

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 Hammer 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- Hogno & 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.

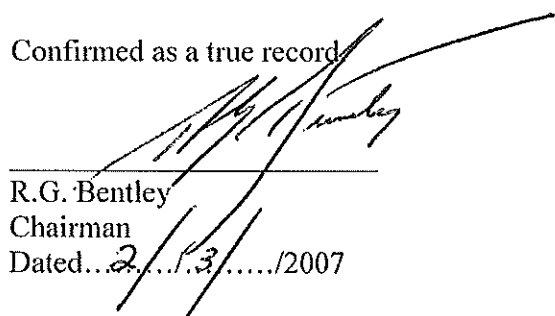
Co-mingling of pools was a major topic, but there were many problems that needed addressing internationally as rules and stewards' interpretations varied greatly. The co-mingling of pools benefits those racing states that own the totalisators and control the racing industry, like Western Australia, Singapore, 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

