



Minutes of
Queensland Racing Limited
Board Meeting



Friday 7 November 2008

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced at 9:45am
Meeting Concluded at 2:00pm

Board Directors Present: Bob Bentley – *Chairman*
Tony Hanmer
Michael Lambert
Bill Ludwig
Bill Andrews

Apologies: Nil

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*
Ron Mathofer – *Business Analyst*
Paul Innes – *Chairman, Australian Jockey Association*
Richard Pratt – *Queensland Jockey Association*

Minutes: Donna Biddle – *Board Secretary*

The Chairman commenced the meeting at 9:45am.

SECTION 1 – STANDING ITEMS

1.1 Apologies

There were no apologies

1.2 Declaration of Conflicts of Interest

The Board NOTED Attachment "B".

1.3.1.1 Confirmation of Minutes of Queensland Racing Limited BM#26 on 3 October 2008

The Board made the following amendments to the minutes:-

2.1 EI Marketing

The first paragraph the word "research" is to be replaced with "a campaign".

3.1 Finance and Wagering Report June 2008

The second paragraph "K" to be put after "\$673".

3.3 Staff Retention

The third paragraph the words "including Col Truscott" to be added after "...be offered to Senior Managers" to now read "the Board agreed that a term of employment be offered to Senior Managers including Col Truscott."

3.4 Cairns Jockey Club

The third paragraph the word "land" to be added after "fair" to now read "fair land valuation".

8.1 Whitsunday Regional Council

The second paragraph the word "nominal" to be added before "rent rate" to now read "nominal rent rate".

The Board **RESOLVED** that the QRL Board Meeting Minutes of 5 September 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 there was no Correspondence in the Agenda.

1.6 Confirmation of Flying Minutes

The Board **NOTED** the following Flying Minutes:

Resolution - 19 October 2008	Pursuant to Australian Rule of Racing 7(c), the Director of Integrity Operations be delegated the power to warn off Christopher Waters as a result of his involvement in the circumstances surrounding the lifting of the embargo on BETHEL TWO and the subsequent provision of false information to Stewards.
Resolution - 25 August 2008	Resolution to engage 'Senior Council' or 'Other Legal Services' to act on Queensland Racing Limited's behalf in relation to the Crime and Misconduct Commission's investigation of allegations of Impropropriety conduct by Queensland Racing Limited.

SECTION 2 – DIRECTORS

2.1 EI Marketing

Mr Hanmer updated the board on the EI Marketing campaign.

The Board **NOTED** the update.

2.2 QTIS600

Mr Hanmer updated the Board that 130,000 brochures on QTIS600 will be produced and sent to pubs, clubs and TAB outlets to be placed on brochure racks. Brochures will also be sent out with QRL invoices and outgoing correspondence to owners and breeders.

QTIS600 will also be advertised in MACAIR Magazines.

RISA will be approached to utilise their Syndication License in conjunction with Race Clubs. Details will be advised following a meeting with RISA CEO.

2.2.1 Corbould Park Lighting Project

Mr Hanmer advised the Board the Opening of Corbould Park Lights will be on Saturday 21 February 2009.

The Board **NOTED** above.

2.3 Cairns Jockey Club

Mr Brennan updated the meeting on the financial position of the Cairns Amateurs and the Cairns Jockey Club. Both clubs appear to be in serious financial positions and it will need some urgent action from QRL.

The Chairman also advised the Board of an email received this morning from Alan McPherson, President of Cairns Amateurs re their financial position. A copy of this email is to be sent to Mr Carter and Ms Murray.

The Chairman advised that he had asked the finance department to give an updated position on the finances of both clubs as soon as possible. In addition, the Business Analyst is to prepare a practical template that could possibly be used as a solution to the Cairns Racing problem by using the operating success of Innisfail and Atherton clubs who operate 8 – 10 times a year.

2.4 Outcome on Discussion with Treasurer on Constitution

The Chairman advised that he had attended a meeting with the Treasurer on the QRL constitution and other matters.

The Treasurer has advised that he was not prepared to discuss the ongoing investigation to the constitutional vote conducted on Wednesday 5 December 2008.

In relation to going forward, the Treasurer indicated that he was not prepared to reconsider any changes to the constitution in this term of Parliament.

SECTION 3 – 9 DEPARTMENTS

3.1 Finance and Wagering Report

Mr Carter provided the Board with information relating to the finance and wagering performance and results of QRL for the month ended 30 September 2008.

QRL recorded a surplus of \$1.14M for September 2008 down \$255K on budget.

Revenue was down \$1.1M on budget. This is due to the 1.5% NSW Race Fields legislation fee which directly impacted QRL by \$496K. Product and Program Fee in total was 10.1% or \$833K below budget for the month.

Expenditure was down by \$829K on budget. The main variance being Capital Works \$333K and Consultancy costs \$162K.

QTIS Registrations were \$251K below budget for the month due to a timing difference with the majority of registrations actually occurring in October.

YTD the surplus of \$3M is \$2M ahead of the budgeted surplus of \$1.04M. YTD total revenue is up \$288K on budget. YTD Product and Program fee is 1.5% above budget notwithstanding the impact of New South Wales Race Fields. Budgeted P&P fee growth was set at 3%. Interest is above budget by \$268K at the end of September.

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

3.2 Queensland Jockey's Association Submission for Riding Fees Increase

3.2.1 Increase In Jockey Riding Fee

The QRL Board confirmed that the jockey riding fee would increase from September 1, 2008 from \$127 per ride to \$140 per ride for year 1. The jockey riding fee would be backdated to September 1, 2008.

In year 2, from September 1, 2009 the jockey riding fee will increase by the Consumer Price Index (CPI) based on the June to June CPI.

QRL will continue to fund the riding fee which is in excess of \$6M per annum.

3.2.2 Barrier Trial Riding Fee

The Board of QRL also agreed to increase the barrier trial riding fee from \$27.50 per ride to \$35 per ride effective from December 1, 2008 with an increase in CPI in line with the increase in the jockey riding fee from September 1, 2009.

Please note amendments to conditions for Barrier Trials from 1 January 2009

- Following an increase to the Jockey's riding fee in Official Barrier Trials, the fee to start in an Official Barrier Trial has increased to \$60 (plus GST).
- The fee for horses that nominate, but do not start in official barrier trials will rise to \$80 (plus GST). This fee will be waived for any horse where a veterinarian certificate is received within two (2) working days following the date of the Official Barrier Trials.
- Trainers are required to advise the RISA Service Centre of scratchings in Official Barrier Trials at least 30 minutes prior to the commencement time of the first Official Barrier Trial. The connections of horses that fail to advise the RISA Service Centre will be charged an additional \$20 (plus GST).

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

*That the Board **APPROVE** the changes to the Jockey Riding Fee*

4.1 Operations Update

Mr Tuttle updated the Board of the following projects:

- Broadcast rights
- Copyright
- Economic Impact Study
- Deagon Training Centre
- Queensland Race Information Bill and Regulations
- Brisbane Turf Club and Gateway Bike Project
- Negotiations with Stocklands on Palm Meadows

Mr Tuttle and Mr Lambert advised that in discussions with Stocklands on the Palm Meadows/Bundall development, Stocklands had indicated that they are keen to discuss the possibility of the transfer of freehold land at Corbould Park and a relocation to a new site at Bells Creek for a Sunshine Coast Racing Complex.

This suggestion has strategic advantages for Stocklands and their current development of "Caloundra Downs". The Chair asked Mr Tuttle and Mr Lambert, what advantages they saw would accrue to the Queensland Racing Industry in this venture as the only benefit that the Chairman could see was if it was part of total development negotiation to incorporate the new Gold Coast Racing Complex at Palm Meadows.

The Board discussed the issue and formed a preliminary view that any proposal would need to be considered in light of the Palm Meadows Project which currently has a significant financial shortfall. In this regard the Chairman and Mr Tuttle are seeking an urgent meeting with Mr Stanley Ho of "Hung Tat" as advised at the October meeting.

The Board **NOTED** the report and **AGREED** that if a meeting could be arranged urgently with Mr Stanley Ho of "Hung Tat", then the Chairman and Mr Tuttle should arrange to see him in Hong Kong as soon as possible to allow for progressing or closure of the development.

4.2 Race Field Legislation

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

The Board **NOTED** the update and draft Bill and Regulations on Race Information Legislation and that David Grace of Cooper Grace Ward would be engaged to provide advice as required.

4.3 Capital Works Items – Brisbane Turf Club

Mr Tuttle updated the meeting of an application received from the Brisbane Turf Club ("BTC") in respect of capital items for consideration and to outline the path forward in relation to capital works considerations for the current financial year.

The Board **RECOMMENDED** that Mr Tuttle send a letter to BTC advising that its capital needs will be assessed along with the needs of other TAB clubs during site visits in December 2008 and January 2009, with a report to be provided to the Board of QRL for its consideration.

4.4 Minutes of Metropolitan PCG October Meeting

The Board **NOTED** the minutes. Mr Hanmer noted that the PCG are still persevering with the infield stables. The Chairman advised that he had also noted this and that there needs to be a discussion with the new BRC Chairman and Vice-Chairman on this issue as the industry does not need an oversupply of stables.

5.1 Licensing Report

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

*The Board **APPROVED** 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.

- Staff Resources
- Cadet Program
- Appeals
- Accreditation
- Horse Sampling Program
- Conflict of Interests/Racing Interests
- Chris Waters
- Bobby El-Issa

In addition, Mr Orchard advised the Board of the new Stewarding Structure.

The Board **APPROVED** the changes as set out by Mr Orchard and **NOTED** the update on the Integrity Report.

6.2 Adoption of New Technology in Integrity

Mr Orchard updated the Board re the adoption of a new stewards patrol system. Mr Orchard also advised that he sought the Board's approval to proceed with the installation of the NSW Bookmakers telephone monitoring system.

The Chair advised the Board that this expenditure was previously approved but not minuted.

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

*That the Board **APPROVE** the expenditure of \$35,000 for the NSW Bookmakers telephone monitoring system.*

7.1 Country Racing Forum

The Chairman updated the Board on the Country Racing Forum report.

The forum followed the conduct of the very successful regional seminars in June 2008, which saw QRL representatives visit 12 venues throughout the State.

QRL invited six (6) delegates from each of the eight (8) regions to attend the forum with these delegates being selected from the following industry groups:

- Queensland Country Racing Committee representative

- Country Racing Association Chairperson
- Major Club representative
- Minor Club representative
- Licensee
- Owner

The following areas received agreement at the forum:

- Alternate Corporate Governance Model for the eight (8) Country Racing Associations
- Integrity Services Raceday Standards
- Revised Funding Model, incorporating two tiers of Non-TAB Race Clubs
- Removal of Unplaced Starter Fees
- Removal of Series Funding
- Removal of Administration Subsidy from standard Non-TAB racing Clubs
- Non-TAB race dates to be developed by QRL
- Removal of nine (9) funded Non-TAB race dates
- Introduction of new racing policy, which includes KPI's
- Introduction of restrictions on the postponement of abandoned meetings to ensure no impact on already scheduled meetings
- Those clubs designated as Strategic will receive \$6000 per race and those clubs designated as non-TAB will received \$4000 per race.

Should these areas be successfully resolved, QRL has given an undertaking to introduce the new funding model from 1 July 2009 and for it to be maintained until 30 June 2012. Provided annual wagering turnover grows at a rate of 3% on the 2007/08 base year for the term of this agreement and that average TAB starter numbers are maintained at not less than 10 starters per race.

QRL has given an undertaking to conduct a QCRC meeting in early December to finalise the above issues.

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

The Board **NOTED** the report and made the following resolution:

"That the submission as detailed above and APPROVED in principle by the Country Racing Stakeholders and the Country Racing Council is the offer from QRL. The Board AGREED that if this was not acceptable to the Country Racing Committee, then the offer would be withdrawn and funding would be in strict accordance with the Act."

8.1 Sunshine Coast Lease

Ms Murray updated the Board in relation to the current status of the lease agreement between Sunshine Coast Racing Pty Ltd and the Sunshine Coast Turf Club.

The Board **NOTED** the update.

8.2 Sunbus

Ms Murray updated the Board in relation to a lease agreement that Sunshine Coast Racing Pty Ltd intends to enter into with Transit Group Australia, for the provision of 6000 square meters of land adjacent to the public car park at Corbould Park, Caloundra.

Mr Hanmer noted his concerns in relation to the possible vapour smells from the proposed re-fuelling facility. Ms Murray informed the Board that the proposed site has been relocated further away to the back of the carpark.

Mr Tuttle informed the Board that he would provide this update to Stocklands to determine if the proposed lease agreement for such land would create any significant difficulties in any future land proposals.

The Board **NOTED** the update.

8.3 Cairns Jockey Club

Ms Murray briefed the Board in relation to the land tenure at Cannon Park, Cairns,

The Board **RESOLVED** to take no action in relation to land tenure.

The Board **RESOLVED** that Ms Murray contact Trafalgar Corporate Pty Ltd to seek an update in relation to the claim of proceedings against individual Committee Members of the Cairns Jockey Club, Anor.

8.4 Townsville Turf Club

Ms Murray updated the Board in relation to the recent assessment conducted on the documentation provided by the Townsville Turf Club (TTC).

The Board assessed the proposal by the TTC and agreed that it would approve the application provided that QRL's policies were adhered to.

The Board instructed Ms Murray to convey this resolution to the Office of Racing.

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

That QRL AGREED to support the sale of the vacant parcel of land at Cluden Park, subject to the Club adhering to the requirements contained in the Racing Act 2002, the Financial Management & Procedures Manual and QRL's Policy on Spending by Non-Proprietary Licensed Clubs.

8.5 Review of Policies

The Board **NOTED** the following policies:

- (a) *Policy for Safeguarding the Public Interest in Thoroughbred Racing*
- (b) *Policy on the Standards Required for Licensed Venues, and*
- (c) *Drug and Alcohol Policy.*

The policies were reviewed by Mr Jamie Orchard, Director of Integrity Operations and no changes were necessary.

8.6 Policy for Draft Consultation

The Board **APPROVED** that the *General Policy for Training and Development* be published for consultation.

The Board requested that the *Complaints Management System Policy* carry forward to the 5 December 2008 Board meeting.

8.7 Phil Purser - Complaint

Ms Murray advised the Board of complaints received in relation to Mr Phil Purser of www.justracing.com.au.

The Board **APPROVED** that:

1. Copies of complaints to be sent to Mr Purser; and
2. Ms Murray to write to QTC and Mr Henzel to advise that the QRL Sexual Harassment Policy has not been breached.

MOVED by Mr Bill Andrews **SECONDED** by Mr Bill Ludwig

8.8 Toowoomba Cushion Track

The Board **NOTED** the update.

8.9 Policy for Final Approval

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

The Board **APPROVED** the *Policy on the Formation, Management and Licensing of Clubs*.

8.10 Whitsunday Regional Council

Ms Murray briefed the Board in relation to the Whitsunday Regional Council's (Council) response to the Board's resolution of 3 October 2008 concerning the Council's request for a transfer of part of Lot 98 SP189767 to the Council (Subject Land).

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

The Board **RESOLVED** not to transfer the Subject Land to the Council.

The Board **REQUESTED** that Ms Murray convey this resolution to the Council.

9.0 GENERAL BUSINESS

9.1 Australian Jockey's Association

Paul Innes, President of the AJA and Richard Pratt, President of the QJA gave a presentation to the Board which was presented to the Australian Racing Board on 14 August 2008 on a plan to protect Australian Jockeys focusing on:-

1. A National Public Liability insurance cover for jockeys
2. A National Personal Accident insurance scheme for jockeys
3. Support for jockeys and their families in financial hardship due to death, illness and injury through the National Jockeys Trust, and
4. Education, Welfare, Training and Retirement programs

The discussion involved where the funding was going to come from and it was proposed that there is a need for the ARB to act on behalf of the industry as a whole in order to reduce the risk to racing, and include additional percentage share(s) of total prize money in the Rules of Racing.

It is proposed 1% of prizemoney should be retained and paid to the AJA on behalf of jockeys to maintain these initiatives. The % increase from 5% to 6% would be inline with other racing jurisdictions on other countries.

The proposal will be discussed and considered at the ARB board meeting on Friday, 12 December 2008.

QRL is to look at the impact on other stakeholders of the additional 1%.

9.2 Rockhampton Jockey Club Track

Mr Brennan had prepared a paper detailing the latest costs of construction for the Rockhampton track development that is currently under design and final quotation.

The chairman advised the Board that the costs of reconstruction had increased from the estimated figure of \$3M. QRL had allocated \$3M in the 2008/2009 budget and an additional \$3M will be required to finalise this project. Whilst being above the initial budgetary figure Mr Brennan considered that the board had no option but to proceed as the track was nearing a WH&S issue.

The Chair noted the paper gave a satisfactory explanation of the increase over budgeted estimates. The costs at the time of budget preparation were preliminary estimations and further investigations revealed that the scope of works required was more extensive than originally anticipated.

Mr Hanmer inquired as to the effects on QRL's cash flow and reserves.

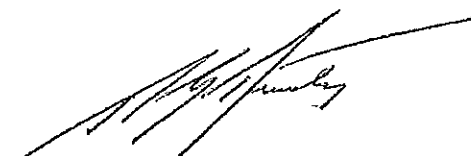
Mr Carter advised that the additional investment will be accommodated with the bounds of QRL's reserves.

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

That the Board approve the reconstruction of the Rockhampton Jockey Club's track at an amount of \$6M

Meeting concluded at 4.30pm

Confirmed as a true record.


R G Bentley
Chairman
Dated...7.../12.../2008

ATTACHMENT "B"

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

