



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...../...../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