



<b>Date:</b>	<b>23 July 2008</b>
<b>Board Meeting Date:</b>	<b>29 July 2008</b>
<b>Submission by:</b>	<b>Andrew Kelly</b>
<b>Subject:</b>	<b>CHIEF EXECUTIVE REPORT TO BOARD NO. 001</b>

## 1. ALBION PARK

### **Russ Hinze Stand**

At the time of writing, an engineer's report detailing the necessary remedial work options and costings for the short, medium and long-term occupancy of the Russ Hinze Stand had not been received.

An independent assessment put the cost in the region of \$6m, but this has not been confirmed in any documentation lodged with HRQ.

Any future occupational approvals and insurance coverage, even with remedial propping work, may be difficult given there are no original plans of the building.

### **Greyhounds Queensland**

Correspondence was received from Greyhounds Queensland (GQ) on 21 July 2008 and is provided at the end of this report for your information.

While it was pleasing to have confirmation in writing of the GQ position in relation to their circumstances and desire to depart Albion Park, the proposal of HRQ constructing a \$40m greyhound and administration facility at Logan in return for transferring the GQ one-half interest in Albion Park to HRQ is outrageous.

Discussions in relation to formalising a response will be held prior to the Board meeting where a verbal update will be provided.

## **Racing**

Harness racing returned to Albion Park on 19 July. A number of operational issues can be improved upon, as well as improved lighting at the finish post, a relocation of bookmakers to a position closer to the totes and possibly a members/committee area.

### **APRMC Chairman – for discussion**

Don Davies currently performs the role of Independent Chairman of Albion Park Raceway Management Committee. Given the change in entity from QHRB to QHRL, Don has asked if his current role should continue.

A discussion can be had on this topic at the meeting.

## **2. HENDRA VIRUS**

The Hendra Virus continues to be closely monitored by the DPI and Queensland Health. Multiple outbreaks a great distance apart are not uncommon, but the contraction by humans is a wider concern and generating media airplay.

There is no threat to racing, but it does continue to highlight the importance of practising good bio-security protocols on properties.

An interesting (and confidential) aside is the DPI policy requiring all horses who contract the Hendra Virus to be destroyed. Given this latest outbreak has resolved horses who are now fit and well, this policy is being reviewed.

## **3. SKY CHANNEL**

The Chairman of Albion Park, Warwick Stansfield and myself will travel to Sydney on Friday, 25 July to meet with Brendan Parnell and Eve McGregor from SKY Channel.

The following agenda will be discussed at a minimum:

- FTA TV rights for events
- Time lapse prior to vision being replayed
- HD television
  - o Timing

- Opportunities
- Broadcast restrictions (if any) on non-TAB product
- Friday night race dates for Queensland when Moonee Valley gallops race
- Update of how 2-way TV has been embraced in southern states
- General discussion about Albion Park and 2009 Watpac Inter Dominion

Warwick will discuss the Albion Park rights agreement.

A verbal update will be provided at the meeting.

#### **4. PRODUCT AND STRATEGY MEETING**

The Product & Strategy Committee is comprised of representatives from HRQ, QRL, GQ and UNITAB and Chaired by the Chairman of Product Co.

This group meet once a year to discuss both performance and strategy in a wagering sense. This year the attendees were Malcolm Tuttle (QRL), Darren Beavis (GQ), Barrie Fletton (UNITAB), Brad Tamer (UNITAB) and myself with Tony Hanmer (QRL) as Chairman.

The total year turnover performance was -0.3% which, on the back of Equine Influenza, was an outstanding result.

Given the market share majority of the gallops, much of the discussion centres around the QRL performance and strategies, however, of the twelve agenda items, HRQ provided four of them, sparking debate on combining the UNITAB, S-TAB and NSW TAB Pools; the introduction of interactive TV to UNITAB States, UNITAB position on the Victorian wagering licence and the "Gentlemen's Agreement" / Combating Corporate Bookmakers/ Race Fields Legislation.

Interesting points from the meeting were:

- QRL floating a response to a potential reduction in race meetings to fund prizemoney increases

- Poor performance of the 2008 Winter Racing Carnival (worst since 2000 due largely to wet tracks, skinny fields and a lack of interstate and NZ competitors)
- A new all-weather track for Toowoomba to be lit as well as the 'course proper'
- A review of the QRL wet weather policy which would see meetings transferred to the Sunshine Coast instead of being abandoned in certain circumstances
- UNiTAB have budgeted for at least 5% growth in wagering for 2008/09

## **5. RACE FIELDS LEGISLATION**

The NSW Government race fields legislation takes effect on 1 September 2008. This legislation paves the way for racing control bodies in that State to change a fee of up to 1.5% on wagering turnover to bookmakers, betting exchanges and wagering operators who conduct business on their product.

Racing NSW has already written to UNiTAB informing them of their intent to charge the full 1.5% product fee from 1 September. A discussion with Max Pool, Chief Executive of Harness Racing NSW confirmed he also will send such a letter to UNiTAB.

At this stage UNiTAB have explained to Product Co. that they will respond saying that they will not pay the fee. However, should the fee have to be paid, this will be passed onto the racing codes by way of deduction prior to UNiTAB paying the distribution percentages to each code.

A meeting with Mike Kelly from the Office of Racing (OOR) regarding the establishment of similar, but improved, legislation here in Queensland found the OOR was not particularly interested in introducing legislation.

Further discussion and an explanation that leaving the Queensland racing industry unprotected (unable to change a fee back) will result in a \$90,663 monthly loss to HRQ and some \$625,261 across the industry (per month) has prompted the OOR to obtain legal advice in relation to the legislation in other States as well as introducing to Queensland.

At the time of writing, the OOR had not had a response from their lawyers.

The Queensland industry is unable to sustain an impact of this magnitude, particularly if other States follow the NSW lead – Victoria and WA have legislation in place.

## **6. RWWA REASSESSMENT POLICY**

A moratorium on the reassessment of horses being cleared to Western Australia was implemented following HRQ and HRA correspondence highlighting the impact on horse populations and wagering, particularly in Queensland.

Ross Cooper has apologised on a number of occasions in relation to the policy which is being re-defined in line with National Handicapping discussion papers currently under review.

**ANDREW KELLY**

Chief Executive

