

Minutes of
Industry Infrastructure Plan Control Group

10 November 2011

RQL Board Room, Head Office, Deagon

Meeting Commenced at 1:45pm

Meeting Concluded at 3:30pm

In attendance: Malcolm Tuttle – chairman
Paul Brennan
Shara Reid
Mark Snowdon
Ron Mathofer (guest)
Blair Odgers (guest)
Deanna Dart (guest)
Bob Bentley (guest for part of meeting)

Minutes: Kearra Christensen

The chairman opened the meeting at 1:45pm.

1. Apologies

As per the minutes of the October 12, 2011, Industry Infrastructure Plan Control Group (IIPCG) meeting, Mr Adam Carter was not available to attend this meeting, however, Mr Ron Mathofer attended to assist in his absence. Mr Carter will be available to attend the next IIPCG meeting on November 17, 2011.

2. Confirmation of minutes

The minutes from the meeting of October 25, 2011, were confirmed and signed by the chairman (attached).

3. Review action sheet

The action sheet following the meeting of October 25, 2011, was reviewed and updates provided.

4. Process flowcharts for business cases and compliance

The internal process flowcharts from the IIPCG charter were reviewed and minor amendments effected. The group outlined its agreement with the internal process flowcharts. The chairman emphasised that compliance with the agreed processes was critical.

5. Project manager role and checking of invoices

This issue was raised in circumstances where the project manager holds additional roles in respect of any one project. The group noted that the project manager, Contour, has multiple roles at Mackay and agreed that this was less than ideal. The IIPCG also noted that Racing Queensland Limited (RQL) was required to commence the Mackay project urgently. Mr Mark Snowdon has undertaken to ensure that in these circumstances any instructions or invoices

between the consultant and the project manager are vetted and approved by him. This ensures that there is transparency and that reasonable levels of probity are satisfied. Mr Snowdon will advise the project manager and consultants accordingly and will ensure that the process is followed.

6. Project manager engagement of consultants – requirement for tender

The IIPCG noted the attached emails between Mr Malcolm Tuttle and Ms Carol Perrett of the Office of Racing dated November 9 and 10, following a meeting between Mr Snowdon and Ms Perrett. The group also noted an email from RQL Board director Mr Tony Hanmer dated November 6 and an email from Mr Tuttle to Mr Snowdon dated November 5. These emails discuss the levels of probity and transparency required to satisfy RQL's obligations.

Mr Ron Mathofer undertook to work through the RQL purchasing policy and the state purchasing policy, paying particular attention to the points raised by Ms Perrett in her email of November 10. Mr Mathofer and Mr Snowdon undertook to identify any discrepancies in the purchasing policies and discuss them with Mr Mike Kelly of the Office of Racing to rectify any issues. The outcome required is that the procurement document is further developed, meeting both RQL and government standards on value, transparency and probity.

The IIPCG discussed the attached emails between Mr Tuttle and Mr Tony Hanmer dated November 6. Mrs Shara Reid undertook to respond to Mr Hanmer under Mr Bob Bentley's hand reminding Mr Hanmer of the contract approval process, which was approved by the RQL board.

7. Board approval for amended project budgets

The IIPCG agreed that as per the internal process flowcharts that any amendments to the budget are to be presented to the board for approval and that these were ultimately to be presented to government following board approval. The IIPCG noted that RQL had only one opportunity to take amendments to government.

The chairman asked Mrs Reid if the individual project budgets had been approved by the board. Mrs Reid advised that the board had been advised and were aware of the budgets. The chairman requested that Mr Snowdon ensure that the budgets with amendments be approved by the board as a matter of urgency.

8. Instructions and/or approvals outside the IIPCG charter and approved procedures

It was agreed that subsequent to engagement, consultants are to be advised to report any purchase orders/costs outside of the budget to Mr Snowdon for approval. As project director, it is Mr Snowdon's responsibility to ensure that the appropriately authorised people are providing instructions.

Mr Snowdon undertook to confirm with the project team(s) that all instructions are to be derived from the relevant people, including where applicable, by himself. The chairman requested that all material conversations and emails should be documented where applicable and referred to the group for consideration and/or noting. It was noted that this is difficult if the group is not aware of the conversations.

9. Informal conversations with government

It was agreed that in all circumstances whereby a material conversation occurs with the government in relation to the industry infrastructure plan, it is to be emailed back to government for review, before providing it to the IIPCG secretary, Ms Kearra Christensen, to be noted by the IIPCG at its next meeting.

10. Update on progress and format for information day for Deagon development

It was noted that all of the members of the IIPCG have been kept well apprised of this item due to numerous email exchanges that have occurred.

Mr Blair Odgers undertook to ensure that a briefing would be provided to the government following each day of consultation and to keep government apprised of the program.

Mrs Deanna Dart undertook to provide Mrs Reid with a running sheet of the information days.

The chairman emphasised the importance of doing this right to ensure that our neighbours and local business were well informed.

11. Development of the revised timeframes for Beaudesert, Cairns and Rockhampton projects following advice on government business case requirements and approvals processes

Mr Paul Brennan will continue to work on this with Mr Snowdon, as it is critical that we are in a position to convey accurate information to clubs and local communities. It is imperative that we do not set unrealistic expectations and fail to deliver on the expectations.

12. Necessity to provide the industry participants and the clubs with realistic timeframes on proposed start and finish dates

Mr Brennan advised that due to the significant noise made by RQL in relation to these projects that it was necessary for us to keep the relevant stakeholders engaged and up-to-date in relation to the delays.

Mr Brennan further advised that he is meeting with the Beaudesert Race Club directors tomorrow to advise them of a likely start date and will prepare a statement in relation to the delays. Mr Brennan will provide this statement to Mr Odgers to publish.

Mr Bentley will assist Mr Brennan with the presentation to the Beaudesert Race Club directors, as Mr Bentley has been involved with the project.

13. Development of a strategy/announcement to mitigate the fallout against RQL from the significant delays in the comments of work at these venues

Mr Brennan will discuss this with Mr Odgers after the meeting to ascertain whether a strategy needs to be developed and implemented.

14. Internal financial process

Refer to item 6 above.

15. Discuss the conversation had with the Office of Racing on 8/11

Refer to item 6 above and the attached emails were noted.

16. Finalise acceptance of the tenderer for the swab stall and jockey room for Mackay

Mrs Reid advised that she had completed the relevant checks and passed them on to Mr Mathofer to enable him to undertake a review of the finances.

Mr Snowdon advised that the project could be over by \$800,000, but that at this stage his application for an additional \$40,000 was compliant with the agreed internal financial document.

Following discussion, it was agreed that as this project overall was likely to exceed 1% of the project value or by \$200,000 and that a special RQL board meeting should be called to seek approval of the budgets with amendments.

Mrs Reid undertook to arrange a board meeting as a matter of urgency and Mr Snowdon undertook to prepare the necessary board papers.

17. Other business**Project timelines and budgets**

Mr Snowdon provided a copy of the project timelines and budgets that were presented to board on November 4, 2011, for noting. Mr Mathofer advised he was in the process of auditing the cash flow budgets and will report back to the group on the matter as soon as possible.

Mackay project and business case development

It was agreed that a review would need to be undertaken of the engagement of consultants for Mackay and for the development of business cases. Mr Snowdon will lead this audit with the assistance of Mr Mathofer. The outcome required is that RQL is able to demonstrate, with all engagements to date for the industry infrastructure plan, appropriate standards of probity, transparency and value for money can be demonstrated.

Deagon

Discussion took place on Deagon in relation to why the council has determined to consider RQL's development application as opposed to the normal process of consideration within council. It was agreed that Mr Snowdon prepare a letter to be signed by Mr Bentley to the Lord Mayor seeking an explanation as the council's decision.

18. Next meeting

The next meeting is scheduled for November 17, 2011, at 1:00pm.

Confirmed as a true and correct record.


MALCOLM TUTTLE

Chairman

Dated...17.../11.../11...