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**QUEENSLAND  
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Treasurer  
*Queensland Government, Treasury*  
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(Hand delivered and posted)

Dear Minister 

Following the article published in the Sunday Mail under the hand of Mr Sinclair (copy **enclosed**), I have taken the opportunity to examine and refute the illogical statements that have been printed on a simple matter of a change to the Queensland Racing Limited (QRL) Constitution to simplify and enhance the ongoing management of the Industry.

The changes proposed have been circulated to industry stakeholders and all dealings are in accordance with the *Corporations Act*. There is nothing underhanded about the changes proposed and the industry will vote on the changes through the shareholders. The changes can not be affected unless there is a clear democratic majority of the industry voting in favour. The decision to seek an extended term was properly considered, the projects underway and the requirement for further rationalisation requires a period of stability. The current Board composition incorporates the skills needed to bring these projects to reality.

The Board seeks these changes for an extended term in the knowledge of disruption that accompanies elections in this Industry. Recent examples can be witnessed with the Queensland Turf Club (QTC) and Brisbane Turf Club merger, the dumping of the Vice Chair of the Gold Coast Turf Club and the bitter infighting at the Board elections at Cairns and Mount Isa. If we cast our minds back to the election of the first Board in 2002, the disruption for two years, two inquiries at a cost to the industry of \$3M, cost to the Government of \$5M and the opportunity lost with the Industry at a standstill.

The underlying issue was who was on the Board and where and who had the control. I suggest that nothing has changed, the same players who were actively disruptive then, are equally destructive today.

The then Minister Robert Swarton, at the conclusion of the inquiry said:

*"What we have here Mr Speaker is the most extensive inquiry into racing ever conducted in the history of this State".*

Mr Daubney (SC) and Mr Rafter (SC) in summing up their inquiry in the section, "seeing beyond this enquiry" are quoted:

*"Nor were we blind to the fact that the inquiry was operating in the context of a unique industry, serving a popular sport, populated, in part at least, by characters of Runyonesque proportions".*

The simple reality was that this inquiry was established in the context of an industry which has long been the subject of controversy and the scene of trenchant infighting. Some 10 years ago Ian Tenby (QC), when compiling his review of thoroughbred industry of NSW wrote:

*"A visit by review members to Queensland demonstrated that there is residual ill feeling between individuals and groups, based partly on resentment by many of perceived political interference in industry affairs, partly on differences in Philosophy between the former established interests and those they see as the interlopers now in control, and partly on personal dislikes which in some cases amount to loathing".*

Mr Daubney (SC) went on to say:

*"Everyone has there own opinion on every issue in the industry of each person who laments the passing of the "old ways" there is another who applauds Innovation".*

QRL has a unique structure and I am unaware of a like organisation. QRL, as a control body operates under the Corporation Act and in addition, has restrictions and obligations placed upon it by the *Racing Act 2002*. QRL is not funded by the Government, it survives by making best use of the assets available to it and makes commercially focused decisions. The stakeholders, owners, trainers and jockeys, are not shareholders as in a publicly listed company receiving dividends, but derive their livelihoods from the success or otherwise of the industry. The decision making process is transparent, but by the very structure of the industry, outcomes are never universally popular and at any given time some section of the industry is at odds with the Control Body.

Turning to the newspaper article, and having regard for the current background, one can see what drives this uninformed comment. The inference is that if the Board changes, then there will be a different focus and decision making will change. This is possible if the Directors have a club-insular agenda, not a whole of industry focus.

The rationalisation of the country racing schedule for the 2009/2010 year is underway. As I recently advised at our last meeting, the new model will not accept the full responsibility for the provision of community racing events.

The QRL Board drive must be on the sustainability of country racing through strong Regional centres. This decision is unpopular with politicians in regional areas and currently there is a considerable amount of dissatisfaction being expressed by the country racing shareholders, through their parliamentary members. Mr Sinclair is a strong advocate for country community racing. The issue of the redevelopment of Eagle Farm is also high on Mr Sinclair's agenda and the development of oncourse stables. The Board of QRL has advised the QTC Committee that the Board of QRL will not support the construction of oncourse stables infield at our premier, heritage listed, racecourse. QRL has recognised the need to upgrade stabling facilities in South East Queensland and is moving to do so.

Media rights are currently up for negotiation and QRL has advised the clubs that the industry must negotiate as a united group and amalgamate their rights under QRL. This is not taking over club rights instead it is amalgamating to get the best collective deal. The forgoing issues have focused attention on the Control Body's need to give direction and unfortunately the agenda of some clubs does not align with the best interests of the Industry stakeholders and QRL.

QRL has a Chief Operations Manager, who is extremely competent and hard working, and a newly appointed Director of Integrity Operations, due to start next month. The approved Control Body does not provide for a Chief Executive Officer, and it is under this structure that QRL holds a licence. The structure is superior to the Control Body structure in either NSW or Victoria both of whom are shackled to the club representation model of a past era, a structure that Mr Sinclair and the QTC openly support.

The Board members of QRL are anything but compliant as alleged in the article. Mr Sinclair, along with Bill Carter, Gordon Nuttall and some members of the QTC Board, were all major players in urging the then Minister, Robert Swarton, and the then Premier, Peter Beattie, to commission the Daubney/Rafter inquiry in 2004. Obviously, Mr Sinclair and others have not bothered to read the Daubney/Rafter Report. Some members of this cartel are mentioned in the Daubney/Rafter Report. It is also understood that this cartel is no longer as close to Gordon Nuttall as it once was. The accusation that Mr Sinclair makes in his article "a compliant board of four fellow Directors" is the same misleading information that was brought to the inquiry. In brief, and I quote from Commissioner Daubney's report on page 138:

*"Nor is there any cogent suggestion that the Board Members were suborned by Bentley; to the contrary, the evidence disclosed a number of instances when the Board members overruled, or even chastised him".*

The reference to the Control Body owning the Sunshine Coast Turf Club (SCTC) is not correct. This issue has been clarified on more than one

occasion. QRL owns the freehold in a joint venture with the SCTC through a Trust Structure. QRL in no way benefits from the allocation of race dates or prizemoney. The SCTC pay a lease fee for the use of the asset that is not tied to profit. The recent race meetings conducted on the cushion track with increased prizemoney is a marketing awareness exercise to encourage maximum participation prior to a regular schedule of meetings. Prizemoney at any club is for all stakeholders, there is no restriction to competition.

The voting system in QRL's Constitution is not unique, it is the same as any Board and it is not unusual for a Chairman to have a casting vote. However, as set out in the Constitution, the Chairman does not have a casting vote on this issue. For a change to be made, a 100% vote is required in support of the proposed change. The constitutional voting process has been passed by competent corporate counsel. The Board is asking the shareholders that cover the full range of stakeholders to cast a vote, for or against, a change in the Constitution. This is a normal democratic process and I would think that ethics practised by newspapers should adhere to the code and not try to distort facts to arrive at a journalist's view point. The QTC gets its opportunity to vote through the democratic process on an equal footing with other stakeholders.

The reference to intimidation is not in any way disguised by Mr Sinclair, however, the minutes of all Board meetings are available for inspection by your department at any time. The *Racing Act 2002* allows for any stakeholder who feels that the Board is overexercising its powers under the "Act" to make a complaint to your department. To my knowledge, there has not been a complaint of intimidating behaviour by the Board or its individual members. The reference to bribery is underhanded and not in keeping with fair journalism and does not give the journalist any credibility when making a statement of this kind. The reference is shaded by the lies and hearsay surrounding the commissioning of the Daubney/Rafter inquiry by former Minister, Robert Swarten.

In summary, there has been no promises made or favours given. I think it is a slur on all stakeholders that there is an accusation that they can be bribed or intimidated to cast what should be a democratic vote on a relatively simple issue, that is, a modification to the Constitution of QRL.

Yours faithfully



**R.G. BENTLEY**  
Chairman





# The power of one

## COMMENT

**Bart Sinclair**

BOB Bentley is Queensland Racing Limited. Bentley is the chairman, the de facto chief executive and aided by a compliant board of four fellow directors.

He works extremely long hours at QRL's Deagon bunker and in high-profile meetings around the state and nation.

The control body's staff know not to cross Bentley. And to stick to the song sheet at all times. This is not a story about Bob Bentley. Whether anyone is convinced he largely does a good job or bad is not an issue.

On May 30 senior Queensland racing officials will be asked to vote on a QRL recommendation to change its constitution to enshrine the incumbent board for a three-year extension to what is already a long spell in power.

It's important to appreciate at the outset of this debate that the current constitution was drawn up by this QRL board and foisted on the industry in 2006.

Bear in mind also, Bentley and two of the incumbents — Tony Hanmer and Michael Lambert — were appointed in 2002 and the other directors — Bill Ludwig and Bill Andrews — filled casual vacancies in December 2004.

Under the Racing Act of 2005 the board was given an unchallengeable right to their positions as the mem-

bers of the control body.

The QRL's constitution was then drawn up to allow for two designated members of the board to retire in 2009, two more in 2010 and the final member in 2011.

The proposed change to the constitution is for the present board to remain in place until 2012. The reason: "The need for continued stability of the board of directors of the regulatory body."

It could be argued a staggered departure over two years would offer stability and at the same time provide fresh ideas from — presumably — highly competent replacements.

This is standard practice at an overwhelming number of major public companies. Boards are regenerated on a regular basis but rarely all at once. Stability is matched with enthusiasm. Again the issue is not personal. So let's call the chairman of QRL Billy Bloggs.

Now Bloggsy has some rather interesting powers.

He effectively owns a race club (the Sunshine Coast Turf Club) and has the absolute power over the all-important matters of race date allocation, capital works spending and prizemoney distribution.

The constitution has a quaint voting system where the 16 stakeholders (TAB race clubs, country race clubs and the participant associations

of the trainers, jockeys, breeders,

owners and bookies) are classified as Class A members. Class B membership is the board of the QRL.

Each class has a single vote and in the event of a deadlock Chairman Bloggsy has the casting vote — except in three areas — including a change to the QRL constitution.

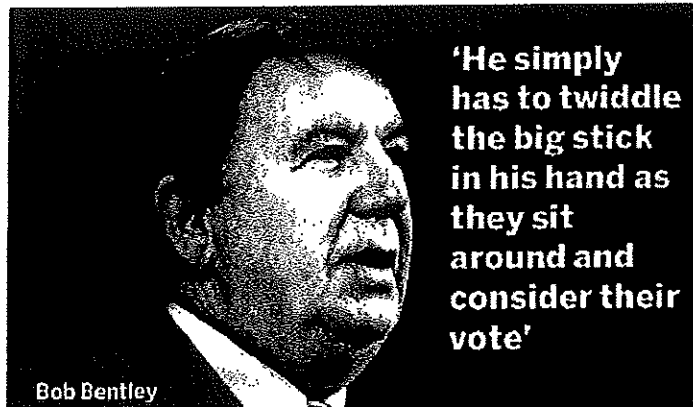
So Bloggsy needs the Class A vote in this matter to go his way for the board's unchallengeable position to be granted a three-year extension.

The 16 members of Class A are broken down to 13 votes. The two metropolitan race clubs get two votes each; other TAB clubs four; country racing two; and one each to the five participant bodies.

Bloggsy sits in judgment on all of these players at various times each year but particularly in the aforementioned key matters of race dates, capital expenditure and prizemoney allocation.

Bloggsy doesn't have to belt them to ensure they fall into line. He simply has to twiddle the big stick in his hand as they sit around and consider their vote. Perception of power is power.

So the chances are the majority of the 13 votes will go his way despite the fact the constitution in place — put there by this QRL board — provides by any test a fair time for the incumbents to rule. We'll watch with interest and see if the gang of 13 are about fair play or seeking an edge for themselves through Bloggsy.



**'He simply has to twiddle the big stick in his hand as they sit around and consider their vote'**

Bob Bentley

