

PURCHASING POLICY

Owner

Finance Department

Stakeholders

Corporate Wide

Revision History

<i>Version</i>	<i>Date</i>	<i>Description of Change</i>
1.01	August 2006	First draft (Adam Carter)
1.02	Nov 2006	2nd Draft – QRL changes and delegations
1.03	March 2006	QRL Changes and delegations approved 13 April 2007 Board Meeting (Adam Carter)



PURCHASING POLICY:

QUEENSLAND RACING LIMITED

Introduction

This policy has been prepared to provide guidelines and procedures to be followed by officers of Queensland Racing Limited when undertaking and managing purchasing activities to meet the organisation's operational requirements and also meet the objectives of the policy.

Queensland Racing Limited is the Control Body established by, and obtaining its objects and functions from, the Racing Act 2002 and its Constitution. Queensland Racing Limited is required to conduct its financial activities with probity and accountability, in accordance with the Corporations Act 2001, Australian Accounting Standards and Australian Equivalent to International Financial Reporting Standards A-IFRS and Australian Securities and Investment Commission- ASIC.

Key Principles

In conducting its purchasing activities it is the policy of Queensland Racing Limited to adhere, at all times, to the key principles of:

1. Value for money;
2. Quality of product, service, and support;
3. Open and fair competition;
4. Accountability of outcomes;
5. Use of Queensland product where price competitive, and where quality standards are met; and
6. Suppliers are compliant with all taxation requirements.

Policy

These principles have been applied in developing policy for the following key purchasing activities:

- Capital works projects;
- Consulting services;
- Sponsorship contracts;
- Information technology;
- Other capital expenditure; and

- Day to day purchasing of services and supplies.

There is also a focus on using preferred suppliers as explained in this report in further detail. The procurement system should result in the following benefits:

- Reduce operating costs;
- Reduce risk;
- Increase control; and
- Improve cash flow visibility

Capital Works Projects

Queensland Racing Limited plays a major role in the implementation of industry capital works projects each year. Queensland Racing Limited establishes an annual program of capital works, within a specified budget, following consideration of proposals from race clubs and advice from relevant officers within the organisation.

The policy of Queensland Racing Limited, in relation to the implementation of approved projects, is briefly addressed below:

- Once projects are given preliminary approval through the annual capital budgeting process, race clubs will be required to provide detailed design and costing information, and a project plan, prepared by a suitably qualified and experienced independent consultant. Queensland Racing Limited may, at its discretion, instigate an assessment of this documentation by its own consulting engineers. Any variation to the estimate used in applying for inclusion in the capital works program must be disclosed and explained. Variations of greater than 10% from the preliminary estimate are to be referred back to the Board of Queensland Racing Limited;
- Assuming the project cost following detailed design is contained within 10% of the preliminary estimate, and Queensland Racing Limited is satisfied with the standard of documentation provided, final approval will be given for the project to proceed (Chief Operations Manager or Finance Manager);
- After final approval has been given, race clubs will be instructed that they can establish formal contractual arrangements for the construction works, in accordance with the approved budget. In establishing these contracts the club must pay regard to the key purchasing principles contained within this policy. Following establishment of the works contracts, Queensland Racing Limited will make payment of a grant to the club, equivalent to the agreed industry contribution. This grant will represent payment for a taxable supply, and will have GST added; and
- Following completion of the project, the club will provide Queensland Racing Limited with a report, which addresses the outcomes of the project, including cost to budget, quality of product, and timeliness.

Consulting Services

Queensland Racing Limited uses consulting services in a number of aspects of its operations including legal, information technology, human resource management, financial management, business development, and marketing.

These consultancies vary from short-term "one-off" contracts, to longer-term arrangements, which may encompass a series of different activities (e.g. marketing and promotional work).

For short-term "one-off" contracts the following policy guidelines are to apply:

- The six key purchasing principles outlined above are to be applied at all times;
- For contracts under \$10,000 in value, preferred supplier arrangements* can be used. That is, where a purchasing officer is satisfied that a consultant that has provided a high quality service in the past, has the necessary expertise to undertake the work, and is available in an appropriate timeframe, that

consultant can be appointed without a formal competitive process being undertaken. If such a person is not available, three quotes from prospective consultants should be obtained and evaluated;

(* Please note that where preferred supplier arrangements are referred to later in this document for other categories of purchasing, similar procedures to those above will apply)

- For contracts between \$10,000 and \$100,000, tenders should be called from at least three "preferred" contractors. The selection of these three preferred suppliers, and subsequent evaluation of their proposals, should take into account the six key purchasing principles. The evaluation of the proposals should be undertaken by two accountable officers, and be approved by a delegated officer (Chief Operations Manager or Finance Manager);
- For contracts over \$100,000, a public tender process is required subject to board approval, including appropriate advertising of the consultancy. Tenders are to be evaluated, in accordance with the six key purchasing principles, by a panel of no less than two accountable officers, and be approved by a delegated officer.

For longer-term consultancy arrangements (e.g. the ongoing purchase of external legal services that cannot be delivered in-house), which may involve the use of a preferred supplier or suppliers for a range of individual tasks over an extended period of time, the following guidelines are to be followed:

- The purchasing officer may select a consultant for a range of tasks from a panel of preferred suppliers for the type of work involved;
- Prior to such a selection, a competitive process, adhering to the six key purchasing principles of Queensland Racing Limited, to appoint the panel of preferred suppliers must have been undertaken, be appropriately documented, and be signed-off by a delegated officer;
- In selecting the preferred supplier from the panel, the purchasing officer must clearly document the reasons for the selection, and be accountable for that selection. The selection must be approved by a delegated officer; and
- Individual consultancy contracts over \$100,000 in value are not to be entered into under these preferred supplier arrangements. For such consultancies, an open tender process subject to board approval, as described above, must be followed.

Sponsorship Contracts

Queensland Racing Limited may enter into sponsorship contracts of a cash and exchange-of-goods and/or services ("contra") nature.

In establishing these contracts, officers must adhere to Queensland Racing Limited's key purchasing principles, particularly those of "accountability of outcomes", and "compliance with all taxation requirements". With these principles in mind, a Sponsorship Agreement pro-forma (refer to Appendix A) is to be prepared for all sponsorship arrangements, regardless of whether they involve a cash payment, or are solely contra in nature.

The sponsorship agreement is to clearly specify the goods and/or services that are to be delivered by both Queensland Racing Limited and the sponsor, and identify the value of these supplies so that GST obligations, including Tax Invoicing, can be satisfied.

All sponsorship agreements are to be authorised by an officer of Queensland Racing Limited with appropriate delegation, and a copy is to be provided to the Finance Section so that Tax Invoices can be prepared, and GST liabilities and credits accounted for.

Information Technology

The acquisition of information technology hardware and software represents a substantial investment of capital by Queensland Racing Limited each year.

Given the advancing nature of IT and the need to upgrade hardware and systems applications on an ongoing basis, it is the policy of Queensland Racing Limited to acquire such items through leasing arrangements. In this regard the following is to apply:

- A tender process, through a preferred supplier arrangement, is to be undertaken for the establishment of a medium to long-term lease contract for the supply of computer equipment, and other general office equipment where appropriate;
- This contract is to be reviewed on an annual basis to ensure the key principles of "value for money" and "quality of service and support" are being satisfied;
- Where a requirement to add items to the schedule covered by the lease has been identified, the purchasing officer must ensure the purchasing principles are adhered to. For items under \$10,000, preferred supplier arrangements can be used. For items \$10,000 or over, three quotes must be obtained. Appropriate documentation to support the purchasing decisions must be maintained at all times; and

The IT Section is also required to develop and maintain an *IT asset replacement strategy*, incorporating a list of all hardware and software under lease (or purchased), and information on the condition and expected useful life of individual items.

Other Capital Expenditure

Motor Vehicles

Queensland Racing Limited maintains a fleet of vehicles provided for both work and private use. These vehicles are to be leased through Q-Fleet or appropriate lease provider under the following arrangements:

- the leasing of a new vehicle must be approved by the Chief Operations Manager or Finance Manager; and
- The type and model of the vehicle, and any optional extras, must be commensurate with the status and nature of the role performed by the officer for which the car is being acquired, and be in accordance with the entitlements the officer has under his/her contract of employment;
- All vehicles are to be replaced after two years, or having travelled 40,000 kms, whichever comes first, unless the Chief Operations Manager or Finance Manager agrees to an extension of the leasing term.

On disposal of company-owned vehicles, three trade-in quotes must be obtained, where possible, with the highest trade-in valuation the key consideration in selecting the successful dealer. Queensland Racing Limited staff may be given the option to purchase the vehicle that is being traded, at no less than \$1 more than the best trade-in valuation. The Chief Operations Manager or the Finance Manager will determine the successful staff bidder in the event of two or more staff bidding for the same vehicle being traded.

Other capital purchases

All other capital purchases (e.g. office machines) made by Queensland Racing Limited are to adhere to the following guidelines:

- The six key purchasing principles outlined above are to be applied at all times;
- For items under \$10,000 in value, preferred supplier arrangements can be used;
- For capital items between \$10,000 and \$100,000, quotes should be called from at least three "preferred" suppliers. The selection of these three preferred suppliers, and subsequent evaluation of their proposals, should take into account the six key purchasing principles;
- For capital items over \$100,000, a public tender process is required subject to board approval. Tenders are to be evaluated, in accordance with the six key purchasing principles, by a panel of no less than two accountable officers; and
- For all capital purchases of \$10,000 or more, a lease versus buy analysis is to be undertaken.

Day to day Purchasing of Services and Supplies.

Policy in relation to the day to day purchasing of services and supplies is as follows:

- For items supplied on a continuous basis (e.g. stationery, consumables, printing) preferred supplier arrangements may be used. Purchasing officers must ensure that the key purchasing principles are adhered to, especially "value for money" and "quality of service";
- In this regard, officers are required to conduct a competitive process for the selection of a panel of preferred suppliers, for continuous supplies, on an annual basis. Documentation must be prepared and maintained in respect of preferred supplier selection, and the subsequent selection of a supplier from the panel for particular purchases;
- However, for any individual supply or service, which would normally form part of a continuous supply by an individual, that is to cost the organisation \$100,000 or more, an open competitive process must be undertaken. That is, any individual supply which is to cost \$100,000 or more, cannot form part of a continuous purchasing contract made under preferred supplier arrangements;
- For non-continuous supplies and services (e.g. "one-off" printing jobs) preferred supplier arrangements can be used for purchases under \$10,000, on the basis that Queensland Racing Limited's key principles are satisfied. At least three competitive quotes must be obtained for any purchase of \$10,000 or more.

Preferred Suppliers

As much as possible, Queensland Racing should consolidate its suppliers and utilise preferred suppliers for either off-the-shelf goods/services where there are several sources of supply and the purchase is low risk or where there is an established relationship with a proven record of success. The advantages of using preferred suppliers are that it streamlines and simplifies purchasing, reduces administrative costs and promotes cost savings through volume discounts and exclusivity arrangements. Other benefits are that it minimises costs and risk for suppliers through not being required to regularly prepare and submit quotations.

1.1. Indicative Supplier Listing

An indicative listing of preferred suppliers has been identified and is available from Finance - accounts payable through discussions with management. The list should be considered as a first cut as further work will be required to refine this list to ensure that regular purchases are defined by a supplier.

1.2. Selection of Preferred Suppliers

The selection of preferred suppliers should be based on selection criteria that could include:

- Technical capability and experience
- Financial capacity and viability
- System and management responsibility incorporating product and service compliance with agreed industry standards
- People
- Business/organisation factors
- Favourable referee reports (a successful track record to deliver)
- Queensland Racing's 6 key principles:
 1. Value for money;
 2. Quality of product, service, and support;
 3. Open and fair competition;
 4. Accountability of outcomes;
 5. Use of Queensland product where price competitive, and where quality standards are met; and
 6. Suppliers are compliant with all taxation requirements.

ITEM	POSITION					
	Regional Senior Stewards	Managers, Deputy Chief Steward Supervisors	Director of Integrity Operations, Racing Services Manager, Chief Steward, Accountant	Finance Manager	Chief Operations Manager	Board of Directors
Overall Delegation	<\$500	<\$2,000	<\$10,000	<\$10,000	<\$100,000	>\$100,000
Standard Purchase Orders	<\$500 Own Profit Centre Only – budgeted	<\$2,000 Own Profit Centre Only – budgeted	<\$10,000 Own Profit Centre Only - budgeted	To Budget – all profit centres	To Budget	If outside of aggregate annual budget
Emergency Purchase Orders	<\$500	<\$2,000	<\$10,000	To Budget	To Budget	Same as above
Requisition - Miscellaneous Purchases (Credit Cards) (Refer to Expense reimbursement policy for conditions)	x	x	<\$10,000	To Budget	To Budget	Same as above
Petty Cash	<\$100	<\$100	<\$100	<\$300	<\$300	<\$300
Capital Expenditure Purchase Orders and Request Forms	x	x	x	Forecast projects if <\$10,000 or if satisfied COM has previously approved the project	Any single project <\$100,000 where included in approved annual budget	Any single project above \$100,000
Domestic (Interstate) travel	x	x	To budget and advise COM	To budget and advise COM	To budget	If outside of aggregate annual budget
International Travel	x	x	x	x	To Budget	If outside of aggregate annual budget
Official Hospitality	<\$100	<\$100 <\$300 Senior Management Team	<\$300	<\$300 or other functions as approved by COM	To Budget	Yes
Employment of new staff	x	x	Negotiation only if resignation and within same salary range and approval from COM	Employment letters and contracts assuming COM approval	Yes	Yes
Contractual Agreements (All contracts to be reviewed by Legal Compliance)	x	x	<\$10,000 total value (not lease or licence) assuming	Yes with COM assuming COM previously approved and	Yes where value <\$100,000	Yes – subject to Board Agreement

Officer/Company Secretary for updating of Contracts register and asses if any legal advice required)			that authorised to sign in ordinary operations	legally authorised to sign where <\$100,000		
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The same delegations above apply to the payment of invoices with one exception:

- An invoice can be approved by a person with a lesser delegation provided the original purchase order was approved appropriately and the invoice does not exceed an amount that exceeds 10% of the original purchase order.

It should be noted that as a business rule, staff are not allowed to circumvent their delegation by raising multiple orders to purchase a good or service for an amount that exceeds their delegation limit.

Delegations

All expenditures for goods and services are to be authorised by a duly delegated officer. These delegations are as follows:

Over \$100,000

- Board of Directors

Up to \$100,000

- Chief Operations Manager

Up to \$10,000

- Director - Integrity Operations
- Finance Manager
- Racing Services Manager
- Chief Steward
- Accountant

Up to \$2,000

- Business Analyst
- Board Secretary
- IT and Communication Manager
- Training and Licensing Manager
- Deputy Chief Steward - Queensland
- Legal Compliance Counsel/Company Secretary
- Executive Assistant
- Production Camera Operator/Editor

Up to \$500

- Regional Senior Stewards (Northern Region – Townsville, Senior Steward Capricornia Rockhampton and Steward in Charge Downs - Toowoomba)

Capitalisation of expenditure

Expenditure on discreetly identifiable plant and equipment items of \$2,000 and above will be capitalised where the future benefit of that expenditure exceeds one year at the time of purchase. All land purchases must be capitalised.

The Chief Operations Manager or Finance Manager may approve the capitalisation of services expenditures of \$2,000 and above where those services have a future benefit exceeding one year. All assets which are <\$2,000 must be expensed in the year of purchase and recorded in the portable and attractive items register. All other service expenditures shall be written off in the financial year the expenditure was incurred.

Compliance with Commonwealth Government GST & Australian Business Number legislation

The Commonwealth Government implementation of GST and Australian Business Number legislation, has given rise to some additional obligations in respect of purchasing. These are as follows:

- Organisations are required to withhold 48.5% of any payment to a supplier of goods or services that does not provide an ABN. In response to this, it is the policy of Queensland Racing Limited that no supplies be purchased from entities that are unable to quote an ABN;
- All suppliers to Queensland Racing Limited are to be advised that they must be able to provide a "Tax Invoice" in the form specified by the GST legislation, to enable Queensland Racing Limited to claim input credits. Under law, the supplier must supply Queensland Racing Limited with a Tax Invoice within 28 days of request. Queensland Racing staff should not enter into contractual arrangements with suppliers unless satisfied that the supplier will be able to provide a suitable Tax Invoice; and
- When obtaining quotes or prices from potential suppliers, purchasing officers must satisfy themselves that the prices quoted are GST inclusive.

Documentation and the Role of the Finance Department

The Finance Department plays the lead role in ensuring Queensland Racing Limited meets its obligations under the Corporations Act 2001, Australian Accounting Standards and Australian Equivalent to International Financial Reporting Standards A-IFRS and Australian Securities and Investment Commission- ASIC through the development and implementation of appropriate accounting policies and controls.

While the Department will work to ensure operational areas within the organisation are meeting their obligations under the purchasing guidelines, senior managers also have a role to play in monitoring the purchasing activities of their staff.

With regard to documentation, all acquisitions need to be supported by evidence that appropriate purchasing principles and guidelines have been followed. In this regard:

- All purchases for non-continuous supplies must be accompanied by purchase orders that have been signed-off by a duly delegated officer. Additionally, copies of sponsorship agreement pro-formas must be provided to the Finance Manager on a timely basis; and
- The delegated officer must be satisfied that Queensland Racing Limited's purchasing policy has been adhered to, and that appropriate documentation that supports the six key principles (value for money, open and fair competition etc) has been gathered, and is available for audit scrutiny if required. The managers of organisational areas have responsibility for ensuring supporting documentation is maintained and is accessible.

Enquiries regarding these purchasing principles should be directed to the Chief Operations Manager or Finance Manager.

Payment Methods

Direct Debit

1.3. Business Condition

Purchases that occur at set times throughout the year for set dollar amounts.

1.4. Business Rule

Invoices for goods or services that fall under this category include:

1. Rentals
2. Leases
3. Superannuation

Payments will be made via direct debit at the time dictated by the invoice.

1.5. Dependencies

Payments must be fixed frequency and price.



Cheque

1.6. Business Condition

One-off purchases that can not be paid through any other alternative option.

1.7. Electronic Funds Transfer (EFT)

All other purchases will be paid by Electronic Funds Transfer (EFT) unless previously authorised by Finance Manager

Payment Summary

A summary of the different methods for paying invoices is provided below:

Payment Types	Business Condition
EFT	Used for standard purchasing from preferred suppliers Used for emergency purchases from preferred supplier in response to an emergency situation
Direct Debit	Used for purchases that occur at set times throughout the year for set dollar amounts
Cheque	Used for miscellaneous purchases on a "case-by-case" basis only
Credit Cards	Used for purchases made with non-preferred suppliers for dollar amounts up to delegated authority.
Petty Cash	Used for miscellaneous purchasing of items with a value of less than \$100 unless authorised by Finance Manager

Summary of Key Controls

As a high level summary, the key controls associated with the procurement system are:

- Only deal with suppliers who have a valid ABN
- Three quotes required for amounts >\$10,000 where a preferred supplier is not used
- Tax invoices to be obtained at all times
- Required signatures for goods received
- Vendor creation, deletion or addition must be performed by the Accounts Payable Officer and the bank account details are required in accordance to the Sun Security matrix to be entered by an accounts receivable officer who does not have the ability to raise purchase orders or make payments in SUN. The change of details form is located, Accounts Payable\FORMS\Change of Details form.xls
- Invoices are only paid after the prior approval of a purchase order (excluding credit card statement payments and direct debits) and after goods have been received
- Established delegation limits with a 10% tolerance level up to a limit of \$100
- Credit card holders can make transactions greater than their delegation limit provided a purchase requisition with appropriate approval has been obtained first.

In addition to the above, Queensland Racing should perform an annual supplier analysis to review expenditure to determine that value for money is being achieved.



SPONSORSHIP AGREEMENT

BETWEEN:

(The Sponsor)

AND QUEENSLAND RACING LIMITED, a control body established under the Racing Act 2002 and Corporations Act 2001

(The Sponsored)

WHEREAS The Sponsor has agreed to provide sponsorship in accordance with this agreement.

AND The Sponsored has agreed to provide services in return for the sponsorship.

This Agreement provides:

1. The Sponsor will provide the following sponsorship to the Sponsored:
Details of Sponsorship [If insufficient space annex details]
 - Money (here detail the sum of any monies to be paid to the Sponsored)
 - Support (here detail all support services including the value thereof to be supplied to the Sponsored)
2. The Sponsored will provide the following services to the Sponsor: [If insufficient space annex details]
 - Services (here detail all services including their value to be supplied by the Sponsored in return for the sponsorship)
3. It is hereby acknowledged that:
 - (a) The Sponsored will issue a recipient created tax invoice to the Sponsor to meet Goods and Services Tax obligations in relation to the supply of money and for support;
 - (b) The Sponsor will issue a recipient created tax invoice to the Sponsored to meet Good and Services Tax obligations in relation to the supply of services.

DATED this _____ day of _____ 20__

SIGNED AS AN AGREEMENT

SPONSOR

Full name of authorised officer

Signature of authorised officer

Signed in the presence of



SPONSORED

QUEENSLAND RACING LIMITED

Full name of authorised officer

Signature of authorised officer

Signed in the presence of



Minutes of
Queensland Racing Limited
Board Meeting



Friday 13 April 2007

Board Room, Queensland Racing
Racecourse Road, Deagon

Meeting Commenced – 9.05am
Meeting Concluded – 3.11pm

Board	Bob Bentley –Chairman
Directors	Tony Hanmer – Deputy Chairman
Present:	Michael Lambert
	Bill Andrews
	Bill Ludwig
Management /	Malcolm Tuttle – Chief Operations Manager
Employees	Adam Carter – Finance Manager
Present During	Darryl Kyle – Business Analyst
Various Items:	Paul Brennan – Racing Services Manager
	Andrew Hedges – Director Integrity Operations
	Reid Sanders – Chief Steward
	David Rowan – IT & T Manager
Minutes:	Kelly Skuse – Board Secretary

The Chairman commenced the meeting at 9.05am.

SECTION 1 – STANDING ITEMS

1.1 Apologies

There were no apologies.

1.2 Additional Declaration of Conflicts of Interest

There were no additional declarations of Conflicts of Interest. The Board **NOTED** Attachment “A”.

1.3 Confirmation of Minutes of Queensland Racing Limited BM#8 on 2 March 2007

The Board made the following amendments to the minutes:-

Item 2.2 – Wagering Report – January 2007 (Page 5)

- In the third dot point the word “of” be changed to “is”. This dot point to now read:-

“The Product and Program Fee is \$3.2M (+5.95%) ahead of budget and \$3.94M (+7.4%) better than the year to date January 2006 result.”

Item 3.4 – Request for Steward Punishment Mitigation - Spriggs (Page 7)

- In the motion, the word “*exceed*” be changed to “*accede*”. The motion to now read:-

“That the QRL Board do not accede to the request, based on the seriousness of the offence and the fact that Mr Spriggs had appeal rights which he chose not to exercise.”

Item 4.2 – Update on gold Coast Turf Club Relocation (Page 8)

- In the last paragraph the word “*who*” be deleted and replaced with “*which*”. The paragraph to now read:-

“The Chairman advised the Board that he and Mr Tuttle will be meeting with the company, Habitat Pty Ltd, which represent the owner of the parcel of land adjacent to Palm Meadows and the main railway line.”

Item 4.3 – Racing Information Services Australia (RISA) (Page 9)

The following amendments were made (changes are shown by underlining):-

Mr Lambert updated the Board in relation to RISA.

Mr Lambert advised that the RISA Board had already approved the entry of Queensland to RISA in November 2006 and the necessary documentation had been executed. The motion had stated that any issue about a change in the constitution of RISA should be addressed after the entry of Queensland into RISA. The position was supported by all RISA Board members that unless there was a rescission motion then Queensland is a member. Mr Peter V’Landys, Chief Executive Officer from Racing NSW was not present at this meeting and is opposed to Queensland’s entry into RISA, without first amending the constitution.

Mr Lambert advised that in accordance with the constitution a motion does not become binding unless both NSW and Victorian RISA shareholders agree.

Mr Tuttle advised that he has spoken with Mr Stephen Allanson, CEO of Racing Victoria Limited who supports the position of QRL becoming a member of RISA.

The Chairman said that it was imperative that QRL protects its rights on this issue as the proposal by NSW diminishes Queensland’s control over its assets in RISA.

Motion moved by Mr Lambert, seconded by Mr Andrews: -

That the QRL Board Meeting Minutes of 2 March 2007 with the above amendments be received and confirmed.

Carried

1.4 Action Sheet

The Board NOTED the action sheet.

1.5 Correspondence for Noting

The following correspondence was tabled at the Board meeting:-

Date of Letter	Date Received / Sent	From / To	Subject
3 April 2007	3 April 2007	From: Stephen Ferguson Chief Executive QTC	Dams, Stables, Tunnels, etc.

SECTION 2 – COMMITTEE / EXECUTIVE REPORTS

2.1 Finance Management Report – February 2007

Present – Mr Tuttle, Mr Carter and Mr Kyle

The Board **NOTED** the finance report as presented by Mr Carter.

For the month ended 28 February 2007, QRL recorded a profit of \$872K down \$439K on budget and down \$100K compared to the month to date for the financial year 05/06.

Mr Carter advised that for the month of February 2007 the revenue was below budget due to the Product and Program fee being down \$649K on budget. Expenditure was down \$96K on budget mainly due to prizemoney pool transfers of \$277K.

It was reported that the year to date profit is at \$11.4M, up \$4.6M on budget and up \$4.6M on the 04/05 financial year mainly due to the increase in the Product and Program fees.

Given the strong growth in wagering in the first 8 months of the year, with an estimated 6.5% on the 05/06 financial year, and if costs remain in accordance with budget then a forecast profit of \$5M remains achievable.

The Chairman commented that the financials for the year were excellent and complimented the Finance Department for their efforts.

2.2 Wagering Report – January 2007

Present – Mr Tuttle, Mr Kyle and Mr Carter

The Board noted the wagering report.

In summary Mr Kyle highlighted the following:-

- The total wagering year to date is \$1.376 billion, with \$1.302 billion or 94.5% of the total figure from offcourse wagering.

- The February 2007 national thoroughbreds wagering was up \$77M on previous year with approximately \$34M contributed by Victoria, \$16M by Queensland and \$12M by NSW.
- The Product and Program Fee is \$2.5M (+4.2%) ahead of budget and \$3.94M (+6.6%) better than the year to date February 2006 result.
- Wagering on overseas product was \$2.95M for February 2007 and year to date \$23.62M.

Mr Kyle tabled comparative graphs highlighting the turnover of Betfair in comparison to Wagering on UNITAB and with Bookmakers for the period August 2006 to March 2007.

These graphs were **NOTED** by the Board.

SECTION 3 – ITEMS FOR DECISION

3.1 Budget 2007 - 2008 Initiatives (Version 1)

Present – Mr Tuttle and Mr Carter

This item was being carried over to the Strategy Meeting which was scheduled to take place on **Friday 25 May 2007**.

3.2 Purchasing Policy

Present – Mr Tuttle, Mr Carter and Mr Kyle

Mr Carter stated that as requested by the Board the Purchasing Policy required review.

The recommended changes to the purchasing policy:-

- Increasing the financial authority for the Chief Steward from \$2,000 to \$10,000 to ensure appropriate controls in line with the Director of Integrity Operations and approval of Integrity expenditure is appropriate.
- The Regional Stewards of Rockhampton and Townsville and the Steward in Charge in Toowoomba have their financial authority reduced from \$2,000 to \$500.
- The Production Camera Operator/Editor receives a financial delegation to \$2,000, which will be monitored by the IT & T Department to ensure expenditure is appropriate.
- The streamlining of preferred suppliers.
- Purchases over \$100,000 which previously required an open tender process will in future be subject to Board discretion as to the waiver of an open tender.

Motion moved by Mr Hanmer, seconded by Mr Lambert:-

1. *The approval of an increase in the Chief Steward's financial authority delegation from \$2,000 to \$10,000.*
2. *The approval of a decrease in the Regional Stewards and Steward in Charge in Toowoomba financial authority delegation from \$2,000 to \$500.*
3. *The approval of a financial delegation for the Production Camera Operator/Editor to \$2,000.*
4. *The requirement for an open tender process on contracts in excess of \$100,000 may be waived by the Board.*
5. *That the requirement for "individual acquisitions over \$10,000, a lease versus buy analysis must be undertaken before the item is added to the lease schedule and approved by the Finance Manager" be deleted.*

Carried

Motion moved by Mr Hanmer, seconded by Mr Lambert:-

That the Purchasing Policy presented with the above amendments be approved, effective immediately.

Carried

3.3 Update Mileage Rate for Cars

Present – Mr Tuttle, Mr Carter and Mr Kyle

Mr Carter advised that the purpose of this paper was to review the mileage rate per kilometre which QRL reimburses employees, full time and casuals, Appeal Committee members, Queensland Country Racing Scheme members and directors through the use of their own vehicle for business activities.

Motion moved by Mr Lambert, seconded by Mr Ludwig:-

That QRL adopt the Australian Tax Office mileage rate change from 66 cents to 69 cents per kilometre effective from Monday 16 April 2007.

Carried

3.4 Club Operational Subsidy Review

Present – Mr Brennan, Mr Carter and Mr Tuttle

Mr Brennan highlighted to the Board that the distribution system was undertaken in April 2005 to establish a more streamlined structure and payment process. The aim of the subsidy was to address the decline in prizemoney to owners.

Since the implementation of the system in April 2005, there have been numerous requests from TAB clubs for a further review of the scheme and QRL has undertaken a review in relation to the continued relevance of the scheme.

With the implementation of the new distribution scheme in 2005, QRL absorbed the costs of providing the core integrity services and clubs remained responsible for the provision and costs associated with all other services. With the appointment of QRL's Veterinary Surgeon full recovery of costs is currently under review for all TAB clubs, with this coming into effect from 1 July 2007.

Mr Brennan highlighted that following the review there was a deficiency in the subsidy provided to those Clubs who conduct mid-week TAB meetings, with it evident that these meetings did not provide any significant profit margins.

The Board **NOTED** the recommendations of the Racing Services Manager and Finance Manager and approved the operational subsidy for the financial years 2007 / 2008.

Mr Hanmer also raised the issue of QRL providing all integrity staff to race meetings. Mr Tuttle advised that he had requested that Mr Hedges and Mr Sanders consider this service and the impact to QRL and the industry.

Moved by Mr Lambert, seconded by Mr Hanmer:-

1. *Increase Club Operational subsidy payments to Ipswich of \$80,000.*
2. *Increase Club Operational subsidy payments to Rockhampton of \$80,000.*
3. *Increase Club Operational subsidy payments to Townsville of \$80,000.*
4. *Increase Club Operational subsidy payments to Mackay of \$20,000.*
5. *No increase in Non TAB Operational Subsidy.*
6. *Operational Subsidy for Townsville and Mackay to be reviewed with any changes to the TAB programme.*

Carried

Follow-Up:-

- ▶ The review of Club Operational Subsidy to be placed on the agenda for the Strategy Meeting on **Friday 25 May 2007**.
- ▶ Mr Hedges and Mr Sanders to consider a plan for QRL to provide all integrity staff to race meetings. This report to be provided to the Board once considered.

3.5 Ipswich Turf Club Development

Present – Mr Tuttle

Mr Tuttle advised that following a meeting with the Ipswich Turf Club (ITC) the Board consider approval to fund half of the next stage of the ITC master planning process which is projected to be \$60,000.

The Board **NOTED** the presentation prepared by *Winegate Properties* in relation to the development opportunities for the ITC.

Motion moved by Mr Andrews, seconded by Mr Hanmer:-

That QRL fund half of the next stage of the Master Planning process for Bundamba (in the order of \$30K).

Carried

3.6 Code of Conduct and Ethics

Present – Mr Hedges and Mr Sanders

Mr Hedges advised the Board that this document incorporated the changes that Mr Lambert had provided at the previous Board meeting on Friday 2 March 2007.

The Board considered the Code of Conduct and Ethics document and made the following amendment:-

- **Part 5 – Breaches**

In the second paragraph the words “a majority of” be removed. This sentence will now read:-

“Board members who breach statutory obligations or the provisions of this Code or their employment contract will be dealt with in a manner determined by the Board.”

Motion moved by Mr Lambert, seconded by Mr Andrews:-

That the Board approve the new Code of Conduct and Ethics document incorporating the above amendment.

Carried

3.7 Therapeutic Drug Research Grant

Present – Mr Hedges

The Board NOTED the report of the Integrity Services Manager.

Motion moved by Mr Andrews, seconded by Mr Lambert:-

That QRL allocate a grant for the research direct to the University of Queensland – Gatton Campus. The grant is the sum of \$25,000 per annum for three years, commencing June 2007, June 2008 and June 2009.

Carried

The Chairman, Mr Bentley, vacated the Chair.

The Deputy Chairman, Mr Hanmer, assumed the role of the Chair.

3.8 Alternate Racing Queensland (ARQ) Policy

Present – Mr Hedges and Mr Sanders

Mr Hedges advised that at the November 2006 Board meeting this draft policy was approved for consultation. Mr Hedges informed the Board that the extended consultation period occurred to ensure that all relevant stakeholders had adequate opportunity to provide input.

The Board **NOTED** that no feedback was received in respect of the policy.

Motion moved by Mr Ludwig, seconded by Mr Andrews:-

That the Board approve the Alternate Racing Queensland Policy as presented.

Carried

The Deputy Chairman, Mr Hanmer, vacated the Chair.

The Chairman, Mr Bentley, assumed the role of the Chair.

3.9 Bookmaking / Local Rules

Present – Mr Sanders and Mr Hedges

Mr Sanders advised that the purpose of this paper was to seek approval for the adoption of the amendments to the Local Rules pertaining to betting.

The Board considered the local rules.

Motion moved by Mr Ludwig, seconded by Mr Andrews:-

That the QRL Board approve the proposed changes to the Local Rules pertaining to betting.

Carried

The Chairman, Mr Bentley, vacated the Chair and left the meeting due to a conflict with the next item.

The Deputy Chairman, Mr Hanmer, assumed the role of the Chair.

3.10 Telephone Only Bookmakers

Present – Mr Sanders and Mr Hedges

Mr Sanders advised that this paper was to seek approval for the extension of telephone betting rules to allow for licensed bookmakers to operate a telephone betting service at race meetings away from their licensed club on race days.

The Board **NOTED** the list of requirements that a telephone only bookmakers must abide by.

Mr Sanders advised that telephone only bookmakers will be located in a room isolated from the main bookmakers ring and these bookmakers will be unable to take any face to face bets.

Motion moved by Mr Lambert, seconded by Mr Andrews:-

That the QRL Board approve the implementation of telephone only bookmakers at race meetings from 1 May 2007, in accordance with the following:-

- 1. Bookmaker must have a registered telephone and be approved as a multi-venue bettor.*
- 2. The bookmaker cannot accept cash or credit bets from punters in person on course.*
- 3. The bookmaker cannot accept bet backs from other bookmakers working in the ring except by phone.*
- 4. The bookmaker is permitted to bet back with other bookmakers through their approved phone only.*
- 5. The bookmaker can only accept bets within the vicinity of his allotted area.*
- 6. The bookmaker must deliver to the offices of the club or Betting Steward a copy of every entry made in the betting records at the conclusion of the meeting.*
- 7. The bookmaker will be bound by the same Australian Rules and Local Rules of Racing on the day as an oncourse bookmaker would.*
- 8. Telephone only bookmakers will only be able to operate in an area designated by the Club or Queensland Racing Stewards.*
- 9. Telephone only bookmakers will be liable for any fielding fees payable to the Club or Principal Racing Authority.*

Carried

The Deputy Chairman, Mr Hanmer, vacated the Chair.

The Chairman, Mr Bentley, returned to the meeting and assumed the role of the Chair.

3.11 Licensing Report

The Board **ADOPTED** the licensing report.

Motion moved by Mr Andrews, seconded by Mr Lambert:-

That the new licenses as presented to the Board be approved.

Carried

3.12 Queensland Racing Magazine Agreement

Present – Mr Rowan

Mr Rowan advised he had reviewed the contract with TMPC and was recommending to the Board that QRL renew its existing contract with The Magazine Publishing Company (TMPC) to produce the monthly magazine for a period of two years.

Mr Hanmer suggested that it is important that QRL achieve a revenue neutral status for the magazine as currently QRL pays TMPC \$20,000 (ex GST) annually to offset the costs associated with the production and distribution of the magazine.

Mr Hanmer also discussed with the Board the need to introduce the magazine to newsagencies and incorporate a further avenue with more advertising. This would of necessity require the front cover to be free of advertising.

Motion moved by Mr Hanmer, seconded by Mr Lambert:-

That QRL extend the contract with TMPC for a period of two years, with a plan to be in place by six months on how the magazine can achieve a revenue neutral status and be incorporated into newsagencies.

Carried

3.13 2007/2008 Prizemoney Schedule

Present – Mr Brennan

The Racing Services Manager presented the Board with a 2007/2008 prizemoney schedule.

The Board **NOTED** the content and approved the following for implementation on the 1 October 2007:-

Motion moved by Mr Ludwig, seconded by Mr Hanmer:-

That minimum prizemoney levels be:-

- *Metropolitan - \$45,000*
- *Provincial - \$8,500*
- *Country - \$4,750.*

The Magic Millions contribution to be:-

- *increased to \$970,000.*

Carried

3.14 Capital Works Contribution to Rockhampton Jockey Club

Present – Mr Brennan and Mr Tuttle

Mr Brennan requested the Board consider capital expenditure at Callaghan Park, Rockhampton in the sum of \$220,000.

It was **NOTED** that the Board had previously provided approval at the Board meeting on 1 December 2006 for a 50% contribution to the upgrading of the irrigation system at Callaghan Park, Rockhampton.

Mr Brennan confirmed that the total cost of the irrigation system and extended track works has been calculated at \$439,721. This amount was inclusive of the December approval.

Mr Brennan recommended that the Board contribute 50% to the project and ensure that the contribution is made within the 2006/07 financial year.

Motion moved by Mr Ludwig, seconded by Mr Hanmer:-

That QRL approve \$220,000 towards capital works at Callaghan Park, Rockhampton, being the total contribution payable by QRL and that the contribution be part of the 2006/2007 financial year.

Carried

3.15 Establishment of Water Strategy for Deagon Training Complex

Present – Mr Brennan and Mr Tuttle

Mr Brennan outlined that the current complex provides for training facilities up to 250 horses and there are approximately 50 horses stabled on course. In the 2005/2006 financial year the Deagon facility provided 1640 starters to Queensland race meetings.

It was highlighted that level 5 water restrictions came into effect on 10 April 2007, and due to the uncertainty surrounding the development of Deagon, the previous proposed projects had not been progressed.

Mr Brennan highlighted the three water storing options as follows:-

- The sinking of a bore at the facility
- The excavation of a 15 mega litre dam, and
- The installation of water tanks.

The Board were advised that QRL has been approached by the Minister to ensure all Race Clubs have a Water Efficiency Management Plan and that the Clubs are actively pursuing water savings.

Motion moved by Mr Ludwig, seconded by Mr Andrews:-

That QRL expend approximately \$250,000 in the 2006/2007 financial year on the installation of a water storage dam at the Deagon facility. A Project Manager to be engaged by QRL to oversee this project.

Carried

3.16 Review of Starter and Non Starter Fees

Present – Mr Brennan and Mr Tuttle

Mr Brennan advised he was recommending Board consideration for amendment to the current starter and non-starter fee structure.

Mr Brennan highlighted to the Board the list of non-starters fees payable on standard races. A comparison table of fee structures in New South Wales and Victoria with the fees currently charged in Queensland were **NOTED** by the Board.

It is proposed to increase the fees levied against those stakeholders who nominate and do not start and utilise the increased revenue through these streams to reduce the costs imposed on those stakeholders who start their horses.

Mr Brennan confirmed that the proposed increases were as follows:-

- Non Starters Fee up from \$44 to \$66 (incl. GST)
- No Rider Declared Scratching Fee up from \$99 to \$143 (incl. GST)
- Rider Declared Scratching Fee up from \$179.85 to \$225.50 (incl. GST)
- Rider Declared Scratching Fee with Vet Certificate (No Change).

Motion moved by Mr Hanmer, seconded by Mr Lambert:-

The QRL Board approve the revised fee structure (Attachment B) for implementation from 1 July 2007.

Carried

3.17 Allocation of Secondary Meeting on Magic Millions Day

Present – Mr Tuttle and Mr Brennan

The Board considered a letter of request by the Brisbane Turf Club for the allocation of a secondary meeting on Magic Millions day in preference to their allocated meeting on the first Saturday in January.

The Board considered the request but were of the opinion that Ipswich Turf Club should retain the date on economics and considering the effort the Ipswich Turf Club has put in to promote the day.

Motion moved by Mr Andrews, seconded by Mr Hanmer:-

That the Board approve the following race date allocations as proposed:

- *Saturday 5 January 2008 – Brisbane Turf Club (Secondary)*
- *Saturday 13 January 2008 – Ipswich Turf Club (Secondary)*

Carried

3.18 Update on Provincial Racing – Year to Date 2006/2007

Present – Mr Brennan and Mr Tuttle

Mr Brennan advised that he wished to brief the Board on a few issues that have arisen in relation to the performance of Townsville and Mackay TAB meetings during March and early April.

The figures tabled show a decline in the starter numbers, races held, and declining turnover.

Follow-Up:-

- ▶ *The Chairman advised that he required the Racing Department as a matter of urgency to recommend a strategy for future racing in North Queensland and if thought necessary recommend a reduction in TAB meetings.*
- ▶ *The Chairman and Mr Brennan to review the situation, discuss the matter with the clubs and report back to the Board at the next meeting on Friday 1 June 2007.*

SECTION 4 – ITEMS FOR DISCUSSION / NOTING

4.1 Metropolitan Race Club Merger Meeting

Present – Mr Tuttle

The meeting commenced at 10.00am and the Board were joined by the proposed Mergeco Directors as listed below.

The Chairman invited the nominated Directors of *Mergeco* to attend the Board meeting at 10.00am to meet the QRL Board Directors as the previous scheduled meeting was unable to take place.

The following nominated Directors were in attendance:-

- + Roy Beckerman
- + Lex Heinemann
- + Eddie Kann
- + Ian McGrath
- + Graham Milligan
- + Brad Ryan
- + Bill Sexton

An apology was received from Tony Williams.

Following a lengthy discussion the proposed Directors of *Mergeco* advised:-

- The current policy “*Metropolitan Racing – Brisbane*” is a major impediment to both Clubs, as both the QTC and BTC advised that their members do not agree with the inclusion of the sale of Doomben.
- The Directors of the QTC and BTC also advised that they cannot support the Metropolitan Racing Policy while the sale of Doomben remains a condition.

- Mr McGrath of the BTC advised that the BTC members will not provide him with approval to obtain due diligence and advance the merger while the sale of Doomben is a condition.
- Mr McGrath also advised that the Board of the BTC had been neutralised by a rally of members who had passed a motion that the Board of the BTC would not progress the matter unless agreement of the membership.
- Mr Sexton stated that there was a 90% probability of Queensland Turf Club members approving the merger if the policy was changed and Mr McGrath of the Brisbane Turf Club said he felt the probability was 50%.

The Chairman advised the Directors of *Mergeco* that the Board of QRL would discuss the policy and would advise by **4pm, Friday 13 April 2007** of their decision.

The meeting concluded at 11.00am and the proposed Mergeco directors left the meeting.

The Board considered at length the concerns of the *Mergeco* directors in relation to the condition of the Metropolitan Racing Policy requiring the sale of Doomben.

The Board also expressed their reservations that if they were to lift the conditions to sell Doomben that this would not necessarily appease those who are “*campaigning the cause of no change.*”

The Directors also noted that further legislative reform will be necessary to allow the Board to fulfil its functions of utilising industry assets to the best advantage.

Directors agreed that by lifting this condition to sell Doomben there would no longer be any barrier to a successful amalgamation.

The Board viewed the amalgamation as a necessity and it was imperative that QRL was not imposing any conditions that would impede a vote by the membership of both clubs.

The Board discussed conditions for lifting the sale of Doomben and agreed that the following should be the minimum requirement and that both Boards confirm their acceptance or otherwise in 14 days.

Motion moved by Mr Andrews, seconded by Mr Lambert:-

The Board of QRL has agreed to amend the “Metropolitan Racing – Brisbane” Policy to remove the reference to the sale of Doomben subject to the Brisbane Turf Club and Queensland Turf Club:-

- *Work cooperatively to settle all necessary merger documentation by the end of June 2007;*
- *Undertake the necessary due diligence by the end of June 2007;*

- *Actively promote to each membership group and other stakeholders the need to amalgamate;*
- *Actively refute, and where applicable in writing, any public statements designed to be a barrier to an amalgamation;*
- *Facilitate necessary forums designed to promote an amalgamation;*
- *As a matter of urgency, develop and publish a timetable for the amalgamation, which is to include a members' vote by not later than 30 September 2007;*
- *Each to meet the agreed capped amalgamation costs.*

Carried

4.2 Update on Gold Coast Turf Club Relocation

Present – Mr Tuttle

The Chairman advised the Board that he and the CEO had held discussions and presentations with the Board of the Gold Coast Turf Club (GCTC), the Gold Coast City Council and Gold Coast media during March and early April 2007. Subsequent meetings have also been held with the appropriate Government Departments.

All discussions have been extremely positive and the proposal enthusiastically supported.

QRL has received confirmation from the Board of the GCTC that they wish to proceed with the investigation of the shift from Bundall to Palm Meadows. The resolution of the GCTC Board was tabled:-

1. It was resolved unanimously that the Proposer of the concept scheme be granted six (6) months exclusivity to conduct their due diligence and feasibility.
2. If the results of the due diligence and feasibility conducted by the consortium were satisfactory to the Board of the Gold Coast Turf Club, the Board of the Gold Coast Turf Club would support the move to Palm Meadows. It was further agreed unanimously that after an information session to members and relevant parties the Board would ascertain the members agreement or otherwise to the move to Palm Meadows on the proviso that the result of the due diligence and feasibility were satisfactory to the Board of the Gold Coast Turf Club.

The option with Hungtat Worldwide Pty Ltd (Hungtat) for \$70 million for the purchase of Palm Meadows has been negotiated and signed by QRL by the Chairman and the Company Secretary with an expiry date of 31 August 2007. This option to purchase is to be circulated to the Board, once signed by Hungtat.

Costs incurred to date are approximately \$75K.

QRL has committed the cost of a mail out of the proposal to the Gold Coast Turf Club membership.

These costs are consistent with the support for the amalgamation of the QTC and BTC that were provided to the QTC and BTC for their amalgamation and are not recoverable.

The Chair advised that he will be required to sign a non-binding Heads of Agreement with the consortium in the coming weeks. The non binding agreement advises that QRL will commit up to \$35 million in equity if all conditions are met and the project proceeds to finality.

The Chair stressed that the proposal currently being formulated proposes no risk to QRL or the Gold Coast Turf Club.

A proforma presentation that is intended for the GCTC was shown to the Board.

Follow-Up:-

- This option to purchase is to be circulated to the Board, once signed by Hungtat.

Approval to Sign Heads of Agreement

The Chairman sought approval from the Board for himself and the Company Secretary to sign the Heads of Agreement document.

Motion moved by Mr Hanmer, seconded by Mr Ludwig:-

That the Chairman and the Company Secretary proceed to sign the non-binding Heads of Agreement document with the Eureka consortium.

Carried

4.3 Racing Information Services Australia (RISA)

Present – Mr Tuttle

Mr Lambert updated the Board in relation to RISA and confirmed the support that there should be no lessening of control of QRL assets in RISA.

The Chair advised that he had been negotiating with Racing NSW in an endeavour to resolve the issues but QRL is insisting that the voting arrangements must comply with the original arrangement of 75% of eligible votes, being NSW, Victoria and Queensland or NSW, Queensland and two other non Queensland members.

Mr Lambert advised that he attended the last two meetings of the RISA Board and he was only able to do this as an observer and not as a member.

It was confirmed that until RISA resolves the situation with QRL, we will not participate.

4.4 3-5 year Strategy 2006 / 2007 Business Plan Update

Present – Mr Tuttle

Mr Tuttle advised that the purpose of this paper was to provide to the Board an interim update on the 2006/2007 Business Plan.

The Business Plan was **NOTED** by the Board.

4.5 Synthetic Track Government Funding

Present – Mr Tuttle

Mr Tuttle updated the Board in relation to government funding for the installation of synthetic tracks in South East Queensland.

The Board **NOTED** the further information that is required by the State Government in order for QRL's application for Government funding to be considered.

Follow-Up:-

- ▶ In the near future, management will be required to recommend to the Board the appointment of a consultant to prepare the business case and work closely with State Development to ensure that all of the financial and economic information is provided as a matter of urgency.

4.6 Strategy Meeting

Present – Mr Tuttle

Mr Tuttle advised that he recommended to the Board that they set aside a day for a strategy meeting for both Board Directors and Management.

Mr Tuttle stated that the strategy meeting would discuss QRL's three to five year strategy, with a view to developing a Strategic Plan.

The Board confirmed that the date for the Strategy meeting would be **Friday 25 May 2007**.

Follow-Up:-

- ▶ Mr Tuttle to link up with the Board Directors to confirm the format of the Strategic Meeting.

4.7 Owners Initiative Survey Results

Present – Mr Rowan and Mr Tuttle

Mr Rowan advised that the purpose of this paper was to provide to the Board a copy of the survey results on the Queensland Racing owners' initiative.
The Board **NOTED** the paper.

Follow-Up:-

- Mr Rowan to forward a copy of the Board paper to the Owners' and Breeders' Association for their information.

4.8 Sunshine Coast Racing Pty Ltd

Present – Mr Tuttle

The Chairman updated the Board in relation to Sunshine Coast Racing Pty Ltd.

The Contract of Sale for Corbould Park is before the Minister for approval. An application for Stamp Duty relief will be forwarded to the Treasurer.

The Trust was currently interviewing perspective applicants for the Project Manager's position for the redevelopment of Corbould Park. The Chairman advised that he also had a scheduled meeting with the mayor on **Wednesday 18 April 2007**.

The construction of the synthetic track at Corbould Park was progressing and work was expected to commence in early July 2007.

The Board **NOTED** this item.

4.9 Cairns Jockey Club Update

Present – Mr Hedges and Mr Tuttle

Mr Hedges advised that he wished to update the Board in relation to issues surrounding the Cairns Jockey Club.

Mr Hedges reported that the Chairman had visited Cannon Park Racecourse on 23 February 2007 and noted that there were considerable repairs, maintenance and capital works being conducted by the Club.

During the Chairman's visit to the Club he highlighted that Mr Hedges would be investigating the appropriateness of their proposed governance arrangements, and details of the donations should be appropriately recorded.

The Chairman advised that he had written a letter to the Crime and Misconduct Commission and requested that executive management keep a close watch on all activities at Cairns.

It was also requested that the Club outline to QRL how it intends to repay its debt to QRL. Mr Kyle and Deloitte are travelling to Cairns in April 2007 to conduct an audit on the Club with a report to be furnished to the Board.

The Board **NOTED** the report from Mr Hedges.

In addition, Mr Hedges tabled the Business Plan, to each Board member.

Follow-Up:-

- ▶ Mr Hedges to prepare an executive summary with recommendations on the Business Plan provided by the Cairns Jockey Club in conjunction with the Finance and Racing Departments.
- ▶ Mr Hedges to advise the Cairns Jockey Club immediately that the social club outlined in the Business Plan is not to be commenced, until the appropriate investigations have been carried out.

SECTION 5 – GENERAL BUSINESS

5.1 Next Meeting – 4 May 2007

The Chairman confirmed that the next Board meeting would take place on **Friday 4 May 2007**.

The meeting concluded at 3.11pm.

Confirmed as a true record.

R.G. Bentley

Chairman

Dated...../...../2007

ATTACHMENT “A”

Mr Bob Bentley

Director of UNiTAB Limited

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

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Bill Ludwig

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

Mr Bill Andrews

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