of the Lessor must be in writing and signed by the Lessor, an officer of the Lessor (if it is a company) or the Manager.

12.3 Saturdays Sundays and Public Holidays

Anything which is to be done on Saturday or a Sunday or a public holiday in Brisbane may be done on the next day which is not a Saturday Sunday or public holiday.

12.4 Law

This Lease is governed by the laws of Queensland.

Title Reference 50661191

12.5 Notice before Lessor Liable

Despite anything in this Lease to the contrary the Lessor is not in default of a remediable breach under this Lease unless:

- (a) the Lessee first gives notice to the Lessor of the breach; and
- (b) the Lessor fails to remedy the breach within a reasonable time after receiving the notice;

12.6 Lessor's Powers

The powers given to the Lessor in the Lease may be exercised by its authorised Agent or Representative and with or without any necessary plant, equipment or machinery.

12.7 Lessee's Cost

Where the Lease imposes an obligation on the Lessee to do anything, the Lessee must pay the cost incurred.

12.8 Lessee's Actions

In the Lease:

- (a) a reference to the acts and omissions of the Lessee includes the acts and omissions of its servants, agents and contractors; and
- (b) where the Lessee is prohibited from doing anything, the Lessee must not cause or allow any other person to do it either.

12.9 Money payable on demand

All money payable by the Lessee to the Lessor is, unless otherwise so specified, payable on demand and in Australian currency.

13. RIGHT TO GRANT FUTURE ACCESS AND EASEMENTS

13.1 Access

- (a) The Lessee acknowledges that as at the Commencement Date, the Complex is in a preliminary development stage and that the Premises and the area shown on the Complex Plan as Licence B are dominant uses at the Complex, the balance remaining largely undeveloped.
- (b) The Lessee further acknowledges that:
 - (i) the Lessor may during the term of the Lease significantly develop the Complex with a range of facilities associated with the Thoroughbred Racing Industry and other commercial uses designed to enhance the Thoroughbred Racing Industry;
 - (ii) if the Lessor introduces such uses and facilities at the Complex then agreements may be required to be entered into and arrangements made for access to the parts of the Complex that will accommodate such uses through, over and across the Premises and access may be required to be given to the Premises over, through and across other parts of the Complex (Access Corridors).
- (c) The Lessee acknowledges that it is not possible as at the Commencement Date to know whether or not Access Corridors will be required to be provided and if so the location of the Access Corridors.
- (d) The Lessor may create at any time after the Commencement Date, Access Corridors providing access from the Premises to other parts of the Complex and from other parts of the Complex to the Premises. The creation of any Access Corridors must be done on the following basis:
 - (i) the Lessor will liaise with the Lessee with regard to any plans to create Access Corridors and the actual creation and construction of Access Corridors;
 - (ii) any works undertaken to construct Access Corridors must be done in such a manner as to minimise the disturbance to the Lessee in the conduct of the Permitted Use including the timing of works and liaison with the Lessee as to periods of time when the Premises will experience significant race meeting activity;

Title Reference 50661191

- (iii) the Lessor will make good any damage caused to the Premises as a result of the construction of any Access Corridors;
- (iv) there will be no adjustment in the Rent or other monies payable by the Lessee under this Lease as a result of the creation of any Access Corridors but the Lessee reserves the right to claim compensation for any loss or damage suffered or detriment incurred or sustained as a consequence of the creation of any works undertaken in the construction of any Access Corridors; and
- (v) the Lessee must execute any documents required by the Lessor in the event of the necessity to register at the Department of Natural Resources & Mines any Access Corridors or which may be required by the Local Authority, given the Lessee's interest in the Land as Lessee.

13.2 Easements

- (a) The Lessor may determine in its sole and absolute discretion to register Easements at the Department of Natural Resources & Mines instead of or in addition to creating Access Corridors.
- (b) The Lessee takes no objection to the registration of any Easements and must execute any documents required by the Lessor for any purposes associated with obtaining any approvals from the Local Authority for the registration of the Easements at the Department of Natural Resources and Mines.
- (c) The Lessee :
 - (i) acknowledges that there will be no adjustment of Rent and other monies payable by the Lessee under this Lease as a result of the creation of any Easements; but
 - (ii) reserves the right to claim compensation for any loss or damage suffered or any detriment incurred or sustained as a consequence of the creation of any Easements.

13.3 Lessor to act in Good Faith

The Lessor must in the creation of any Access Corridors or the registration of any Easements pursuant to this clause 13, liaise with the Lessee in respect of any proposed such actions and must act in good faith to the intent that any action taken by the Lessor will not derogate from the Lessee's rights under this lease in any significant manner or its quiet enjoyment of the Premises.

14. ADDITIONAL BUILDINGS AND IMPROVEMENTS

14.1 Construction of Additional Buildings and Improvements

Consistent with and pursuant to the intentions stated in clause 13.1(a) and (b) the Lessor may construct additional buildings and improvements for a range of activities that may be carried out at the Complex which will be complimentary to the Permitted Use conducted by the Lessee at the Premises. For that purpose, the Lessor may:

- (a) construct additional buildings and improvements at the Complex;
- (b) reconfigure and subdivide the land in the Complex (but not the Premises) by way of survey plan and create Community Title Schemes under the *Body Corporate and Community Management Act* to facilitate such development;
- (c) create roads (including Access Corridors and Easements) to provide access to any additional buildings or improvements to be constructed; and
- (d) do such other acts and things as the Lessor may in its sole discretion deem appropriate or desirable for the development, redevelopment, refurbishment, improvement or expansion of the Complex and the facilities at the Complex from time to time.

14.2 Minimising Convenience

The Lessor must in carrying out anything permitted by this clause 14, ensure they are done in such a manner as to minimise the disturbance to the Lessee in the conduct of the Permitted Use including the timing of works and liaise with the Lessee as to periods of time when the Premises will experience significant race meeting activity;

Title Reference 50661191

14.3 No Obligations on Lessor

The Lessee acknowledges that the Lessor's plans are at the present time in the preliminary stages of development only. The Lessor gives no warranty that any works will be carried out at the Complex during the term of the Lease or that any works that are undertaken will be undertaken in accordance with any proposed timetable. The matters referred to in this clause 14 are matters for the Lessor to determine in its sole and absolute discretion.

15. LICENSE

15.1 The Lessee has the right to use the area described as License A on the Complex Plan for associated with this Lease.

15.2 The Lessor may terminate the License on one months notice to the Lessee subject to the Lessor relocating, at its cost, all improvements on License A onto the land described at Item 5 of the Form 7. The licence terminates with respect to the Licence A area upon expiration of the notice.

15.3 The termination of the Licence does not affect the rental payable with respect to the leased land under this Lease.

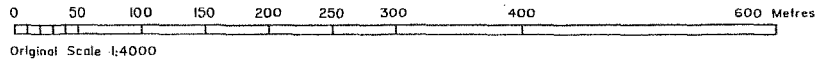
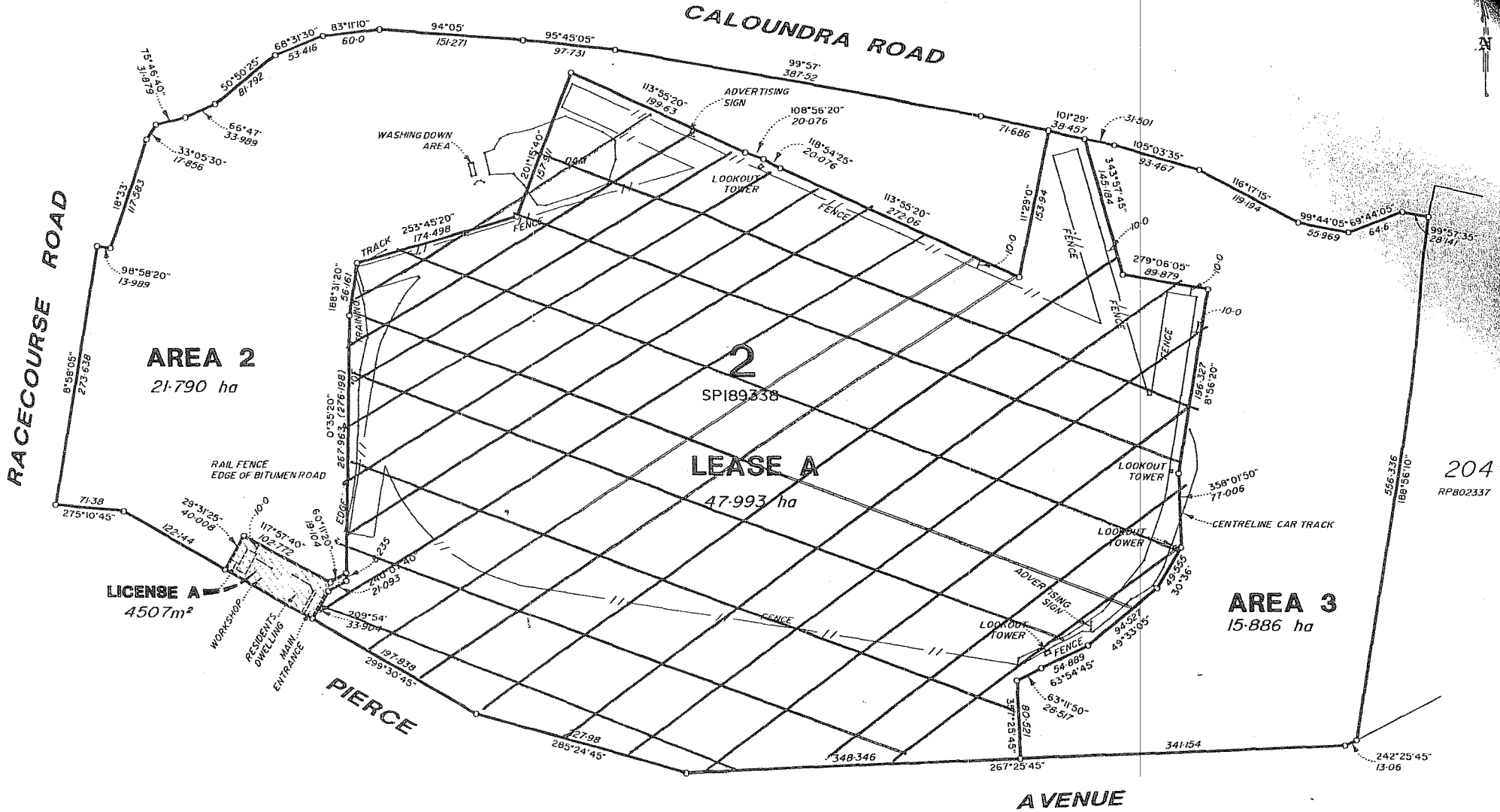
15.4 The Lessor must notify the Lessee of the proposed relocation of the improvements.


15.5 Within 30 days of the Lessor giving a notice pursuant to clause 15.3, the Lessee must notify the Lessor if it accepts the relocation proposal. If the Lessee does not so notify the Lessor, the Lessee is deemed to have accepted the Lessor's proposal and the Lessor, its servants or agents may enter upon the leased land at such times as are necessary for the purpose and with such vehicles and equipment and persons as are reasonably necessary to carry out the relocation work. If the Lessee notifies the Lessor within the required period that it does not accept the relocation proposal, the parties must negotiate an alternative proposal in good faith. The Lessee can only object to a relocation proposal on the grounds that the proposal unreasonably affects the Lessee's ability to carry out the Permitted Use.

Title Reference 50661191

COMPLEX PLAN

CJC10046792 1249444v10



Client QUEENSLAND RACING Project PROPOSED LEASE PLAN LOT 200 ON SP189338 PARISH OF BRIBIE	Notes A1 Sheet Amendments		Associated Consultants		Designed/Surveyed KJM Drawn ABR Date 21/ 12/ 2007 Scale 1:4000		MARPOOBYONG SUITE 7 DALTON CENTRE, 1 NEWSPAPER PLACE, PO BOX 6300 MARPOOBYONG NSW 2810 PHONE 0871 2643 2004 FAX 0871 2643 2146 EMAIL: Dr@kenhicks.com.au		 ken hicks AND ASSOCIATES	Drawing No. 060655	Amend. D		
	<table border="1"> <thead> <tr> <th>No.</th> <th>Date</th> <th>Amendment</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>19/07/08</td> <td>CHANGE SIZE OF LICENSE B AREA</td> </tr> <tr> <td>B</td> <td>28/07</td> <td>DELETE LICENSE B</td> </tr> </tbody> </table>	No.	Date	Amendment	A	19/07/08	CHANGE SIZE OF LICENSE B AREA	B		28/07	DELETE LICENSE B	Computer File	sheet no. of sheets
No.	Date	Amendment											
A	19/07/08	CHANGE SIZE OF LICENSE B AREA											
B	28/07	DELETE LICENSE B											

4.4



BOARD PAPER NUMBER: 44
REVIEW OF POLICIES

PURPOSE:

The purpose of this Board paper is for the Board to note that the following policies, which are due to expire, have been reviewed:

- (a) *Policy for Lawful Betting on Races* (see Attachment 'A'), and
- (b) *Fees Policy* (see Attachment 'B').

BACKGROUND

Policy for Lawful Betting on Races – the purpose of this policy 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.

Fees Policy - the purpose of this policy is to help ensure Queensland Racing Limited 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.

PROCESS AND REVIEW:

- The above policies were e-mailed to the relevant Manager/ Supervisor, Mr Mark Sweeney, Betting Supervisor and Mr Adam Carter, Finance Manager, for their consideration and review.
- Changes were then forwarded to Ms Debbie Toohey of the Legal and Compliance Department.
- Minor changes were amended to the policies.
- The essence of the above policies did not change; therefore, consultation is not required.

FINANCIAL IMPACT:

Not Applicable.

LEGAL IMPLICATIONS:

Not Applicable.

STAFF IMPLICATIONS:

Not Applicable.

OTHER STAKEHOLDER IMPACTS:

Not Applicable.

COMMUNICATION STRATEGY:

Intranet and Internet Site

DECISION REQUIRED:

No decision is required. This paper is to be noted by the Board.



SHARA MURRAY
Legal Compliance Counsel
Company Secretary

Attachment A

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

Attachment B

Queensland Racing Limited

FEES POLICY

COMMENCEMENT DATE

This policy comes 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(v) of the Act requires Queensland Racing Limited to make a policy on fees that it charges.

Queensland Racing Limited 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 *Racing Act 2002*, Queensland Racing Limited may charge fees for services it provides to manage the racing industry. These fees must reflect the reasonable cost of providing the service.

The purpose of this policy is to help ensure Queensland Racing Limited 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 Limited will charge appropriate fees for the sound management of the racing industry.

Queensland Racing Limited'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 Limited 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 Limited 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 Limited office or by direct deposit to Queensland Racing Limited'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 Limited's payment terms may cause the debtor to be placed on the forfeit list.

APPLICATION

This policy applies to race clubs, race venues, licensees 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 Limited.

PROCEDURES

Roles and responsibilities

Queensland Racing Limited

Queensland Racing Limited must set its fees according to the reasonable cost of providing the service. Queensland Racing Limited must advertise changes in fees. Queensland Racing Limited must review discretionary fees if these are challenged and provide reasons supporting the reviewed fee.

Industry participants

Industry participants, including race clubs, licensees and other industry participants must pay fees levied by Queensland Racing Limited in full by the date they are due.

Review

This policy was reviewed in July 2008.

Next review date will be July 2010.

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.

SECTION 5

ARB Discussion Protocol

Race field legislation

1. Background and summary

We understand that Queensland Racing has requested that the Australian Racing Board meet to discuss issues relating to the Racing Administration Amendment (Publication of Race Fields) Regulation 2008 (NSW) (**Race Field Regulation**), which will take effect on 1 September 2008, and to discuss race field legislation which has been or may be enacted by other States and Territories. A specific topic of discussion will be the concern that regulation of the use of race field information represents a fundamental change in the way State racing industries are remunerated and the impact this will have on the various state and territory racing industries.

In this context, the ARB has sought legal advice on the potential exposure under the Trade Practices Act 1974 (Cth) (**TPA**) for the ARB, individual board members and the thoroughbred racing controlling bodies (**TRCBs**) if they participate in any such meeting.

In summary, there is nothing which would prevent ARB holding the meeting or ARB members participating in such a meeting for the purpose of discussing the Race Field Regulation and race field legislation which has been or may be enacted by other States and Territories or the impact such legislation will have on their racing industries. However, the identity of the participants, the competitive dynamics of racing and wagering in Australia and the scope of the subject matter of the meeting expose the ARB, individual board members and the TRCBs to a situation in which there is a significant risk that a breach of the TPA could take place.

This note:

- sets out the protocol we recommend should be adopted by the ARB for the purpose of such a meeting to minimise its exposure to liability for breach of the TPA; and
- provides a brief outline of the areas of TPA risk of which the participants in such a meeting should be aware.

In the context of the scope of our instructions, we have not reviewed the Race Field Regulation in any detail nor the Victorian or WA race field legislation. There may be other matters which are relevant to your discussions.

This advice is provided for the benefit of the ARB only and provides a general guide as to the possible TPA issues which may arise from your discussions. This note does not provide any TPA or other advice about particular issues to be discussed at the proposed meeting.

2. Discussion protocol

2.1 What you can discuss

There are a number of matters which can be discussed at the proposed meeting. These include:

- (a) the regulation of race field information as a mechanism to stop free-riding by wagering operators;
- (b) how the regulation of race field information will affect funding of racing industries?

- (c) how will wagering operators acquire race field information and from whom?
- (d) what impact do the racing industries see regulation of race field information having on the 'Gentlemen's Agreement'?
- (e) will it lead to the totalisator operators passing on any increased costs to the relevant racing industries?
- (f) possible alternative means of funding thoroughbred racing.

2.2 What you can't discuss

Particular care should be taken to ensure that no expectation is created or understanding reached about how each of the TRCBs will behave in relation to future prices or dealings with those seeking permission to use race field information or those seeking to acquire race field information.

Specifically, participants must not:

- (a) make any arrangement or reach any understanding (regardless of how informal) with representatives of other TRCBs about any of the following matters:
 - (i) who will and will not be granted permission to publish or otherwise use race field information;
 - (ii) whether TRCBs will or will not charge for permission to publish or otherwise use race field information and/or the supply of race field information;
 - (iii) what TRCBs will charge for permission to publish or otherwise use race field information and/or supply of race field information;
 - (iv) whether TRCBs will charge some people and not others;
 - (v) whether TRCBs will supply information to some people and not others;
- (b) discuss with representatives of other TRCBs strategies for negotiation with those seeking to obtain permission to use race field information and/or acquire race field information; or
- (c) disclose any information about these matters to other TRCBs.

If any of these matters are raised, you should state that the issue should not be discussed until legal advice is received. You should not discuss the matter further.

If you have any queries or concerns in relation to the above, or something which has been discussed in conversation with representatives of other TRCBs, please contact Andrew Harding on (02) 9551 7700 or on aharding@australian-racing.net.au as soon as possible.

3. TPA risks

3.1 Who is exposed?

The TPA risks identified in section 3.2 are risks for which the TRCBs would be primarily liable. The ARB and the individual board members would also be liable if they were knowingly involved in any TPA breach by the TRCBs. To be knowingly involved only

requires that an individual knows about each element that give rise to the offence. It does not require that you intend to breach the TPA. Significant financial and other penalties apply to corporations and individuals for these types of TPA breaches.

3.2 What are the TPA risks?

There are 3 particular TPA provisions of which all participants should be aware are:

- (a) the prohibition on competitors reaching an arrangement or understanding about the price of services (including the granting of rights) they supply in competition with each other (**price fixing**);
- (b) the prohibition on competitors reaching an arrangement or understanding about to whom they will and will not supply services (including the granting of rights) (**exclusionary provisions**); and
- (c) the prohibition on any conduct which has the purpose, effect or likely effect of substantially lessening competition in any market in Australia (**other anti-competitive conduct**).

3.3 Do the TRCBs compete?

The first two prohibitions (price fixing and exclusionary provisions) only apply to arrangements or understandings made between persons who compete with each other in respect of the supply of goods or services to which the relevant price fix or exclusionary provision relates.

In the present case, the relevant supplies are:

- (a) the granting of permission to publish or otherwise use race field information;
- (b) the supply of race field information.

The TRCBs would not compete in respect of granting permission to publish or otherwise use race field information as they can only grant rights in respect of their own State or Territory information.

However, it appears that the TRCBs do compete at least to some degree in respect of the supply of race field information for the reason that a customer for one State's race field information can obtain that information from the relevant TRCB or certain other sources such as interstate TRCBs. Although some of these sources may not have been its first best alternative, if one supplier decided to increase the price of the information by say 5-10%, that customer could obtain the information from another source.

Although the participants at the meeting will be participating as ARB board members. They have a dual role. In addition to their role as members of the board of the ARB, they also represent the TRCBs of their appointing state or territory.

3.4 What does this mean for the meeting participants?

Although the extent to which the TRCBs compete is not entirely clear, it is sufficiently clear that they compete to some extent and so need to be conscious of the prohibitions on making or giving effect to arrangements or understandings including price fixing or exclusionary provisions.

In addition, because of the identity of the participants and the fact that they together represent all of the thoroughbred racing industries in Australia and thoroughbred racing is a very significant part of a wagering operators business, any arrangement or understanding between the participants about price or the identity of those to whom they will provide services is likely to have a significant competitive effect in relevant markets and so not be permissible regardless of whether or not the TRCBs compete.

For this reason, we:

- (a) have drafted the Discussion Protocol to cover price fixing, exclusionary provisions and the general prohibition on any conduct which has the purpose, effect or likely effect of substantially lessening competition in any market in Australia; and
- (b) recommend that the ARB, individual board members and the TRCBs should continue to take care in their dealings with each other and at any meeting to discuss the regulation of race field information or similar topics and should follow this Discussion Protocol in any such dealings or at any such meetings.

CLAYTON UTZ

Sydney

Melbourne

Brisbane

Perth

Canberra

Darwin

Clayton Utz
Lawyers
Levels 19-35
No. 1 O'Connell Street
Sydney NSW 2000
Australia

1 August 2008

By Email - aharding@australian-racing.net.au

Mr Andrew Harding
Chief Executive
Australian Racing Board Ltd

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Our reference: 128/689

Dear Andrew

ARB board meeting: TPA query

We refer to your emails dated 23 and 24 July 2008 and to our subsequent conversations.

Attached as requested is our general guide on the TPA risks to the ARB, individual board members and the thoroughbred racing controlling bodies (**TRCBs**) and the discussion protocol we recommend be adopted for the purposes of any meeting about the regulation of race field information.

We confirm that this advice is being provided for the benefit of the ARB only, although we have identified in the advice the extent to which the individual board members and the TRCBs may be exposed to TPA risk.

We understand that you may share this advice with individual board members and possibly the TRCBs. In doing so, you will waive the legal professional privilege which attaches to the advice. This means that the ARB could not rely on this privilege to avoid producing the advice in any relevant legal proceedings or in any investigative process by a government agency.

Furthermore, we have included in the Discussion Protocol a suggestion that if any person is concerned about an issue raised at the proposed meeting, they contact you. The purpose of this is to ensure that you are made aware of any queries sooner rather than later and can act on them if necessary.

Please let us know if you would like to discuss the attached note further.

Yours sincerely

Tony Rein, Partner
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trein@claytonutz.com

Lyndall Stoyles, Senior Associate
+61 2 9353 4689
lstoyles@claytonutz.com

Attachment

5-1



BOARD PAPER NUMBER: 5.1

Deagon Development Plan

PURPOSE:

The purpose of this paper is to further update the Board in relation to development of the Deagon Training Centre.

BACKGROUND AND ISSUES:

Meetings have been held with Nettleontribe (architect) and THG Resources (town planners) in relation to firming up the concept for the development of the Deagon Training Centre.

The first-class training centre will incorporate facilities to accommodate in the order of 600 horses and along with revenue from some mixed use development the funding requirement for the project will be reduced. Further concept plans will be presented to the Board, at its meeting on Friday, August 8, 2008.

The Board should also note that initial meetings have been held with the local Councillor, Victoria Newton and local Member of Parliament, Vicky Darling. Both the local Councillor and Member of Parliament work closely together and were briefed in relation to the concept of development of the Deagon Training Centre, along with the mixed use development from the corner of Board Street and Racecourse Road, along Racecourse Road.

These discussions were of a preliminary nature only and no material has been left with either Victoria Newton or Vicky Darling.

OPTIONS:

Not applicable at this stage.

FINANCIAL IMPACT:

Not applicable at this stage.

LEGAL IMPLICATIONS:

Not applicable at this stage.

STAFF IMPLICATIONS:

Not applicable at this stage.

OTHER STAKEHOLDER IMPACTS:

Not applicable at this stage.



COMMUNICATION STRATEGY:
Not applicable at this stage.

DECISION REQUIRED:
The Board will be asked to note the concept drawings as presented on Friday.

A handwritten signature in black ink, appearing to be "M Tuttle", written over a horizontal line.

MR MALCOLM TUTTLE
Chief Operations Manager

Actioning Officer:

5-2

8 August 2008

QRL applauds BTC members

Queensland Racing Limited (QRL) Chairman Mr Bob Bentley today applauded the members of the Brisbane Turf Club (BTC) in their support of a merger of equals with the Queensland Turf Club (QTC)

“After having initiating and advocating in favour of a merger for sometime, the Board of QRL is pleased with the outcome of today’s vote,” Mr Bentley said.

“We have said all along that an amalgamation of both metropolitan Clubs must occur to enable the Clubs to move forward.

“The amalgamation will now pave the way for a better and brighter future of racing in Brisbane and secures that future.

“This is the first positive step towards securing racing in Brisbane for the future with over 81% of votes in favour of the merger.”

For further information please contact QRL’s Senior Communications Officer, Ms Claire Power, on (07) 3869 9760.

ENDS.

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MEDIA RELEASE



BOARD PAPER NUMBER: 5.2
DRAFT 2008/09 BUSINESS PLAN

PURPOSE:

The purpose of this paper is to provide the Board with a further update of the draft 2008/09 Business Plan.

BACKGROUND AND ISSUES:

Following feedback from the Board on the previous Version (4), a considerable number of activities have been removed from the draft 2008/09 Business Plan and housed in a Managers' Operational Plan for internal use.

The attached plan is presented for the approval of the Board.

OPTIONS:

Not applicable.

FINANCIAL IMPACT:

Not applicable.

LEGAL IMPLICATIONS:

Not applicable.

STAFF IMPLICATIONS:

Not applicable.

OTHER STAKEHOLDER IMPACTS:

Not applicable.

COMMUNICATION STRATEGY:

As mentioned previously, the Business Plan is to be delivered to QRL staff and made available to key stakeholders.

DECISION REQUIRED:

The Board to adopt the attached draft (Version 5) 2008/09 Business Plan.

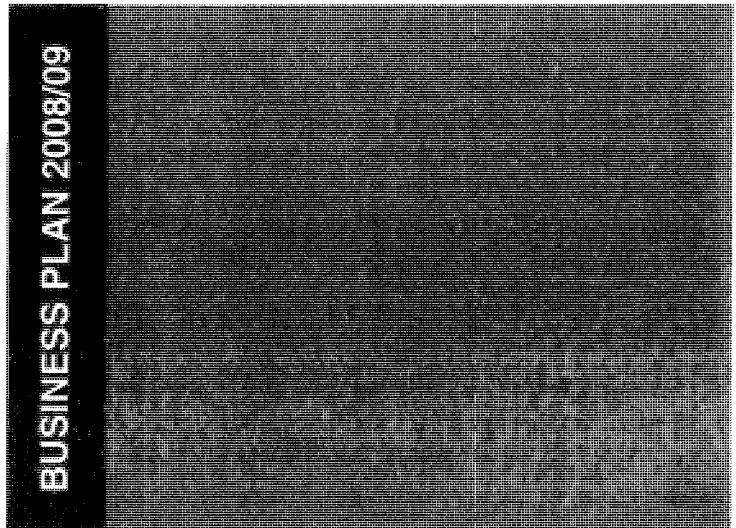

MR MALCOLM TUTTLE
Chief Operations Manager


MR ADAM CARTER
Finance Manager

Strictly Private and Confidential



**QUEENSLAND
RACING**



Queensland Racing Limited

Draft Business Plan (Version 5 as at 30/07/08)

TABLE OF CONTENTS

Section		Page
1	Organisational and Operational Excellence	4
	1.1 Maintain best practice in relation to corporate governance	5
	1.2 Improve cost efficiency in service delivery	6
	1.3 Further review and improve QRL systems and approach	7
2	Integrity and Regulatory Excellence	9
	2.1 Ensure compliance with the requirements of the <i>Racing Act 2002</i>	10
	2.2 Develop, enhance and monitor race industry integrity standards	11
3	Industry and Product Performance	14
	3.1 Improve the quality of the racing product in Queensland and nationally through appropriate research and incentives	15
	3.2 Optimise the use of the industry assets and resources	16
	3.3 Implement an expanded racing industry performance management system	18
	3.4 Enhance the industry's Intellectual Property rights	19
	3.5 Promote the Queensland racing industry and encourage participation	20

Section	Page	
4	Safety and Risk Management	22
	4.1 To establish uniform risk management policies and guidelines for the industry	23
5	People and Technology Development	25
	5.1 Implement an approved model for the delivery of industry training services	26
	5.2 Further develop an integrated, high quality IT platform	27
	5.3 Ensure a best practice approach to operations and service delivery through the use of technology	28
6	Stakeholder Communication and Relations	30
	6.1 Establish an effective communication strategy for the industry and Government	31

Section 1

Organisational and Operational Excellence

Strategy

1.1 *Maintain best practice in relation to corporate governance*

Implementation Action

1.1.1 *Continue to develop and implement a best practice information management and security policy*

Accountable: DR

Target: December

Amended Target:

Progress:

1.1.2 *Establish a policy on Club Liquor Licensing and implement regular audit procedure*

Accountable: JO

Target: December

Amended Target:

Progress:

Strategy

1.2 Improve cost efficiency in service delivery

Implementation Action

- 1.2.1 *Actively work with RISA and other PRA's to establish a single IT platform for the National industry and a common approach for all PRA's and keep management and Board updated of progress.*

Accountable: DR/ML

Target: June

Amended Target:

Progress:

- 1.2.2 *Review all service level agreements provided to the industry including to Harness Racing Queensland Limited and to Greyhound Queensland Limited with a view of either enhancing or terminating. .*

Accountable: AC/ DR

Target: June

Amended Target:

Progress:

- 1.2.3 *As required review agreement with RSC for analytical services with a view to implementing partial online delivery.*

Accountable: JO/SM

Target: December

Amended Target:

Progress:

Strategy

1.3 Further review and improve QRL systems and approach

Implementation Action

- 1.3.1 *Subject to the ARB's review of the Australian Rules of Racing, review the Local Rules of Racing to improve compliance through greater comprehension of the rules by licensees.*

Accountable: JO

Target: June

Amended Target:

Progress:

- 1.3.2 *Further evaluate the level of service currently provided by QRL to the industry including the timeliness of issuing racing information, the processing of licences and complaints to create efficiency and target business improvement by way of reviewing complaints management procedures and developing a complaints management database to support procedures .*

Accountable: MT/JO

Target: March

Amended Target:

Progress:

- 1.3.3 *Further review of licensing forms and processes with a view to creating efficiencies*

Accountable: PS/JO/AC

Target: December

Amended Target:

Progress:

Performance Indicators 2008/09

Organisational and Operational Excellence	Target	
Ratio of Operating Costs to Product Fee Revenue	<11.5%	
Product Fee Revenue Growth	3.0%	
Consolidated QRL Operating Surplus before extraordinary items	\$691K	
Consolidated QRL deficit after extraordinary items	(\$8.96M)	
QRL Operating Costs	<\$10M	
QRL Operating Costs to Total Expenses	<12%	

Section 2

Integrity and Regulatory Excellence

Strategy

2.1 Ensure compliance with the requirements of the Racing Act 2002

Implementation Action

2.1.1 *Review the audit regime for licensed participants, animals and venues to ensure that it is an effective audit regime by moving towards a risk based approach to regulation.*

Accountable: JO

Target: November

Amended Target:

Progress:

2.1.2 *Continue with audit regime for licensed race clubs and commence venue licensing linking licensing with WH&S program, liquor licensing, local council; requirements, fire service requirements and focusing on key risks in the audit plan.*

Accountable: AC/PB/JO/PS

Target: December

Amended Target:

Progress:

2.1.3 *Review the requirement of how a club is licensed and link to WH&S management system and KPI's*

Accountable: AC/PB/PS

Target: December

Amended Target:

Progress:

2.1.4 *Develop and submit an audit regime to Government for licensed participants, venues, animals and clubs to comply with section 39 (1) of the Racing Act 2002*

Accountable: JO

Target: August

Amended Target:

Progress:

Strategy

2.2 Develop, enhance and monitor race industry integrity standards

Implementation Action

2.2.1 Finalise review of minimum standards for TAB & Non-TAB race meetings and barrier trials

Accountable: JO/PB

Target: October

Amended Target:

Progress:

2.2.2 Regularly evaluate the effectiveness of integrity operations and provide a half yearly report to the Board

Accountable: JO

Target: December

Amended Target:

Progress:

2.2.3 Undertake a detailed review of drug and alcohol testing processes for licensees and animals and develop a policy and procedure for amore accurate drug sampling program.

Accountable: JO

Target: December

Amended Target:

Progress:

2.2.4 Review the drug and alcohol testing process for persons in control of licensed animals with the development of policy guidelines and procedures.

Accountable: JO

Target: December

Amended Target:

Progress:

2.2.5 *Establish an evidence evaluation committee for non race day stewarding matters and appeals*

Accountable: JO

Target: November

Amended Target:

Progress:

Performance Indicators 2008/09

Integrity and Regulatory Excellence	Target	
Percentage of horses allocated weights in accordance with the handicapping policy	95%	
Percentage of handicapped weights released by 1PM on the required day	50%	
Percentage of licences processed within 30 days	80%	
Percentage of steward's decisions upheld on first level appeal	80%	
Percentage of QRL decisions upheld by RAT	75%	
Percentage of positive swab samples	<1.5%	
Percentage of penalties varied at appeals	<40%	

Section 3

Industry and Product Performance

Strategy

3.1 *Improve the quality of the racing product in Queensland through appropriate research and incentives*

Implementation Action

3.1.1 *Prepare and present a submission to Government in relation to the future funding of Non-TAB racing in Qld in conjunction with 6.1.1 & 6.1.2*

Accountable: Board/MT/PB

Target: September

Amended Target:

Progress:

3.1.2 *Develop the optimum wagering program and relevant strategies to deliver the program*

Accountable: PB/MT

Target: March

Amended Target:

Progress:

Strategy

3.2 Optimise the use of the industry assets and resources

Implementation Action

3.2.1 Pursue the relocation of the GCTC to a greenfield site (Palm Meadows) including the development of a preliminary business case

Accountable: Chairman/ML/MT

Target: September

Amended Target:

Progress:

3.2.2 Further pursue the upgrade and development of Corbould Park with the development of a masterplan to maximise facility usage.

Accountable: Trust/Chairman/PB/AC/SM

Target: November

Amended Target:

Progress:

3.2.3 Develop the Deagon Training Centre following the approval of the Master Plan

Accountable: MT

Target: June

Amended Target:

Progress:

3.2.4 In consultation with the Government, as required, review the structure of TAB race clubs and their role within the industry. The terms of reference for the review to include: the role of clubs versus QRL regarding land and asset ownership; role of clubs versus QRL in asset development; role and power of club members; merger of clubs; management model for clubs – whether management should be at club, regional or state-wide level; and IP ownership.

Accountable: MT

Target: November

Amended Target:

Progress:

3.2.5 *Develop a plan to establish shared services across like clubs including the establishment of a common purchasing policy*

Accountable: PB/AC

Target: June

Amended Target:

Progress:

3.2.6 *Develop a strategy to address the declining standards of training facilities including an integrated stabling and training plan for the Industry*

Accountable: MT/PB/RS

Target: December

Amended Target:

Progress:

3.2.7 *Report to the Board outlining all proposed development plans impacting industry assets*

Accountable: MT/AC/PB

Target: September

Amended Target:

Progress:

3.2.8 *Develop a policy for both key and non key venues in relation to the approach to be taken by QRL in terms of future investment*

Accountable: PB/AC

Target: December

Amended Target:

Progress:

Strategy

3.3 Implement an expanded racing industry performance management system

Implementation Action

3.3.1 Further develop a set of comprehensive financial and non-financial measurements with formalised relationships with KPI's, reporting requirements and benchmarks. (to be incorporated into Service Level Agreements (SLA))

Accountable: AC/PB

Target: December

Amended Target:

Progress:

3.3.2 Continue to develop and implement a database to capture club performance information

Accountable: AC/PB/DR

Target: December

Amended Target:

Progress:

3.3.3 Prepare a draft SLA with clubs for the considerations of the Board. SLA to address club reporting, and KPI's

Accountable: MT/AC/PB

Target: December

Amended Target:

Progress:

Strategy

3.4 Enhance the industry's Intellectual Property rights

Implementation Action

3.4.1 Continue to pursue the assignment and aggregation of broadcast rights for TAB clubs optimise revenue as a result

Accountable: MT

Target: June

Amended Target:

Progress:

3.4.2 Develop a strategy to establish clear Intellectual Property (IP) ownership of the racing product and program, including the introduction of Race Fields Legislation as required. Pursue the Queensland Government to protect racing IP following a review of the legislation in other States.

Accountable: ML/MT

Target: June

Amended Target:

Progress:

Strategy

3.5 *Promote the Queensland racing industry and encourage participation*

Implementation Action

3.5.1 *Report to the Board in relation to the industry skills review recommending strategies where applicable to address any deficiencies*

Accountable: PS

Target: February

Amended Target:

Progress:

Performance Indicators 2008/09

Industry and Product Performance	Target	
Average starters per TAB race – Metropolitan	>12	
Average starters per TAB race – Provincial	>11	
Average starters per non-TAB race	>9	
Average starters per all races	>10	
Average Turnover per Queensland thoroughbred meeting	>\$1.1M	
Product fee revenue distributed as prizemoney	>82%	
Scheduled Prizemoney distributed	>98%	
Eligible Queensland bred horses registered for QTIS	>60%	
Breedback QTIS registrations	>150	

Section 4

Safety and Risk Management

Strategy

4.1 *To establish uniform risk management policies and guidelines for the industry*

Implementation Action

4.1.1 *Further review the process in relation to the capture of information relating to injuries to persons and animals*

Accountable: JO/RS

Target: November

Amended Target:

Progress:

4.1.2 *Implement an industry wide WH&S approach by engaging a management consultant to develop an industry wide WH&S management system.*

Accountable: MT/PB

Target: June

Amended Target:

Progress:

4.1.3 *Develop a fraud control plan*

Accountable: JO/AC

Target: December

Amended Target:

Progress:

4.1.4 *Develop and implement a risk management model for the industry*

Accountable: MT/AC

Target: December

Amended Target:

Progress:

4.1.5 *Develop and implement a Business Continuity Management (BCM) for QRL and investigate the potential roll out of a BCM plan.*

Accountable: DR/AC/Managers

Target: June

Amended Target:

Performance Indicators 2008/09

Safety and Risk Management	Target	
Percentage of licensee audits per annum	25%	
Percentage of complaints resolved per annum	80%	
Percentage of injuries to starters resulting in euthanasia per annum	<1%	
Percentage of injuries per total jockeys' rides per annum	<1%	
Percentage of injuries to licensed persons having workcover claims for racing-related activities per annum	<10%/qtr	

Section 5

People and Technology Development

Strategy

5.1 *Implement an improved model for the delivery of industry training services*

Implementation Action

5.1.1 *Further develop an industry training plan covering skills, needs, recruitment, promotion and training*

Accountable: PS/JO

Target: November

Amended Target:

Progress:

5.1.2 *Evaluate current and future training needs for the industry*

Accountable: PS

Target: October

Amended Target:

Progress:

Strategy

5.2 Further develop an integrated, high quality IT platform

Implementation Action

5.2.1 Implement a Management Information System (MIS) suited to QRL's business needs

Accountable: DR/Managers

Target: June

Amended Target:

Progress:

Strategy

5.3 *Ensure a best practice approach to operations and service delivery through the use of technology*

Implementation Action

5.3.1 *QRL working party to further evaluate options to make better use of the website, including the use of ECommerce and interactivity for licensees*

Accountable: DR/AC/JO/PS

Target: June

Amended Target:

Progress:

5.3.2 *Further evaluate the increased use of technology to improve the integrity of racing in Queensland.*

Accountable: JO

Target: December

Amended Target:

Progress:

5.3.3 *Develop a three year IT strategy outlining key IT initiatives and a technology plan for the business in conjunction with RISA development and refer to 1.3.1*

Accountable: DR/Managers

Target: June

Amended Target:

Progress:

Performance Indicators 2008/09

People and Technology Development	Target	
Employee satisfaction	>70%	
Staff turnover	<15%	
Business critical systems uptime	>99%	

Section 6

Stakeholder Communication and Relations

Strategy

6.1 *Establish an effective communication strategy for the industry and Government*

Implementation Action

6.1.1 *Develop a strategic and proactive relationship with Government by establishing a well defined and researched agenda including, a review of wagering tax; support for major industry developments; recognise CSO's in country racing areas; and amendments to the Racing Act 2002 and reference made to 6.1.2*

Accountable: Chairman/MT

Target: Ongoing

Amended Target:

Progress:

6.1.2 *Present the findings of the IER economic impact study on thoroughbred racing in Qld to the Board, Government and community as per 6.1.1*

Accountable: Chairman/MT

Target: December

Amended Target:

Progress:

Performance Indicators 2008/09

Stakeholder Communications and Relations	Target	
Meetings with licensee groups	15	

6.1

BOARD PAPER NUMBER: 6.1
Licensing Report

PURPOSE:

To ratify the licensing decisions made since the previous board meeting.

BACKGROUND AND ISSUES:

Between 27 June 2008 and 30 July 2008 the following new licences were issued:

- 6 Jockeys (5 Metropolitan & 1 Non Metro – TAB)
- 5 Apprentices (3 Non Metro – TAB, 1 Non Metro – Non TAB & 1 Trainee)
- 3 Visiting Jockeys (2 Metropolitan & 1 Non Metro – TAB)
- 1 Visiting Apprentice (1 Trainee)
- 8 Trainers (8 Open Trainers)
- 1 Visiting Trainer
- 3 Rider's Agents
- 7 Bookmaker's Clerks
- 1 Foreperson
- 69 Stablehands
- 33 Trackwork Riders
- 4 Exercise Riders

DECLINED LICENCE APPLICATIONS:

Nil.

A number of applications were deferred for interviews or to follow up issues.

Renewal Update

Renewal notices and invoices for 12 categories of licence or ownership were sent commencing early May with deadlines in May, June and July.

Regarding trainers:

- 1158 renewals were sent to currently licensed trainers
- 920 have been completed leaving 238 outstanding.
- Of this 238, 45 have indicated they do not wish to renew.
- The remainder have either not responded or have been asked to rectify problems and have yet to fully respond.

Licensing staff have to date sent 160 letters requesting missing signatures, details or payments across all categories. In many cases phone calls have also been required.

A small proportion of trainers in particular tend to hold back from renewing if they are not certain to continue, have financial pressures or health problems. There is generally a steady stream of these reapplying as the season progresses.

This year renewal processes are ahead of schedule. The usual issue of jockeys simply failing to send in their form and payment and continuing to ride has again required intervention from stewards on racedays. A significant fine may be required to address this.

There are no concerning trends with the renewal response this year.

SUSPENSION

Nil.

OPTIONS:

Nil.

FINANCIAL IMPACT:

Nil.

LEGAL IMPLICATIONS:

Nil.

STAFF IMPLICATIONS:

Nil.

OTHER STAKEHOLDER IMPACTS:

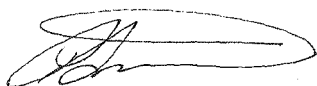
Nil.

COMMUNICATION STRATEGY:

Nil.

DECISION REQUIRED

That the Board note the licensing actions taken since the last board meeting.



PETER SMITH

Originator: Peter Smith

Meeting Date: 8 August 2008

2

7.1

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BOARD PAPER NUMBER: 7.1

INTEGRITY DEPARTMENT UPDATE

PURPOSE:

The purpose of this paper is to advise the Board of the current status of activities and programs in the Integrity Department. This paper is for information only.

BACKGROUND AND ISSUES:

During the course of July, Stewards continued to provide Stewarding services at race meetings throughout Queensland. These services were provided by a combination of full time and casual Stewards. In addition to these race day activities, a number of other activities and programs were being pursued by the Integrity Department as follows.

Process and Procedures

- A new complaints management program was instituted. Central to this process is the requirement that all complaints are handled by a single person (the co-ordinator) who takes responsibility for ensuring they are logged in a central database, acknowledged within 24 hours and subsequently properly assessed. An Evidence Evaluation Committee (comprising of the Director of Integrity Operations, the Chief Steward and Legal Compliance Counsel) has been established to consider the more serious matters.
- A new activity management process has been introduced which records all activities being handled within the Integrity Department. A central register records all activities and the progress on those matters can then be monitored.
- A new appeals process has been introduced as part of a broader strategy to improve our success rate on appeal (see below). To that end, Stewards handling appeals will discuss the case with the Director of Integrity Operations to finalise the arguments, determine whether written submissions should be prepared and otherwise ensure that the matter is ready for hearing. In cases of a Queensland Racing Ltd appeal, written submissions will usually be prepared and settled with the

Director. The Evidence Evaluation Committee will consider recommendations by Stewards that Queensland Racing Ltd should appeal and will determine whether to file an appeal.

Appeals

Queensland Racing Ltd had mixed success in appeals in 2007/2008.

In the **Racing Appeals Tribunal**, 19 appeals by licensees against charge were determined, with licensees being successful in 5 cases (26%). This meant a success rate for Queensland Racing Ltd of 74%.

On the other hand, 21 appeals by licensees against penalty were determined. In 15 of those matters the appeals were upheld (so no penalty imposed) or the penalty reduced. This is a success rate for licensees of 71%.

It is perhaps because of this high percentage of successful appeals against penalty that the number of appeals has increased as follows:

<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>	<u>2007/2008</u>
12	19	15	23

Considering that no appeals were heard for five months of the 2007/2008 year (presumably because of EI), this shows a significant increase.

In July 2008 one appeal has been heard by the Tribunal and it was dismissed.

In the **First Level Appeals Committee**, 54 licensee appeals against charge were considered and 10 (18.5%) were successful. Of the 59 licensee appeals against penalty, 32 (54%) were either upheld (so no penalty) or had the penalty reduced.

Taking into account that there was a period in 2007/2008 without racing or appeals because of EI, the following number of appeals to the Committee suggest a continuing increase in the number of appeals:

<u>2005/2006</u>	<u>2006/2007</u>	<u>2007/2008</u>
59	80	70

In July 2008, 9 appeals have been heard by the committee. Of them, 6 (67%) were either upheld or had the penalty reduced. This continues the trend of 2007/2008.

The success rate of licensees when appealing penalty is of concern. The higher the rate, the greater the incentive to appeal and more appeals means more

staff time must be devoted to the preparation and hearing. Anecdotal evidence suggests that even those jockeys renowned for not appealing now consider an appeal to reduce the penalty.

In an attempt to address this issue, a number of strategies are being pursued:

- A new appeals process has been introduced within the Integrity Department to ensure that Queensland Racing presents the best possible case at hearing.
- A meeting between the members of the First Level Appeals Committee (FLAC) and the senior members of the Integrity Department was proposed and a meeting between the Chairman of the Racing Appeals Committee and the Director of Integrity Operations was planned. Despite various members of the FLAC expressing initial enthusiasm for meeting in such a forum to provide feedback, one (legal) member expressed concern that such meetings in the absence of other parties could give rise to a perception of bias such that the integrity of future appeals could be undermined. Accordingly, the meetings have now been held off with a view to identifying a different mechanism to receive feedback, probably in writing.
- Advocacy training for those Stewards handling appeals is being pursued. The Australian Advocacy Institute is prepared to tailor a two day training program for Stewards but in light of the cost and minimum numbers required, we will need to involve our colleagues in the other codes that handle similar appeals.
- Senior Counsel advice was taken in respect of prospects of appeal to the District Court in matters of Pearson and Wakefield.

In the Pearson matter, involving a jockey failing to provide a urine sample for a period in excess of five hours, Counsel advised that we have reasonable prospects of success. In light of the significance of the matter and the opportunity to receive judicial comment on the Racing Appeal Tribunal's approach, it was decided to proceed and the matter has now been filed.

In the Wakefield matter, involving a trainer successfully appealing against being found guilty of presenting a horse with a prohibited substance, Counsel advised that we were unlikely to succeed on appeal due to the operation of the Racing Act and the Collection Procedures published by the Racing Animal Welfare Integrity Board. Accordingly no appeal was lodged. However, in light of the fact that each code has recently lost an appeal because of the operation of the Collection Procedures, an urgent meeting has been sought with the Office of

Racing, the Racing Science Centre and representatives of other codes to consider what steps can be taken to address the problem.

Investigations

Three Significant investigations have been undertaken during July.

- The investigation into the Rockhampton 'no race' was completed, a report provided to the Board and press released issued. The remedial measures are now being implemented.
- The investigation into the Gatton incident in which an apprentice and her mount collided with a tractor hitched to barriers is almost complete, pending only a statement from the apprentice involved. Once she is well enough, the investigation will be completed, the Board advised and remedial steps implemented.
- An investigation into allegations that a Casual Steward lifted an embargo on a horse on the basis of a barrier trial that did not actually occur has commenced. This investigation is continuing.

Programs

One Significant program that has been re-introduced is the Steward Rotation Policy. This policy of moving Stewards through Brisbane and the regions is aimed at encouraging consistency of approach and avoiding 'regulatory capture' (when locally based Stewards gradually come to accept local practices as permissible even if contrary to general policy). The first rotation of Stewards will begin shortly.

Some work has also commenced on moving toward a more risk based approach to ensuring integrity. To this end, the major risks posed by various types of licensees, clubs and venues are currently being identified, risk factors determined and strategies developed.

Once finalised, this approach will be quite broad but some work has already commenced on specific strategies, namely WH&S audits of clubs and the approach to sample testing of horses.

This latter issue, namely sample testing of horses is currently being considered. The positive rate for 2007/2008 was approximately 0.3% (18 positives from 6089 tests). This is apparently consistent with industry standards and it suggests that either the incidence of prohibited substance use is low or that the current targeting is flawed. Through the first half of 2008/2009 it is proposed to undertake a broad Research and Survey program in conjunction with the Racing Science Centre in an attempt to determine why the positive rate is so low. It is hoped that this program will show that there is in fact a very low

incidence of substance use, but if not, our targeting can be adjusted accordingly.

Miscellaneous

The form of the Queensland Police/Queensland Racing Memorandum of Understanding has now been finalised. Signing the agreement is the last outstanding matter from the Daubney/Rafter Enquiry so on completion we will be able to report to the Government that all recommendations have now been addressed.

A Stewards conference was held in July with all full time and some Casual Stewards attending. It was a useful opportunity to discuss broad plans for the future as well as to consider a range of specific matters. This conference is supplemented by fortnightly Integrity Department meetings as an opportunity for sharing information.

OPTIONS:

FINANCIAL IMPACT:

LEGAL IMPLICATIONS:

STAFF IMPLICATIONS:

OTHER STAKEHOLDER IMPACTS:

COMMUNICATION STRATEGY:

DECISION REQUIRED:

No decision required – for information only.


Jamie Orchard
Director of Integrity Operations

Actioning Officer:

7.2



BOARD PAPER NUMBER: 7.2

TELEPHONE ONLY BOOKMAKERS

PURPOSE:

The purpose of this Board Paper is to advise the Board of submissions made by the Queensland Bookmakers Association for an amendment to the policy on telephone only bookmakers and to recommend against adoption of one submission and for the adoption of the second submission.

BACKGROUND AND ISSUES:

At the Board meeting on 13 April 2007, the Board resolved to permit bookmakers unable to obtain a stand at a licensed venue to operate at that venue as a telephone only bookmaker if certain conditions were met. A copy of the resolution setting out the conditions is attached.

At the Bookmakers Review Committee meeting on 23 June 2008, the Queensland Bookmakers Association made a submission for amendment of the conditions by the addition of a further condition. The bookmakers' submission is attached. Essentially the additional condition seeks to require clubs to make adequate facilities available should a bookmaker have given three days notice.

The amendment is sought as a result of an issue on 9 June 2008 when the QTC hosted the only race meeting in the South Eastern Corner of the state, on Brisbane Cup day. Two bookmakers apparently sought to operate as telephone only bookmakers but were unable to do so as adequate facilities were not available. I believe one travelled to Townsville to field as a telephone only bookmaker.

In a further (oral) submission at the meeting, bookmakers also sought an amendment to allow telephone only bookmakers access to the betting ring to bet back with on course bookmakers.

OPTIONS:

The Board may determine to amend the policy by adoption of either or both of the submissions or it may reject the submissions. The first submission made

by the Bookmakers Association is not supported by the Integrity Department, but for reasons explained below, the second submission is supported.

First Submission

The nature of the policy as currently drafted is empowering in that it allows bookmakers to operate in certain conditions but does not impose any obligation upon clubs to make facilities available to them.

A recent survey of various racing clubs in respect of their willingness or ability to provide facilities revealed the following:

- Queensland Turf Club - Eagle Farm currently does not have such a facility and there are no plans to establish one. If there were any spare areas, they would be developed into something that has the potential to earn money for the club all year round.
- Brisbane Turf Club – Doomben would try to find a room to accommodate 3 - 4 bookmakers if necessary.
- Gold Coast Turf Club –The Gold Coast has a room for this purpose, which has been used on a few occasions' already.
- Sunshine Coast Turf Club – The Sunshine Coast doesn't currently have a room established – but didn't seem opposed to the idea.
- Toowoomba Turf Club – Toowoomba has somewhere suitable and is willing to make it available, but no request from a bookmaker has yet been received.
- Ipswich Turf Club – Ipswich has supplied a room as requested by a bookmaker once so far. The bookmaker was set up in the Press Room with the AAP stats person and this could occur again if necessary.
- Rockhampton doesn't have a room set up but could install one if necessary and if the club could get a worthwhile return on the cost of setting it up.
- Mackay does not have a room for this purpose and cannot see a need for it, so is not planning to do anything.
- Townsville doesn't have a room set up but may be willing to do so if QRL was willing to pay the cost of up to \$15,000.

It would appear from this survey that to date there has not been much demand for a facility to be provided. Where it has been requested, most clubs have

made a facility available or would be so willing if a request was made. The only clubs showing some resistance are the QTC and Townsville.

In the absence of a significant demand and in light of the fact that this policy was only ever intended to be an empowering policy (as opposed to requiring something of the clubs) it is recommended that the submission from the bookmakers be declined. Nonetheless, it would be useful for QRL to encourage the clubs to work with the bookmakers to have facilities made available as required.

Second Submission

In respect of the second submission (to allow telephone only bookmakers to enter the betting ring to bet back with on course bookmakers), the current policy as set out in the Board Resolution (paragraph 4) makes it clear that telephone only bookmakers are only bet back through their approved telephones. However, it would seem that the Board Resolution may have been more limiting than proposed. The Board Paper recommending that resolution included condition number 4 as:

“The bookmaker is permitted to bet back with other bookmakers on course or through their approved phone.”

This is consistent with the position in Victoria.

However, the Board resolution is more limited in providing that bookmakers may only bet back through their approved phone. The Minutes of the relevant Board meeting are not clear if this was intended or merely by oversight.

There seems very little additional risk from allowing telephone only bookmakers to bet back with bookmakers in the betting ring. The most obvious risk that is that by being in the betting ring, the telephone only bookmakers will have access to punters and may be approached to take bets. That risk seems quite limited in light of the presence of betting Stewards in the ring. A telephone only bookmaker taking bets should be easily identified.

Accordingly, in the absence of further specific risk being identified, it is recommended that the conditions imposed on telephone only bookmakers be amended to allow them to bet back personally with bookmakers fielding in the ring.

FINANCIAL IMPACT:

Not applicable.

LEGAL IMPLICATIONS:

Not applicable.

STAFF IMPLICATIONS:

Not applicable.

OTHER STAKEHOLDER IMPACTS:

Not applicable.

COMMUNICATION STRATEGY:

Not applicable.

DECISION REQUIRED:

The decision required is whether to:

- (a) Add an additional condition to telephone only bookmakers which would have the effect of requiring clubs to make facilities available; and/or
- (b) Amend current condition number 4 to allow telephone only bookmakers to bet back personally with bookmakers fielding in the betting ring.



Jamie Orchard
Director Integrity Operations

Actioning Officer:

3.9 Telephone Only Bookmakers

Present – Mr Sanders and Mr Hedges

Mr Sanders advised that this paper was to seek approval for the extension of telephone betting rules to allow for licensed bookmakers to operate a telephone betting service at race meetings away from their licensed club on race days.

The Board **NOTED** the list of requirements that a telephone only bookmakers must abide by.

Mr Sanders advised that telephone only bookmakers will be located in a room isolated from the main bookmakers ring and these bookmakers will be unable to take any face to face bets.

Motion moved by Mr Lambert, seconded by Mr Andrews:-

That the QRL Board approve the implementation of telephone only bookmakers at race meetings from 1 May 2007, in accordance with the following:-

1. *Bookmaker must have a registered telephone and be approved as a multi-venue bettor.*
2. *The bookmaker cannot accept cash or credit bets from punters in person on course.*
3. *The bookmaker cannot accept bet backs from other bookmakers working in the ring except by phone.*
4. *The bookmaker is permitted to bet back with other bookmakers through their approved phone only.*
5. *The bookmaker can only accept bets within the vicinity of his allotted area.*
6. *The bookmaker must deliver to the offices of the club or Betting Steward a copy of every entry made in the betting records at the conclusion of the meeting.*
7. *The bookmaker will be bound by the same Australian Rules and Local Rules of Racing on the day as an oncourse bookmaker would.*
8. *Telephone only bookmakers will only be able to operate in an area designated by the Club or Queensland Racing Stewards.*
9. *Telephone only bookmakers will be liable for any fielding fees payable to the Club or Principal Racing Authority.*

Carried

The Deputy Chairman, Mr Hanmer, vacated the Chair.

The Chairman, Mr Bentley, returned to the meeting and assumed the role of the Chair.



Queensland Bookmakers' Association

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Paddington Qld 4064

Phone: 0412 809 496
E-mail: secretary@qldbookmakers.com.au

SUBMISSION TO QUEENSLAND RACING REGARDING TELEPHONE ONLY BOOKMAKERS

23 JUNE 2008

Background

In April 2007 Queensland Racing Limited (QRL) approved the introduction of a new policy allowing bookmakers to operate "telephone only" in certain circumstances (see **attached**). Since its inception, a number of bookmakers and most major race clubs have embraced and taken advantage of the policy, ensuring valuable betting turnover stays in Queensland. With wagering now a "24/7" industry, the telephone only bookmakers policy is an essential part of Queensland bookmakers' long-term survival plan.

Brisbane Cup day

The Queensland Turf Club (QTC) held the only race meeting in south-east Queensland on Brisbane Cup day, Monday 9 June 2008. At least two bookmakers applied to the QTC to field telephone only on this day but were advised there was no suitable room/area in which to operate. Fewster Bookmaking then applied unsuccessfully¹ to the Brisbane Greyhound Racing Club (BGRC). Parlay 888 were forced to travel to the race meeting at Townsville.

Proposed addition to the policy

To avoid a repeat of the above situation and ensure the telephone only bookmakers policy operates as intended and required, the Queensland Bookmakers' Association asks QRL to consider the following addition to the policy:

- 10. Upon receiving notice in writing from a bookmaker at least three (3) business days prior to the relevant race meeting, a race club must provide the bookmaker with adequate facilities to operate as a telephone only bookmaker.*

Richard Fewster
Secretary

¹ The BGRC and Queensland Greyhound Racing Authority supported the application but were unable to allow it because Albion Park would not become a "licensed venue where betting is taking place" until that evening.

8.1



BOARD PAPER NUMBER: 8.1

Corbould Park Lights Project

This item will be provided under separate cover

8.2



BOARD PAPER NUMBER: 8.2

QTIS

This item will be provided under separate cover

MEMORANDUM

TO: Mr Malcolm Tuttle
FROM: Ms Shara Murray
SUBJECT: NSW Race Fields Legislation
DATE: 30 July 2008

Malcolm

Re: NSW Race Fields Legislation

I refer to your e-mail of 29 July 2008, concerning the above matter.

In response, I advise the following:

- Amendments to the *Racing Administration Act 1998 (NSW)* (the Act) which require the approval of Racing NSW to any publication of a NSW thoroughbred race field (whether that publication occurs in NSW or elsewhere) unless the publication is specifically exempt under the *Racing Administration Amendment (Publication of Race Fields) Regulation 2008* (Regulations).
- The express purpose of the legislation, as stated by both the Minister for Racing and Racing NSW is to require all race wagering operators, regardless of location, to pay a fee for use of the racing product for wagering purposes – this legislation cover the three (3) racing codes.
- From 1 September 2008, it will be an offence under the Act, punishable by fines and/or imprisonment, to publish a NSW thoroughbred race field without the necessary approval from Racing NSW.
- According to clause 19 of the Regulations, an application, in writing, is required to be lodged with Racing NSW at least **30 days** in advance (see Attachment 'A').

Thus, I concur with Peter V'landys advice to Barrie Fletton that UNiTAB will need to make an application by 2 August 2008, given the offence provision of the Act commence from 1 September 2008.

I note that Racing NSW has stated that it will accept applications up to 11 August 2008 for a 1 September 2008 commencement.

- All entities using NSW race information for wagering purposes will be required to register with the NSW racing control bodies and for those with a turnover above \$5M pa, would be required to pay a fee of 1.5% of turnover on NSW races, regardless of the location of the punter.
- Exemptions have been provided for the following publications which do not require approval from Racing NSW:
 - (a) Controlling Bodies – publications by the controlling body of any code in any Australian State or Territory or the national racing bodies for internal administrative or regulatory purposes
 - (b) Racing Clubs – publications by any Australian racing club of any code for the purposes of a race meeting, for instance, race books, administration, and promotion of race meetings
 - (c) News Media – publications by public news media in accordance with a contract or other arrangement with Racing NSW, and
 - (d) Not-for-Profit – publication made solely for a 'not-for-profit' purpose.

All other publications of NSW thoroughbred race fields require the prior approval of Racing NSW.

- In considering an application from a wagering operator¹ for approval to publish a NSW race field, Racing NSW will take into account whether the operator holds a wagering licence issued under the laws of an Australian State or Territory and other matters required under the Regulations.

However, Racing NSW will not take into account:

- (a) Whether the applicant's wagering licence was issued in NSW or under the laws of another Australian State or Territory, or

¹ Wagering Operators, whether totalisator operators, bookmakers or betting exchanges, who hold a wagering licence issued under the laws of any Australian State or Territory.

- (b) The location in Australia in which the applicant resides or carries out his or her activities or, in the case of a corporate applicant, in which it has its head office or principal place of business.

In relation to approvals to publish a NSW thoroughbred race field in Australia in the course of the wagering operations of an Australian-licensed wagering operator Racing NSW will apply the following conditions:

- (a) the wagering operator may pay a fee equal to 1.5% of the wagering operator's wagering turnover on NSW thoroughbred race meetings to the extent that turnover exceeds an 'exempt turnover threshold' of \$5 million over a financial year. Where a number of wagering operators are 'related', a single 'exempt turnover threshold' applies to the entire group.
- (b) Other conditions designed to enable Racing NSW to administer the arrangements and to discharge its responsibilities and functions regarding the protection of the integrity and reputation of NSW thoroughbred racing industry.
- I note that UNiTAB/Tatts exclusivity expires in Queensland in 2014 and licence expires in 2098.
 - Under the Product & Program Agreement (Agreement) between UNiTAB, Queensland Race Product Co Ltd (Product Co) and each of the Queensland Racing codes, any charge levied by other States for their racing product gets offset against the payment to the racing industries. Thus, Tabcorp (NSW) will charge UNiTAB for Queensland wagering on NSW races which is netted against the fee payable to QRL. Thus, the net effect is that the charge levied by NSW racing for race wagering by interstate punters is passed through to the racing industries in the other States, subject to the specific provisions in each agreement.
 - On review of the Agreement, I concur with Mr Fletton's advice to you on 24 July 2008, that clauses 9.5 and 10.2 of the Agreement relevantly provide that should Product Co be unable to procure the supply of Australian Racing Product as required by UNiTAB, UNiTAB may reduce the product fee payable to Product Co by any amount required to be paid by UNiTAB to procure the Australian Racing Product for use in its race wagering business (see Attachment 'B').

- Mr Fletton's letter to you, provided UNiTAB's formal written notification that should UNiTAB be required to pay the NSW Race Fields Fee (1.5% of wagering turnover on NSW thoroughbred racing) or any similar fee to Racing NSW, UNiTAB will off-set this amount against the product fee payable to Product Co.

However, I note that pursuant to clause 9.5(d), UNiTAB is required to expeditiously notify Product Co of the details of any arrangements UNiTAB may make to procure Australian Racing Product pursuant to clause 9.5(a).

- In relation to Mr Fletton's comments that:

'...you may like to consider whether an approach to the Queensland Government to introduce like legislation will assist you in compensating for some or all of the losses incurred as a result of the NSW legislation.'

I note that NSW will provide rebates until December 2008 to provide in effect a transitional period if other jurisdictions wish to implement legislation by then.

I advise that it is my understanding that if all jurisdictions put in place similar legislation then the situation changes as each racing industry imposes a charge on the interstate wagering on its product. In effect, each State still levies its current fee in the same way and then receives export credits for interstate wagering on its product and pays import charges for wagering by its residents on the wagering product of other States.

Should you wish to discuss this matter further, please do not hesitate to contact me on (07) 3869 9712.

SHARA MURRAY
Legal Compliance Counsel
Company Secretary

End Memorandum...



Minutes of
Queensland Racing Limited
Board Meeting



Friday 8 August 2008

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced at 9:50am
Meeting Concluded at 2:50pm

Board Directors Present: Bob Bentley – *Chairman*
Tony Hanmer
Michael Lambert
Bill Ludwig
Bill Andrews

In attendance: Malcolm Tuttle – *Chief Operations Manager*
Jamie Orchard – *Director Integrity Operations*
Adam Carter – *Finance Manager*
Paul Brennan – *Racing Services Manager*
Shara Murray – *Legal Compliance Counsel/Company Secretary*
Richard Pratt – *President, Queensland Jockeys Association*

Minutes: Debbie Toohey – *Legal Administration Officer/Appeals Secretary*

The Chairman commenced the meeting at 9:50am.

SECTION 1 – STANDING ITEMS

1.1 Apologies

There were no apologies.

1.2 Declaration of Conflicts of Interest

The Board **NOTED** Attachment “A”.

1.3 Confirmation of Minutes of Queensland Racing Limited BM#23 on 4 July 2008

The Board made the following amendments to the minutes:-

2.1 Palm Meadows Update *Michael Lambert*

Dot point 1 - remove 'officers' and replace with 'Councillors'.

Dot point 2 – start a new dot point beginning at “Satisfactory ‘in-principle’...”.
In the same sentence remove 'Councillors' and replace with 'Officers'.

2.2 RISA: Report on Board Meeting *Michael Lambert*

Second Paragraph, number 5 the word 'Commissioner' becomes 'Commission'.

The last paragraph is to read “The Board added the recommendation below to the list:”

3.1 Finance and Wagering Report May 2008 *Adam Carter*

The first paragraph is to now read:

'May 2008 resulted in a MTD deficit of \$3M. Revenue is up \$761K due to the Product and Program fee being above budget. QRL surplus is up \$4.2M from \$12.3M YTD in FY06/07 to \$16.6M YTD in FY 07/08.'

3.2 Budget – Version (2) *Adam Carter*

Paragraph B1 Deagon Development is to now read:

'The Board noted that the amount of \$12 million may not be incurred and is subject to a feasibility study that is still to be prepared and subsequent approval of the Board for the Master Plan.'

Paragraph Oncourse Broadcast Production – 'Mr Louis Bickle' be changed to 'Mr Lou Bickle.'

3.3 Commercial Horse Assistance Payment Scheme Update *Adam Carter*

The third paragraph figures to be changed to:

- '1. CHAPS 1 recovery from initial payment for 31 days - \$268K, 74.3% of total outstanding.*
- 2. CHAPS 11 recovery \$75K, 20.9% of total outstanding,*
- 3. CHAPS 1,11 & 111 recovery \$14K, 4% of total outstanding.*
- 4. CHAPS 5YO recovery \$3K, 1% of total outstanding.'*

4.2 Review of Policy*Chairman*

This paragraph is to now read:

'The Board noted that the 'Forms Policy' was due to expire in July 2008. The policy was reviewed by Mr Malcolm Tuttle, Chief Operations Manager and no changes were necessary.'

5.5 Broadcast Rights*Malcolm Tuttle*

The last paragraph is to now read:

'Mr Tuttle also advised that he and the Chairman have held discussions with TVN and TVN's advice was that QRL keep their options open. To the extent they had no fundamental objection to the prospect of QRL becoming an equity partner in TVN.'

5.7 Increased Industry Funding – Outline of Approach*Malcolm Tuttle*

The second paragraph is to now read:

'Mr Tuttle advised that IER is a company that is well positioned to prepare a detailed analysis, which could lead to an application for the redirection of wagering tax to the racing industries in Queensland.'

In the third paragraph the word '*Industries*' to be changed to '*Codes*'.

5.8 Equine Influenza – Callinan Report*Malcolm Tuttle*

In the last paragraph the word '*Peruse*' is to be changed to '*Pursue*'.

8.2 Winter Carnival Update*Paul Brennan*

In the third paragraph the word '*stakeholder*' is to be changed to '*participants*'.

In the fourth paragraph the word '*as*' is to be changed to '*has*'.

The Board **RESOLVED** that the QRL Board Meeting Minutes of 4 July 2008 with the above amendments be received and confirmed.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Andrews

1.4 Action Sheet*Chairman*

The Board **NOTED** the action sheet.

1.5 Correspondence / Matters for Noting *Chairman*

The Board noted the Correspondence in the Agenda and the following was tabled and discussed:

- ◆ **Letter from Mr Bob Bentley to Mr Andrew Fraser dated July 29, 2008. Re: Publication of NSW Race Fields by Australian Wagering Operators. – See Attachment “B”**

This was **NOTED** by the Board.

SECTION 2 – DIRECTORS**2.1 Palm Meadows Update** *Michael Lambert/Malcolm Tuttle*

Mr Lambert updated the Board on the Palm Meadows development with the following:

- ◆ Mr Tuttle met with Gold Coast City Council (GCCC) Mayor and a number of Councillors to brief them on the nature of the project, the current situation of the Project and to set out a broad vision of what QRL wished to achieve on the Gold Coast. This meeting was well received by the Mayor and the Councillors.
- ◆ Continue looking at the value management assessment of the racing facilities and a final valuation of the development.
- ◆ Further study needs to be undertaken on the hydrology issue at Bundall.
- ◆ A Memorandum of Understanding has been reached with Stockland to undertake a commercial review of the proposed commercial development.
- ◆ Mr Tuttle is seeking another meeting with Stockland on Friday, 5 September 2008 for an update of the Project.

The Board **APPROVED** a Hydrology study to be undertaken on bundle.

The Board further **APPROVED** the Memorandum of Understanding with Stockland.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig.

The Board **NOTED** the update.

2.2 Charging for Product: NSW Fields Legislation *Michael Lambert*

Mr Lambert provided advice to the Board on his understanding of the intent of the revised NSW Race Fields Legislation.

The Chairman advised the Board that he had written a letter to the Minister regarding this issue and that the Minister was taking the matter to Cabinet 's next sitting.

The Board will wait for a response from the Minister.

The Board **NOTED** the update.

2.3 Racing Intellectual Property, Copyright and Broadcast Rights

Michael Lambert

Mr Lambert updated the Board on the understanding of the racing industry's intellectual property rights with respect to both racing material and broadcast rights and how that interest can be protected.

Mr Tuttle informed the Board that he had contacted Allen Arthur Robinson to spend a day at QRL to undertake a review of all QRL's racing material to ensure action is taken to fully protect QRL's copyright position.

This was **NOTED** by the Board.

2.4 Marketing Campaign

Tony Hanmer

Tony Hanmer updated the Board on the current situation regarding the Equine Influenza Marketing Initiative Fund (EMIF).

Mr Hanmer advised that the Government had made available \$583,000 for a campaign to attract people back to the races following the EI shutdown.

Mr Hanmer, through his connections had recommended Mitchell Media who have produced the tabled media campaign to run from September 2008 to January 2009.

Mr Hanmer relayed to the Board that Mr Mike Kelly, of the Office of Racing had indicated that the Minister wished to launch the marketing campaign outside of Brisbane. The Chairman advised that his understanding was that this was wholly a Government Funded Project and there was no cost to QRL. Mr Hanmer confirmed that this was correct.

The Board **NOTED** the update.

2.5 Product Co Update

Tony Hanmer

Mr Hanmer updated the Board on the Product Co meeting, which was held on Tuesday, 15 July 2008. There were no items of significance to report.

The Board **NOTED** the updates.

SECTION 3 –9 DEPARTMENTS

3.1 Finance and Wagering Report June 2008

Adam Carter

Mr Carter provided the Board with information relating to the financial and wagering performance and results for the month ended and year ended 30 June 2008.

QRL recorded a surplus of \$13.1M for the year.

The financials will be finalised by Friday, 15 August 2008.

Revenue was down \$2.4M on Budget and down \$2M on FY06/07. This was due to the effect of EI on the Product and Program fee.

Expenditure was down \$9.1M on FY06/07 due to undistributed prizemoney as a result of EI. There were 63 less TAB meetings compared to last year and 167 less meetings overall.

June 2008

June 2008 turnover has resulted in an unfavourable result down \$780K compared to the budget. MTD, QRL recorded a deficit of \$3.5M.

MTD – revenue was down by \$225K due to the Product and Program fee being 6.7% below budget.

Month on month growth in wagering for Queensland shows Thoroughbreds decreased for June at -9.04% compared to the decrease in Harness -15.09% and Greyhounds -5.98%.

The Board **APPROVED** the Finance and Wagering Report.

3.2 Budget - Version (3)

Adam Carter

Mr Carter updated the Board on the Budget for FY08/09.

The Board approved the budget subject to final resolution of the Jockey riding fee.

MOVED Mr Michael Lambert **SECONDED** Mr Tony Hanmer

3.3 QJA Increase Riding Fee Submission

Adam Carter

Mr Carter updated the Board regarding a submission from the Queensland Jockey's Association (QJA) for the review of the Jockey's riding fees and the establishment of a career benefit fund.

Mr Carter recommended that the Jockey riding fee be increased to \$140 and not \$150 as requested by the QJA.

The Board **DETERMINED** that Mr Carter to undertake more analysis on the Jockey riding fee and to present his recommendations at the next QRL Board meeting in September 2008.

Mr Richard Pratt joined the meeting at 10:30am.

Mr Richard Pratt, President of the QJA presented a submission to the Board regarding Jockey's riding fee. (See Attachment "C").

The Board **NOTED** the submission provided and advised Mr Pratt that the Board through Mr Tuttle would respond in due course to the submission.

Mr Pratt left the meeting at 11:00am.

3.3(a) National Jockey Trust *Adam Carter/ Richard Pratt*

The establishment of a career benefit fund to be put on hold at this present time.

4.1 Policy on Formation and Management of Clubs *Shara Murray*

The Board was advised that the "Policy on Formation and Management of Clubs" was due to expire in August 2008. The Policy was reviewed by Ms Shara Murray, Legal Compliance Counsel and that the necessary changes had been made.

The Board determined that Ms Murray liaise with Mr Brennan and Mr Carter to amend the Rules of Racing to reflect the changes to the Policy.

The Board **APPROVED** the Policy for consultation.

MOVED Mr Michael Lambert **SECONDED** Mr Tony Hanmer

4.2 Townsville Turf Club *Shara Murray*

Ms Murray updated the Board concerning the Townsville Turf Club (the Club).

Mr Lambert questioned what the Club intended to do with the proceeds and profits of the sale of the vacant land.

The Chair advises that the use of the proceeds was a concern and QRL and is currently investigating if a Policy can be drafted to tighten control and make better use of the funds.

The Board **APPROVED**:

To rescind Item 4.2 (*Townsville Turf Club – Sale of Cluden Park – Allan Parry*) of the Minutes of Queensland Racing Limited Board Meeting of 7 December 2007 BM#17.

MOVED by Mr Lambert **SECONDED** by Mr Hanmer

- (1) Following the Rescission of item 4.2 of 7 December 2007, that the Board of QRL advises the Club that it intends to further consider the sale of Cluden Park land and to request more information and documentation.
- (2) That the Board of QRL requested that Ms Murray and Mr Carter obtain the following information from the Club this being:
 - Current financials
 - Details of the use of the proceeds from the sale of the land
 - An executed copy of the Deed of Option and any Contract of Sale that may have subsequently been entered into by the Club
 - A current valuation and survey of the land intended to be sold.

4.3 Lease: SCTC

Shara Murray

The Chairman declared that he has a conflict of interest and removed himself from any decision or discussion on this item.

Ms Murray tabled a Deed of Variation of the Sunshine Coast Racing Unit Trust and a Lease between Sunshine Coast Racing Pty Ltd as Trustee for the Sunshine Coast Racing Unit Trust and the Sunshine Coast Turf Club Inc.

Mr Bill Andrews indicated that the following amendments should be made to the Lease as follows:

Page 5 – **1.4 Complex** (a)(v) change ‘*stables*’ to ‘*tie up stalls*’.

Page 20 – **8.9 Sub Lease** – the first sentence is to read ‘*The Lessee must not use the Lease or the Lessee’s Property as security without the Lessor’s prior written consent*’.

Page 26 – **15. License** (15.1) is to read ‘*The Lessee has the right to use the area described as License A on the Complex Plan for associated uses with this Lease*’.

The Board **APPROVED** for the Chairman and Ms Murray to sign both the Deed of Variation and the Lease on behalf of QRL once the changes have been made.

4.4 Review of Policies

Shara Murray

Ms Murray updated the Board on the review of Policies ‘*For Lawful Betting on Races*’ and ‘*Fees Policy*’ which were due to expire in July 2008. Minor changes were made to these policies and as such no public consultation is required.

The Policies were **NOTED** by the Board.

5.1 Deagon Development Plan

Malcolm Tuttle

Mr Tuttle updated the Board in relation to the development of the Deagon Training Centre. Mr Tuttle tabled the draft concept masterplan for the development of Deagon. (See Attachment “D”).

Mr Tuttle advises that he has had preliminary discussions with Brisbane City Council and the Local State Member for Deagon. A scheduled meeting will be held with Brisbane City Council Town Planners during August.

Mr Tuttle asked Board Members for any input to the tabled plan so any prospective suggestions could be incorporated.

The Chairman suggested that there be a minimum of 250 day yards.

The Board **APPROVED** the tabled concept masterplan and approved Mr Tuttle to engage any further consultants as required to progress the development.

5.2 Business Plan 08/09

Malcolm Tuttle

Mr Tuttle tabled the draft 2008/09 Business Plan.

The Board **NOTED** the Business Plan and will provide feedback to Mr Tuttle.

6.1 Licensing Report

Peter Smith

There were no issues with the licensing report.

The Board **APPROVED** the Licensing Report

MOVED by Mr Bill Andrews **SECONDED** by Mr Michael Lambert

Ms Murray and Ms Debbie Toohey withdrew from the meeting.

7.1 Integrity Report

Jamie Orchard

Mr Jamie Orchard advised the Board of the current status of activities and programs in the Integrity Department.

The Board **NOTED** the report.

7.2 Telephone Only Bookmakers

Jamie Orchard

Mr Orchard advised the Board of a submission made by the Queensland Bookmakers Association for an amendment to the policy on 'Telephone Only Bookmakers'. The Board noted the submission from Bookmakers and discussed the two amendments tabled.

The Board **AGREED** to adopt option 2 as follows:

“Amend current condition number 4 to allow telephone only bookmakers to bet back personally with bookmakers fielding in the betting ring”..

MOVED by Mr Bill Andrews and **SECONDED** by Mr Tony Hanmer

Ms Murray and Ms Toohey returned to the meeting.

8.1 Corbould Park Lights & Stable Project

Paul Brennan

The Chairman declared that he had a conflict of interest and removed himself from any decision on this item made by the Board.

Lighting Project

Mr Brennan sought the Board's further approval on the installation of lighting for both tracks at Corbould Park.

Mr Brennan advised of 3 options that are available:

1. Synthetic Track only - \$4,700,000
2. Course Proper only - \$5,900,000, and
3. Both tracks - \$7,200,000.

Mr Brennan advised that the Sunshine Coast Racing Pty Ltd Trust (SCRT) does not have sufficient funds to facilitate this project and that it is proposed that QRL be responsible for the costs associated with the installation of the lights and that QRL offset the construction costs by taking up additional units in the SCRT.

The Board **APPROVED** the lighting of both tracks at a cost of \$7,200,000 and to offset the construction costs by accepting additional units in the SCRT.

Stable Project

Mr Brennan advised that Sunshine Coast Regional Council (Council) had asked to change the building application to an MCU. Mr Brennan further advised that he is continuing to liaise with the Council in relation to this matter.

Council has requested a master plan be prepared on vegetation retention. Vegetation will be required to be kept on Racecourse Road due to frog habitation.

Mr Brennan advised that the SCRT did not have sufficient funds to proceed with the stable project. The Board agreed that transitional funding should be provided by QRL as the stable project was an important development in the interests of the industry. Mr Brennan advised the board that the project would be self funding.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Michael Lambert that transitional funding be approved for the stabling project.

General

Mr Brennan advised that the Sunshine Coast Turf Club (SCTC) facilities were in a less than optimal condition and the SCTC be advised that the general grounds were in need of an upgrade. Mr Brennan asked for clarification and demarcation of the responsibilities of the SCTC and the SCRT in respect of the Corbould Park assets. The board asked that Ms Murray look into the matter and report back at the next meeting.

This was **NOTED** by the Board.

8.2 QTIS

Paul Brennan

Mr Brennan tabled a proposal to the Board as follows: (See Attachment “E”).

For the upgrade and strengthening of the QTIS program, the summary of this proposal is below:

1. Increase in pay up for the QTIS scheme from \$330 including GST to \$550 including GST
2. Funding of the full complement of programmed QTIS on all divided QTIS races from 1 January 2009
3. Increase in provincial QTIS bonuses from \$7,000 to \$10,000 from 1 January 2009
4. Enter into a 2 year Agreement with Magic Millions to conduct a QTIS only yearling sale at Bundall in March 2009 and 2010 with a 2 year option
5. To reallocate \$1million of unexpended QTIS money towards the QTIS 600 race and bonus series
6. To allocate an additional \$110,000 to complete the scheme
7. To conduct a QTIS 600 race series totalling \$1.5M and a QTIS 600 \$2.69M bonus series that provides double QTIS bonuses for those horses that pay the \$3,300 including GST registration fee

Mr Brennan fully explained the new QTIS initiative and produced for the Board the costing of this initiative.

The board **APPROVED** the proposal and the expenditure required to action this initiative.

MOVED by Mr Michael Lambert **SECONDED** by Mr Bill Ludwig

This was **APPROVED** by the Board.

9.0 General Business

Chairman

Country Racing

Mr Brennan informed the Board that an extensive Country Racing forum will be held in Brisbane with representatives from each Regional Association. The forum is proposed to be held in October 2008.

This was **NOTED** by the Board.

ORL Audit Committee Meeting

Mr Lambert gave the Board a brief update on the Audit Committee meeting held prior to the Board Meeting.

This was **NOTED** by the Board.

Donation Policy

The Chairman requested that a Policy on Donations be created.

The Board **APPROVED** the creation of this Policy.

The Board further **APPROVED** the action officer as Mr Carter.

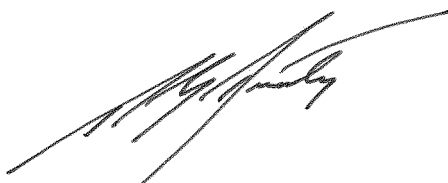
Queensland Racing Magazine – Commercial Opportunities

Mr Hanmer updated the Board on the commercial opportunities that lay within the QRL magazine.

This was **NOTED** by the Board.

Meeting concluded at 2:50pm

Confirmed as a true record.



R.G. Bentley

Chairman

Dated.....5.../...9...../2008

ATTACHMENT “A”

Mr Bob Bentley

Director of Tattersall’s Limited
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Michael Lambert

Director of RISA
Director of the Trainers Service Centre

Mr Bill Ludwig

Secretary of the Australian Workers’ Union (including signing of all correspondence and Industrial Instruments)
Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Board Member of WorkCover Queensland

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners’ Association

SENT (faxed).
28/8/08



28 August 2008

Mr Peter V'Landys
Chief Executive
Racing NSW
Level 7
51 Druitt Street
SYDNEY NSW 2000

Queensland Racing Limited
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T 07 3869 9777
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E info@queenslandracing.com.au
W www.queenslandracing.com.au

BY FACSIMILE: (02) 9551 7570

Dear Mr V'Landys

RE: RACE FIELDS LEGISLATIONS

I am writing in regards to the NSW Race Fields Legislation and in particular, to the timing of its impact on Principal Racing Authorities (PRA). I understand that this matter was discussed, amongst other matters, when yourself and Mr Les Vance met with Mr Michael Lambert. Mr Lambert has advised that at the meeting it was said that there would be a transitional period up until December this year whereby, while the legislation will be in effect, there will be reimbursement to PRAs for fees paid until then. It would be appreciated if you could confirm these arrangements.

Should you wish to discuss this matter further, please do not hesitate to contact myself on (07) 3869 9712.

Yours faithfully

SHARA MURRAY
Legal Compliance Counsel
Company Secretary

cc. Mr Andrew Kelly
Chief Executive
Qld Harness Racing

Mr Darren Beavis
General Manager
Qld Greyhounds Racing

Mr Ian Hart
Chief Executive
Thoroughbred Racing S.A. Limited



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FACSIMILE TRANSMISSION

TO: Mr Peter V'Landys
Chief Executive
Racing NSW

FAX NO: (02) 9551 7570

FROM: Ms Shara Murray
Legal Compliance Counsel

DATE: 28 August 2008

PAGE NO: 2

If you do not receive all pages, please contact the sender on (07) 3869 9712

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If you are not the intended recipient, please notify us immediately by telephone and return the original facsimile to us at the above address by mail. We will reimburse you for the postage. Thank you.



3 September 2008

Ms Shara Murray
Legal Compliance Counsel
Queensland Racing
Racecourse Road
SANDGATE QLD 4017

Dear Ms Murray,

NSW Race Fields Legislation

I refer to your letter of 28 August 2008 addressed to Peter V'landys, to which he has asked me to respond.

As a courtesy, Peter asked that I meet with Michael Lambert to provide a confidential briefing to explain the operation of the NSW race fields legislation. There appears to be some misunderstanding on Mr Lambert's part in respect of aspects of what was a wide-ranging briefing covering a number of different, but related, issues.

Specifically, at no time did we give a commitment to reimburse all Principal Racing Authorities for fees paid by them under the NSW race fields legislation during a transitional period as suggested in your letter of 28 August 2008.

The fees are being imposed by Racing NSW under the race fields legislation on wagering operators, and Racing NSW has publicly stated that all wagering operators would be subject to the same conditions, including as to fees. Racing NSW is not charging fees to Principal Racing Authorities under the race fields legislation, save for RWWA who is both a wagering operator and a Principal Racing Authority and is being charged fees only in its capacity as a wagering operator, not in respect of its capacity as a Principal Racing Authority.

Mr Lambert did confirm at that meeting that under the agreements between the Queensland racing industry and UNITAB, the economic burden of the fees paid under NSW race fields legislation by TAB Queensland would be passed on to the Queensland racing industry, which we had understood to be the case from information available in the market.

However we specifically indicated that Racing NSW could not discriminate either in favour of, or against, particular wagering operators and accordingly that all wagering operators would be subject to the same fee regime (i.e. 1.5% of turnover above a \$5m p.a. fee free threshold) and that would apply to all wagering operators from 1 September 2008.

Yours Faithfully

Les Vance

cc. Mr Andrew Kelly, Chief Executive, Qld Harness Racing
Mr Darren Beavis, General Manger, Qld Greyhounds Racing
Mr Ian Hart, Chief Executive, Thoroughbred Racing SA Limited

Shara Murray

From: Adam Carter
Sent: Thursday, 13 November 2008 8:11 AM
To: Shara Murray
Subject: FW: Race Fields fees

Shara,

This is the only correspondence as per below email I have from Barrie Fletton at UNITAB.

Regards

Adam Carter

Finance Manager

PO Box 63, Sandgate QLD 4017

P +61 7 3869 9702

M +61 0400 761 700

F +61 7 3269 9304

E acarter@queenslandracing.com.au

W www.queenslandracing.com.au

From: Barrie Fletton [mailto:Barrie.Fletton@tattsgroup.com]
Sent: Thursday, 4 September 2008 4:24 PM
To: Adam Carter
Cc: Malcolm Tuttle; Anne Tucker; Brad Tamer
Subject: RE: Race Fields fees

Adam

The average margin on tote betting is 16% and on fixed odds it is probably around 11%.

In the event that we pay the fees to Racing NSW etc, then they will be deducted from the variable product fee paid to Product Co.

I hope you guys are doing a bit more than modelling, i.e. looking to introduce comparable legislation in Qld (and quickly).

Barrie Fletton

Chief Executive - UNITAB Wagering
07 3637 1370 0408 198 657

From: Adam Carter [mailto:acarter@queenslandracing.com.au]
Sent: Thursday, 4 September 2008 4:21 PM
To: Barrie Fletton
Cc: Malcolm Tuttle
Subject: Race Fields fees

Barrie,

I am preparing some modelling on the effect of the impact on wagering and would like to understand from your email to Mal today that Greyhounds will charge 10% of gross margin capped at 1.5% of sales.

Please can you advise what the average gross margin or % gross margin is to assist with the calculation for the Greyhounds?

13/11/2008

RQL.106.002.0036

Will the amount charged by NSW be deducted from the variable Product Fee similar to the fees paid on overseas racing which equates to the Total Product Fee payable to Product Co?

Thank you for your help.

Regards,

Adam Carter

Finance Manager

PO Box 63, Sandgate QLD 4017

P +61 7 3869 9702

M +61 0400 761 700

F +61 7 3269 9304

E acarter@queenslandracing.com.au

W www.queenslandracing.com.au

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**Minutes of Audit Committee Meeting
Friday 5 September 2008**

**Queensland Racing
Board Room
Racecourse Road, Deagon**

**Meeting commenced at 8.30am
Meeting concluded at 9.20am**

Committee	Michael Lambert (Chairman) Tony Hanmer
Members Present:	
Also in Attendance:	Adam Carter – <i>Finance Manager</i> Ron Mathofer – <i>Business Analyst</i>
Apologies:	Malcolm Tuttle- <i>Chief Operations Manager</i>
Minutes:	Donna Biddle – <i>Board Secretary</i>

The meeting commenced at 8.30am.

1. Confirmation of Minutes of 8 August 2008

The Committee **NOTED** the Audit Minutes from the last meeting on 8 August 2008.

The committee **RESOLVED** that the QRL Audit Meeting Minutes of 8 August 2008 be received and confirmed.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Adam Carter

2. Action Sheet

All items were deferred to next Audit Meeting.

3. Cairns Debt

Detailed information has been requested from the Cairns Jockey Club to be received by QRL by close of business today. Some information has already been received. Recovery of this loan will be sought. An update will be provided to the next QRL Board Meeting on 3 October 2008.

1. 2007/2008 Draft Financial Statements

An Audit Committee Pre-meeting was held on Thursday 28 August 2008.

Queensland Racing Limited (QRL)

Mr Damian Wright from BDO Kendalls advised the Committee that the following outstanding issues were required to be completed before finalisation of the financial statements,

1. Written confirmation from Treasury
2. RISA re existing loans from Queensland Racing as of 30.06.08.

The **Committee** made the following comments re draft FY07/08 end of year financials.

- Note 20 - to be removed
- Note 21 -to be expanded to include further explanation.
- **XXXXX** to be moved out of WIP and into Sundry Debtors
- Directors Report to be expanded to include further explanation.
- Agreement had not been signed at the date of Audit.
- No other work has been performed by BDO Kendalls.
- No issues with Interim Report.

An Audit Committee Pre-meeting was held on Thursday 28 August 2008. Information on RISA loan was still outstanding but has now been received.

Auditor adjustments were made after the pre-meeting occurred.

The Committee **ENDORSED** the 2007/2008 Queensland Racing Limited Draft Annual Financial Statements and **RECOMMEND** these accounts be presented to the QRL Board Meeting today.

Queensland Race Product Co Limited (Product Co)

Mr Wright informed the Committee there are no issues with the accounts of Queensland Product Co.

The Committee **ENDORSED** the 2007/2008 Product Co Financial Statements and **RECOMMEND** these accounts be presented to the QRL Board Meeting today.

Sunshine Coast Racing Club

Mr Wright informed the Committee there are no issues with the accounts of Sunshine Coast Racing Club.

The Committee **ENDORSED** the 2007/2008 Sunshine Coast Racing Club Draft Annual Financial Statements and **RECOMMEND** these accounts be presented to the QRL Board Meeting today.

MOVED by Mr Michael Lambert **SECONDED** by Mr Tony Hanmer

5. General Business

TAB Financial Workshop

Mr Carter advised the Audit Committee that he planned a 2 day workshop to be held 24 and 25 November. Options discussed were Day 1 as CEO/CFO and Day 2 to include the Chairpersons of TAB Clubs or both days to be CEO/CFO only. Both options will be presented to the QRL Board meeting today.

Agenda items will be:

- Workplace, Health, Safety and Environment
- Developments
- QRL Strategy
- Race date program

The meeting closed at 9.00 am.

Chairman

Date



Minutes of
Queensland Racing Limited
Board Meeting



Friday 5 September 2008

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced at 9:50am
Meeting Concluded at 2:50pm

Board Directors Present: Bob Bentley – *Chairman*
Tony Hanmer
Michael Lambert
Bill Ludwig
Bill Andrews

In attendance: Malcolm Tuttle – *Chief Operations Manager*
Jamie Orchard – *Director Integrity Operations*
Adam Carter – *Finance Manager*
Ron Mathofer – *Business Analyst*
David Rowan – *IT Manager*

Minutes: Donna Biddle – *Board Secretary*
Debbie Toohey – *Legal Administration Officer/Appeals Secretary*

The Chairman commenced the meeting at 9:50am.

SECTION 1 – STANDING ITEMS

1.1 Apologies

There were no apologies.

1.2 Declaration of Conflicts of Interest

The Board **NOTED** Attachment "A".

1.3 Confirmation of Minutes of Queensland Racing Limited BM#23 on 4 July 2008

The Board made the following amendments to the minutes:-

5.5 Broadcast Rights

The last paragraph is to now read:

'Mr Tuttle also advised that he and the Chairman have held discussions with TVN and TVN's advice was that QRL keep their options open. To the extent they had no fundamental objection to the prospect of QRL becoming an equity partner in TVN.'

1.3 Confirmation of Minutes of Queensland Racing Limited BM#24 on 8 August 2008

The Board made the following amendments to the minutes:-

2.1 Palm Meadows Update

Dot point 3 - remove dot point *'The Project is not viable at this stage in the market'*

Change sentence *'..... to be undertaken by Stockland'* to *'..... to be undertaken on Bundall.*

2.2 Charging for Product: NSW Field Selection

Second Paragraph, the word *'August'* becomes *'next'*. This item to be added to Action Sheet

2.4 Marketing Campaign

Second Paragraph, the word *'\$450,000'* becomes *'\$583,000'*.

3.1 Finance and Wagering Report June 2008

First Paragraph, second line, the word *'result'* becomes *results'*. *'of QRL'* to be removed from sentence.

3.3 QJA Increase Riding Fee Submission

Third Paragraph, **'RECOMMENDED'** becomes **'DETERMINED'**

4.1 Policy on Formation and Management of Clubs

Second Paragraph, *'recommended'* becomes *'determined'*

4.2 Townsville Turf Club

Fourth Paragraph, Remove (1) from start of Paragraph

Fifth Paragraph, Change numbered points to (1) and (2)

(1) is to now read:

- (1) Following the rescission of item 4.2 of 7 December 2007, that the Board of QRL advises the Club that it intends to further consider the sale of Cluden Park land and to request more information and documentation.

5.1 Deagon Development Plan

Second paragraph becomes:

Mr Tuttle advises that he has had preliminary discussions with Brisbane City Council and the Local State Member for Deagon. A scheduled meeting will be held with Council Town Planners during August.

8.1 Corbould Park Lights & Stable Project

Stable Project

First paragraph. Remove *'Caloundra City Council'* and replace with *'Sunshine Coast Regional Council'*.

Second paragraph, second line, 'inhabitation' becomes 'habitation'.

Third paragraph, second line. Commence new sentence with 'The Board'.

Third paragraph, second line. 'should be' to be inserted after the word 'funding'.

General

First paragraph, 'improvement' becomes 'facilities'. Remove 'real' from third line.

9.0 General Business

Donation Policy

'Mr Bentley' becomes 'The Chairman'.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Michael Lambert

*That the minutes of the August Board Meeting of 8 August 2008 be **ADOPTED** subject to the above changes.*

1.4 Action Sheet

The Board **NOTED** the action sheet.

1.5 Correspondence / Matters for Noting

The Board noted the Correspondence in the Agenda and the following was tabled and discussed:

1. Flying Minute – Resolution to engage 'Senior Counsel' or 'Other Legal Services' to act on QRL's behalf in relation to the CMC's Investigation of allegations of impropriety conduct by QRL.

This was **NOTED** by the Board.

SECTION 2 – DIRECTORS

2.1 Palm Meadows Update

Michael Lambert/Malcolm Tuttle

Mr Lambert updated the Board on the Palm Meadows development with the following:

- Mr Lambert advised the Board that Stockland was still to finalise some work to assist with the market assessment of the possible commercial developments at both Palm Meadows and Bundall. This work is also required for the Highest and Best use valuation of Bundall.
- It was also outlined that once the information was available from Stockland it would be used by Tract for the Master Plans and then inputted by PwC into the financial model. Mr Lambert outlined that there would be some minor costs incurred for this work but that it needed to be undertaken to enable the Board to make a final decision on the project.
- The Board was advised that a series of meetings were arranged for Mr Lambert and Mr Tuttle on Thursday September 11, 2008 with Stockland, Tract, PwC and Treasury.
- Mr Lambert and Mr Tuttle will present a final report at the October/November Board meeting.

2.2 Marketing Campaign

Mr Hanmer updated the Board re Marketing Campaign launch. Original launch date in Rockhampton on 28 September 2008 has been cancelled and 4 October 2008 has also been cancelled. No further date has been set as yet.

The Board **NOTED** the update.

2.3 Broadcast Rights

Mr Tuttle updated the meeting re conflict of interest for Allen Arthur Robinson as they are also acting for Sky but they could undertake a copyright health check on behalf of our organisation.

Subject to the advice received from Allen Arthur Robinson, the TAB Clubs will be advised of any outcome.

This was **NOTED** by the Board.

2.4 QRIA 08/09

Mr Hanmer advised the meeting the QRIA 08/09 Awards night was a success and was \$1000 under budget. Issues that need to be considered for next year's event:

- Horse of the Year – More focus and anticipation needs to be built up for this award next year.
- Farrier Award – This award was left out in error on the night – Farrier's were very keen for this award to be acknowledged.
- Sponsors need to be more involved over the whole year.
- Ticket price to be increased next year to \$160.00.

The Board **NOTED** the updates.

2.5 RISA August Board Meeting

The Board noted the following report provided by Mr Michael Lambert on outcomes from the August RISA Board meeting.

The **Trainers Service Centre** has been migrated from NSW Racing to RISA with a manager appointed. It is anticipated that through the transfer of the financial services licence to RISA that access to a licence will be a valuable service to horse ownership syndicates.

The evaluation of the Victorian **Bet Monitoring System** was underway in consultation with the PRAs. RISA is considering the purchase of the system.

Copyright Compliance is an area in which RISA has been active to ensure that racing information is protected. Mr Tuttle outlined to the Board that it was his intention to engage Allens Authur Robinson to undertake a similar review on behalf of QRL.

Mr Lambert reported good progress on the **New Product Prices** that have been introduced by RISA with all wagering entities other than IAS Bet signed up.

NSW and SA have introduced **Race Fields Legislation** to take effect from September 1, 2008.

2.6 Race Fields Legislation

The Chairman updated the meeting re legislation currently in all states. Legislation will be discussed at Queensland Cabinet meeting on Tuesday 9 September 2008. Queensland Racing Limited will be consulted following the release of legislation from Cabinet.

2.7 Bill Carter Allegations

This matter was discussed “in camera”.

SECTION 3 –9 DEPARTMENTS

3.1 Finance and Wagering Report June 2008

Mr Carter provided the Board with information relating to the financial and wagering performance and results for the month ended 31 July 2008.

For the month of July, QRL recorded a surplus of \$1.218M up \$953K from the \$265K budgeted surplus.

Revenue was up \$194K on Budget. Due to the increased interest received, investments resulted in favourable variance of \$121K.

Expenditure was down \$759K on budget due to pool transfers in prizemoney totalling \$277K. The Jockey Riding Fee was also \$178K under budget due to a number of race meetings being abandoned due to wet weather. During July, there were 2 lost TAB meetings and 5 lost non-TAB meetings due to weather.

The Board **APPROVED** the Finance and Wagering Report.

3.2 Approval of Industry Insurance for FY0809

Mr Carter advised the Board that premiums for Professional Indemnity Insurance have increased on prior year due to an increase in the Limit of Indemnity that has doubled from \$10M to \$20M. To note the ATA has obtained a premium refund based on the reduction of activity due to Equine Influenza.

The total cost comparison on figures quoted which Inc Premium, Stamp Duty, U/Writing fee and brokerage is a 12.2% on prior year.

The Board **APPROVED** payment of the invoice.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Andrews

That the board **APPROVE** the payment of Trainers Public Liability, Professional Indemnity and Personal Accident Insurance Invoice including Invoice 482497 for \$747,470.70

3.3 Approval of QRL Financial Statements for 30 June 2008

The following Annual Financial Statements were tabled by the Audit Committee and recommended for adoption:

- Queensland Racing Limited
- Queensland Product Co
- Sunshine Coast Trust

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Andrews

*That the Board **APPROVE** the audited accounts as presented and **AUTHORISE** the Chairman to sign the accounts.*

4.1 Brisbane Racing Precinct Development

Mr Lambert stated to the meeting that, in his opinion, QRL should have representation on the BRC Steering Group. The Chairman agreed that this would be a good outcome under normal circumstances, however QRL does not have the qualified resources available and the makeup of the BRC Steering Committee has the possibility of placing QRL in a compromising situation.

The Chairman advised as an alternative, that QRL should set the parameters and outcomes that QRL expected to be achieved for the industry. The outcomes of the commercial development need careful consideration and these should be left to experienced property consultants to advise the Board of QRL.

The Chairman asked Mr Tuttle to document the required QRL outcomes and circulate to the Board, prior to forwarding to the BRC Development Committee.

*The Board **APPROVED** the formulation of a document of outcomes required by QRL and **AGREED** that the engaging of a quantity surveyor be commissioned when the final outcomes of the BRC have been reduced from a wish list to a practical proposition.*

4.2 Deagon Development

Mr Tuttle updated the meeting of the main issues. A letter has been sent to Ms Amanda Cooper, Bracken Ridge Ward Councillor and Mr Campbell Newman, Lord Mayor, Brisbane City Council re QRL plans for the Deagon Development.

Ms Vicky Darling, State Member and Ms Victoria Newman, Deagon Ward Councillor, attended a meeting Thursday 4 September 2008. Ms Darling suggested that QRL should meet with Mr Andrew Fraser, Minister, re Deagon development.

Mr Tuttle advised the Board that the Equine development will move on to the application stage independently of any commercial development on the eastern side, but with a holistic approach on the master planning of the overall development.

4.3 RISA – Single National System

Mr Tuttle updated the meeting and asked for the Board's approval to enter into a MOU for the first stage of the work towards establishing a single national system.

The Board **APPROVED** entering into an MOU with RISA

MOVED by Mr Michael Lambert **SECONDED** by Mr Tony Hanmer

*That the Board **APPROVE** the signing of a MOU with RISA*

5.1 Licensing Report

The Board **APPROVED** the Licensing Report

MOVED by Mr Bill Andrews **SECONDED** by Mr Michael Lambert

*That the board **APPROVE** the Licensing Report as presented without change*

6.1 Integrity Report

Mr Orchard advised the Board of the current status of activities and programs in the Integrity Department. In particular, Mr Orchard noted that:

- The success rate in appeals is quite good for the year to date in the Racing Appeals Tribunal but that the trend in appeals at the First Level Appeals Committee continues to be poor.
- One Steward has declined to accept the Steward's rotation transfer. A letter has been sent stating that as he has refused to move, it is assumed that he has effectively resigned.
- The Inquiry into the lifting of the embargo without an Official Trial has been set down for the beginning of October. The Steward involved has been directed to attend to give relevant evidence.

The Board **NOTED** the report.

6.2 Review of Recent Reports on Integrity in the racing industries in NSW and Victoria

Mr Orchard updated the Board re Review of Recent Reports on Integrity in the Racing Industries in NSW and Victoria

The Board **AGREED** to the following changes:

Page 7 – Board Recommendations

1. The introduction of a requirement on Bookmakers to time record each bet in the relevant lodger;
- 3 A submission being put to the Office of Racing for a legislative amendment which would have the effect of replacing the First Level Appeals Committee (FLAC) with a Disciplinary and Appeals body; and
- 4 A Chairman and Deputy Chairman of the FLAC be appointed and responsibility for determining the constitution of particular panels vested in the Chairman.

MOVED by Mr Bill Andrews and **SECONDED** by Mr Tony Hanmer

*That the Board **APPROVE** Points 1, 3 and 4.*

The Board discussed the need to undertake a comprehensive review of the Racing Act.

6.3 Amendment to Local Rule of Racing 118A

Jamie Orchard

Local Rule of Racing 118A be amended to the following:

A Bookmaker or Bookmaker's Clerk working in a licensed Bookmaker's business at a racing venue shall not have in their possession or use a mobile phone, or any device capable of receiving or transmitting information other than phone/phones or any device approved by Principal Racing Authority.

It is also recommended that the Board resolve that Stewards may approve the use of a computer by bookmakers to access the internet in circumstances in which the bookmaker is fielding at a Non-TAB meeting in which a fluctuation service is not provided on condition that prior to using the internet the bookmaker provides a declaration to Stewards to the effect that:

- The internet is to be used solely to access a service providing fluctuations directly from APN or through www.liveoddstv.com;
- No email sites are to be accessed;

- No betting is permitted through any online betting site (which would be in contravention of the Racing Act and the Rules of Racing in any event); and
- The computers used by bookmakers must be available for review by Stewards and Betting Supervisors at any time during or after the race meeting.

MOVED by Mr Tony Hanmer and **SECONDED** by Mr Bill Ludwig

*That Local Rule of Racing 118A be **APPROVED***

7.1 History of Racing

Mr Rowan updated the Board on the History of Racing Project. The Board agreed that detailed research will be needed and Mr Rowan and Mr Tuttle are to compile a short list of suitable persons to act as reviewers.

The Chairman requested that both he and Mr Andrews have input into the selection process.

The Chairman suggested that Mr Rowan address the Country Racing Forum re History of Racing Project

8.0 General Business

8.1 Gold Coast Turf Club – Proposals for Approval

Two proposals have been received from the Gold Coast Turf Club (GCTC). The Board discussed the proposals. Mr Lambert inquired to the economics of proceeding with any improvements to the GCTC's infrastructure when the Palm Meadows development is under consideration.

The Chairman advised that the extensions and renovations applied for were necessary for the GCTC to continue and in relation to the Skyline Restaurant, the alterations will produce extra revenue for the Club. The Chairman also advised that he had had the opportunity to inspect the two proposed renovations and in his opinion, the request was sensible.

MOVED by Mr Bill Andrews and **SECONDED** by Mr Bill Ludwig

*That the Board **APPROVE***

- (1) *that the Proposed Extension to the Club's Skyline Restaurant and Corporate Box \$54,864.55; and*
- (2) *Renovation of Ground Floor Members areas \$414,969.50.*

8.2 Sunshine Coast Turf Club Annual Report

The Sunshine Coast Turf Club Annual Report was tendered to the meeting for general information.

8.3 Townsville Turf Club

Mr Ludwig inquired as to the status of the development of the Townsville Turf Club (TTC). The Chairman advised that a letter had been prepared advising the TTC that further information is required and the letter will be posted today. Ms Murray tabled the letter to the TTC for Board members (letter attached).

8.4 Interstate Forfeit List Debts

Mr Andrews requested Mr Carter's advice on the interstate debts on the forfeit list. Mr Carter advised that this had been a concern for a period of time as interstate Principle Racing Authorities were not recognising debts outside their jurisdictions. The Board agreed that Mr Tuttle should write to the ARB and request that a National rule be formulated to cover licensed person's debts irrespective of State Jurisdictions.

ACTION: *Mr Tuttle to write this letter.*

8.5 TAB Financial Workshop

Mr Carter advised the Board that he planned a 2 day workshop to be held 24 and 25 November. The Board discussed the option of including Day 1 as CEO/CFO and Day 2 to include the Chairpersons of TAB Clubs. The Board discussed both options and it was agreed that inclusions of Chairpersons in a financial conference would detract rather than add to the effectiveness.


Agenda items will be:

- Workplace, Health, Safety and Environment
- Developments
- QRL Strategy
- Race date program

MOVED Mr Michael Lambert **SECONDED** Mr Tony Hanmer

Meeting closed at 2.50pm

Confirmed as a true record.



R.G. Bentley
Chairman
Dated...5...1...9.../2008

ATTACHMENT “A”

Mr Bob Bentley

Director of Tattersall's Limited
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Michael Lambert

Director of RISA
Director of the Trainers Service Centre

Mr Bill Ludwig

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)
Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Board Member of WorkCover Queensland

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners' Association

SENT

By facsimile/post
10/9/08 - alm



QUEENSLAND RACING

10 September 2008

Mr Les Vance
Racing NSW
Level 7
51 Drutt Street
SYDNEY NSW 2000

Queensland Racing Limited
A.B.N. 93 116 735 374
Racecourse Rd Deagon QLD 4017
PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@queenslandracing.com.au
W www.queenslandracing.com.au

BY FACSIMILE: (02) 9551 7501
Original by Post

Dear Mr Vance

RE: NSW RACE FIELDS LEGISLATION

I refer to your letter of 3 September 2008, concerning the above matter.

I understand that Mr Michael Lambert has had discussions with Racing NSW regarding the time from which Racing NSW will apply the Race Fields Legislation. Advice is that Racing NSW will honour any concessions that apply within the RISA Participation Agreement (Agreement) in terms of the exploitation of racing information by UNiTAB .

An extract from Schedule 6 of that Agreement is reproduced below, which outlines that the application of NSW Race Fields Legislation will not apply to UNiTAB until **19 November 2008**. Naturally, Queensland Racing Limited (QRL) does not wish to be incurring a charge if it can be avoided through giving effect to the provisions of the Agreement.

"According to Schedule 6 of the RISA Participation Agreement, which is concerned with 'Grandfathered Arrangements with Wagering Operators':

RISA may sub-license to a Wagering Operator the right to exploit the local racing information of a PRA on the terms and conditions of the written agreement between RISA and the relevant Wagering Operator as at 1 August 2005 until the earlier of:

- (a) the date set out in the table – in relation to UNiTAB, SA TAB and NT TAB – **19 November 2008**, and*
- (b) the first date that RISA is lawfully able to terminate the written agreement that existed with the Wagering Operator as at 1 August 2005 under the terms and conditions of that agreement"*

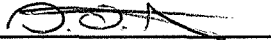
I understand that (b) above has not been implemented.

In light of the above, please confirm your verbal advice to Mr Lambert in writing, that you will give effect to the abovementioned provision and not apply a charge against UNiTAB for the use of NSW racing Information until 19 November, 2008.

Please note that I will be out of the office from 11 September 2008 to 23 September 2008. In the meantime, please discuss any queries with Mr Malcolm Tuttle, QRL's Chief Operations Manager on (07) 3869 9730.

We look forward to your early confirmation of the above.

Yours faithfully



SHARA MURRAY
Legal Compliance Counsel
Company Secretary

CC. Mr Barrie Fletton – UNiTAB
Mr Myles Foreman - RISA



12 September 2008

Ms Shara Murray
Legal Compliance Counsel
Queensland Racing
Racecourse Road
SANDGATE QLD 4017

Dear Ms Murray,

NSW Race Fields Legislation

I refer to your letter of 10 September 2008.

I did confirm in conversations with Michael Lambert that Racing NSW would honor its obligations under the RISA Participation Agreement to the extent that it applied. However there still seems a degree of misunderstanding on Mr Lambert's part as to aspects of our conversation.

As I stated to Mr Lambert on more than one occasion during our conversation on 4 September 2008, I am not in a position to know whether there is commitment from Racing NSW to Queensland Racing under the RISA Participation Agreement which may impact on the 1.5% of turnover being paid under race fields legislation, as that information is not apparent on the face of the document.

I am aware of part 1 of Schedule 6 of the RISA Participation Agreement which expressly refers to the "grandfathered" arrangement with UNiTAB and which is referred to in your letter of 10 September 2008.

Racing NSW will not interfere with RISA honoring the contractual commitment to UNiTAB. However that existing agreement between RISA and UNiTAB is a data supply agreement. We do not believe that agreement impacts on the 1.5% of turnover fee payable under the race fields legislation.

Yours Faithfully

Les Vance

cc. Mr Barrie Fletton, Chef Executive, Wagering, UNiTAB
Mr Malcolm Tuttle, Chief Operations Manager, Queensland Racing
Mr Myles Foreman, Chief Executive, RISA



Minutes of
Queensland Racing Limited
Board Meeting



Friday 3 October 2008

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced at 9:45am
Meeting Concluded at 2:00pm

Board Directors Present: Bob Bentley – *Chairman*
Tony Hanmer
Michael Lambert
Bill Ludwig

Apologies: Bill Andrews

In attendance: Malcolm Tuttle – *Chief Operations Manager*
Jamie Orchard – *Director Integrity Operations*
Adam Carter – *Finance Manager*
Paul Brennan – *Racing Services Manager*
Shara Murray – *Legal Compliance Counsel/Company Secretary*
David Rowan – *IT & T Manager*
Bill Casimaty – *Chairman, StrathAyr Turf Systems*
Mike Kelly – *Executive Director, Office of Racing*

Minutes: Debbie Toohey – *Legal Administration Officer/Appeals Secretary*

The Chairman commenced the meeting at 9:45am.

SECTION 1 – STANDING ITEMS

1.1 Apologies

An apology was **NOTED** from Mr Bill Andrews. Mr Bill Andrews appointed Mr Bob Bentley as his proxy for this Board meeting. See Attachment "A".

1.2 Declaration of Conflicts of Interest

The Board **NOTED** Attachment "B".

1.3 Confirmation of Minutes of Queensland Racing Limited BM#25 on 5 September 2008

The Board made the following amendments to the minutes:-

2.1 Palm Meadows Update

Dot point 1 is to read:

“Mr Lambert advised the board that Stockland was still to finalise some work to assist with the market assessment of the possible commercial developments at both Palm Meadows and Bundall. This work is also required for the Highest and Best use valuation of Bundall.”

2.2 Marketing Campaign

Paragraph to read:

“ Mr Hanmer updated the Board re Marketing Campaign launch. Original launch date in Rockhampton on 28 September 2008 has been cancelled.....”

2.5 RISA August Board Meeting

The second paragraph is to now read:

“The Trainers Service Centre has been migrated from NSW Racing to RISA with a manager appointed. It is anticipated that through the transfer of the financial services licence to RISA that access to a licence will be a valuable service to horse ownership syndicates.”

The fifth paragraph the word “Bets” is to be replaced with “Bet”.

3.1 Finance and Wagering Report June 2008

The second paragraph “\$1.2M” is to be replaced with “\$1.218M”.

The fourth paragraph the “\$” sign to be put in front of figures “759K”.

3.2 Approval of Industry Insurance for FY0809

The second paragraph is to now read:

“The total cost comparison on figures quoted which Inc Premium, Stamp Duty, U/Writing fee and brokerage is a 12.2% on prior year”.

4.1.1 Brisbane Racing Precinct Development

The first paragraph the word “*comprising*” is to be replaced with “*compromising*”.

The words “*to a practical proposition*” are to be added at the end of the last paragraph.

4.2 Deagon Development

The last paragraph is to now read:

“Mr Tuttle advised the Board that the Equine Development will move on the application stage independently of any commercial development on the eastern side, but with prior holistic approach on the master planning of the overall development”.

6.2 Review of Recent Reports on Integrity in the racing industries in NSW and Victoria

The following paragraph to be added:

“The Board discussed the need to undertake a comprehensive review of the Racing Act”.

8.4 Interstate Forfeit List Debts

In the first paragraph the word “*position*” is to be changed to “*advice*”.

The Board **RESOLVED** that the QRL Board Meeting Minutes of 5 September 2008 with the above amendments be received and confirmed.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

1.4 Action Sheet

The Board **NOTED** the action sheet.

1.5 Correspondence / Matters for Noting

The Board noted the Correspondence in the Agenda.

SECTION 2 – DIRECTORS

2.1 EI Marketing

Mr Hanmer updated the board on the EI Marketing to commence with a presentation to all Queensland Racing Limited (QRL) staff after the board meeting on the marketing campaign aimed at reinvigorating racegoers attendance at the track. As a result of a campaign, a television commercial has been developed and will be aired across the state from October 2008 to January 2009. This will be launched at Doomben, Saturday, 4 October 2008 at 11:00am.

The Board **NOTED** the update.

SECTION 3 –9 DEPARTMENTS

3.1 Finance and Wagering Report

Mr Carter provided the Board with information relating to the finance and wagering performance and results of QRL for the month ended 31 August 2008.

QRL recorded a surplus of \$673K up \$1.48M on the \$805K budgeted deficit for August 2008.

Revenue was up \$1.17M on Budget. This was due to the Product and Program Fee being \$1.03M or 13.5% above budget for the month.

Expenditure was down \$301K on budget due to variance in QTIS and Capital Works.

Month on month growth in wagering for August shows thoroughbreds increased by 13.84% compared to the increase in Harness of 13.77% and Greyhounds of 0.26%.

The Board **NOTED** the Finance and Wagering Report.
Ms Murray, Ms Toohey and Mr Carter withdrew from the meeting.

3.2 Director's Fees

This matter was discussed "in camera".

The Board discussed the report from Mercers and resolved that there needed to be an increase in director's fees.

"That the maximum aggregate amount of remuneration available to be paid to directors of the Company be increased from \$260,000 per annum to \$300,000 per annum, including any statutory superannuation and the amount payable to each director shall be determined by the Board."

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

3.3 Staff Retention

Ms This matter was discussed "in camera".

The Board discussed the issue of staff retention and the need to secure the necessary skills and knowledge within the organisation.

The Board also noted that significant costs are associated with the replacement of Senior Managers. Given the sometimes volatile nature of the racing industry and the need for managers to have confidence to give full effect to Board decisions and strategy, the Board agreed that a term of employment be offered to Senior Managers including Col Truscott. The term to conclude on 30 June 2012 with the term to be reviewed no later than six (6) months prior to its expiry.

ACTION: Chief Operations Manager to make an offer in line with the above to Senior Managers

Murray and Ms Toohey returned to the meeting.

3.3 Mt Isa Race Club

Mr Carter and Mr Ron Mathofer updated the board on the current financial position of the Mt Isa Race Club (Club).

The Board asked Mr Mathofer to determine if the \$104,736 of Expenses in the Profit and Loss accounts was sustainable.

The Board recommended that QRL and not Deloitte follow up with the Club with an assessment to ascertain the level of improvement in the policies and procedures put in place for May 2009 and to monitor the future performance of the Club. Also for the Club to supply QRL with monthly financial statements.

MOVED by Mr Tony Hanmer, **SECONDED** by Mr Michael Lambert

3.4 Cairns Jockey Club

Mr Carter and Mr Mathofer updated the board on the current position of the Cairns Jockey Club (CJC).

The Board recommended that Mr Mathofer write to the CJC with QRL's concerns in relation to their financial position. In addition, the CJC to prepare clear budget

projections for the 2008/2009 financial year and in future years, budgets to be provided prior to the financial year.

The Board also recommended that the CJC obtain a fair land valuation as a highest and best use valuation is not acceptable.

This was **NOTED** by the Board.

3.5 TAB Clubs Financials – 30 June 2008

Mr Carter updated the Board on the TAB Clubs financial results for year ended 30 June 2008.

The Board suggested that Mr Carter contact each TAB Club to ascertain that the CHAPS grant of \$200,000 was spent prior to 30 June 2008.

Mr Carter will give a further update of all Clubs at the November 2008 Board meeting.

This was **NOTED** by the Board.

4.1 2008 – 2011 Strategic Plan

Mr Tuttle tabled a copy of the 2008-2011 Strategic Plan for the Board's consideration.

The Chairman noted the draft and sought member's opinions as to the level of detail required. He suggested, at this stage, a high level Strategic Plan would be preferable.

Mr Lambert requested Mr Tuttle to email him a soft copy of the Plan so he could mark up his suggested changes. Other Board members to inform Mr Tuttle of any changes they require to the Plan.

This was **NOTED** by the Board.

4.2 Deagon Training Centre

Mr Tuttle updated the Board on the Deagon Training Centre development.

The Board **APPROVED** the engagement of THG as per the proposal and appointment of Mr Brian Kreis as Project Manager at a rate of \$160/hour for approximately 8 to 12 hours per week subject to a meeting between the Chairman, Mr Tuttle and Mr Kreis.

MOVED by Mr Tony Hanmer, **SECONDED** by Mr Bill Ludwig

Mr Tuttle indicated that he planned to meet with Campbell Newman to discuss the project and that he and the Chairman had a meeting with Hon. Andrew Fraser, MP next week.

Mr Tuttle also advised that he was finalising an MOU between QRL and Watpac.

This was **NOTED** by the Board.

4.3 Copyright Review on Racing Materials

Mr Tuttle updated the Board in relation to QRL's copyright project regarding racing materials.

The Board **NOTED** the update on the report.

4.4 El at National Summit

Mr Tuttle updated the Board in relation to the EI discussion held at the National Equine Influenza Summit in Sydney on Thursday, 25 September 2008.

The Board **NOTED** the update on the report.

5.1 Licensing Report

The Board **APPROVED** the Licensing Report

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

6.1 Integrity Report

Mr Orchard updated the Board on the current status of activities and programs in the Integrity Department.

The Board **NOTED** the update on the report.

7.1 Racing Department Project

Mr Brennan updated the Board on a number of projects currently being undertaken by the Racing Department.

The Board **NOTED** the update on the report.

8.1 Whitsunday Regional Council

Ms Shara Murray briefed the Board on the Whitsunday Regional Council's (Council) request for a transfer of part of Lot 98 on SP189767 to the Council.

The Board **APPROVED** Ms Murray to negotiate a lease agreement with the Council for the subject land, at no expense to QRL, and at a nominal rent rate of \$1.00 per year.

MOVED by Mr Michael Lambert **SECONDED** by Mr Bill Ludwig

8.2 Policy for a Program for the Preparation and Training of Licensed Animals

The Board was advised that the "*Policy for a Program for the Preparation and Training of Licensed Animals*" was due to expire. The Policy was reviewed by Mr John Hackett and he recommended that no changes were required.

The Board **NOTED** the Policy.

9.1 Disaster Recovery Plan

Mr David Rowan updated the Board on the Disaster Recovery Plan.

Mr Hanmer suggested Mr Rowan to look at the benefit of VOIP.

Mr Rowan tabled a copy of the draft Annual Report. The Chairman suggested that the Annual Report pictures be more in keeping with what is expected of a control body.

SECTION 10 – GENERAL BUSINESS

10.1 StrathAyr Turf Systems

Mr Bill Casimaty, Chairman from StrathAyr Turf Systems gave a presentation to the Board on the latest developments in turf track construction.

10.2 Mr Mike Kelly – Race Fields Legislation

Mr Mike Kelly, Executive Director, Office of Racing updated the Board on Race Fields Legislation and Drug Control Procedures to go before Cabinet in early November.

Mr Kelly advised the Board that the Drug Control Laboratory has agreed to provide guidance to the Racing Appeals Tribunal in applying Section 143(3) of the *Racing Act 2002* in relation to collection procedures for drug testing samples.

This was **NOTED** by the Board.

10.3 Townsville Turf Club

An updated submission was tabled from The Townsville Turf Club on the proposal to sell a parcel of Cluden Park land. The submission arrived on the morning of the meeting and the Board agreed that there was insufficient time to consider the proposal and it will be listed for the next board meeting.

Meeting concluded at 2:00pm

Confirmed as a true record.



R G Bentley

Chairman

Dated.....7...../...../2008

ATTACHMENT “B”

Mr Bob Bentley

Director of Tattersall’s Limited
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Michael Lambert

Director of RISA
Director of the Trainers Service Centre

Mr Bill Ludwig

Secretary of the Australian Workers’ Union (including signing of all correspondence and Industrial Instruments)
Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Board Member of WorkCover Queensland

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners’ Association

NSW Race Fields Legislation

Race Fields Legislation

- Amendments to the *Racing Administration Act 1998 (NSW)* (the Act) which require the approval of Racing NSW to any publication of a NSW thoroughbred race field (whether that publication occurs in NSW or elsewhere) unless the publication is specifically exempt under the *Racing Administration Amendment (Publication of Race Fields) Regulation 2008* (Regulations).
- The express purpose of the legislation, as stated by both the Minister for Racing and Racing NSW is to require all race wagering operators, regardless of location, to pay a fee for use of the racing product for wagering purposes – this legislation covers the three (3) racing codes.
- As at 1 September 2008, it is an offence under the Act, punishable by fines and/or imprisonment, to publish a NSW thoroughbred race field without the necessary approval from Racing NSW.
- According to clause 19 of the Regulations, an application, in writing, is required to be lodged with Racing NSW at least **30 days** in advance.
- All entities using NSW race information for wagering purposes will be required to register with the NSW racing control bodies and for those with a turnover above \$5M pa, would be required to pay a fee of 1.5% of turnover on NSW races, regardless of the location of the punter.
- Exemptions have been provided for the following publications which do not require approval from Racing NSW:
 - (a) Controlling Bodies – publications by the controlling body of any code in any Australian State or Territory or the national racing bodies for internal administrative or regulatory purposes
 - (b) Racing Clubs – publications by any Australian racing club of any code for the purposes of a race meeting, for instance, race books, administration, and promotion of race meetings
 - (c) News Media – publications by public news media in accordance with a contract or other arrangement with Racing NSW, and
 - (d) Not-for-Profit – publication made solely for a 'not-for-profit' purpose.

All other publications of NSW thoroughbred race fields require the prior approval of Racing NSW.

- In considering an application from a wagering operator¹ for approval to publish a NSW race field, Racing NSW will take into account whether the operator holds a wagering licence issued under the laws of an

¹ Wagering Operators, whether totalisator operators, bookmakers or betting exchanges, who hold a wagering licence issued under the laws of any Australian State or Territory.

Australian State or Territory and other matters required under the Regulations.

However, Racing NSW will not take into account:

- (a) Whether the applicant's wagering licence was issued in NSW or under the laws of another Australian State or Territory, or
- (b) The location in Australia in which the applicant resides or carries out his or her activities or, in the case of a corporate applicant, in which it has its head office or principal place of business.

In relation to approvals to publish a NSW thoroughbred race field in Australia in the course of the wagering operations of an Australian-licensed wagering operator Racing NSW will apply the following conditions:

- (a) the wagering operator may pay a fee equal to 1.5% of the wagering operator's wagering turnover on NSW thoroughbred race meetings to the extent that turnover exceeds an 'exempt turnover threshold' of \$5 million over a financial year. Where a number of wagering operators are 'related', a single 'exempt turnover threshold' applies to the entire group.
 - (b) Other conditions designed to enable Racing NSW to administer the arrangements and to discharge its responsibilities and functions regarding the protection of the integrity and reputation of NSW thoroughbred racing industry.
- Under the Product & Program Agreement (Agreement) between UNiTAB, Queensland Race Product Co Ltd (Product Co) and each of the Queensland Racing codes, any charge levied by other States for their racing product gets offset against the payment to the racing industries. Thus, Tabcorp (NSW) will charge UNiTAB for Queensland wagering on NSW races which is netted against the fee payable to QRL. Thus, the net effect is that the charge levied by NSW racing for race wagering by interstate punters is passed through to the racing industries in the other States, subject to the specific provisions in each agreement.
 - On review of the Agreement, clauses 9.5 and 10.2 of the Agreement relevantly provide that should Product Co be unable to procure the supply of Australian Racing Product as required by UNiTAB, UNiTAB may reduce the product fee payable to Product Co by any amount required to be paid by UNiTAB to procure the Australian Racing Product for use in its race wagering business.

RISA Participation Agreement – Grandfathered Arrangements with Wagering Operators – Schedule 6

- Schedule 6 of the RISA Participation Agreement includes a list of *‘Grandfathered Arrangements with Wagering Operators.’*
- Included in the list contained in Schedule 6 is reference to a UNiTAB agreement, which is grandfathered until the expiry date of the current supply agreement, which is 19 November 2008.
- Schedule 6 includes the following *‘RISA may sub-licence to a Wagering Operator named in the following table the right to Exploit the Local Racing Information of a Principal Racing Authority on the terms and conditions of the written agreement between RISA and the relevant Wagering Operator as at 1 August 2005’.*
- The agreement with UNiTAB which was in place with RISA as at 1 August 2005 and expires on 19 November 2008 is a Supply Agreement and does not deal with the granting or sub licence of rights other than supply of Principal Racing Authorities Local Racing Materials.
- Separate to the Grandfathered Agreements listed in Schedule 6, the RISA Participation Agreement includes Nominated Arrangements defined as the following; *‘Nominated Arrangements means in respect of a Principal Racing Authority, any agreement, arrangement or understanding referred to in that part of Schedule 5 referable to that Principal Racing Authority’.*
- The actual nominated arrangements of each Principal Racing Authority were not listed in the RISA Participation Agreement or shared between the Principal Racing Authorities for TPA reasons. Rather the RISA Participation Agreement refers to the nominated arrangements within Schedule 5 as follows; *‘As agreed in writing with RISA on or before execution of this Agreement and initialled for identification purposes’.*
- RISA can find no nominated arrangements on file for QRL.
- Therefore, Schedule 6 does not impact on the 1.5% of turnover fee payable under the race fields legislation.

Waterhouse v Racing NSW

- The Supreme Court of NSW found a technical deficiency in the race fields legislation in relation to the way that Tom and Bill Waterhouse Pty Limited conduct its betting operations. The Court made a declaration that the manner in which those operations are currently conducted does not require an approval under the Act.

- Racing NSW is requesting that the Government urgently introduce legislation to address this "loophole".
- I note that the Waterhouses did not challenge the validity of the legislation but rather sought to confirm that their operations did not require an approval under the legislation.
- The decision only affects very specific circumstances where a **wagering operator does not display a betting board or have any internet betting operations.**
- The above Supreme Court decision has no impact on the way the legislation is to be applied to UNiTAB and in turn to Product Co and QRL. That is, QRL does not stand to benefit in any way as a result of the Supreme Court decision. UNiTAB is a wholly owned subsidiary of Tatts Group Limited. UNiTAB holds licences in Queensland to operate totalisator and fixed price betting on racing and sports events, and as such, is deemed to be a wagering operator and is not exempt from NSW Race Fields Legislation.

Financial Impact of Race Fields Legislation

Barrie Fletton, CEO UNiTAB wagering, has confirmed:-

- Thoroughbred and Harness = 1.5% of sales (the first \$5M is exempt) prorata from 1 September \$4,166,167 for the 10 months
Greyhounds will charge 10% of gross margin capped at 1.5% of sales
- QRL forecasted 3% growth in P&P fee for FY0708 \$97,821M with a surplus of \$690K and a deficit of \$8.9M after extraordinary items of \$9.65M for FY0809
Based on current growth for FY0809, QRL is forecasting P&P fee to be \$99M with a \$6.7M revised forecasted budgeted deficit.
- With the proposed Racing NSW Race Fields legislation for the month of September 2008 the fee will be \$684,955 based on \$46,025,327 of wagering through UNiTAB on NSW product for Thoroughbred, Harness and Greyhounds.
- It is estimated annually that the fee to be charged to UNiTAB and deducted from the Turnover to Queensland Race Product Co Ltd for all three codes to be \$7M based on \$460M of turnover.
- The thoroughbred share based on 76% would be \$5.3M deducted from forecasted P&P fee of \$99M realising an increase in the deficit to \$12M after extraordinary items or
- It would be more advantageous to QRL if the allocation of the race field's legislation fee was not based on the 76% Product and Program

agreement with UNiTAB. QRL would be approximately down 2% or \$160K annually based on the Product and Program agreement formula. It would be less advantageous for Harness and more advantageous for Greyhounds for the allocation to be in accordance with the Product and Program Agreement.

- If the race fields' legislation was deferred to January 1, 2009, the cost for 6 months would be \$4.2M to the 3 Queensland codes, \$3.1M to thoroughbreds.

The table below reflects the impact of race field's legislation for September 2008 based on NSW product.

Race Fields Legislation Impact on Wagering Turnover through UNiTAB on NSW Product Only

NSW Only							
Turnover		FY0708		FY0607			
Gallops	70%	\$	306,029,046	74%	\$	381,229,762	
Harness	11%	\$	46,223,112	12%	\$	63,435,292	
Greyhounds	19%	\$	85,070,334	14%	\$	70,916,705	
Total	100%	\$	437,322,492	100%	\$	515,581,759	
NSW Only Based on UNiTAB Alloc							
		FY0708		FY0607		7 YR Average	
Gallops	76%	\$	4,871,476	76%	\$	5,763,632	76% \$ 5,185,667
Harness	14.50%	\$	929,426	14.50%	\$	1,099,640	14.50% \$ 989,371
Greyhounds	9.50%	\$	608,935	9.50%	\$	720,454	9.50% \$ 648,208
	100%	\$	6,409,837	100%	\$	7,583,726	100% \$ 6,823,246
NSW Only							
Gallops	70%	\$	4,515,436	74%	\$	5,643,446	74% \$ 5,032,224
Harness	10%	\$	618,347	12%	\$	876,529	11% \$ 747,527
Greyhounds	20%	\$	1,276,055	14%	\$	1,063,751	15% \$ 1,043,494
	100%	\$	6,409,837	100%	\$	7,583,726	100% \$ 6,823,246
Variance							
Gallops	6%	\$	356,041	2%	\$	120,186	2% \$ 153,443
Harness	5%	\$	311,080	3%	\$	223,111	4% \$ 241,843
Greyhounds	-10%	-\$	667,120	-5%	-\$	343,297	-6% -\$ 395,286

	Actual	Forecast	Annual
	Sep-08	FY0809 10 months	FY0809
74%	\$ 34,101,189	\$ 341,011,890	\$ 409,214,268
11%	\$ 4,849,047	\$ 48,490,465	\$ 58,188,558
15%	\$ 7,075,092	\$ 70,750,916	\$ 84,901,099
100%	\$ 46,025,327	\$ 460,253,271	\$ 552,303,925
	Actual	Forecast	Annual
	Sep-08	FY0809 10 months	FY0809
76%	\$ 520,566	\$ 5,205,658	\$ 6,246,790
14.50%	\$ 99,318	\$ 993,185	\$ 1,191,822
9.50%	\$ 65,071	\$ 650,707	\$ 780,849
100%	\$ 684,955	\$ 6,849,550	\$ 8,219,460
74%	\$ 505,268	\$ 5,052,678	\$ 6,063,214
10%	\$ 66,486	\$ 664,857	\$ 797,828
17%	\$ 113,201	\$ 1,132,015	\$ 1,358,418
100%	\$ 684,955	\$ 6,849,550	\$ 8,219,460
2%	\$ 15,298	\$ 152,980	\$ 183,576
5%	\$ 32,833	\$ 328,328	\$ 393,993
-7%	-\$ 48,131	-\$ 481,307	-\$ 577,569

Shara Murray

From: Adam Carter
Sent: Thursday, 13 November 2008 8:13 AM
To: Shara Murray
Subject: FW: Race Fields Legislation

Shara,

This is the race fields correspondence as per below email from Brad Tamer at UNITAB.

Please advise if you require further information.

Regards

Adam Carter

Finance Manager

PO Box 63, Sandgate QLD 4017

P +61 7 3869 9702

M +61 0400 761 700

F +61 7 3269 9304

E acarter@queenslandracing.com.au

W www.queenslandracing.com.au

From: Brad Tamer [mailto:Brad.Tamer@unitab.com.au]
Sent: Thursday, 9 October 2008 10:35 AM
To: Adam Carter
Cc: Samantha Kinmond; Dominic Townsend; Malcolm Tuttle; Barrie Fletton; Anne Tucker
Subject: RE: Race Fields Legislation

Adam,

Trust my bolded responses below to the points you raise in your email received earlier today address these issues. If not please call.

Regards

brad tamer | UNITAB Wagering
240 Sandgate Road, Albion Qld 4010
p: 07 3837 1318 | f: 07 3262 3014

From: Adam Carter [mailto:acarter@queenslandracing.com.au]
Sent: Thursday, 9 October 2008 8:42 AM
To: Brad Tamer
Cc: Samantha Kinmond; Dominic Townsend; Malcolm Tuttle
Subject: Race Fields Legislation

Brad,

I am preparing some modelling for a Queensland Race Product Co Limited meeting on Monday 13 October 2008

I am looking at the impact on the 3 codes.

13/11/2008

1. Would you be able to break down the race field's legislation deduction between thoroughbreds, harness and greyhounds for the month of September? **To make it easier for you I have arranged for this information to be provided by code from next month. In the meantime the break up this time round is as follows – Thoroughbreds \$433,000.00, Harness \$69,886.85 & Greyhounds \$98,977.79. GST will need to be applied to all of these amounts. Please note that the actual fee for thoroughbreds was \$483,624.27 which means an adjustment up will be required in the short term.**
2. Please can you advise what the monthly instalment rate is for the financial year (10 months from Sept 1) as advised by Racing NSW, Harness NSW and Greyhounds NSW? **1.5% of turnover + GST for thoroughbreds & harness, and the lesser of 1.5% of turnover or 10% gross margin + GST for greyhounds**
3. How often are Racing NSW, Harness NSW and Greyhounds NSW invoicing you? **Racing NSW – monthly fee of \$433K adjusted quarterly (Oct, Jan, Apr, Jul), Harness NSW – quarterly (Oct, Jan, Apr, Jul), Greyhounds NSW – monthly**
4. Do you know the status of race fields legislation in South Australia and the impact on UNiTAB and the on flow to Queensland Race Product Co? **We understand that legislation is currently held up in crown law but expect it to be made retrospective from Sep 1 when it does eventually become law.**
5. Have UNiTAB applied for a license in South Australia? **No, but it appears inevitable that we will be.**
6. Will UNiTAB be receiving an invoice from Racing South Australia regarding race fields? **Yes in time.**

Any assistance would be appreciated.

Regards

Adam Carter

Finance Manager

PO Box 63, Sandgate QLD 4017

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13/11/2008

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Queensland Race Product Co Ltd

ABN No: 85 081 743 722
Racecourse Road Deagon Qld 4017
PO Box 63 Sandgate Qld 4017
Phone: (07) 3869 9725 Facsimile: (07) 3269 6715

Minutes of Queensland Race Product Co Ltd General Meeting

Board Room
Queensland Racing
Racecourse Road, Deagon

Monday 13 October 2008

Present: Tony Hanmer - Queensland Racing Limited (Chairman)
Bill Ludwig - Queensland Racing Limited
Michael Lambert - Queensland Racing Limited
(via teleconference)
Kerry Watson - Greyhounds Queensland Board
Bob Lette - Harness Racing Queensland Board

Also in Attendance: Malcolm Tuttle - Queensland Racing Limited
Shara Murray - Queensland Racing Limited
Adam Carter – Queensland Racing Limited
Damian Raedler - Harness Racing Queensland

Apologies: Bill Andrews – Queensland Racing Limited

Minutes: Donna Biddle

The Chairman commenced the meeting at 9.15am.

1. Apologies

Apologies were received from Mr Bill Andrews (Queensland Racing Limited).

It was **NOTED** that Mr Andrews had provided Mr Hanmer with his proxy for this meeting and the original proxy was tabled.

2. Declarations of Conflict of Interest

Mr Bentley declared his Director of Sunshine Coast Racing Trust as a conflict of interest.

3. Confirmation of Minutes – 28 March 2008

The Directors **NOTED** the minutes of the previous meeting 15 October 2007.

The minutes were **MOVED** by Mr Ludwig, **SECONDED** by Ms Watson

4. **Race Fields Legislation**

Ms Murray and Mr Carter provided an update to the Board in relation to:

- (a) NSW Race Fields Legislation
- (b) Waterhouse v Racing NSW case
- (c) Queensland Race Fields Legislation, and
- (d) Financial Impact of Race Fields Legislation.

Ms Murray advised that the quantum that control bodies or their agents charge for the use of Queensland racing information is to be decided by the control body - at present, the Queensland Government intended to mandate that the fee charged will be one based on Turnover. There has been some suggestion that it should be based on Gross revenue.

Ms Murray advised the Board that the Office of Racing was interested in Product Co's opinion/justification for which method is most appropriate.

The Board **NOTED** the update and advice provided by Ms Murray and Mr Carter.

The Board **RECOMMENDED** that:

- (a) Each control body discuss the matter of Race Fields Legislation with each of their individual Boards and provide feedback to the Product Co Board at its next meeting, and
- (b) Further modelling would be done once information was obtained from Wagering Operators.

5. **General Business**

There was no general business.

The meeting concluded at 10.05am.

Confirmed as a true record.

Chairman

Date

Queensland Race Product Co Ltd

ABN No: 85 081 743 722
Racecourse Road Deagon Qld 4017
PO Box 63 Sandgate Qld 4017
Phone: (07) 3869 9725 Facsimile: (07) 3269 6715

Minutes of Queensland Race Product Co Ltd General Meeting

Board Room
Queensland Racing
Racecourse Road, Deagon

Monday 13 October 2008

Present: Tony Hanmer - Queensland Racing Limited (Chairman)
Bill Ludwig - Queensland Racing Limited
Michael Lambert - Queensland Racing Limited
(via teleconference)
Kerry Watson - Greyhounds Queensland Board
Bob Lette - Harness Racing Queensland Board

Also in Attendance: Malcolm Tuttle - Queensland Racing Limited
Shara Murray - Queensland Racing Limited
Adam Carter - Queensland Racing Limited
Damian Raedler - Harness Racing Queensland
Bob Bertley - Qld Racing

Apologies: Bill Andrews - Queensland Racing Limited

Minutes: Donna Biddle

The Chairman commenced the meeting at 9.15am.

1. Apologies

Apologies were received from Mr Bill Andrews (Queensland Racing Limited).

It was **NOTED** that Mr Andrews had provided Mr Hanmer with his proxy for this meeting and the original proxy was tabled.

2. Declarations of Conflict 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.

There were no other additional Declarations of Conflicts of Interest.

3. Confirmation of Minutes – 28 March 2008

The Directors **NOTED** the minutes of the previous meeting ~~15 October~~ 2007.

The minutes were **MOVED** by Mr Ludwig, **SECONDED** by Ms Watson ✓

4. Race Fields Legislation

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- (d) Financial Impact of Race Fields Legislation.

Ms Murray advised that the quantum that control bodies or their agents charge for the use of Queensland racing information is to be decided by the control body - at present, the Queensland Government intended to mandate that the fee charged will be one based on Turnover. There has been some suggestion that it should be based on Gross revenue.

Ms Murray advised the Board that the Office of Racing was interested in Product Co's opinion/justification for which method is most appropriate.

The Board **NOTED** the update and advice provided by Ms Murray and Mr Carter.

The Board **RECOMMENDED** that:

- (a) Each control body discuss the matter of Race Fields Legislation with each of their individual Boards and provide feedback to the Product Co Board at its next meeting, and
- (b) Further modelling would be done once information was obtained from Wagering Operators.

5. General Business

- (a) There was no general business.
- (b) Mr Bentley declared his Director of Sunshine Coast Racing Trust as a conflict of interest.

The meeting concluded at 10.05am.

Confirmed as a true record.

Chairman

Date

David Grace

From: Malcolm Tuttle [mtuttle@queenslandracing.com.au]
Sent: Wednesday, 29 October 2008 3:47 PM
To: David Grace
Subject: FW:
Attachments: Scanned from RacingCopier 23/10/2008 14:44; Scanned from RacingCopier 23/10/2008 14:45

David

Following our discussion today pls find attached the draft Bill and Regulations. Below is an email that has been sent to the Board with the attachments. The Board did have a teleconference meeting and the main points raised were,

1. **Ensure that the draft Bill enables QRL to appoint an agent for the purpose of collecting wagering information**
2. **The legislation should provide an option to have mutual agreements with interstate parties in terms of the exchange of Racing information (It is understood that this exists in the SA and VIC legislation but not NSW)**

You will see by the briefing to the Board below that the Government requests feedback on the Draft Bill. QRL has put together an internal working party that has started to discuss issues regarding advertising, application forms, financial implications, the practical role of Product Co (if any), Policy and Procedures. A lot this can be drafted by not finalized as it needs to follow the Leg and Regs once enacted.

We require CGW to advise on the draft Bill and Regs and in particular the implementation framework that we will put in place. The advice from you on these matters will follow in time after we have completed more work.

In the meantime it is important that we understand the implications that exist as a result of existing agreements in particular the Product and Program agreement and also agreements with RISA (Racing Information Services Australia).

Background

The various forms of this legislation in Australia seeks to charge a percentage of wagering turnover on the wagering that occurs on a states racing. Generally this will be 1.5%.

Victoria has race fields Leg in place however does not charge UNiTAB as it provides funding to the Qld Industry. SA has legislation in place but is yet to implement it. NSW has legislation from September 1 and in charging UNiTAB. UNiTAB as a result of Product and Program (PP) agreement passes these costs onto Product Co and in turn the codes of racing including QRL. **Refer to PP agreement 10.2 (c). We need to confirm that UNiTAB is entitled to do this. I suspect that 7.4 (f) confirms this without doubt but would like to be certain.**

The intention of the draft Qld bill is to lead to legislation that enables QRL or agent to levy for example a fee based on a % of turnover on Tabcorp for the use of Qld racing information. QRL's bill for September that UNiTAB passed on from Racing NSW was just under \$500,000. If Racing Victoria changed its view on the concession it currently provides to UNiTAB and started charging at the same rate our monthly costs would be over \$1.1million per month for Vic and NSW alone. As you can see we need to be able to levy our own charges in return on Tabcorp for example, to remain viable. **My concern in this regard is with PP agreement 7.5(c) which seems to indicate that we can provide the Qld Racing Program but if we receive payment it is also deducted off the Product fee payable by UNiTAB. If required the draft Bill will need to override this provision of the PP agreement.**

In addition we need to discuss and consider the relationship between UNiTAB, Product Co and RISA and the requirement/agreement to provide racing information etc. (On this I will need to research some docs and will forward this material tomorrow) In essence UNiTAB has an agreement with RISA that expires on Nov 19 2008 through which RISA provides information to UNiTAB. This information is likely to be Australian Racing Information and not just Qld Info. Product Co has an obligation to provide to UNiTAB various info (refer PP agreement sections 7 and 9) UNiTAB has provided agreement to QRL to provide Qld racing info to RISA for exploitation.

I have highlighted the main areas for discussion and I will talk through these areas on Friday. My main

29/10/2008

RQL.103.001.2217

concern at the moment is ensuring that we can charge a fee based on turnover and that the revenue we would be due to receive is not deducted by UNITAB from the Product Fee.

I will send through the relevant RISA info. I am assuming that you have a copy of the Product and Program Agreement so if you don't, advise as soon as possible and I will get one to you. If more info is required prior to Friday pls let me know.

Regards Malcolm,

From: Malcolm Tuttle
Sent: Thursday, 23 October 2008 3:08 PM
To: QTRB Board
Cc: Adam Carter; Shara Murray; Peter Smith; Jamie Orchard; kearra Christensen
Subject:

All

This morning Peter Smith and myself attended a briefing from the Government re the attached racing information amendment bill and associated regulations.

The Government is seeking feedback on the bill and regulations by Wednesday of next week to allow sufficient drafting time to enable the Act to be amended by week 1 in December. Ideally the Board would have had a meeting to run through the bill and if there are sufficient issues with the bill I suggest that a teleconference be arranged for early next week.

An internal working party has been put together to implement the legislation and we will meet next week to discuss the bill and regulations.

Key points made at the briefing this morning included:

1. Legislation will apply retrospectively from September 1
2. Offence provisions will be drafted and implemented after the implementation of this legislation
3. Bill will go to parliament late Nov/early Dec
4. Need to thoroughly advertise the implementation of the legislation
5. Bill also deals with "Integrity analysis of thing"
6. Feedback required next week by Wednesday
7. Need to consider what if any role Product Co has in relation to the implementation of the legislation.

Look forward to receiving your feedback (by COB Tuesday if possible) and if you deem a phone hook up necessary please advise.

Regards Mal.

29/10/2008

David Grace

From: Malcolm Tuttle [mtuttle@queenslandracing.com.au]
Sent: Thursday, 30 October 2008 9:27 AM
To: carol.perrett@racing.qld.gov.au
Cc: David Grace
Subject: FW:
Importance: High
Attachments: Scanned from RacingCopier 23/10/2008 14:44; Scanned from RacingCopier 23/10/2008 14:45

Carol

As discussed, pls find attached the briefing note which has been sent to David Grace. I will send further material through soon. I am meeting with David at 1pm tomorrow. Let me know if you would like me to call you from David's office after the meeting to discuss.

Tks Mal.

From: Malcolm Tuttle
Sent: Wednesday, 29 October 2008 3:47 PM
To: 'David Grace'
Subject: FW:

David

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I have highlighted the main areas for discussion and I will talk through these areas on Friday. My main concern at the moment is ensuring that we can charge a fee based on turnover and that the revenue we would be due to receive is not deducted by UNiTAB from the Product Fee.

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Regards Malcolm.

From: Malcolm Tuttle

Sent: Thursday, 23 October 2008 3:08 PM

To: QTRB Board

Cc: Adam Carter; Shara Murray; Peter Smith; Jamie Orchard; kearra Christensen

Subject:

All

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An internal working party has been put together to implement the legislation and we will meet next week to discuss the bill and regulations.

Key points made at the briefing this morning included:

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5. Bill also deals with "Integrity analysis of thing"
6. Feedback required next week by Wednesday
7. Need to consider what if any role Product Co has in relation to the implementation of the legislation.

Look forward to receiving your feedback (by COB Tuesday if possible) and if you deem a phone hook up necessary please advise.

Regards Mal.

David Grace

From: Malcolm Tuttle [mtuttle@queenslandracing.com.au]
Sent: Thursday, 30 October 2008 4:36 PM
To: David Grace
Subject: FW: racing amendment bill

David
 FYI

These are matters that I have raised this afternoon for the consideration of Carol Perrett (Lawyer Racing Office).
 Regards Mal.

From: Malcolm Tuttle
Sent: Thursday, 30 October 2008 4:30 PM
To: 'carol.perrett@racing.qld.gov.au'
Subject: racing amendment bill

*Amended
 Review
 Submitted*

Carol

Following are observations and comments in relation to the racing amendment bill (No.2) 2008.

1. Product and Program agreement issue as discussed this morning (refer section 7.5 (c)) – Meeting with David Grace tomorrow to discuss.
2. As mentioned a Director raised the issue of "mutual recognition" between the States whereby a PRA could choose not to issue or levy a charge on the basis that it reached agreement with an interstate PRA for the free exchange of racing information for the purpose of wagering. The Director thought that this provision existed in the Vic and SA leg.
3. QRL is proposing that RISA collects the relevant info from wagering operators Nationally to enable QRL to calculate any charges. We need a provision for this to occur. I.e PRA may do it or appoint an agent.
4. As mentioned the Bill purports that ultimately the leg applies to persons outside of the State of Qld. This is the same premise as the NSW leg and I assume advice has been taken in this regard.
5. Notwithstanding reasons for a refusal to grant are required there is no appeal provision to for eg the RAT. It is assumed that an unsuccessful applicant would apply for a judicial review if aggrieved.
6. 113E(4) and (5) both reference subsection (3)(a). I am assuming that this is 6A(3)(a). If so my notes indicate that this section has been removed.
7. 113E(5) This section says "must take into account". Suggesting that this could be changed to "may take into account" which enables the PRA some flexibility.
8. Reg5(i)(v) refers to the authority holder not opening an account for a person "who has not appropriately established their identity". There doesn't seem to be any standard applied in this reg as it appears that the only requirement is that the authority holder simply needs to satisfy itself to its own standard.
9. 6B(1) could also take into account the extent to which the wagering operator is supervised by a control body and the extent to which the oversight body has agreed to co operate with the licensing control body. This would be useful from an integrity stand point. In relation to 6B(1)(a) – Does this need to be broadened to ensure it covers entities such as corporations, trusts etc
10. General comments/questions re 6A(1). May be beneficial having the capacity to check in relation to bankruptcy, insolvency, disciplinary actions by regulators etc and also specific info on company structures, ownership, and directors/executives. As part of the wagering declaration info at 6A(1)(e)(iii) it will be useful if applicants are also required to provide wagering forecasts. As part of the application disclosure should be made regarding related operations. For eg an operator may split a business to get under the wagering threshold should one apply. (Perhaps another part of the regs should also recognise this) It may also be useful for an applicant to consent to the sharing of wagering information with other PRAs in Australia. (this is not critical but it may be useful for other PRAs to be able to access this info)

*K
 4
 2*

I understand the time pressures involved and I suggest there would be some value in meeting early next week to discuss some of these matters.

Regards Malcolm.

David Grace

From: bob bentley [crossmore13@yahoo.co.uk]
Sent: Saturday, 1 November 2008 11:09 AM
To: Dick McIlwain
Cc: David Grace; Malcolm Tuttle
Subject: MEETING OR DISCUSSION WITH DAVID GRACE

Dick,

David Grace of Cooper Grace Ward is acting for Queensland Racing and will contact you as soon as possible on Monday morning to discuss what appears to be an unintended outcome of the race fields legislation as it relates to clauses 7.5 {d} and clause 10.2{c} of the Product and Programme agreement.

Malcolm Tuttle is handling the issue for Queensland Racing and is available and authorised to discuss the matter for Queensland Racing.

Kind Regards

Bob

Malcolm 0438180023
David Grace 0439394136



QUEENSLAND
RACING

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November 3, 2008

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W www.queenslandracing.com.au

Mr David Grace
Partner
Cooper Grace Ward
GPO Box 834
BRISBANE QLD 4001

Dear David

RE: RACE INFORMATION LEGISLATION

Following our recent conversation, I confirm the engagement of Cooper Grace Ward to advise Queensland Racing Limited in relation to the draft Racing Amendment Bill (No. 2) 2008 and associated regulations on our agreed standard terms and conditions.

Yours sincerely

MR MALCOLM TUTTLE
Chief Operations Manager

David Grace

From: Malcolm Tuttle [mtuttle@queenslandracing.com.au]
Sent: Monday, 3 November 2008 1:40 PM
To: David Grace
Subject: Dick McIlwain (Tatts)
Importance: High

David

Can you pls call me re Dick McIlwain. I have left a message on your voice mail. My understanding is that we may be able to sort this out with an initial call and follow up letter.

Tks Mal.



Minutes of
Queensland Racing Limited
Board Meeting



Friday 7 November 2008

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced at 9:45am
Meeting Concluded at 2:00pm

Board Directors Present: Bob Bentley – *Chairman*
Tony Hanmer
Michael Lambert
Bill Ludwig
Bill Andrews

Apologies: Nil

In attendance: Malcolm Tuttle – *Chief Operations Manager*
Jamie Orchard – *Director Integrity Operations*
Adam Carter – *Finance Manager*
Paul Brennan – *Racing Services Manager*
Shara Murray – *Legal Compliance Counsel/Company Secretary*
Ron Mathofer – *Business Analyst*
Paul Innes – *Chairman, Australian Jockey Association*
Richard Pratt – *Queensland Jockey Association*

Minutes: Donna Biddle – *Board Secretary*

The Chairman commenced the meeting at 9:45am.

SECTION 1 – STANDING ITEMS

1.1 Apologies

There were no apologies

1.2 Declaration of Conflicts of Interest

The Board **NOTED** Attachment “B”.

1.3.1.1 Confirmation of Minutes of Queensland Racing Limited BM#26 on 3 October 2008

The Board made the following amendments to the minutes:-

2.1 El Marketing

The first paragraph the word “research” is to be replaced with “a campaign”.

3.1 Finance and Wagering Report June 2008

The second paragraph “K” to be put after “\$673”.

3.3 Staff Retention

The third paragraph the words “including Col Truscott” to be added after “....be offered to Senior Managers” to now read “the Board agreed that a term of employment be offered to Senior Managers including Col Truscott.”

3.4 Cairns Jockey Club

The third paragraph the word “land” to be added after “fair” to now read “fair land valuation”.

8.1 Whitsunday Regional Council

The second paragraph the word “nominal” to be added before “rent rate” to now read “nominal rent rate”.

The Board **RESOLVED** that the QRL Board Meeting Minutes of 5 September 2008 with the above amendments be received and confirmed.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

1.4 Action Sheet

The Board **NOTED** the action sheet.

1.5 Correspondence / Matters for Noting

The Board noted the there was no Correspondence in the Agenda.

1.6 Confirmation of Flying Minutes

The Board **NOTED** the following Flying Minutes:

Resolution 19 October 2008	-	Pursuant to Australian Rule of Racing 7(c), the Director of Integrity Operations be delegated the power to warn off Christopher Waters as a result of his involvement in the circumstances surrounding the lifting of the embargo on BETHEL TWO and the subsequent provision of false information to Stewards.
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Resolution 25 August 2008	-	Resolution to engage ‘Senior Council’ or ‘Other Legal Services’ to act on Queensland Racing Limited’s behalf in relation to the Crime and Misconduct Commission’s investigation of allegations of impropriety conduct by Queensland Racing Limited.
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SECTION 2 – DIRECTORS

2.1 EI Marketing

Mr Hanmer updated the board on the EI Marketing campaign.

The Board **NOTED** the update.

2.2 QTIS600

Mr Hanmer updated the Board that 130,000 brochures on QTIS600 will be produced and sent to pubs, clubs and TAB outlets to be placed on brochure racks. Brochures will also be sent out with QRL invoices and outgoing correspondence to owners and breeders.

QTIS600 will also be advertised in MACAIR Magazines.

RISA will be approached to utilise their Syndication License in conjunction with Race Clubs. Details will be advised following a meeting with RISA CEO.

2.2.1 Corbould Park Lighting Project

Mr Hanmer advised the Board the Opening of Corbould Park Lights will be on Saturday 21 February 2009.

The Board **NOTED** above.

2.3 Cairns Jockey Club

Mr Brennan updated the meeting on the financial position of the Cairns Amateurs and the Cairns Jockey Club. Both clubs appear to be in serious financial positions and it will need some urgent action from QRL

The Chairman also advised the Board of an email received this morning from Alan McPherson, President of Cairns Amateurs re their financial position. A copy of this email is to be sent to Mr Carter and Ms Murray.

The Chairman advised that he had asked the finance department to give an updated position on the finances of both clubs as soon as possible. In addition, the Business Analyst is to prepare a practical template that could possibly be used as a solution to the Cairns Racing problem by using the operating success of Innisfail and Atherton clubs who operate 8 – 10 times a year.

2.4 Outcome on Discussion with Treasurer on Constitution

The Chairman advised that he had attended a meeting with the Treasurer on the QRL constitution and other matters.

The Treasurer has advised that he was not prepared to discuss the ongoing investigation to the constitutional vote conducted on Wednesday 5 December 2008.

In relation to going forward, the Treasurer indicated that he was not prepared to reconsider any changes to the constitution in this term of Parliament.

SECTION 3 – 9 DEPARTMENTS

3.1 Finance and Wagering Report

Mr Carter provided the Board with information relating to the finance and wagering performance and results of QRL for the month ended 30 September 2008.

QRL recorded a surplus of \$1.14M for September 2008 down \$255K on budget.

Revenue was down \$1.1M on budget. This is due to the 1.5% NSW Race Fields legislation fee which directly impacted QRL by \$496K. Product and Program Fee in total was 10.1% or \$833K below budget for the month.

Expenditure was down by \$829K on budget. The main variance being Capital Works \$333K and Consultancy costs \$162K.

QTIS Registrations were \$251K below budget for the month due to a timing difference with the majority of registrations actually occurring in October.

YTD the surplus of \$3M is \$2M ahead of the budgeted surplus of \$1.04M. YTD total revenue is up \$288K on budget. YTD Product and Program fee is 1.5% above budget notwithstanding the impact of New South Wales Race Fields. Budgeted P&P fee growth was set at 3%. Interest is above budget by \$268K at the end of September.

The Board **NOTED** the Finance and Wagering Report.

3.2 Queensland Jockey's Association Submission for Riding Fees Increase

3.2.1 Increase in Jockey Riding Fee

The QRL Board confirmed that the jockey riding fee would increase from September 1, 2008 from \$127 per ride to \$140 per ride for year 1. The jockey riding fee would be backdated to September 1, 2008.

In year 2, from September 1, 2009 the jockey riding fee will increase by the Consumer Price Index (CPI) based on the June to June CPI.

QRL will continue to fund the riding fee which is in excess of \$6M per annum.

3.2.2 Barrier Trial Riding Fee

The Board of QRL also agreed to increase the barrier trial riding fee from \$27.50 per ride to \$35 per ride effective from December 1, 2008 with an increase in CPI in line with the increase in the jockey riding fee from September 1, 2009.

Please note amendments to conditions for Barrier Trials from 1 January 2009

- Following an increase to the Jockey's riding fee in Official Barrier Trials, the fee to start in an Official Barrier Trial has increased to \$60 (plus GST).
- The fee for horses that nominate, but do not start in official barrier trials will rise to \$80 (plus GST). This fee will be waived for any horse where a veterinarian certificate is received within two (2) working days following the date of the Official Barrier Trials.
- Trainers are required to advise the RISA Service Centre of scratchings in Official Barrier Trials at least 30 minutes prior to the commencement time of the first Official Barrier Trial. The connections of horses that fail to advise the RISA Service Centre will be charged an additional \$20 (plus GST).

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

That the Board APPROVE the changes to the Jockey Riding Fee

4.1 Operations Update

Mr Tuttle updated the Board of the following projects:

- Broadcast rights
- Copyright
- Economic Impact Study
- Deagon Training Centre
- Queensland Race information Bill and Regulations
- Brisbane Turf Club and Gateway Bike Project
- Negotiations with Stocklands on Palm Meadows

Mr Tuttle and Mr Lambert advised that in discussions with Stocklands on the Palm Meadows/Bundall development, Stocklands had indicated that they are keen to discuss the possibility of the transfer of freehold land at Corbould Park and a relocation to a new site at Bells Creek for a Sunshine Coast Racing Complex.

This suggestion has strategic advantages for Stocklands and their current development of "Caloundra Downs". The Chair asked Mr Tuttle and Mr Lambert, what advantages they saw would accrue to the Queensland Racing industry in this venture as the only benefit that the Chairman could see was if it was part of total development negotiation to incorporate the new Gold Coast Racing Complex at Palm Meadows.

The Board discussed the issue and formed a preliminary view that any proposal would need to be considered in light of the Palm Meadows Project which currently has a significant financial shortfall. In this regard the Chairman and Mr Tuttle are seeking an urgent meeting with Mr Stanley Ho of "Hung Tat" as advised at the October meeting.

The Board **NOTED** the report and **AGREED** that if a meeting could be arranged urgently with Mr Stanley Ho of "Hung Tat", then the Chairman and Mr Tuttle should arrange to see him in Hong Kong as soon as possible to allow for progressing or closure of the development.

4.2 Race Field Legislation

The Chairman declared that he has a conflict of interest and removed himself from any decision or discussion on this item.

The Board **NOTED** the update and draft Bill and Regulations on Race Information Legislation and that David Grace of Cooper Grace Ward would be engaged to provide advice as required.

4.3 Capital Works Items – Brisbane Turf Club

Mr Tuttle updated the meeting of an application received from the Brisbane Turf Club ("BTC") in respect of capital items for consideration and to outline the path forward in relation to capital works considerations for the current financial year.

The Board **RECOMMENDED** that Mr Tuttle send a letter to BTC advising that its capital needs will be assessed along with the needs of other TAB clubs during site visits in December 2008 and January 2009, with a report to be provided to the Board of QRL for its consideration.

4.4 Minutes of Metropolitan PCG October Meeting

The Board **NOTED** the minutes. Mr Hanmer noted that the PCG are still persevering with the infield stables. The Chairman advised that he had also noted this and that there needs to be a discussion with the new BRC Chairman and Vice-Chairman on this issue as the industry does not need an oversupply of stables.

5.1 Licensing Report

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

*The Board **APPROVED** that the Licensing Report be adopted.*

6.1 Integrity Report

Mr Orchard updated the Board on the current status of activities and programs in the Integrity Department.

- Staff Resources
- Cadet Program
- Appeals
- Accreditation
- Horse Sampling Program
- Conflict of Interests/Racing Interests
- Chris Waters
- Bobby El-Issa

In addition, Mr Orchard advised the Board of the new Stewarding Structure.

The Board **APPROVED** the changes as set out by Mr Orchard and **NOTED** the update on the Integrity Report.

6.2 Adoption of New Technology in Integrity

Mr Orchard updated the Board re the adoption of a new stewards patrol system. Mr Orchard also advised that he sought the Board's approval to proceed with the installation of the NSW Bookmakers telephone monitoring system.

The Chair advised the Board that this expenditure was previously approved but not minuted.

MOVED by Mr Bill Ludwig **SECONDED** by Mr Tony Hanmer

*That the Board **APPROVE** the expenditure of \$35,000 for the NSW Bookmakers telephone monitoring system.*

7.1 Country Racing Forum

The Chairman updated the Board on the Country Racing Forum report.

The forum followed the conduct of the very successful regional seminars in June 2008, which saw QRL representatives visit 12 venues throughout the State.

QRL invited six (6) delegates from each of the eight (8) regions to attend the forum with these delegates being selected from the following industry groups:

- Queensland Country Racing Committee representative

- Country Racing Association Chairperson
- Major Club representative
- Minor Club representative
- Licensee
- Owner

The following areas received agreement at the forum:

- Alternate Corporate Governance Model for the eight (8) Country Racing Associations
- Integrity Services Raceday Standards
- Revised Funding Model, incorporating two tiers of Non-TAB Race Clubs
- Removal of Unplaced Starter Fees
- Removal of Series Funding
- Removal of Administration Subsidy from standard Non-TAB racing Clubs
- Non-TAB race dates to be developed by QRL
- Removal of nine (9) funded Non-TAB race dates
- Introduction of new racing policy, which includes KPI's
- Introduction of restrictions on the postponement of abandoned meetings to ensure no impact on already scheduled meetings
- Those clubs designated as Strategic will receive \$6000 per race and those clubs designated as non-TAB will received \$4000 per race.

Should these areas be successfully resolved, QRL has given an undertaking to introduce the new funding model from 1 July 2009 and for it to be maintained until 30 June 2012. Provided annual wagering turnover grows at a rate of 3% on the 2007/08 base year for the term of this agreement and that average TAB starter numbers are maintained at not less than 10 starters per race.

QRL has given an undertaking to conduct a QCRC meeting in early December to finalise the above issues.

MOVED by Mr Bill Andrews **SECONDED** by Mr Tony Hanmer

The Board **NOTED** the report and made the following resolution:

“That the submission as detailed above and APPROVED in principle by the Country Racing Stakeholders and the Country Racing Council is the offer from QRL. The Board AGREED that if this was not acceptable to the Country Racing Committee, then the offer would be withdrawn and funding would be in strict accordance with the Act.”

8.1 Sunshine Coast Lease

Ms Murray updated the Board in relation to the current status of the lease agreement between Sunshine Coast Racing Pty Ltd and the Sunshine Coast Turf Club.

The Board **NOTED** the update.

8.2 Sunbus

Ms Murray updated the Board in relation to a lease agreement that Sunshine Coast Racing Pty Ltd intends to enter into with Transit Group Australia, for the provision of 6000 square meters of land adjacent to the public car park at Corbould Park, Caloundra.

Mr Hanmer noted his concerns in relation to the possible vapour smells from the proposed re-fuelling facility. Ms Murray informed the Board that the proposed site has been relocated further away to the back of the carpark.

Mr Tuttle informed the Board that he would provide this update to Stocklands to determine if the proposed lease agreement for such land would create any significant difficulties in any future land proposals.

The Board **NOTED** the update.

8.3 Cairns Jockey Club

Ms Murray briefed the Board in relation to the land tenure at Cannon Park, Cairns,

The Board **RESOLVED** to take no action in relation to land tenure.

The Board **RESOLVED** that Ms Murray contact Trafalgar Corporate Pty Ltd to seek an update in relation to the claim of proceedings against individual Committee Members of the Cairns Jockey Club, Anor.

8.4 Townsville Turf Club

Ms Murray updated the Board in relation to the recent assessment conducted on the documentation provided by the Townsville Turf Club (TTC).

The Board assessed the proposal by the TTC and agreed that it would approve the application provided that QRL's policies were adhered to.

The Board instructed Ms Murray to convey this resolution to the Office of Racing.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Andrews

That QRL AGREED to support the sale of the vacant parcel of land at Cluden Park, subject to the Club adhering to the requirements contained in the Racing Act 2002, the Financial Management & Procedures Manual and QRL's Policy on Spending by Non-Proprietary Licensed Clubs.

8.5 Review of Policies

The Board **NOTED** the following policies:

- (a) *Policy for Safeguarding the Public Interest in Thoroughbred Racing*
- (b) *Policy on the Standards Required for Licensed Venues, and*
- (c) *Drug and Alcohol Policy.*

The policies were reviewed by Mr Jamie Orchard, Director of Integrity Operations and no changes were necessary.

8.6 Policy for Draft Consultation

The Board **APPROVED** that the *General Policy for Training and Development* be published for consultation.

The Board requested that the *Complaints Management System Policy* carry forward to the 5 December 2008 Board meeting.

8.7 Phil Purser - Complaint

Ms Murray advised the Board of complaints received in relation to Mr Phil Purser of www.justracing.com.au.

The Board **APPROVED** that:

1. Copies of complaints to be sent to Mr Purser; and
2. Ms Murray to write to QTC and Mr Henzel to advise that the QRL Sexual Harassment Policy has not been breached.

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

8.8 Toowoomba Cushion Track

The Board **NOTED** the update.

8.9 Policy for Final Approval

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Andrews

The Board **APPROVED** the *Policy on the Formation, Management and Licensing of Clubs*.

8.10 Whitsunday Regional Council

Ms Murray briefed the Board in relation to the Whitsunday Regional Council's (Council) response to the Board's resolution of 3 October 2008 concerning the Council's request for a transfer of part of Lot 98 SP189767 to the Council (Subject Land).

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

The Board **RESOLVED** not to transfer the Subject Land to the Council.

The Board **REQUESTED** that Ms Murray convey this resolution to the Council.

9.0 GENERAL BUSINESS

9.1 Australian Jockey's Association

Paul Innes, President of the AJA and Richard Pratt, President of the QJA gave a presentation to the Board which was presented to the Australian Racing Board on 14 August 2008 on a plan to protect Australian Jockeys focusing on:-

1. A National Public Liability insurance cover for jockeys
2. A National Personal Accident insurance scheme for jockeys
3. Support for jockeys and their families in financial hardship due to death, illness and injury through the National Jockeys Trust, and
4. Education, Welfare, Training and Retirement programs

The discussion involved where the funding was going to come from and it was proposed that there is a need for the ARB to act on behalf of the industry as a whole in order to reduce the risk to racing, and include additional percentage share(s) of total prize money in the Rules of Racing.

It is proposed 1% of prizemoney should be retained and paid to the AJA on behalf of jockeys to maintain these initiatives. The % increase from 5% to 6% would be inline with other racing jurisdictions on other countries.

The proposal will be discussed and considered at the ARB board meeting on Friday, 12 December 2008.

QRL is to look at the impact on other stakeholders of the additional 1%.

9.2 Rockhampton Jockey Club Track

Mr Brennan had prepared a paper detailing the latest costs of construction for the Rockhampton track development that is currently under design and final quotation.

The chairman advised the Board that the costs of reconstruction had increased from the estimated figure of \$3M. QRL had allocated \$3M in the 2008/2009 budget and an additional \$3M will be required to finalise this project. Whilst being above the initial budgetary figure Mr Brennan considered that the board had no option but to proceed as the track was nearing a WH&S issue.

The Chair noted the paper gave a satisfactory explanation of the increase over budgeted estimates. The costs at the time of budget preparation were preliminary estimations and further investigations revealed that the scope of works required was more extensive than originally anticipated.

Mr Hanmer inquired as to the effects on QRL's cash flow and reserves.

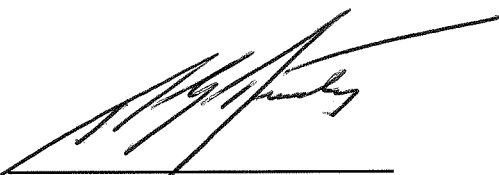
Mr Carter advised that the additional investment will be accommodated with the bounds of QRL's reserves.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

That the Board approve the reconstruction of the Rockhampton Jockey Club's track at an amount of \$6M

Meeting concluded at 4.30pm

Confirmed as a true record.



R G Bentley

Chairman

Dated...7...1.../2008

ATTACHMENT “B”

Mr Bob Bentley

Director of Tattersall’s Limited
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Michael Lambert

Director of RISA
Director of the Trainers Service Centre

Mr Bill Ludwig

Secretary of the Australian Workers’ Union (including signing of all correspondence and Industrial Instruments)
Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Board Member of WorkCover Queensland

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners’ Association

BOARD PAPER NUMBER: 3.1
September 2008 - Finance and Wagering Report.

PURPOSE:

To provide the Board of QRL with information relating to the financial and wagering performance and results of Queensland Racing Limited (QRL) for the month ended 30 September 2008.

BACKGROUND AND ISSUES:

Executive Summary Month End 30 September 2008

QRL recorded a surplus of **\$1.14M** down \$255K on the \$1.4M budgeted surplus for September 08.

Revenue was down \$1.1M on budget. This is mainly due to the 1.5% NSW Race Fields legislation fee which directly impacted QRL by \$496K. Product & Program Fee was in total 10.1% or \$833K below budget for the month.

QTIS Registrations were \$251K below budget for the month due to a timing difference, with the majority of registrations actually occurred in October.

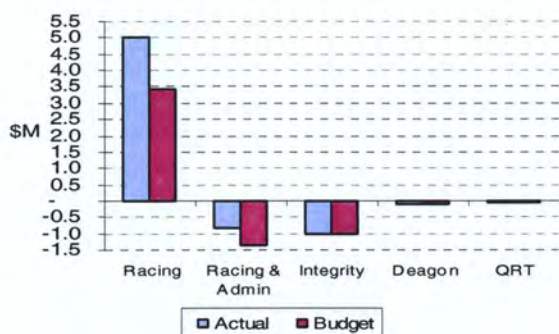
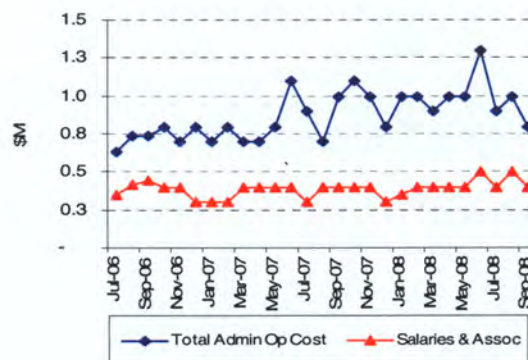
Expenditure was down \$829K on budget mainly due to variances in Capital Works \$333K and Consultancy costs \$162K. Both of these were major budgeted items with little or no actual expenditure in September. QTIS paid out at 47% of scheduled TAB races during September. YTD the major spending on capital works has been \$85K on running rails at Eagle Farm which is considerably below what was budgeted for by the end September.

YTD the surplus of \$3M is \$2M ahead of the budgeted surplus of \$1.04M. YTD total revenue is up \$288K on budget. This is mainly due to P&P fee being 1.5% above budget which is already showing the impact of Race Fields legislation in September. Budgeted P&P fee growth was set at 3%. Interest is also well above budget being \$268K at the end of September.

YTD expenditure is down \$1.7M on budget. Main areas are prizemoney \$451K, this is because of the pool transfers due to washed out races in July. QTIS is down \$295K and Club capital expenditure is \$541K down on budget.

Organisational and Operational Excellence	YTD September 08	Annual Budget FY08/09	FY 07/08	FY 06/07	FY 05/06	FY 04/05
Ratio of Operating Costs to Product Fee Revenue	12.8%	<11.5%	13.8%	10.9%	11.3%	13.1%
Product Fee Revenue Growth	+1.48%	+3.0%	(3.6%)	+6.30%	+1.05%	+6.50%
Consolidated QRL Operating Surplus	\$3.03M	\$(8.95)M	\$13.3 M	\$8.6M	\$ 3.428M	\$ 3.281M
QRL Operating Costs	\$3.05M	<\$10M	\$12.9M	\$10.319M	\$10.07M	\$11.55M
QRL Operating Costs to Total Expenses	12.78%	<12%	13.9%	10.4%	11.6%	13.5%

	YTD Sept-08	LYTD Sept-07	UP	%	Sept-06
TAB Starters	8,143	6,959	1,184	17.0%	8,486
Non TAB Starters	3,792	2,619	1,173	44.8%	4,541
No of Races	1,251	937	314	33.5%	1,333
No of Meetings	191	141	50	35.5%	201

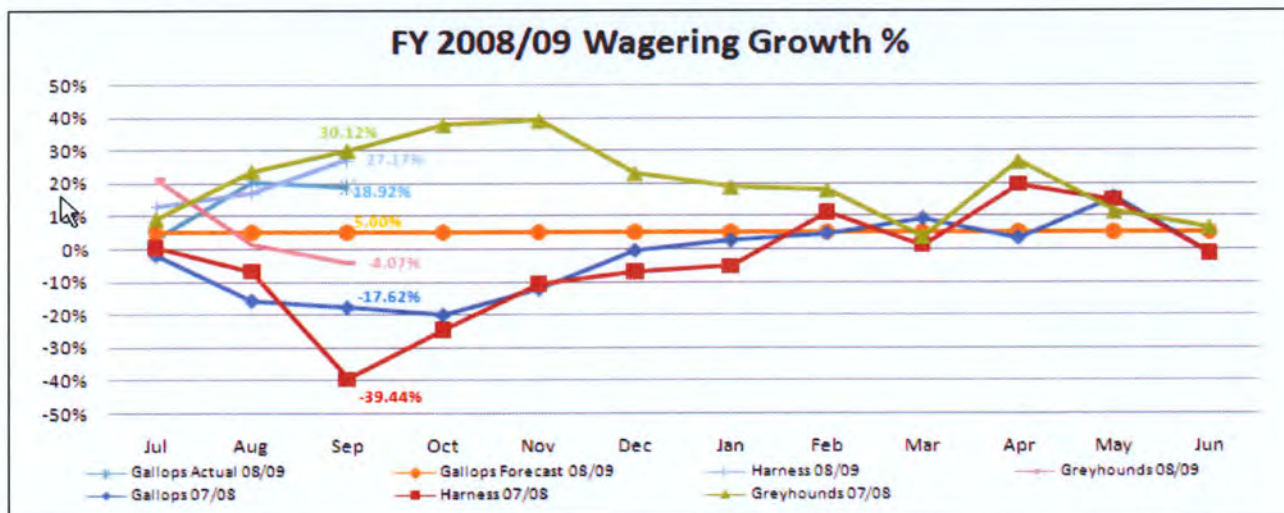
Program Summary - YTD Surplus/Deficit

Administration Operating Costs


BALANCE SHEET

Previous Year	CURRENT ASSETS	Current Month	Previous Month	Variance
000s		000s	000s	000s
38,375	Cash Assets	39,481	38,958	523
19,615	Receivables	10,508	11,633	(1,125)
23	Other	1,239	1,386	(147)
58,013	TOTAL CURRENT ASSETS	51,228	51,976	(749)
	NON-CURRENT ASSETS			
11,000	Investment SCR	11,000	11,000	0
22,228	Property, Plant and Equipment	25,952	24,708	1,244
33,228	TOTAL NON-CURRENT ASSETS	36,952	35,708	1,244
91,241	TOTAL ASSETS	88,180	87,685	495
	CURRENT LIABILITIES			
94	Overdraft	591	492	99
11,815	Payables	5,790	6,564	(774)
9,547	Other Payables	9,067	9,003	64
502	Provisions	495	501	(6)
489	Fees Paid In Advance	392	429	(37)
22,448	TOTAL CURRENT LIABILITIES	16,335	16,989	(654)
	NON-CURRENT LIABILITIES			
473	Provisions	492	486	7
473	TOTAL NON-CURRENT LIABILITIES	492	486	7
22,921	TOTAL LIABILITIES	16,827	17,475	(647)
68,319	NET ASSETS	71,352	70,210	1,142
	EQUITY			
55,895	Retained Profits	58,928	57,785	1,142
12,424	Asset Revaluation Reserve	12,424	12,424	0
68,319	TOTAL EQUITY	71,352	70,210	1,142

Wagering

Month on month growth in wagering for Queensland shows thoroughbreds increased for September at 73.62% compared to the increase in Harness 2214.09% and Greyhounds -18.82%.

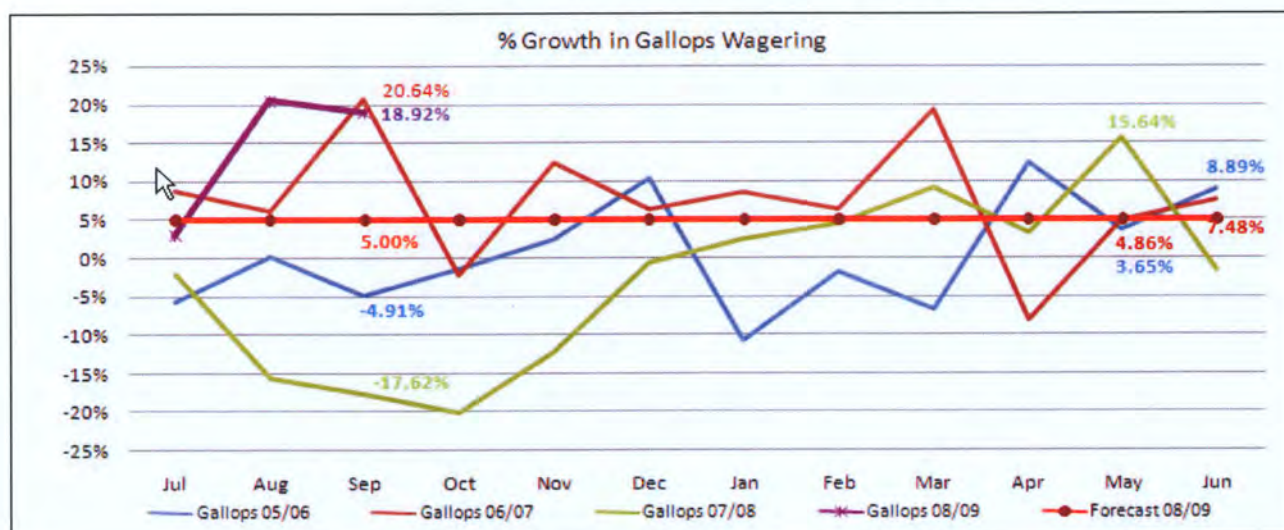


Total wagering growth on YTD basis compared to last year follows as per the attached UNiTAB Calendar Turnover month on month report for September 2008:

	QLD	NATIONAL
Thoroughbreds	26.82%	18.92%
Harness	58.54%	27.17%
Greyhounds	-6.81%	-4.07%
		15.62%

Figures quoted are YTD FY0809 unless otherwise stated:

- QLD Thoroughbreds holding 76.84% of 3 code wagering in QLD and 27.35% of national Thoroughbred wagering.
- Thoroughbreds account for 72.77% of national 3 code wagering.
- Average wagering turnover per QLD TAB meeting.
 September 06 \$36.37M : 38 meetings = \$0.96M
 September 07 \$18.43M : 21 meetings = \$0.88M
 September 08 \$31.26M : 31 meetings = \$1.01M



Race Fields Legislation

- Product and Program Fee is \$547K or 1.5% up on budget YTD. This is affected by the introduction by NSW of a 1.5% Race Fields Legislation fee of \$496K.

Code	NSW Charge	%	Product Co Split	%	Diff
Thoroughbred	483,624.27	74%	495,891.57	76%	(12,267.30)
Harness	69,886.85	11%	94,610.89	14.5%	(24,724.04)
Greyhound	98,977.79	15%	61,986.45	9.5%	36,991.34
Total	652,488.91		652,488.91		

As can be seen in the table above using existing Product Co percentages both Thoroughbreds and Harness are attributed a greater portion of the overall race fields recharge than would be the case under an individual basis.

Update on Projects -

Synthetic Track funding – Toowoomba Turf Club

As at 27 October 2008, total costs incurred for the synthetic track is \$4.26M of budget of \$9M excl GST. This includes costs for consultancy from civil engineering contractors and materials from Equestrian Surfaces.

Sunshine Coast – SCTC Lighting Project

As at 27 October 2008, total costs incurred for the installation of lights is \$1.63M of budget of \$6.5M excl GST. This includes consultancy, contractors and materials.

OPTIONS:

Not Applicable

FINANCIAL IMPACT:

QRL is projecting an operating surplus of \$ 691K before extraordinary items
 QRL is projecting a deficit of \$9M after extraordinary expenditure of \$9.65M.
 Wagering is forecast to be 3% growth.
 FY0809 Forecast as at 27 October 2008 is a deficit after extraordinary items of \$6.9M.

The impact of the proposed Queensland Race Fields Legislation based on the assumptions on figures provide by Tabcorp on NSW and Racing Victoria is that Queensland is a net exporter of wagering and QRL will benefit once the legislation is effective from 1 September 2008.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

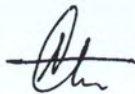
Not Applicable

COMMUNICATION STRATEGY:

Not Applicable

DECISION REQUIRED

That the Board accept the September 2008 finance and wagering report as presented.



Adam Carter

Finance Manager

Actioning Officer: - Murray Dyke - Accountant



COOPER GRACE WARD

LAWYERS

Our Ref: DJG 10066435

10 November 2008

Mr Malcolm Tuttle
Chief Operations Manager
Queensland Racing

By Email: mtuttle@queenslandracing.com.au

Your business partner

Level 95, 501 Ross St

Central Finance Bldg

Level 27-28 Eagle Street

Brisbane QLD 4000 Australia

Ph (61-7) 3231 2421

Fax (61-7) 3231 8421

Direct Fax 334 Brisbane 4000

000 258 7

cgw.com.au

Dear Malcolm

Queensland Racing

I refer to our meeting on November 4 and in particular to our telephone discussion with Mr Dick McIlwain of Tattersalls Group Limited.

I **attach** a draft letter to him following our discussion and confirming what he said. Could you please advise if you agree with its terms and we will send it to him.

For the sake of expediency, could Kearra advise of an email address so that we may send it by email and then post the original.

Yours faithfully

COOPER GRACE WARD

David Grace

Partner

Direct Ph (61-7) 3231 2421

Direct Fax (61-7) 3231 8421

Email david.grace@cgw.com.au

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This electronic transmission (and any following pages) is confidential, may contain legally privileged information and is intended solely for the named addressee. If you receive this document in error, please destroy it and advise the sender.



Our Ref: DJG 10066435

10 November 2008

Mr Dick McIlwain
Chief Executive Officer
Tattersalls Group Ltd
Locked Bag 888
ST KILDA ROAD CENTRAL VIC 8008

Your business partner

AMF 05 391 988 619

Central Plaza Bwc
Level 37, 27 Eagle Street
Brisbane 4000 Australia

Ph (61-7) 3231 2444

Fax (61-7) 3231 4356

GPO Box 834, Brisbane 4000
PO Box 756, Brisbane

cgw.com.au

Dear Sir

Qld Racing Ltd - Product and Program Agreement

We refer to our telephone discussion with you on 3 November and our further discussion, including Mr Malcolm Tuttle of Queensland Racing Ltd on 4 November 2008.

We confirm that we discussed Clause 7.5(c) of Product and Program Agreement (PPA) and we confirm that we agreed with your view that such clause refers to the provision of the Queensland Racing Calendar and the Queensland Racing Program to persons specified in Schedule 4.

We note your comments that the adjustment provisions of 7.5(c) have a carve out provision for the reciprocal supply of information (reciprocal in the context of the practice that occurred at the time of signing of the agreement in May 1999).

We further note your comment that if Unitab was requested to consent to the supply of information for a consideration or benefit, it was not the intention of the agreement that there be a provision for double dipping and that you would consent to the provision of Australian Racing Information even if a consideration or benefit was to be directly or indirectly received by Queensland Racing Ltd, or Product Co.

We further note your support that race day legislation be introduced into Queensland as soon as possible and your general support that Queensland Racing charge as provided for in the draft legislation.

We thank you for your time to discuss these matters.

Yours faithfully
COOPER GRACE WARD

David Grace
Partner
Direct Ph (61-7) 3231 2421
Direct Fax (61-7) 3231 8421
Email david.grace@cgw.com.au

DJG10066435 2331861v1

Our Ref: DJG 10066435

11 November 2008

Mr Dick McIlwain
Chief Executive Officer
Tattersalls Group Ltd
Locked Bag 888
ST KILDA ROAD CENTRAL VIC 8008

Dear Sir

Qld Racing Ltd - Product and Program Agreement

We refer to our telephone discussion with you on 3 November and our further discussion, including Mr Malcolm Tuttle of Queensland Racing Ltd on 4 November 2008.

We confirm that we discussed Clause 7.5(c) of Product and Program Agreement (PPA) and we confirm that we agreed with your view that such clause refers to the provision of the Queensland Racing Calendar and the Queensland Racing Program to persons specified in Schedule 4.

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We further note your comment that if UNITAB was requested to consent to the supply of information for a consideration or benefit, it was not the intention of the agreement that there be a provision for double dipping and that you would consent to the provision of Australian Racing Information even if a consideration or benefit was to be directly or indirectly received by Queensland Racing Ltd, or Product Co.

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Yours faithfully

COOPER GRACE WARD



David Grace
Partner
Direct Ph (61-7) 3231 2421
Direct Fax (61-7) 3231 8421
Email david.grace@cgw.com.au

DJG10066435 2331861v1

Sent as draft 11.11.08

Our Ref: DJG 10066435

11 November 2008

Mr Malcolm Tuttle
Chief Operations Manager
Queensland Racing Limited
PO Box 63
SANDGATE QLD 4017

Also By Email: mtuttle@queenslandracing.com.au

Dear Malcolm,

**Draft Bill to amend the Racing Act 2002
Product and Program Agreement**

We refer to our meetings of 31 October 2008 and 4 November 2008.

We discussed the provisions of the Product and Program Agreement (PPA).

The PPA was made on 9 June 2008 between TABQ, the Queensland Product Race Co Ltd (Product Co) and Queensland Principal Club (your predecessor), Queensland Harness Racing Board and Greyhound Racing Authority. By force of the provisions of the *Racing Act 2002*, Queensland Thoroughbred Racing Board was the body renamed from the Queensland Principal Club as the control body of the thoroughbred code of racing on Queensland and Queensland Racing Limited is the successor of the Queensland Thoroughbred Racing Board by force of provisions of the *Racing Act 2002* passed in 2006. By force of those provisions Queensland Racing Limited, is entitled to the benefit of clauses and bound by the obligations contained in the PPA to the same extent as if it had been a party to the Agreement at the time of execution.

In essence, PPA makes provision for, inter alia, the supply of certain information by you to UNiTAB (the successor of TABQ).

PPA runs for a term of 15 years, being the term for which the Race Wagering Licence is granted to UNiTAB pursuant to the *Wagering Act 1998*.

Clause 7.1 of PPA requires Product Co to annually prepare and submit to UNiTAB a draft Queensland Racing Calendar and Queensland Racing Program.

Intellectual Property rights in the Queensland Racing Calendar and Queensland Racing Program under 7.3 are vested in Product Co to the extent to which Intellectual Property or rights of confidentiality exist in or in connection with the Queensland Racing Calendar or Queensland Racing Program.

Under clause 7.4 Product Co consents to the use by TABQ (UNiTAB) of the Queensland Racing Calendar and the Queensland Racing Program solely for the conduct of the Race Wagering Business and for the purposes used by TABQ (as it was then) as at 26 May 1999.

Clause 7.4 goes on, in subclause (b) to provide that subject to 7.4(c), UNiTAB (then TABQ) must not, without the prior written approval of Product Co:

- (i) "disclose the Queensland Racing Calendar or the Queensland Racing Program to any third party unless it is necessary or desirable for the conduct of the Race Wagering Business or Existing Purposes;

- (ii) use the Queensland Racing Calendar or Queensland Racing Program for any purpose other than for the conduct of the Race Wagering Business or Existing Purposes;
- (iii) publish, broadcast, sell, licence or otherwise deal with the Queensland Racing Calendar or the Queensland Racing Program except to the extent necessary or desirable for the conduct of the Race Wagering Business or Existing Purposes."

Clause 7.4(c) carves out information that has ceased to be confidential or that is in the public domain as information to which the restrictions apply. *It appears to have been inserted*

Clause 7.4(e) emphasizes the Intellectual Property position by stating that nothing in clause 7.4 gives UNiTAB (then TABQ) an interest in the Intellectual Property subsisting in the Queensland Racing Calendar or the Queensland Racing Program greater than otherwise given by the PPA.

Clause 7.4(f) provides as follows:

"for the avoidance of doubt nothing in this Agreement prevents or restricts TABQ using or acquiring the rights to use the Queensland Racing Calendar, Queensland Racing Program, Australian Racing Product, Marketing Rights or any other information or intellectual Property Rights in respect of Racing from any other party in connection with any other business, product or service of TABQ other than the Race Wagering Business or Existing Purpose and TABQ shall have no liability to pay or otherwise compensate any Queensland control body or Product Co for or in respect of such uses"

The effect of subclause (f) is to permit UNiTAB to acquire any of the information or rights ^{to use} specified in the subclause in respect of Racing from any other party in connection with any **other business, product or service....other than the Race Wagering Business or Existing Purpose**. It is evident from the content of clause 7 that it is the intent that, subject to the other provisions of the Agreement of PPA, UNiTAB acquires rights to the Queensland Racing Calendar, Queensland Racing Program, Australian Racing Product Marketing Rights in respect of the Race Wagering Business and Existing Purposes from Product Co and any other Racing information from any one else without making payment of any compensation to the Queensland Control Body or Product Co.

Clause 7.5 provides an exclusivity regime in the following terms:

- (a) Product Co is to be the exclusive supplier to UNiTAB for the Race Wagering Business of the Queensland Racing Calendar and the Queensland Racing Program. (This fits with what we said about clause 7.4(f).)
- (b) It prohibits the supply of the Queensland Racing Calendar or the Queensland Racing Program "to any other person for any use directly or indirectly relating to wagering on racing without the prior written consent of TABQ". It then provides the consent is not to be unreasonably withheld where no amount is payable or other consideration or benefit is directly or indirectly received for or in respect of such supply. It then carves out reciprocal supply of Australian Racing information to any Interstate Racing Entities where no amount is payable or other consideration or benefit is directly or indirectly received. Interstate Racing Entities is defined in PPA to mean "any club, society, association, corporation or body of persons (whether corporate or incorporate) by whatever name called which has been or is established in any jurisdiction in the Commonwealth of Australia (other than Queensland) for the purpose of conducting or controlling races of galloping horses, trotting horses or greyhounds or information used in the conduct of such racing and includes any person who conducts or controls such Racing or information used in such Racing."

This would include the supply of information to corporate bookmakers or to clubs outside of Queensland for the purpose of the conduct of racing galloping horses (as relevant to your code of racing). Again, the carve out for the supply of information to those entities is limited to where no amount is payable or other consideration or benefit is directly or indirectly received.

Subclause (c) permits the provision of Queensland Racing Calendar in Queensland Racing Program to persons specified in Schedule 4 for such part and at such times and purposes as it was provided at 20 May 1999, provided that the provision of that information is for no amount payable or

other consideration or benefit, directly or indirectly received. Subclause (c) provided that, if there is a consideration or other benefit received, the Product Fee reduces in accordance with clause 10.2(d) by such amounts as are payable or other considerations or benefits directly or indirectly received.

Clause 10.2 provides that UNiTAB is irrevocably authorised to deduct and set off from the fee payable pursuant to 10.1, relevantly

“(d) the amount calculated in accordance with clause 7.5(c)”

Subclause (d) of 7.5 concludes the clause by requiring Product Co and the Queensland Control Bodies to provide UNiTAB on request, information concerning the provision of the Queensland Racing Calendar to any other persons including all terms of any relevant arrangements. This would provide UNiTAB with an effective means of knowing what amount or amounts or consideration is payable so that the 10.2(d) deduction may be made from the Product Fee from an amount or amounts received in respect of the provision of information to others.

However, as 7.5(c) relates only to the provision of information to persons set out in Schedule 4 (other control bodies) that clause does not apply to the provision of the Queensland Racing Calendar or the Queensland Racing Program to other bodies. Rather 7.5(b) applies to that supply.

Clause 9 deals with similar matters to clause 7 and those provisions are discussed in more detail below.

Clause 10.1 provides for the payment of a product fees during the term of the PPA. It sets out various periods in which various amounts are payable. Relevantly, now, it is in the period from the fourth anniversary of the date of privatisation of the TABQ and during the period from that date, a variable amount equal to 39% of the gross Racing Wagering Revenue for the month (or prorated for any part of the month) for which the PPA applies. Then 10.2 (aside from (d) mentioned above) authorises a deduction or an off set from the Product Fee of, inter alia, a Third Party Charge. A Third Party Charge is defined to mean “*the amount of any fee payable or other consideration given by TABQ to obtain the equivalent of the Australian Racing Product and the costs and expenses incurred by TABQ in procuring the equivalent of the Australian Racing Product from a source other than Product Co*”.

RISA provides Australian Racing Product to UNiTAB. Accordingly, the costs of acquiring the Australian Racing Product from RISA will be deductible as a Third Party Charge from the amount of the Product Fee pursuant to clause 10.2 (c)., similarly with any other costs of obtaining such information of racing information.

Section 33A of the Racing Administration Act 1998 and Regulation 16 of the Racing Administration Regulation 2005 enables Racing New South Wales, the New South Wales control body for thoroughbred racing, to charge a fee of 1.5% of the wagering turnover that relates to a race or class of races covered by the approval, in respect of the **publication** in Australia of a NSW race field made in the course of wagering operations of a licensed wagering operator.

Proposed amendments to the *Queensland Racing Act 2002* empower Queensland Racing to impose a fee for the **use** of information.

Relevantly, clause 113E of the draft Bill authorises the control body to impose a condition that the holder of an authority pay the control body a fee for the **use** of Queensland race information for the conduct of the holder's wagering business for the code of racing (the emphasis is ours). Clause 113E(6) of the draft Bill authorises the control body in imposing a condition under subclause 3(a) to take into account any other fees payable to it by the holder of the authority under any agreement between the control body and the holder of the authority. This would mean that in granting UNiTAB an authority, the amount of any fee payable by UNiTAB should take account of the amount payable by UNiTAB under clause 10 of PPA.

You ask as to whether the provision by Racing New South Wales of Australian Racing Product to UNiTAB for a fee, pursuant to New South Wales legislation entitles UNiTAB, pursuant to clause 10.2(c) of PPA, to deduct the amount paid to Racing New South Wales from the amount of the Product Fee payable under clause 10.1 to Product Co.

On the basis that the New South Wales legislation imposes a charge for the publication of information and not the supply of information, in our view the amount payable is not for the "obtaining" of the Australian Racing Product or the procuring of it as provided in the definition of "Third Party Charge" in clause 1.1 of PPA.

The PPA makes express provision in clause 7.1 for the **supply** of the Queensland Racing Calendar and in 7.2 for the **supply** of the Queensland Racing Program and then after dealing with intellectual property rights in clause 7.3, specifically and separately deals with the permitted **use** of that information, then clause 7.5 deals with **restrictions** on Product Co's and the Queensland Racing's **supply** of information elsewhere.

Amendments to the legislation do not authorise Queensland Racing to impose a charge on the supply of information. Indeed, Queensland Racing does not supply Australian Racing Product to other bodies, rather from what you have instructed us **RISA supplies** the information. The legislation imposes a right on Queensland Racing as the control body under the Racing Act for the thoroughbred code of racing in Queensland, to charge a fee for its **use**. That is, **RISA** will charge a **fee for the supply of information** but **Queensland Racing**, pursuant to its rights created by statute, will be empowered to impose a **charge for its use**.

The charge is a new charge and is not one dealt with by PPA. In essence, UNITAB will not pay twice because pursuant to clause 113E(6) of the draft Bill (assuming legislation in that form or to that effect is enacted in Queensland) will empower you to take account of the fee payable to UNITAB and, acting fairly, you would deduct from the amount of any fee that you would impose under the Act for the use of that information, the amount payable under PPA for the supply through RISA and use of the Queensland Racing Calendar and Queensland Racing Program.

However any fee paid by UNITAB to RISA would in our opinion be deductible from the amount payable as the Product Fee as legitimately falling within the definition of a Third Party Charge.

Summary

1. Queensland Racing will be entitled to impose a fee in respect of the **use** of Queensland Racing information to any licensed wagering operator (as defined to include:
"a wagering operator that holds a licence or other authority –
 - (a) *under the law of a State or foreign Country; or*
 - (b) *issued by a control body, or a principal racing authority of another State or a foreign Country*
authorising it to conduct a wagering business."
2. The amount to be charged to UNITAB in respect of an authorisation to use that information provided under PPA will take account of the amount payable under clause 10.1 of PPA.
3. In our opinion, the amount of the Product Fee payable under 10.1 will not be the subject of any offset or deduction under 10.2 (c) as and by way of a Third Party Charge in respect of monies paid to anyone else for the provision of Australian Racing Product (as defined under the PPA) where that **fee is not paid for obtaining or procuring** the amount but rather for **the use or publication of it** under legislation empowering that body to charge a fee in respect of the publication or use of that information, as distinct from obtaining or procuring it.

Observation /Discussion

In discussion, the question as to whether an argument that a charge for the right to use or publish information obtained at a cost (obtained or procured or supplied) may be seen as somewhat of semantics, that concern would arise because no party would commercially obtain, procure or have supply of information which did not carry with it the right to use it.

Whilst that may commercially be the intent, where by legislative intervention, Parliaments of States or Territories impose, subsequent to a date of an agreement to supply, a specific legislative

provision enabling a charge to be made for the use or publication of that information, in our view, it is proper that the charge be imposed so long as it does not "double dip". The Queensland legislation specifically imposes a carve out for the PPA by requiring you in considering the imposition of a condition on the authority to take account of any other fee payable. That, from a legislative point of view, makes sense and prevents any duplication of cost on UNiTAB. That prevents double dipping from your point of view.

We understand that it is the intent of Parliament that the financial arrangements within Wagering be restructured to provide a benefit to industry through payments raised by the control body pursuant to the amending legislation. Accordingly, it is quite proper that these charges be collected without deduction. They are a charge imposed under statute which alters the way industry is funded by transferring a part of the wagering turnover to the industry control body for the benefit of the industry it serves.

Clause 9 of PPA provides for the supply by Product Co of Australian Racing Product to UNiTAB. A similar regime to clause 7 applies. Clause 9.4 provides that Product Co will be the exclusive supplier of Australian Racing Product to UNiTAB for the use in the Race Wagering Business. Again, it makes that subject to clause 9.5 which provides for the right of UNiTAB to procure Australian Racing Product from alternative sources of supply if Product Co cannot procure the Australian Racing Product it is required to supply to UNiTAB or cannot comply with the requirements of UNiTAB in relation to the format in which UNiTAB requires that information.

Clause 9.5 enables UNiTAB to procure the equivalent of that information from another source and incur a Third Party Charge which in turn will be deducted under clause 10.2 (c) from the amount of the Product Fee payable under clause 10.1. Again, the amount of the Third Party Charges is in respect of the procurement (see the language of clause 9.5(a) and the definition of Third Party Charge – "obtain" and "procuring"). The charges imposed elsewhere are for the use (Queensland) or publication (New South Wales) are not for the "supply" or "procuring" or "obtaining" of that information and therefore are not a Third Party Charge for the purposes of the PPA. Hence they are not deductible from the amount of the Product Fee payable under clause 10.1 by reason of anything provided in clause 10.2.

We have looked at some cases in the meaning of the words "supply", "publish" and "use".

Dealing with those in alphabetical order:

- "Publish" is an act of the author surrendering for public use. However, the use of material is not necessarily a publication of it.

The "ordinary" meaning is "made public, and a dramatic composition is made public the moment it is represented or acted". *Boucicault -v- Chatterton* (1876), 5Ch.D.267, C.A., per Brett, L.J., at page 281.

For a newspaper, it is *considered that "publishing" means "when and where it is offered to the public by the proprietor."* Cozens-Hardy J. in *McFarlane -v- Fulton* [1899] 1Ch. 884 at pages 888 and 889 made these observations and referred to Webster's definition of the word as follows: "To send forth as a printed work, either for sale or general distribution."

To publish racing material for the purpose of *the New South Wales Racing Administration Act*, means the sending of it for sale or other general distribution.

- "Supply" has been considered in a variety of cases. In the context of supply of gas and electricity and water, it has been considered as the point of which the water is made available for consumption (*A-G -v West Gloucestershire Water Co* [1909] 2Ch. 338). Further in *A.G -v- Leicester Corporation* [1910] 2Ch. 359, it was held that "a power to a municipal authority to supply electric energy to customers, does not authorise it to sell or hire out apparatus for the use of the energy; the "supply" is completed at the customer's terminal; the installation of electricity and the provision of fittings is a separate business incidental to the use but not to the supply of energy.
- The term "Use" is described in Johnson's dictionary as "to employ to any purpose". In *re Neuchatel Asphalte Co.'s Trade Market* [1913] 2Ch. 291, Sargant J. said, at page 301: "I do not think that the fact that a person has improperly said, in the direct or other publication, that

A.B. is the proprietor of a trade mark is a 'use' of the trade mark by the person who has made the statement [within the Trade Marks Act 1938]. If he had been authorised by A.B. to make that statement, it would be a 'use' of the trade mark by A.B., but not via the person who has made the incorrect statement."

This is where the difference lies between "supplying" and "using", and the difference also lies between "supplying" and "publishing".

Whilst there is a wide definition given to the use of the terms in various legislation, the intention of the PPA in having different paragraphs for "supply" and "use" is consistent with those terms being seen as separate and distinct functions. This is consistent with the above cases.

So where the government enacts a law to enable the imposition of a condition to charge for the use of Racing Materials, that is not a supply and therefore the rights that arise under clause 10.2 to offset Third Party Charges in association with supply or provision will not apply, in our view.

Butterworths Concise Australian Legal Dictionary 2nd Edition, defines "supply" to mean "to furnish or provide. In relation to goods, include supply by way of sale (including re-supply), exchange, lease, hire or hire purchase. In relation to services, "supply" includes to provide, grant, or render services for valuable consideration. in relation to goods and services, it includes donating for promotional purposes." The same dictionary defines "use" as "the right to benefit from" or "to employ or utilize". This again distinguishes supply (a provision for the conferring of rights from using which is an application of something that has been supplied. There is an important and necessary distinction between supply and use. A haulage contractor who hired out vehicles and drivers to another company, to operate solely under the control of that company, was the "user" of those vehicles for the purposes of the *Transport Act 1968* (section 60). *Sykes -v- Millington* [1953] 1Q.B.770.

If you wish to discuss any aspect of the above, please do not hesitate to contact us.

Yours faithfully
COOPER GRACE WARD

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David Grace

*Old
Process*

From: David Grace
Sent: Tuesday, 18 November 2008 1:13 PM
To: 'Malcolm Tuttle'
Subject: Product and Program Agreement, Bill to amend the Racing Act 2002 (Queensland) and related interstate legislation

WPA

Attachments: 133401.pdf



133401.pdf (887 KB)

Mal

Further to our discussions recently we now enclose the letter of opinion which we are happy to discuss with you and/or the Chairman of Product Co. The original is in the post to you this evening.

We have added some further provisions relating to the interaction of clause 7.4 (c) and 10.1 and 10.2 and the relevance of those provisions to the interpretation of the PPA and the amending legislation and similar related interstate legislation.

Regards

David

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*** Please consider our environment and print this email only if it is necessary. ***

Orig emailed 28/11/08 @ 1.13 PM
updated 18/11/08

Our Ref: DJG 10066435

18 November 2008

Mr Malcolm Tuttle
Chief Operations Manager
Queensland Racing Limited
PO Box 63
SANDGATE QLD 4017

Also By Email: mtuttle@queenslandracing.com.au

Dear Malcolm,

**Draft Bill to amend the Racing Act 2002
Product and Program Agreement**

We refer to our meetings of 31 October 2008 and 4 November 2008.

We discussed the provisions of the Product and Program Agreement (PPA).

The PPA was made on 9 June 2008 between TABQ, the Queensland Product Race Co Ltd (Product Co) and Queensland Principal Club (your predecessor), Queensland Harness Racing Board and Greyhound Racing Authority. By force of the provisions of the *Racing Act 2002*, Queensland Thoroughbred Racing Board was the body renamed from the Queensland Principal Club as the control body of the thoroughbred code of racing in Queensland and Queensland Racing Limited is the successor of the Queensland Thoroughbred Racing Board by force of provisions of the *Racing Act 2002* passed in 2006. By force of those provisions Queensland Racing Limited is entitled to the benefit of clauses and bound by the obligations contained in the PPA to the same extent as if it had been a party to the Agreement at the time of its execution.

In essence, PPA makes provision for, inter alia, the supply of certain information by you to UNiTAB (the successor of TABQ).

PPA runs for a term of 15 years, being the term for which the Race Wagering Licence is granted to UNiTAB pursuant to the *Wagering Act 1998*.

Clause 7.1 of PPA requires Product Co to annually prepare and submit to UNiTAB a draft Queensland Racing Calendar and Queensland Racing Program.

Intellectual Property rights in the Queensland Racing Calendar and Queensland Racing Program under clause 7.3 are vested in Product Co to the extent to which Intellectual Property or rights of confidentiality exist in or in connection with the Queensland Racing Calendar or Queensland Racing Program.

Under clause 7.4 Product Co consents to the use by TABQ (UNiTAB) of the Queensland Racing Calendar and the Queensland Racing Program solely for the conduct of the Race Wagering Business and for the purposes used by TABQ (as it was then) as at 26 May 1999.

Clause 7.4 goes on, in subclause (b) to provide that subject to clause 7.4(c), UNiTAB (then TABQ) must not, without the prior written approval of Product Co:

- (i) "disclose the Queensland Racing Calendar or the Queensland Racing Program to any third party unless it is necessary or desirable for the conduct of the Race Wagering Business or Existing Purposes;

- (ii) *use the Queensland Racing Calendar or Queensland Racing Program for any purpose other than for the conduct of the Race Wagering Business or Existing Purposes;*
- (iii) *publish, broadcast, sell, licence or otherwise deal with the Queensland Racing Calendar or the Queensland Racing Program except to the extent necessary or desirable for the conduct of the Race Wagering Business or Existing Purposes."*

Clause 7.4(d) carves out information that has ceased to be confidential or that is in the public domain as information to which the restrictions apply. This is the clause we think intended to be referred to in clause 7.4(b) as clause 7.4(c). There appears to be no clause numbered clause 7.4(c). But clause 7.4(d) refers back to clause 7.4(b) and the text of the two clauses makes it logical that the reference in clause 7.4(b) to clause 7.4(c) was intended to refer to the next clause which for reasons that are not apparent is numbered clause 7.4(d)

Clause 7.4(e) emphasises the Intellectual Property position by stating that nothing in clause 7.4 gives UNiTAB (then TABQ) an interest in the Intellectual Property subsisting in the Queensland Racing Calendar or the Queensland Racing Program greater than otherwise given by the PPA.

Clause 7.4(f) provides as follows:

"for the avoidance of doubt nothing in this Agreement prevents or restricts TABQ using or acquiring the rights to use the Queensland Racing Calendar, Queensland Racing Program, Australian Racing Product, Marketing Rights or any other information or intellectual Property Rights in respect of Racing from any other party in connection with any other business, product or service of TABQ other than the Race Wagering Business or Existing Purpose and TABQ shall have no liability to pay or otherwise compensate any Queensland control body or Product Co for or in respect of such uses".

The effect of subclause (f) is to permit UNiTAB to acquire any of the information or rights to use specified in the subclause in respect of Racing from any other party in connection with any **other business, product or service....other than the Race Wagering Business or Existing Purpose**. It is evident from the content of clause 7 that it is the intent that, subject to the other provisions of the Agreement of PPA, UNiTAB acquires rights to the Queensland Racing Calendar, Queensland Racing Program, Australian Racing Product Marketing Rights in respect of the Race Wagering Business and Existing Purposes from Product Co and any other Racing information from any one else without making payment of any compensation to the Queensland Control Body or Product Co. The reference to the "Australian Racing Product, Marketing Rights or any other information or Intellectual Property rights in respect of Racing" may seem somewhat out of context in clause 7.4 where clause 7 otherwise deals with only the Queensland Racing Program and Queensland Racing Calendar. However what it does is to clarify that where TABQ does acquire rights to use that IP from any other source, it has no liability to pay or otherwise compensate a Queensland control body for in respect of such uses. Clause 9, which otherwise deals with the supply of Australian Racing Product, does not deal with it other than in clause 9.5(a) which deals with alternative means of "supply"- not "use" to which clause 7.4(f) refers.

Clause 7.5 provides an exclusivity regime in the following terms:

- (a) Product Co is to be the exclusive supplier to UNiTAB for the Race Wagering Business of the Queensland Racing Calendar and the Queensland Racing Program. (This fits with what we said about clause 7.4(f).)
- (b) It prohibits the supply of the Queensland Racing Calendar or the Queensland Racing Program "to any other person for any use directly or indirectly relating to wagering on racing without the prior written consent of TABQ". It then provides the consent is not to be unreasonably withheld where no amount is payable or other consideration or benefit is directly or indirectly received for or in respect of such supply. It then carves out reciprocal supply of Australian Racing information to any Interstate Racing Entities where no amount is payable or other consideration or benefit is directly or indirectly received. Interstate Racing Entities is defined in PPA to mean "any club, society, association, corporation or body of persons (whether corporate or incorporate) by whatever name called which has been or is established in any jurisdiction in the

Commonwealth of Australia (other than Queensland) for the purpose of conducting or controlling races of galloping horses, trotting horses or greyhounds or information used in the conduct of such racing and includes any person who conducts or controls such Racing or information used in such Racing.”.

This would include the supply of information to corporate bookmakers or to clubs outside of Queensland for the purpose of the conduct of racing galloping horses (as relevant to your code of racing). Again, the carve out for the supply of information to those entities is limited to where no amount is payable or other consideration or benefit is directly or indirectly received.

Subclause (c) permits the provision of Queensland Racing Calendar in Queensland Racing Program to persons specified in Schedule 4 for such part and at such times and purposes as it was provided at 20 May 1999, provided that the provision of that information is for no amount payable or other consideration or benefit, directly or indirectly received. Subclause (c) provided that, if there is a consideration or other benefit received, the Product Fee reduces in accordance with clause 10.2(d) by such amounts as are payable or other considerations or benefits directly or indirectly received.

Clause 10.2 provides that UNiTAB is irrevocably authorised to deduct and set off from the fee payable pursuant to 10.1, relevantly

“(d) the amount calculated in accordance with clause 7.5(c)”

Subclause (d) of 7.5 concludes the clause by requiring Product Co and the Queensland Control Bodies to provide UNiTAB on request, information concerning the provision of the Queensland Racing Calendar to any other persons including all terms of any relevant arrangements. This would provide UNiTAB with an effective means of knowing what amount or amounts or consideration is payable so that the 10.2(d) deduction may be made from the Product Fee from an amount or amounts received in respect of the provision of information to others.

However, as 7.5(c) relates only to the provision of information to persons set out in Schedule 4 (other control bodies), that clause does not apply to the provision of the Queensland Racing Calendar or the Queensland Racing Program to other bodies. Rather 7.5(b) applies to that supply.

Clause 9, with the exception mentioned above, deals with similar matters to clause 7 and those provisions are discussed in more detail below.

Clause 10.1 provides for the payment of a fee during the term of the PPA. It sets out various periods in which various amounts are payable. Relevantly, now, it is in the period from the fourth anniversary of the date of privatisation of the TABQ. During the period from that date, a variable amount equal to 39% of the gross Racing Wagering Revenue for the month (or prorated for any part of the month) for which the PPA applies. Then 10.2 (aside from (d) mentioned above) authorises a deduction or an off set from the Product Fee of, inter alia, a Third Party Charge. A Third Party Charge is defined to mean *“the amount of any fee payable or other consideration given by TABQ to obtain the equivalent of the Australian Racing Product and the costs and expenses incurred by TABQ in procuring the equivalent of the Australian Racing Product from a source other than Product Co”.*

Clause 1 is quite specific about adjustments to the payment of the fee. In its opening words, it says “Subject to clause 10.2.....” It does not say “subject to the provisions of clause 7.4(f)” nor does it make it subject to any other clause and it is reasonable, we think, to assume that had it been intended that the fee payable, if it was to be affected by any other specific or general clause of the contract, it would have said so. The fact that the draftsman choose to confine the language of the adjustment to just clause 10.2 and nothing else, lends itself to the proposition that the extent of adjustment rights was to those matters outlined in clause 10.2 and nothing else.

RISA provides Australian Racing Product to UNiTAB. Accordingly, the costs of acquiring the Australian Racing Product from RISA will be deductible as a Third Party Charge from the amount of the Product Fee pursuant to clause 10.2 (c).. That would similarly apply with any other costs of obtaining such information of racing information.

Section 33A of the Racing Administration Act 1998 and Regulation 16 of the Racing Administration Regulation 2005 enables Racing New South Wales, the New South Wales control body for thoroughbred racing, to charge a fee of 1.5% of the wagering turnover that relates to a race or class of races covered by the approval, in respect of the **publication** in Australia of a NSW race field

made in the course of wagering operations of a licensed wagering operator. We note that you have said that the NSW Parliament proposes to change the law to refer to "use" and not "publish". If that occurs, it will simplify it if it uses the same terminology as the proposed Queensland Bill.

Proposed amendments to the *Queensland Racing Act 2002* empower Queensland Racing to impose a fee for the **use** of information.

Relevantly, clause 113E of the draft Bill authorises the control body to impose a condition that the holder of an authority pay the control body a fee for the **use** of Queensland race information for the conduct of the holder's wagering business for the code of racing (the emphasis is ours). Clause 113E(6) of the draft Bill authorises the control body in imposing a condition under subclause 3(a) to take into account any other fees payable to it by the holder of the authority under any agreement between the control body and the holder of the authority. This would mean that in granting UNiTAB an authority, the amount of any fee payable by UNiTAB should take account of the amount payable by UNiTAB under clause 10 of PPA.

You ask as to whether the provision by Racing New South Wales of Australian Racing Product to UNiTAB for a fee, pursuant to New South Wales legislation, entitles UNiTAB, pursuant to clause 10.2(c) of PPA, to deduct the amount paid to Racing New South Wales from the amount of the Product Fee payable under clause 10.1 to Product Co.

On the basis that the New South Wales legislation imposes a charge for the publication of information and not the supply of information, in our view the amount payable is not for the "obtaining" of the Australian Racing Product or the "procuring" of it as provided in the definition of "Third Party Charge" in clause 1.1 of PPA.

The PPA makes express provision in clause 7.1 for the **supply** of the Queensland Racing Calendar and in 7.2 for the **supply** of the Queensland Racing Program and then after dealing with intellectual property rights in clause 7.3, specifically and separately deals with the permitted **use** of that information, then clause 7.5 deals with **restrictions** on Product Co's and the Queensland Racing's **supply** of information elsewhere.

Amendments to the legislation do not authorise Queensland Racing to impose a charge on the supply of information. Indeed, Queensland Racing does not supply Australian Racing Product to other bodies, rather from what you have instructed us **RISA supplies** the information. The legislation imposes a right on Queensland Racing as the control body under the Racing Act for the thoroughbred code of racing in Queensland, to charge a fee for its **use**. That is, **RISA** will charge a **fee for the supply of information** but **Queensland Racing**, pursuant to its rights created by statute, will be empowered to impose a **charge for its use** subject to the provisions of clause 113E(6) of the draft Bill mentioned above.

The charge is a new charge and is not one dealt with by PPA. In essence, UNiTAB will not pay twice because pursuant to clause 113E(6) of the draft Bill (assuming legislation in that form or to that effect is enacted in Queensland) will empower you to take account of the fee payable to UNiTAB and, acting fairly, you would deduct from the amount of any fee that you would impose under the Act for the use of that information, the amount payable under PPA for the supply through RISA and use of the Queensland Racing Calendar and Queensland Racing Program.

However any fee paid by UNiTAB to RISA would in our opinion be deductible from the amount payable as the Product Fee as legitimately falling within the definition of a Third Party Charge.

Summary

1. Queensland Racing will be entitled to impose a fee in respect of the **use** of Queensland Racing information to any licensed wagering operator (as defined to include:

"a wagering operator that holds a licence or other authority –

- (a) *under the law of a State or foreign Country; or*
- (b) *issued by a control body, or a principal racing authority of another State or a foreign Country*

authorising it to conduct a wagering business.”

2. The amount to be charged to UNITAB in respect of an authorisation to use that information provided under PPA will take account of the amount payable under clause 10.1 of PPA.
3. In our opinion, the amount of the Product Fee payable under 10.1 will not be the subject of any offset or deduction under 10.2 (c) as and by way of a Third Party Charge in respect of monies paid to anyone else for the provision of Australian Racing Product (as defined under the PPA) where that **fee is not paid for obtaining or procuring** the amount but rather for **the use or publication of it** under legislation empowering that body to charge a fee in respect of the publication or use of that information, as distinct from obtaining or procuring it.

Observation /Discussion

In discussion, the question as to whether an argument that a charge for the right to use or publish information obtained at a cost (obtained or procured or supplied) may be seen as somewhat of semantics, that concern would arise because no party would commercially obtain, procure or have supply of information which did not carry with it the right to use it.

Whilst that may commercially be the intent, where by legislative intervention, Parliaments of States or Territories impose, subsequent to a date of an agreement to supply, a specific legislative provision enabling a charge to be made for the use or publication of that information, in our view, it is proper that the charge be imposed so long as it does not “double dip”. The Queensland legislation specifically imposes a carve out for the PPA by requiring you in considering the imposition of a condition on the authority to take account of any other fee payable. That, from a legislative point of view, makes sense and prevents any duplication of cost on UNITAB. That prevents double dipping from your point of view.

We understand that it is the intent of Parliament that the financial arrangements within Wagering be restructured to provide a benefit to industry through payments raised by the control body pursuant to the amending legislation. Accordingly, it is quite proper that these charges be collected without deduction. They are a charge imposed under statute which alters the way industry is funded by transferring a part of the wagering turnover to the industry control body for the benefit of the industry it serves.

Clause 9 of PPA provides for the supply by Product Co of Australian Racing Product to UNITAB. A similar regime to clause 7 applies. Clause 9.4 provides that Product Co will be the exclusive supplier of Australian Racing Product to UNITAB for the use in the Race Wagering Business. Again, it makes that subject to clause 9.5 which provides for the right of UNITAB to procure Australian Racing Product from alternative sources of supply if Product Co cannot procure the Australian Racing Product it is required to supply to UNITAB or cannot comply with the requirements of UNITAB in relation to the format in which UNITAB requires that information.

Clause 9.5 enables UNITAB to procure the equivalent of that information from another source and incur a Third Party Charge which in turn will be deducted under clause 10.2 (c) from the amount of the Product Fee payable under clause 10.1. Again, the amount of the Third Party Charges is in respect of the procurement (see the language of clause 9.5(a) and the definition of Third Party Charge – “obtain” and “procuring”). The charges imposed elsewhere are for the publication (New South Wales) (perhaps to become “use” through an amendment to the law) are not for the “supply” or “procuring” or “obtaining” of that information and therefore are not a Third Party Charge for the purposes of the PPA. Hence they are not deductible from the amount of the Product Fee payable under clause 10.1 by reason of anything provided in clause 10.2.

We have looked at some cases in the meaning of the words “supply”, “publish” and “use”.

Dealing with those in alphabetical order:

- “Publish” is an act of the author surrendering for public use. However, the use of material is not necessarily a publication of it.

The “ordinary” meaning is “made public,”: *Boucicault -v- Chatterton* (1876), 5Ch.D.267, C.A., per Brett, L.J., at page 281.

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To publish racing material for the purpose of the *New South Wales Racing Administration Act*, means the sending of it for sale or other general distribution.

- "Supply" has been considered in a variety of cases. In the context of supply of gas and electricity and water, it has been considered as the point of which the water is made available for consumption (*A-G -v West Gloucestershire Water Co* [1909] 2Ch. 338). Further in *A.G -v- Leicester Corporation* [1910] 2Ch. 359, it was held that "a power to a municipal authority to supply electric energy to customers, does not authorise it to sell or hire out apparatus for the use of the energy; the "supply" is completed at the customer's terminal; the installation of electricity and the provision of fittings is a separate business incidental to the use but not to the supply of energy.
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This is where the difference lies between "supplying" and "using", and the difference also lies between "supplying" and "publishing". A person might buy a gun but be prohibited from using it without a license. Similarly a person might buy a car but may not have a licence to drive it and therefore might not be able to use it in the sense of drive it because he is not authorised by law to use it for a particular purpose.

Whilst there is a wide definition given to the use of the terms in various legislation, the intention of the PPA in having different paragraphs for "supply" and "use" is consistent with those terms being seen as separate and distinct functions. This is consistent with the above cases.

So where the government enacts a law to enable the imposition of a condition to charge for the use of Racing Materials, that is not a supply and therefore the rights that arise under clause 10.2 to offset Third Party Charges in association with supply or provision will not apply, in our view.

Butterworths Concise Australian Legal Dictionary 2nd Edition, defines "supply" to mean "to furnish or provide. In relation to goods, include supply by way of sale (including re-supply), exchange, lease, hire or hire purchase. In relation to services, "supply" includes to provide, grant, or render services for valuable consideration. in relation to goods and services, it includes donating for promotional purposes." The same dictionary defines "use" as "the right to benefit from" or "to employ or utilize". This again distinguishes supply (a provision for the conferring of rights from using which is an application of something that has been supplied). There is an important and necessary distinction between supply and use. A haulage contractor who hired out vehicles and drivers to another company, to operate solely under the control of that company, was the "user" of those vehicles for the purposes of the *Transport Act 1968* (section 60): *Sykes -v- Millington* [1953] 1Q.B.770.

If you wish to discuss any aspect of the above, please do not hesitate to contact us.

Yours faithfully
COOPER GRACE WARD

David Grace
Partner
Direct Ph (61-7) 3231 2421
Direct Fax (61-7) 3231 8421
Email david.grace@cgw.com.au



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Queensland Race Product Co Ltd

ABN No: 85 081 743 722
Racecourse Road Deagon Qld 4017
PO Box 63 Sandgate Qld 4017
Phone: (07) 3869 9725 Facsimile: (07) 3269 6715

Minutes of Queensland Race Product Co Ltd General Meeting

Board Room
Queensland Racing
Racecourse Road, Deagon

Monday 4 December 2008

Present: Tony Hanmer - Queensland Racing Limited (Chairman)
Bill Ludwig - Queensland Racing Limited
Bill Andrews - Queensland Racing Limited
Kerry Watson - Greyhounds Queensland Board

Also in Attendance: Michael Godber - Harness Racing Queensland
(*proxy from Bob Lette*)

Apologies: Michael Lambert - Queensland Racing Limited
Bob Lette - Harness Racing Queensland

Minutes: Donna Biddle

The Chairman commenced the meeting at 10.10am.

1. Apologies

Apologies were received from Mr Michael Lambert (Queensland Racing Limited).

It was **NOTED** that Mr Lambert had provided Mr Hanmer with his proxy for this meeting and the original proxy was tabled.

Apologies were received from Mr Bob Lette (Harness Racing Queensland).

It was **NOTED** that Mr Lette had provided Mr Godber with his proxy for this meeting and the original proxy was tabled.

It is also **NOTED** that Mr Godber will become an alternate Director of Queensland Race Product Co Ltd (QRPC) as of the next meeting.

1.2 Declarations of Conflict 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.

There were no other additional Declarations of Conflicts of Interest.

1.3 Confirmation of Minutes – 28 March 2008

The Board made the following amendments to the minutes:-

To be added to Meeting Attendees – Mr Robert Bentley, Queensland Racing.

The Directors **NOTED** the minutes of the previous meeting 15 October 2007.

MOVED by Mr Ludwig **SECONDED** by Ms Watson

2.1. Race Field Legislation

The Board **AGREED** that:

- It was discussed at some length whether the role of QRPC should continue. It was unanimously agreed that the benefits of the existing arrangements outweighed any alternatives and Product Co will continue.

MOVED by Mr Godber **SECONDED** by Ms Watson

The Board **AGREED** that:

- The Threshold level of turnover will start at \$5M with a 1.5% of Gross Turnover being applied.

MOVED by Mr Godber **SECONDED** by Mr Andrews

The Board **AGREED** that:

- The application of all fees, charges, costs and processes will reflect QRPC Ltd distribution agreement;
- Advertising, Application Forms for Authorisation, Race Information Policy and other administrative issues will be the responsibility of Executive Management of each code ultimately reporting to the Board.

The above items were voted on and the **MOTION** was carried unanimously.

2.2 Letter from David Grace of Cooper Grace Ward

Mr. Hanmer updated the meeting on advice he had sought from alternative legal practitioners and the Racing Office, and on the letter received from Cooper Grace Ward. This letter, already previously circulated to all members, addressed to Queensland Racing, is code specific. However it's contents were **NOTED** by the board.

2.3 Queensland Race Information Legislation

Mr Hanmer updated the board on the Queensland Race Information Legislation

The Board **NOTED** the update.

3. Items for Noting

It was **AGREED** that all Directors would write to QRPC Ltd to confirm their acceptance of 1.5% Gross Turnover being applied to Threshold.

MOVED by Mr Andrews **SECONDED** by Mr Ludwig

4. General Business


4.1 Board dates for 2009 will be circulated in due course.

4.2 The Board **APPROVED** the delegation of \$15,000 for professional services provided to QRPC in relation to the Racefield Legislation issues. Mr Hanmer will be signatory for these costs. These costs will be presented to the Board.

The meeting concluded at 10.48 am.

The next Board Meeting will be held in March at a date to be advised.

Confirmed as a true record.



Chairman

5 March 2009
Date



Minutes of
Queensland Racing Limited
Board Meeting



Friday 5 December 2008

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced at 8.55 am
Meeting Concluded at 2.55 pm

Board	Bob Bentley	- <i>Chairman</i>
Directors	Tony Hanmer	
Present:	Bill Andrews	
	Bill Ludwig	
Apologies:	Michael Lambert	
In attendance:	Malcolm Tuttle	- <i>Chief Operations Manager</i>
	Jamie Orchard	- <i>Director Integrity Operations</i>
	Adam Carter	- <i>Finance Manager</i>
	Paul Brennan	- <i>Racing Services Manager</i>
	Shara Murray	- <i>Legal Compliance Counsel/ Company Secretary</i>
	Peter Smith	- <i>Licensing and Training Manager</i>
Minutes:	Donna Biddle	- <i>Board Secretary</i>

The Chairman commenced the meeting at 8.55 am.

QRL States Position on International Racing Penalties

The Board of Queensland Racing Limited (QRL) today considered its position in relation to the adoption of penalties imposed by overseas racing authorities

The Board **ENDORSED** the action to be taken on considerations to the granting of a licence to Chris Munce. A Media Statement has been released (attached).

The Chair tabled a letter to be sent to Mr Munce from the Director of Integrity regarding his intentions to be licensed in Queensland.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Andrews

Motion to Rescind Previous QRL Board Decisions

The discussion centred on Board members not being comfortable with the Brisbane Race Club (BRC) stabling, however a Board Member put forward a constructive defensive argument to deny approval.

The Board **AGREED** to rescind previous minute of QRL Board Meeting, 1 February 2008 BM#18 and advise BRC that whilst the Board adheres to it's concerns, it will give permission subject to Brisbane City Council and Queensland Government regulations and that approval is subject to QRL Board approval of the structure not being obtrusive or detract to the ambience of Eagle Farm.

SECTION 1 – STANDING ITEMS

1.1 Apologies

An apology was **NOTED** from Mr Michael Lambert.

1.2 Declaration of Conflicts of Interest

The Board **NOTED** Attachment “A”.

1.3 Confirmation of Minutes of Queensland Racing Limited BM#27 on 7 November 2008

The Board made the following amendments to the minutes:-

4.1 Operations Update

Second Paragraph, fourth line, replace “the Corbould Park” with “a Sunshine Coast” to now read “a Sunshine Coast Racing Complex”.

Third Paragraph, second line, remove the word “that to now read “what advantages they”.

Third Paragraph, third line, add “in this venture” after industry.

Third Paragraph, fourth line, replace “race track’ with “Gold Coast Racing Complex”.

The Board **RESOLVED** that the QRL Board Meeting Minutes of 7 November 2008 with the above amendments be received and confirmed.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

1.4 Action Sheet

The Board **NOTED** the action sheet.

1.5 Correspondence / Matters for Noting

The Board noted the there was no Correspondence in the Agenda.

SECTION 2 – DIRECTORS

2.1 EI Marketing

Mr Hanmer updated the board on the EI Marketing campaign.

The Board **NOTED** the update.

2.2 QTIS600

Mr Hanmer updated the Board brochure racks and brochures are ready to be sent to pubs, clubs and TAB outlets.

Advertising has commenced in MACAIR Magazines.

2.3 Queensland Race Product Co Meeting

The Chairman offered to exit the meeting if there was any conflicting matters. The QRPC Chairman stated that this was a report for noting. The QRPC minutes to be included in QRL Minutes.

Mr Hanmer updated the Board re Queensland Race Product Co Meeting held on Thursday 4 December 2008.

The Board **NOTED** above.

SECTION 3 –9 DEPARTMENTS

3.1 Finance and Wagering Report

QRL recorded a surplus of \$2.5M up \$1.27M on the \$1.2M budgeted surplus for October 08.

Revenue was up \$1.1M on budget. This is due to QTIS registrations being \$603K above budget for the month. The majority of QTIS registrations were budgeted for September 08 but received in October 08.

Product & Program Fee was 3.7% or \$332K above budget for the month. The 1.5% NSW Race Fields legislation (RFL) fee directly impacted QRL by \$420K in October. RFL YTD the impact on QRL \$915K based on the product Co split. YTD for all codes \$1.2M. No revenue has been taken into account for the charge back on Queensland Product.

Expenditure was down \$161K on budget due to variances in Prizemoney \$178K, QTIS \$79K and Consultancy costs \$104K. Prizemoney also consisted of pool transfers of \$185K for October. QTIS paid out at 51% of scheduled TAB races during October. These favourable variances were offset by over spending on Jockey Riding Fee \$123K, Other expenses \$54K and Administration costs \$41K. The Jockey Riding Fee included \$118K accrual for the recently approved increase per ride fee from \$127 per ride to \$140 per ride for September and October. Other expenses included \$39K for the Owners card.

YTD the surplus of \$5.5M is \$3.2M ahead of the budgeted surplus of \$2.3M. YTD total revenue is up \$1.4M on budget. This is mainly due to P&P fee being 2.1% above budget which is already showing the impact of Race Fields legislation. Budgeted P&P fee growth was set at 3%. Interest is also well above budget being \$379K at the end of October.

YTD expenditure is down \$1.8M on budget. Main areas are prizemoney \$629K down on budget, this is because of the pool transfers due to washed out races in July. QTIS is down \$375K and Club capital expenditure is \$541K down on budget.

The Board **NOTED** the Finance and Wagering Report.

3.2 TAB Clubs Financial and Workshop Update

Mr Carter updated the Board on TAB Clubs Financials and Finance Workshop.

The Chairman suggested that Spot Audits be performed on selected race clubs.

The Board **AGREED** that the performance figures be sent to the Chairmen of the following clubs to be distributed to the Committee members of Sunshine Coast Turf Club, Gold Coast Turf Club, Townsville Turf Club and Cairns Turf Club. These four clubs are to be subject to a spot audit.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Andrews

3.3 Cairns Jockey Club

Mr Carter and Mr Mathofer updated the board on the current position of the Cairns Jockey Club (CJC). The credit issue has improved since 30 June 2008. CJC now owes \$114K in prizemoney and \$200K is still owing on loan. The CJC Treasurer is looking at a comprehensive review of all costs.

This was **NOTED** by the Board.

3.4 Cairns Amateur Club

The Board **AGREED** that the \$42K debt owed to QRL be written off. QRL Board will not provide any further financial assistance to Cairns Amateur Club. The Board of QRL considers that their latest race meeting as an event and as such should be funded by Qld Events Corp.

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

3.5 Re-election of Directors Under Queensland Racing Constitution

At the last Board meeting, the Chairman sought clarification over board elections Mr Andrews nominated to stand for re-election. One of the three remaining directors, Mr Ludwig, Hanmer or Lambert, have to stand down under the terms of the QRL Constitution. These 3 directors have all indicated that they would like to remain until their allocated term which expires at the QRL AGM 2010. Mr Bentley nominated Mr Hanmer to speak to the other 2 directors in an attempt to break this impasse. Mr Hanmer subsequently spoke to Mr Ludwig who re-affirmed his intention to remain until 2010. It is Mr Hanmer's intention to do the same. Mr. Hanmer spoke to Mr Lambert during a scheduled break at the TAB Club meeting on 24th November held at Riverview Hotel. At this impromptu meeting Mr Lambert informed Mr Hanmer that he intended to remain at QRL to oversee the Palm Meadows development project and that should this project disintegrate, he would stand down and not seek re-election.

3.6 Chairman's Pool Vehicle

The Chairman left the room for this discussion. The Chair was assumed by Mr Hanmer.

The Board discussed the continuing use of a QRL pool car by the Chairman. Currently the Chairman uses the vehicle on QRL business. The vehicle is available at all times for use by other company personnel and is regularly used in this role. The Board determined that the Chairman should use the pool car at his convenience on the understanding that it continues to be available for other duties as and when required.

3.7 Chairman's Travel Arrangements

Mr Carter asked the Board for a determination on vehicles when the chairman is travelling to and from his home in FNQ. Mr Hanmer pointed out that the Chairman often visited several race clubs in North Queensland. It was not considered practical for the Chairman to leave a vehicle unattended and exposed for long periods of time in FNQ and the Board determined that the Chairman be allowed the discretion to either use hire cars from a rental company of his choice or his own motor vehicle and charge mileage.

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

Mr. Bentley re-entered the room and resumed the role of Chairman. This was **NOTED** by the Board.

4.1 Racing to 2020

Mr Tuttle updated the Board on Racing to 2020

This was **NOTED** by the Board.

4.2 Broadcast Rights and Presentation by Colin Smith of L.E.K.

After a presentation on Broadcast Rights by Colin Smith of L.E.K., the Board **APPROVED** the engagement of L.E.K. subject to the following conditions:

- a) Mr Tuttle to clarify incentive;
- b) when the Analysis is produced, the Board will review;
- c) the QRL Board will meet the costs of the consultancy.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Andrews

4.3 Deagon Training Centre

Mr Tuttle updated the Board in relation to Deagon Training Centre.

The Board **NOTED** the update on the report.

4.4 Size and Scope Study

Mr Tuttle updated the Board in relation to the Size and Scope Study.

The Board **NOTED** the update on the report.

5.1 Licensing Report

Mr Smith updated the Board

Page 1 – Applicant Submission Report – Delete Keith Colgan from list.

A new Show Cause Notice has been drafted to be issued to Mr Butts.

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

That the Board APPROVE that the Licensing Report be adopted.

5.2 Submission to Licensing Committee – Show Cause Notice – Ibrahim El-Issa

The Board debated the issue in respect to a Show Cause Notice

The Board **AGREED** a Show Cause Notice will be issued to Ibrahim El-Issa.

MOVED by Mr Bill Ludwig **SECONDED** by Mr Tony Hanmer

6.1 Integrity Report

Mr Orchard updated the Board on the current status of activities and programs in the Integrity Department.

The Board **NOTED** the update on the report.

6.2 Townsville Turf Club Chair Interview

The Board **AGREED** that a letter should be sent to Townsville Turf Club and ABC Radio addressing the interview.

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

6.3 Bookmakers Telephone Monitoring System

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Andrews

*That the Board **APPROVE** the NSW Bookmakers Telephone Monitoring System for the purpose of section 249 of the Racing Act.*

6.4 2009 Audit Plan

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

*That the Board **APPROVE** the 2009 Audit Plan as required pursuant to section 39(1) of the Racing Act.*

6.5 Minimum Standards

The Board **AGREED** to adopt the proposed minimum standards for race meetings as per Board Paper.

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

7.1 Country Racing Committee Meeting

Mr Andrews chaired the QCRC meeting held on Monday 2 December 2008.

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

*That the Board **APPROVE** the following:*

- a) *The two tiered racing structure and the upgraded status of 28 Non-TAB Clubs as outlined in Yellow in the 2009/10 Race Date and Strategic Club Allocations (Appendix A)*
- b) *2009/10 Race Date allocations by Non-TAB Clubs as outlined in Green (Appendix A)*

- c) **Country Racing Model (Appendix B)**
- d) **Country Racing Policy (Appendix C)**

8.1 Policy Consultation

Page 4 Paragraph 4 to now read:

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.

MOVED by Mr Bill Andrews **SECONDED** by Mr Tony Hanmer

8.2 Sale of Racecourse Land

This item was deferred to February Meeting

SECTION 9 – GENERAL BUSINESS

9.1 Letter from Marian Mana

The Chairman tabled a letter received from Ms Marian Mana regarding wheelchair access to several race clubs. Mr Orchard will write a letter in response to Ms Mana.

9.2 Media Release – Australian Bookmakers

The Board **NOTED** a Media Release by Australian Bookmakers re National Race Field Legislation.

This was **NOTED** by the Board.



R G Bentley
Chairman

Dated.....6.1.2...../2009

ATTACHMENT “A”

Mr Bob Bentley

Director of Tattersall’s Limited
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Michael Lambert

Director of RISA
Director of the Trainers Service Centre

Mr Bill Ludwig

Secretary of the Australian Workers’ Union (including signing of all correspondence and Industrial Instruments)
Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Board Member of WorkCover Queensland

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners’ Association

BOARD PAPER NUMBER: 3.1
October 2008 - Finance and Wagering Report.

PURPOSE:

To provide the Board of QRL with information relating to the financial and wagering performance and results of Queensland Racing Limited (QRL) for the month ended 31 October 2008.

BACKGROUND AND ISSUES:

Executive Summary Month End 31 October 2008

QRL recorded a surplus of \$2.5M up \$1.27M on the \$1.2M budgeted surplus for October 08.

Revenue was up \$1.1M on budget. This is mainly due to QTIS registrations being \$603K above budget for the month. The majority of QTIS registrations were budgeted for September 08 but received in October 08.

Product & Program Fee was 3.7% or \$332K above budget for the month. The 1.5% NSW Race Fields legislation (RFL) fee directly impacted QRL by \$420K in October. RFL YTD the impact on QRL \$915K based on the product Co split. YTD for all codes \$1.2M. No revenue has been taken into account for the *charge back*

Expenditure was down \$161K on budget mainly due to variances in Prizemoney \$178K, QTIS \$79K and Consultancy costs \$104K. Prizemoney also consisted of pool transfers of \$185K for October. QTIS paid out at 51% of scheduled TAB races during October. These favourable variances were offset by over spending on Jockey Riding Fee \$123K, Other expenses \$54K and Administration costs \$41K. The Jockey Riding Fee included \$118K accrual for the recently approved increase per ride fee from \$127 per ride to \$140 per ride for September and October. Other expenses included \$39K for the Owners card.

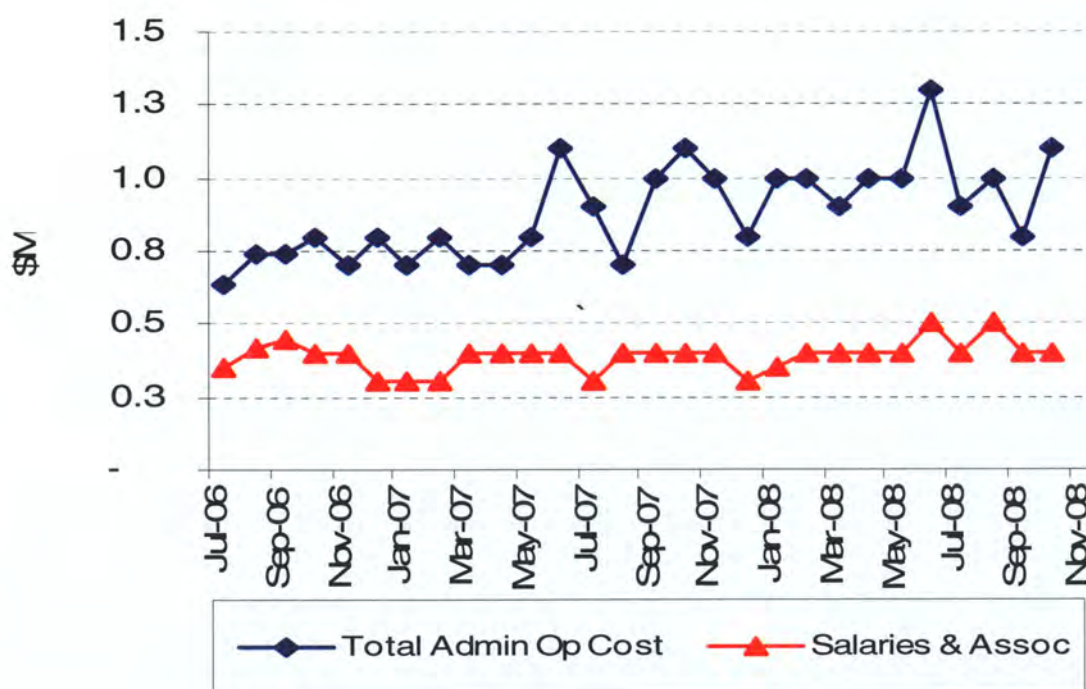
YTD the surplus of \$5.5M is \$3.2M ahead of the budgeted surplus of \$2.3M. YTD total revenue is up \$1.4M on budget. This is mainly due to P&P fee being 2.1% above budget which is already showing the impact of Race Fields legislation. Budgeted P&P fee growth was set at 3%. Interest is also well above budget being \$379K at the end of October.

YTD expenditure is down \$1.8M on budget. Main areas are prizemoney \$629K down on budget, this is because of the pool transfers due to washed out races in July. QTIS is down \$375K and Club capital expenditure is \$541K down on budget.

YTD Values	Oct-08	Oct-07	Oct-06	v FY0708		v FY 0607	
				UP	UP %	Down	Down %
TAB Starters	10,910	8,492	11,099	2,418	28.5%	(189)	(1.7%)
Non TAB Starters	5,053	2,647	5,702	2,406	90.9%	(649)	(11.4%)
TAB Races	1,036	767	1,033	269	35.1%	3	0.3%
Non TAB Races	643	317	695	326	102.8%	(52)	(7.5%)
TAB Meetings	134	102	135	32	31.4%	(1)	(0.7%)
Non TAB Meetings	123	59	128	64	108.5%	(5)	(3.9%)

Organisational and Operational Excellence	YTD October 08	Annual Budget FY08/09	FY 07/08	FY 06/07	FY 05/06	FY 04/05
Ratio of Operating Costs to Product Fee Revenue	13.1%	<11.5%	13.8%	10.9%	11.3%	13.1%
Product Fee Revenue Growth	+2.1%	+3.0%	(3.6%)	+6.30%	+1.05%	+6.50%
Consolidated QRL Operating Surplus	\$5.5M	\$(8.95)M	\$13.3 M	\$8.6M	\$ 3.428M	\$ 3.281M
QRL Operating Costs	\$4.3M	<\$10M	\$12.9M	\$10.319M	\$10.07M	\$11.55M
QRL Operating Costs to Total Expenses	13.4%	<12%	13.9%	10.4%	11.6%	13.5%

Administration Operating Costs

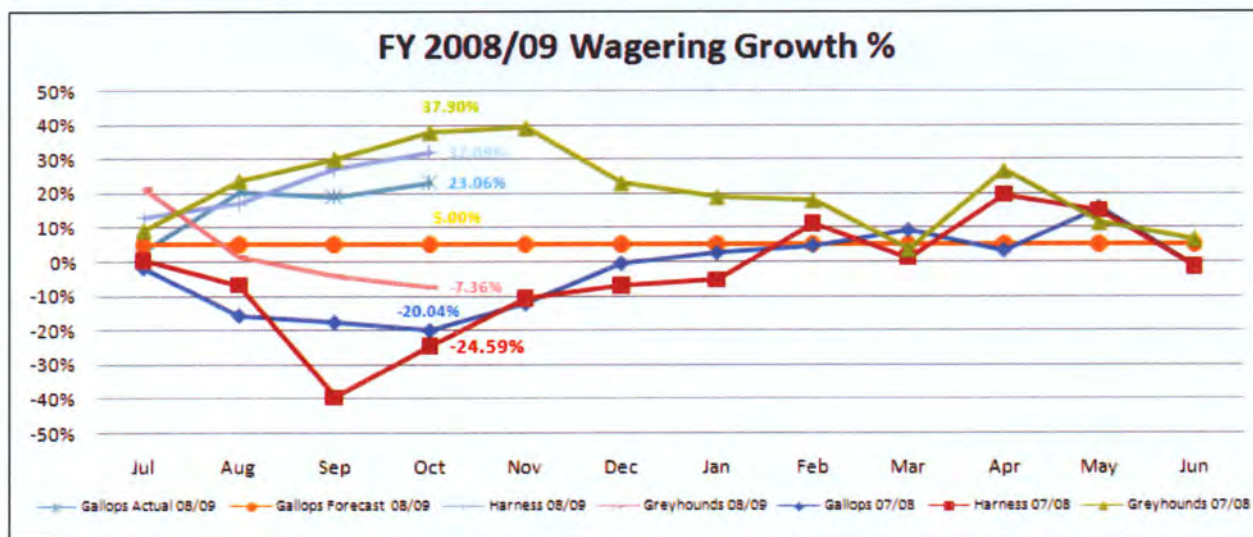


BALANCE SHEET

Previous Year	CURRENT ASSETS	Current Month	Previous Month	Variance
000s		000s	000s	000s
38,375	Cash Assets	36,075	39,481	(3,406)
19,615	Receivables	12,424	10,508	1,917
23	Other	1,070	1,239	(169)
58,013	TOTAL CURRENT ASSETS	49,569	51,228	(1,659)
	NON-CURRENT ASSETS			
11,000	Investment SCR	11,000	11,000	0
22,228	Property, Plant and Equipment	29,578	25,952	3,626
33,228	TOTAL NON-CURRENT ASSETS	40,578	36,952	3,626
91,241	TOTAL ASSETS	90,147	88,180	1,967
	CURRENT LIABILITIES			
94	Overdraft	(2,764)	591	(3,355)
11,815	Payables	8,537	5,790	2,748
9,547	Other Payables	9,196	9,067	128
502	Provisions	482	495	(13)
489	Fees Paid In Advance	362	392	(30)
22,448	TOTAL CURRENT LIABILITIES	15,813	16,335	(522)
	NON-CURRENT LIABILITIES			
473	Provisions	476	492	(17)
473	TOTAL NON-CURRENT LIABILITIES	476	492	(17)
22,921	TOTAL LIABILITIES	16,289	16,827	(539)
68,319	NET ASSETS	73,858	71,352	2,506
	EQUITY			
55,895	Retained Profits	61,434	58,928	2,506
12,424	Asset Revaluation Reserve	12,424	12,424	0
68,319	TOTAL EQUITY	73,858	71,352	2,506

Wagering

Month on month growth in wagering for Queensland shows thoroughbreds increased for October at 49.69% compared to the increase in Harness 114.16% and Greyhounds -9.63%.



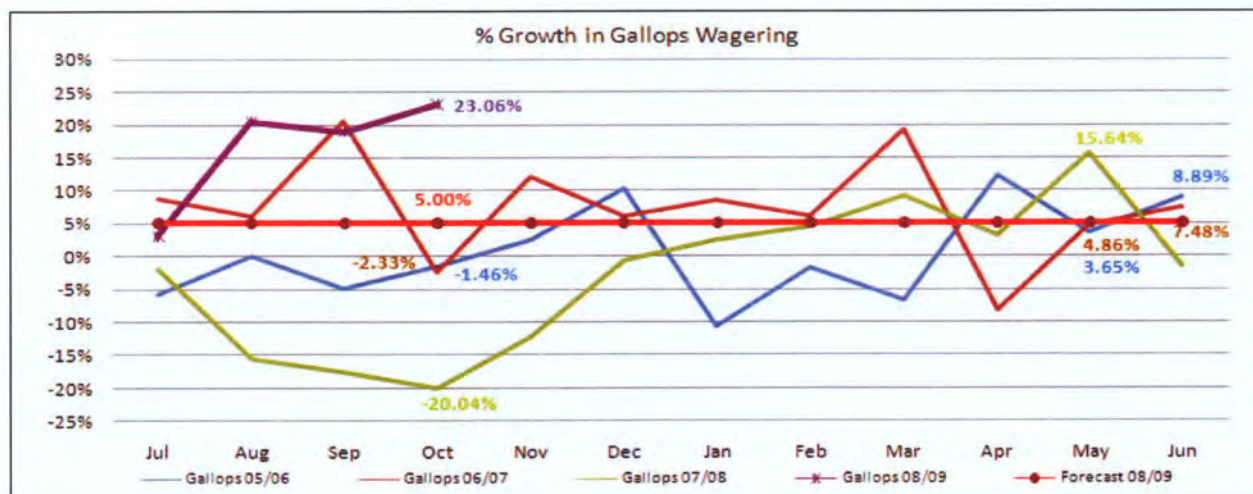
Total wagering growth on YTD basis compared to last year follows as per the attached UNITAB Calendar Turnover month on month report for October 2008:

	FY0708 -v- FY0809		FY0607 -v- FY0809	
	QLD	NATIONAL	QLD	NATIONAL
Thoroughbreds	49.69%	23.06%	-0.30%	5.44%
Harness	114.16%	32.09%	2.59%	11.57%
Greyhounds	-9.63%	-7.39%	8.35%	18.79%

Figures quoted are YTD FY0809 unless otherwise stated:

- QLD Thoroughbreds holding 76.84% of 3 code wagering in QLD and 26.22% of national Thoroughbred wagering.
- Thoroughbreds account for 73.44% of national 3 code wagering.
- Average wagering turnover per QLD TAB meeting.

October 06 \$32.91M : 32 meetings = \$1.03M
 October 07 \$12.57M : 18 meetings = \$0.70M
 October 08 \$35.80M : 35 meetings = \$1.02M



Race Fields Legislation

- Product and Program Fee is \$547K or 1.5% up on budget YTD. This is affected by the introduction by NSW of a 1.5% Race Fields Legislation fee of \$496K.

MTD – 31 October 2008

Code	NSW Charge	%	Product Co Split	%	Diff
Thoroughbred	433,000.00	78%	419,902.23	76%	13,097.77
Harness	-	-	80,112.93	14.5%	(80,112.93)
Greyhound	119,502.94	22%	52,487.78	9.5%	67,015.46
Total	552,502.94		552,502.94		

YTD - 1 September to 31 October 2008

Code	NSW Charge	%	Product Co Split	%	Diff
Thoroughbred	916,624.27	76%	915,033.81	76%	1,590.46
Harness	69,886.85	6%	174,578.82	14.5%	(104,691.97)
Greyhound	217,480.73	18%	114,379.23	9.5%	103,101.50
Total	1,203,991.85		1,203,991.85		

As can be seen in the table above on a YTD basis using existing Product Co percentages both Thoroughbreds and Greyhounds are at an advantage than would be the case if RFL was charged under an individual basis through UNITAB.

Update on Projects -

Synthetic Track funding – Toowoomba Turf Club

As at 26 November 2008, total costs incurred for the synthetic track is \$4.37M of budget of \$9M excl GST. This includes costs for consultancy from civil engineering contractors and materials from Equestrian Surfaces.

Sunshine Coast – SCTC Lighting Project

As at 26 November 2008, total costs incurred for the installation of lights is \$3.8M of budget of \$6.5M excl GST. This includes consultancy, contractors and materials.

OPTIONS:

Not Applicable

FINANCIAL IMPACT:

QRL is projecting an operating surplus of \$ 691K before extraordinary items

QRL is projecting a deficit of \$9M after extraordinary expenditure of \$9.65M.

Wagering is forecast to be 3% growth.

FY0809 Forecast as at 26 November 2008 is a deficit after extraordinary items of \$6.9M.

The impact of the proposed Queensland Race Fields Legislation based on the assumptions on figures provide by Tabcorp on NSW and Racing Victoria is that Queensland is a net exporter of wagering and QRL will benefit once the legislation is effective from 1 September 2008.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

Not Applicable

DECISION REQUIRED

That the Board accept the October 2008 finance and wagering report as presented.



Adam Carter

Finance Manager

Actioning Officer: - Murray Dyke - Accountant



Our Ref: DJG 10068247

Your business partner

3 February 2009

Shara Murray
Company Secretary
Queensland Racing Limited

By Email: smurray@queenslandracing.com.au

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Dear Shara

Product and Programme Agreement – Unitab

We refer to our telephone discussion with you of 2 February and to the Product and Programme Agreement made between UniTab (then TABQ), Product Co and the three Queensland control bodies on 9 June 1999 (Agreement).

The Agreement provides, *inter alia*, that there is a definition of “Australian Racing Product” which means Australian Racing Information in the format specified by TABQ to Product Co in accordance with clause 9.3 of the Agreement.

Australian Racing Information means all the information relating to Racing in Australia that is necessary for the efficient and effective conduct of Race Wagering on Racing in Australia and includes information of the nature set out in Schedule One of the Agreement.

Clause 9 of the Agreement deals with the supply of Australian Racing Product.

By clause 9.1 Product Co must supply Australian Racing Product to TABQ. The terms of clause 9 set out the timing and format of the information to be provided and by clause 9.4 Product Co is the exclusive supplier of Australian Racing Product to TABQ.

Clause 9.5 deals with the position where there is an inability to supply Australian Racing Product.

It provides that if Product Co cannot procure the Australian Racing Product it is required to supply to TABQ then TABQ may procure the equivalent of the Australian Racing Product from any other source and incur a Third Party Charge, defined to mean the amount of any fee payable or other consideration given by TABQ to obtain the equivalent of the Australian Racing Product and the costs and expenses incurred by TABQ from procuring it from another source.

The amount of that charge must be reasonably commercial in the circumstances, having regard to the need to maintain continuity of Australian Racing Product.

The amount of the Third Party Charge will be set off against the Product Fee.

By clause 10.2 TABQ is authorised to set off from the fee payable under 10.1 the amount of any Third Party Charge. 10.1 provides the amount of fee to be paid by TABQ to Product Co in respect of its performance of its obligations under the Agreement.

That is an amount of \$2,833,333 per month and a variable amount equal to 39% of the Gross Wagering Revenue for the month (or pro rated for any part of the month) for which the Agreement applies.

Accordingly, the amount of back charge from TABQ appears to be lawful under the Agreement, subject to it being set off against the amounts of charge. There does not appear to be any provision under the Agreement by which it should be paid by a Queensland Control Body, but rather that it be

set off against the amount payable by TABQ to the Queensland Control Body through its agent, Product Co under the Agreement.

Please advise if you have any further queries.

Yours faithfully
COOPER GRACE WARD



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Minutes of
Queensland Racing Limited
Board Meeting

Friday, 6 February 2009

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced at 8.05 am
Meeting Concluded at 12:45 pm

Board Directors Present: **Bob Bentley** - *Chairman*
Tony Hanmer
Bill Andrews
Bill Ludwig

Apologies: **Michael Lambert**

In attendance: **Malcolm Tuttle** - *Chief Operations Manager*
Jamie Orchard - *Director Integrity Operations*
Adam Carter - *Finance Manager*
Paul Brennan - *Racing Services Manager*
Shara Murray - *Legal Compliance Counsel/
Company Secretary*
Peter Smith - *Licensing and Training Manager*
David Rowan - *IT & Communications Manager*
Teena Jameson - *Mitchell & Partners Pty Ltd*
Mike Kelly - *Office of Racing*

Minutes: **Debbie Toohey**

SECTION 1 – STANDING ITEMS

1.1 Apologies

An apology was **NOTED** from Mr Michael Lambert.

1.2 Declaration of Conflicts of Interest

The Board **NOTED** Attachment “A”.

1.3 Confirmation of Minutes of Queensland Racing Limited BM#28 on 5 December 2008

The Board made the following amendments to the minutes:-

QRL States Position on International Racing Penalties

Second paragraph to now read:

“The Board **ENDORSED** the action to be taken on considerations to the granting of a licence to Chris Munce.” A Media Statement has been released (attached).”

Third paragraph to now read:

“The Chair tabled a letter to be sent to Mr Munce from the Director of Integrity regarding his intentions to be licensed in Queensland.”

3.4 Cairns Amateur Club

The word “function” to be replaced with “race meeting”.

3.5 Chairman’s Pool Vehicle

The word “exercised” to be replaced with “used”.

The Board **RESOLVED** that the QRL Board Meeting Minutes of 5 December 2008 with the above amendments be received and confirmed.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

1.4 Action Sheet

The Board **NOTED** the action sheet.

1.5 Correspondence / Matters for Noting

The Board noted that there was no Correspondence in the Agenda.

SECTION 2 – DIRECTORS

2.1 EMIF Presentation

Ms Teena Jameson from Mitchells & Partners gave a presentation to the Board concerning the EI Marketing Campaign.

2.2 Stocklands Presentation

The Stocklands presentation has now been deferred.

2.3 Updated Style Guide

Mr Hanmer updated the Board on the Corporate Identity Guidelines.

The Board **NOTED** the update.

SECTION 3 –9 DEPARTMENTS

3.1 Finance and Wagering Report

QRL recorded a surplus of \$69K down \$248K on the \$318K budgeted surplus for December 2008.

Revenue was down \$420K on budget due largely to the impact of Race Field fees on the Product & Program Fee revenue for December of \$767K or 9%. This was offset by EIMF advertising grant revenue of \$240K.

Expenditure was down \$171K on budget, mainly due to favourable variances in QTIS \$96K, Capital works \$225K and Consultancy costs \$98K. This was offset by unfavourable variances in the Jockey Riding Fees \$112K and Administration costs \$211K which included \$240K in EIMF expenditure offset in EIMF Grant Revenue. QTIS paid out at 38% on scheduled TAB races during December

YTD the surplus of \$8.6M is \$3.8M ahead of the budgeted surplus of \$4.8M. YTD total revenue is up \$1.6M on budget. This would be up a further \$2M or 4% if no race field fees were being paid. YTD Product & Program Fee growth is 0.51% on budget including Race Field Information fees. Race Field Revenue will be collected in late March 2009 to offset the expenditure YTD.

YTD expenditure is down \$2.2M on budget. Main areas of variation against budget: unexpended prizemoney \$919K, QTIS \$577K, Consultancy Fees \$528K and Club capital expenditure \$719K.

The Board **NOTED** the Finance and Wagering Report.

3.2 Jockey Claim

Mr Adam Carter informed the Board the state of negotiations regarding the submission by the Queensland Jockey Association (AJC) and Australian Jockey's Association (AJA) for payment of 1% increase of prizemoney to be paid to the AJC.

The Board **AGREED** to the following:

1. The riding fee and barrier trial fee to be determined by each State.
2. Public Liability Insurance to be determined nationally and be deducted from the 1% prizemoney contribution.
3. Workers Compensation to be determined by each State and not form part of the 1% claim.
4. Personal Accident Insurance to be determined nationally.
5. Career benefit (welfare and training) contribution to be deducted from the 1% prizemoney contribution.
6. That career benefit and training should be kept separate from welfare.
7. That representatives from each PRA and the ARB get together to form a working committee to establish policies and work out any outstanding issues.

Action Item: Mr Malcolm Tuttle to write to the ARB with the above recommendations. The matter will be progressed at the ARB meeting in March 2009.

3.3 Mt Isa Race Club

Mr Carter updated the Board on the ongoing concerns of the Mt Isa Race Club:

1. July to November 2008 the Club made a loss of \$31,000
2. The Club is not complying with the direction, to supply QRL with financial information
3. Lease Agreement still to be finalised

The Board **AGREED** that Mr Carter continue monitoring the current position of the Club.

Action Item: Mr Carter will give a further update at the next QRL Board meeting.

This was **NOTED** by the Board.

3.4 Cairns Jockey Club

Mr Carter Updated the Board on the current position of the Cairns Jockey Club (CJC).

QRL to pay outstanding debts of \$951,926 conditional on the following:

1. The CJC convene an EGM to resolve the transfer of the freehold land at Cannon Park to QR Limited
2. The Queensland Government waive any stamp duty on the transaction
3. That a Workplace Health and Safety audit be undertaken to ascertain the assets of the CJC
4. QRL is satisfied that the report does not contain excessive cost in rectifying deficiencies in the Board's reasonable opinion
5. FNQA and CJC structure a working arrangement suitable to both parties and QRL
6. CJC agrees that a new entity be established to lease the Cannon Park facility to conduct race meetings
7. That working capital of \$100,000 be provided if there is a reasonable expectation that this can be achieved following the meeting to be held on 12 February
8. Failure for both clubs to work towards the required outcomes of QRL would result in QRL issuing a show cause notice.

MOVED by Mr Bill Andrews **SECONDED** by Mr Tony Hanmer

It was **NOTED** by the Board that the chairman, Mr Carter and Mr Paul Brennan will be visiting the CJC on Thursday, 12 February 2009. The Chairman to meet with the Minister.

4.1 Stanley Ho Meeting

Mr Tuttle updated the Board on the presentation given to Dr Stanley Ho, Warren Cheung and Joyce Chan, Directors of Palm Meadows Golf Course in Hong Kong by the Chairman and Mr Tuttle.

Dr Ho was appreciative of being updated and outlined his interest in the project with the prospect of the inclusion of a casino license to be included in the project.

This was **NOTED** by the Board.

4.2 Deagon Training Centre

Mr Tuttle updated the Board in relation to activities that have been undertaken regarding the development of the Deagon Training Centre. Mr Tuttle provided a report to the Board from Mr Adam Nagel of THG outlining the work that has been undertaken and the work that is yet to be undertaken in relation to the proposal to develop the Deagon Training Centre.

This was **NOTED** by the Board.

MOVED by Mr Tony Hanmer, **SECONDED** by Mr Bill Andrews

That the Board **AGREE** to approve expenditure of up to \$50,000 to cover the Civil, Traffic and Acoustic works to be carried out at Deagon in preparation for the lodgement of a Development Application.

4.3 Broadcast Strategy Update

Mr Tuttle updated the Board in relation to the broadcast strategy and the engagement of LEK Consulting.

The Board **NOTED** the update.

4.4 Documentary on Thoroughbred Racing in Queensland

Mr Tuttle updated the Board in relation to the production of a television series on thoroughbred racing in Queensland to determine whether the Board was interested in receiving a further report in respect of the proposal.

Mr Hanmer suggested that more thorough research needs to be carried out to find out if there is an appetite for the documentary. He suggested meeting with channels 7, 9 and 10 to get a commitment from them in the first instance prior to any funds being expended.

The Board **NOTED** the update.

Action Item: Mr Tuttle to report back to the Board in due course.

4.5 Media Unit

Mr Tuttle presented to the Board a proposal from Inner Sanctum Media (ISM) to establish an external Media Unit.

The Board agreed to a budget of \$25,000 until the end of the financial year for the proposal with the value of the Media Unit to be assessed at the end of the Financial Year against predetermined KPIs.

*The Board **NOTED** the report.*

Action Item: Mr Tuttle and Mr Rowan to report back to the Board in conjunction with Agenda Item 4.4.

4.6 Consultancies to Support Industry Size and Scope Study

Mr Tuttle updated the Board in relation to the Industry Size and Scope Study.

The Board **NOTED** the update.

The Board **RESOLVED** that:

- (a) Mr Tuttle to include the draft report in the March Board papers.
- (b) The Rowland Group's formal submission in relation to an overall communication strategy to be reviewed by Mr Hanmer.

MOVED Mr Bill Andrews **SECONDED** Mr Tony Hanmer

5.1 Licensing Report

MOVED by Mr Bill Andrews **SECONDED** by Mr Tony Hanmer

That the Board **APPROVE** that the Licensing Report be adopted.

6.1 Integrity Report

Mr Orchard updated the Board on the current status of activities and programs in the Integrity Department.

The Board **NOTED** the update.

The Board **APPROVED** the release of the Animal Inquiry and Incident database structure to the Control Bodies of the other racing codes.

6.2 ARB Draft Measures on Whip Use

Mr Orchard advised that a submission by the National Chairman of Stewards Advisory Group, the Australian Racing Board (ARB) published Draft Measures to control the use of the whip. The publication was for the purpose of encouraging consultation comments from interested stakeholders.

Mr Orchard updated the Board of QRL's Consultation Report to the ARB.

The Board **APPROVED** the content and submission of the QRL Consultation Report in respect to Whip Use. **Refer back to board paper**

6.3 Test of Hydroxycamphor

The Board **AGREED** that Mr Jamie Orchard advise the Racing Science Centre that it is no longer a QRL requirement to test for the substance *Hydroxycamphor* as part of its standard testing.

7.1 Refurbishment of existing Deagon Stables

The Board **APPROVED** the refurbishment of the existing Deagon stables at a cost of up to approximately \$75,000 plus GST.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

7.2 2009/10 Non-TAB Race Club – Race Date Schedule

The Board **APPROVED** the second draft of the Race Date Schedule for consultation.

7.3 Sunshine Coast Stable Funding

The board agreed that the project would be a Sunshine Coast Racing Trust development not managed by the Sunshine Coast Turf Club. Mr Brennan advised that he considered a model similar to Deagon would be suitable. The Board viewed the project as essential to continued growth in South East Queensland with Mr Brennan advising that he had received a considerable number of expressions of interests that would developed into firm commitments once construction has started.

Mr Carter is developing a financial model, and early indications from the major banks is positive for a suitable financial package to be forthcoming.

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

That the Board **APPROVE** that QRL would act as a guarantor for the loan facility between Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust and the approved bank.

The Chairman left the meeting at 12:15pm for an unscheduled meeting with the Minister. The Chair was assumed by Mr Andrews.

7.4 2009/10 TAB Race Club – Race Date Schedule

The Board **APPROVED** the second draft of the Race Date Schedule for consultation.

8.1 Race Information Legislation - Resolutions

Resolutions executed by the Chairman – See Attachment “B”.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

8.2 Policy on QRL’s Commercial Decision Making

The Policy was provided to Mr Malcolm Tuttle for his consideration and review. Minor changes were amended to the Policy. The essence of the Policy did not change, therefore, consultation was not required.

The Board **NOTED** the Policy.

8.3 General Policy for Training and Development

This Policy has undergone the formal consultation stage whereby the Act requires the policy to be placed on QRL website and QRL Magazine for no less than 28 days. No consultation submissions were received during the consultation period.

The Board **APPROVED** the Final Policy.

SECTION 9 – IT & Communications

9.1 Board QRL Corporate Wear

This was **Noted** by the Board

SECTION 10 – GENERAL BUSINESS

The Board formally gave their thanks to Mr Paul Brennan for his tireless work so far at Corbould Park.

Board Succession

Following discussion at the December 2008 QRL Board Meeting, Mr Hanmer was requested by the Chairman to talk to fellow directors to resolve the issue of Directors retirement and renomination at the 2009 AGM.

Mr Bill Andrews agreed at the December 2008 QRL Board Meeting that he would retire at the 2009 AGM and offered himself for re-election. Messrs Ludwig, Hanmer and Lambert indicated that they were unwilling to contest the election of Directors through the current constitutional process.

Clause 15.4 of the Constitution of QRL states that two (2) Directors **must** retire at the first and second AGM following the initial term. Therefore, in addition to Mr Andrews, one (1) more QRL Directors must retire at the 2009 QRL AGM.

Mr Hanmer advised that following discussion with Mr Lambert, agreement had been reached that should the Palm Meadows development not proceed, Mr Lambert would retire at the 2009 AGM and not seek re-election to the QRL Board. Mr Lambert would however continue to act until the conclusion of the 2009 AGM.

Beaudesert Race Club

Mr Paul Brennan updated the Board on the concerns with the Beaudesert Race Club relating to the viability of the Club.

The Board acknowledge the contribution of the Beaudesert Race Club with the SE Queensland horse population. Mr Andrews commented that the Board needed to take steps to ensure that the Beaudesert Race Club remain viable. The chairman advised that the board should consider taking over the Beaudesert facility in a similar matter to Cairns and license of the BRC to conduct the meetings.

Action Item: Mr Carter to explore a model looking at what are QRL responsibilities and what are the Clubs responsibilities at Beaudesert. Mr Brennan to have discussions with Beaudesert Race Club re their position and willingness to progress a different model.

Toowoomba Turf Club

Mr Smith provided the Board with an update in relation to the new horse training simulators acquired by QRL's Licensing Department.

The recent launched of the Rockhampton simulator received wide publicity and strong industry support.

The Board **RESOLVED** that:

- (a) Mr Peter Smith to write to the Toowoomba Turf Club (TTC) requesting them to use the EI money they received to build an air-conditioned facility to house the horse simulator.
- (b) Mr Smith to pursue the establishment of a Lease Agreement between TTC and QRL to lease the facility on a 10x10x10 year lease at \$1 rent per year.

Payment of Prizemoney

Mr Brennan and Mr Carter requested the board to consider the early payment of prizemoney under \$50,000 for the winning connections of swabbed horses that are awaiting clearance from the laboratory.

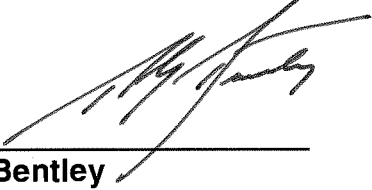
The Board **APPROVED** the payment of prize money of up to \$50,000 to the connections of swabbed horses awaiting testing clearance from the government laboratory.

MOVED by Mr Bill Andrew **SECONDED** by Mr Tony Hanmer

Mr Carter to liaise with Mr David Rowan and Ms Ali Wade to determine the date of the first payments and once this has been determined a media release is to be issued outlining the initiative and the benefits it will provide to stakeholders.

Meeting concluded at 12:45pm

Confirmed as a true record.



R G Bentley
Chairman
Dated 6...../.....3...../2009

ATTACHMENT “A”

Mr Bob Bentley

Director of Tattersall’s Limited
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director/Chairman of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Michael Lambert

Director of RISA
Director of the Trainers Service Centre

Mr Bill Ludwig

Secretary of the Australian Workers’ Union (including signing of all correspondence and Industrial Instruments)
Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Board Member of WorkCover Queensland

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners’ Association

FINANCE & WAGERING REPORT DECEMBER 2008

BOARD PAPER NUMBER: 3.1 November and December 2008 - Finance and Wagering Report.



PURPOSE:

To provide the Board of QRL with information relating to the financial and wagering performance and results of Queensland Racing Limited (QRL) for the months ended 30 November and 31 December 2008.

BACKGROUND AND ISSUES:

Executive Summary

December 2008

QRL recorded a surplus of \$69K down \$248K on the \$318K budgeted surplus for December 2008.

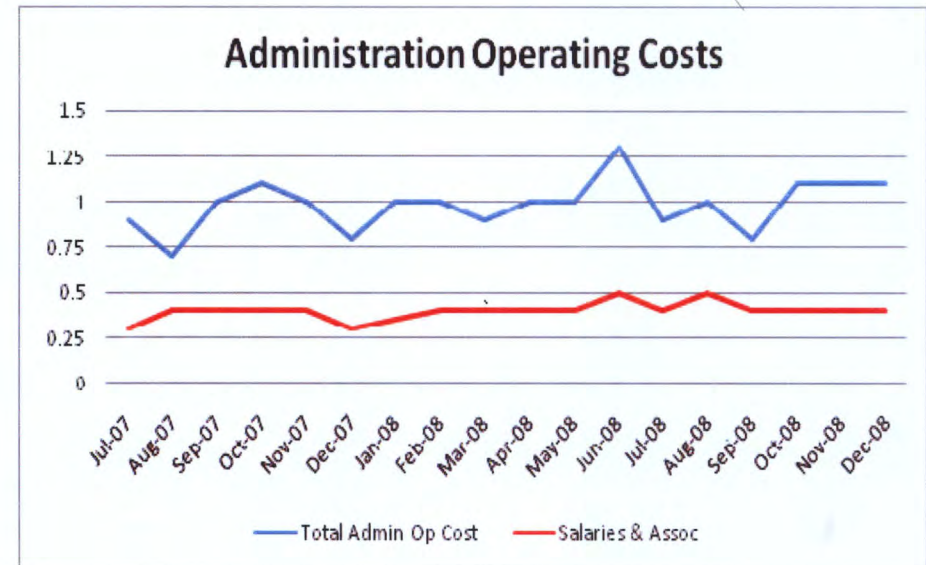
Revenue was down \$420K on budget due largely to the impact on revenue of the Race Fields Legislation charges. EIMF advertising grant revenue \$240K was offset by equivalent spend (see Other Expenses).

Product & Program Fee was 9% or \$767K below budget for the month of December. The 1.5% NSW Race Fields legislation (RFL) fee directly impacted QRL by \$410K in November and \$725K in December. RFL YTD impact on QRL was \$2.05M based on the product Co split. YTD for all codes \$2.7M. To date no revenue has been taken into account for the charge back on Queensland Product.

Expenditure was down \$171K on budget mainly due to variances in QTIS \$96K, Capital works \$225K and Consultancy costs \$98K. QTIS paid out at 38% of scheduled TAB races during December. These favourable variances were offset by the increase in Jockey Riding Fee \$112K and Administration costs \$211K (which includes \$240K EIMF advertising campaign).

YTD the surplus of \$8.6M is \$3.8M ahead of the budgeted surplus of \$4.8M. YTD total revenue is up \$1.6M on budget. This is due to QTIS registrations \$403K, Interest from investments \$477K, and EIMF advertising grant \$433K. P&P growth, excluding RFL impact, is 4.5% on budget compared to growth of 0.51% when RFL is included.

YTD expenditure is down \$2.2M on budget. Main areas are unexpended prizemoney \$919K down on budget, this is due to pool transfers from washed out races in July. QTIS is down \$577K, Consultancy Fees \$528K and Club capital expenditure is \$719K down on budget. This is offset by Jockey riding fee increase \$333K, Administration costs, including EIMF advertising campaign \$404K. EIMF costs are offset completely by the EIMF revenue.



FINANCE & WAGERING REPORT DECEMBER 2008

BALANCE SHEET

Previous Year	CURRENT ASSETS	Current Month	Previous Month	Variance
000s		000s	000s	000s
38,375	Cash Assets	39,539	49,119	(9,580)
19,615	Receivables	10,396	14,234	(3,838)
23	Other	715	895	(180)
58,013	TOTAL CURRENT ASSETS	50,650	64,248	(13,598)
	NON-CURRENT ASSETS			
11,000	Investment SCR	11,000	11,000	0
22,228	Property, Plant and Equipment	31,986	31,493	494
33,228	TOTAL NON-CURRENT ASSETS	42,986	42,493	494
91,241	TOTAL ASSETS	93,636	106,740	(13,105)
	CURRENT LIABILITIES			
94	Overdraft	(23)	10,069	(10,092)
11,815	Payables	6,206	8,729	(2,523)
9,547	Other Payables	9,303	9,801	(497)
502	Provisions	469	492	(23)
489	Fees Paid In Advance	288	324	(37)
22,448	TOTAL CURRENT LIABILITIES	16,244	29,415	(13,171)
	NON-CURRENT LIABILITIES			
473	Provisions	473	480	482
473	TOTAL NON-CURRENT LIABILITIES	473	480	482
22,921	TOTAL LIABILITIES	16,723	29,897	(13,174)
68,319	NET ASSETS	76,913	76,843	69
	NON-CURRENT LIABILITIES			
55,895	Retained Profits	64,479	64,410	69
12,424	Asset Revaluation Reserve	12,424	12,424	0
68,319	TOTAL EQUITY	76,913	76,843	69

FINANCE & WAGERING REPORT DECEMBER 2008



Wagering

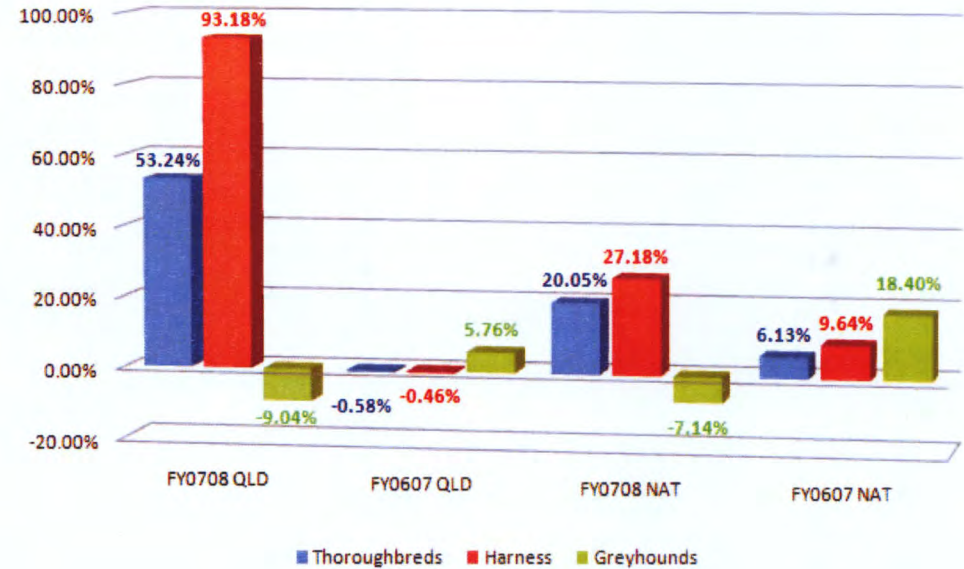
Total wagering growth on YTD basis compared to last year follows as per the attached UNiTAB Calendar Turnover month on month report for December 2008:

	FY0708 -v- FY0809		FY0607-v-FY0809	
	QLD	NATIONAL	QLD	NATIONAL
Thoroughbreds	53.24%	20.05%	-0.58%	6.13%
Harness	93.18%	27.18%	-0.46%	9.64%
Greyhounds	-9.03%	-7.14%	5.76%	18.40%

Figures quoted are YTD FY0809 unless otherwise stated:

- QLD Thoroughbreds holding 78.66% of 3 code wagering in QLD and 27.30% of national Thoroughbred wagering.
- Thoroughbreds account for 76.05% of national 3 code wagering.
- Average wagering turnover per QLD TAB meeting.
 December 06 \$43.44M : 36 meetings = \$1.21M
 December 07 \$35.80M : 30 meetings = \$1.19M
 December 08 \$39.49M : 33 meetings = \$1.20M

Wagering Growth YTD



December 08	FY0607	FY0708	FY0809
On-Course	4,506,154	3,529,478	3,855,705
Difference	(650,449)	326,227	
% Difference	(14.43%)	9.24%	
Off-Course	38,936,093	32,273,209	35,638,887
Difference	(3,297,206)	3,365,678	
% Difference	(8.47%)	10.43%	
Total Wagering	43,442,247	35,802,687	39,494,592
Difference	(3,947,655)	3,691,905	
% Difference	(9.09%)	10.31%	

Year to Date	FY0607	FY0708	FY0809
On-Course	24,941,689	12,200,122	21,182,046
Difference	(3,759,643)	8,981,924	
% Difference	(15.07%)	73.62%	
Off-Course	195,648,279	130,916,592	198,135,928
Difference	2,487,649	67,219,336	
% Difference	1.27%	51.35%	
Total Wagering	220,589,968	143,116,714	219,317,974
Difference	(1,271,994)	76,201,260	
% Difference	(.58%)	53.24%	

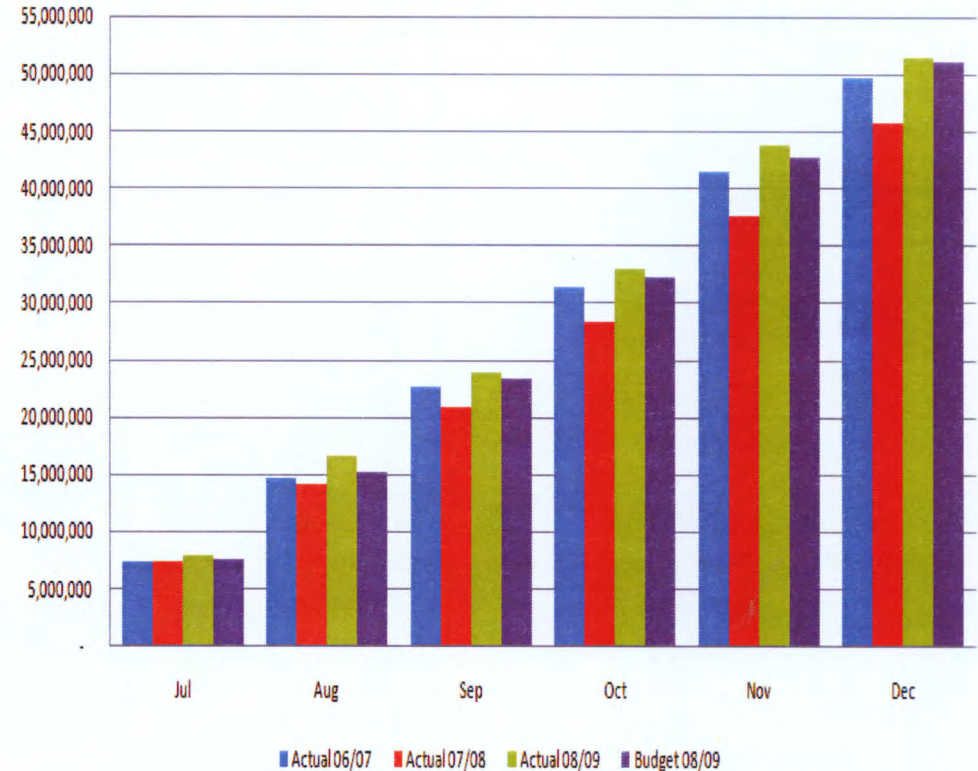
FINANCE & WAGERING REPORT DECEMBER 2008

Product and Program Fees Revenue

- Product and Program Fee revenue for December is \$262K or 0.5% up on budget YTD after deductions.
- Deduction in Product and Program Fees for 3 codes YTD is \$2.7M due to the introduction in NSW of a 1.5% Race Fields Legislation (RFL) fee from September 2008.
- QLD Thoroughbreds share of RFL charge is in line with current Product Co distribution (76%) totalling \$725K for the month of December and \$2.05M YTD.
- QLD harness share of RFL charge is \$138K for December and \$391K YTD
- QLD Greyhounds share of RFL charge is \$91K for December and \$256K YTD

December 08	FY0607	FY0708	FY0809
Product & Program Fees	8,069,301	8,190,928	7,563,243
Race Fields Cost	0	0	(725,387)
Difference	(506,058)	(627,686)	
% Difference	(6.27%)	(7.66%)	
Year to Date	FY0607	FY0708	FY0809
Product & Program Fees	49,616,165	45,841,090	51,461,356
Race Fields Cost	0	0	(2,050,792)
Difference	1,845,191	5,620,267	
% Difference	3.72%	12.26%	

Product & Program Fee Revenue



Cumulative Graph showing YTD above budget and prior periods despite RFL impact

FINANCE & WAGERING REPORT DECEMBER 2008

Racing Information

December 08	FY0607	FY0708	FY0809
Meetings	62	48	53
Difference	(9)	5	
% Difference	(14.52%)	10.42%	
Races	410	326	354
Difference	(56)	28	
% Difference	(13.66%)	8.59%	
Starters	3,926	3,342	3,681
Difference	(245)	339	
% Difference	(6.24%)	10.14%	
Year to Date	FY0607	FY0708	FY0809
Meetings	395	227	384
Difference	(11)	157	
% Difference	(2.78%)	69.16%	
Races	2,574	1,531	2,481
Difference	(93)	950	
% Difference	(3.61%)	62.05%	
Starters	24,603	15,738	23,614
Difference	(989)	7,876	
% Difference	(4.02%)	50.04%	

- TAB meetings down 2 YTD on FY0607 and up 57 on FY0708
- Non TAB meetings down 9 on FY0607 and up 100 on FY0708

- TAB races down 14 on FY0607 and up 459 on FY0708
- Non TAB races down 79 on FY0607 and up 491 on FY0708

- TAB starters down 375 on FY0607 and up 4,217 on FY0708
- Non TAB starters down 614 on FY0607 and 3,659 on FY0708

As can be seen the full impact of EI took place during this period in FY0708. When compared to FY0607 the result is much better with the bad weather in July of the current year being the major contributor to the lower number of meetings held.

FINANCE & WAGERING REPORT DECEMBER 2008



Update on Projects -

Synthetic Track funding – Toowoomba Turf Club

As at 27 January 2009, total costs incurred for the synthetic track is \$4.96M of budget of \$9M excl GST. This includes costs for consultancy from civil engineering contractors and materials from Equestrian Surfaces.

Sunshine Coast – SCTC Lighting Project

As at 27 January 2009, total costs incurred for the installation of lights is \$6.14M of budget of \$6.5M excl GST. This includes consultancy, contractors and materials.

OPTIONS:

Not Applicable

FINANCIAL IMPACT:

QRL is projecting an operating surplus of 1691K before extraordinary items

QRL is projecting a deficit of \$9M after extraordinary expenditure of \$9.65M.

Wagering forecast for FY0809 is expected to be 3% growth.

FY0809 Forecast as at 27 January 2009 is a deficit after extraordinary items of \$6.9M.

The impact of the proposed Queensland Race Fields Legislation based on the assumptions on figures provide by Tabcorp on NSW and Racing Victoria is that Queensland is a net exporter of wagering and QRL will benefit once the legislation is effective from 1 September 2008.

Product Co has invoiced Racing NSW for the period 1 September 2008 to 1 December 2008 for \$1,485,118 of which QRL will receive \$1,128,689 for the 3 months.

LEGAL IMPLICATIONS:

Not Applicable

STAFF IMPLICATIONS:

Not Applicable

OTHER STAKEHOLDER IMPACTS:

Not Applicable

COMMUNICATION STRATEGY:

Not Applicable

DECISION REQUIRED

That the Board accept the December 2008 finance and wagering report as presented.

A handwritten signature in black ink, appearing to read "Adam Carter".

Adam Carter

Finance Manager

Actioning Officer: - Murray Dyke – Accountant

Ron Mathofer – Business Analyst

QUEENSLAND RACING LIMITED
RESULT 31 DECEMBER 2008



INCOME	ACTUAL	BUDGET	Variance	%	ACTUAL	BUDGET	Variance	%
	MTD December 08	MTD December 08			YTD December 08	YTD December 08		
Other	320,809	84,245	236,564	281%	1,059,992	633,518	426,474	67%
Club levies	-	981	(981)	-100%	0	5,344.60	(5,345)	0%
Licence and Registration fees	55,198	65,993	(10,794)	-16%	325,222	394,660	(69,437)	-18%
QTIS Registrations	4,750	-	4,750	#DIV/0!	1,297,151	894,400	402,751	45%
Fines	26,200	11,467	14,733	128%	106,700	53,784	52,916	98%
Racing Fees	581,772	503,846	77,926	15%	3,129,155	3,020,878	108,277	4%
Product & Program fee	7,544,243	8,311,380	(767,138)	-9.2%	51,366,356	51,104,650	261,706	0.51%
Grant - Training track subsidy	-	-	-	0%	-	60,000	60,000	0%
Interest	116,111	90,782	25,329	28%	884,444	407,096	477,348	117%
Total Income	8,649,083	9,068,694	(419,611)	-5%	58,169,020	56,574,330	1,594,690	3%
EXPENDITURE								
Club Distribution	5,637,000	5,659,875	22,875	0%	31,737,047	32,656,500	919,453	3%
QTIS	261,100	357,046	95,946	27%	1,887,245	2,464,458	577,213	23%
Capital Works	108,700	333,333	224,633	0%	281,132	1,000,000	718,868	72%
Admin Subsidy	630,724	625,958	(4,766)	-1%	3,958,529	3,985,752	27,223	1%
Jockey Riding Fee	580,195	468,637	(111,558)	-24%	3,705,800	3,372,607	(333,192)	-10%
Nominations & Acceptances	17,505	13,623	(3,882)	-28%	89,910	82,336	(7,574)	-9%
Sky Channel	6,537	9,148	2,611	29%	38,798	54,298	15,500	29%
Starters Subsidies	9,000	-	(9,000)	0%	49,500	-	(49,500)	0%
Other	98,347	69,584	(28,763)	-41%	724,306	608,140	(116,166)	-19%
Salaries, Wages and Associated Costs	459,467	496,592	37,125	7%	2,817,474	2,979,555	162,081	5%
Administration	429,408	218,888	(210,520)	-96%	1,837,835	1,434,003	(403,832)	-28%
Committee/Board Expenses	30,809	36,210	5,401	15%	192,010	224,284	32,274	14%
Motor Vehicle and Travel Expenses	30,384	36,424	6,040	17%	234,474	230,588	(3,886)	-2%
Insurance	179,057	200,610	21,554	11%	1,075,768	1,203,487	127,719	11%
Legal	6,126	34,153	28,027	82%	158,320	195,084	36,764	19%
Consulting Fees	48,896	146,754	97,858	67%	500,588	1,029,077	528,488	51%
Depreciation	46,616	44,304	(2,312)	-5%	275,856	266,109	(9,748)	-4%
Total Expenditure	8,579,872	8,751,140	171,268	2%	49,564,593	51,786,278	2,221,685	4%
Net Profit / (Loss)	69,211	317,554	(248,343)	78%	8,604,427	4,788,052	3,816,375	-80%

Commentry

REVENUE

1. Revenue was down \$420K on Budget. This is mainly due to Product & Program Fee being \$767K or 9.2% down on budget for the month. This includes the \$725K impact of the 1.5% NSW race fields legislation.
2. Interest received resulted in a favourable variance of \$25K . This is due to QRL's level of investment with Treasury which currently stands at \$40M.
3. Other revenue shows a favourable variance of \$236K. This is made up of the State government grant for the EI media campaign to return spectators to racing. Completely offset by costs of media campaign below.

EXPENDITURE

1. Expenses were down by \$171K on budget with Capital Works and Consultancy fees accounting for the majority of the variance.
2. QTIS paid out at only 38% on scheduled TAB races.
3. The increase in the Jockey riding fee resulted in an unfavourable variance of \$112K for December.
4. Administration costs are over budget due to advertising costs for the EI media campaign which are completely offset in Other Revenue above.



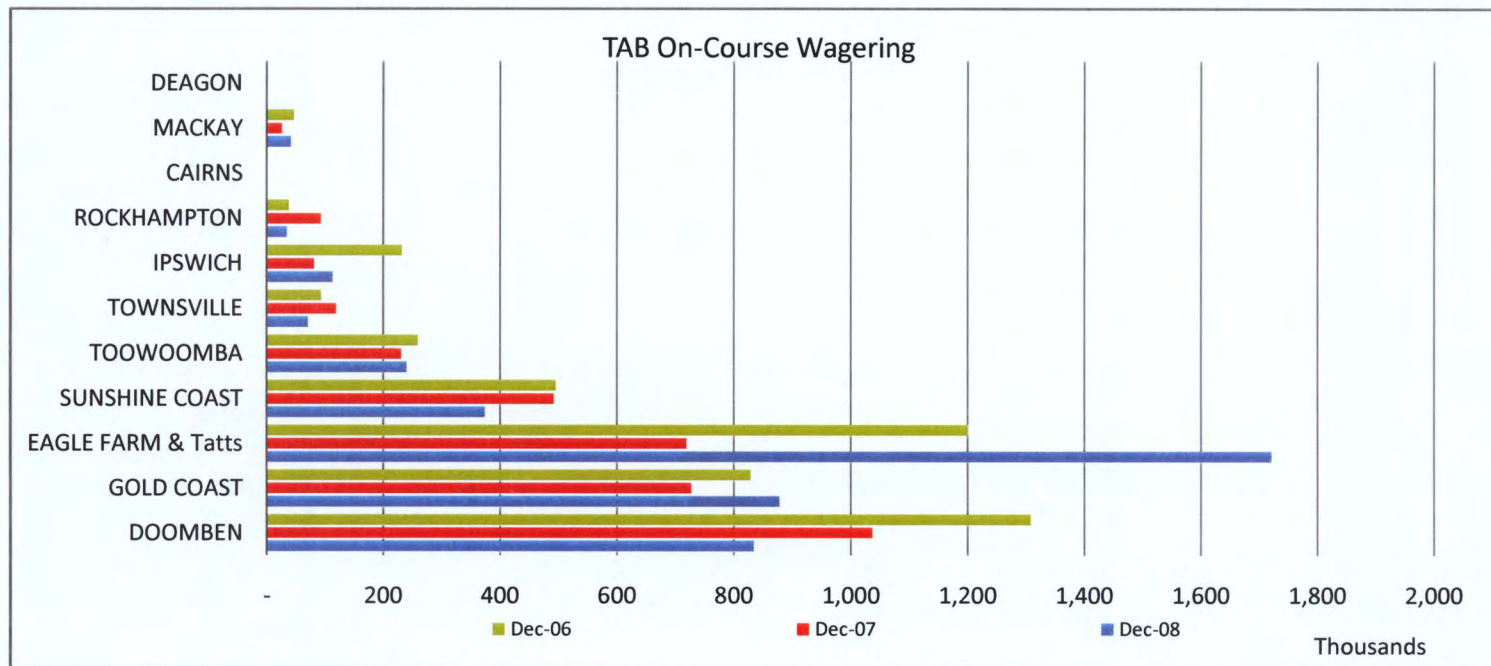
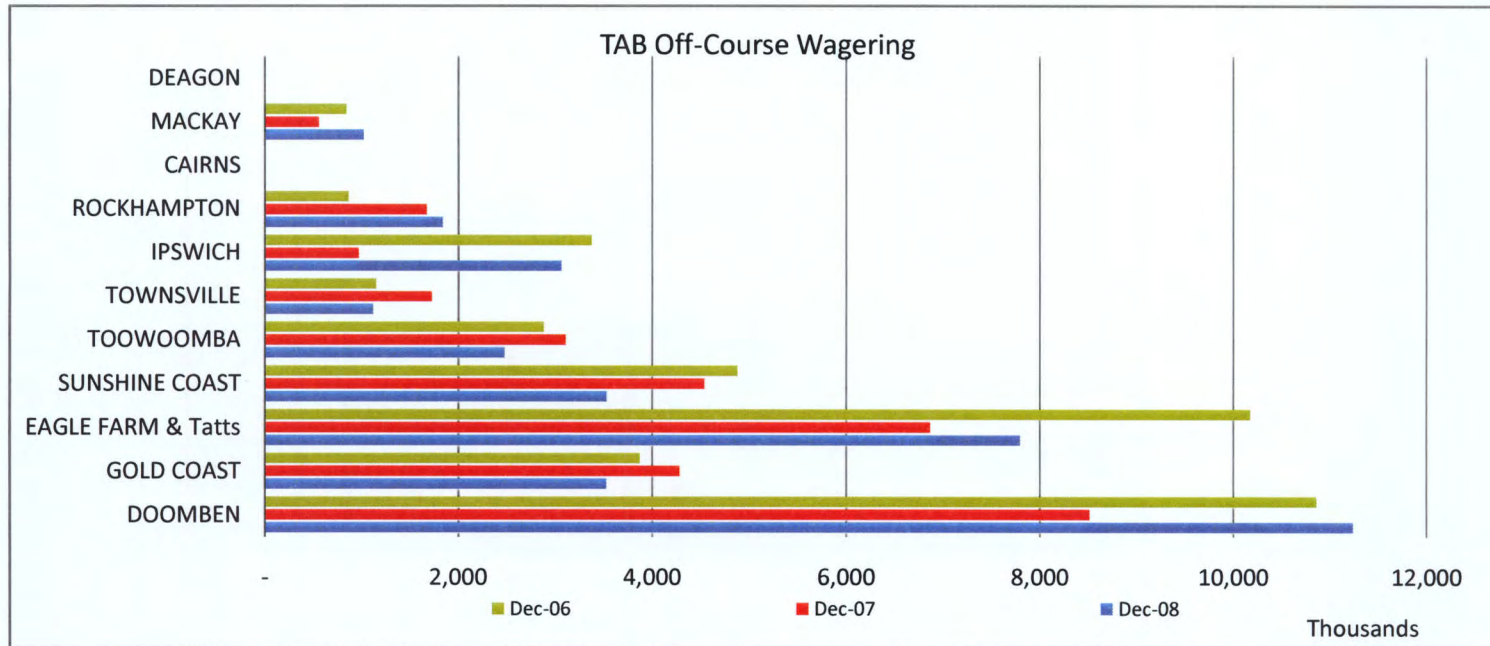
Queensland Day on Day Turnover Report By Racing Code/Location (strictly confidential-for internal use only by QR, QHRB & GRA)

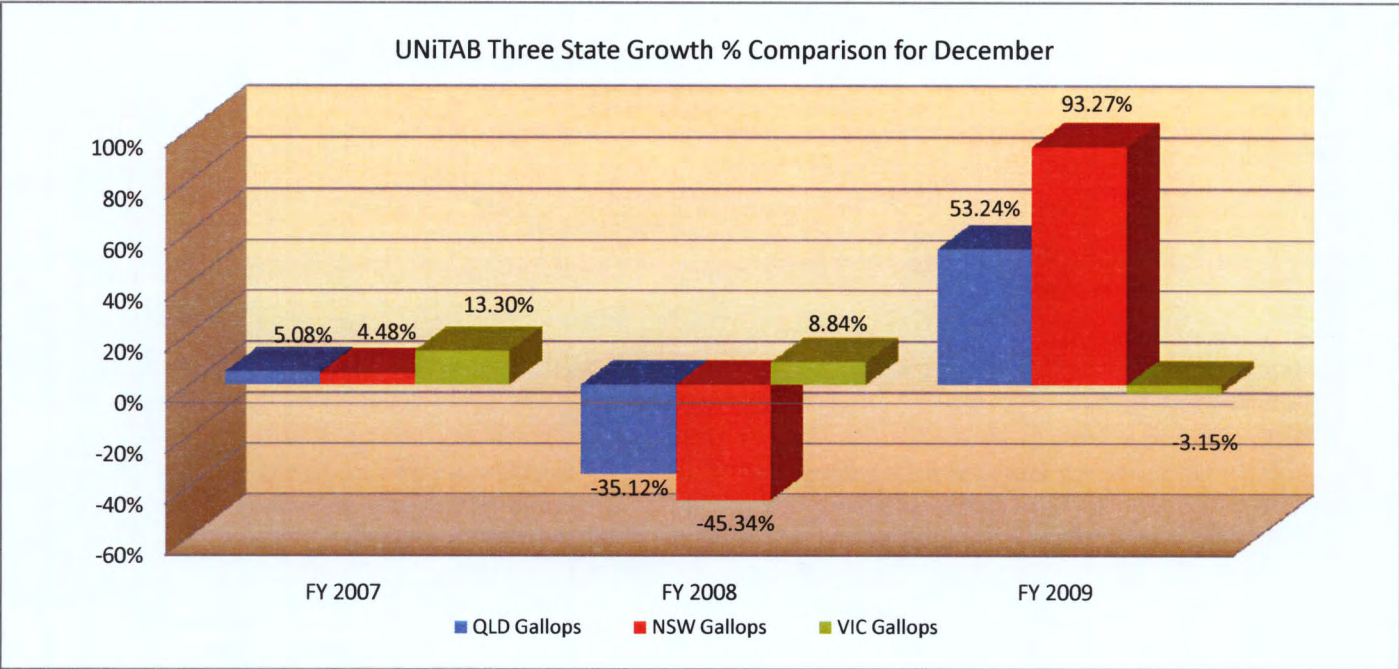
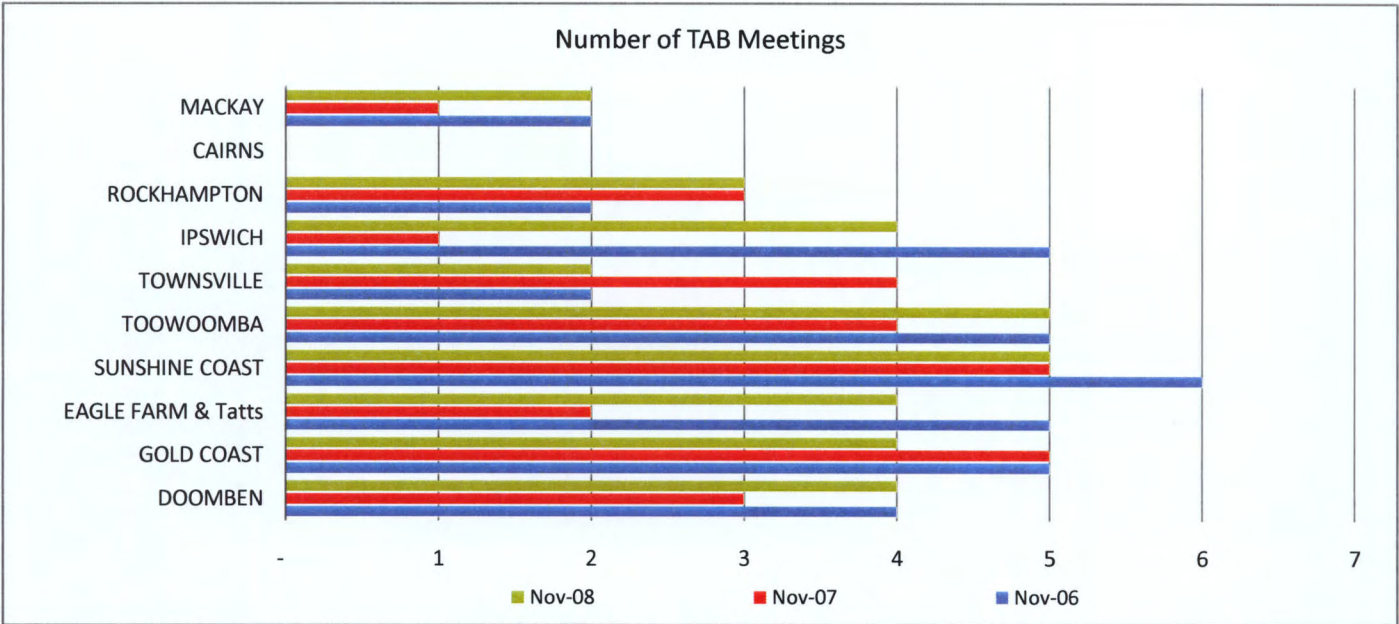
	Period 1 Nov 2008 to 30 Nov 2008					Year to Date 30 Nov 2008				
	Meetings		This Year			Meetings		This Year		
	This Year	Last Year	\$	%	Growth	This Year	Last Year	\$	%	Growth
Gallops										
Queensland	36	21	38,881,338	20.57	123.00	170	120	179,823,382	24.74	61.15
New South Wales	47	20	32,623,248	17.26	116.70	232	110	168,857,981	23.23	106.68
Victoria	45	43	83,562,567	44.27	-3.27	201	193	242,998,460	33.50	-2.16
Northern Territory	8	6	313,379	0.16	-25.50	33	30	2,566,621	0.35	-7.18
South Australia	17	17	11,476,435	6.07	-18.31	67	67	50,442,819	6.94	-7.26
ACT	1	3	563,203	0.29	-63.02	7	11	3,871,483	0.53	-32.98
Western Australia	19	19	12,283,922	6.49	-12.31	87	88	47,457,578	6.53	-2.85
Tasmania	5	6	1,869,175	0.98	-18.47	21	24	7,311,191	1.00	-20.26
New Zealand	30	26	3,743,333	1.98	-32.75	123	109	13,195,461	1.81	-45.34
South Africa	15	12	441,651	0.23	-16.14	66	42	1,538,973	0.21	-21.53
Japan	4	4	213,334	0.11	-40.18	5	7	234,306	0.03	-54.20
SING	7	3	870,455	0.46	109.52	16	12	1,857,911	0.25	-10.85
ENG	8	5	166,897	0.08	31.00	60	5	811,550	0.11	537.01
FRA				0.00	0.00	2		29,284	0.00	0.00
Hong Kong	8	9	1,998,674	1.05	-14.02	23	23	5,599,208	0.77	-4.93
	250	194	189,007,610	100.00	17.77 %	1113	841	726,596,207	100.00	21.64 %
Trotting										
Queensland	16	3	4,103,099	20.99	367.65	107	44	25,088,926	24.02	134.99
New South Wales	30	13	4,977,553	25.46	200.19	180	91	27,545,248	26.37	99.45
Victoria	40	38	5,848,221	29.95	-7.73	214	200	30,351,425	29.09	3.47
South Australia	13	13	1,518,694	7.76	-18.43	65	61	8,016,756	7.67	-0.18
ACT				0.00	0.00	4		237,355	0.22	0.00
Western Australia	21	21	1,868,172	9.55	-19.24	106	91	8,030,096	7.68	-4.15
Tasmania	6	6	473,401	2.42	-22.59	27	27	2,187,731	2.09	-10.95
New Zealand	10	15	757,979	3.87	-58.51	38	56	2,988,890	2.86	-57.75
	136	109	19,547,120	100.00	26.21 %	741	570	104,446,428	100.00	30.95 %
Greyhounds										
Queensland	27	29	4,482,405	16.95	-22.64	151	160	25,975,029	19.08	-12.18
New South Wales	50	50	7,109,087	26.88	-6.24	264	268	36,216,151	26.61	-0.24
Victoria	62	62	9,675,989	36.62	-11.61	326	328	46,420,411	34.17	-6.56
Northern Territory	4	4	74,252	0.28	56.75	22	22	339,016	0.24	46.82
South Australia	19	19	2,276,989	8.61	-19.16	103	102	11,874,659	8.72	-8.50
ACT	2	1	158,013	0.59	82.46	13	10	1,202,274	0.88	42.17
Western Australia	20	18	1,244,565	4.70	7.32	121	104	4,629,977	3.40	-3.91
Tasmania	10	11	1,047,492	3.96	-14.58	63	65	6,309,297	4.63	-0.81
New Zealand	11	16	372,977	1.41	-78.66	65	73	3,101,083	2.27	-65.44
	205	210	26,441,770	100.00	-15.82 %	1128	1132	136,067,898	100.00	-9.15 %
Total	591	513	234,996,499		13.31 %	2982	2543	967,110,533		16.96 %



Queensland Calendar Turnover Report By Racing Code/Location (strictly confidential-for internal use only by QR, QHRB & GRA)

	Period 1 Dec 2008 to 31 Dec 2008					Year to Date 31 Dec 2008				
	Meetings		This Year			Meetings		This Year		
	This Year	Last Year	\$	%	Growth	This Year	Last Year	\$	%	Growth
Gallops										
Queensland	33	28	39,494,592	30.19	10.31	203	146	219,317,974	25.57	53.24
New South Wales	47	37	32,217,206	24.57	32.25	279	147	201,075,187	23.44	93.27
Victoria	42	45	29,596,690	22.57	-18.94	243	236	272,595,150	31.85	-3.15
Northern Territory	4	6	220,640	0.16	-23.59	37	35	2,787,261	0.32	-7.15
South Australia	16	17	9,964,497	7.60	-15.17	83	82	60,407,315	7.04	-6.52
ACT	2	3	704,854	0.53	-41.92	9	13	4,576,337	0.53	-31.81
Western Australia	19	18	11,412,700	8.70	-2.76	106	105	58,870,250	6.86	-0.88
Tasmania	4	5	1,358,675	1.03	-16.83	25	29	8,669,866	1.01	-19.74
New Zealand	24	29	2,572,826	1.96	-31.21	147	135	15,768,286	1.83	-43.12
South Africa	13	13	420,367	0.32	-30.56	79	54	1,959,340	0.22	-22.41
Japan	2	1	140,573	0.10	99.40	7	8	374,880	0.04	-35.60
SING	6	3	711,766	0.54	122.41	22	15	2,569,878	0.29	6.88
ENG	7	4	113,779	0.08	139.38	67	8	925,329	0.10	444.52
FRA				0.00	0.00	2		29,284	0.00	0.00
Hong Kong	7	7	2,167,349	1.65	17.89	30	30	7,766,558	0.90	-1.73
	226	216	131,096,515	100.00	0.91 %	1339	1043	857,692,694	100.00	20.05 %
Trotting										
Queensland	21	24	4,710,799	21.91	-3.73	128	68	29,799,724	23.66	93.18
New South Wales	34	16	5,352,242	24.89	144.89	214	107	32,897,490	26.12	104.89
Victoria	43	44	6,607,799	30.76	-2.44	257	244	36,959,221	29.36	2.68
South Australia	12	12	1,585,033	7.37	-15.56	77	73	9,601,790	7.62	-3.07
ACT	1		70,295	0.32	0.00	5		307,650	0.24	0.00
Western Australia	22	19	2,096,224	9.75	10.06	128	110	10,126,321	8.04	-2.30
Tasmania	4	5	513,796	2.38	-25.16	31	33	2,701,526	2.14	-15.11
New Zealand	11	14	563,528	2.62	-46.56	49	69	3,552,418	2.82	-56.13
	148	134	21,499,715	100.00	10.96 %	889	704	125,946,140	100.00	27.18 %
Greyhounds										
Queensland	32	27	5,653,228	19.31	11.17	183	188	31,628,257	19.13	-9.03
New South Wales	52	50	7,507,395	25.65	2.85	316	319	43,723,546	26.44	0.32
Victoria	65	62	9,860,019	33.73	0.04	391	392	56,280,478	34.09	-5.57
Northern Territory	3	3	50,122	0.17	66.24	25	25	389,138	0.23	49.06
South Australia	22	19	2,753,612	9.41	13.85	125	121	14,628,268	8.84	-4.80
ACT	2	1	217,058	0.74	117.02	15	11	1,419,332	0.85	50.09
Western Australia	20	17	1,169,301	3.99	12.87	141	120	5,799,278	3.50	0.70
Tasmania	13	12	1,584,093	5.41	12.91	76	78	7,893,390	4.77	1.11
New Zealand	13	13	487,730	1.59	-51.83	78	86	3,568,813	2.15	-64.12
	222	204	29,262,558	100.00	3.77 %	1350	1340	165,330,500	100.00	-7.14 %
Total	596	554	181,858,788		2.46 %	3578	3087	1,148,969,333		15.88 %





Queensland Race Product Co Ltd

ABN No: 85 081 743 722
Racecourse Road Deagon Qld 4017
PO Box 63 Sandgate Qld 4017
Phone: (07) 3869 9725 Facsimile: (07) 3269 6715

Minutes of Queensland Race Product Co Ltd

Board Room
Queensland Racing
Racecourse Road, Deagon

Thursday, 5 March 2009

Present: Tony Hanmer- Queensland Racing Limited (Chairman)
Bill Ludwig - Queensland Racing Limited
Bill Andrews - Queensland Racing Limited
Kerry Watson - Greyhounds Queensland Limited
Michael Lambert - Queensland Racing Limited (by telephone)
Michael Godber - Queensland Harness Racing Limited

Other Attendees: Malcolm Tuttle - Queensland Racing Limited
Adam Carter – Queensland Racing Limited
Paul Brennan – Queensland Racing Limited
David Grace – Cooper Grace Ward Lawyers

Minutes: Shara Murray – Queensland Racing Limited

The Chairman commenced the meeting at 11:30 am.

1. Apologies

No apologies were noted.

1.2 Declarations of Conflict 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.

There were no other additional Declarations of Conflicts of Interest.

1.3 Confirmation of Minutes – 4 December 2008

The Directors **NOTED** the minutes of the previous meeting 4 December 2008.

MOVED by Mr Andrews **SECONDED** by Mr Godber

2.1. Constitution/issues (David Grace – Presentation)

2.1.1 Constitution

Mr David Grace provided the Board with the following advice:

A review of the constitution and the 2008 amendments to the *Racing Act 2002* contained in the Revenue Law Amendment Act 2008 indicates a need for one amendment to the objects of the Company so that the company can carry out collection of control body fees in accordance with the objects contained in its constitution.

The only amendment required is to object clause 3.1, which currently states:

“The Company is established to encourage animal racing by acting as agent for the Queensland Racing Industry in its relationship with TABQ.”

That clause should be amended by the addition of the words:

“and other persons for the purpose of the Racing Act 2002 as amended by section 13 of the Revenue Law Amendment Act 2008.”

The effect of the amendment is to ensure the objects go beyond a relationship with TABQ as intended in the original object and to extend to other stakeholders such as licensed wagering operators as necessary under the amending legislation.

The Board **NOTED** Mr Grace's advice.

The Chairman advised Mr Grace that the Constitution of the Company also needed modification in relation to the following:

- (a) revolving of directors
- (b) reflection of the 3-Codes now being corporate entities, and
- (c) general drafting and cross referencing.

The Board **RESOLVED** that David Grace of Cooper Grace Ward Lawyers update/modify the Constitution of the Company.

The Board **APPROVED** the delegation of \$10,000.00 for professional services provided to the Company in relation to the update/modification of the Constitution. The Chairman will be signatory for these costs. These costs will be presented to the Board.

MOVED by Mr Godber **SECONDED** by Mr Andrews

2.1.2 Cooper Grace Ward Tax Invoice

At its 4 December 2008 Board Meeting, the Board approved the delegation of \$15,000.00 for professional services provided to the Company in relation to the Race Fields Legislation issues.

Due to unforeseen circumstances, additional work was required to be carried out by Cooper Grace Ward in relation to race information, and as such, the tax invoice received in relation to this matter was greater than first approved - **\$18,325.45**.

Mr Grace also advised the Board that additional work carried out by his firm is yet to be billed, this amount being in the vicinity of \$5,000.00.

The Board **RESOLVED** the following:

- (a) the current tax invoice received from Cooper Grace Ward for the amount of \$18,325.45 be approved, and
- (b) an additional \$5,000.00 be approved for professional services to Cooper Grace Ward in relation to Race Information Legislation. The Chairman will be signatory for this cost and such cost will be presented to the Board.

2.1.3 Product and Program Agreement

The Board **NOTED** Mr Grace's letter to Malcolm Tuttle of Queensland Racing Limited dated 18 November 2008.

Mr Lambert and Mr Andrews noted advice from Mr Grace, if correct, raised fundamental issues that needed to be formally resolved either by Senior Counsel advice or by obtaining advice from Government with its intention of the Product and Program Agreement (Agreement).

The Chairman expressed his concerns and noted that the Company should meet with UNiTAB to seek a variation of the Agreement in order to reflect the legal position at hand and the commercial intention of 'supply' and 'use' when the Agreement was first drafted.

The Chairman also stated that the Government was of the similar view; the commercial intention of the Agreement differs to that of the legal position at hand. Mr Godber and Ms Watson concurred with the Chairman.

The Board **RESOLVED** that the Chairman correspond with Mr Mike Kelly of the Office of Racing in relation to this matter. The Chairman is to seek the view of Government in relation to the commercial intent of the Agreement when first drafted and the current legal views in relation to Race Fields Legislation and its impact on the Agreement.

MOVED by Mr Godber **SECONDED** by Ms Watson

2.2 Product and Strategy Committee meeting - update

The Chairman updated the Board in relation to the Product & Strategy Committee Meeting held on Tuesday, 17 February 2009.

The Board **NOTED** the update.

2.3 Race Information Legislation - update

Mr Adam Carter updated the Board in relation to the implementation of Queensland Race Information Legislation.

The Board **NOTED** the update.

2.4 Expansion of fixed Betting by UNiTAB

The Chairman updated the Board after meeting with the Directors of UNiTAB and was able to report that following a question from Mr. Brennan, UNiTAB would be updating and expanding their

fixed betting product. Currently, UNiTAB do not control the book of fixed betting product, this is held by TABCorp. It is UNiTAB's intention that during the year their own product will be introduced which will expand into secondary TAB products as well as soccer, AFL and other sports. UNiTAB have promised to keep Product Co updated as this new product comes on-line.

2.5 Draft Racing Programme

Mr Paul Brennan updated the Board in relation to the Thoroughbred TAB, Non-TAB and Betting Meeting Schedule for the 2009/2010 financial year.

The Board **NOTED** the update.

The Board further **NOTED** that the final 3 – Code Race Date Schedule will be provided to the Board for consideration by the end of March 2009.

The Board **RESOLVED** to consider this Race Date Schedule via Flying Minute.

MOVED by Mr Ludwig **SECONDED** by Ms Watson

2.6 Results for Codes

Mr Carter updated the Board in relation to the total wagering growth on a YTD basis compared to last year.

The Board raised its concerns in relation to the Queensland v National figures.

The Board requested that Mr Carter continue to monitor these figures.

The Board **NOTED** the update.

3. Items for Noting

Date of Letter	From / To	Subject
16 February 2009	Mr Andrew Twaits Chief Executive Officer Betfair	Queensland Race Fields
18 February 2009	Mr Brad Tamer Divisional General Manager Wagering UNiTAB	Cushion Track – Corbould Park - Caloundra
5 March 2009	Mr Andrew Twaits Chief Executive Officer Betfair	Queensland Race Fields

The Board **NOTED** the correspondence sent and received.

4. General Business

4.1 Board dates for 2009 will be circulated in due course.

The meeting concluded at 1:45pm.

Confirmed as a true record.



Chairman

4 June 2009
Date

2.6

QUEENSLAND RACE PRODUCT CO MEETING DATE 5 MARCH 2009

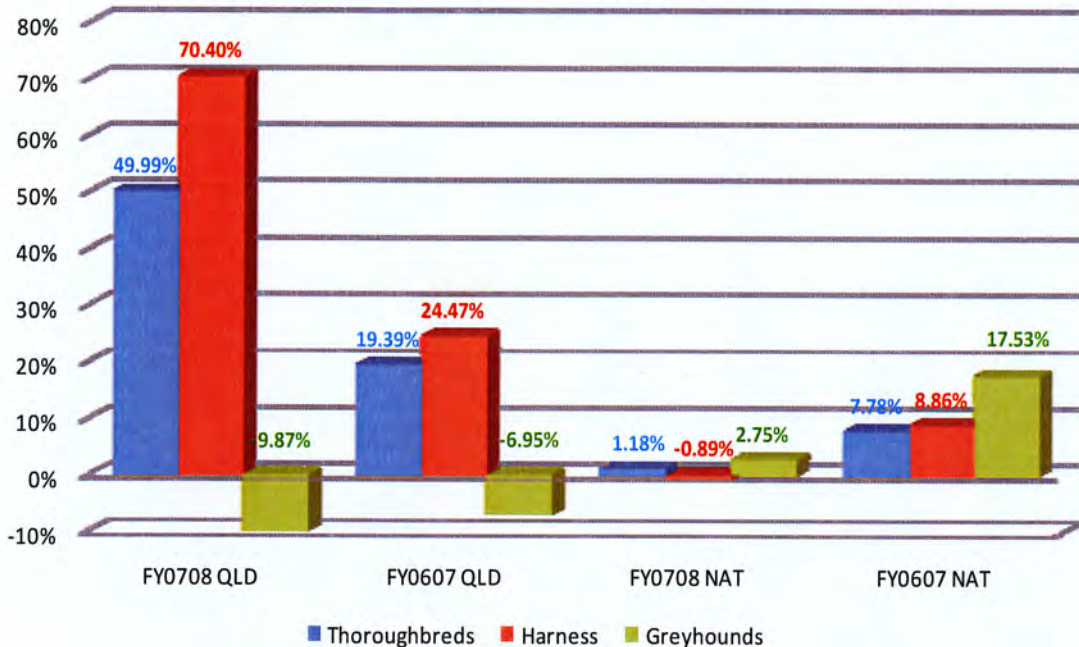
WAGERING INFORMATION YEAR TO DATE

Total wagering growth on a YTD basis compared to last year follows as per the attached UNITAB Calendar Turnover month on month report for January 2009:

	FY0708 -v- FY0809		FY0607-v-FY0809	
	QLD	NATIONAL	QLD	NATIONAL
Thoroughbreds	49.99%	19.39%	1.18%	7.78%
Harness	70.40%	24.47%	-0.89%	8.86%
Greyhounds	-9.87%	-6.95%	2.75%	17.53%

Figures quoted are YTD FY0809 unless otherwise stated:

Wagering Growth Comparisons YTD



- QLD Thoroughbreds holding 78.84% of 3 code wagering in QLD and 26.28% of national Thoroughbred wagering.
- QLD Harness holding 10.32% of 3 Code wagering in QLD and 23.54% of national Harness wagering.
- QLD Greyhounds holding 10.80% of 3 code wagering in QLD and 18.98% of national Greyhounds wagering.
- Thoroughbreds account for 74.88% of national 3 code wagering.
- Harness accounts for 10.93% of national 3 code wagering.
- Greyhounds account for 14.19% of national 3 code wagering.

**Impact of Race Fields Information fees Charges
Product and Program Fees Revenue YTD as at 31 January 2009**

	YTD 2008/09
Turnover	YTD
Gallops	1,004,905,833
Harness	146,690,716
Greyhounds	190,500,315
Other	-
	1,342,096,864
<hr/>	
Revenue excluding RFL	YTD
Total Revenue for Wagering	218,275,410
Approx 39% of Total Revenue	84,422,685
Less	
Overseas Product Fee	1,221,887
Drug Testing Fee accrual	1,725,000
Net Revenue	81,475,798
<hr/>	
Product Co Split*	
Gallops 76%	61,921,606
Harness 14.5%	11,813,991
Greyhounds 9.5%	7,740,201
	81,475,798
<hr/>	
Revenue after RFL charge	YTD
NSW RFL Charges (From 1 Sept to 31 January 2009)	
Gallops	2,523,180
Harness	481,396
Greyhounds	315,397
Subtotal NSW	3,319,973
VIC RFL Charges (From 1 January 2009)	
Gallops	191,577
Harness	36,551
Greyhounds	23,947
Subtotal Vic	252,075
Combined Total RFL Charges	3,572,048
<hr/>	
RFL Impact on each code based on Product Co Split	
Gallops 76%	2,714,757
Harness 14.5%	517,947
Greyhounds 9.5%	339,344
<hr/>	
Product Co Split*	
Gallops 76%	59,206,850
Harness 14.5%	11,296,044
Greyhounds 9.5%	7,400,856
	77,903,750

* As at 31 January 2009

- Deduction from Product and Program Fees for 3 codes YTD is \$3.57M (\$3.32M from NSW and \$0.25M from Victoria) due to the introduction of Race Fields Legislation (RFL) fee from September 2008.
- QLD Thoroughbreds share of RFL charge in line with current Product Co distribution (76%) totals \$664K for the month of January and \$2.71M YTD.

- QLD harness share of RFL charge is \$127K for January and \$518K YTD
- QLD Greyhounds share of RFL charge is \$83K for January and \$339K YTD

To date invoices to wagering operators will be issued once the Race Field Information Applications have been assessed, approved for the period based on actuals for the period 1 September 2009 to 31 January 2009. This is estimated to be in early April 2009.

Queensland Race Product Co Ltd

ABN No: 85 081 743 722
Racecourse Road Deagon Qld 4017
PO Box 63 Sandgate Qld 4017
Phone: (07) 3869 9725 Facsimile: (07) 3269 6715

SENT
B1/3/09.

Secretary: Tony Hanmer

Mr Mike Kelly
Executive Director
Office of Racing
GPO Box 611
BRISBANE QLD 4001

By Facsimile: 3234 1411
Original by post

Dear Mr Kelly *Mike*

**RE: PRODUCT AND PROGRAM AGREEMENT AND RACE INFORMATION
LEGISLATION**

I refer to our previous correspondence in relation to the above matter.

As you are aware, on 9 June 1999, the product and program agreement (the Agreement) was entered into between UNITAB (formally known as TABQ), Queensland Race Product Co Limited and the Queensland Control Body – Thoroughbred, Greyhound and Harness.

In light of this long standing agreement and the recent legislation passed by the Queensland Government requiring all wagering operators using Queensland Race Information to be authorised to do so, conflicting views in relation to the commercial intent of the Agreement and the impact on the Agreement with the recent introduction of Race Information Legislation has arisen.

Therefore, in order to clarify this matter, I seek the Queensland Government's **urgent** view in relation to the:

- (a) Commercial intent of the Agreement when first drafted in 1999, and
- (b) The implications/effect on the Agreement due to the recent introduction of Race Information Legislation.

I look forward to your reply and clarification in relation to this matter.

Yours sincerely



TONY HANMER
Chairman

Reference No: RAC/1032

28 May 2009

Mr T Hanmer
Chair
Queensland Race Product Co Ltd
PO Box 63
SANDGATE QLD 4017



Dear Mr Hanmer

I refer to your undated letter regarding the Product and Program Agreement and race information legislation. The following comments are provided for your assistance and should not be construed as legal advice. I would recommend that Queensland Race Product Co Ltd obtains its own legal advice on the issues you have raised.

The general intent of the Product and Program Agreement is well known. As the control bodies major partner, UNiTAB provides the principal source of funding for the Queensland racing industry under the Product and Program Agreement.

With respect to the race information legislation, I make the following comments.

As a licensed wagering operator, under the Racing Act, UNiTAB is required to apply to each control body for an authorisation to use Queensland race information.

Pursuant to section 113E(6) of the Racing Act, in deciding whether to impose a condition to pay a fee or the amount of the fee, a control body must take into account the fees paid by UNiTAB to it under the Product and Program Agreement. This means that the amount of the race information fee may be deducted from the fee paid by UNiTAB under the Product and Program Agreement, if a control body considers that an appropriate outcome. In such circumstances, if the amount paid by UNiTAB under the Product and Program Agreement is greater than the amount payable under a race information authority, then it is likely no additional amount would be payable by UNiTAB.

Office of Racing

Level 4, 33 Charlotte Street
Locked Bag 180
City East Qld 4002

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Email info@racing.qld.gov.au

I would refer you to the Explanatory Notes that accompanied the Revenue and Other Legislation Amendment Bill (No.2) 2008 at pages 51 - 52 where it is stated:

"Subsection 6 of section 113E provides that when determining the amount of fees that a licensed wagering operator is required to pay for the use of Queensland race information, a control body must take into consideration the monies that are paid to it by that licensed wagering operator under any other agreement. This supports the purpose of the proposed amendments, which is to ensure that those whose revenue is derived from wagering on Queensland racing make a contribution to the cost of conducting racing in Queensland. For example, UNiTAB Limited currently pays the control bodies monies under an agreement referred to as the 'Product and Program Agreement'. Having considered this, the control bodies could decide the fee payable by UNiTAB Limited under subsection 3 of clause 113E is calculated by deducting the monies already payable by UNiTAB Limited under the 'Product and Program Agreement' from the fees which would otherwise be imposed under subsection 3. "

It would be inappropriate for me to comment on the issue of whether it is sound commercial practice or a long-term business strategy for an organisation to disregard the significant revenue provided under the Product and Program Agreement by charging an additional fee that may impact on its long term relationship with UNiTAB.

I trust this is of assistance.

Yours sincerely



Mike Kelly
Executive Director
Office of Racing

Office of Racing

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Phone: (07) 3869 9725 Facsimile: (07) 3269 6715

Minutes of Queensland Race Product Co Ltd

Inquiry Room
Queensland Racing
Racecourse Road, Deagon

Thursday, 4 June 2009

- Present:** Tony Hanmer- Queensland Racing Limited (Chairman)
Bill Andrews - Queensland Racing Limited
Kerry Watson - Greyhounds Queensland Limited
Michael Lambert - Queensland Racing Limited (by telephone)
Michael Godber - Queensland Harness Racing Limited
Bob Lette – Queensland Harness Racing Limited
- Other Attendees:** Adam Carter – Queensland Racing Limited
David Grace – CooperGraceWard Lawyers
- Minutes:** Shara Murray – Queensland Racing Limited

The Chairman commenced the meeting at 12:00 pm.

1. Apologies

An apology was **NOTED** by Mr Bill Ludwig.

1.2 Declarations of Conflict 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.

There were no other additional Declarations of Conflicts of Interest.

1.3 Confirmation of Minutes – 5 March 2009

Clause 2.1.3 Product and Program Agreement

Delete paragraph:

'Mr Lambert and Mr Andrews noted that they fundamentally agree with the advice provided by Mr Grace, and as such, action should be taken against UNiTAB.'

Insert paragraph:

'Mr Lambert and Mr Andrews noted advice from Mr Grace, if correct, raised fundamental issues that needed to be formally resolved either by Senior Counsel advice or by obtaining advice from Government with its intention of the Product and Program Agreement (Agreement).'

Clause 2.4 Expansion of fixed Betting by UNiTAB

Page 4, 2nd line, delete:

'...be TabCorp...'

Insert:

'...by TABCORP...'

The Directors **NOTED** the minutes of the previous meeting of 5 March 2009.

MOVED by Mr Andrews **SECONDED** by Mr Godber

Motion carried.

2.1. Formal Response – Mr Mike Kelly – Product and Program Agreement

Date of Letter	From / To	Subject
31 March 2009	Mr Tony Hanmer, Chairman of Product Co to Mr Mike Kelly, Office of Racing	Product and Program Agreement
28 May 2009	Mr Mike Kelly, Office of Racing to Mr Tony Hanmer, Chairman of Product Co	Product and Program Agreement

The Board **NOTED** the correspondence sent and received.

The Board **AGREED** that Mr Kelly's letter of 28 May 2009 did not provide the view of Government in relation to the commercial intent of the Product and Program Agreement (Agreement) when first drafted, and did not provide the current legal views of Government in relation to Race Information Legislation and its impact on the Agreement.

The Board **RESOLVED** that:

- (a) the Chairman meet with Mr Mike Kelly of the Office of Racing to discuss the matter of the commercial intent of the Agreement when first drafted, and
- (b) the Chairman send a further letter to Mr Mike Kelly of the Office of Racing confirming the advice provided as per (a) above.

MOVED by Mr Lambert **SECONDED** by Ms Watson

Motion carried.

2.2 Financials

Mr Adam Carter updated the Board in relation to the implementation of Race Information Legislation and the fees charged by States.

Mr Carter advised the Board the following:

- (a) total fees incurred by the codes as at 30 April 2009 - \$9,559,992
- (b) total fees recovered as at 2 June 2009 - \$10,480,460, and
- (c) the estimated RFIF revenue to Qld to charge on information provided by operators from 1 September 2008 to 30 April 2009 - \$8,357,511 (this does not include Betfair).

The Board **NOTED** the update.

Mr Carter advised that all codes should be following up all outstanding debts in line with the Race Information conditions. In relation to Corporate Bookmakers and funds received, Mr Carter recommended that the monies received should be quarantined by each individual code, should any court proceedings be commenced.

The Board **AGREED** and **RESOLVED** that each Director take the above recommendation to their each individual Board.

Mr Carter noted to the Board that no applications for authorisation had been received by overseas corporate bookmakers.

The Board **RESOLVED** that Mr Peter Smith, QRL Licensing and Training Manager, as a matter of urgency, write to New Zealand, UK and Hong Kong bookmakers in relation to Queensland Race Information Legislation. Mr Smith to e-mail a copy of his correspondence to Mr Darren Beavis, Chief Executive Officer of Harness Racing Queensland.

MOVED by Mr Andrews **SECONDED** by Mr Lette

Motion carried.

2.3 David Grace

Constitutional Amendments

Mr David Grace advised the Board that the Constitution of the Company needed modification in relation to the following:

- (a) conflicts of interest
- (b) revolving of directors
- (c) reflection of the 3-Codes now being corporate entities, and
- (d) general drafting and cross referencing.

Mr Grace advised the Board that he would provide the Company with a revised Constitution by early August 2009 for the Board's consideration and review – this would allow adequate time for the Board to consider the amended Constitution prior to it being passed at the Company's AGM in November 2009.

RISA Participation Agreement

Mr Grace updated the Board in relation the RISA Participation Agreement, whereby the vesting of the intellectual property rights (IP Rights) concerning Queensland Racing Limited is conflicted. The Product and Program Agreement and the RISA Participation Agreement conflicts in relation to which entity owns the IP Rights for the supply of Queensland thoroughbred racing.

JP The Board **RECOMMENDED** that Mr Grace seek to clarify the position of the Company in relation to its IP Rights for the supply of Queensland thoroughbred racing *where the IP rights*

CooperGraceWard Tax Invoice

RISA - QR controlled IP Products

Mr Grace advised the Board that the additional work to be carried out by his Firm in relation to the position of the Company concerning its IP Rights would be in the vicinity of \$5,000.0 (excluding GST).

The Board **RESOLVED** that an additional \$5,000.00 (excluding GST) be approved for professional services to CooperGraceWard in relation to the position of the Company concerning its IP Rights. The Chairman will be signatory for this cost and such cost will be presented to the Board.

MOVED by Mr Lette **SECONDED** by Mr Andrews

Motion carried.

2.4 Future Dates

The Board **NOTED** the future dates and times listed.

3. Items for Noting

The Board **NOTED** the correspondence sent and received, as per agenda item 2.1 .

4. General Business

4.1 Board dates for 2010 will be circulated in due course.

4.2 Ms Watson **NOTED** that she would be appointing Mr Darren Beavis as her Alternate Director. Ms Watson to provide Ms Shara Murray with necessary correspondence.

The meeting concluded at 12:55pm.

Confirmed as a true record.

Chairman

Date



**Queensland Race Product Co Limited
Briefing Notes as at 2 June 2009
Meeting Date 4 June 2009
Implementation of Race Information Legislation**

1. Accounting solution developed whereby operators will submit RCTI's to each code with payments including GST. Payments from each code less GST forwarded to Product Co, which will redistribute the fee income according to the Product Co formula, 76%, 14.5% and 9.5%
2. Fees are payable for Queensland Product from 1 September 2008.
3. Applicants have supplied Actual wagering info on QLD product from 1 September to 30 April 2009 for all three codes.
4. Reports will be generated and provided to each control body

Fees Charged by States

5. NSW have charged from 1 September 2008 to 30 April 2009 - **\$5,548,170**
6. Victoria have charged from 1 December 2008 to 31 March 2009 – **\$2,070,427**
7. South Australia have charged from 1 September 2008 to 31 March 2009 - **\$1,981,395**
8. To date Western Australia and Tasmania have not charged UNiTAB for their product.
9. Total fees incurred by the codes as at 30 April 2009 - **\$9,599,992**
10. Total fees recovered as at 2 June 2009 - **\$10,480,460**
11. Estimated RFIF revenue to QLD to charge on information provided by operators from 1 Sept 08 to 30 April 2009 - **\$18,357,511**
12. Estimated RFIF to be charged by wagering operators from 1 Sept 08 to 30 April 2009 - **\$14,660,197**
13. Therefore estimated QLD is a net exporter of fees from 1 Sept to 30 April 2009 of **\$3,697,314**
14. Invoices and authority for period 1 Sept to 28 Feb 2009 having gone out and parties will be given 30 days to pay. All current invoices will be required to be paid by the 21st of the following month.

15. Table of Race field information fees (RFIF) paid and collected

NSW RFIF Charges (From 1 September 2008 to 30 April 2009)			
Gallops	4,216,609		(4,216,609)
Harness	804,485		(804,485)
Greyhounds	527,076		(527,076)
Subtotal NSW	5,548,170		(5,548,170)
VIC RFIF Charges (From 1 December 2008 to 30 April 2008)			
Gallops	1,573,524		(1,573,524)
Harness	300,212		(300,212)
Greyhounds	196,691		(196,691)
Subtotal Vic	2,070,427		(2,070,427)
SA RFIF Charges (From 1 Sept 2008 to 30 April 2009)			
Gallops	1,505,861		(1,505,861)
Harness	287,302		(287,302)
Greyhounds	188,233		(188,233)
Subtotal Vic	1,981,395		(1,981,395)
RFIF charges to date (From 1 Sept 2008 to 30 April 2009)			
Gallops	7,295,994		(7,295,994)
Harness	1,391,999		(1,391,999)
Greyhounds	911,999		(911,999)
Combined Total RFIF Charges	9,599,992		(9,599,992)
RFIF Revenue	YTD*	YTD*	YTD*
Gallops		10,432,673	
Harness		0	
Greyhounds		47,788	
Combined Total RFIF Fees Collected as at 2 June 09		10,480,460	
RFIF Impact on each code based on Product Co Split	YTD Charges	YTD Fees	YTD Net
Gallops 76%	7,295,994	7,965,150	669,156
Harness 14.5%	1,391,999	1,519,667	127,668
Greyhounds 9.5%	911,999	995,644	83,645
	9,599,992	10,480,460	880,469

16. Outstanding Race Information Fees as at 2 June 2009

Outstanding Fees:	Product Co Share	Recovered %	Recovered \$	Outstanding %	Outstanding \$
Gallops	13,951,708	43.39%	7,965,150	32.61%	5,986,558
Harness	2,661,839	8.28%	1,519,667	6.22%	1,142,172
Greyhounds	1,743,964	5.42%	995,644	4.08%	748,320
Total	18,357,511	57.09%	10,480,460	42.91%	7,877,051

Estimate of Import Export Position as 30 April 2009

Outstanding Fees:	Revenue	Expenditure	Profit/(Loss) or Exporter/(Importer)
Gallops	13,951,708	11,141,750	2,809,958
Harness	2,661,839	2,125,729	536,110
Greyhounds	1,743,964	1,392,718	351,246
Total	18,357,511	14,660,197	3,697,314

17. Issues:-

- There needs to be tight control over debtors by the 3 codes to ensure they recoup the outstanding fees by end of financial year 30 June 2009 to ensure the timely payment of cash back to the 3 codes via Product Co based on the P&P split.
- WEBSITE update – Online lodgement operational week commencing 15 June after testing ready for wagering operators to input wagering data by the 21st of the following month.



Adam Carter
FINANCE MANAGER

Queensland Race Information PO Box 63 Sandgate Qld 4017

Phone: (07) 3869 9751 Facsimile: (07) 3269 8929 Email: raceinformation@queenslandracing.com.au

Queensland Racing Limited / Harness Racing Queensland Ltd / Greyhounds Queensland Ltd

SENT
22/7/09



23 July 2009

Queensland Racing Limited
ABN.93 116 735 374
Racecourse Rd Deagon QLD 4017
PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@queenslandracing.com.au
W www.queenslandracing.com.au

Mr Mike Kelly
Executive Director
Office of Liquor, Gaming and Racing
Locked Bag 180
BRISBANE CITY EAST QLD 4002

By E-Mail: michael.kelly@racing.qld.gov.au
Original by Post

Dear Mike

RE: PRODUCT AND PROGRAM AGREEMENT (PPA)

Please find **attached** to this correspondence an opinion by Cooper Grace Ward (November 18, 2008) that deals with, amongst other things, whether UNITAB is entitled to deduct a Third Party Charge from the product fee payable to Queensland Race Product Co Ltd (Product Co).

By way of background, the attached opinion was initially provided to Product Co for consideration, however, after discussing the correspondence, it was determined that, as the correspondence was addressed to Queensland Racing Limited (QRL), QRL was the appropriate entity to consider the issues raised. At the QRL Board meeting on Friday, June 26, 2009, the Board agreed to refer the matter to the Queensland Government, so that a whole of Government response can be provided in relation to this matter.

In essence, the attached opinion, on page five at point three, outlines that the product fee payable under 10.1, "*will not be the subject of any offset or deduction under 10.2 (c) as and by way of a Third Party Charge in respect of monies paid to anyone else for the provision of Australian Racing Product...*".

This opinion has been provided notwithstanding Clause 7.4 (f) of the PPA, which seems to clearly point out that, "*nothing in this Agreement prevents or restricts TABQ using or acquiring the rights to use the Queensland Racing Calendar, Queensland Racing Program, Australian Racing Product, Marketing Rights or any other information or Intellectual Property rights in respect of Racing from any other party in connection with any other business, product or service of TABQ other than the Race Wagering Business or Existing Purpose and TABQ shall have no liability to pay or*

otherwise compensate any Queensland Control Body or Product Co for or in respect of such uses”.

As you are aware, with the introduction of Race Information (or Race Fields) Legislation by other States in Australia, UNiTAB is incurring a charge for the use of interstate information and is currently deducting that charge from the product fee payable to Product Co under Clause 10.1 of the PPA. You will also be aware that at the time the PPA was entered into the so called “*Gentlemen’s Agreement*” was intact, which provided for the free exchange of Australian racing information, enabling wagering operators to use that information, without incurring a charge.

To assist the Board of QRL in its consideration of this matter, a response from the Queensland Government is required, particularly in relation to the application of Clause 10.2 (c) (Third Party Charge) and whether it is the Government’s view that the intention of the PPA was to ensure a commitment by Product Co to guarantee the provision of Australian racing information to UNiTAB, for its use based on the “*Gentlemen’s Agreement*” that existed intact at that time. Should it be the Government’s view that as a result of the PPA, Product Co undertakes to provide Australian racing information to UNiTAB for its use without charge, then it would appear to flow that in the event UNiTAB incurs a charge for the use of Australian racing information, it is entitled to deduct that amount from the product fee payable under the provisions of 10.2 (c) of the PPA.

Your view in relation to this matter will be appreciated and should you require any further background regarding this, please do not hesitate to contact me on (07) 3869 9730.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Tuttle', enclosed within a large, loopy oval shape.

MALCOLM TUTTLE
Chief Operations Manager

Enc.

Queensland Race Product Co Ltd

ABN No: 85 081 743 722
Racecourse Road Deagon Qld 4017
PO Box 63 Sandgate Qld 4017
Phone: (07) 3869 9725 Facsimile: (07) 3269 6715

Minutes of Queensland Race Product Co Ltd

Board Room
Queensland Racing
Racecourse Road, Deagon

Friday, 18 September 2009

Present: Tony Hanmer- Queensland Racing Limited (Chairman)
Bill Andrews - Queensland Racing Limited
Kerry Watson - Greyhounds Queensland Limited
Michael Lambert - Queensland Racing Limited (by telephone)
Michael Godber - Queensland Harness Racing Limited

Apologies: Bill Ludwig - Queensland Racing Limited

Other Attendees: Adam Carter – Queensland Racing Limited

Minutes: Debbie Toohey – Queensland Racing Limited

The Chairman commenced the meeting at 9:35am.

1. Apologies

An apology was noted by Mr Bill Ludwig.

1.2 Declarations of Conflict 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.

There were no other additional Declarations of Conflicts of Interest.

1.3 Confirmation of Minutes – 5 March 2009

The Board made the following amendments to the minutes: -

Product and Program Agreement – 2.1.3

Second paragraph to now read:

“Mr Lambert and Mr Andrews noted advice from Mr Grace, if correct, raised fundamental issues that needed to be formally resolved either by Senior Counsel advice or by obtaining advice from Government of the original intent of the Product and Program Agreement (Agreement).”

Fourth paragraph – delete the word “Government” and replace with “Office of Racing”.

The Directors **NOTED** the minutes of the previous meeting 5 March 2009.

MOVED by Ms Kerry Watson **SECONDED** by Mr Michael Godber

Motion carried

2.1. Product and Strategy Committee Meeting

The Chairman updated the Board in relation to the Product & Strategy Committee Meeting held on Tuesday, 18 August 2009.

The Board **NOTED** the update.

2.2 Authorisation of the Audited Financial Statements for the year ended 30 June 2009

Mr Adam Carter updated the Board in relation to the Financial Statements for the year ended 30 June 2009 and requested approval from the Board for the Chairman to sign the Financial Statements.

The Board **APPROVED** the adoption of the audited Financial Statements for Qld Race Product Co Ltd for the year ended 30 June 2009 and for the Chairman to sign off on these statements on behalf of Qld Race Product Co Ltd.

MOVED by Mr Michael Godber **SECONDED** by Mr Bill Andrews.

Motion carried

2.3 2010 Board Dates

The Board **NOTED** the 2010 Board dates.

3.1 Alternate Director

The Board **NOTED** the correspondence received by Greyhounds Queensland dated 21 July 2009 in relation to Mr Darren Beavis as an alternate Director on the Board.

4. Confirmation of AGM and next Board Meeting

The Board **NOTED** and **CONFIRMED** that the next Board meeting and AGM will be held on 17 November 2009 at 9:00am.

The meeting concluded at 9:50am.


Confirmed as a true record.

Chairman

Date

SCHEDULE OF BOARD AND COMMITTEE MEETINGS 2010

When	Board		Notice of Meeting	Board Papers	Audit		Notice of Meeting	Board papers	HRRC		Product Co		Notice of Meeting	Board Papers	AGM	
	Date	Time	Date	Date	Date	Time	Date	Date	Date	Time	Date	time			Date	Time
Jan-10	NO BOARD MTG															
Feb-10	3/2/2010	9:00am	15/1/2010	29/1/2010												
Mar-10	5/3/2010	9:30am	12/2/2010	26/2/2010	5/3/2010	8:30am	12/2/2010	26/2/2010			4/3/2010	1:00pm				
Apr-10	2/4/2010	9:00am	12/3/2010	26/3/2010												
May-10	7/5/2010	9:00am	16/4/2010	30/4/2010												
Jun-10	4/6/2010	9:30am	14/5/2010	28/5/2010	4/6/2010	8:30am	14/5/2010	28/5/2010			3/6/2010	1:00pm				
Jul-10	2/7/2010	9:00am	11/6/2010	25/6/2010					XX							
Aug-10	6/8/2010	9:00am	16/7/2010	30/7/2010					XX							
Sep-10	3/9/2010	9:30am	13/8/2010	27/8/2010	3/9/2010	8:30am	13/8/2010	27/8/2010			2/9/2010	1:00pm				
Oct-10	1/10/2010	9:00am	10/9/2010	24/9/2010												
Nov-10	5/11/2010	9:00am	14/10/2010	28/10/2010												
Dec-10	3/12/2010	9:30am	12/11/2010	26/11/2010	3/12/2010	8:30am	12/11/2010	26/11/2010			2/12/2010	1:00pm				


 Tony to
 notify dates

Queensland Race Product Co Ltd

BOARD PAPER NUMBER: 2.2

Resignation of Directors

Resignation from Mr Michael Lambert and Mr Bill Andrews to be signed on the day.

October 21, 2009

Mr Barrie Fletton
Chief Executive
UNiTAB
PO Box 248
ALBION QLD 4010

Dear Barrie

RE: RECOVERY OF FEES

Recently we have discussed the recovery of race information fees by UNiTAB in the event that, for one reason or another, Race Information Legislation (RIL), or similar legislation, is dismantled.

Currently, fees charged by interstate principal racing authorities to UNiTAB for the use of each jurisdiction's racing information is deducted from the product fee that is payable by UNiTAB to Product Co, for distribution to the three racing codes. Queensland Racing Limited's (QRL) position is that, if, for one reason or another, RIL was found to be unlawful, or for whatever reason it should not have previously applied, QRL would expect UNiTAB to actively pursue the repayment of any costs it had incurred as a result of the implementation of interstate RIL or similar legislation.

Understandably, if RIL or similar legislation was found to be unlawful and the repayment of fees was required, QRL could find itself in a significantly disadvantaged financial position. To mitigate any financial impact, QRL would actively pursue UNiTAB to take a course of action to recover any costs it had incurred for the use of interstate racing information and on forward any fees recovered in these circumstances to Product Co for distribution.

If required in the future, your support in relation to this matter will be appreciated.

Yours sincerely

MALCOLM TUTTLE
Chief Operations Manager

Cc. Adam Carter – QRL Finance Manager



29 October 2009

Mr Malcolm Tuttle
Chief Operations Manager
Queensland Racing Limited
PO Box 63
SANDGATE QLD 4017

By email: mtuttle@queenslandracing.com.au

Dear Sir

Recovery of fees

I refer to your letter dated 27 October 2009 and to the Product and Program Agreement between UNiTAB, Queensland Race Product Co Ltd (**Product Co**), Queensland Racing Limited's predecessor (**QRL**), Queensland Harness Racing Limited's predecessor and Greyhounds Queensland Limited's predecessor dated 9 June 1999 (as amended) (**Agreement**).

As you have identified, the fee payable by UNiTAB to Product Co under the Agreement is reduced by the amount of fees paid by UNiTAB to interstate racing authorities for use of racing information relevant to their jurisdictions.

UNiTAB notes QRL's position is that, if race information legislation is found to be unlawful or for whatever reason it should not have previously applied, QRL would expect UNiTAB to pursue the recovery of any costs it had incurred as a result of such interstate race information legislation and to "on-forward" any fees recovered in these circumstances to Product Co for distribution.

I confirm that, if the race field information legislation in another state was found to be unlawful or invalid, UNiTAB would cooperate to the extent possible in recovering any fees paid, including discussing with Product Co and the various Queensland control bodies what action may be taken. However we anticipate that any costs (including legal fees) incurred in pursuing recovery would be met by Product Co and/or the various control bodies. UNiTAB will consult with Product Co and the control bodies before incurring costs on their behalf.

Yours faithfully

A handwritten signature in black ink, appearing to read "Barrie Fletton", written over a horizontal line.

Barrie Fletton
Chief Executive - UNiTAB Wagering

Queensland Race Product Co Ltd

ABN No: 85 081 743 722
Racecourse Road Deagon Qld 4017
PO Box 63 Sandgate Qld 4017
Phone: (07) 3869 9725 Facsimile: (07) 3269 6715

Minutes of Queensland Race Product Co Ltd General Meeting

Board Room
Queensland Racing
Racecourse Road, Deagon

Tuesday, 17 November 2009

- Present:** Tony Hanmer- Queensland Racing Limited (Chairman)
Bill Andrews - Queensland Racing Limited
Bill Ludwig – Queensland Racing Limited
Michael Lambert - Queensland Racing Limited
Kerry Watson - Greyhounds Queensland Limited
Bob Lette – Queensland Harness Racing Limited
- Other Attendees:** Adam Carter – Queensland Racing Limited
Shara Murray – Queensland Racing Limited
Damien Wright – BDO Audit (Qld) Pty Ltd
Michael Godber - Queensland Harness Racing Limited (as an observer)
- Minutes:** Debbie Toohey – Queensland Racing Limited

The Chairman commenced the meeting at 8:46am.

1. Apologies

There were no apologies for this meeting.

1.2 Declarations of Conflict 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.

There were no other additional Declarations of Conflicts of Interest.

1.3 Confirmation of Minutes – 4 June 2009 and 18 September 2009

The Board made no amendments to the minutes of 4 June 2009.

The Board **RESOLVED**:

- (a) Ms Murray to follow up Mr David Grace of Cooper Grace Ward Lawyers in regards to agenda item 2.3 RISA Participation Agreement, and
- (b) An Action sheet is to be created for any follow up items for future meetings.

The Directors **NOTED** the minutes of the previous meeting 5 March 2009.

MOVED by Ms Kerry Watson **SECONDED** by Mr Bill Ludwig

Motion carried

The Board made no amendments to the minutes of 18 September 2009.

The Directors **NOTED** the minutes of the previous meeting 18 September 2009.

MOVED by Mr Bob Lette **SECONDED** by Mr Michael Lambert

Motion carried

2.1. 2010 Board Dates

The Board **NOTED** the 2010 Board dates.

The proposed Board date of 2 December 2010 is to be altered to coincide with the 2010 QRL AGM. Once this date has been set all Directors will be notified.

If there are any changes required to the Board dates, Directors are to notify either Ms Shara Murray, Mr Tony Hanmer or Ms Debbie Toohey.

2.2 Resignation of Directors

Mr Hanmer informed the Board that this item is to be put on hold until further notice.

3.1 UNiTAB – Recovery of Fees

The Board **NOTED** the letter from UNiTAB.

Mr Hanmer suggested to include as a standing Board item an update on Race Information Legislation cases eg. Sportsbet and Betfair.

4.1 General Business

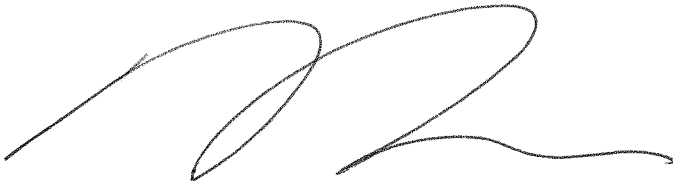
Mr Adam Carter provided the Board with an update on wagering for the period 1 October 2009 to 31 October 2009.

This report was also provided to Greyhounds Queensland Limited and Queensland Harness Racing Limited.

The Board **NOTED** the report.

The meeting concluded at 9:06am.

Confirmed as a true record.



Chairman



Date

Queensland Race Product Co Ltd

ABN No: 85 081 743 722
Racecourse Road Deagon Qld 4017
PO Box 63 Sandgate Qld 4017
Phone: (07) 3869 9725 Facsimile: (07) 3269 6715

Minutes of Queensland Race Product Co Ltd Annual General Meeting

Board Room
Queensland Racing
Racecourse Road, Deagon

Tuesday, 17 November 2009

- Present:** Tony Hanmer- Queensland Racing Limited (Chairman)
Bill Andrews - Queensland Racing Limited
Bill Ludwig – Queensland Racing Limited
Kerry Watson - Greyhounds Queensland Limited
Michael Lambert - Queensland Racing Limited
Michael Godber - Queensland Harness Racing Limited
- Apologies:** Bob Lette – Queensland Harness Racing Limited (was delayed)
- Other Attendees:** Adam Carter – Queensland Racing Limited
Shara Murray – Queensland Racing Limited
Damien Wright – BDO Audit (Qld) Pty Ltd
- Minutes:** Debbie Toohey – Queensland Racing Limited

The Chairman commenced the meeting at 8:37am.

Apologies

An apology was noted from Mr Bob Lette as he was delayed for this meeting. Mr Michael Godber therefore was acting Director on behalf Queensland Harness Racing Limited for this meeting.

1. Receipt of Annual Financial Statements and Reports

The Board **NOTED** that the Financial Statements of the Company has been circulated by Flying Minute on 18 September 2009.

The Board **ADOPTED** the Financial Statements of the Company together with the Directors and Auditors reports for the period ended 30 June 2009.

MOVED by Mr Michael Godber **SECONDED** by Ms Kerry Watson

Motion carried

2. Appointment of Auditor

The Board, by way of ordinary resolution, **APPROVED** the appointment of BDO Kendalls (QLD) as Auditors of the Company.

MOVED by Mr Michael Lambert **SECONDED** by Mr Bill Andrews

Motion carried

3. Other Business

Mr Adam Carter informed the Board that the Auditors had a name change to: BDO Audit (Qld) Pty Ltd. Mr Carter will inform ASIC of the name change concerning the Company's Auditor.

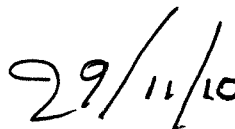
The Board **NOTED** the name change.

The meeting concluded at 8:40am.

Confirmed as a true record.



Chairman



Date

28 January 2011



Hon Peter Lawlor MP
Minister for Tourism and Fair Trading
Queensland Government
GPO Box 1141
BRISBANE QLD 4001

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

Dear Minister

RE: REIMBURSEMENT OF APPROVED TAX REDIRECTION

There is no doubt the extent of the natural disaster is unprecedented and there has been wide spread damage to infrastructure throughout Queensland. The racing industry has not been spared damage and disruption along with other vital industries that create employment.

I have listed as an attachment the damage and estimated cost of repairs to racing infrastructure (Attachment A) and recommended a funding strategy that can be applied to minimise government involvement.

The categories of infrastructure are separated as to allow practical consideration rather than a one solution fits all. Incorporated in the strategy is the request to access the previously approved tax redirection package for reimbursement for the costs associated with the preparation of phase one of the Industry Infrastructure Plan (Attachment B).

TAB TRACKS & STRATEGIC CLUBS

The cost of redial work to address damage caused by the recent flooding at TAB and strategic clubs is estimated at \$1.45m. This cost estimate is based on information that has been provided to Racing Queensland Limited from the clubs affected and will be verified prior to any funds being expended.

It is suggested that the funding required to complete works at these venues can be sourced from the already approved wagering tax redirection arrangements. While the re-allocation of this funding will require Racing Queensland Limited to re-prioritise proposed capital expenditure already planned under the tax redirection program, overall the redirection of this funding will not unduly impact on the delivery of already planned outcomes. Any funding shortfalls can be addressed when funding for the Industry Infrastructure Plan is considered by Government.

NON STRATEGIC CLUBS

The cost of remedial work to address damage caused by the recent flooding at non strategic clubs is estimated at \$200,000. The cost estimate is based on information that has been provided to Racing Queensland Limited from the clubs affected and will be confirmed prior to any funding being provided to address flood damage.

As you are aware, an amount of \$900,000 has already been allocated by Government for use in assisting non TAB clubs achieve minimum Workplace Health and Safety compliance. It is suggested that the funding required to address recent flood damage can be re-allocated from this already approved funding source to undertake necessary remedial work resulting from the flooding event. While Racing Queensland Limited would maintain overall responsibility for the approval and acquittal of all flood related expenditure, the distribution of funds would be based on submissions from affected clubs to the Country Racing Committee. It is envisaged that the primary allocations will be required to be made to clubs located at Texas, Esk and Kilcoy.

Should you approve the proposed approach to deal with flood damage remediation the Industry Infrastructure Plan will be amended to reflect the unforeseen expenditure resulting from flood remediation works. While this will result in additional funding being required to offset any re-allocated funding this matter can be considered by Government as part of the final consideration of funding options to facilitate implementation of the Industry Infrastructure Plan.

INDUSTRY INFRASTRUCTURE PLAN COSTS TO DATE

Racing Queensland Limited has incurred costs of \$1.51m to date in progressing the Industry Infrastructure Plan to its current stage and I seek your approval to recoup these costs from the already approved wagering tax re-direction funding. I have attached details of the costs incurred for your information.

Regardless of the Government's final decision of funding for the plan, these costs have been budgeted for in the already approved re-directed wagering tax funding. However, should the Government not approve the increased funding required to fully progress the Industry Infrastructure Plan these initial costs will have to be met from within the already approved funding base of approximately \$80m. In such circumstances, the initial scope of works will be reviewed to take into account the decreased funding available.

It would be appreciated if you could give this matter your urgent consideration.

Yours sincerely



R. G. BENTLEY
Chairman

TAB Race Clubs - \$1,000,000

Rockhampton – Thoroughbred

Remediation Required	Forecast Costs
Resurrection of grass track under water for 10 days and covered in silt	\$500,000
Remediation of sand training track	\$100,000
Remediation of grounds and facilities inundated by water and silt	\$250,000
	\$850,000

Albion Park – Harness and Greyhounds

Remediation Required	Forecast Costs
Rebuilding of harness and greyhound tracks	\$50,000
Remediation of grounds and facilities inundated by water and silt	\$25,000
	\$75,000

Ipswich – Thoroughbred

Remediation Required	Forecast Costs
Remediation of some parts of the grass track	\$25,000
Remediation of grounds and facilities inundated by water and silt	\$50,000
	\$75,000

Strategic Non-TAB Race Clubs - \$450,000

Rockhampton Greyhound Facilities

Remediation Required	Forecast Costs
Resurrection of greyhound track under water for 10 days and covered in silt	\$10,000
Remediation of kennels and facilities inundated by water and silt, starting box replacement and fencing	\$60,000
	\$70,000

Capalaba - Greyhounds

Remediation Required	Forecast Costs
Remediation of greyhound track impacted by floodwaters	\$10,000
Remediation of kennels and facilities inundated by floodwater	\$15,000
	\$25,000

Warwick – Thoroughbreds

Remediation Required	Forecast Costs
Resurrection of sand training track washed away by floodwaters	\$50,000
Remediation of irrigation system damaged by floodwaters	\$15,000
Purchase of new running rail for inside and outside of course proper	\$35,000
	\$100,000

Bundaberg – Thoroughbreds

Remediation Required	Forecast Costs
Resurrection of sand track washed away by floodwaters	\$25,000
	\$25,000

Oakey – Thoroughbreds

Remediation Required	Forecast Costs
Resurrection of training track washed away by floodwaters	\$25,000
	\$25,000

Emerald – Thoroughbreds

Remediation Required	Forecast Costs
Resurrection of sand training track washed away by floodwaters	\$60,000
Remediation of perimeter fencing decimated by floodwaters	\$60,000
Remediation of road infrastructure to stabling complex	\$5,000
	\$125,000

Dalby – Thoroughbreds

Remediation Required	Forecast Costs
Resurrection of training tracks washed away by floodwaters	\$10,000
	\$10,000

Gympie – Thoroughbreds

Remediation Required	Forecast Costs
Resurrection of sand track washed away by floodwaters	\$40,000
	\$40,000

Nanango – Thoroughbreds

Remediation Required	Forecast Costs
Resurrection of sand track washed away by floodwaters	\$25,000
	\$25,000

Thangool – Thoroughbreds

Remediation Required	Forecast Costs
Resurrection of sand track washed away by floodwaters	\$5,000
	\$5,000

Non-Strategic Non-TAB Race Clubs - \$200,000**Dawson – Thoroughbreds**

Remediation Required	Forecast Costs
Resurrection of sand track washed away by floodwaters	\$5,000
	\$5,000

Kilcoy – Thoroughbreds

Remediation Required	Forecast Costs
Resurrection of grass track washed away by floodwaters	\$15,000
Purchase of new running rail for inside and outside of course proper	\$30,000
	\$45,000

Texas – Thoroughbreds

Remediation Required	Forecast Costs
Complete rebuild of all buildings	\$35,000
Purchase of new running rail for inside and outside of course proper	\$15,000
	\$50,000

Esk – Thoroughbreds

Remediation Required	Forecast Costs
Refurbishment of buildings. No details given. Yet to be inspected	
Remediation of fencing. No details given. Yet to be inspected	
Reinstatement of sewerage infrastructure. No details given. Yet to be inspected	
	\$100,000

Racing Queensland Limited

INDUSTRY INFRASTRUCTURE PLAN COSTS TO 31 DECEMBER 2010

Location	Nature	Sub Total	Total
Albion Park	Consultants	6,416.64	
Albion Park Total			6,416.64
Beaudesert	Design Development	6,360.00	
	Engineers	130,309.21	
	Environmental Management Consultants	82,892.51	
	Surveyors	11,950.00	
Beaudesert Total			231,511.72
Cairns	Engineers	6,832.75	
Cairns Total			6,832.75
Deagon	Architect	24,250.00	
	Consultants	48,216.73	
	Electrical and Mechanical Consultancy	12,820.00	
	Engineers	53,025.49	
	Fire Services	690.00	
	Planning & Surveying	29,177.31	
	Surveyors	1,960.00	
	Traffic Consultants	750.00	
	Tree consultancy	2,500.00	
Deagon Total			173,389.53
Gold Coast	Accounting	1,540.00	
	Design Development	4,640.00	
	Engineers	48,711.22	
	Surveyors	14,900.00	
Gold Coast Total			69,791.22
Ipswich	Consultants	2,750.00	
	Engineers	32,685.26	
Ipswich Total			35,435.26
Logan	Consultants	12,833.28	
	Economic Assessment (Food)	8,900.00	
	Electrical and Mechanical Consultancy	12,160.00	
	Environmental Management Consultants	13,630.00	
	Govt. Applications	14,243.90	
	Masterplanning	259,484.42	
	Property & Construction Consultants	17,805.00	
	Surveyors	8,065.00	
	Town Planning	133,414.41	
Logan Total			480,536.01
Mackay	Engineers	81,027.42	
	Surveyors	10,950.00	
Mackay Total			91,977.42
Townsville	Engineers	9,594.50	
Townsville Total			9,594.50
Executive Concept Preparation	Consultants	27,864.69	
	Engineers	18,429.11	
Executive Concept Preparation Total			46,293.80
Grand Total			1,151,778.84

Racing Queensland Limited

INDUSTRY INFRASTRUCTURE PLAN COSTS TO 31 DECEMBER 2010 (Detailed)

Location	Supplier	Description	Amount	SubTotal	Nature
Albion Park	The Mannix Group	REVIEW ALBION PK	\$ 2,750.00		Consultants
Albion Park	The Mannix Group	APK REVIEW AUG 10	\$ 3,666.64		Consultants
Albion Park Total				\$ 6,416.64	
Beaudesert	Definium	Survey Beaudesert Racecourse	\$ 11,950.00		Surveyors
Beaudesert	Contour Consulting Engineers	Beaudesert Upgrade Mar 10	\$ 22,186.50		Engineers
Beaudesert	Contour Consulting Engineers	Beaudesert upgrade Apr 10	\$ 1,933.50		Engineers
Beaudesert	Contour Consulting Engineers	Beaudesert upgrade May 10	\$ 4,873.75		Engineers
Beaudesert	Contour Consulting Engineers	Preliminary engineering services - SAMP	\$ 4,081.75		Engineers
Beaudesert	Contour Consulting Engineers	Preliminary engineering services - SAMP	\$ 8,306.25		Engineers
Beaudesert	The Heilbronn Group	PROGRESS PYMT OCT 10 BEA	\$ 13,205.00		Engineers
Beaudesert	Duke Environmental	ASSET PLAN BEAUDESERT	\$ 6,300.00		Design Development
Beaudesert	Duke Environmental	ENV MGMT PLAN, ECO ASSES	\$ 15,110.00		Environmental Management Consultants
Beaudesert	Duke Environmental	ECO CONSTRAINTS RE BEAUDE	\$ 928.75		Environmental Management Consultants
Beaudesert	Duke Environmental	PROGRESS PYMT NOV 10 BEAU	\$ 65,853.76		Environmental Management Consultants
Beaudesert	Contour Consulting Engineers	TRK UPRGD BEAUDESERT OCT	\$ 75,722.48		Engineers
Beaudesert Total				\$ 231,511.72	
Cairns	Contour Consulting Engineers	PROGRESS PYMT OCT 10 CAI	\$ 3,632.50		Engineers
Cairns	Contour Consulting Engineers	PROGRESS CLM AUG 10 CAIRN	\$ 3,200.25		Engineers
Cairns Total				\$ 6,832.75	
Deagon	Contour Consulting Engineers	DEV PERMIT CHG USE DEAGON	\$ 878.00		Engineers
Deagon	Contour Consulting Engineers	DGN DEV EXTENSION AUG 10	\$ 3,668.73		Engineers
Deagon	Contour Consulting Engineers	PROGRESS CLM AUG 10 DGN	\$ 13,171.50		Engineers
Deagon	Contour Consulting Engineers	PROGRESS CLM JUL 10 DGN	\$ 10,125.00		Engineers
Deagon	Nettleton Tribe	DGN DEVELOPMENT	\$ 4,200.00		Architect
Deagon	Nettleton Tribe	DGN DEVELOPMENT	\$ 3,250.00		Architect
Deagon	TTM Consulting	MASTER PLAN DGN JUL-AUG 1	\$ 750.00		Traffic Consultants
Deagon	The Mannix Group	DEAGON OFFICE EXT OCT 10	\$ 12,600.00		Consultants
Deagon	KHA Development Managers	DEV PERMIT 133 BOARD ST D	\$ 2,135.00		Planning & Surveying
Deagon	KHA Development Managers	CONTOUR SURVEY DGN	\$ 18,200.00		Planning & Surveying
Deagon	KHA Development Managers	NOTIFICATIONS RE DGN UPRGR	\$ 7,629.56		Planning & Surveying
Deagon	Arbor Australia Consulting	ASSESS/PREPARE WMP RE CAR	\$ 2,500.00		Tree consultancy
Deagon	The Mannix Group	FEE RE DGN & STRATEGIC PLA	\$ 13,200.00		Consultants
Deagon	Contour Consulting Engineers	DESIGN/INVESTIGATE DGN UP	\$ 8,600.00		Engineers
Deagon	Contour Consulting Engineers	PROGRESS PYMT OCT 10 DGN	\$ 11,234.26		Engineers
Deagon	KHA Development Managers	DGN MASTERPLAN DEWMT	\$ 1,212.75		Planning & Surveying
Deagon	Contour Consulting Engineers	PROGRESS PYMT 01-21/11 DG	\$ 5,350.00		Engineers
Deagon	Knaiss Development Solutions	BLDG CODE JOCKEY FACILITY	\$ 1,850.00		Surveyors
Deagon	Australia Fire Service Testing	FIRE SERVICE TEST DGN 14	\$ 600.00		Fire Services
Deagon	Nettleton Tribe	MASTER PLAN DGN DEVELOP	\$ 16,800.00		Architect
Deagon	ACCRUAL - ADG	ACCRUAL	\$ 12,820.00		Electrical and Mechanical Consultancy
Deagon	The Mannix Group	Fee re Deagon Feasibility	\$ 3,000.00		Consultants
Deagon	The Mannix Group	DEAGON OFFICE EXTENSION	\$ 2,750.00		Consultants
Deagon	The Mannix Group	DGN DEV EXTENSION AUG 10	\$ 3,666.73		Consultants
Deagon	The Mannix Group	DEAGON OFFICE EXTN SEP 10	\$ 13,000.00		Consultants
Deagon Total				\$ 173,389.53	
Executive Concept Preparation	Contour Consulting Engineers	PROGRESS CLM JUL 10 DMNB	\$ 8,921.26		Engineers
Executive Concept Preparation	Contour Consulting Engineers	PROGRESS CLM JUL 10 APK	\$ 1,220.00		Engineers
Executive Concept Preparation	Contour Consulting Engineers	BUILD ASSESS RPT RHRC AUG	\$ 4,225.35		Engineers
Executive Concept Preparation	Contour Consulting Engineers	CONSULT FEE RE APK AUG 10	\$ 4,062.50		Engineers
Executive Concept Preparation	The Mannix Group	Consult Fee 22/03-23/04	\$ 7,500.00		Consultants
Executive Concept Preparation	The Mannix Group	Consult Fee 27/04-14/05	\$ 4,500.00		Consultants
Executive Concept Preparation	The Mannix Group	Consult fee 17-28/05	\$ 5,000.00		Consultants
Executive Concept Preparation	The Mannix Group	Consult Fee Jun 10	\$ 7,000.00		Consultants
Executive Concept Preparation	The Mannix Group	Consult Fee Jun 10	\$ 3,500.00		Consultants
Executive Concept Preparation	The Mannix Group	PKG 02/08 SNOWDON, M	\$ 27.27		Consultants
Executive Concept Preparation	The Mannix Group	MOB PH OCT 10 SNOWDON, M	\$ 235.63		Consultants
Executive Concept Preparation	The Mannix Group	MOB PH OCT 10 SNOWDON, M	\$ 101.49		Consultants
Executive Concept Preparation Total				\$ 46,293.80	
Gold Coast	Contour Consulting Engineers	CLM FEB 09-JUN 10 GOLD CO	\$ -		Engineers
Gold Coast	Contour Consulting Engineers	PROGRESS CLM AUG 10 GC	\$ 6,596.00		Engineers
Gold Coast	Contour Consulting Engineers	PROGRESS CLM JUL 10 GC	\$ 20,599.22		Engineers
Gold Coast	BDO Kendall	REVIEW AGREEMT GC 30/09	\$ 1,540.00		Accounting
Gold Coast	Contour Consulting Engineers	PROGRESS PYMT OCT 10 GCT	\$ 21,516.00		Engineers
Gold Coast	The Heilbronn Group	ASSET PLAN GCTC	\$ 4,640.00		Design Development
Gold Coast	Bennett & Bennett	SURVEY SERVICES GCTC	\$ 14,900.00		Surveyors
Gold Coast Total				\$ 69,791.22	
Ipswich	Contour Consulting Engineers	PROGRESS CLM AUG 10 IPS	\$ 19,481.50		Engineers
Ipswich	Contour Consulting Engineers	PROGRESS CLM JUL 10 IPSW	\$ 8,208.76		Engineers
Ipswich	Contour Consulting Engineers	PROGRESS PYMT OCT 10 IPS	\$ 4,995.00		Engineers
Ipswich	The Mannix Group	DUE DILIGENCE IPSWICH TC	\$ 2,750.00		Consultants
Ipswich Total				\$ 35,435.26	
Logan	The Mannix Group	DUE DILIGENCE LOGAN GREYH	\$ 2,750.00		Consultants
Logan	The Mannix Group	LOGAN GH FAVILITY	\$ 3,666.64		Consultants
Logan	ML Design Pty Ltd	LOGAN GH DEV APPLIC	\$ 4,725.46		Town Planning
Logan	Mach 1 Environmental Pty Ltd	LOGAN TPR CERT RPT	\$ 2,755.00		Environmental Management Consultants
Logan	Sinclair Knight Merz	LOGAN CIVIL & TRAFFIC STU	\$ 1,450.00		Masterplanning
Logan	The Mannix Group	DUE DILIGENCE LOGAN GREYH	\$ 2,750.00		Consultants
Logan	The Mannix Group	LOGAN GH FAVILITY	\$ 3,666.64		Consultants
Logan	RFS Australia East	LOGAN GH FOOD/BEV VIABILI	\$ 8,900.00		Economic Assessment (Food)
Logan	ML Design Pty Ltd	DEV APPRVL PROCESSING	\$ 2,348.95		Town Planning
Logan	Mach 1 Environmental Pty Ltd	RE LOGAN FACILITY JUL 10	\$ 4,780.00		Environmental Management Consultants
Logan	Sinclair Knight Merz	CLM 7 RE LOGAN AUG 10	\$ 7,873.00		Masterplanning
Logan	ML Design Pty Ltd	GH RACING FACILITY LOGAN	\$ 2,880.00		Town Planning
Logan	ML Design Pty Ltd	Schematic Design	\$ 4,450.00		Town Planning
Logan	ML Design Pty Ltd	Schematic Design	\$ 6,150.00		Town Planning
Logan	ML Design Pty Ltd	Town Planning Services	\$ 4,200.00		Town Planning
Logan	ML Design Pty Ltd	Town Planning Services	\$ 5,000.00		Town Planning
Logan	ML Design Pty Ltd	Schematic Design & Development Application Lodgement	\$ 10,636.00		Town Planning
Logan	ML Design Pty Ltd	Schematic Design & Development Application Lodgement	\$ 14,150.00		Town Planning
Logan	ML Design Pty Ltd	Town Planning Services	\$ 4,800.00		Town Planning
Logan	ML Design Pty Ltd	Town Planning Services	\$ 9,800.00		Town Planning
Logan	ML Design Pty Ltd	Schematic Design & Development Application Lodgement	\$ 29,886.00		Town Planning
Logan	ML Design Pty Ltd	Design to DA - Level 2 Restaurant & Function Room	\$ 6,000.00		Town Planning
Logan	ML Design Pty Ltd	Design to DA - Level 2 Restaurant & Function Room	\$ 6,000.00		Town Planning
Logan	ML Design Pty Ltd	Design to DA - Level 2 Restaurant & Function Room	\$ 8,000.00		Town Planning
Logan	ML Design Pty Ltd	Town Planning Services	\$ 14,200.00		Town Planning
Logan	ML Design Pty Ltd	DA Processing	\$ 180.00		Town Planning
Logan	MJ Richardson & Associates Pty Ltd	Surveying Services	\$ 3,000.00		Surveyors
Logan	Rider Levett Bucknall (Old) Pty Ltd	Cost estimate for the main building works, Cost estimate for the civil	\$ 12,000.00		Property & Construction Consultants
Logan	Rider Levett Bucknall (Old) Pty Ltd	Indicative cost estimate for the main building works	\$ 5,035.00		Property & Construction Consultants
Logan	Webb Australia Group (Old) Pty Ltd	Greyhound race track feasibility study and DA submission	\$ 8,240.00		Electrical and Mechanical Consultancy
Logan	Webb Australia Group (Old) Pty Ltd	Greyhound race track feasibility study and DA submission	\$ 3,920.00		Electrical and Mechanical Consultancy
Logan	WSP Environmental Pty Ltd	Review of interim summary report	\$ 860.00		Surveyors
Logan	Sinclair Knight Merz	Feasibility, Masterplanning and Development Application	\$ 28,440.00		Masterplanning
Logan	Sinclair Knight Merz	Feasibility, Masterplanning and Development Application	\$ 31,440.00		Masterplanning
Logan	Sinclair Knight Merz	Feasibility, Masterplanning and Development Application	\$ 44,670.00		Masterplanning
Logan	Sinclair Knight Merz	Supplementary Site Investigation & Geotechnical Investigation	\$ 43,140.00		Masterplanning
Logan	Sinclair Knight Merz	Supplementary Site Investigation & Geotechnical Investigation	\$ 82,521.42		Masterplanning
Logan	Sinclair Knight Merz	Feasibility, Masterplanning and Development Application	\$ 19,950.00		Masterplanning
Logan	Logan City Council	Outdoor entertainment & restaurant operational works (vegetation	\$ 9,030.90		Govt. Applications
Logan	Cardno (OLD) Pty Ltd	Conduct field survey, preparation of a property vegetation management	\$ 4,185.00		Surveyors
Logan	Mach 1 Environmental Pty Ltd	Review LCC Data and SKM Stage 1 & Stage 2 Report	\$ 6,695.00		Environmental Management Consultants
Logan	Department of Environment & Resource Management	Application fee to purchase/transfer land to GOL	\$ 213.00		Govt. Applications
Logan	Department of Environment & Resource Management	Material change of use for outdoor entertainment (Greyhound	\$ 5,000.00		Govt. Applications
Logan Total				\$ 480,536.01	
MacKay	Contour Consulting Engineers	Eng Services Mky upgrade	\$ 9,500.00		Engineers
MacKay	Definium	Survey Mackay Racecourse	\$ 10,050.00		Surveyors
MacKay	Contour Consulting Engineers	Mackay upgrade Mar 10	\$ 27,414.99		Engineers
MacKay	Contour Consulting Engineers	Mackay upgrade Apr 10	\$ 2,055.55		Engineers
MacKay	Contour Consulting Engineers	Mackay upgrade May 10	\$ 5,253.75		Engineers
MacKay	Contour Consulting Engineers	SAMP - Preliminary engineering services - progress invoice	\$ 3,811.00		Engineers
MacKay	Contour Consulting Engineers	SAMP - Preliminary engineering services - progress invoice	\$ 25,972.14		Engineers
MacKay	Contour Consulting Engineers	Building assessment report	\$ 4,552.50		Engineers
MacKay	Contour Consulting Engineers	Progress Pymt Oct 10 MKY	\$ 2,467.50		Engineers
MacKay Total				\$ 91,977.42	
Townsville	Contour Consulting Engineers	PROGRESS CLM AUG 10 TNV	\$ 3,730.25		Engineers
Townsville	Contour Consulting Engineers	PROGRESS CLM JUL 10 TNV	\$ 3,538.25		Engineers
Townsville	Contour Consulting Engineers	PROGRESS PYMT OCT 10 TNV	\$ 2,325.00		Engineers
Townsville Total				\$ 9,593.50	
Grand Total				\$ 1,151,778.84	

Adam Carter

From: Malcolm Tuttle
Sent: Sunday, 15 January 2012 9:35 AM
To: Adam Carter
Cc: Robert Bentley
Subject: 2.75 million claim

Adam

I Spoke to Bob last night and Bob mentioned that Mike Kelly outlined that there was some material the Government still required for the claim for the business case funding. if you are aware of this please attend to it as a matter of urgency. If you are unaware of this please contact Carol as a matter of urgency to resolve.

The completed claim must be with Government as a matter of priority.

regards Mal



INDUSTRY INFRASTRUCTURE PLAN

Business Case for Ipswich Turf Club, Bundamba

Details

Author: M. Snowdon

Date: 10th February 2012

Contents

1. BACKGROUND	4
2. RATIONALE AND DEVELOPMENT OVERVIEW	5
3. FACILITY ISSUES	6
4. STAKEHOLDER MANAGEMENT	7
5. SCOPE OF WORKS	8
6. PROJECT DELIVERY METHODOLOGY	9
7. WORKS DELIVERY PROGRAM	10
8. CASH FLOW/BUDGET	11
9. RISK ASSESSMENT	12
10. DETAILED FINANCIAL AND ECONOMIC ANALYSIS	14
11. FINANCIAL VIABILITY/CLUB STRUCTURE	15
12. STATUTORY APPROVALS	18
13. EQUITY NEGOTIATIONS	19
14. NEXT STEP	20

- Appendix A - The Mannix Group, Due Diligence Report
- Appendix B - Concept Plans
- Appendix C - Racing Queensland Limited, Purchasing Policy
- Appendix D - Project Program
- Appendix E - Contour Consulting Engineers, Basis of Cost Estimate
- Appendix F - Cash Flow Budget
- Appendix G - Racing Queensland Limited, Operational Statement

1. BACKGROUND

Thoroughbred racing has been conducted at Ipswich for in excess of 150 years and for the past 120 years at the current location at Bundamba. There are 51 meetings currently conducted annually at the ITC including 48 midweek meetings. Whilst providing this vital Industry product, the ITC also conducts the largest race meeting of the year by attendance in the historic Ipswich Cup meeting. This Ipswich Cup has been run in its current format since 1934.

The racetrack at the Bundamba facility has a long held reputation of being second to none and regularly attracts high numbers of nominations from trainers from all over South East Queensland.

The Ipswich Turf Club is proposing a Commercial Development at the Bundamba racing facility primarily to provide an additional non-racing revenue source. In recent years there have been increasing non-racing uses of the Ipswich Turf Club with a view to providing an additional source of income to the Club, however that revenue is insufficient to guarantee the club's long term future.

The traditional racing income base of race clubs has been eroded over the past two decades as a result of the changing nature of the overall Wagering Industry and the subsequent impacts on racing clubs. The traditional racing income erosion has had a larger impact on the ITC than other clubs as the ITC races predominantly midweek providing a product for the Industry, for the good of the overall Industry.

Despite this erosion of the income base, the ITC is the only Queensland TAB Club to have reported a profit over each of the past seven years. Much of this profitability is due to Ipswich Cup Day. This however places the ITC in a position of vulnerability as there is immense reliance on one day of the year to achieve profitability.

Even with the highly successful Ipswich Cup Day, the annual profits made by the ITC are simply insufficient to fund an upgrading of the club's aging facilities meaning that any future upgrading of the facilities at the ITC can only occur if there is an additional source of income available to the ITC from either better commercial utilisation of the club's Assets or an injection of capital from an external source such as government.

On this basis the ITC has been pursuing commercial development opportunities for the past decade so as to become financially self-sufficient for the long term and to ensure the future of thoroughbred racing in Ipswich.

2. RATIONALE AND DEVELOPMENT OVERVIEW

Ipswich Racing has been in place for 150 years and the Committee of Management of the Ipswich Turf Club has for a decade been seeking a means of ensuring Ipswich Racing continues for long in to the future. This approach has been taken in response to the changes in the Wagering Industry of the past two decades. The means to ensure a secure future is in securing an additional income stream.

The proposed commercial development involves developing the land on the corner of Brisbane Road and T L Cooney Avenue. This land has main road exposure with an estimated 30,000 people passing by each day. The parcel of land is bound by the racecourse to the south, Bundamba Primary State School to the east, swimming pool and other sports facilities to the north, and the Racehorse Tavern and various commercial enterprises to the west.

In July 2010, RQL commissioned a Due Diligence report into the proposed commercial value of the site (**Appendix A**). This report indicates that the land as an approved commercial site, has an assessed value of approximately \$13.6m based on a rate of \$500pm² over 27,240m². The Ipswich Turf Club would seek to develop the land into a retail development with strong financial returns of which the equity would be retained by the industry. The preferred development would be a retail centre, major multinational tenants have registered interest in this site. This development potential could be realised once the work detailed within this business case has been completed. This work involves the relocation of the current tie up stalls and maintenance sheds to the infield which is currently unused. The infield of the racecourse is the most appropriate place to rebuild these stables and sheds and hence the triple cell tunnel is proposed under the course proper to provide access.

Once access to the infield has been achieved other industry and community uses could be accommodated on this land.

The concept plans for the project are attached to this report in **Appendix B**.

3. FACILITY ISSUES

Ipswich Turf Club is not in a position to remain financially self-sufficient long term into the future, under the current funding structure; therefore this additional source of income has been identified by the Ipswich Turf Club as an opportunity of securing the future viability of the club.

The benefits of undertaking this work are as follows:

- The proposed development will secure additional non-racing revenue Ipswich Turf Club.
- The proposed works will provide improved access to the infield which can then be utilised to cater for the future growth of the Ipswich Cup meeting in June of each year. Currently there are 7,000 patrons who utilise the infield for Ipswich Cup Day alone. The only access is via crossings over the course proper. A triple cell tunnel will allow a much safer, easier, and more efficient access to the infield.
- It is the intention of Racing Queensland to develop a harness and greyhound facility in the infield from the funds raised from the development of Albion Park Raceway. The proposed works will provide the required access for these new facilities.
- Access to the infield will provide additional racing options, including additional starting positions such as an 1800 metre start. Currently the positioning of the dam does not allow 1800 metre starts as there is no room to move the stalls off the track at that point.

4. STAKEHOLDER MANAGEMENT

It is forecast that racing and training at the facility will be disrupted for a period of approximately 16 weeks to enable the installation of the tunnel.

At present there are between 25 to 30 horses trained at the facility each morning, whilst racing is conducted at the venue on most Friday's.

Racing Queensland and the Ipswich Turf Club will work with local stakeholders to provide limited training facilities at Ipswich during the 12 week construction period and will work with neighbouring Clubs such as Beaudesert and Gatton to seek access to fast work facilities during this period.

From a racing perspective the race meetings allocated to the Ipswich Turf Club will be redistributed to other provincial Clubs throughout South East Queensland.

Following the announcement of the original plan for the Ipswich facility the Ipswich Turf Club has not provided any permanent training approvals due to the uncertainty surrounding access to the training tracks and infrastructure. The Ipswich Turf Club will continue with this policy until the completion of the construction period and there is greater certainty regarding the requirements of the infield area.

During this period the Ipswich Turf Club will continue to allow visitor permits for those trainers wishing to utilize the facilities.

5. SCOPE OF WORKS

The works to be undertaken as part of the Industry Infrastructure Plan are detailed as the following deliverables:

- Install a triple-cell tunnel and associated ramps giving access to the infield
- Install float and car parking and link roads
- Demolition and removal of existing buildings
- Install 150 tie-up stalls and associated infrastructure on the infield
- Install a new swab stall on the infield
- Fill in the existing dam and re-build on the east side of the infield.

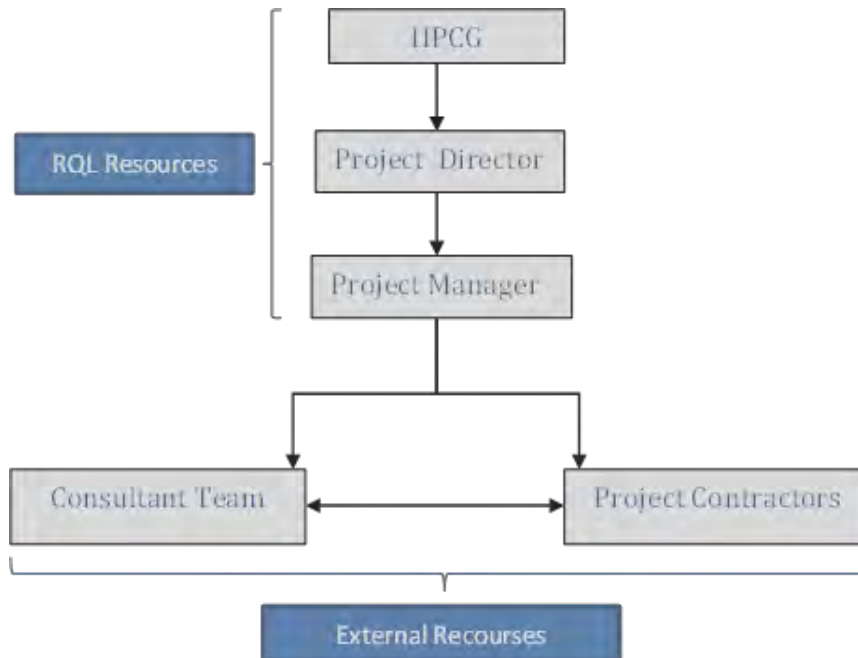
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The methodology to be utilised by Racing Queensland to deliver the Ipswich Turf Club Stage 1 project will be in line with the 'RQL Purchasing Policy – Infrastructure Plan' document. This Purchasing Policy sets out the processes required to be undertaken to ensure the probity and procurement requirements are adhered to. The Purchasing Policy, which applies to all Industry Infrastructure Plan projects, has been created in line with the principles of the Racing Queensland Purchasing Policy and the Queensland Government's State Purchasing Policy.

Within Racing Queensland the responsibility of overseeing the delivery of Industry Infrastructure Plan projects resides with the Industry Infrastructure Plan Control Group. The Project Manager has day to day management of the plan delivery and compliance, and reports to this group through the Project Director. These positions within the project delivery process are Racing Queensland employed resources and ensures independence from the project consultant team Industry Infrastructure Plan and retains overall project control within Racing Queensland.

While the project consultant/s and contractors will interrelate with each other, all project related decision making and approval remain the responsibility of Racing Queensland within the parameters of the approved project business case.

The Following flow chart provides an overview of the flow of responsibility in these roles:



A full copy of the RQL Purchasing Policy, including the recently adopted Addendum for the Infrastructure Plan, has been included as part of this report in **Appendix C**.

7. WORKS DELIVERY PROGRAM

The works associated with this project are scheduled for the first half of 2013. This is to ensure there is no disruption to the Ipswich Cup in June. Actual construction is programmed over a four month period. Therefore the construction period runs from January to April 2013.

This program would necessitate a movement of race fixtures from Ipswich to another facility for this period of 4 months in early 2013. This is necessary as the manner of installing the tunnel is through cutting out that portion of the track, installation of the tunnel, and replacing that portion of the track over the top of the tunnel.

A full program containing the timing, resource allocation and actions is included as part of this report in **Appendix D**.

8. CASH FLOW/BUDGET

The budget set for the works at the Ipswich Turf Club is \$6M. The cost of engaging external consultants who have assisted in the preparation of the business case to date for the Ipswich project is \$35,435 which has been previously claimed by Racing Queensland. The total funding sought for the project in this business case is \$5,964,565.

The cash flow expenditure will be distributed over the next two financial years, namely expenditure of \$665,672 in the 2011/12 financial year and \$5,298,893 in the 2012/13 financial year.

The project budget developed by Racing Queensland provides for the total scope of works identified in this business case to be completed and contains a contingency of \$800,000 to allow for any cost increases.

The construction costs detailed in the cash flow have been formulated from a detailed analysis of the estimates by the consultant team. The methodology has been the utilisation of existing market information from current and historical projects.

The risk associated with the budget has been assessed and the management of this risk is detailed in the Risk Assessment section of this report.

The methodology and evidence is detailed within a letter from Contour Consulting Engineers which is contained as part of this report in **Appendix E**.

A full cash flow has been provided as part of this report and is contained in **Appendix F**.

9. RISK ASSESSMENT

As part of the business case Racing Queensland has identified and analysed potential risks to the successful delivery of the project and developed contingency plans to treat the risks identified.

The risk identified for this project is as follows:

- Cost control, escalations and delays
- Race scheduling

Cost Control, Escalation and Delays

All projects of this nature are possibly subject to cost increases from the following:

- The demand for labour and materials at the time of tendering;
- Time delays to the program;
- Unexpected complications or delays due to site conditions; and
- Variations to design and construction

The likelihood of these type of risks eventuating can be mitigated with the following actions:

- Detailed design and documentation to reduce the vagaries of design that can potentially lead to variations. The tender packages to be issued to contractors will be comprehensively detailed to limit potential variations. The cost of the detailed design has been allowed for in the project budget.
- Pre-ordering in advance and securing budgeted prices for the supply of materials. Whilst the project expenditure is being kept at a minimum until such time as the business case has been approved, the project team has been sourcing and securing advanced orders of sand and turf at budgeted prices to eliminate future potential time delays and cost increases due to panic buying at the last minute.
- Reasonable contingency allowances in the project budget. The budget currently carries a contingency of \$800,000 which is a reasonable contingency for a project of this nature. The contingency for this project represents 19% of total construction costs due to the nature of the project. That is, the project involves earth removal and construction of an underground tunnel which is very different to normal construction. This contingency will also be used for any cost escalation during the course of the project. Additionally, there is 5% “scope creep” allowed for in this total contingency amount.

Race Scheduling

The potential risk related to project delays will be the further reallocation of specific race days for the Ipswich Turf Club facility. The racing department of Racing Queensland has taken this risk into account and allowed for the potential reallocation of these race days to other facilities if required so that the race days will not be lost to the industry. The actual risk to the Ipswich facility is negligible as minimal resources and overheads would be required once the facility is under construction. Therefore any time delays will result in minimal cost impacts on the facility, the Ipswich Turf Club or Racing Queensland.

With the project timing of the construction commencement of January 2013 the reallocation of race days from Ipswich will be easily catered for at Beaudesert which will have completed construction in November of 2012.

10. DETAILED FINANCIAL AND ECONOMIC ANALYSIS

The provision of funding for the Ipswich Turf Club project under the Industry Infrastructure Plan by the State Government will result in a cash 'out flow' from the government without any direct cash 'in flow' to the government.

The funding is to provide highly needed infrastructure for the project that will result in the long term indirect benefit to the government through the following:

- The investment will allow the club to pursue opportunities to secure the future of the Ipswich Turf Club and of racing in Ipswich for long into the future. An additional revenue source is urgently required for this Industry Club which provides predominantly the midweek product which is vital to the Industry, however, creating financial difficulties for any club. The project expenditure will allow the Ipswich Turf Club to become fully financially self-sustaining for long into the future.
- The project will deliver economic benefits during its delivery phase by way of:

Pre-Commencement of Construction:

- Project Manager full time for four months
- Engineering Consultant fulltime for four months
- Surveyors, Architect, Geotech, Racing, Town Planning, Environmental, Landscaping, Electrical, Building, Hydraulics, Fire, ACHA Consultants x eight Full time for two months.

Construction Period:

- Project Manager full time for six months
 - Engineering Consultant fulltime for six months
 - Surveyors, Architect, Racing, Environmental, Landscaping, Electrical, Building, Hydraulics, Consultants x six full time for two months
 - Civil Contractor x 10 full time staff for six months
 - Building Contractor x eight full time staff for six months
 - Materials Supplies/Delivery/Transport 15 part -time staff for six months
 - Manufacture of materials (sand/gravel extraction, turf growing, concrete pipes etc.) - say 20 equivalent full time staff for six months
- The current number of race meetings at the facility will not increase after the completion of the works, therefore the economic outcomes for the local and wider economies is unlikely to alter.

11. FINANCIAL VIABILITY/CLUB STRUCTURE

As well as conducting 51 meetings each year, The Ipswich Turf Club hosts the largest race meeting by attendance in Queensland and the largest Provincial Club meeting in Australia with the running of the Ipswich Cup meeting. This meeting is conducted each year in mid-June and attracts visitors from all over Australia and internationally and is by far the largest community event in Ipswich. The current management and committee of the Ipswich Turf Club are progressive forward thinking and are keen to continue expand the signature meeting of Ipswich not only for racing but also the Ipswich Community. The proposed improvements identified in the project plan for the Ipswich Turf Club will secure the future of this event, as well as moving towards financial self-sufficiency for the Ipswich Turf Club. The most recent Ipswich Cup run in June of 2011 resulted in the Ipswich Turf Club receiving a number of awards. These included the Ipswich Chamber of Commerce Tourism Event of the Year and the Ipswich City Council Australia Day Awards Community Event of the year.

The Ipswich Cup attracts national sponsors and is covered by Sky Channel and gives Ipswich Tourism exposure throughout Australia.

Financial Viability

Racing Queensland has based the Operational Statement (**Appendix G**) on the last four years of historical results from the Club and trends from similar sized race clubs. Racing Queensland has access to all race clubs' Annual Financial Results as they are required to report to Racing Queensland under the *Racing Act 2002*. Racing Queensland has analysed these results and has detailed the key assumptions below and in the Operational Statement.

The financial performance of the Ipswich Turf Club is exceptional as it is the only TAB Club in Queensland to have reported a profit for each of the past seven years. There are two major changes to forecast future results.

Firstly the expenditure of \$6M will reflect in the accounts of the Ipswich Turf Club giving a one-off extraordinary item to profit in FY 2013. This will then result in an additional amount of depreciation for each of the next 40 years of \$150,000 per annum. This depreciation and extraordinary item to profit will be reported according to relevant accounting standards.

The second major change to the forecast future results of the Ipswich Turf Club will be a dramatic rise in other income in FY 2016. This additional income is the estimated ongoing income from Stage 2 completion and operation – planned for financial year 2016. This net income will arise from the ITC equity in the Commercial Development which is planned as

Stage 2, but which may only proceed as a result of the completion of Stage 1 of the planned development.

Attendance and membership numbers and non-racing related revenues will remain relatively stable in the short term.

Racing Queensland considers the management and Committee of the Ipswich Turf Club to be one of the most professional and diversely skilled race club committees in Queensland. The most recent audit by Racing Queensland confirms that the club has the necessary controls in place, and is adhering to Racing Queensland's strict financial policies. Monthly management accounts are provided to Racing Queensland for their review.

Assistance from the thoroughbred control body has not been necessary at Ipswich in recent years as the Ipswich Turf Club is well managed and has a strong balance sheet and zero debt. Racing in Ipswich has been underway for 150 years and this project will help to ensure racing continues in Ipswich for many more years to come.

Key assumptions:-

1. Stage 1 Development start 1 August 2012 with Track available for racing re-commencement by December 1 limiting the number of transferred meetings.
2. FY13 –EBITDA surplus of \$170K and Operating Deficit of \$170K
3. FY13 – Extraordinary Item is the Grant to the Facility of \$6.0M
4. FY14 - EBITDA surplus of \$158K and Operating Deficit of \$182K
5. FY15 - EBITDA surplus of \$170K and Operating Deficit of \$170K
6. FY16 - EBITDA surplus of \$1.185M and Operating Surplus of \$845K
7. There is a high annual depreciation charge of approximately \$340K per annum due to the significant investment of \$6.0M
8. Number of meetings to remain the same
9. Attendance to increase on trends and in line with history with average attendance of
10. Membership increase to continue with increased benefits and new and improved facility
11. Revenue to be maintained in line with the number of meetings and history trends and similar meetings

-
12. Expenditure to be maintained in line with the number of meetings and history trends and similar meetings
 13. All key assumptions are supported in the facility operating statement

12. STATUTORY APPROVALS

The following Statutory Approvals are required for the proposed upgrades works for the Ipswich Turf Club project:

1. Ipswich Turf Club has granted approval to undertake the proposed works
2. Building Approval for the stables works, to be obtained through Private Building Certifier
3. Operational Works Permit is required for the tunnel installation, stables relocation, car park and access roads, and relocation of infield dam

13. EQUITY NEGOTIATION

The infrastructure investment for the Ipswich Turf Club venue will be structured as a grant from Racing Queensland to the Ipswich Turf Club, therefore equity negotiation will not be required for this project.

Racing Queensland will require the Ipswich Turf Club to enter into a funding agreement to maintain and protect the associated completed works pertaining to the grant.

14. NEXT STEP

Racing Queensland needs to undertake the works at the Ipswich Turf Club as per the proposed project program in order to allow running of the highly important Ipswich Cup and to make best use of the growing season for returning the turf track back to its current high quality.

Subject to the approval of this business case, Racing Queensland will seek access to an initial payment of \$665,672 from the RICDS so that it can commence the detailed planning required to deliver the infrastructure works identified in this business case.

APPENDIX A

The Mannix Group Due Diligence Report

APPENDIX B

Concept Plans

APPENDIX C

Racing Queensland Limited Purchasing Policy

APPENDIX D

Project Program

APPENDIX E

Contour Consulting Engineers Basis of Cost Estimate

APPENDIX F

Cash Flow Budget

APPENDIX G

Racing Queensland Limited Operational Statement



INDUSTRY INFRASTRUCTURE PLAN

Business Case for Ipswich Turf Club, Bundamba

Details

Author: M. Snowdon

Date: 10th February 2012

Contents

1. BACKGROUND	4
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3. FACILITY ISSUES	6
4. STAKEHOLDER MANAGEMENT	7
5. SCOPE OF WORKS	8
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7. WORKS DELIVERY PROGRAM	10
8. CASH FLOW/BUDGET	11
9. RISK ASSESSMENT	12
10. DETAILED FINANCIAL AND ECONOMIC ANALYSIS	14
11. FINANCIAL VIABILITY/CLUB STRUCTURE	15
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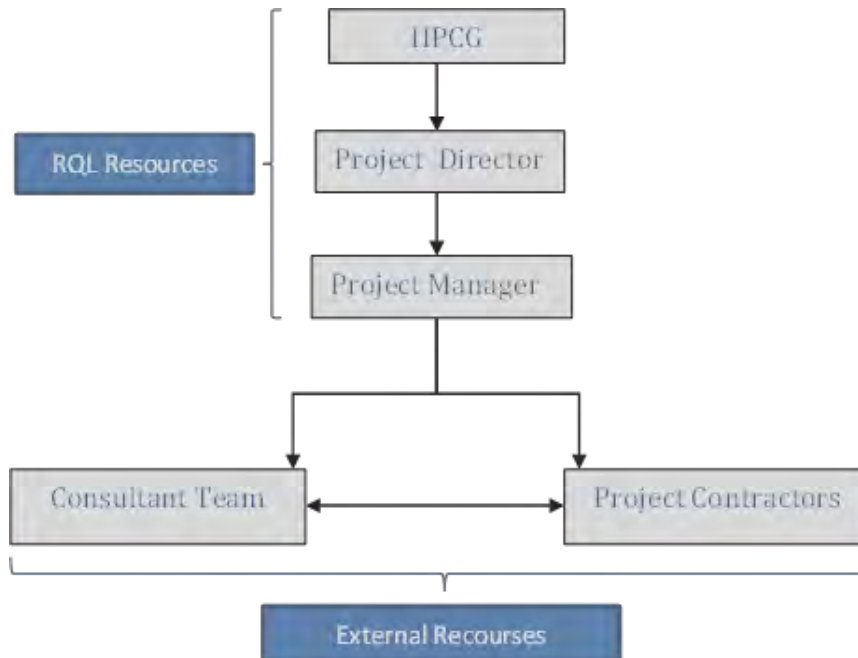
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- Unexpected complications or delays due to site conditions; and
- Variations to design and construction

The likelihood of these type of risks eventuating can be mitigated with the following actions:

- Detailed design and documentation to reduce the vagaries of design that can potentially lead to variations. The tender packages to be issued to contractors will be comprehensively detailed to limit potential variations. The cost of the detailed design has been allowed for in the project budget.
- Pre-ordering in advance and securing budgeted prices for the supply of materials. Whilst the project expenditure is being kept at a minimum until such time as the business case has been approved, the project team has been sourcing and securing advanced orders of sand and turf at budgeted prices to eliminate future potential time delays and cost increases due to panic buying at the last minute.
- Reasonable contingency allowances in the project budget. The budget currently carries a contingency of \$800,000 which is a reasonable contingency for a project of this nature. The contingency for this project represents 19% of total construction costs due to the nature of the project. That is, the project involves earth removal and construction of an underground tunnel which is very different to normal construction. This contingency will also be used for any cost escalation during the course of the project. Additionally, there is 5% “scope creep” allowed for in this total contingency amount.

Race Scheduling

The potential risk related to project delays will be the further reallocation of specific race days for the Ipswich Turf Club facility. The racing department of Racing Queensland has taken this risk into account and allowed for the potential reallocation of these race days to other facilities if required so that the race days will not be lost to the industry. The actual risk to the Ipswich facility is negligible as minimal resources and overheads would be required once the facility is under construction. Therefore any time delays will result in minimal cost impacts on the facility, the Ipswich Turf Club or Racing Queensland.

With the project timing of the construction commencement of January 2013 the reallocation of race days from Ipswich will be easily catered for at Beaudesert which will have completed construction in November of 2012.

10. DETAILED FINANCIAL AND ECONOMIC ANALYSIS

The provision of funding for the Ipswich Turf Club project under the Industry Infrastructure Plan by the State Government will result in a cash 'out flow' from the government without any direct cash 'in flow' to the government.

The funding is to provide highly needed infrastructure for the project that will result in the long term indirect benefit to the government through the following:

- The investment will allow the club to pursue opportunities to secure the future of the Ipswich Turf Club and of racing in Ipswich for long into the future. An additional revenue source is urgently required for this Industry Club which provides predominantly the midweek product which is vital to the Industry, however, creating financial difficulties for any club. The project expenditure will allow the Ipswich Turf Club to become fully financially self-sustaining for long into the future.
- The project will deliver economic benefits during its delivery phase by way of:

Pre-Commencement of Construction:

- Project Manager full time for four months
- Engineering Consultant fulltime for four months
- Surveyors, Architect, Geotech, Racing, Town Planning, Environmental, Landscaping, Electrical, Building, Hydraulics, Fire, ACHA Consultants x eight Full time for two months.

Construction Period:

- Project Manager full time for six months
 - Engineering Consultant fulltime for six months
 - Surveyors, Architect, Racing, Environmental, Landscaping, Electrical, Building, Hydraulics, Consultants x six full time for two months
 - Civil Contractor x 10 full time staff for six months
 - Building Contractor x eight full time staff for six months
 - Materials Supplies/Delivery/Transport 15 part -time staff for six months
 - Manufacture of materials (sand/gravel extraction, turf growing, concrete pipes etc.) - say 20 equivalent full time staff for six months
- The current number of race meetings at the facility will not increase after the completion of the works, therefore the economic outcomes for the local and wider economies is unlikely to alter.

11. FINANCIAL VIABILITY/CLUB STRUCTURE

As well as conducting 51 meetings each year, The Ipswich Turf Club hosts the largest race meeting by attendance in Queensland and the largest Provincial Club meeting in Australia with the running of the Ipswich Cup meeting. This meeting is conducted each year in mid-June and attracts visitors from all over Australia and internationally and is by far the largest community event in Ipswich. The current management and committee of the Ipswich Turf Club are progressive forward thinking and are keen to continue expand the signature meeting of Ipswich not only for racing but also the Ipswich Community. The proposed improvements identified in the project plan for the Ipswich Turf Club will secure the future of this event, as well as moving towards financial self-sufficiency for the Ipswich Turf Club. The most recent Ipswich Cup run in June of 2011 resulted in the Ipswich Turf Club receiving a number of awards. These included the Ipswich Chamber of Commerce Tourism Event of the Year and the Ipswich City Council Australia Day Awards Community Event of the year.

The Ipswich Cup attracts national sponsors and is covered by Sky Channel and gives Ipswich Tourism exposure throughout Australia.

Financial Viability

Racing Queensland has based the Operational Statement (**Appendix G**) on the last four years of historical results from the Club and trends from similar sized race clubs. Racing Queensland has access to all race clubs' Annual Financial Results as they are required to report to Racing Queensland under the *Racing Act 2002*. Racing Queensland has analysed these results and has detailed the key assumptions below and in the Operational Statement.

The financial performance of the Ipswich Turf Club is exceptional as it is the only TAB Club in Queensland to have reported a profit for each of the past seven years. There are two major changes to forecast future results.

Firstly the expenditure of \$6M will reflect in the accounts of the Ipswich Turf Club giving a one-off extraordinary item to profit in FY 2013. This will then result in an additional amount of depreciation for each of the next 40 years of \$150,000 per annum. This depreciation and extraordinary item to profit will be reported according to relevant accounting standards.

The second major change to the forecast future results of the Ipswich Turf Club will be a dramatic rise in other income in FY 2016. This additional income is the estimated ongoing income from Stage 2 completion and operation – planned for financial year 2016. This net income will arise from the ITC equity in the Commercial Development which is planned as

Stage 2, but which may only proceed as a result of the completion of Stage 1 of the planned development.

Attendance and membership numbers and non-racing related revenues will remain relatively stable in the short term.

Racing Queensland considers the management and Committee of the Ipswich Turf Club to be one of the most professional and diversely skilled race club committees in Queensland. The most recent audit by Racing Queensland confirms that the club has the necessary controls in place, and is adhering to Racing Queensland's strict financial policies. Monthly management accounts are provided to Racing Queensland for their review.

Assistance from the thoroughbred control body has not been necessary at Ipswich in recent years as the Ipswich Turf Club is well managed and has a strong balance sheet and zero debt. Racing in Ipswich has been underway for 150 years and this project will help to ensure racing continues in Ipswich for many more years to come.

Key assumptions:-

1. Stage 1 Development start 1 August 2012 with Track available for racing re-commencement by December 1 limiting the number of transferred meetings.
2. FY13 –EBITDA surplus of \$170K and Operating Deficit of \$170K
3. FY13 – Extraordinary Item is the Grant to the Facility of \$6.0M
4. FY14 - EBITDA surplus of \$158K and Operating Deficit of \$182K
5. FY15 - EBITDA surplus of \$170K and Operating Deficit of \$170K
6. FY16 - EBITDA surplus of \$1.185M and Operating Surplus of \$845K
7. There is a high annual depreciation charge of approximately \$340K per annum due to the significant investment of \$6.0M
8. Number of meetings to remain the same
9. Attendance to increase on trends and in line with history with average attendance of
10. Membership increase to continue with increased benefits and new and improved facility
11. Revenue to be maintained in line with the number of meetings and history trends and similar meetings

-
12. Expenditure to be maintained in line with the number of meetings and history trends and similar meetings
 13. All key assumptions are supported in the facility operating statement

12. STATUTORY APPROVALS

The following Statutory Approvals are required for the proposed upgrades works for the Ipswich Turf Club project:

1. Ipswich Turf Club has granted approval to undertake the proposed works
2. Building Approval for the stables works, to be obtained through Private Building Certifier
3. Operational Works Permit is required for the tunnel installation, stables relocation, car park and access roads, and relocation of infield dam

13. EQUITY NEGOTIATION

The infrastructure investment for the Ipswich Turf Club venue will be structured as a grant from Racing Queensland to the Ipswich Turf Club, therefore equity negotiation will not be required for this project.

Racing Queensland will require the Ipswich Turf Club to enter into a funding agreement to maintain and protect the associated completed works pertaining to the grant.

14. NEXT STEP

Racing Queensland needs to undertake the works at the Ipswich Turf Club as per the proposed project program in order to allow running of the highly important Ipswich Cup and to make best use of the growing season for returning the turf track back to its current high quality.

Subject to the approval of this business case, Racing Queensland will seek access to an initial payment of \$665,672 from the RICDS so that it can commence the detailed planning required to deliver the infrastructure works identified in this business case.

APPENDIX A

The Mannix Group Due Diligence Report

APPENDIX B

Concept Plans

APPENDIX C

Racing Queensland Limited Purchasing Policy

APPENDIX D

Project Program

APPENDIX E

Contour Consulting Engineers Basis of Cost Estimate

APPENDIX F

Cash Flow Budget

APPENDIX G

Racing Queensland Limited Operational Statement



INDUSTRY INFRASTRUCTURE PLAN

Business Case for Cronulla Park, Logan

Details

Author: M. Snowdon

Date: 6 February, 2012

Contents

1. BACKGROUND	4
2. RATIONALE AND DEVELOPMENT OVERVIEW	5
3. FACILITY ISSUES	7
4. STAKEHOLDER MANAGEMENT	8
5. SCOPE OF WORKS	9
6. PROJECT DELIVERY METHODOLOGY	10
7. WORKS DELIVERY PROGRAM	12
8. CASH FLOW/BUDGET	13
9. RISK ASSESSMENT	14
10. DETAILED FINANCIAL AND ECONOMIC ANALYSIS	17
11. FINANCIAL VIABILITY	19
12. STATUTORY APPROVALS	23
13. EQUITY NEGOTIATIONS	24
14. NEXT STEP	25

15. APPENDICES

26

- Appendix A - Racing Queensland Limited, Purchasing Policy
- Appendix B - Project Program
- Appendix C - Rider Levett Bucknall, Basis of Cost Estimate
- Appendix D - Cash Flow Budget
- Appendix E - Contaminated Land Permit
- Appendix F - DERM Concurrence Agency Response
- Appendix G - DERM SMP Approval
- Appendix H - Third Party Reviewer Certification Report
- Appendix I - Vegetation Clearing Development Permit
- Appendix J - Site Management Plan
- Appendix K - Remediation Action Plan
- Appendix L - Racing Queensland Limited, Operational Statement
- Appendix M - Logan City Council Decision Notice
- Appendix N - Logan City Council Approved Conditions
- Appendix O - Approved Plans

1. BACKGROUND

It is proposed to construct a new, stand-alone greyhound racing venue at Cronulla Park which is situated at 146 – 178 Kingston Road, Slacks Creek. The site consists of an area of 10.24 ha.

The greyhound racing venue at Parklands, Gold Coast was closed in 2008 as the land was required by the Queensland Government (the Government) for the construction of the Gold Coast University Hospital. The Government offered the then greyhound control body, Greyhounds Queensland Limited, the sum of \$10M as compensation for vacating the Parklands venue on the condition that it is used for the construction of a new greyhound racing facility in South-east Queensland.

The Cronulla Park site is owned by the State of Queensland (represented by the Department of Employment, Economic Development and Innovation) and is currently zoned public open space. In anticipation of the establishment of the facility at Cronulla Park the Government has previously agreed to transfer, at no cost, the site to the control body responsible for greyhound code on the condition it be used to establish a new greyhound racing facility. Racing Queensland has been advised that the transfer of the land by private treaty, at no cost, has been endorsed by the Government Property Management Committee.

The closure of the greyhound racing venue at Parklands has resulted in the greyhound code having extremely limited racing facilities in South-east Queensland. The only other TAB greyhound racing facility is located within the Albion Park racing precinct however, the design of this facility is less than optimal as the greyhound track is situated inside the harness racing track. This arrangement has proved problematic over time, for example:

- Access to the greyhound track is only achieved by crossing the harness track;
- Access is not possible during harness training, trials and races;
- Poor race view is provided to on-course attendees; and
- Restrictions on race vision coverage of TAB races.

Subsequent to the amalgamation of the previous three separate racing control bodies to form Racing Queensland Limited (Racing Queensland) on 1 July 2010, Racing Queensland reviewed the work undertaken by the previous greyhound control body and determined that a dual purpose harness and greyhound venue at Deagon would be a more viable option than the establishment of a facility at Cronulla Park.

However, due to opposition from the Brisbane City Council to the proposed development of a harness and greyhound racing venue at Deagon, ongoing litigation concerning the proposed sale of the Albion Park venue, the urgent need to provide a 'one and two turn' track and strong stakeholder support for the retention of a stand-alone greyhound facility at Logan, Racing Queensland has decided that the construction of a greyhound racing venue at Cronulla Park is in the best interests of the greyhound code and the wider racing industry.

2. RATIONALE AND DEVELOPMENT OVERVIEW

In Brisbane, TAB greyhound racing is only conducted at Albion Park on a race track that is located inside the harness track. This arrangement is far from optimal and has proved problematic over time because:

- Access to the greyhound track is only able to be achieved by crossing the harness track;
- Access is not possible during harness training, trials and races;
- Poor race view is provided to on-course attendees; and
- Restrictions on race vision coverage of TAB races.

The former control body, Greyhounds Queensland Limited, intended to establish a stand alone greyhound racing and training venue at Cronulla Park as a replacement for the Albion Park and Parklands venues. Cronulla Park was considered an ideal location for a new facility as it is located between Brisbane and the Gold Coast and has the strong support of greyhound stakeholders.

Greyhounds Queensland Limited lodged an application with the Logan City Council for approval to build a greyhound racing venue and associated facilities at Cronulla Park. Subsequent to the amalgamation of the three former control bodies, Racing Queensland completed the application and approval for the development was granted by the Logan City Council and is current for 4 years from February 2011.

While Racing Queensland, determined that a dual purpose harness and greyhound venue at Deagon would be a more viable option than a 'stand alone' greyhound venue, this decision was reached when there was no legal action preventing the sale of Albion Park. Also, in view of the opposition from the Brisbane City Council to the redevelopment of the Deagon facility into a harness and greyhound racing venue, it is unlikely that such a development could be undertaken in the short to medium term. Accordingly, after consultation with stakeholders, Racing Queensland has decided that the only viable way forward in developing the necessary greyhound infrastructure in South-east Queensland is to establish a greyhound racing venue at Cronulla Park.

The Cronulla Park site is currently zoned public open space and is owned by the State of Queensland (represented by the Department of Employment, Economic Development and Innovation). The Government has previously agreed to transfer the site to the control body responsible for greyhound code, at no cost, on the condition it be used to establish a new greyhound racing facility.

The Cronulla Park site was previously used as a general purpose refuse (dump), and has had a capping layer installed over the site. There is no built form or significant improvements on the site other than the fencing of the property to Compton and Kingston Roads and the creation of internal sealed pathways across the site from Kingston Road.

The development of the greyhound facility has the strong support of the Logan City Council and the necessary approvals to facilitate this have been obtained from the Logan City Council and relevant state government authorities.

3. FACILITY ISSUES

The primary issues regarding the development of greyhound racing facilities at Cronulla Park are:

- The greyhound racing facilities at Parklands were closed in 2008 to allow for the construction of the Gold Coast University Hospital.
- The existing Albion Park facility does not suit the needs of the code as the greyhound track is located inside the harness track. This is a major impediment to the ongoing conduct of greyhound racing as:
 - Access to the greyhound track is only able to be achieved by crossing the harness track;
 - Access is not possible during harness training, trials and races;
 - Poor race view is provided to on-course attendees; and
 - Restrictions on race vision coverage of TAB races.
- The proposed development of the Deagon training facility into a harness and greyhound facility is unlikely to be approved by the Brisbane City Council.
- The greyhound code is in urgent need of a TAB quality racing and training facility.

After reconsideration of the Cronulla Park option and extensive consultation with stakeholders, Racing Queensland has determined that the construction of a greyhound racing venue at Cronulla Park is in the best interests of the greyhound code and wider racing industry.

4. STAKEHOLDER MANAGEMENT

As Albion Park will be maintained as a greyhound racing and training facility until the new greyhound racing venue at Cronulla Park has been completed, there will be no impact on greyhound racing and training activities.

To assist stakeholders located on the north-side of Brisbane, once the Cronulla Park racing venue is completed Racing Queensland will continue to maintain the greyhound infrastructure at Albion Park to enable greyhound trailing to continue at the venue. Maintaining trailing at Albion Park will significantly reduce the travel requirements of greyhound stakeholders wishing to utilise these trailing facilities.

Greyhound stakeholders have been seeking access to a 'two turn' track ever since the closure of the Parkland facility and Racing Queensland has specifically included this feature into the proposed development at Cronulla Park.

The Brisbane Greyhound Racing Club that currently operates at the Albion park facility has provided overwhelming support for the development of Cronulla Park and has indicated that it will relocate its operations from Albion Park to the new facility when it is established.

Racing Queensland met with greyhound stakeholders representing the two key industry stakeholder groups, professional greyhound trainers and the Brisbane Greyhound Club on Monday, 23 January 2012. The proposal to develop Cronulla Park was given overwhelming support at this meeting. The support for the development was reinforced when these stakeholders met with the Minister responsible for Racing on Tuesday, 24 January 2012.

SCOPE OF WORKS

The proposed works to be undertaken at Cronulla Park as part of the Industry Infrastructure Plan consists of constructing:

- Main Facility building of 2,400m²
- Kennel Block of 363m²
- Training Kennels of 170m²
- Maintenance Shed of 270m²
- 640m Outer Race Track
- 450m Inner Race Track
- 275m Trialling Track
- Track Lighting
- 163 Space Car Park
- 50 Space Trailer Park

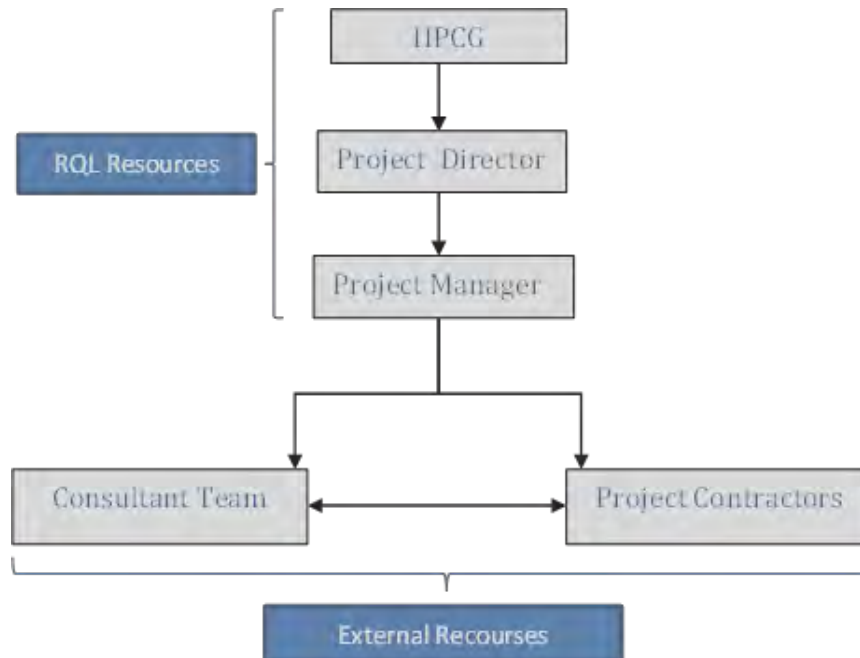
5. PROJECT DELIVERY METHODOLOGY

The methodology to be utilised by Racing Queensland to deliver the Cronulla Park project will be in line with the 'RQL Purchasing Policy – Infrastructure Plan' document. This Purchasing Policy sets out the processes required to be undertaken to ensure the probity and procurement requirements are adhered to. The Purchasing Policy, which applies to all Industry Infrastructure Plan projects, has been created in line with the principles of the Racing Queensland Purchasing Policy and the Queensland Government's State Purchasing Policy.

Within Racing Queensland the responsibility of overseeing the delivery of Industry Infrastructure Plan projects resides with the Industry Infrastructure Plan Control Group. The Project Manager has day to day management of the plan delivery and compliance, and reports to this group through the Project Director. These positions within the project delivery process are Racing Queensland employed resources and ensures independence from the project consultant team Industry Infrastructure Plan and retains overall project control within Racing Queensland.

While the project consultant/s and contractors will interrelate with each other, all project related decision making and approval remain the responsibility of Racing Queensland within the parameters of the approved project business case.

The Following flow chart provides an overview of the flow of responsibility in these roles:



A full copy of the RQL Purchasing Policy, including the recently adopted Addendum for the Infrastructure Plan, has been included as part of this report in **Appendix A**.

6. WORKS DELIVERY PROGRAM

The overall works to the racing and public facilities at Cronulla Park are programmed to be completed over 12 months from receiving approval of this Business Case so that greyhound racing can commence as quickly as possible.

Below is an indicative time line for the Cronulla Park project that details the commencement of planning works in April 2012 and completion of construction in February 2013. Due to the environmental issues associated with the site certain works will be required under the Logan City Council approval conditions which can be undertaken during the detailed design phase of the time line. In anticipation of the successful consideration of this Business case, Racing Queensland has already commenced work on the Civil Consultant briefing process.

A full program containing the timing, resource allocation and actions is included as part of this report in **Appendix B**.

Tracks and Infrastructure

Item	Start Date	Completion Date
Civil Consultant Brief	30-1-12	2-3-12
Civil Consultant Pricing	5-3-12	16-3-12
Civil Consultant Selection	19-3-12	30-3-12
Civil Detailed Design	2-4-12	1-6-12
Civil Tender	4-6-12	29-6-12
Contractor Selection/Site Establishment	2-7-12	13-7-12
Construction	16-7-12	16-11-12
Track Opening		17-11-12

Public and Members Facility

Item	Start Date	Completion Date
Consultant Brief	30-1-12	2-3-12
Consultant Pricing	5-3-12	16-3-12
Consultant Selection	19-3-12	30-3-12
Detailed Design	2-4-12	1-6-12
Civil Tender	4-6-12	29-6-12
Contractor Selection/Site Establishment	2-7-12	13-7-12
Construction	16-7-12	18-2-13
Facility Opening		19-2-13

7. CASH FLOW/BUDGET

The project budget for the required works at Cronulla Park is \$24,000,000. The cost of engaging external consultants who have assisted in the preparation of the business case to date and the council approval, for the project is \$496,085. These funds have been previously claimed by Racing Queensland. Accordingly, the total funding sought for the project in this business case is \$23,503,915.

The cash flow expenditure will be distributed over the next two financial years, namely expenditure of \$1,379,222 in the 2011/12 financial year and \$22,124,693 in the 2012/13 financial year.

The project budget developed by Racing Queensland provides for the total scope of works identified in this business case to be completed and contains a contingency of \$813,815 to allow for any cost increases. The contingency is built into the actual build costs and not shown separately in the cash flow budget. In accordance with the initial Government decision in approving the Industry Infrastructure Plan, any unused funds from the project allocation will be returned to Government. The contingency amount is noted in detail in the cost plan that has been prepared by Rider Levett Bucknall which is attached to this report in **Appendix C**.

The construction costs detailed in the cash flow have been calculated from a detailed analysis of the estimates undertaken by Rider Levett Bucknall. Rider Levett Bucknall are quantity surveyors specialising in the detailed costings of construction. Their reports are based on up to date market information and provide an independent assessment of costs associated with this project.

A risk assessment of this project has been undertaken by Racing Queensland and these risks, and associated treatment strategies are detailed in the Risk Assessment section of this report.

A full cash flow for the project has been provided as part of this report and is contained in **Appendix D**.

8. RISK ASSESSMENT

As part of preparing this business case, Racing Queensland has identified and analysed potential risks to the successful delivery of the project and developed treatment strategies and contingency plans to treat the risks identified.

The risks identified for this project are:

- Cost control, escalations and delays;
- Site environmental issues; and
- Titling.

Cost Control, escalations and delays

All projects of this nature are possibly subject to cost increases resulting from the following:

- The demand for labour and materials at the time of tendering;
- Time delays to the program;
- Unexpected complications or delays due to site conditions; and
- Variations to design and construction

The likelihood of these risk factors eventuating will be mitigated through the following actions:

- Detailed design and documentation of the project to reduce the vagaries of design that can potentially lead to variations. The tender packages to be issued to contractors will be comprehensively detailed to limit potential variations. The cost of the detailed design has been allowed for in the project budget.
- Pre-ordering in advance and securing budgeted prices for the supply of materials. Whilst the project expenditure is being kept at a minimum until such time as the business case has been approved, the project team has been sourcing and securing advanced orders of sand and turf at budgeted prices to eliminate future potential time delays and cost increases.
- Reasonable contingency allowances in the project budget. The budget contains a contingency of \$813,815 which is a reasonable contingency for a project of this nature. The construction industry utilises a contingency percentage of 3% to 5% of total construction costs as a standard allowance for smaller projects. The contingency for this project represents 4.22% of total construction costs. This contingency will also be used for any cost escalation during the course of the project. Any unused funds will be returned to Government in accordance with normal procedures.

- The potential risk related to project delays is negligible as the greyhound code will continue to train and race in current facilities until such time the Cronulla Park venue is completed. At this stage, completion is estimated for February 2013 as per the program of works.

Site Environmental Issues

The site has previously been used as a general purpose refuse (dump) and has had a capping layer installed over the site to seal the site. There are no built form, or significant improvements, on the site other than the fencing of the property to Compton and Kingston Roads and the creation of internal sealed pathways across the site from Kingston Road.

The site includes a number of gas monitoring devices which are used to provide readings of the type and amount of gas being released by the decomposing landfill. Council has agreed to the proposal of either modifying or repositioning these vents to be more visually aesthetic having regard to the proposed overall site layout. Details of this proposal are included in the Remediation Action Plan (**RAP**).

An investigation of Cronulla Park was undertaken to establish whether the site's current condition poses an unacceptable risk to human health and/or the receiving environment, and subsequently, whether remediation will be required for the redevelopment of the site as a greyhound racing facility. The investigation confirmed that a capping layer has been installed over most of the site, however an engineered liner was not found. While elevated concentrations of inorganic and organic contaminants have been found in groundwater these are unlikely to pose an unacceptable risk to off-site ground and surface water receptors.

Long term landfill gas monitoring undertaken by Logan City Council indicates that landfill gas is unlikely to pose an unacceptable risk to off-site receptors. However elevated concentrations of methane and vapours have been detected beneath the capping layer which poses a risk to future site users. The key remedial measures required to address and treat this risk include:

- building up the surface capping layer in the eastern embankment area of the site;
- the inclusion of gas escape protection measures in future buildings; and
- maintaining the integrity of the surface capping layer through the appropriate redevelopment methods.

The site is listed on the Environmental Management Register for the notifiable activity Landfill. The Department of Environmental and Resource Management (**DERM**) has advised that the site was not managed under a Site Management Plan (**SMP**). The site is not listed on the Contaminated Land Register.

As part of the approval process for the development of a greyhound racing venue on the site, the necessary approvals have been obtained from the Logan City Council and relevant State government authorities such as the DERM. In order to achieve these approvals appropriate plans have been formulated, submitted and approved by the relevant authorities that address the environmental issues. A Site Management Plan and a Remediation Action Plan have been developed to deal with all relevant environmental issues so that the site may be developed as intended.

These plans and reports are attached to this business case in the following appendixes:

- Contaminated Land Permit - **Appendix E**
- DERM Concurrence Agency Response - **Appendix F**
- DERM SMP Approval - **Appendix G**
- Third Party Reviewer Certification Report - **Appendix H**
- Vegetation Clearing Development Permit - **Appendix I**
- Site Management Plan - **Appendix J**
- Remediation Action Plan - **Appendix K**

Titling

This is considered extremely low risk. The State of Queensland, represented by the Department of Employment, Economic Development and Innovation, currently owns the Cronulla Park site

The Queensland Government has confirmed that it will transfer title of the Cronulla Park site to Racing Queensland on the condition that the site is used for the development of a greyhound racing venue. Subject to the approval of this Business Case, Racing Queensland will apply for the relevant parcel of land to be transferred.

10. DETAILED FINANCIAL AND ECONOMIC ANALYSIS

It should be noted that Racing Queensland does, and every racing control body ever responsible for racing in Queensland has, subsidised the costs of racing at every race club in Queensland. Racing Queensland takes this responsibility seriously and has demonstrated that it has the necessary financial resources to continue to fund the operation of race clubs Queensland-wide in accordance with the functions imposed under the *Racing Act 2002* (Qld).

These annual subsidies range in value depending upon the size and frequency of operation of the relevant Club. This fact is well known to the Queensland Government and the need for this subsidisation of racing has been clearly recognised by Parliament through the passing of the *Racing Act 2002* (Qld) which specifically gives Racing Queensland the responsibility and powers to effect this subsidisation.

The provision of funding for the Cronulla Park project under the Industry Infrastructure Plan by the State Government will result in a cash 'out flow' from the government without any direct cash 'in flow' to the government.

The funding is to provide a highly needed facility for the greyhound code that will result in the long term indirect benefit to the government through the following:

- The investment will allow the code to significantly reduce the ongoing high cost of the existing facilities with the provision of new and more economic infrastructure.
- The investment will allow a much higher level of patron involvement in the greyhound code due to the new facilities, which will be reflected with a higher level of wagering turnover.
- The project will deliver economic benefits during its delivery phase by way of the following:

Pre-Commencement of Construction:

- Project Manager – 1 FTE for four months
- Engineering Consultant – 1 FTE for four months
- Surveyors, Architect, Geotech, Racing, Town Planning, Environmental, Landscaping, Electrical, Building, Hydraulics, Fire, ACHA Consultants – 8 FTEs for four months

Construction Period:

- Project Manager – 1 FTE for six months
- Engineering Consultants - 3 FTEs for six months

- Surveyors, Architect, Racing, Environmental, Landscaping, Electrical, Building, Hydraulics, Consultants – 6 FTEs for six months
- Civil Contractor - 10 FTEs for six months
- Building Contractor – 8 FTEs for 10 months
- Materials Supplies/Delivery/Transport - 15 part -time staff for 10 months
- Manufacture of materials (sand/gravel extraction, turf growing, concrete pipes etc.) - 20 FTEs (estimated) for 10 months

11. FINANCIAL VIABILITY

The greyhound racing code in South-east Queensland is in urgent need of a new TAB standard racing facility. The proposed development on this site will deliver the premier greyhound racing facility in Queensland, if not Australia. The proposed location at Cronulla Park is situated in an area of South-east Queensland that has strong ties with the greyhound code and is easily accessible from the primary code catchment areas located south of Brisbane.

Financial Viability

To ensure a holistic overview of the profit and loss forecasts for the Cronulla Park racing venue, the Operational Statement provided has been consolidated and does not reflect defined areas of responsibility throughout the facility.

The assumptions used in preparing the financial assessment have been developed in consultation with the Brisbane Greyhound Racing Club, based on their experience in conducting a long-standing greyhound racing club business. The assumptions included within the business case are extremely conservative and rationale for key areas of forecast revenue and expenditure have been provided.

As Cronulla Park will be a new greyhound racing venue, Racing Queensland has based the Operational Statement (**Appendix L**) on the last two years of historical results from the Ipswich Greyhound Racing Club and the Brisbane Greyhound Racing Club.

Racing Queensland has developed the assumptions for Cronulla Park in consultation with the Brisbane Greyhound Racing Club and has also compared the Cronulla Park model with other Greyhound facilities such as the Western Australian Greyhound Premier track, Cannington and the Geelong Greyhound Club.

Racing Queensland has full access to all greyhound club Annual Financial Results and has analysed these results to assist in preparing the key assumptions detailed below and in the Operational Statement.

Projected attendance, membership numbers and non-racing related revenues have been generated from advice provided by the Brisbane Greyhound Racing Club and Ipswich Greyhound Racing Club, local and interstate greyhound industry experts.

Regardless of the on-the-ground strategies and practices implemented by individual race clubs, it should be noted that no TAB race club in Queensland is financially viable without financial support being provided from Racing Queensland. Cronulla Park is not expected to

be any different. This is not an unusual situation and reflects the operating structure of the racing industry, Australia-wide. Accordingly, Racing Queensland will continue to provide an operational subsidy (prize money and administration costs) to the greyhound racing club at Cronulla Park for the conduct of race meetings.

Whilst the production of racing product at Cronulla Park will have to be supported by Racing Queensland, it is anticipated that in the future, additional revenue streams can be generated from other activities such as non-race day functions to ultimately develop race club operations that will be self-sustaining.

It is envisaged that the facility will record a deficit for the first three years of operation with it recording a surplus after four years of operation. It should be noted that the facility will have an EBITDA or operating profit after year two and cash flow positive from this point on.

Key assumptions for the combined facility:-

1. Track upgrades start 16 July 2012 with Track upgrade fully complete 17 November 2012. Public and Members facilities start 16 July 2012 with completion and grand opening of the facility 19 February 2013.
2. FY13 –4 months operation EBITDA Deficit of \$55K and Operating Deficit of \$255K
3. FY14 – EBITDA Surplus of \$36K and Operating Deficit of \$401K
4. FY14 – Extraordinary Item in the Grant to the Facility of \$24M
5. FY15 - EBITDA Surplus of \$245K and Operating Deficit of \$183K
6. FY16 - EBITDA Surplus of \$354K and Operating Deficit of \$66K
7. FY17 – EBITDA Surplus of \$454K and Operating Surplus of \$43K
8. FY18 – EBITDA Surplus of \$574K and Operating Surplus of \$173K
9. FY19 – EBITDA Surplus of \$629K and Operating Surplus of \$238K
10. FY20 – EBITDA Surplus of \$657K and Operating Surplus of \$276K

11. There is a high annual depreciation charge of approximately \$600K per annum due to the significant investment of \$24M
12. Five meetings will be conducted each week, 1 feature meeting and 4 normal meetings.

13. In the first full year of operation, attendance figures are expected to average 125 at normal meetings and 250 at feature meetings due to the location of this facility being in an area of south east Queensland that has strong ties with the greyhound code. It is anticipated that attendance will conservatively grow by 15% per annum in the first 2 years of full operation due to the predicted 2.6% population growth predicted by Logan City Council and a strategic marketing plan aimed at developing the Logan greyhound brand.
14. Due to its location and as Cronulla Park will be the premier greyhound facility in Queensland, it is expected to initially attract in the vicinity of 500 members. With population growth and a targeted membership drive, it is anticipated that membership will increase 25% per annum.
15. Race day bar and catering sales are based upon an average spend per attendee of \$17.50 & \$10 respectively. The averages are based upon greyhound racing venues already in operation.
16. Tote Income is based upon turnover of the Brisbane Greyhound Racing Club and Capalaba Greyhound Racing Club with a return of 4.9%. It is anticipated turnover will increase by 5% per annum due to increased patronage.
17. Track Fees & Rentals have been calculated on trials for 150 dogs 3 days per week @ \$14 a trial
18. Interest Received is from the funds invested from the sale of land owned by the Brisbane Greyhound Racing Club. It is anticipated that the land will be sold prior to the opening of the Logan facility. Brisbane Greyhound Racing Club currently holds title of land at 855 Stanley Street and 26-30 Stanley Woolloongabba Queensland 4017 with a realisable value range of \$4m - \$5.5m. As per the Brisbane Greyhound Racing Club's audited FY10/11 financials, the land was valued at \$3.27m. For the purposes of the Operating Statement the land has been sold for the conservative value of \$3.27m with an annual return of 5% per annum. It has been negotiated with the Brisbane Greyhound Club that these funds will be used to further enhance the Logan facility.
19. Non-Race day function income pertains to 3 different revenue streams being a facility rental fee, normal restaurant operations and special functions
20. Expenditure figures have been derived on a variety of basis. The main expenditure items methodology is as follows:-

- a) Advertising/Promotions have been budgeted at \$150K for the 4 months of FY13 and \$250K for FY14 to market the new Logan Greyhounds brand and the after that expenditure will reduce to the levels currently expended by the Brisbane Greyhound Race Club
- b) Bar and Catering expenditure is based upon industry averages
- c) Wages (non-bar and catering) are based upon the Brisbane Greyhound Racing Club's present funding agreement with Racing Queensland.

21. All key assumptions are supported in the facility operating statement

Club Commercial Operations

It is proposed that the Main Facility building will include facilities that can be used by the entertainment and functions market in the Logan district. The proposed development will allow the venue operator to conduct non racing events both concurrently with, and outside, greyhound racing timeslots to generate additional non-raceday revenue. The proposed layout of the venue lends itself to the provision of non raceday facilities and it has been planned to provide flexible function room sizes, ample customer/patron parking, catering flexibility and ease of access.

It is proposed that these non race day events would initially consist of:

- Conference venue – providing modern conference facilities and equipment, natural light and a striking backdrop;
- Wedding facilities – catering for functions from 20 up to 400 guests
- Exhibitions and Trade Shows – purpose built access to display halls and open transit areas.

Similar non-raceday activities have proven highly successful at recently developed interstate venues (e.g. Tabcorp Park, Melton, Victoria).

In addition to being able to generate non raceday income from the conduct of other commercial operations, the proposed facility, as a registered racing venue licensed under the Racing Act 2002 (Qld), will have the capacity to seek approval from racing Queensland to offer betting auditorium services to the local community.

12. STATUTORY APPROVALS

The following Statutory Approvals have been received for the project:

1. Material change of use approval for the development has been finalised with the Logan City Council. The Logan City Council Decision Notice is attached in **Appendix M**. The Approved Conditions are attached in **Appendix N**. The approved plans are attached in **Appendix O**.
2. Operational Works Permit is required for vegetation clearing. The vegetation Development Permit is attached in **Appendix I**.

Further development permits which will be required for the proposed development include:

3. Building Works
4. Plumbing and Drainage Works
5. Operational Works
6. Civil engineering works (stormwater drainage, access, external road works and footpath)
7. Electrical Engineering works
8. Compliance certificates required for landscaping plan and works by private certifier

13. EQUITY NEGOTIATION

The Queensland Government has agreed to transfer ownership of the Cronulla Park site to Racing Queensland. Accordingly, the proposed Cronulla Park greyhound racing venue will be owned by Racing Queensland and there is no requirement to undertake any equity sharing arrangements with any race club.

NEXT STEP

Subject to the approval of this business case, Racing Queensland requests:

- the transfer of the land situated at 146 - 178 Kingston Road, Slacks Creek from the State of Queensland to Racing Queensland; and
- payment of an initial instalment of \$1,379,222 from the Racing Industry Capital Development Scheme so that it can commence the detailed planning required to deliver the infrastructure works identified in this business case.

APPENDIX A

Racing Queensland Limited – Purchasing Policy

APPENDIX B

Project Program

APPENDIX C

Rider Levett Bucknall Basis of Cost Estimate

APPENDIX D

Cash Flow Budget

APPENDIX E

Contaminated Land Permit

APPENDIX F

DERM Concurrence Agency Response

APPENDIX G

DERM SMP Approval

APPENDIX H

Third Party Reviewer Certification Report

APPENDIX I

Vegetation Clearing Development Permit

APPENDIX J

Site Management Plan

APPENDIX K

Remediation Action Plan

APPENDIX L

RQL Operational Statement

APPENDIX M

Logan City Council Decision Notice

APPENDIX N

Logan City Council Approved Conditions

APPENDIX O

Approved Plans



INDUSTRY INFRASTRUCTURE PLAN

Business Case for Callaghan Park, Rockhampton

Details

Author: M Snowdon

Date: 8 February, 2012

Contents

1. BACKGROUND	3
2. RATIONALE AND DEVELOPMENT OVERVIEW	4
3. FACILITY ISSUES	5
4. STAKEHOLDER MANAGEMENT	6
5. SCOPE OF WORKS	7
6. PROJECT DELIVERY METHODOLOGY	8
7. WORKS DELIVERY PROGRAM	10
8. CASH FLOW/BUDGET	11
9. RISK ASSESSMENT	12
10.DETAILED FINANCIAL AND ECONOMIC ANALYSIS	14
11.FACILITY VIABILITY/CLUB STRUCTURE	15
12.STATUTORY APPROVALS	18
13.EQUITY NEGOTIATION	19
14.NEXT STEP	20
15.APPENDICES	21
• Appendix A - Concept Plan	
• Appendix B - Racing Queensland Limited, Purchasing Policy	
• Appendix C - Project Program	
• Appendix D - Contour Consulting Engineers, Basis of Cost Estimate	
• Appendix E - Cash Flow Budget	
• Appendix F - Racing Queensland Limited, Operational Statement	

1. BACKGROUND

The Callaghan Park facility is located at Reaney Street, North Rockhampton, and consists of 73.6ha of land, which is used for the training and racing of thoroughbreds and greyhounds.

The Rockhampton Jockey Club conducts 44 thoroughbred TAB race meetings annually at the venue, whilst the Central Queensland Amateur Turf Club and Rockhampton St. Patricks Day Racing Club also both conduct one meeting each from the venue.

The Rockhampton Greyhound Racing Club conducts 52 TAB meetings at the venue.

The Rockhampton Jockey Club currently owns the Callaghan Park venue. The Rockhampton Jockey Club has agreed to transfer the Callaghan Park venue to Rockhampton Racing Pty Ltd, a joint venture established by Racing Queensland and the Rockhampton Jockey Club, created to own the Callaghan Park venue. Racing Queensland owns 84% of Rockhampton Racing Pty Ltd.

Under the Rockhampton Racing Pty Ltd structure, the Rockhampton Jockey Club and Racing Queensland will operate their respective parts of the venue under a lease from Rockhampton Racing Pty Ltd.

The Rockhampton Jockey Club will be responsible for the operation and maintenance of the club member and public facilities while Racing Queensland will be responsible for the racing and training facilities. Notwithstanding that this arrangement has not been formalised due to on-going discussions concerning the Queensland Government providing ex gratia relief from any transfer duty associated with transferring ownership of Callaghan Park from the Rockhampton Jockey Club to Rockhampton Racing Pty Ltd, these arrangements have been operating between the parties since 1st August 2010.

In addition to these intended primary arrangements, the Rockhampton Jockey Club has lease agreements in place with the Central Queensland Amateur Turf Club, Rockhampton St. Patricks Day Racing Club and the Rockhampton Greyhound Racing Club to enable these Clubs to utilise the Callaghan Park facilities for the conduct of their race meetings. These leases will be re-established by Rockhampton Racing Pty Ltd to ensure the ongoing conduct of these activities.

RATIONALE AND DEVELOPMENT OVERVIEW

Callaghan Park is a key racing venue outside of South East Queensland and provides a racing and training link between activities conducted in South East Queensland and those in the Northern parts of the State.

Racing Queensland has previously provided significant investment in the Callaghan Park venue with over \$6 million being invested in June 2010 for the upgrade of thoroughbred race track and training facilities at Callaghan Park. The success of the upgrade to the course proper has been widely acknowledged by stakeholders as a positive outcome for both racing and associated industries in central Queensland.

The industry Infrastructure plan (IIP) identifies the need for further investment in the Callaghan Park venue to leverage off the investments already made by Racing Queensland. Such investment will significantly enhance the standard of greyhound facilities available at the venue. The development of these facilities will improve the standard and the operational functionality of the facility for participants, racing officials and patrons. It is also envisaged that enhanced greyhound facilities will have the flow on effect of enhancing associated greyhound-support industries related to feed, veterinary and ancillary services within the local region.

In terms of specific greyhound racing facilities and infrastructure to be provided, the following will be provided:

- a new kennel block;
- purpose built veterinarian and stewards rooms;
- an upgraded patron/entertainment facility; and
- improved race viewing.

The proposed works are able to be carried out without any major disruption to racing and training schedules already planned for the venue.

In anticipation of these upgraded facilities being provided, Racing Queensland has already converted the Rockhampton greyhound meetings to TAB status and allocated these race dates.

The concept plans for the project are attached to this report in **Appendix A**.

2. FACILITY ISSUES

Greyhound racing is currently conducted on a race track that is located inside the thoroughbred track. This arrangement is far from optimal and makes it difficult for the greyhound participants and venue patrons to effectively view the races and access the track on the basis required to effectively manage race related activities. In addition to these logistical issues, the movement of trainers, attendants and greyhounds over the course proper (thoroughbred grass track) results in degradation and excessive wear to the thoroughbred racing surface.

In preparation for the conduct of a greyhound race meeting, trainers will bring racing greyhounds to the venue an hour and a half prior to the first race. Trainers would start arriving on course about half hour prior to kennelling. Prior to movement to the track for their programmed race, greyhounds are housed in kennels outside the thoroughbred track. In preparation for racing, each greyhound has to be walked over the thoroughbred race track to access the greyhound track.

This arrangement causes significant operational difficulties by:

- Significantly increasing degradation of the thoroughbred race track surface; and
- Failing to ensure the timely commencement of all greyhound races.

The commencement of greyhound races is a critical aspect of TAB racing as these races are televised nationally into the wagering market via Sky Racing. The current arrangements related to the movement of greyhounds at Callaghan Park creates difficulties for Racing Queensland to adhere to the strict race timing requirements of national race broadcasting.

The proposed works at Callaghan Park will eliminate these problems by providing enhanced greyhound facilities adjacent to the existing greyhound track with access being provided by a new track crossing system that will not incur additional wear and tear to the thoroughbred grass track.

3. STAKEHOLDER MANAGEMENT

There are no identified stakeholder management issues with the proposed works at Callaghan Park.

There will be no disruption to racing or training of either the greyhounds or the thoroughbred codes during the delivery process of this project. The Rockhampton Jockey Club and stakeholders from both the thoroughbred and greyhound codes strongly support the proposed works.

Subject to the approval of this business case, Racing Queensland will establish a stakeholder reference group with which regular project update meetings will be conducted over the course of delivering the project.

In addition, Racing Queensland will conduct briefings of the wider stakeholder group as the infrastructure works at Callaghan Park proceed. It is envisaged that these regular stakeholder meetings will be conducted over the course of delivery of the project.

4. SCOPE OF WORKS

The proposed works to be undertaken at Callaghan Park as part of the IIP are the construction of:

- Multi use building providing:
 - administration/race day offices;
 - stewards rooms;
 - greyhound holding pens; and
 - veterinary rooms.

- Greyhound crossing system to course proper; and

- Enhanced patron facilities and elevated race viewing area.

5. PROJECT DELIVERY METHODOLOGY

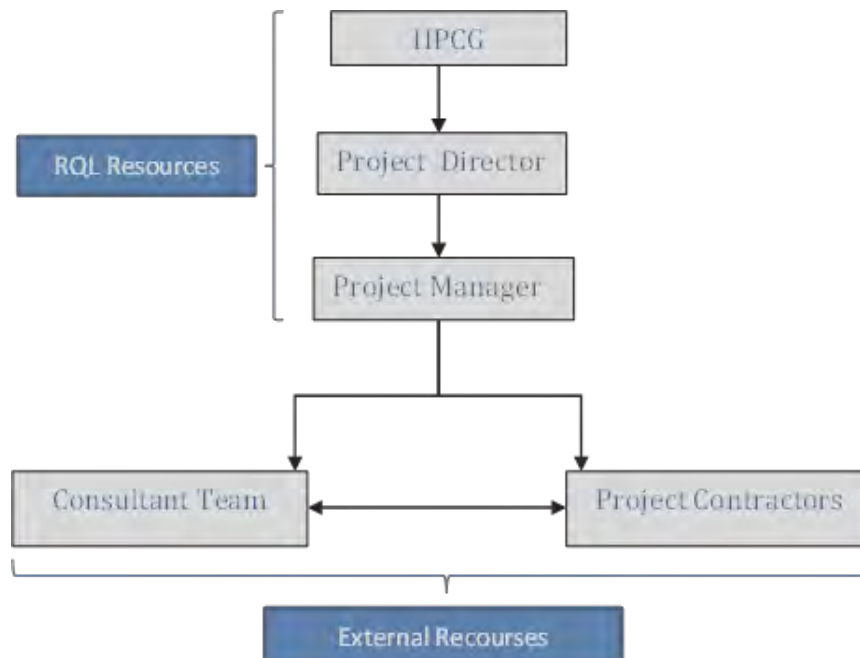
The methodology to be utilised by Racing Queensland to deliver the Callaghan Park greyhound project will be undertaken in accordance with the 'RQL Purchasing Policy – Infrastructure Plan' document.

The Purchasing Policy sets out the processes required to be undertaken to ensure the probity and procurement requirements are adhered to in all procurement processes and projects. The Purchasing Policy, which applies to all IIP projects, has been created in line with the principles of the Racing Queensland Purchasing Policy and the Queensland Government's State Purchasing Policy.

Within Racing Queensland the responsibility of overseeing the delivery of IIP projects resides with the Industry Infrastructure Plan Control Group. The Project Manager has day to day management of the plan delivery and compliance, and reports to this group through the Project Director. These positions within the project delivery process are Racing Queensland employed resources and ensures independence from the project consultant team and retains overall project control within Racing Queensland.

While the project consultant/s and contractors will interrelate with each other, all project related decision making and approval remain the responsibility of Racing Queensland within the parameters of the approved project business case.

The Following flow chart provides an overview of the structure described above:



A full copy of the RQL Purchasing Policy, including the recently adopted Addendum for the Infrastructure Plan, has been included as part of this report in **Appendix B**.

6. WORKS DELIVERY PROGRAM

The overall works to the racing and public facilities are programmed to be completed over a 10 month period commencing in March 2012 with a programmed completion in January 2013. The actual construction of the physical infrastructure is programmed to be completed over a six month period commencing in August 2012.

A full program containing the timing, resource allocation and actions is included as part of this report in **Appendix C**.

7. CASH FLOW BUDGET

The budget set for the proposed works at Callaghan Park is \$1,605,000.

The cost of engaging external consultants who have assisted in the preparation of the business case to date, for the Rockhampton project is \$86,889, being \$80,749 for external costs and \$6,140 for internal costs, which is included in a separate claim by Racing Queensland. Therefore the total funding sought in this business case is \$1,518,111.

The cash flow expenditure is anticipated to be distributed over the next two financial years, and the total cost will be broken down into expenditure of \$111,376 in the 2011/12 financial year and \$1,406,735 in the 2012/13 financial year.

The scope and concepts for the project have been worked through by the project team extensively in order to achieve maximum yield from the funds available.

The budget does allow for the total works required for the facility and the budget contains a contingency of \$80,000 for the project to allow for any cost increases. The risk associated with the budget has been assessed and a management of this risk is detailed in the Risk Assessment section of this report.

The construction costs detailed in the cash flow have been formulated from a detailed analysis of the estimates by the consultant team. The methodology has been the utilisation of existing market information from current and historical projects, the most recent of which is the infrastructure upgrade of Ooralea Park in Mackay which is currently under construction.

The methodology and evidence is detailed within a letter from Contour Consulting Engineers which is contained as part of this report in **Appendix D**.

A full cash flow has been provided as part of this report and is contained in **Appendix E**.

8. RISK ASSESSMENT

As part of the business case Racing Queensland has identified and analysed potential risks to the successful delivery of the project and developed contingency plans to treat the risks identified.

The risks identified for this project are as follows:

- Cost Control, escalation and delays

Cost Control

All projects of this nature are possibly subject to cost increases from the following:

- The demand for labour and materials at the time of tendering;
- Time delays to the program;
- Unexpected complications or delays due to site conditions; and
- Variations to design and construction.

The likelihood of these types of risks eventuating can be mitigated with the following actions:

- Comprehensive geotechnical investigations – to comprehensively understand soil conditions to determine footing and foundation design. These studies have been undertaken at Callaghan Park and the project team has an extensive understanding of the soil conditions which will be factored into the detailed design to eliminate cost increases.
- Detailed design and documentation of the proposed works to reduce the vagaries of design that can potentially lead to variations. The tender packages to be issued to contractors will be comprehensively detailed to limit potential variations. The cost of the detailed design has been allowed for in the project budget.
- Pre-ordering in advance and securing budgeted prices for the supply of materials.
- Reasonable contingency allowances in the project budget. The budget carries a contingency of \$80,000 which is a reasonable contingency for a project of this nature. The construction industry generally utilises a contingency percentage of 5% of total construction costs as a standard allowance for projects of the sort required at Callaghan Park. The contingency for this project represents 4.98% of total construction costs. This contingency will also be used for any cost escalation during the course of the project.
- The potential risk related to project delays will be negligible as the proposed scope of works will not result in the interruption, cancellation or relocation of any

thoroughbred or greyhound races at Callaghan Park. The construction location is outside the greyhound track and inside the thoroughbred track. Therefore any time delays to the project will not impact on the use of the venue.

9. DETAILED FINANCIAL AND ECONOMIC ANALYSIS

The provision of funding for the Callaghan Park project of the IIP by the State Government will result in a cash 'out flow' from the government without any direct cash 'in flow' to the government.

The funding is to provide highly needed infrastructure for the project that will result in the long term indirect benefit to the government through the following:

- The investment will allow a much higher level of patron involvement in the greyhound code in Rockhampton due to the new facilities, which will be reflected with a higher level of wagering turnover and catering for racing events.
- The project will deliver economic benefits during its delivery phase by way of the following:

Pre-Commencement of Construction:

- Project Manager - full time for three months
- Engineering Consultant - fulltime for three months
- Surveyors, Architect, Geotech, Racing, Town Planning, Environmental, Landscaping, Electrical, Building, Hydraulics, Fire, ACHA Consultants x eight Full time for two months

Construction Period:

- Project Manager - full time for six months
- Engineering Consultant - full time for four months
- Surveyors, Architect, Racing, Environmental, Landscaping, Electrical, Building, Hydraulics, Consultants x 6 - full time for two months
- Civil Contractor x 10 - full time staff for six months
- Building Contractor x eight - full time staff for six months
- Materials Supplies/Delivery/Transport 15 - part time staff for six months
- Manufacture of materials - approximately 20 FTEs for six months

10. FINANCIAL VIABILITY/CLUB STRUCTURE

Currently the Rockhampton Greyhound Racing Club leases a portion of the Callaghan Park facility from the Rockhampton Jockey Club for its kennelling, administration and public facilities.

The kennel and administration areas are located under a derelict grandstand that the Rockhampton Jockey Club is intending to demolish due to OH&S concerns. This demolition remains on hold subject to the approval of this business case for this greyhound project, which will see all greyhound facilities relocated infield of the thoroughbred facilities.

On 1 July 2011, Racing Queensland upgraded the status of the greyhound racing product in Rockhampton from non-TAB to TAB status. This decision was based on the assumption that this business case would be approved and the facilities at Callaghan Park would be upgraded to a standard required of a TAB racing venue.

At present the kennelling, administration, 'Sky Channel' broadcasting and race callers locations are not satisfactory for a TAB racing venue. If the proposed upgrades are not able to be delivered within the project timelines the venue will not be able to maintain TAB racing status and this will have serious negative impact on the long-term viability of TAB greyhound racing in Rockhampton.

Business Model for the Club

Rockhampton Racing Pty Ltd has been established by Racing Queensland and the Rockhampton Jockey Club to share ownership of the Callaghan Park facility and the existing infrastructure. In accordance with this agreement, it is proposed that Racing Queensland will own 84% of Rockhampton Racing Pty Ltd.

The Rockhampton Jockey Club has agreed to transfer the Callaghan Park venue to Rockhampton Racing Pty Ltd, although finalisation of this agreement remains subject to the Queensland Government providing ex gratia relief on the transfer duty associated with this transaction. Should the requested ex gratia relief not be provided, Racing Queensland and the Rockhampton Jockey Club have agreed that one of the following options will be initiated:

1. Rockhampton Racing Pty Ltd will pay the assessed transfer duty and transfer the land and infrastructure to Rockhampton Racing Pty Ltd;
2. Racing Queensland and the Rockhampton Jockey Club will dissolve Rockhampton Racing Pty Ltd and the Rockhampton Jockey Club will provide Racing Queensland with a long-term lease over all racing and training infrastructure at the Callaghan Park venue; or
3. Racing Queensland will recommend to the Queensland Government that all works proceed and vest in the ownership of the Rockhampton Jockey Club.

Regardless of whether ex gratia relief is granted, Racing Queensland will provide and maintain all of the facilities and infrastructure required to facilitate greyhound racing and training activities at the venue. Racing Queensland will enter into a sublease with the Rockhampton Greyhound Racing Club over the member and public facilities.

Financial Viability

RQ has based the Operational Statement (**Appendix F**) on the last four years of historical results from the Club and trends from similar clubs. RQ has access to all race clubs' Annual Financial Results as they are required to report to RQ under the *Racing Act 2002*. RQ has analysed these results and has detailed the key assumptions below and in the Operational Statement to ensure that the training and facility costs are offset as much as possible by meetings not being transferred or abandoned due to wet weather.

It must be highlighted that the Rockhampton facility is an important training and racing facility which supports and links into surrounding TAB venues in North Queensland. It should be noted that no TAB race club in Queensland is financially viable without financial support from RQ. The Rockhampton facility is not expected to be any different. An operational subsidy is paid to all clubs for the conduct of race meetings.

The club currently relies heavily on its volunteer labour force. Within the modelling the labour costs have been based on full time equivalent paid positions to carry out the required duties.

Key assumptions:-

1. Facilities upgrade start 1 March 2012 with upgrade fully complete by January 2013 in a staged approach to limit the loss of meetings
2. FY13 –EBITDA deficit of \$190K and Operating Deficit of \$234K
3. FY13 – Extraordinary Item is the Grant to the Facility of \$1.605M
4. FY14 - EBITDA deficit of \$189K and Operating Deficit of \$233K
5. FY15 - EBITDA deficit of \$187K and Operating Deficit of \$231K
6. There is an annual depreciation charge of approximately \$44K per annum due to the significant investment of \$1.605M
7. Meetings status from Non TAB to TAB

-
8. Attendance to increase based on improved on-course facilities with average attendance of 75 people per meeting in year 1 increasing to 125 per meeting in year four
 9. Revenue to increase in line with the number of meetings, change in TAB status and improved on-course facilities
 10. Expenditure to increase in line with the number of meetings, change in TAB status, improved on-course facilities, and assumption of paid employees where currently staffed by volunteers
 11. All key assumptions are supported in the facility operating statement

Expenses are expected to increase due to the increased cost of the facilities and the additional use of the venue. Salaries and Wages will be one of the major increases to expenditure due to the move from volunteer labour to paid labour and the increase in professional staff required to run a TAB meeting.

Wagering turnover and returns expected to be \$202K, which is a return to industry that was not previously available due to the previous Non TAB status of race meetings held at the venue.

The Operational Statement has been provided as part of this report and is contained in **Appendix F**.

11. STATUTORY APPROVALS

The following Statutory Approvals are required for the proposed upgrades works for the Callaghan Park project:

- Owners Approval to undertake the proposed works;
- Building Approval for all new buildings, to be obtained through Private Building Certifier;
- Plumbing Approval to be obtained through the Rockhampton City Council Council; and
- No MCU application for the proposed works is required as per advice from the Rockhampton City Council.

12. EQUITY NEGOTIATIONS

All equity negotiations concerning the Callaghan Park venue have been finalised.

The Rockhampton Jockey Club has agreed to transfer the Callaghan Park venue to Rockhampton Racing Pty Ltd, a joint venture established by Racing Queensland and the Rockhampton Jockey Club, created to own the Callaghan Park venue. Racing Queensland owns 84% of Rockhampton Racing Pty Ltd.

Racing Queensland will be granted a lease by Rockhampton Racing Pty Ltd over the area where it is proposed that the new infrastructure will be constructed. Under the terms of the lease, ownership of the new infrastructure will vest in Racing Queensland.

13. NEXT STEP

Subject to the approval of this business case, RQL will seek access to an initial payment of \$111,376 from the Racing Industry Capital Development Scheme so that it can commence the detailed planning required to deliver the infrastructure works identified in this business case.

APPENDIX A

Concept Plans

APPENDIX B

Racing Queensland Limited Purchasing Policy

APPENDIX C

Project Program

APPENDIX D

Contour Consulting Engineers Basis of Cost Estimate

APPENDIX E

Cash Flow Budget

APPENDIX F

Racing Queensland Limited Operational Statement



INDUSTRY INFRASTRUCTURE PLAN

Business Case for Beaudesert Race Course

Details

Author: M. Snowdon
Date: 17 January 2012

Contents

1. BACKGROUND	4
2. RATIONALE AND DEVELOPMENT OVERVIEW	5
3. FACILITY ISSUES	6
4. STAKEHOLDER MANAGEMENT	7
5. SCOPE OF WORKS	9
6. PROJECT DELIVERY FRAMEWORK	10
7. WORKS DELIVERY PROGRAM	11
8. CASH FLOW/BUDGET	12
9. RISK ASSESSMENT	13
10.DETAILED FINANCIAL AND ECONOMIC ANALYSIS	16
11.FACILITY VIABILITY/CLUB STRUCTURE	18
12.CULTURAL HERITAGE	22
13.STATUTORY APPROVALS	24
14.EQUITY NEGOTIATION	25
15.NEXT STEP	26

16.APPENDICES

27

- Appendix A - Concept Plans
- Appendix B - Project Program
- Appendix C - Cash Flow Budget
- Appendix D - Letter dated 18 October 2010 from Hon. Peter Lawlor MP
- Appendix E - Letter dated 9 December 2010 from Scenic Rim Regional Council
- Appendix F - Beaudesert Race Club Lease Executed 13 July 2011
- Appendix G - Letter Dated 9 December 2011 from Scenic Rim Regional Council
- Appendix H - Racing Queensland Limited Purchasing Policy
- Appendix I - Global Turf Solutions, Audit of Racing Surfaces at Beaudesert, June 2010
- Appendix J - Contour Consulting Engineers, Basis of Cost Estimates
- Appendix K - RQL Operational Statement

1. BACKGROUND

The Beaudesert facility accommodates eight thoroughbred non-TAB race meetings annually and is a major training facility with approximately 200 horses in work at the venue. Beaudesert is centrally located approximately 70km from Brisbane, the Gold Coast and Ipswich, and consists of 33.5ha of land.

The land is owned by the Crown, the Scenic Rim Regional Council is the trustee and Racing Queensland Limited (**Racing Queensland**) is the lessee.

2. RATIONALE AND DEVELOPMENT OVERVIEW

The Beaudesert facility provides an opportunity to establish a quality training facility in a popular equine area. As an upgraded training facility, Beaudesert has the capacity to provide increased starters to the Gold Coast, Ipswich, Doomben and Eagle Farm racecourses.

The level of equine activity in the Beaudesert region, coupled with the population growth in the area, highlights the opportunity that exists for an upgraded amenity at Beaudesert. The two new cities, Greater Flagstone and Yarrabilba are scheduled for development as part of the region.

In addition to an upgrade of the training and racing facilities, the construction of a new public facility and Jockeys' building is proposed. The scope for the public facility has been reduced to one level to fit the budget and provide a project contingency. The facility will contain an air-conditioned function area capable of housing 400 patrons for a race day or a non-race day function. The concept plans for the project are attached to this report in **Appendix A**.

The existing grandstand is to be removed from the site. With future TAB meetings proposed to be conducted at the upgraded facility, an opportunity exists to showcase quality racing with a country atmosphere. The increase in racing at the Beaudesert and conversion to a TAB facility enables the facility to directly contribute to overall wagering outcomes.

A development along these lines would create an opportunity to market the Beaudesert experience as a true taste of the colour and excitement of Queensland country racing, right on the capital city doorstep.

Subsequent to the upgrade of the facility, Beaudesert is expected to accommodate the training of between 250 and 300 horses. This will assist with the growth of thoroughbred training at Beaudesert as an industry.

Racing Queensland has developed a works schedule that minimises the impact on current training activities at the site. It is not expected that any complete closure of training facilities at Beaudesert would be required during the project.

The timing of the Beaudesert project is highly critical to the timing of the works proposed at the Gold Coast Turf Club. As the Magic Millions event is conducted at the Gold Coast Turf Club in January of each year, the works at the Gold Coast are planned not to impact upon the Magic Millions. Therefore, the early completion of the Beaudesert facility will allow flexibility to relocate training and race dates to the completed Beaudesert facility while the Gold Coast works are being undertaken.

3. FACILITY ISSUES

The course proper is in need of a total reconstruction in order to implement sufficient drainage and a new growing medium, providing a turf track that will be able to withstand increased rainfall events and provide a consistent racing surface. Currently, the track has minimal drainage and poor soil resulting in the cancellation of race dates from below average rainfall events. Additional to this reconstruction, the track will be widened on the back straight to suit the overall track width. This work will also allow for the installation of the correct cambers (cross falls or super elevations) of the corners which are currently insufficient.

The site drainage is currently inadequate and this can result in the site incurring flooding in high rain fall events.

As there are insufficient tie up stalls for a TAB venue, the scope of works will include additional stalls.

The existing car park does not have a sealed surface and requires a better lay out to prevent the potential risk of horses and patrons comingling, particularly when horses are being unloaded which could lead to potential occupational, health and safety issues.

The existing grandstand access does not comply with the current requirements of the Building Code of Australia (**BCA**) and has been the subject of previous public liability claims from race day incidents. In addition, the current bar facilities under the grandstand do not comply with BCA ceiling height requirements. The proposed works provide for the grandstand to be removed from the racecourse.

Facilities for the storage of pesticides, fuels and oils will be upgraded to meet environmental and occupational, health and safety standards.

Other existing public facilities on the site are adequate; however, there are numerous occupational, health and safety concerns with the electrical and communication connections between the structures currently suspended mid-air. As part of the works, this infrastructure will be redirected to the new facilities via underground conduits.

An independent audit of the racing surface at Beaudesert was undertaken by Global Turf Solutions in June of 2010. The report identifies the issues and current condition of the track and a copy of the report is attached as part of this business case in **Appendix B**.

4. STAKEHOLDER MANAGEMENT

Beaudesert is an extremely unique facility in that although historically only eight race meetings have been conducted annually, it is a major training facility for horses competing within the South-East corner of the State.

During the 2010/11 financial year, Beaudesert trained horses started 1500 times in Queensland, which saw this facility ranked as the seventh largest training facility in the State. For this reason it is imperative that the construction work proposed to be undertaken at the venue is facilitated in such a manner so as to reduce the impact on those stakeholders utilizing the facility in the preparation of their horses for racing.

Although racing will cease at the facility for a period of around eight months, Racing Queensland aims to provide ongoing access to training facilities, albeit reduced facilities and reduced timeframes for track work. Racing Queensland has conducted a series of meetings with local stakeholders and a local trainer representative has been selected by this group to sit on a working group with Racing Queensland and the project team that will meet fortnightly on site. This representation provides the ability for stakeholders to have direct input into decision making processes and ensure that the needs of the stakeholders are appropriately considered prior to decisions being made.

Due to a reduced number of services being available during the construction period, Racing Queensland will not charge training fees during this period.

Beaudesert was scheduled to conduct four Non-TAB meetings during the construction period and listed below is Racing Queensland's proposed plan to cater for these meetings.

- **24 March 2012** – Proposed to reschedule this meeting at Gatton.
- **25 April 2012** – Due to the high volume of Non-TAB meetings in the South East and Eastern Downs regions around Anzac Day, it is proposed that this meeting is not rescheduled, but additional races be added to the following meetings. 20/4 Ipswich, 21/4 Warwick, 27/4 Ipswich and 28/4 Gatton. This decision has been taken to mitigate the impact on the following existing meetings – 21/4 Gympie and Warwick and 28/4 Gatton and Chinchilla.
- **26 May 2012** - Beaudesert Hibernian – As this meeting is classified as Non-Strategic, it is proposed that it be rescheduled to Esk, which conducts its meetings at a Non-Strategic level and is the most central venue of this category to Beaudesert.
- **9 June 2012** – As there were two Non-TAB meetings scheduled in the South East region on this day, it is not proposed to reschedule this meeting. Similar to Anzac Day, Racing Queensland proposes to add an additional race to the following TAB meetings, 6/6 Sunshine Coast, 8/6 Ipswich and 9/6 Gold Coast.

It is important to note the horses that traditionally compete at Beaudesert are predominantly local horses or horses from TAB facilities and they are not sourced from traditional Non-TAB venues. For this reason it is imperative that the redistributed races/meetings are allocated in a manner as to enable participation by those stakeholders that usually compete at these meetings. Racing Queensland will consult with the local stakeholders and the South East Queensland Country Racing Association to finalize the revised schedule.

By way of background below is an overview of the training location of horses that competed at the Beaudesert meeting on Saturday 29 October 2011.

Location	Number of Horses
Beaudesert	20
Gold Coast	8
Deagon	5
Sunshine Coast	5
Ipswich	4
Eagle Farm	2
Toowoomba	2
Warwick	2
Oakey	1
Texas	1
Total Starters	50

As the Beaudesert meetings currently are Non-TAB, Racing Queensland is not proposing that any travel subsidies be paid to Beaudesert stakeholders during the closure period. Racing Queensland has budgeted \$124,000 in prizemoney and administration subsidies for the aforementioned four meetings and under the above proposal this same amount will be expended.

5. SCOPE OF WORKS

The works to be undertaken as part of the Industry Infrastructure Plan are detailed as the following deliverables:

- Back straight to be widened to suit overall track
- Existing sand track to be realigned on back straight
- New 8m wide sand track
- New public facility
- Additional swab stall
- Existing turf track to be reconstructed
- New tie up stalls
- New jockeys and stewards facility
- New mounting yard and horse pathway
- Replace major drainage culvert
- Removal of the grandstand
- Revised car park layout and resurface
- Installation of training lights

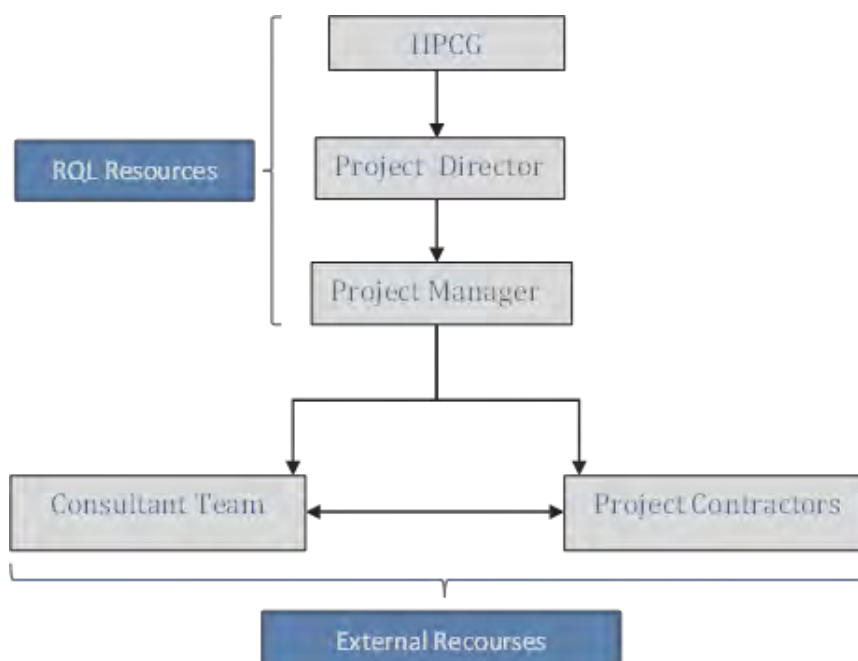
6. PROJECT DELIVERY METHODOLOGY

The methodology to be utilised by Racing Queensland to deliver the Beaudesert Racecourse project will be in line with the 'RQL Purchasing Policy – Infrastructure Plan' document (**Purchasing Policy**). This Purchasing Policy sets out the processes required to be undertaken to ensure the probity and procurement requirements are adhered to. The Purchasing Policy, which applies to all Industry Infrastructure Plan projects, has been created in line with the principles of the Racing Queensland Purchasing Policy and the Queensland Government's State Purchasing Policy.

Within Racing Queensland the responsibility of overseeing the delivery of the projects in line with the Purchasing Policy resides with the Industry Infrastructure Plan Control Group (**IIPCG**). The Project Director has day to day oversight of plan delivery and compliance and reports to this group which sits over the Project Director, who in turn sits over the Project Manager who implements the day to day processes of the management of the projects. These positions within the project delivery process are Racing Queensland employed resources which maintains independence from the consultant team and retains control within Racing Queensland.

The consultant team and project contractors will interrelate with each other in the normal process of information flow; however, all project decisions remain within Racing Queensland under this structure.

The Following flow chart provides an overview of the flow of responsibility in these roles:



A full copy of the RQL Purchasing Policy, including the recently adopted Addendum for the Infrastructure Plan, has been included as part of this report in **Appendix C**.

7. WORKS DELIVERY PROGRAM

The works are programmed to be completed over a 16 month period including all design and construction. The construction work on the racing facilities is timed to commence in March 2012 and is anticipated to be completed in August 2012 and the works to the new public facilities are programmed to commence in March 2012 with completion scheduled for December 2012.

These dates are subject to the approval of the Beaudesert Race Course Business Case and the finalisation of the Funding Agreement.

A full program containing the timing, resource allocation and actions is included as part of this report in **Appendix D**.

8. CASH FLOW/BUDGET

The budget set for the works at Beaudesert is \$7,271,512. The scope and concepts for the project have been worked through by the project team extensively in order to achieve maximum yield from the funds available.

The proposed public facility has been redesigned from a two level building to one level to reduce the overall cost of the project. Whilst the budget does allow for the total works required for the facility and an overall contingency of \$300,000 which is contained within the cost allowed for the public facility of \$1,650,000. The risk associated with the budget has been assessed and a management of this risk is detailed in the Risk Assessment section of this report.

The cash flow expenditure is anticipated to be distributed over the next two financial years, and the total cost will be broken down into expenditure of \$4,763,852 in the 2011/12 financial year and \$2,507,660 in the 2012/13 financial year.

The construction costs detailed in the cash flow have been formulated from a detailed analysis of the estimates by the consultant team. The methodology has been the utilisation of existing market information from current and historical projects, the most recent of which is the infrastructure upgrade of Ooralea Park in Mackay which is currently under construction.

The methodology and evidence is detailed within a letter from Contour Consulting Engineers which is contained as part of this report in **Appendix E**.

A full cash flow has been provided as part of this report and is contained in **Appendix F**.

9. RISK ASSESSMENT

The risks identified for this project are as follows:

- Wet season
- Cost control, escalations and delays
- Titling

Wet Season

The planned methodology for the Beaudesert track is to lay turf which will provide the project with the quickest construction time line as the turf will have a grow in period of 12 weeks. The current budget has allowance for turf. Should savings be required within the overall project budget the methodology could be reverted to stolonising. Stolonising involves chopping the turf up and spreading the turf over the course surface. Stolonising uses a much smaller quantity of turf.

The financial advantage would be approximately \$120,000 in cost savings; - however, the disadvantage would be a time delay of 10 weeks to the growing period which would ultimately delay the return to racing at the Beaudesert facility.

The decision on the methodology would not need to be made until April 2012, at which time the wet season would be nearly complete.

Cost Control

All projects of this nature are possibly subject to cost increases from the following:

- The demand for labour and materials at the time of tendering
- Time delays to the program
- Unexpected complications or delays due to site conditions
- Variations to design and construction

The likelihood of these types of risks eventuating can be mitigated with the following actions:

- Comprehensive geotechnical investigations – to suitably understand soil conditions to determine footing and foundation design. These studies have been undertaken on the Beaudesert Race Course and the project team has an extensive understanding of the soil conditions which will be factored into the detailed design to eliminate cost increases.
- Detailed design and documentation to reduce the vagaries of design that can potentially lead to variations. The tender packages to be issued to contractors will be comprehensively detailed to limit potential variations. The cost of the detailed design has been allowed for in the project budget.
- Pre-ordering in advance and securing budgeted prices for the supply of materials. Whilst the project expenditure is being kept at a minimum until such time as the business case has

been approved, the project team has been sourcing and securing advanced orders of sand and turf at budgeted prices to eliminate future potential time delays and cost increases due to panic buying at the last minute.

- Reasonable contingency allowances in the project budget. The budget currently carries a contingency of \$300,000 and this has been factored into the budget for the public facility in order to mitigate the construction cost risk for this facility. The current scope fits within the budget and the proposed public facility has been designed to minimise its cost impact whilst providing a sufficient facility for the public.
- The allowance for the public facility is \$1,650,000, however market rates and current evidence indicates and anticipated build cost of \$1,350,000, therefore the balance \$300,000 is to be used as the project contingency. This contingency will also be used for any cost escalation during the course of the project.
- The potential risk related to project delays will be the reallocation of specific race days for the Beaudesert facility. The racing department of Racing Queensland has taken this risk into account and allowed for the potential reallocation of these race days to other facilities if required so that the race days will not be lost to the industry. The actual risk to the Beaudesert facility is negligible as once the facility is under construction the operational costs of the facility is minimal due to the lack of resources required to maintain the racing and public facilities as they would under normal racing operations. Therefore any time delays of the project will not result in substantial cost impacts on the facility, the club or Racing Queensland.

Titling

The ownership of the land is currently held by the Crown and is under the responsibility of the Department of Environment and Resource Management (**DERM**). The Scenic Rim Regional Council is the trustee for the land and Racing Queensland is the lessee. The lease is for eighteen months from the 1st July 2011 to 31st December 2012. Racing Queensland will apply to DERM to transfer the freehold title of the land to Racing Queensland.

The Scenic Rim Regional Council has provided a letter confirming its support to extend the lease for another two years, if required, to limit the risk incurred should the title not be transferred prior to December 2012 when the current lease is due to expire. However, as the land is owned by the State Government, there is little risk of Racing Queensland losing tenure or any disruption to race meetings.

Whilst this process is ongoing, attached to this business case is the following correspondence:

- **Appendix G** - Letter dated 18th October 2010 from the Hon Peter Lawlor MP advising of his support in principal for the transfer of this land to Racing Queensland.
- **Appendix H** - Letter dated 9th December 2010 from the Scenic Rim Regional Council advising confirmation of the current lease.
- **Appendix I** - Lease from Scenic Rim Regional Council executed 13 July 2011.

-
- **Appendix J** - Letter dated 9 December 2011 from Scenic Rim Regional Council supporting the two year lease extension.

10. DETAILED FINANCIAL AND ECONOMIC ANALYSIS

The funding of the Industry Infrastructure Plan by the State Government for the Beaudesert Race Course project will result in a cash 'out flow' from the government without any direct cash 'in flow' to the government.

The funding is to provide highly needed infrastructure for the project that will result in the long term indirect benefit to the government through the following:

- The investment will allow Racing Queensland to significantly reduce the ongoing high cost of maintaining the facility with the provision of new and more economic infrastructure. As part of this investment Racing Queensland will assume responsibility for the racing facilities on site and remove this responsibility from the club which struggles to find adequate income to meet these costs which has resulted in the dilapidation of the facility.

The transfer of the responsibility from the club to Racing Queensland commenced in line with the commencement of the current lease from 1st July 2011.

- The project will deliver economic benefits during its delivery phase by way of the following:

Pre-Commencement of Construction:

- Project Manager for three months
- Engineering Design Consultant for three months
- Surveyors, Architect, Geotechnical, Racing, Town Planning, Environmental, Landscaping, Electrical, Building, Hydraulics, Fire, ACHA Consultants for two months

Construction Period:

- Project Manager for six months
- Engineering Design Consultant for three months
- Surveyors, Architect, Racing, Environmental, Landscaping, Electrical, Building, Hydraulics, Consultants for two months
- Civil Contractor x 10 full time staff for six months
- Building Contractor x six full time staff for six months
- Materials Supplies/Delivery/Transport say 30 part -time staff for six months
- Manufacture of materials (sand/gravel extraction, turf growing, concrete pipes etc.) - say 20 equivalent part time staff for six months

- The project will deliver economic benefits post the delivery phase by way of the following:

Currently eight Non-TAB race meetings are conducted annually at the Beaudesert facility. As the Beaudesert Race Club is currently funded as a Non-TAB Club, for financial reasons its meetings, barrier trials, jumpouts and track work sessions, as well as the general maintenance of the facility is serviced predominantly by volunteer labour.

Once in full operation there will be approximately four full time staff employed at the venue. The increase from eight to 18 race meetings annually at the facility will also require the engagement of part time staff to perform race day functions, as it will no longer be

practical to place this impost onto volunteers. It is anticipated that throughout the facility approximately 51 part time staff and contractors will be required to facilitate the conduct of the meetings, as outlined below:

Race Day Staff	Number of Staff
Assistant Starter	1
Treader / Mounting Yard	6
Veterinary Officer	1
Horse Entrance & Tie Up Stall Attendants	2
Barrier Attendant - Casual	7
Scales Room Attendant	1
Clerk of Course	2
Judge	1
Photo Finish Operator	1
Shoeing Inspector	1
Farrier	1
Ambulance Personnel	2
Doctor	1
Catering Staff	5
Beverage Staff	5
Gate Entrance Staff	2
Secretarial	1
Tote Staff	6
Video Operators	5
TOTAL CASUAL & CONTRACTED STAFF	51

11. FACILITY VIABILITY/CLUB STRUCTURE

Due to ageing and limited infrastructure the Beaudesert Race Club Inc. (**CLUB**) has been required to restrict the volume of training activities undertaken at the facility. The key issues with the facility are highlighted below:

- Lack of training lights to enable track work to be safely undertaken prior to daylight;
- Limited tie up stalls (92);
- Limitation of one sand track eight metres in width;
- A course proper that has a poor soil profile and no drainage;
- A lack of resources to adequately supervise track work activities; and
- A lack of resources to appropriately maintain the track and facilities.

Within the infrastructure upgrade proposed for the venue, Racing Queensland has addressed the issues highlighted above. The plan includes the installation of sufficient track lighting to enable track work to safely commence prior to daylight, whilst also including the construction of an additional 20 tie up stalls, the installation of a second eight metre wide sand training track and the upgrade of the course proper.

Once the upgrade is complete it is proposed that access to the training facilities will be from 3.30am to 9.30am, which is a significant enhancement on the time training can safely be undertaken with the current infrastructure and resources.

In addition, Racing Queensland will also assume responsibility for the racing and training infrastructure similar to the Sunshine Coast and Rockhampton facilities. This will see an increase in the number of professional staff at the venue, which will in turn improve the manner in which the facility is supervised and maintained into the future.

In addressing the aforementioned issues, Racing Queensland and the Club believe this will enable the number of horses trained at the facility to be increased by between 50 and 100 horses.

For the past 12 months the Club has not been positioned to increase the number of horses training at the facility and currently has a waiting list of three trainers wishing to immediately commence utilising the facility. Additionally, Racing Queensland has had contact with a trainer with approximately 16 horses seeking confirmation as to the date when works will be completed at the venue as he is looking to integrate these timelines into his plans to move to the Beaudesert region to take advantage of the new and improved facilities.

In 2006, the control body of the day commissioned a report by Professor Wayne Bryden of the University of Queensland and Professor Nigel Perkins of AusVet Animal Health Services relating to the stabling requirements for the thoroughbred racing industry in South East Queensland. Within this report the author's make key recommendations, listed below is the recommendation as it relates to Beaudesert.

"In the mid to long term time frame, consider options for development of increased training capacity at Beaudesert Race Club to allow for increased demand in this region as a result of

sustained population growth. On-course stabling may not be required or may be developed in a small-scale with simple and functional design."

As previously advised Racing Queensland proposes to conduct 18 annual TAB race dates from the Beaudesert facility once the infrastructure has been upgraded. At present eight Non-TAB race dates are conducted at the venue and it is proposed that these will be converted to TAB and a further 10 mid-week TAB meetings will be integrated into the racing schedule.

The aforementioned 10 mid-week TAB meetings will be redistributed from other venues within South East Queensland, such as Toowoomba, Ipswich, the Gold Coast and Sunshine Coast.

At present these venues conduct a combined number of 249 TAB race meetings, so when considering a reduction 10 meetings this equates to just 4% of their overall allocation. To put the role of Beaudesert into context, during the past six months horses trained from the Beaudesert facility have accounted for 6.3% of the starters at the aforementioned South East corner TAB meetings. Based on the aforementioned information the revised racing schedule will improve the distribution of meetings within South East Queensland to more accurately reflect the training location of the horse populations. Currently due to the lack of racing opportunities at Beaudesert horses trained at this venue are required to travel to other meetings throughout the State. The allocation of additional meetings will reduce the travel requirements of horses trained at Beaudesert. To highlight this issue the percentage of horses trained at Toowoomba, Ipswich, the Gold Coast and Sunshine Coast able to participate at race meetings at their training location during the past six months was 42%. During the same period the percentage of Beaudesert trained horses that were positioned to find a suitable race at their training location was just 10%.

As outlined above, the additional meetings proposed for Beaudesert will be mid-week meetings and will have no impact on the financial viability of the Race Clubs where previously conducted. Midweek meetings are largely conducted by clubs that consider them to be secondary meetings to more viable meetings run on a Saturday or a Sunday. These are provided as a wagering mediums and do not provide a point of difference for these clubs in terms of revenue generated on course. Additionally, the conduct of these meeting at Beaudesert will not impact the ongoing viability of the stakeholders businesses at these venues.

However, in terms of Beaudesert, TAB meetings will provide an opportunity to generate on course revenue as they will be a point of difference at this facility. They will be the primary meetings at this facility and marketed as such.

Racing Queensland and the Club are yet to finalize a position on the management structure of the facility post the infrastructure upgrade and are awaiting confirmation regarding the approved quantum of expenditure and its distribution within the facility project budget before finalizing this issue.

The Club and Racing Queensland are currently investigating the optimal business model for the operation of these facilities. The key objective of both parties is to maximise the return on this facility to defray the costs associated with providing high quality racing and training infrastructure into the future. It should be noted that it is both entities intention that the member and public facilities are utilised extensively for non-racing related functions, which will significantly improve the return on this investment.

Based on the above objective, the Club and Racing Queensland have discussed, in detail, various management models for the member and public facilities. It is important to note that regardless of the management model for the member and public facilities, that Racing Queensland will be responsible for the management and maintenance of the racing and training facilities and infrastructure. The information and profit projections contained in the Operational Statement apply to both models of Racing Queensland running the venue or if the venue was managed together with the club as all profit generated would be redirected back into the facility.

Other than the two options currently being considered a third option would be to source an external third party to lease and run the public facility and pay a market rent. This option is unlikely, however, it could be considered at a later time.

In relation to the Operational Statement Racing Queensland has based its numbers on the last four years of results from the club and has detailed the following assumptions below and in the attached Operational Statement to ensure that the training and facility costs are offset by the proposed increase in attendance and membership numbers and non-racing related revenues from an improved facility.

Key assumptions:-

1. Surplus after depreciation of \$28K year 1, \$66K year two and \$76K year three
2. Number of meetings to increase from eight to 18
3. Attendance to increase by 150% in year one
4. Membership to increase by 170% in year one
5. Revenue to increase by \$ 721K
6. Expenditure to increase by \$668K

Revenue expected to increase by \$721K due to increased number of race meetings, TAB status of meetings, as well as exploitation of the new public facilities for non-racing revenue. The new facilities are expected to allow additional returns by way of functions and other hire opportunities given the limited options available to the region.

Expenses are expected to increase by \$668K due to the increased cost of facilitating the additional use of the venue. Salaries and Wages are one of the major increases to expenditure along with increases in catering expenses and racing related costs due to increased use of facility

In order to capitalise on the upgraded facilities, increase in race meetings frequency and TAB status, Racing Queensland will seek to grow the key areas of attendance, membership of the racing club, and the number of horses trained at the facility. Projections for attendance growth in the first year are an increase of 8,090, concerted drive to increase memberships by 95, and to increase the number of horses trained at the facility.

The Operational Statement contains an estimated income to the facility in year one of \$145,500 for non-racing revenue. This allocation is based on the new public facility being promoted for functions that could utilise the facility on days that races were not being conducted at Beaudesert. As it is intended to increase the number of race days to 18 for Beaudesert over the year this leaves a substantial amount of days where the facility can generate additional revenue streams.

There is a distinct lack of function facilities in the Scenic Rim area and it is anticipated that the facility could accommodate on an annual basis a minimum of 40 other events such as weddings, 21st birthday parties, Christmas parties etc. An estimation of the income to be generated is detailed in the table below:

Non Racing Venue Revenue (Functions etc.) Calculated on an Average Cost of Function Types		
Weddings	\$150 p.p x 100 pax x 10 events p.a. x 45% return rate	\$67,500
Birthdays & Other Functions	\$85 p.p x 100 pax x 20 events p.a x 40% return rate	\$68,000
Other Functions	\$50 p.p x 50 pax x 10 events p.a x 40% return rate	\$10,000
Total		\$145,500

The complete Operational Statement is attached to this report in **Appendix K**.

12. CULTURAL HERITAGE

Racing Queensland has been in discussions with representatives of the Mununjali Aboriginal people who advised that the Beaudesert race course is situated on an Aboriginal cultural heritage site.

Racing Queensland has engaged EVERICK Heritage Consultants Pty Ltd to conduct a Duty of Care Assessment under the *Aboriginal Cultural Heritage Act 2003* (Qld).

The report by EVERICK Heritage Consultants Pty Ltd includes the following recommendations:

1. It is reasonable and practical that the planned development proceed without further cultural heritage assessment.
2. As a precautionary measure, a set of protocols (a **Find Procedure**) is to be developed by Racing Queensland and the Mununjali in the event that Aboriginal heritage is identified during planning or construction for the project. The Find Procedure should, as much as is reasonably possible, be formally documented and agreed upon by the Mununjali and Racing Queensland. All relevant contractors and staff should be made aware of the protocols prior to participating in earthworks at the site. A suitable Find Procedure may include;
 - Construction work should cease in the immediate vicinity of the potential Find and an Exclusion Zone of at least twenty metres radius be established around the identified Aboriginal Object(s). The Exclusion Zone may be established using flags, pins, tape or temporary fencing, as deemed appropriate by Racing Queensland's contractors. All other construction works may continue in other areas.
 - A representative of the Aboriginal party should be invited to inspect the Find in order to identify whether it is of Aboriginal origin. Racing Queensland has a right to seek independent expert opinion should it wish to do so.
 - If the Aboriginal party is satisfied that the object is not Cultural Heritage the Exclusion Zone may then be removed and construction works may continue.
 - If the Aboriginal Party is unsure of whether the object is Cultural Heritage or not, they may elect to have a Cultural Heritage Advisor inspect the Find.
 - If the Find is conclusively identified as being of Aboriginal cultural origin. Racing Queensland should seek to enter an agreement with the Aboriginal party over how the find and surrounding area should be managed. The agreement should be documented and signed by authorised representatives of both Racing Queensland and the Aboriginal party.
3. It has been noted in the EVERICK Heritage Consultants Pty Ltd report that Racing Queensland and the Mununjali have agreed to the protection of any area that is believed to be the location of site KB:A96. It is recommended that the protocols for protection of

this area, and its ongoing use and maintenance following completion of the Project, are agreed upon in writing between the Mununjali and Racing Queensland.

Racing Queensland is currently in negotiations with the Mununjali with a view to entering into an agreement if required.

13. STATUTORY APPROVALS

The following Statutory Approvals are required for the proposed upgrades works for the Beaudesert Race Course project:

1. Owners Approval to undertake the proposed works. This can be obtained from the Scenic Rim Council as the Trustee on behalf of DERM for the site.
2. Demolition Approval for all buildings to be obtained through the Scenic Rim Council
3. Vegetation Clearing Permit for all substantial trees requiring removal to be obtained through DERM.
4. Building Approval for all new buildings, to be obtained through Private Building Certifier.
5. Plumbing Approval to be obtained through the Scenic Rim Council
6. Operational Works Permit is required for the Car parking under Scenic Rim Councils planning scheme, this does not require Main Roads (**MR**) Referral as although within 100m of a MR controlled road there is no filling or excavation associated with the car park resurfacing works which would trigger MR referral.
7. No MCU required for the proposed works is required as per advice from the Scenic Rim Regional Council.
8. Resource Entitlement is not required as no Development Application is required for the proposed works.

14. EQUITY NEGOTIATION

Equity sharing is not relevant for this project. Racing Queensland is the lessee of the Beaudesert Race Course and intends to seek Government approval to have the freehold title to the site transferred to Racing Queensland. In this event, Racing Queensland will own all of the improvements on the site.

15. NEXT STEP

Racing Queensland has the need to initiate and complete the works at Beaudesert to allow the industry the flexibility to relocate training and some race dates from the Gold Coast while the works at the Gold Coast are being completed. Due to this requirement, Racing Queensland has endeavoured to advance the Beaudesert project as far as possible so that the potential project lead times are reduced upon receipt of the approval of the business case.

Racing Queensland has formulated a strategy contained within this business case that will allow the project timing to best suit the overall needs of the Industry Infrastructure Plan. Coupled with this is the need to reduce the current occupational, health and safety issues at the facility and the need to improve the facility to allow an increase in race days from eight to 18, which will include the facility becoming a TAB venue.

Therefore, the next step is for Racing Queensland to access the wagering tax redirection funds so that Racing Queensland can commence the detailed planning and delivery of these works as per the enclosed program.

16.APPENDICES



INDUSTRY INFRASTRUCTURE PLAN

Business Case for Cannon Park, Cairns

Details

Author: M. Snowdon

Date: 31 January, 2012

Contents

1. BACKGROUND	4
2. RATIONALE AND DEVELOPMENT OVERVIEW	5
3. FACILITY ISSUES	6
4. STAKEHOLDER MANAGEMENT	8
5. SCOPE OF WORKS	9
6. PROJECT DELIVERY METHODOLOGY	10
7. WORKS DELIVERY PROGRAM	11
8. CASH FLOW/BUDGET	12
9. RISK ASSESSMENT	13
10. DETAILED FINANCIAL AND ECONOMIC ANALYSIS	15
11. FINANCIAL VIABILITY/CLUB STRUCTURE	16
12. STATUTORY APPROVALS	19
13. EQUITY NEGOTIATIONS	20
14. NEXT STEP	21

- Appendix A - Concept Plans
- Appendix B - Global Turf Solutions, Audit of Racing Surfaces at Cairns, June 2010
- Appendix C - Racing Queensland Limited, Purchasing Policy
- Appendix D - Project Program
- Appendix E - Contour Consulting Engineers, Basis of Cost Estimate
- Appendix F - Cash Flow Budget
- Appendix G - Economic Analysis, Cairns Amateur Race Day
- Appendix H - Racing Queensland Limited, Operational Statement
- Appendix I - Loan Agreement, Executed 17th January, 2012

1. BACKGROUND

The Cannon Park venue is comprised of 42.9ha of land and is located on the Bruce Highway at Cairns.

The Cairns Jockey Club owns the Cannon Park venue and has leased use of the venue to both the Far North Queensland Amateur Turf Club and Cairns Greyhound Racing Club for the conduct of their respective activities. The Cairns Jockey Club is responsible for maintaining the thoroughbred racing and training infrastructure and member and public facilities, whilst the Cairns Greyhound Racing Club is responsible for maintaining the greyhound racing and training infrastructure.

Ten non-TAB and four TAB thoroughbred race meetings are conducted annually and approximately 90 horses use the facility for thoroughbred training. The Cairns Greyhound Racing Club conducts approximately 35 non-TAB greyhound race meetings annually at the venue.

2. RATIONALE AND DEVELOPMENT OVERVIEW

Cairns is the focal point of racing in Far North Queensland and is pivotal to the survival and success of the area. Racing in Cairns is interdependent with the conduct of racing in both Townsville and Mackay. The ongoing continuation of racing in North Queensland relies on horses and participants from the other areas to provide the critical mass necessary to fulfil a racing program at these venues.

Cannon Park is home to the well-known Cairns Amateurs Racing Carnival which began as a small meeting in 1959 to bring city and country together and has grown to become one of the biggest events in North Queensland, attracting a large number of visitors from across Australia. The Carnival is conducted by the Far North Queensland Amateur Turf Club and is held over four days, focusing around two days of horse racing at Cannon Park and is complemented by a host of social activities, both formal and informal.

The proposed upgrade of the thoroughbred infrastructure will significantly enhance the broadcast quality of those TAB meetings televised by Sky Racing. The Cairns Amateurs Racing Carnival, would benefit substantially as a result of the proposed upgrade by attracting better quality horses to the facility due to an improved racing surface.

The regular schedule of race meetings is constantly under threat due to poor drainage of the track that not only causes the cancellation of meetings but renders the growing surface inconsistent making the overall quality of the track substandard to conduct race meetings that are televised to a national audience.

It is anticipated that the proposed upgrade of the track will greatly reduce the number of meetings cancelled and present a track that will allow those wagering on the outcomes to have confidence that the track will not affect the selected horse's chance. The circumstances of being able to conduct a full schedule of allocated meetings will allow the club a better opportunity to earn catering and wagering income to defray fixed costs.

The opportunity to conduct the scheduled number of meetings will benefit stakeholders from a less disruptive programme due to wet weather cancellations and poor track surface.

The Cairns Amateur races will benefit as southern trainers will have confidence to bring their better quality horses to race. The current state of the track deters trainers travelling thousands of kilometres to a track that currently is subject to closure with minimum rainfall.

The track upgrade will benefit the entire racing industry with better horses securing increased turnover and subsequent revenue. The prizemoney on offer from national sponsors is substantial and participation in the event must be encouraged. The flow on benefits from a successful racing event in Cairns in the area of tourism and retail spend through attending the events associated with the carnival are vital to the whole of North Queensland.

Both the course proper and the existing stables are in need of an urgent upgrade. The provision of a consistent racing surface in wet weather and an upgrade to the stables to address workplace health and safety issues is likely to encourage increased investment in the thoroughbred industry in Cairns.

As a result of the condition of the racing surface at Cannon Park, race meetings have been cancelled due to the rapid deterioration of the track when wet weather is experienced.

The proposed scope of works identified for Cannon Park have been developed to significantly improve the racing surface, reduce ongoing high maintenance costs and improve the safety for horses in the existing stable structures. The concept plans for the project are attached to this report in **Appendix A**.

3. FACILITY ISSUES

The course proper is in need of a major refurbishment to provide improved drainage and surface to ensure that the turf track has a consistent racing surface and can withstand increased rainfall events.

Currently, the track has minimal drainage and fine compacted soils that contribute to the cancellation of race meetings even when below average rainfall events are experienced. The proposed track refurbishment will be within the existing configuration of the race track and will include the installation of the correct cambers (cross falls or super elevations) which are currently inconsistent and insufficient.

In addition to providing more certainty to racing programs and addressing Workplace Health & Safety issues, the proposed scope of works will contribute to the revenues earned both by the Cairns Jockey Club and the wider Queensland racing industry by ensuring that revenue is not lost through the cancellation of race meetings.

The existing irrigation system is inadequate for the racing surface at Cairns. It spreads the water unevenly which results in varying degrees of the depth of irrigation. This then leads to a varying quality of the surface grass around the race track.

An audit of the racing surface at Cairns was undertaken by Global Turf Solutions in June of 2010 and identified the issues that the proposed scope of works will address. A copy of the report is attached as part of this business case in **Appendix B**.

The existing oncourse stables are in a state of disrepair which has led to some incidents of injury to horses from exposed steel uprights which have been cut back to address rust decay in the structures. This is an ongoing safety issue that is a concern to owners and trainers of thoroughbred horses due to the potential injury to their horses. While this issue has been able to be managed at a local level this situation is not sustainable in the longer term and

the proposed scope of works will reduce the risk of these injuries to horses using the stables.

4. STAKEHOLDER MANAGEMENT

No stakeholder issues have been identified that would impact on the conduct of the proposed scope of works.

As works will not be able to be commenced prior to the wet season it is necessary that they be programmed to ensure there is no disruption to the conduct of the Cairns Cup, Cairns Amateurs, QTIS 600 Classic and Melbourne Cup day meetings at Cannon Park.

Racing Queensland will integrate the civil works on the course proper into the 2012/13 racing schedule with a view to providing a full complement of race meetings in Cairns during the financial year and ensuring no impact on the Clubs' key race dates.

It is proposed to maintain full access to the sand training surface for stakeholders during the construction period, which will ensure the only impact on training activities, will be the removal of access to the grass track and a limitation on track work hours.

As it is proposed that there will be a full complement of race dates throughout the full year in Cairns, Racing Queensland is not proposing that any travel subsidies be paid to Cairns stakeholders during the closure period.

5. SCOPE OF WORKS

The proposed works to be undertaken at Cannon Park as part of the Industry Infrastructure Plan are:

- Existing turf track to be reconstructed to provide:
 - improved course and associated water drainage;
 - new irrigation system;
 - consistent track cambers;
 - new turf cover to course proper; and
 - new internal and external fencing.

- Installation of a grassed ambulance/access track.

- Upgrade of existing stables facilities.

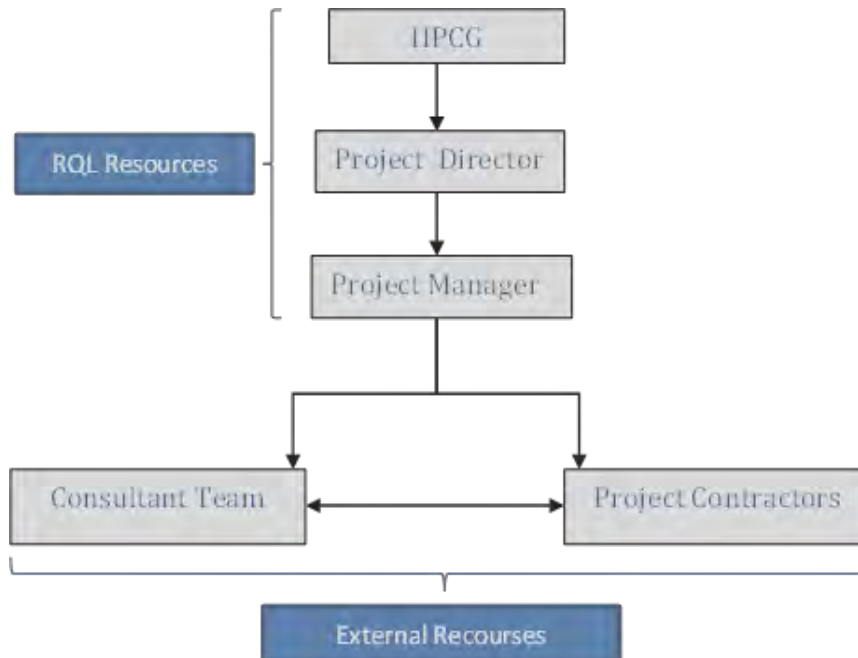
6. PROJECT DELIVERY METHODOLOGY

The methodology to be utilised by Racing Queensland to deliver the Cannon Park Racecourse project will be in line with the 'RQL Purchasing Policy – Infrastructure Plan' document. This Purchasing Policy sets out the processes required to be undertaken to ensure the probity and procurement requirements are adhered to. The Purchasing Policy, which applies to all Industry Infrastructure Plan projects, has been created in line with the principles of the Racing Queensland Purchasing Policy and the Queensland Government's State Purchasing Policy.

Within Racing Queensland the responsibility of overseeing the delivery of Industry Infrastructure Plan projects resides with the Industry Infrastructure Plan Control Group. The Project Manager has day to day management of the plan delivery and compliance, and reports to this group through the Project Director. These positions within the project delivery process are Racing Queensland employed resources and ensures independence from the project consultant team Industry Infrastructure Plan and retains overall project control within Racing Queensland.

While the project consultant/s and contractors will interrelate with each other, all project related decision making and approval remain the responsibility of Racing Queensland within the parameters of the approved project business case.

The Following flow chart provides an overview of the flow of responsibility in these roles:



A full copy of the RQL Purchasing Policy, including the recently adopted Addendum for the Infrastructure Plan, has been included as part of this report in **Appendix C**.

7. WORKS DELIVERY PROGRAM

The overall works to the racing and public facilities are programmed to be completed in two stages so as cause no disruption to the key race dates at the venue.

Stage one of the works will be undertaken between February and July 2012. This will entail the design and construction of track drainage, irrigation and course proper construction preparation.

Stage two of the works involves the reconstruction of the course proper and will occur between January and July 2013. This work has been scheduled to ensure that there is no disruption to the Cairns Cup in August 2013 and the Cairns Amateurs event in September 2013.

A full program containing the timing, resource allocation and actions is included as part of this report in **Appendix D**.

8. CASH FLOW/BUDGET

The budget set for the works at Cannon Park at Cairns is \$1,966,833. The cost of engaging external consultants who have assisted in the preparation of the business case to date, for the Cairns project is \$110,753 which has been previously claimed by Racing Queensland. The total funding sought for the project in this business case is \$1,856,080.

The cash flow expenditure is anticipated to be distributed over the next two financial years, and the total cost will be broken down into expenditure of \$746,278 in the 2011/12 financial year and \$1,109,802 in the 2012/13 financial year.

The project budget developed by racing Queensland provides for the total scope of works identified in this business case to be completed and contains a contingency of \$100,000 to allow for any cost increases.

The construction costs detailed in the cash flow have been formulated from a detailed analysis of the estimates by the consultant team. The methodology has been the utilisation of existing market information from current and historical projects, the most recent of which is the infrastructure upgrade of Ooralea Park racecourse in Mackay which is currently under construction.

The risk associated with the budget has been assessed and the management of this risk is detailed in the Risk Assessment section of this report.

The methodology and evidence is detailed within a letter from Contour Consulting Engineers which is contained as part of this report in **Appendix E**.

A full cash flow has been provided as part of this report and is contained in **Appendix F**.

9. RISK ASSESSMENT

As part of the business case Racing Queensland has identified and analysed potential risks to the successful delivery of the project and developed contingency plans to treat the risks identified.

The risks identified for this project are as follows:

- Wet season
- Cost control, escalations and delays

Wet Season

The Cairns region is prone to excessive levels of rainfall during the summer months and is also at risk of cyclonic activity during this period. The program of works has been formulated to avoid the wet season for this project.

With Stage one of the project commencing in April 2012, there is a very low probability of risk of the wet season interrupting the drainage and irrigation works.

Stage two of the works is programmed to commence in January 2013 with a completion date of July 2013 so that works will be completed prior to the two main racing events, namely the Cairns Cup in August 2013 and the Cairns Amateurs in September 2013. The scope of works for stage two includes the stripping of the racing surface and growing medium and stockpiling the materials for reuse. If excessive wet weather is incurred during this process there is the potential for delivery of the necessary works to be delayed.

Another associated risk relates to the height of the water table during the summer months. Excessive rain fall can raise the water table which further restricts construction works during this time.

The impact of these risks being realised is extended periods of time with no project activity. Accordingly, an allowance of five weeks in the program has been made to compensate for loss of time due to wet weather. The overall construction program for the track runs through to July and this period of time will mitigate the risk associated with wet weather.

In the event of extreme conditions which prevents the completion of these works by July 2013 the Cairns Cup would be cancelled and the opening of the track would be rescheduled for the Amateurs in September. This would provide another four weeks to the program resulting in a total of a nine week time contingency to mitigate the risk of wet weather.

Cost Control

All projects of this nature are possibly subject to cost increases from the following:

- The demand for labour and materials at the time of tendering;

-
- Time delays to the program;
 - Unexpected complications or delays due to site conditions; and
 - Variations to design and construction

The likelihood of these type of risks eventuating can be mitigated with the following actions:

- Detailed design and documentation to reduce the vagaries of design that can potentially lead to variations. The tender packages to be issued to contractors will be comprehensively detailed to limit potential variations. The cost of the detailed design has been allowed for in the project budget.
- Pre-ordering in advance and securing budgeted prices for the supply of materials. Whilst the project expenditure is being kept at a minimum until such time as the business case has been approved, the project team has been sourcing and securing advanced orders of sand and turf at budgeted prices to eliminate future potential time delays and cost increases due to panic buying at the last minute.
- Reasonable contingency allowances in the project budget. The budget currently carries a contingency of \$100,000 which is a reasonable contingency for a project of this nature. The construction industry utilised a contingency percentage of 5% of total construction costs as a standard allowance. The contingency for this project represents 6.45% of total construction costs. This contingency will also be used for any cost escalation during the course of the project.
- The potential risk related to project delays will be the reallocation of specific race days for the Cairns facility. The racing department of Racing Queensland has taken this risk into account and allowed for the potential reallocation of these race days to other facilities if required so that the race days will not be lost to the industry. The actual risk to the Cairns facility is negligible as minimal resources and overheads would be required once the facility is under construction. Therefore any time delays will result in minimal cost impacts on the facility, the Cairns Jockey Club, the Far North Queensland Amateur Turf Club or Racing Queensland.

10. DETAILED FINANCIAL AND ECONOMIC ANALYSIS

The provision of funding for the Cannon Park project under the Industry Infrastructure Plan by the State Government will result in a cash 'out flow' from the government without any direct cash 'in flow' to the government.

The funding is to provide highly needed infrastructure for the project that will result in the long term indirect benefit to the government through the following:

- The investment will allow the club to significantly reduce the ongoing high cost of the facility with the provision new and more economic infrastructure. The club will also benefit from a significant reduction in the number of programmed race meetings lost due to wet weather as the new surface will have much improved drainage infrastructure.
- The project will deliver economic benefits during its delivery phase by way of the following:

Pre-Commencement of Construction:

- Project Manager full time for three months
- Engineering Consultant fulltime for three months
- Surveyors, Architect, Geotech, Racing, Town Planning, Environmental, Landscaping, Electrical, Building, Hydraulics, Fire, ACHA Consultants x eight Full time for two months

Construction Period:

- Project Manager full time for six months
 - Engineering Consultant fulltime for four months
 - Surveyors, Architect, Racing, Environmental, Landscaping, Electrical, Building, Hydraulics, Consultants x six full time for two months
 - Civil Contractor x 10 full time staff for six months
 - Building Contractor x eight full time staff for 10 months
 - Materials Supplies/Delivery/Transport 15 part -time staff for 10 months
 - Manufacture of materials (sand/gravel extraction, turf growing, concrete pipes etc.) - say 20 equivalent full time staff for 10 months
- The current number of race meetings at the facility will not increase after the completion of the works, therefore the economic outcomes for the local and wider economies is unlikely to alter.

A detailed analysis on the expenditure generated by the Cairns Amateurs Racing Carnival on the regional economy has been included in this report in **Appendix G**.

11. FINANCIAL VIABILITY/CLUB STRUCTURE

Cannon Park hosts one of North Queensland's biggest events being the Cairns Amateurs Carnival. This Carnival attracts visitors from all over Australia and internationally and by far the largest community event in Cairns. The current committee of the Far North Queensland Amateur Turf Club are young and progressive and are keen to expand the carnival not only for racing but also the Cairns Community. The proposed improvements identified in the project plan for Cannon Park will secure the future of this event. The upgrade of the thoroughbred track is essential to ensure meetings are not cancelled due to the deterioration of the track from wet weather.

The Cairns Amateur Carnival attracts national sponsors and is covered by Sky Channel and gives North Queensland Tourism exposure throughout Australia.

Financial Viability

Racing Queensland has based the Operational Statement (**Appendix H**) on the last four years of historical results from the Club and trends from similar sized race clubs. Racing Queensland has access to all race clubs' Annual Financial Results as they are required to report to Racing Queensland under the *Racing Act 2002*. Racing Queensland has analysed these results and has detailed the key assumptions below and in the Operational Statement to ensure that the training and facility costs are offset as much as possible by meetings not being transferred or abandoned due to wet weather.

Based on information provided by the Cairns Jockey Club and the Far North Queensland Amateur Turf Club approximately \$50,000 of profit is foregone for every feature meeting which is lost due to wet weather. For example, the Cox Plate meeting which was lost due to wet weather in both FY10 and FY11 cost the Cairns Jockey Club approximately \$45,000 in net profit on each occasion. Foregone profit associated with the loss of a standard race meeting is approximately \$15,000.

Attendance and membership numbers and non-racing related revenues will remain relatively stable in the short term. The Cairns Jockey Club intends to exploit these areas of the business in the medium term to increase overall profit.

The Cairns facility is an important training and racing venue which supports the Townsville district situated immediately to its south. A subsidy of \$3,000 for non-TAB meetings and \$5,000 for TAB race meetings will continue to be paid to the club subsequent to the proposed development. This is consistent with the approach Racing Queensland takes in relation to other similar clubs.

The Cairns Jockey Club has a history of financial problems over many years. In 2002, the Cairns Jockey Club recorded losses in excess of \$550,000 over the previous three financial years, and its accounts were frozen by its bank. The then control body, the Queensland Thoroughbred Racing Board assumed the club's debts and developed a viable business model for the club which included reducing its race date allocation to allow the club to trade on a break-even basis.

In 2004, the then Cairns Jockey Club committee entered into an agreement with a property developer (Trafalgar Corporate Pty Ltd) for the sale of the Cannon Park racecourse and the Club's relocation to a "greenfield" site at Warner Road, near Gordonvale, south of Cairns. The Cairns Jockey Club was subsequently sued by Trafalgar Corporate Pty Ltd after refusing to proceed with the agreement after a change in the membership of the committee. To ensure that racing in Cairns continues, Racing Queensland has paid the out of court settlement of the action in the amount of \$200,000 on behalf of the Club.

In 2009 a new committee was established which Racing Queensland considers to be one of the most professional and diversely skilled race club committees in Queensland. The most recent audit by Racing Queensland confirms that the club has the necessary controls in place, and is adhering to Racing Queensland's strict financial policies. Monthly management accounts are provided to Racing Queensland for their review.

Racing Queensland has agreed to restructure the outstanding debt to manageable levels and as such has absolved \$360,000 of the debt owed by the club. A loan agreement between Racing Queensland and the Cairns Jockey Club has been executed for the remainder of the debt, that being \$360,900 to be repaid over 15 years (**Appendix I**).

Assistance from the thoroughbred control body has been necessary over many years to ensure the ongoing continuation of racing in North Queensland. If racing ceased in Cairns, it have a flow-on effect to other racing venues such as Townsville and Mackay as each racing venue in North Queensland relies on horses and participants from the other areas to provide the critical mass necessary to fulfil a racing program at these venues.

Key assumptions:-

1. Track upgrade start 1 April 2012 with Track upgrade fully complete June 2013 in a staged approach to limit the impact on the number of meetings
2. FY13 –EBITDA surplus of \$62K and Operating Deficit of \$153K
3. FY13 – Extraordinary Item is the Grant to the Facility of \$1.97M
4. FY14 - EBITDA surplus of \$89K and Operating Deficit of \$127K
5. FY15 - EBITDA surplus of \$116K and Operating Deficit of \$100K
6. FY16 - EBITDA surplus of \$135K and Operating Deficit of \$82K

-
7. There is a high annual depreciation charge of approximately \$216K per annum due to the significant investment of \$1.97M
 8. Number of meetings to remain the same
 9. Attendance to increase on trends and in line with history with average attendance of 500 people per normal meeting and 4,000 people for Cairns Cup and 13,000 for Cairns Amateurs
 10. Membership drive with increased benefits and new and improved facility
 11. Revenue to be maintained in line with the number of meetings and history trends and similar meetings
 12. Expenditure to be maintained in line with the number of meetings and history trends and similar meetings
 13. All key assumptions are supported in the facility operating statement

Racing related revenue is expected to be bolstered due to less meetings being abandoned whilst it is anticipated that the number of horses registered and trained at the facility will be maintained.

Expenses will increase in accordance with a transition from volunteer labour to professional staff. It is planned that a further full time person will be engaged to assist with the maintenance of the facility, thus preserving the investment at Cannon Park. Other increased costs will come about as a result of a more professional approach in relation to the maintenance of the racing and training facilities.

12. STATUTORY APPROVALS

The following Statutory Approvals are required for the proposed upgrades works for the Cannon Park project:

1. Cairns Jockey Club has granted approval to undertake the proposed works.
2. Building Approval for the stables works, to be obtained through Private Building Certifier.
3. Operational Works Permit is required for the track refurbishment.
4. No MCU for the proposed works is required as advised by Cairns City Council.

13. EQUITY NEGOTIATION

The infrastructure investment for the Cannon Park venue will be structured as a grant from Racing Queensland to the Cairns Jockey Club, therefore equity negotiation will not be required for this project.

Racing Queensland will require the Cairns Jockey Club to enter into a funding agreement to maintain and protect the associated completed works pertaining to the grant.

14. NEXT STEP

Racing Queensland needs to undertake the works at Cannon Park as per the proposed project program in order to avoid the risks associated with the North Queensland wet season.

Subject to the approval of this business case, Racing Queensland will seek access to an initial payment of \$746,278 from the RICDS so that it can commence the detailed planning required to deliver the infrastructure works identified in this business case.

APPENDIX A

Concept Plans

APPENDIX B

Global Turf Solutions Audit of Racing Surfaces at Cairns

APPENDIX C

Racing Queensland Limited Purchasing Policy

APPENDIX D

Project Program

APPENDIX E

Contour Consulting Engineers Basis of Cost Estimate

APPENDIX F

Cash Flow Budget

APPENDIX G

Economic Analysis

Cairns Amateurs Racing Carnival

APPENDIX H

Racing Queensland Limited Operational Statement

APPENDIX I

Racing Queensland Limited & Cairns Jockey Club Loan Agreement

2 February 2012

Mike Kelly
Executive Director
Office of Racing
Locked Bag 180
BRISBANE CITY EAST QLD 4002

Dear Mike

RE: Claim for funds associated with the cost of preparing business cases for the Industry Infrastructure Plan

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, please find attached a 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. Further, also attached is a summary of 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. The amount of this claim is \$200,000.00. Therefore, the total amount claimed is \$2,796,290.58. RQL is claiming, to the extent it can, to have these already incurred costs reimbursed in this claim, as the next opportunity to claim does not arise until the end of March 2012.

If you have any further queries please contact the RQL Chief Financial Officer, Adam Carter, on (07) 3869 9702 or acarter@racingqueensland.com.au.

Yours sincerely

MALCOLM TUTTLE
Chief Executive Officer

Cc. Mr Adam Carter (emailed)
Chief Financial Officer, RQL

{ FILENAME \p }

Janet Roth

From: Adam Carter
Sent: Tuesday, 14 February 2012 3:27 PM
To: Janet Roth
Cc: Ali Wade; Sharon Drew
Subject: FW: Racing Industry Capital Development Scheme - Tax Invoices

Importance: High

Janet,

Please can these be processed as a priority and checked by myself and they must be sent by 8:30am tomorrow to Pat at Office of Racing

Regards

Adam Carter

Chief Financial Officer



P.O.Box 63, Sandgate QLD 4017

P +61 7 3869 9702

F +61 7 3269 9304

M 0400 761 700

E acarter@racingqueensland.com.au

W www.racingqueensland.com.au

From: Zuj, Pat [mailto:Pat.Zuj@racing.qld.gov.au]
Sent: Tuesday, 14 February 2012 2:19 PM
To: Adam Carter
Cc: Perrett, Carol
Subject: Racing Industry Capital Development Scheme - Tax Invoices
Importance: High

DZOFFI

Hi Adam

Can you organise to have tax invoices raised for the following RICDS projects:

1st instalment Beaudesert - \$3,949,286.76 + GST
1st instalment Cairns - \$750,000 + GST
1st instalment Rockhampton - \$110,000 + GST
1st instalment Logan - \$1,379,222 + GST
Reimbursement of external consultants - \$2,596,290.58 + GST
Reimbursement of internal costs - \$200,000 + GST.

Please forward these directly to me so I can organise payment as Treasury approval is given.

Regards

Pat Zuj

Principal Compliance Officer

Office of Racing

Department of Employment, Economic Development & Innovation

Level 15, 111 George Street, Brisbane, City East, Qld 4002

GPO Box 46, Brisbane, Qld 4001

t: +61 7 3234 1419

f: +61 7 3234 1411

e: pat.zuj@racing.qld.gov.au

Jvc No 0016790/3/4
 14/2/14
 SL

Sales Import
 Use this template for non item code invoices

- A. Select Sales Type
- B. Update file name if required
- C. Enter Details from Column C > O
- D. Use Create Import File button
- E. Use Sun\Transfer Desk\RQL_S0E profile to import file

Business Unit	RQL
Sales Type	SINV
File Name	G:\FINANCE\RQL\RK

NOTE: IF A CLIENT HAS MORE THAN ONE ITEM, COLUMN A SHOULD BE 1;2;4;5;6;7;8;9;19;25 FOR LINE 1 and 2;4;5;6;7;8;9;19;25 FOR SUBSEQUENT LINES

LID	LINE	Customer	Item	Item Description	Qty	Unit Price	UPO	Account	Entity	Cost Centre	Division	Department	GST	Area
1;2;4;5;6;7;8;9;19;25	1	DZOFFI	-	Racing Industry Capital Development Scheme	1	-	Y	11331	RQL	01 02	AD	S		02
2;4;5;6;7;8;9;19;25	2	DZOFFI	-	1st Installment - Beaudesert ✓	1	3,949,286.76	Y	11341	RQL	01 02	AD	S		02
1;2;4;5;6;7;8;9;19;25	1	DZOFFI	-	Racing Industry Capital Development Scheme	1	-	Y	11332	RQL	01 02	AD	S		02
2;4;5;6;7;8;9;19;25	2	DZOFFI	-	1st Installment - Cairns ✓	1	750,000.00	Y	11332	RQL	01 02	AD	S		02
1;2;4;5;6;7;8;9;19;25	1	DZOFFI	-	Racing Industry Capital Development Scheme	1	-	Y	11334	RQL	01 02	AD	S		02
2;4;5;6;7;8;9;19;25	2	DZOFFI	-	1st Installment - Rockhampton ✓	1	110,000.00	Y	11334	RQL	01 02	AD	S		02
1;2;4;5;6;7;8;9;19;25	1	DZOFFI	-	Racing Industry Capital Development Scheme	1	-	Y	11343	RQL	01 02	AD	S		02
2;4;5;6;7;8;9;19;25	2	DZOFFI	-	1st Installment - Logan ✓	1	1,379,222.00	Y	11343	RQL	01 02	AD	S		02
1;2;4;5;6;7;8;9;19;25	1	DZOFFI	-	Racing Industry Capital Development Scheme	1	-	Y	11349	RQL	01 02	AD	S		02
2;4;5;6;7;8;9;19;25	2	DZOFFI	-	Reimbursement of external consultants	1	2,596,290.58	Y	11349	RQL	01 02	AD	S		02
2;4;5;6;7;8;9;19;25	3	DZOFFI	-	Reimbursement of internal costs	1	200,000.00	Y	11349	RQL	01 02	AD	S		02

8,984,799.34

RICDS Invoices

From: Janet Roth <jroth@racingqueensland.com.au>
To: pat.zuj@racing.qld.gov.au
Cc: Adam Carter <acarter@racingqueensland.com.au>
Date: Tue, 14 Feb 2012 17:24:44 +1000
Attachments: image001.png (13.63 kB); RICDS BEAUDESERT.PDF (303 kB); RICDS CAIRNS.PDF (306 kB); RICDS ROCKHAMPTON.PDF (306.68 kB); RICDS LOGAN.PDF (303.54 kB); RICDS COSTS.PDF (318.29 kB)

Pat

RICDS invoices as discussed with Adam Carter.

Regards
Janet

Janet Roth

Accounts Receivable Officer



PO Box 63, Sandgate QLD 4017

P +61 7 3869 9711

F +61 7 3269 9304

E jroth@racingqueensland.com.au

W www.racingqueensland.com.au

TAX INVOICE



RACING QUEENSLAND

Sales Invoice SI/006419
Date 14/02/2012

OFFICE OF RACING
DEPARTMENT OF EMPLOYMENT
DEVELOPMENT & INNOVATION
G P O BOX 46
BRISBANE QLD 4001

Customer Name OFFICE OF RACING
Customer Code DZOFFI

Racing Queensland Ltd
Racecourse Road
Deagon QLD 4017
A.B.N. 52 142 786 874
PO Box 63 Sandgate QLD
T 07 3869 9777
F 073269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Item Code	Description	Unit Price	QTY	Amount	GST	Sales Total
-	Sales Item Racing Industry Capital Development Scheme	0.00	1.00	0.00	0.00	0.00
-	Sales Item 1st Installment - Beaudesert	3,949,286.76	1.00	3,949,286.76	394,928.68	4,344,215.44

Total on This Page	3,949,286.76	394,928.68	4,344,215.44
Total Brought Forward from Previous Page	0.00	0.00	0.00
Total For Invoice	3,949,286.76	394,928.68	4,344,215.44

OFFICE OF RACING

Payment Slip

Customer Code DZOFFI

Cardholder _____

Sales Invoice SI/006419

Date 14/02/2012

If paying by cheque, please make payable to:

Amount Due 4,344,215.44

Racing Queensland Ltd
PO Box 63
Sandgate, QLD 4017

Please VISA MasterCard

- - -

Amount Enclosed / Credit Card authorised payment

For Direct Deposit
Bank: NAB
Account: Racing Queensland Ltd
BSB: 084-004
Account No. 173211930
Reference: SI/006419

Expiry -

Signature

TAX INVOICE



RACING QUEENSLAND

Sales Invoice SI/006420
Date 14/02/2012

OFFICE OF RACING
DEPARTMENT OF EMPLOYMENT
DEVELOPMENT & INNOVATION
G P O BOX 46
BRISBANE QLD 4001

Customer Name OFFICE OF RACING
Customer Code DZOFFI

Racing Queensland Ltd
Racecourse Road
Deagon QLD 4017
A.B.N. 52 142 786 874
PO Box 63 Sandgate QLD
T 07 3869 9777
F 073269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Item Code	Description	Unit Price	QTY	Amount	GST	Sales Total
-	Sales Item Racing Industry Capital Development Scheme	0.00	1.00	0.00	0.00	0.00
-	Sales Item 1st Installment - Cairns	750,000.00	1.00	750,000.00	75,000.00	825,000.00

Total on This Page	750,000.00	75,000.00	825,000.00
Total Brought Forward from Previous Page	0.00	0.00	0.00
Total For Invoice	750,000.00	75,000.00	825,000.00

OFFICE OF RACING
Customer Code DZOFFI

Payment Slip

Sales Invoice SI/006420
Date 14/02/2012
Amount Due 825,000.00

If paying by cheque, please make payable to:

Cardholder _____

Racing Queensland Ltd
PO Box 63
Sandgate, QLD 4017

Please VISA MasterCard

- - -

Expiry -

Amount Enclosed / Credit Card authorised payment

For Direct Deposit
Bank: NAB
Account: Racing Queensland Ltd
BSB: 084-004
Account No. 173211930
Reference: SI/006420

Signature

TAX INVOICE



RACING QUEENSLAND

Sales Invoice SI/006421
Date 14/02/2012

OFFICE OF RACING
DEPARTMENT OF EMPLOYMENT
DEVELOPMENT & INNOVATION
G P O BOX 46
BRISBANE QLD 4001

Customer Name OFFICE OF RACING
Customer Code DZOFFI

Racing Queensland Ltd
Racecourse Road
Deagon QLD 4017
A.B.N. 52 142 786 874
PO Box 63 Sandgate QLD
T 07 3869 9777
F 073269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Item Code	Description	Unit Price	QTY	Amount	GST	Sales Total
-	Sales Item Racing Industry Capital Development Scheme	0.00	1.00	0.00	0.00	0.00
-	Sales Item 1st Installment - Rockhampton	110,000.00	1.00	110,000.00	11,000.00	121,000.00

Total on This Page	110,000.00	11,000.00	121,000.00
Total Brought Forward from Previous Page	0.00	0.00	0.00
Total For Invoice	110,000.00	11,000.00	121,000.00

OFFICE OF RACING
Customer Code DZOFFI

Payment Slip

Sales Invoice SI/006421
Date 14/02/2012
Amount Due 121,000.00

If paying by cheque, please make payable to:

Racing Queensland Ltd
PO Box 63
Sandgate, QLD 4017

Cardholder _____

Please VISA MasterCard

- -

Expiry -

Amount Enclosed / Credit Card authorised payment

For Direct Deposit
Bank: NAB
Account: Racing Queensland Ltd
BSB: 084-004
Account No. 173211930
Reference: SI/006421

Signature

TAX INVOICE



RACING QUEENSLAND

Sales Invoice SI/006422
Date 14/02/2012

OFFICE OF RACING
DEPARTMENT OF EMPLOYMENT
DEVELOPMENT & INNOVATION
G P O BOX 46
BRISBANE QLD 4001

Customer Name OFFICE OF RACING
Customer Code DZOFFI

Racing Queensland Ltd
Racecourse Road
Deagon QLD 4017
A.B.N. 52 142 786 874
PO Box 63 Sandgate QLD
T 07 3869 9777
F 073269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Item Code	Description	Unit Price	QTY	Amount	GST	Sales Total
-	Sales Item Racing Industry Capital Development Scheme	0.00	1.00	0.00	0.00	0.00
-	Sales Item 1st Installment - Logan	1,379,222.00	1.00	1,379,222.00	137,922.20	1,517,144.20

Total on This Page	1,379,222.00	137,922.20	1,517,144.20
Total Brought Forward from Previous Page	0.00	0.00	0.00
Total For Invoice	1,379,222.00	137,922.20	1,517,144.20

OFFICE OF RACING

Payment Slip

Customer Code DZOFFI

Cardholder _____

Sales Invoice SI/006422

If paying by cheque, please make payable to:

Date 14/02/2012

Racing Queensland Ltd
PO Box 63
Sandgate, QLD 4017

Amount Due 1,517,144.20

Please VISA MasterCard

- - -

Amount Enclosed / Credit Card authorised payment

For Direct Deposit
Bank: NAB
Account: Racing Queensland Ltd
BSB: 084-004
Account No. 173211930
Reference: SI/006422

Expiry

-

Signature

TAX INVOICE



RACING QUEENSLAND

Sales Invoice SI/006423
Date 14/02/2012

OFFICE OF RACING
DEPARTMENT OF EMPLOYMENT
DEVELOPMENT & INNOVATION
G P O BOX 46
BRISBANE QLD 4001

Customer Name OFFICE OF RACING
Customer Code DZOFFI

Racing Queensland Ltd
Racecourse Road
Deagon QLD 4017
A.B.N. 52 142 786 874
PO Box 63 Sandgate QLD
T 07 3869 9777
F 073269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Item Code	Description	Unit Price	QTY	Amount	GST	Sales Total
-	Sales Item Racing Industry Capital Development Scheme	0.00	1.00	0.00	0.00	0.00
-	Sales Item Reimbursement of external consultants	2,596,290.58	1.00	2,596,290.58	259,629.06	2,855,919.64
-	Sales Item Reimbursement of internal costs	200,000.00	1.00	200,000.00	20,000.00	220,000.00

Total on This Page	2,796,290.58	279,629.06	3,075,919.64
Total Brought Forward from Previous Page	0.00	0.00	0.00
Total For Invoice	2,796,290.58	279,629.06	3,075,919.64

OFFICE OF RACING

Payment Slip

Customer Code DZOFFI

Cardholder _____

Sales Invoice SI/006423

Date 14/02/2012

If paying by cheque, please make payable to:

Amount Due 3,075,919.64

Racing Queensland Ltd
PO Box 63
Sandgate, QLD 4017

Please VISA MasterCard

- -

Amount Enclosed / Credit Card authorised payment

For Direct Deposit
Bank: NAB
Account: Racing Queensland Ltd
BSB: 084-004
Account No. 173211930
Reference: SI/006423

Expiry -

Signature

FW: RICDS Invoices

From: Adam Carter <acarter@racingqueensland.com.au>
To: "Zuj, Pat" <pat.zuj@racing.qld.gov.au>
Date: Thu, 16 Feb 2012 10:17:07 +1000
Attachments: image001.png (13.63 kB); RICDS BEAUDESERT.PDF (303 kB); RICDS CAIRNS.PDF (306 kB); RICDS ROCKHAMPTON.PDF (306.68 kB); RICDS LOGAN.PDF (303.54 kB); RICDS COSTS.PDF (318.29 kB)

Pat,

Do you require any further information from RQL in regards to the attached invoices? Do you require invoices for Gold Coast Turf Club and Ipswich Turf Club?

Regards

Adam Carter
Chief Financial Officer
 P.O. Box 63, Sandgate QLD 4017
P +61 7 3869 9702
F +61 7 3269 9304
M 0400 761 700
E acarter@racingqueensland.com.au
W www.racingqueensland.com.au

From: Janet Roth
Sent: Tuesday, 14 February 2012 5:25 PM
To: 'Pat.Zuj@racing.qld.gov.au'
Cc: Adam Carter
Subject: RICDS Invoices


Pat

RICDS invoices as discussed with Adam Carter.

Regards
Janet

Janet Roth

Accounts Receivable Officer

 PO Box 63, Sandgate QLD 4017
P +61 7 3869 9711
F +61 7 3269 9304
E jroth@racingqueensland.com.au
W www.racingqueensland.com.au

RE: RICDS Invoices

From: "Zuj, Pat" <pat.zuj@racing.qld.gov.au>
To: Adam Carter <acarter@racingqueensland.com.au>
Date: Thu, 16 Feb 2012 10:38:34 +1000

Hi Adam

Thanks for your email.

Please have the invoices for Gold Coast Turf Club and Ipswich Turf Club made up as well.

Regards

Pat Zuj

Principal Compliance Officer

Office of Racing

Department of Employment, Economic Development & Innovation

Level 15, 111 George Street, Brisbane, City East, Qld 4002

p: +61 7 3234 1419

e: pat.zuj@racing.qld.gov.au

From: Adam Carter [mailto:acarter@racingqueensland.com.au]
Sent: Thursday, 16 February 2012 10:17 AM
To: Zuj, Pat
Subject: FW: RICDS Invoices

Pat,

Do you require any further information from RQL in regards to the attached invoices? Do you require invoices for Gold Coast Turf Club and Ipswich Turf Club?

Regards

Adam Carter

Chief Financial Officer



P.O. Box 63, Sandgate QLD 4017

P +61 7 3869 9702

F +61 7 3269 9304

M 0400 761 700

E acarter@racingqueensland.com.au

W www.racingqueensland.com.au

From: Janet Roth
Sent: Tuesday, 14 February 2012 5:25 PM
To: 'Pat.Zuj@racing.qld.gov.au'
Cc: Adam Carter
Subject: RICDS Invoices

Pat

RICDS invoices as discussed with Adam Carter.

Regards

Janet

Janet Roth

Accounts Receivable Officer



PO Box 63, Sandgate QLD 4017

P +61 7 3869 9711

F +61 7 3269 9304

E jroth@racingqueensland.com.au

W www.racingqueensland.com.au

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RE: RICDS Invoices

From: Adam Carter <acarter@racingqueensland.com.au>
To: "Zuj, Pat" <pat.zuj@racing.qld.gov.au>
Date: Thu, 16 Feb 2012 10:41:20 +1000

Pat,

Thanks, please can you confirm amounts by way of email.

Regards

Adam Carter
Chief Financial Officer
 P.O. Box 63, Sandgate QLD 4017
P +61 7 3869 9702
F +61 7 3269 9304
M 0400 761 700
E acarter@racingqueensland.com.au
W www.racingqueensland.com.au

From: Zuj, Pat [mailto:Pat.Zuj@racing.qld.gov.au]
Sent: Thursday, 16 February 2012 10:39 AM
To: Adam Carter
Subject: RE: RICDS Invoices

Hi Adam

Thanks for your email.

Please have the invoices for Gold Coast Turf Club and Ipswich Turf Club made up as well.

Regards

Pat Zuj

Principal Compliance Officer

Office of Racing

Department of Employment, Economic Development & Innovation

Level 15, 111 George Street, Brisbane, City East, Qld 4002

p: +61 7 3234 1419

e: pat.zuj@racing.qld.gov.au

From: Adam Carter [mailto:acarter@racingqueensland.com.au]
Sent: Thursday, 16 February 2012 10:17 AM
To: Zuj, Pat
Subject: FW: RICDS Invoices

Pat,

Do you require any further information from RQL in regards to the attached invoices? Do you require invoices for Gold Coast Turf Club and Ipswich Turf Club?

Regards

Adam Carter
Chief Financial Officer
 P.O. Box 63, Sandgate QLD 4017
P +61 7 3869 9702
F +61 7 3269 9304
M 0400 761 700
E acarter@racingqueensland.com.au
W www.racingqueensland.com.au

From: Janet Roth
Sent: Tuesday, 14 February 2012 5:25 PM
To: 'Pat.Zuj@racing.qld.gov.au'
Cc: Adam Carter
Subject: RICDS Invoices

Pat

RICDS invoices as discussed with Adam Carter.

Regards
Janet

Janet Roth

Accounts Receivable Officer

PO Box 63, Sandgate QLD 4017
P +61 7 3869 9711
F +61 7 3269 9304
E jroth@racingqueensland.com.au
W www.racingqueensland.com.au

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RE: RICDS Invoices

From: "Zuj, Pat" <pat.zuj@racing.qld.gov.au>
To: Adam Carter <acarter@racingqueensland.com.au>
Cc: "Perrett, Carol" <carol.perrett@racing.qld.gov.au>
Date: Thu, 16 Feb 2012 10:52:48 +1000

Hi Adam

1st instalment for Gold Coast is \$3,500,000 + GST
1st instalment for Ipswich is \$665,672 + GST.

Regards

Pat Zuj

Principal Compliance Officer

Office of Racing

Department of Employment, Economic Development & Innovation

Level 15, 111 George Street, Brisbane, City East, Qld 4002

p: +61 7 3234 1419

e: pat.zuj@racing.qld.gov.au

From: Adam Carter [mailto:acarter@racingqueensland.com.au]

Sent: Thursday, 16 February 2012 10:41 AM

To: Zuj, Pat

Subject: RE: RICDS Invoices

Pat,

Thanks, please can you confirm amounts by way of email.

Regards

Adam Carter

Chief Financial Officer



P.O. Box 63, Sandgate QLD 4017

P +61 7 3869 9702

F +61 7 3269 9304

M 0400 761 700

E acarter@racingqueensland.com.au

W www.racingqueensland.com.au

From: Zuj, Pat [mailto:Pat.Zuj@racing.qld.gov.au]
Sent: Thursday, 16 February 2012 10:39 AM
To: Adam Carter
Subject: RE: RICDS Invoices

Hi Adam

Thanks for your email.

Please have the invoices for Gold Coast Turf Club and Ipswich Turf Club made up as well.

Regards

Pat Zuj
Principal Compliance Officer

Office of Racing
Department of Employment, Economic Development & Innovation
Level 15, 111 George Street, Brisbane, City East, Qld 4002
p: +61 7 3234 1419
e: pat.zuj@racing.qld.gov.au

From: Adam Carter [mailto:acarter@racingqueensland.com.au]
Sent: Thursday, 16 February 2012 10:17 AM
To: Zuj, Pat
Subject: FW: RICDS Invoices

Pat,

Do you require any further information from RQL in regards to the attached invoices? Do you require invoices for Gold Coast Turf Club and Ipswich Turf Club?

Regards

Adam Carter

Chief Financial Officer



P.O. Box 63, Sandgate QLD 4017

P +61 7 3869 9702

F +61 7 3269 9304

M 0400 761 700

E acarter@racingqueensland.com.au

W www.racingqueensland.com.au

From: Janet Roth

Sent: Tuesday, 14 February 2012 5:25 PM

To: 'Pat.Zuj@racing.qld.gov.au'

Cc: Adam Carter

Subject: RICDS Invoices

Pat

RICDS invoices as discussed with Adam Carter.

Regards

Janet

Janet Roth

Accounts Receivable Officer

PO Box 63, Sandgate QLD 4017

P +61 7 3869 9711

F +61 7 3269 9304

E jroth@racingqueensland.com.au

W www.racingqueensland.com.au

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JNL No 0016920/1
 16/2/12
 RC

Sales Import
 Use this template for non item code invoices

- A. Select Sales Type
- B. Update file name if required
- C. Enter Details from Column C > 0
- D. Use Create Import File button
- E. Use Sun\Transfer Desk\RQL_SOE profile to import file

Business Unit	RQL
Sales Type	SINV
File Name	G:\FINANCE\RQL\RK

NOTE: IF A CLIENT HAS MORE THAN ONE ITEM, COLUMN A SHOULD BE 1;2;4;5;6;7;8;9;19;25 FOR LINE 1 and 2;4;5;6;7;8;9;19;25 FOR SUBSEQUENT LINES

LID	LINE	Customer	Item	Item Description	Qty	Unit Price	UPC	Account	Entity	Cost Centre	Division	Department	GST	Area
1;2;4;5;6;7;8;9;19;25	1	DZOFFI	-	Racing Industry Capital Development Scheme	1	-	Y	11341 RQL		01 02	AD	S	02	
2;4;5;6;7;8;9;19;25	2	DZOFFI	-	1st Installment - Gold Coast	1	3,500,000.00	Y	11341 RQL		01 02	AD	S	02	
1;2;4;5;6;7;8;9;19;25	1	DZOFFI	-	Racing Industry Capital Development Scheme	1	-	Y	11340 RQL		01 02	AD	S	02	
2;4;5;6;7;8;9;19;25	2	DZOFFI	-	1st Installment - Ipswich	1	665,672.00	Y	11340 RQL		01 02	AD	S	02	
						4,165,672.00								

FW: RICDS Invoices - Gold Coast Turf Club and Ipswich Turf Club

From: Janet Roth <jroth@racingqueensland.com.au>
To: pat.zuj@racing.qld.gov.au
Cc: Adam Carter <acarter@racingqueensland.com.au>
Date: Thu, 16 Feb 2012 12:27:40 +1000
Attachments: image001.png (13.63 kB); RICDS INV GOLD COAST.PDF (308.89 kB); RICDS INV IPSWICH.PDF (309.44 kB)

Pat

RICDS Invoices for Gold Coast & Ipswich

Regards
Janet

Janet Roth

Accounts Receivable Officer



PO Box 63, Sandgate QLD 4017

P +61 7 3869 9711

F +61 7 3269 9304

E jroth@racingqueensland.com.au

W www.racingqueensland.com.au

From: Zuj, Pat [mailto:Pat.Zuj@racing.qld.gov.au]
Sent: Thursday, 16 February 2012 10:53 AM
To: Adam Carter
Cc: Perrett, Carol
Subject: RE: RICDS Invoices

Hi Adam

1st instalment for Gold Coast is \$3,500,000 + GST

1st instalment for Ipswich is \$665,672 + GST.

Regards

Pat Zuj

Principal Compliance Officer

Office of Racing

Department of Employment, Economic Development & Innovation

Level 15, 111 George Street, Brisbane, City East, Qld 4002

p: +61 7 3234 1419

e: pat.zuj@racing.qld.gov.au

TAX INVOICE



RACING QUEENSLAND

Sales Invoice SI/006542
Date 16/02/2012

OFFICE OF RACING
DEPARTMENT OF EMPLOYMENT
DEVELOPMENT & INNOVATION
G P O BOX 46
BRISBANE QLD 4001

Customer Name OFFICE OF RACING
Customer Code DZOFFI

Racing Queensland Ltd
Racecourse Road
Deagon QLD 4017
A.B.N. 52 142 786 874
PO Box 63 Sandgate QLD
T 07 3869 9777
F 073269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Item Code	Description	Unit Price	QTY	Amount	GST	Sales Total
-	Sales Item Racing Industry Capital Development Scheme	0.00	1.00	0.00	0.00	0.00
-	Sales Item 1st Installment - Gold Coast	3,500,000.00	1.00	3,500,000.00	350,000.00	3,850,000.00

Total on This Page		3,500,000.00	350,000.00	3,850,000.00
Total Brought Forward from Previous Page		0.00	0.00	0.00
Total For Invoice		3,500,000.00	350,000.00	3,850,000.00

OFFICE OF RACING

Payment Slip

Customer Code DZOFFI

Cardholder

Sales Invoice SI/006542

If paying by cheque, please make payable to:

Date 16/02/2012

Racing Queensland Ltd
PO Box 63
Sandgate, QLD 4017

Amount Due 3,850,000.00

Please VISA MasterCard

- -

Expiry -

Amount Enclosed / Credit Card authorised payment

For Direct Deposit
Bank: NAB
Account: Racing Queensland Ltd
BSB: 084-004
Account No. 173211930
Reference: SI/006542

Signature

TAX INVOICE



**RACING
QUEENSLAND**

Sales Invoice SI/006543
Date 16/02/2012

OFFICE OF RACING
DEPARTMENT OF EMPLOYMENT
DEVELOPMENT & INNOVATION
G P O BOX 46
BRISBANE QLD 4001

Customer Name OFFICE OF RACING
Customer Code DZOFFI

Racing Queensland Ltd
Racecourse Road
Deagon QLD 4017
A.B.N. 52-142-786-874
PO Box 63 Sandgate QLD
T 07 3869 9777
F 073269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Item Code	Description	Unit Price	QTY	Amount	GST	Sales Total
-	Sales Item Racing Industry Capital Development Scheme	0.00	1.00	0.00	0.00	0.00
-	Sales Item 1st Installment - Ipswich	665,672.00	1.00	665,672.00	66,567.20	732,239.20

Total on This Page		665,672.00		66,567.20	732,239.20
Total Brought Forward from Previous Page		0.00		0.00	0.00
Total For Invoice		665,672.00		66,567.20	732,239.20

OFFICE OF RACING

Payment Slip

Customer Code DZOFFI

Cardholder _____

Sales Invoice SI/006543

Date 16/02/2012

If paying by cheque, please make payable to:

Amount Due 732,239.20

Racing Queensland Ltd
PO Box 63
Sandgate, QLD 4017

Please VISA MasterCard

- - -

Expiry -

Amount Enclosed / Credit Card authorised payment

For Direct Deposit
Bank: NAB
Account: Racing Queensland Ltd
BSB: 084-004
Account No. 173211930
Reference: SI/006543

Signature

RQL Invoices

From: Adam Carter <acarter@racingqueensland.com.au>
To: PERRETT Carol <carol.perrett@racing.qld.gov.au>, "Zuj, Pat" <pat.zuj@racing.qld.gov.au>
Date: Fri, 17 Feb 2012 08:14:57 +1000

Carol/Pat,

I am following through on when the instalments and the reimbursement will be paid as no payments have come through our bank account today.

Regards

Adam Carter

Chief Financial Officer



P.O. Box 63, Sandgate QLD 4017

P +61 7 3869 9702

F +61 7 3269 9304

M 0400 761 700

E acarter@racingqueensland.com.au

W www.racingqueensland.com.au



Account details

Account balance summary

Account name
RQL WORKING ACCOUNT
Account number
084-004 17-321-1930
Currency
AUD

Opening balance: 4,185,581.35 CR
Total credits: 8,069,149.26 CR
Total debits: 81,827.42 DR
Closing balance: 12,172,903.19 CR
Date from: 17 February 2012
Date to: 17 February 2012

Transaction details

Table with columns: Date, Narrative, Reference, Debit amount, Credit amount, EOD balance. Contains 15 transaction rows with details like INTER-BANK CREDIT, AGENT CREDITS, TRANSFER CREDITS, etc.

Transaction History Report (Continued)

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
17/02/2012	INTER-BANK CREDIT Brisbane Racing Racing Queenslan			1,096.00 CR	
17/02/2012	INTER-BANK CREDIT TTKELLY008-570127 GOLDMOUNT LODGE Racing Queenslan			401.50 CR	
17/02/2012	REVERSAL CREDIT TTDEAME001 JASON DEAMER 650000INCORRECT ACCT			227.95 CR	
17/02/2012	DEPOSIT 573635			220.00 CR	
17/02/2012	INTER-BANK CREDIT 572447 K Kelly Kenneth Kelly Racing Queenslan			220.00 CR	
17/02/2012	TRANSFER CREDITS INTERNET TRANSFER track fees ttstabe000			214.50 CR	
17/02/2012	REVERSAL CREDIT TTWIGGI002 Peter L Wiggins 062904ACCOUNT CLOSED			160.97 CR	
17/02/2012	REVERSAL CREDIT TORICHE017 RICHES RACING 014577INCORRECT ACCT			150.97 CR	
17/02/2012	INTER-BANK CREDIT code ttscaneooo D SCANES T/A DAV RACING QUEENSLAN			144.00 CR	
17/02/2012	INTER-BANK CREDIT QUEENSLAND RACING TTDODDR000 QUEENSLAND RACIN			137.50 CR	
17/02/2012	DEPOSIT CASH			110.00 CR	
17/02/2012	DEPOSIT JASON BROWN 576294			100.00 CR	
17/02/2012	INTER-BANK CREDIT 574526 M AND KM ROBE QUEENSLAND RACIN			93.50 CR	
17/02/2012	TRANSFER CREDITS INTERNET TRANSFER BT st fee 31/01/12 GARY BEIN			93.50 CR	
17/02/2012	INTER-BANK CREDIT qld rac 576389 PKBRACIN racing queenslan			44.00 CR	
17/02/2012	ISSUED CHEQUE CHEQUE 0000091	0000091	538.10 DR		
17/02/2012	AUTOMATIC DRAWING ENERGEX PYMT-ID 25450039 RAC QLD LTD		2,200.00 DR		
17/02/2012	AUTOMATIC DRAWING 000000 PYMT-ID 25454348 Racing Queenslan		79,089.32 DR		12,172,903.19 CR

End of report



Account details

Account balance summary

Account name
RQL WORKING ACCOUNT
Account number
084-004 17-321-1930
Currency
AUD

Opening balance: 12,172,903.19 CR
Total credits: 4,310,445.28 CR
Total debits: 1,725,009.91 DR
Closing balance: 14,758,338.56 CR
Date from: 20 February 2012
Date to: 20 February 2012

Transaction details

Table with columns: Date, Narrative, Reference, Debit amount, Credit amount, EOD balance. Contains 13 transaction rows with details like 'INTER-BANK CREDIT' and 'AGENT CREDITS'.

Transaction History Report (Continued)

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
20/02/2012	EFTPOS CREDIT FLEXIPAY 20/02 15:27 TOOWOOMBA HURSLEY RD			165.00 CR	
20/02/2012	INTER-BANK CREDIT TTJORDA CHRISTOPHER JORD queensland racin			165.00 CR	
20/02/2012	TRANSFER CREDITS INTERNET TRANSFER rql bromides romaTURFCLUB			165.00 CR	
20/02/2012	INTER-BANK CREDIT S1/006301,281,207 BURGOYNE ANTHONY RACING QUEENSLAN			159.04 CR	
20/02/2012	DEPOSIT TSCHRIS000			100.00 CR	
20/02/2012	INTER-BANK CREDIT CHAPS TTPLUMB001 Racing Queenslan			100.00 CR	
20/02/2012	INTER-BANK CREDIT 570120 COUSINS C Racing Qld			93.50 CR	
20/02/2012	INTER-BANK CREDIT ttrodge003 RODGERS SCOTT NO racing queenslan			88.00 CR	
20/02/2012	TRANSFER CREDITS INTERNET TRANSFER 577194 577194TTRYAN001			88.00 CR	
20/02/2012	TRANSFER CREDITS INTERNET TRANSFER T00033561 Gurney			55.00 CR	
20/02/2012	INTER-BANK CREDIT SI006395 WERYNSKI KRYSTYN Racing Qld Ltd			50.00 CR	
20/02/2012	DEPOSIT REF TTMOIRA000			50.00 CR	
20/02/2012	INTER-BANK CREDIT TTMCLAU000 THE ROCK BLD SOC Racing Qld			44.00 CR	
20/02/2012	DEPOSIT TTGREEN015 TRENT GREENTREE 0409772286			44.00 CR	
20/02/2012	INTER-BANK CREDIT Lynch 576311 BCU RACING QUEENSLAN			44.00 CR	
20/02/2012	INTER-BANK CREDIT T00187763 MR RODNEY JOHN P Racing Queenslan			22.00 CR	
20/02/2012	INTER-BANK CREDIT T00154628 MCGUIRE C Racing Queenslan			11.00 CR	
20/02/2012	INTER-BANK CREDIT tony button racing qld			3.50 CR	
20/02/2012	MISCELLANEOUS CREDIT PLEASE NOTE FROM TOD AY YOUR DR INTEREST RATE IS 18.650%				
20/02/2012	AUTOMATIC DRAWING 22042 RPM RACING QUEENSLAN		159.50 DR		
20/02/2012	AUTOMATIC DRAWING 000000 PYMT-ID 25486722 Racing Queenslan		1,189.90 DR		
20/02/2012	AUTOMATIC DRAWING 000000 PYMT-ID 25484791 Racing Queenslan		4,084.12 DR		

Transaction History Report (Continued)

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
20/02/2012	AUTOMATIC DRAWING 000000 PYMT-ID 25483845 RAC QLD LTD		177,473.15 DR		
20/02/2012	AUTOMATIC DRAWING 000000 PYMT-ID 25485484 Racing Queenslan		194,047.24 DR		
20/02/2012	AUTOMATIC DRAWING BAS JAN 2012 PYMT-ID 25466907 RAC QLD LTD		1,348,056.00 DR		14,758,338.56 CR

End of report



Account details

Account balance summary

Account name
RQL WORKING ACCOUNT
Account number
084-004 17-321-1930
Currency
AUD

Opening balance: 4,195,798.99 CR
Total credits: 3,244,256.27 CR
Total debits: 872,121.15 DR
Closing balance: 6,567,934.11 CR
Date from: 02 March 2012
Date to: 02 March 2012

Transaction details

Table with columns: Date, Narrative, Reference, Debit amount, Credit amount, EOD balance. Contains 13 transaction rows with details like INTER-BANK CREDIT, SPORTSBET, and DEPOSIT.

Transaction History Report (Continued)

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
02/03/2012	INTER-BANK CREDIT Thex 0000 WIN RACING PTY L Racing Queenslan			298.00 CR	
02/03/2012	INTER-BANK CREDIT SI/005474 SMITH BRADLEY JA Racing Queenslan			225.50 CR	
02/03/2012	REVERSAL CREDIT TORICHE017 RICHES RACING 014577INCORRECT ACCT			150.97 CR	
02/03/2012	INTER-BANK CREDIT T10553389/Racing Q MARCH DAYL RAYMO Racing Qld			141.00 CR	
02/03/2012	INTER-BANK CREDIT 568262 SMITH SMITH BRADLEY JA Racing Queenslan			99.00 CR	
02/03/2012	DEPOSIT TTIGERAN000			99.00 CR	
02/03/2012	DEPOSIT TSSWAFF000			93.80 CR	
02/03/2012	REVERSAL CREDIT TTWIGGI002 Peter L Wiggins 062904ACCOUNT CLOSED			93.61 CR	
02/03/2012	INTER-BANK CREDIT T10557786/Rac Qld MARCH DAYL RAYMO Racing Qld			65.00 CR	
02/03/2012	INTER-BANK CREDIT TTREES000 MRS DIANNE NICOL QUEENSLAND RACIN			44.00 CR	
02/03/2012	INTER-BANK CREDIT TTWILKE000 3192452 WBC OLP QUEENSLAND RACIN			44.00 CR	
02/03/2012	REVERSAL CREDIT TOGRACE035 K S GRACE 124071ACCOUNT CLOSED			40.00 CR	
02/03/2012	REVERSAL CREDIT TOHALLA069 AC HALL 638010INCORRECT ACCT			26.53 CR	
02/03/2012	INTER-BANK CREDIT GAP 2012 Calender POTTER AMANDA LO Racing Queenslan			5.00 CR	
02/03/2012	TRANSFER DEBITS INTERNET BPAY PAYMENT-ID 25773459 TELSTRA BIGPOND		29.95 DR		
02/03/2012	TRANSFER DEBITS INTERNET BPAY PAYMENT-ID 25773194 TELSTRA BIGPOND		29.95 DR		
02/03/2012	TRANSFER DEBITS INTERNET BPAY PAYMENT-ID 25773407 TELSTRA MOBILE		35.50 DR		
02/03/2012	TRANSFER DEBITS INTERNET BPAY PAYMENT-ID 25773258 TELSTRA BILL PAYMENT		44.94 DR		
02/03/2012	TRANSFER DEBITS INTERNET BPAY PAYMENT-ID 25773347 TELSTRA CORP LTD		49.95 DR		

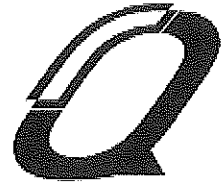
Transaction History Report (Continued)

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
02/03/2012	MISCELLANEOUS DEBIT REFUND-FLEXIPAY DEAGON 6 RACECOURSE ROAD		110.00 DR		
02/03/2012	TRANSFER DEBITS INTERNET BPAY PAYMENT-ID 25773074 HOPGOOD GANIM		942.12 DR		
02/03/2012	TRANSFER DEBITS INTERNET BPAY PAYMENT-ID 25773156 TELSTRA BILL PAYMENT		1,140.11 DR		
02/03/2012	AUTOMATIC DRAWING 000000 PYMT-ID 25773652 Racing Queenslan		4,867.33 DR		
02/03/2012	TRANSFER DEBITS INTERNET BPAY PAYMENT-ID 25773000 ORIGIN RETAIL ELEC		5,026.42 DR		
02/03/2012	AUTOMATIC DRAWING 000000 PYMT-ID 25775697 Racing Queenslan		13,013.98 DR		
02/03/2012	TRANSFER DEBITS INTERNET BPAY PAYMENT-ID 25772943 ORIGIN RETAIL ELEC		13,453.12 DR		
02/03/2012	AUTOMATIC DRAWING 000000 PYMT-ID 25773676 Racing Queenslan		223,799.82 DR		
02/03/2012	AUTOMATIC DRAWING 000000 PYMT-ID 25781724 Racing Queenslan		609,577.96 DR		6,567,934.11 CR

End of report

CREDIT NOTE

Sales Invoice DN/005517
Date 02/08/2013



**RACING
QUEENSLAND**

DEPT OF NATIONAL PARKS, RECREATION,
SPORT & RACING, OFFICE OF RACING
EXECUTIVE DIRECTOR
PO BOX 15187
CITY EAST QLD 4002

Customer Name OFFICE OF RACING
Customer Code DZOFFI

Queensland All Codes Racing
Industry Board trading as
Racing Queensland
ABN 80 730 390 733
Racecourse Road Deagon QLD 4017
PO Box 61 Sandgate QLD 4017
T: (07) 3869 9713
F: (07) 3259 9304
E: ar@racingqueensland.com.au
W: www.racingqueensland.com.au

Item Code	Description	Unit Price	QTY	Net	GST	Sales Total
-	Sales Item REVERSAL INV SI/006543	665,672.00	1.00	665,672.00	66,567.20	732,239.20
-	Sales Item CAPITAL DEVELOPMENT - 1ST INALL IPSWICH	0.00	1.00	0.00	0.00	0.00

Total on This Page				665,672.00	66,567.20	732,239.20
Total Brought Forward from Previous Page				0.00	0.00	0.00
Total For Invoice				665,672.00	66,567.20	732,239.20