



## BOARD PAPER NUMBER

### Senior Executive Staff

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#### PURPOSE:

To recommend a course of action to the Board in relation to the following four (4) executives:

- Malcolm Tuttle, Chief Executive Officer
- Jamie Orchard, Director Integrity Operations
- Paul Brennan, Director Product Development, and
- Shara Murray, Senior Corporate Counsel/Company Secretary.

#### BACKGROUND:

At its meeting on May 6, 2011, the Board considered a report from the Remuneration and Nominations Committee in relation to Racing Queensland Limited staff and the offering of extended employment agreements to a number of key people within the organisation.

The precise minute from the May 6, 2011 meeting which was confirmed at the June 7, 2011 meeting reads as follows:

#### 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 Brenhan*
  - *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*
  - *All 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*

*In discussions with Clayton Utz, concerns were raised in relation to the number of personnel being offered extended employment agreements and also the fact that executive support staff were to be included with those being offered fixed-term employment agreements.*

#### Current Issues:

Since the May 6, 2011 meeting of the RQL Board, there has been continued speculation within the racing industry in Queensland as to the likely replacements of key personnel both on the Board and within the executive staff of the organisation. This speculation comes about as a possible change of Government and the stated position of the LNP that RQL will undergo significant change. Following are a number of accounts that give substantial weight to the fact change will occur.

This first account below has been lifted directly from the Letsgohorseracing.com.au website on July 6, 2011. After outlining that the Board will be ousted it states that both Malcolm Tuttle and Jamie Orchard will be removed.

#### ALL THE SCUTTLEBUTT ABOUT CHANGES AT RQ IF LNP WINS GOVERNMENT

*CONFIRMATION that the Bob Bentley Racing Queensland Board will be sacked if the LNP wins the next election has led to widespread industry speculation about who will replace them.*

*Lists of prospective candidates for everything from the new Board to Chief Executive Officer and even Director of Integrity Operations have done the rounds.*

*At first we elected not to run these e-mails but as this has become such a contentious topic – and the LNP opened this can of worms to start with by announcing it would dump the RQ Board this far out from an election – here is a précis of the scuttle-butt that has been forwarded to us:*

*We wish to stress at the outset that this should not be interpreted as our web-site's opinion of what might happen if and when the Government changes. It is merely a general cross-section of scuttle-butt that is doing the rounds.*

*The only thing of which we are certain at this stage is that the RQ Board of Chairman Bob Bentley, Deputy Chairman Tony Hanmer and Members Bob Lettè, Bill Ludwig, Wayne Millner and Bradley Ryan will be shown the door as soon as a new LNP Government can rush through the necessary legislation.*

*That could take some time after an election and they are known to have a 'quick exit plan' for the current Board and an interim measure to take control of the three codes. Whether this means the appointment of an administrator or how it would be done has not been revealed by the LNP.*

*The other policy that has been revealed is that the merged board will be discontinued with each code under a new Government responsible for controlling its own destiny which would suggest a return to three separate Boards.*

*What happens to the harness and greyhound industries under the mooted changes has not been addressed in the e-mails that we have received. These have solely targeted the future control of thoroughbred racing in Queensland.*

#### KEVIN DIXON THE POPULAR CHOICE AS NEW RQ BOARD CHAIRMAN

*THE one common denominator points to popular Brisbane Racing Club chairman Kevin Dixon being appointed to run the new Board. Those close to him say that this will not be a long-term appointment but that he is seen as the administrator best suited and most likely to initially steer thoroughbred racing in a new direction in Queensland.*

*The other appointment that many are predicting is a return to the RQ fold of Bill Andrews, the Board member who lost his seat under Chairman Bob Bentley and then contested the validity of the new appointment process for the merged Board but was – in the eyes of many – a victim of the voting system that currently exists.*

*Beyond these two favored selections the forecast appointments reach far and wide within the industry. There is a suggestion that a prominent racing identity from the country will take over once Mr Dixon believes his job has been done.*

*The most likely and favored candidate – in the eyes of many – would be Kevin O'Keefe, a high profile and respected administrator and owner in both the gallops and harness codes from North Queensland. But those close to him say he is not interested.*

*One high profile business and racing identity continually bobbing up as a prospective new Board member and possible chairman is Gary Pemberton, a former Chairman of Racing NSW, now based in Queensland. When it comes to qualifications Mr Pemberton would win hands down.*

*He was formerly chairman of TAB Limited, Billabong International, Qantas Airways, Brambles Industries and a Director of CSR Ltd, John Fairfax Holdings, Commonwealth Bank, Rio Tinto Ltd, Queensland Investment Corporation and Rothschild Group in Australia.*

*One would doubt that a businessman of Mr Pemberton's talents would want to involve himself in the crap fight that is Racing Queensland despite his undoubted passion for the thoroughbred industry.*

*Another popular duo high on the list includes members of the inaugural Queensland Country Racing Committee in Dr Tony Fitzgerald and Gary Peoples. A patron of the Esk Jockey Club, Dr Fitzgerald has served in numerous roles in Queensland racing and is currently on the list*

*Level Appeals Panel. Mr Peoples, an outspoken country racing critic of the Bentley Board, has been Mayor of the Ararat Shire and chairman of the Central West Country Racing Association.*

*What some e-mail writers have referred to as 'a couple of old war-horses from the era of National Party-Queensland Turf Club control of racing in Queensland' have also been mentioned in dispatches. They are Bill Sexton, a former QTC chairman; one-time QR Board member and current member of the Kevin Dixon-led BRC Board and Dick Banks, a former Queensland Principal Club Board member from Blackall who resigned in controversial circumstances from the Queensland Regional Racing Council in the era of Merri Rose as Labor Racing Minister.*

*Another strongly tipped to play a racing rôle in an LNP Government is lawyer Bill Millican, the former hard-working chairman of the Gold Coast Turf Club. Mr Millican is a long-time friend of Ray Stevens, who shares the LNP racing industry responsibilities with Shadow Minister Tim Nicholls. He has also being tipped recently in the Brisbane racing media as a possible CEO in the new-look RQ.*

*Some of the other candidates being suggested for Board positions include:*

*Gerard Betros, an associate lecturer and unit leader from the Faculty of Business at the University of Southern Queensland whose alternative structure for the integrated control body for the three racing codes was well received by many sections of the industry;*

*Dan Bowden, a former Deputy Chairman of the QR Board and a former Ipswich Turf Club Chairman;*

*Allen Volz, the former CEO of the Toowoomba Turf Club, who is now on the Board there;*

*Sean Kelk, former CEO of the Brisbane Turf Club and now owner of The Barefoot Accountant;*

*Wayne Wilson, the high profile race commentator who retired recently; and*

*Jeremy Turner, a former CEO of Queensland Racing and former Chief Financial Officer of Queensland Motorways, who is now a Board member of Swimming Australia.*

#### CHANGES TIPPED TO TWO MAJOR ROLES UNDER A NEW RQ BOARD

*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.*

*In fact the mail is strong that the entire Integrity Department is set for a major shake-up and may be separated from RQ which many still claim was a recommendation of two Racing Inquiries that has never been carried out.*

Mr Orchard has not been a popular figure with many since his appointment as Integrity boss (not that this is a bad thing in the eyes of the punters) but if the scuttle-butt has an ounce of truth to it he will be on the first bus out.

There has been a push for the return of Steve Railton, the one-time QR chairman of stewards, who was sacked by the Bentley Board. There are strong moves behind the scenes within the LNP to have him return from Hong Kong where he now works but there are just as many who claim he didn't fire a shot when chief steward at QR and don't want him back.

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.

There has been widespread disapproval with the Tuttle appointment among industry stakeholders which even the current chairman would be aware of but he has stood by his loyal CEO. Removal of the Bentley Board will see that life-line disappear.

Those being touted as possible replacements for Mr Tuttle include:

Former Gold Coast Turf Club CEO Scott Whiteman who now runs Country Racing Victoria;

Former GCTC chairman Bill Millican, a lawyer with a strong racing background.

And three former Queensland Racing CEOs in Kevin Hasemann (now with Queensland Swimming), Jeremy Turner (now a Director of Momentum Consulting Group) and Greg Honchin (now a Board member of a Radio Station at Redcliffe).

There were others suggested as possible Board candidates that we have not mentioned to save them from being the butt of many racing jokes.

That completes our compilation of the e-mails received that you have asked for. We make no apology for publishing the suggestions that are doing the rounds in racing and political circles but do warn that most originate from an industry where nothing is lost in the telling.

#### OUR SAY ON THE SPECULATION AND WHAT THE LNP MIGHT DO WITH RQ

**EDITOR'S NOTE:** ALL this speculation on prospective candidates for major roles in a new-look Racing Queensland provides plenty of fodder for the racing-rumor mill, the turf columnists and web sites like ours who attract thousands of hits when we publish this sort of gossip.

But before the victims of this fiasco, the do-gooder racing officials or our wonderful politicians start bleating about the misinformed creating industry disunity, it can easily be overcome.

*The ball is now firmly in the LNP court. They threw the first punch declaring that the current Board would be sacked. It's now up to them to finish the fight and provide some policy on what they have planned for the new-look Racing Queensland. It's not good enough to keep saying we will tell you when we are ready to.*

*Personally, if I were framing a market on what will happen, here it is:*

*Kevin Dixon is odds-on to run a new-look RQ Board*

*Bill Andrews short odds to return to the RQ Board*

*Malcolm Tuttle and Jeremy Orchard odds-on to be eventually dumped from their current roles as Chief Executive Officer and Director of Integrity Services.*

*The present Integrity Department odds-on to be separated from RQ and become an entirely independent body run separately to, but under the arm of, the Government's Racing Department.*

*The wild-card of course is that the LNP could revert to the industry appointing a Board from the regions which would be a retrograde step and only create the old problems of conflicts of interest for those elected to represent their respective regions.*

*The LNP could also take the selection process out of the political arena and hand it over to the industry – that would be an easy cop out for a new Government.*

*At the end of the day if racing in Queensland is to try and keep pace with the major states it needs to adopt a professional, business and marketing approach, to the management of the control body.*

*There is no place in RQ racing of the future for the Jurassic Park attitudes of the past where too many decisions have been based on political square-ups and hatreds. The new Board needs to include younger members with racing, business and marketing backgrounds who can try to lure the lost generations back to the track.*

*Start with an experienced base – the likes of Kevin Dixon, Bill Andrews, Kevin O'Keefe or Gerard Betros but search for suitable Board members of the younger ilk with fresh ideas.*

*For what it's worth I think ideal Board candidates could include: Barry Taylor, one of the most successful lawyers in the land who has raced some top horses and from his Townsville base experiences and has a knowledge of the best of both worlds in racing from the country to the city; John McCoy, a popular and experienced racing and media personality with strong links now to Tattersall's Club; Jeremy Turner, an extremely talented and competent CEO when he worked for Queensland Racing, possessing great marketing and business skills and a passion for racing; and there is a need for a talented female on the Board with racing and marketing experience – women play an important role in racing these days – someone*

*like Mary Collier, the former Chairman of the Brisbane Racing Club, who has a strong racing and legal background and these days co-hosts a breakfast radio show on 4BC.*

*Those above are just my thoughts and won't be everybody's cup of tea but most would agree that the new Board needs a different blend if racing in Queensland is ever going to progress from the political bun fight that has turned the industry in the north into joke status.*

*Ends.*

Mark Oberhardt of the Courier Mail stated in the Monday, July 4, 2011 edition of that paper, the following:

"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 LNP through its racing mouthpiece, Ray Stevens, has openly declared that Racing Queensland Limited will undergo significant change in the event that there is a change of government.

RQL staff are regularly accosted at the races with claims that RQL will be gone when the LNP seizes power following the next election.

Recent incidents of this include regular approaches by the Brisbane Racing Club Chairman, Kevin Dixon, to our stipendiary stewards and more recently, on Saturday July 2, 2011, continual claims by the Toowoomba Turf Club Chairman Bob Frappell in conversation with RQL's Adam Carter that RQL has nine months left.

In an article under the hand of Terry Butts of the North Queensland Register, and reproduced on the Letsgohorseracing.com.au website, homage was paid to Ray Stevens of the LNP as a result of Stevens' pledge to sack Bentley and his Board and rearrange the integrity department and administration of Racing Queensland. The article went on to outline that Ray Stevens also vowed to scrap the one board for the three codes introduced controversially last year and will revert back to separate boards for trots and dogs and totally separate from gallops.



The following post appeared on the Thoroughbred Village forum and refers to a rotten few being expunged with a direct reference to, "porky brennan".

**kornjulio2**  
[Post Options](#)  
[Post Reply](#)  
[Members](#)  
[Profile](#)  
[Send Private Message](#)  
[Find Members](#)  
[Posts](#)  
[Add to Buddy List](#)

[Quote kornjulio2](#)  
  
 Thanks(0)  
[Quote](#) [Reply](#) [Posted: 06 May 2011 at 10:26am](#)  
  
 from the crew that brought stakeholders pet rocks with microphones, gondolas at palm meadows, super tracks at riverside goodna and the nullifying of base stakeholders rights....many moons ago I declared these parasites the fawitee towers of racing admin.....Im sure plenty at qr will be preparing resumes and looking for greener pastures, the reality is the rotten few will be expunged in one of the first acts of the new parliament and the core honest employees will be retained.....so lts bye bye porky brennan

The following post appeared on the same site and refers to, "shara no-idea".

**kornjulio2**  
[Post Options](#)  
[Post Reply](#)  
[Members](#)  
[Profile](#)  
[Send Private Message](#)  
[Find Members](#)  
[Posts](#)  
[Add to Buddy List](#)

[Quote kornjulio2](#)  
  
 Thanks(0)  
[Quote](#) [Reply](#) [Posted: 18 May 2011 at 9:49am](#)  
  
 argh dont ya just love it...osama bin bentheads latest rant re-critiszm and not playing favourites is true gold spin from the hands of qr/rorters inc corporate spin doctors=sequel communications and one shaun rigby....stakeholders prizemoney dont ya just love it.....well osammy BIN BENTHEAD, dribblin billy, integrity lemon, head steward cant hacklitt, porky brennan, basil tuttle, shara no-idea and smithers smith one thing is certain as you read this missive the industry will not miss your rorting, negligence, money squandering, standover tactics, vote rorting and industry wrecking tricks and drivel ONE BIT.....ring rope-a-dope tim has at parliament in mackay next week and would be afraid to show even a union boss the disgusting, dangerous, unsafe track in his home town of mackay.....anhageddon awaits you suckhole parasites

**Champion**  
 ☆☆☆☆☆  
 Joined: 01 Mar 2007  
 Status: Offline  
 Points: 1802

Peter Cameron of the Gold Coast Bulletin stated in the Tuesday, July 19, 2011 edition of that paper, the following:

**GCTC needs to back \$50 million chance**

*BARRING privatisation, a new committee looks like the best bet for the onceproud Gold Coast Turf Club.*

*It is a poor advertisement for Gold Coast racing when administrators are fined or disqualified on misconduct charges.*

*Local licensees bookies, jockeys, trainers etc seem to have had enough.*

*They tell the Bulletin plenty in private.*

*The State Government offered up to \$50 million to rebuild the racecourse in January last year.*

*But the GCTC hoard dithered.*

*It may have been inexperience but dealing with the government of the day is sound business governance in any jurisdiction. The AFL and NRL enjoy lush government facilities.*

*The GCTC is promising to return to surplus when the annual balance sheet is produced in a few weeks. The few hundred grand from a Sky Channel agreement will be handy constructing a profit.*

*But raffling board members' car parking spaces is not exactly a show of confidence in club finances.*

*A minimum of five new board members may be elected to the GCTC at the September elections. First priority will be to grab the \$50 million. Equity considerations sound important but irrelevant when a racing minister can veto any sale of club real estate. Queensland laws also provide for racing privatisation.*

*Not all is lost for GCTC. The hot tip is that if the LNP wins government, former Gold Coast chairman Bill Millican will be invited to run a new state racing administration. "Changa" Millican a former rugby league coach should be able to handle the rough stuff.*

Mark Oberhardt of the Courier Mail stated in the Monday, July 18, 2011 edition of that paper, the following:

*Time to plan for a future*

*THERE is continuing speculation about a clean out of racing administrators after the next election. I would hate to see a night of the long knives but the sport desperately needs young blood who can look 20 years ahead. The sport had major problems in the past decade but worse is to come. As has been pointed out repeatedly, racing is linked closely with the gambling dollar and unless something is done to ensure long-term growth racing here could soon be nothing more than a novelty. For starters the TAB agreement runs out in 2014. The Queensland TAB pays a large fee for exclusive rights so for instance TABCORP can't set up here. But the computer age has made exclusive rights virtually meaningless. One sure bet is no one in their right mind will pay to have an exclusive service which is no longer viable. The futures of TAB agencies and on-course bookies look grim. Somewhere in this state must be a messiah who has an idea to ensure the sport survives in a healthy format.*

There is no doubt in my mind that an LNP government will seek so called retribution not only against the Board but against senior executive staff.

This heightened interest about who is to replace me and our Chief Executive Officer and Director of Integrity is having a destabilising effect on Racing Queensland Limited as an organisation. More than ever, our senior executives need to be protected to be able to proceed without fear or favour.

Clearly the landscape has changed since the Board resolution of May 6, 2011, and it is my firm view that we need to reconsider our position as a Board in relation to our key executives. Those executives that are most at risk are also those that will play a vital role over the next 6 months. These four executives are:

- Malcolm Tuttle, Chief Executive Officer
- Jamie Orchard, Director Integrity Operations
- Paul Brennan, Director Product Development; and
- Shara Murray, Senior Corporate Counsel/Company Secretary,

and it is for this reason I recommend to the Board an approach that provides these key executives with certainty prior to the election.

My recommendations in relation to these four executives are as follows:

1. A 30% increase to each executive's TRV, effective from 1 July 2011.
2. 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 restructuring, 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 pay payment, as a material adverse change severance payment; and

(b) all other legal entitlements (such as accrued leave).

3. Retention of the current 3 year term with an obligation on RQL to renegotiate before 31 December 2012.

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. This will provide the Executives with the protection they are seeking and satisfy RQL's desire to maintain the Executives' employment.

These recommendations are not made lightly to the Board. They are made following the receipt of the attached correspondence; further consideration of the unreasonable and changing circumstances under which these people are expected to perform, the increased industry interest in who will replace them in the event the LNP is successful, the substantive outcomes that have been delivered by them, the work ahead of them in the short term and their commitment to both RQL and the industry.

In the attached correspondence, the four executives set out both their current and future concerns in terms of security for themselves and their families. Given the volatile nature of the industry at present and the fact that it has been openly declared that there will be significant change to RQL should the LNP be successful, I believe it is incumbent on ourselves as directors to provide the necessary certainty and to recognise the commitment and value that these four executives bring to this organisation.

By way of substance, these four executives collectively bring to this organisation over 40 years' experience in the racing industry.

One only has to review some of the more recent initiatives promoted by these executives to put into context the value they bring to the organisation. A brief overview is set out for your consideration below:

- Initiated the economic review that lead to the Queensland Government committing to wagering tax redistribution and the 3 code merger (\$85 million Government commitment).
- Managed the amalgamation of the three codes (savings of \$1.3 million in year 1).

- Initiated and secured race club broadcast agreements to the value of \$110 million. This represents an increase of 65%. Further, two previous attempts to bundle the rights to negotiate as a whole failed.
- The implementation of initiatives that have assisted in delivering \$324 million of total wagering growth over the last six years.
- Delivered an increase in prizemoney over the last six years of \$19 million or 30%.
- Worked closely with Government to introduce race information legislation and implement policies that flowed from that legislation (Income of \$32.5 million per annum).
- Restructured race club governance at: Sunshine Coast Turf Club, Rockhampton Jockey Club, and Capalaba Greyhound Racing Club.
- Implemented administrative reform in introducing an operational subsidy saving \$10million per annum.
- The introduction of contemporary club and venue licences.
- Establish local and national insurance regimes saving \$1.5million per annum.
- Driven national IT reform with the pending introduction of a single national business system with savings forecast at approximately \$2 million of operational expenditure per annum.
- Will work closely with the Government during the next six (6) months to establish a framework for a new wagering licence beyond June 30, 2014 (\$132 million per annum).
- Led the industry response to the equine influenza incursion causing even our most significant detractors to praise RQL. The incursion was estimated to have had an impact of \$1 billion on the Australian industry.
- Successfully developed the business case and will manage the distribution of \$2.5 million of Government funding to assist with the flood and cyclone remediation at Queensland venues.
- Developed the Industry Infrastructure Plan on behalf of the 3 codes of racing in Queensland. The Plan fully costed is \$235 million.
- Delivered changes to the greyhound industry funding model that will lead to \$2.1 million of increased benefits for the greyhound industry.
- Upgraded stewards' technology where we are now seen as industry leaders in this area.
- Currently leading the industry response to the Hendra Virus incursion.
- Successfully negotiated a grant of \$10million from the Government for the innovative synthetic track program.

Over the next six (6) months there are a number of activities to be undertaken by these executives. These include:

- Ensure compliance with governance requirements under the *Corporations Act* and *Racing Act 2002* through and audit process.
- Finalise the strategic plan for the industry.
- Review the agreement with the Racing Science Centre with a view to providing a report to the Board that ensures RQL's analytical needs are met in a cost-effective manner.

- Review, as required, all internal and external policies to ensure compliance and effectiveness.
- Review and amend the new club licensing system subsequent to its initial implementation.
- Develop and submit an audit regime to Government for licensed participants, venues and animals to comply with Section 99(1) of the Racing Act 2002.
- Undertake an audit of the minimum standards for TAB and Non-TAB meetings and trials.
- Review the effectiveness of race-day integrity operations and report to the Board on opportunities to improve efficiency.
- Develop a drug and alcohol testing framework for licensees and animals for the 2012/2013 financial year.
- Undertake a review and report to the Board in relation to the existing appeals process, including QCAT.
- Facilitate a "think-tank" of key people with a view to generating initiatives to improve the wagering program and subsequently report to the Board.
- Deliver the approved Industry Infrastructure Plan on time and on budget.
- Report to the Board on commercial opportunities that exist as part of the Infrastructure Plan delivery including at venues such as Deagon, Corbould Park and Callaghan Park.
- Review the amount of Non-TAB races conducted in Queensland and report to the Board.
- Subsequent to the development of the financial key performance indicators, add to these a set of non-financial KPI's that are linked to the payment of the operational subsidy.
- Develop and implement TAB race club service level agreements.
- Work with Harness Racing Australia and Greyhound Australasia Limited to optimise opportunities to aggregate broadcast rights where possible.
- Continue to promote initiatives with RISA, HRA and GAL to optimise commercial returns from the exploitation of racing materials.
- Review and report to the Board on legal decisions and developments as they relate to race information legislation.
- Form and facilitate meetings of the New Business Development Committee.
- Report to the Board on a regular basis in relation to initiatives identified by the New Business Development Committee seeking Board approval to pursue new work initiatives.
- Actively work with Government to establish a viable framework ensuring adequate revenues flow to the industry beyond June 30, 2014.
- Review the approach taken in relation to the pricing for the use of race information leading to the expiry of the existing agreements with corporate bookmakers.

- Expand the industry-wide workplace health and safety approach to encapsulate all clubs.
- Implement and approve an internal fraud plan and policy.
- Further recommend to the Remuneration and Nominations Committee that an organisational review be undertaken.
- Undertake a satisfaction/culture survey of the organisation.
- Ensure performance appraisals with objectives are implemented for all staff.
- Implement a succession plan for the organisation including interdepartmental considerations.
- Following a process review, evaluate the increased use of technology to improve the integrity of racing in Queensland and report to the Board with recommendations.
- Develop a structured set of dates to facilitate regular meetings with key industry bodies including the State Government.

#### ATTACHMENTS:

- Attachment 1: Letter dated July 5, 2011, signed by Malcolm Tuttle, Jamie Orchard, Paul Brennan and Shara Murray outlining their concerns.
- Attachment 2: Estimate Cost of Severance/Redundancy for Malcolm Tuttle, Jamie Orchard, Paul Brennan and Shara Murray.
- Attachment 3: Norton Rose Advice – 20 July 2011.

#### RESOLUTIONS:

1. The Board to rescind the Board Resolution of May 6, 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:

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

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- 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:

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- Toni Fenwick
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- Debbie Toohey
- Jalme 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.**



2. The Recommendations for Malcolm Tuttle, Jamie Orchard, Paul Brennan and Shara Murray:

(a) A 30% increase to each executive's TRV, effective from 1 July 2011.

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- i. 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 pay payment, as a material adverse change severance payment; and
- ii. all other legal entitlements (such as accrued leave).

(c) Retention of the current 3 year term with an obligation on RQL to renegotiate before 31 December 2012.

3. 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.
4. Wade Birch to be offered an employment agreement with a term until June 30, 2013 based on his current terms and conditions with the agreement to be styled and formatted in accordance with any recommendations from Clayton Utz.
5. Clayton Utz to review the Norton Rose advice and on the basis there are no material concerns, the Board to authorise the Chairman to effect all agreements in accordance with the above resolutions.



BOB BENTLEY  
Chairman



Wednesday, 20 July 2011

Board Room, Racing Queensland  
Racecourse Road, Deagon

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>

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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.

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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 Snowden 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%.

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### **2.4 Sunshine Coast Development**

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

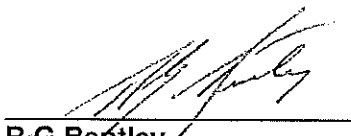
The Board noted Mr Tuttle's potential conflict but resolved to have Mr Tuttle present for the discussion.

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.



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R-G Bertley

Chairman

Dated...5...../...8...../2011

