



Minutes of
Queensland Racing Limited
Board Meeting



Friday 8 August 2008

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced at 9:50am
Meeting Concluded at 2:50pm

Board	Bob Bentley – <i>Chairman</i>
Directors	Tony Hanmer
Present:	Michael Lambert
	Bill Ludwig
	Bill Andrews
In attendance:	Malcolm Tuttle – <i>Chief Operations Manager</i>
	Jamie Orchard – <i>Director Integrity Operations</i>
	Adam Carter – <i>Finance Manager</i>
	Paul Brennan – <i>Racing Services Manager</i>
	Shara Murray – <i>Legal Compliance Counsel/Company Secretary</i>
	Richard Pratt – <i>President, Queensland Jockeys Association</i>
Minutes:	Debbie Toohey – <i>Legal Administration Officer/Appeals Secretary</i>

The Chairman commenced the meeting at 9:50am.

SECTION 1 – STANDING ITEMS

1.1 Apologies

There were no apologies.

1.2 Declaration of Conflicts of Interest

The Board **NOTED** Attachment “A”.

1.3 Confirmation of Minutes of Queensland Racing Limited BM#23 on 4 July 2008

The Board made the following amendments to the minutes:-

2.1 Palm Meadows Update*Michael Lambert*

Dot point 1 - remove 'officers' and replace with 'Councillors'.

Dot point 2 – start a new dot point beginning at "Satisfactory 'in-principle'...".
In the same sentence remove 'Councillors' and replace with 'Officers'.

2.2 RISA: Report on Board Meeting*Michael Lambert*

Second Paragraph, number 5 the word 'Commissioner' becomes 'Commission'.

The last paragraph is to read "*The Board added the recommendation below to the list:*"

3.1 Finance and Wagering Report May 2008*Adam Carter*

The first paragraph is to now read:

'May 2008 resulted in a MTD deficit of \$3M. Revenue is up \$761K due to the Product and Program fee being above budget. QRL surplus is up \$4.2M from \$12.3M YTD in FY06/07 to \$16.6M YTD in FY 07/08.'

3.2 Budget – Version (2)*Adam Carter*

Paragraph B1 Deagon Development is to now read:

'The Board noted that the amount of \$12 million may not be incurred and is subject to a feasibility study that is still to be prepared and subsequent approval of the Board for the Master Plan.'

Paragraph Ouncourse Broadcast Production – 'Mr Louis Bickle' be changed to 'Mr Lou Bickle.'

3.3 Commercial Horse Assistance Payment Scheme Update*Adam Carter*

The third paragraph figures to be changed to:

- '1. CHAPS 1 recovery from initial payment for 31 days - \$268K, 74.3% of total outstanding.*
- 2. CHAPS 11 recovery \$75K, 20.9% of total outstanding,*
- 3. CHAPS 1,11 & 111 recovery \$14K, 4% of total outstanding.*
- 4. CHAPS 5YO recovery \$3K, 1% of total outstanding.'*

4.2 Review of Policy

Chairman

This paragraph is to now read:

'The Board noted that the 'Forms Policy' was due to expire in July 2008. The policy was reviewed by Mr Malcolm Tuttle, Chief Operations Manager and no changes were necessary.'

5.5 Broadcast Rights

Malcolm Tuttle

The last paragraph is to now read:

'Mr Tuttle also advised that he and the Chairman have held discussions with TVN and TVN's advice was that QRL keep their options open. To the extent they had no fundamental objection to the prospect of QRL becoming an equity partner in TVN.'

5.7 Increased Industry Funding – Outline of Approach

Malcolm Tuttle

The second paragraph is to now read:

'Mr Tuttle advised that IER is a company that is well positioned to prepare a detailed analysis, which could lead to an application for the redirection of wagering tax to the racing industries in Queensland.'

In the third paragraph the word 'Industries' to be changed to 'Codes'.

5.8 Equine Influenza – Callinan Report

Malcolm Tuttle

In the last paragraph the word 'Peruse' is to be changed to 'Pursue'.

8.2 Winter Carnival Update

Paul Brennan

In the third paragraph the word 'stakeholder' is to be changed to 'participants'.

In the fourth paragraph the word 'as' is to be changed to 'has'.

The Board **RESOLVED** that the QRL Board Meeting Minutes of 4 July 2008 with the above amendments be received and confirmed.

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

1.4 Action Sheet

Chairman

The Board **NOTED** the action sheet.

1.5 Correspondence / Matters for Noting*Chairman*

The Board noted the Correspondence in the Agenda and the following was tabled and discussed:

- ♦ **Letter from Mr Bob Bentley to Mr Andrew Fraser dated July 29, 2008. Re: Publication of NSW Race Fields by Australian Wagering Operators. – See Attachment “B”**

This was **NOTED** by the Board.

SECTION 2 – DIRECTORS**2.1 Palm Meadows Update***Michael Lambert/Malcolm Tuttle*

Mr Lambert updated the Board on the Palm Meadows development with the following:

- ♦ Mr Tuttle met with Gold Coast City Council (GCCC) Mayor and a number of Councillors to brief them on the nature of the project, the current situation of the Project and to set out a broad vision of what QRL wished to achieve on the Gold Coast. This meeting was well received by the Mayor and the Councillors.
- ♦ Continue looking at the value management assessment of the racing facilities and a final valuation of the development.
- ♦ Further study needs to be undertaken on the hydrology issue at Bundall.
- ♦ A Memorandum of Understanding has been reached with Stockland to undertake a commercial review of the proposed commercial development.
- ♦ Mr Tuttle is seeking another meeting with Stockland on Friday, 5 September 2008 for an update of the Project.

The Board **APPROVED** a Hydrology study to be undertaken on bundle.

The Board further **APPROVED** the Memorandum of Understanding with Stockland.

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

The Board **NOTED** the update.

2.2 Charging for Product: NSW Fields Legislation*Michael Lambert*

Mr Lambert provided advice to the Board on his understanding of the intent of the revised NSW Race Fields Legislation.

The Chairman advised the Board that he had written a letter to the Minister regarding this issue and that the Minister was taking the matter to Cabinet 's next sitting.

The Board will wait for a response from the Minister.

The Board **NOTED** the update.

2.3 Racing Intellectual Property, Copyright and Broadcast Rights

Michael Lambert

Mr Lambert updated the Board on the understanding of the racing industry's intellectual property rights with respect to both racing material and broadcast rights and how that interest can be protected.

Mr Tuttle informed the Board that he had contacted Allen Arthur Robinson to spend a day at QRL to undertake a review of all QRL's racing material to ensure action is taken to fully protect QRL's copyright position.

This was **NOTED** by the Board.

2.4 Marketing Campaign

Tony Hanmer

Tony Hanmer updated the Board on the current situation regarding the Equine Influenza Marketing Initiative Fund (EMIF).

Mr Hanmer advised that the Government had made available \$583,000 for a campaign to attract people back to the races following the EI shutdown.

Mr Hanmer, through his connections had recommended Mitchell Media who have produced the tabled media campaign to run from September 2008 to January 2009.

Mr Hanmer relayed to the Board that Mr Mike Kelly, of the Office of Racing had indicated that the Minister wished to launch the marketing campaign outside of Brisbane. The Chairman advised that his understanding was that this was wholly a Government Funded Project and there was no cost to QRL. Mr Hanmer confirmed that this was correct.

The Board **NOTED** the update.

2.5 Product Co Update

Tony Hanmer

Mr Hanmer updated the Board on the Product Co meeting, which was held on Tuesday, 15 July 2008. There were no items of significance to report.

The Board **NOTED** the updates.

SECTION 3 –9 DEPARTMENTS

3.1 Finance and Wagering Report June 2008

Adam Carter

Mr Carter provided the Board with information relating to the financial and wagering performance and results for the month ended and year ended 30 June 2008.

QRL recorded a surplus of \$13.1M for the year.

The financials will be finalised by Friday, 15 August 2008.

Revenue was down \$2.4M on Budget and down \$2M on FY06/07. This was due to the effect of EI on the Product and Program fee.

Expenditure was down \$9.1M on FY06/07 due to undistributed prizemoney as a result of EI. There were 63 less TAB meetings compared to last year and 167 less meetings overall.

June 2008

June 2008 turnover has resulted in an unfavourable result down \$780K compared to the budget. MTD, QRL recorded a deficit of \$3.5M.

MTD – revenue was down by \$225K due to the Product and Program fee being 6.7% below budget.

Month on month growth in wagering for Queensland shows Thoroughbreds decreased for June at -9.04% compared to the decrease in Harness -15.09% and Greyhounds -5.98%.

The Board **APPROVED** the Finance and Wagering Report.

3.2 Budget - Version (3)

Adam Carter

Mr Carter updated the Board on the Budget for FY08/09.

The Board approved the budget subject to final resolution of the Jockey riding fee.

MOVED Mr Michael Lambert **SECONDED** Mr Tony Hanmer

3.3 QJA Increase Riding Fee Submission

Adam Carter

Mr Carter updated the Board regarding a submission from the Queensland Jockey's Association (QJA) for the review of the Jockey's riding fees and the establishment of a career benefit fund.

Mr Carter recommended that the Jockey riding fee be increased to \$140 and not \$150 as requested by the QJA.

The Board **DETERMINED** that Mr Carter to undertake more analysis on the Jockey riding fee and to present his recommendations at the next QRL Board meeting in September 2008.

Mr Richard Pratt joined the meeting at 10:30am.

Mr Richard Pratt, President of the QJA presented a submission to the Board regarding Jockey's riding fee. (See Attachment "C").

The Board **NOTED** the submission provided and advised Mr Pratt that the Board through Mr Tuttle would respond in due course to the submission.

Mr Pratt left the meeting at 11:00am.

3.3(a) National Jockey Trust *Adam Carter/ Richard Pratt*

The establishment of a career benefit fund to be put on hold at this present time.

4.1 Policy on Formation and Management of Clubs *Shara Murray*

The Board was advised that the "*Policy on Formation and Management of Clubs*" was due to expire in August 2008. The Policy was reviewed by Ms Shara Murray, Legal Compliance Counsel and that the necessary changes had been made.

The Board determined that Ms Murray liaise with Mr Brennan and Mr Carter to amend the Rules of Racing to reflect the changes to the Policy.

The Board **APPROVED** the Policy for consultation.

MOVED Mr Michael Lambert **SECONDED** Mr Tony Hanmer

4.2 Townsville Turf Club *Shara Murray*

Ms Murray updated the Board concerning the Townsville Turf Club (the Club).

Mr Lambert questioned what the Club intended to do with the proceeds and profits of the sale of the vacant land.

The Chair advises that the use of the proceeds was a concern and QRL and is currently investigating if a Policy can be drafted to tighten control and make better use of the funds.

The Board **APPROVED**:

To rescind Item 4.2 (*Townsville Turf Club – Sale of Cluden Park – Allan Parry*) of the Minutes of Queensland Racing Limited Board Meeting of 7 December 2007 BM#17.

MOVED by Mr Lambert **SECONDED** by Mr Hanmer

- (1) Following the Rescission of item 4.2 of 7 December 2007, that the Board of QRL advises the Club that it intends to further consider the sale of Cluden Park land and to request more information and documentation.
- (2) That the Board of QRL requested that Ms Murray and Mr Carter obtain the following information from the Club this being:
 - Current financials
 - Details of the use of the proceeds from the sale of the land
 - An executed copy of the Deed of Option and any Contract of Sale that may have subsequently been entered into by the Club
 - A current valuation and survey of the land intended to be sold.

4.3 Lease: SCTC

Shara Murray

The Chairman declared that he has a conflict of interest and removed himself from any decision or discussion on this item.

Ms Murray tabled a Deed of Variation of the Sunshine Coast Racing Unit Trust and a Lease between Sunshine Coast Racing Pty Ltd as Trustee for the Sunshine Coast Racing Unit Trust and the Sunshine Coast Turf Club Inc.

Mr Bill Andrews indicated that the following amendments should be made to the Lease as follows:

Page 5 – **1.4 Complex** (a)(v) change ‘*stables*’ to ‘*tie up stalls*’.

Page 20 – **8.9 Sub Lease** – the first sentence is to read ‘*The Lessee must not use the Lease or the Lessee’s Property as security without the Lessor’s prior written consent*’.

Page 26 – **15. License** (15.1) is to read ‘*The Lessee has the right to use the area described as License A on the Complex Plan for associated uses with this Lease*’.

The Board **APPROVED** for the Chairman and Ms Murray to sign both the Deed of Variation and the Lease on behalf of QRL once the changes have been made.

4.4 Review of Policies

Shara Murray

Ms Murray updated the Board on the review of Policies '*For Lawful Betting on Races*' and '*Fees Policy*' which were due to expire in July 2008. Minor changes were made to these policies and as such no public consultation is required.

The Policies were **NOTED** by the Board.

5.1 Deagon Development Plan

Malcolm Tuttle

Mr Tuttle updated the Board in relation to the development of the Deagon Training Centre. Mr Tuttle tabled the draft concept masterplan for the development of Deagon. (See Attachment "**D**").

Mr Tuttle advises that he has had preliminary discussions with Brisbane City Council and the Local State Member for Deagon. A scheduled meeting will be held with Brisbane City Council Town Planners during August.

Mr Tuttle asked Board Members for any input to the tabled plan so any prospective suggestions could be incorporated.

The Chairman suggested that there be a minimum of 250 day yards.

The Board **APPROVED** the tabled concept masterplan and approved Mr Tuttle to engage any further consultants as required to progress the development.

5.2 Business Plan 08/09

Malcolm Tuttle

Mr Tuttle tabled the draft 2008/09 Business Plan.

The Board **NOTED** the Business Plan and will provide feedback to Mr Tuttle.

6.1 Licensing Report

Peter Smith

There were no issues with the licensing report.

The Board **APPROVED** the Licensing Report

MOVED by Mr Bill Andrews **SECONDED** by Mr Michael Lambert

Ms Murray and Ms Debbie Toohey withdrew from the meeting.

7.1 Integrity Report

Jamie Orchard

Mr Jamie Orchard advised the Board of the current status of activities and programs in the Integrity Department.

The Board **NOTED** the report.

7.2 Telephone Only Bookmakers

Jamie Orchard

Mr Orchard advised the Board of a submission made by the Queensland Bookmakers Association for an amendment to the policy on *'Telephone Only Bookmakers'*. The Board noted the submission from Bookmakers and discussed the two amendments tabled.

The Board **AGREED** to adopt option 2 as follows:

"Amend current condition number 4 to allow telephone only bookmakers to bet back personally with bookmakers fielding in the betting ring"..

MOVED by Mr Bill Andrews and **SECONDED** by Mr Tony Hanmer

Ms Murray and Ms Toohey returned to the meeting.

8.1 Corbould Park Lights & Stable Project

Paul Brennan

The Chairman declared that he had a conflict of interest and removed himself from any decision on this item made by the Board.

Lighting Project

Mr Brennan sought the Board's further approval on the installation of lighting for both tracks at Corbould Park.

Mr Brennan advised of 3 options that are available:

1. Synthetic Track only - \$4,700,000
2. Course Proper only - \$5,900,000, and
3. Both tracks - \$7,200,000.

Mr Brennan advised that the Sunshine Coast Racing Pty Ltd Trust (SCRT) does not have sufficient funds to facilitate this project and that it is proposed that QRL be responsible for the costs associated with the installation of the lights and that QRL offset the construction costs by taking up additional units in the SCRT.

The Board **APPROVED** the lighting of both tracks at a cost of \$7,200,000 and to offset the construction costs by accepting additional units in the SCRT.

Stable Project

Mr Brennan advised that Sunshine Coast Regional Council (Council) had asked to change the building application to an MCU. Mr Brennan further advised that he is continuing to liaise with the Council in relation to this matter.

Council has requested a master plan be prepared on vegetation retention. Vegetation will be required to be kept on Racecourse Road due to frog habitation.

Mr Brennan advised that the SCRT did not have sufficient funds to proceed with the stable project. The Board agreed that transitional funding should be provided by QRL as the stable project was an important development in the interests of the industry. Mr Brennan advised the board that the project would be self funding.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Michael Lambert that transitional funding be approved for the stabling project.

General

Mr Brennan advised that the Sunshine Coast Turf Club (SCTC) facilities were in a less than optimal condition and the SCTC be advised that the general grounds were in need of an upgrade. Mr Brennan asked for clarification and demarcation of the responsibilities of the SCTC and the SCRT in respect of the Corbould Park assets. The board asked that Ms Murray look into the matter and report back at the next meeting.

This was **NOTED** by the Board.

8.2 QTIS

Paul Brennan

Mr Brennan tabled a proposal to the Board as follows: (See Attachment "E").

For the upgrade and strengthening of the QTIS program, the summary of this proposal is below:

1. Increase in pay up for the QTIS scheme from \$330 including GST to \$550 including GST
2. Funding of the full complement of programmed QTIS on all divided QTIS races from 1 January 2009
3. Increase in provincial QTIS bonuses from \$7,000 to \$10,000 from 1 January 2009
4. Enter into a 2 year Agreement with Magic Millions to conduct a QTIS only yearling sale at Bundall in March 2009 and 2010 with a 2 year option
5. To reallocate \$1million of unexpended QTIS money towards the QTIS 600 race and bonus series
6. To allocate an additional \$110,000 to complete the scheme
7. To conduct a QTIS 600 race series totalling \$1.5M and a QTIS 600 \$2.69M bonus series that provides double QTIS bonuses for those horses that pay the \$3,300 including GST registration fee

Mr Brennan fully explained the new QTIS initiative and produced for the Board the costing of this initiative.

The board **APPROVED** the proposal and the expenditure required to action this initiative.

MOVED by Mr Michael Lambert **SECONDED** by Mr Bill Ludwig

This was **APPROVED** by the Board.

9.0 General Business

Chairman

Country Racing

Mr Brennan informed the Board that an extensive Country Racing forum will be held in Brisbane with representatives from each Regional Association. The forum is proposed to be held in October 2008.

This was **NOTED** by the Board.

QRL Audit Committee Meeting

Mr Lambert gave the Board a brief update on the Audit Committee meeting held prior to the Board Meeting.

This was **NOTED** by the Board.

Donation Policy

The Chairman requested that a Policy on Donations be created.

The Board **APPROVED** the creation of this Policy.

The Board further **APPROVED** the action officer as Mr Carter.

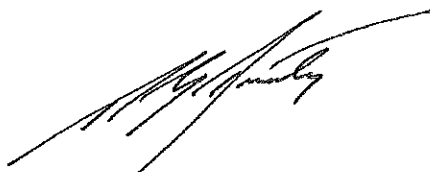
Queensland Racing Magazine – Commercial Opportunities

Mr Hanmer updated the Board on the commercial opportunities that lay within the QRL magazine.

This was **NOTED** by the Board.

Meeting concluded at 2:50pm

Confirmed as a true record.



R.G. Bentley

Chairman

Dated.....5...../..9...../2008

ATTACHMENT “A”

Mr Bob Bentley

Director of Tattersall's Limited
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director of Australian Racing Board
Chairman of the Australian National Racing Committee

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Michael Lambert

Director of RISA
Director of the Trainers Service Centre

Mr Bill Ludwig

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

Mr Bill Andrews

Member of the Brisbane Turf Club
Member of the Queensland Turf Club
Member of the Thoroughbred Breeders Queensland Association.
Member of the Racehorse Owners' Association

