

Oaths Act 1867

STATUTORY DECLARATION

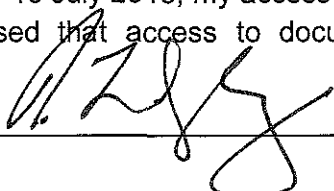
QUEENSLAND

TO WIT

I, Carol Anne Perrett, of [REDACTED] in the State of Queensland, do solemnly and sincerely declare that:

1. I have been employed in the Office of Racing, formerly the Racing Division since 1999. Due to machinery of government changes, the Office of Racing has been located in a number of government departments, with varying reporting requirements. I was appointed to the position of Director, Investigations and Compliance in the Office of Racing Regulation in approximately 2003.
2. The Executive Director, Office of Racing is responsible for the Office of Racing. The Office of Racing is comprised of two units, the Office of Racing Regulation and the Racing Science Centre.
3. The Office of Racing Regulation is a small unit consisting of the following positions:
 - Executive Director
 - Director, Investigations and Compliance
 - Four Principal Compliance Officers
 - One Principal Integrity Officer (Veterinarian)
 - One Project Officer (Administration).
4. The Office of Racing Regulation performs a range of functions, including:
 - provision of advice on racing issues to the chief executive and Minister;
 - preparation of Ministerial briefs and letters;
 - preparation of parliamentary and estimates briefs;
 - preparation of Cabinet submissions and briefs;
 - all work associated with developing amendments to racing legislation;
 - assessment of control body applications;
 - performance of legislative responsibilities under the *Racing Act 2002*;
 - liaising and supporting the Racing Animal Welfare and Integrity Board;
 - monitoring and liaising with the control body;
 - liaising with the Trustees of Parklands Gold Coast;
 - administering funding schemes, including the Racing Industry Capital Development Scheme and Training Track Subsidy Scheme.
5. On Tuesday 16 July 2013, my access to all Departmental documents and files was removed. I was advised that access to documents has to be sought by my legal advisers in

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accordance with the 'State Government Protocols for access to documentation to Inquiry witnesses'. Accordingly, this statement is based on information from my memory. If I had access to departmental files and my emails I would be able to provide more comprehensive responses.

1. CONTRACT MANAGEMENT AND FINANCIAL ACCOUNTABILITY (paragraph 3(a) of the Terms of Reference)

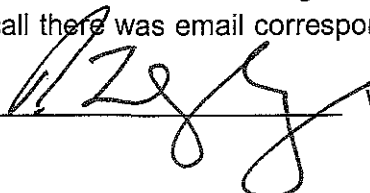
1.1 In respect of the procurement, contract management and financial accountability of the Relevant Entities during the Relevant Period what were the:

- (a) Policies
- (b) Processes
- (c) Guidelines:
- (d) Measures which were used to ensure contracts which were awarded delivered value for money.

Response

- 6. The financial accountability requirements for the control bodies that were statutory bodies (Greyhound Racing Authority, Queensland Harness Racing Board and Queensland Thoroughbred Racing Board) were contained in the *Financial Administration and Audit Act 1977* and the *Statutory Bodies Financial Arrangements Act 1982*.
- 7. Queensland Racing Limited (QRL), Queensland Harness Racing Limited, Greyhounds Queensland Limited and Racing Queensland Limited (RQL) were all subject to Corporations Act 2001 (Cth) requirements. All bodies were audited each year.
- 8. Since the commencement of the Racing Act 2002 (Racing Act) on 1 July 2003, a control body has been required to have the policies listed in section 81 of the Act. These mandatory policies are aimed at ensuring accountability, transparency in decision-making and good corporate governance. It should be noted that there are no mandatory policies regarding contract management or financial accountability. The government did not provide funding to the control bodies for infrastructure at the time section 81 was drafted.
- 9. In 2011, during the development of RQL's Beaudesert Business Case seeking funding under the Racing Industry Capital Development Scheme (RICDS), RQL was requested by the Office of Racing Regulation to amend its Purchasing/Procurement Policy to ensure it was more robust and in line with the Government's Purchasing Policy.
- 10. Guidance was provided to RQL officers to ensure the Purchasing/Procurement Policy addressed issues such as ensuring contracts which were awarded, delivered value for money. I recall there was email correspondence between me and Malcolm Tuttle CEO and

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Mark Snowden, Project Manager on what needed to be included in the policy. After the Purchasing/Procurement Policy was adopted by the Board of RQL, a copy was included in all business cases submitted by RQL seeking funding under the RICDS and RQL advised that it would be complied with.

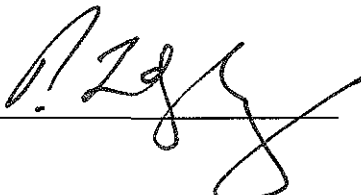
11. During the development of the Beaudesert Business Case by RQL, I had a number of discussions with Mark Snowden in relation to RQL's policies, processes and guidelines in which he advised that he was implementing processes and procedures for the awarding of contracts and spending of money provided to RQL under the RICDS. We discussed the need for transparency and accountability as public funds were to be provided and the funding scheme would be audited. He advised that until the government funding had been approved, RQL had not been prepared to spend the money to develop the processes and procedures. In my discussions with Mark Snowden he had indicated that he was setting up the systems and procedures to ensure that RQL complied with all accountability requirements and would ensure that RQL could demonstrate that all contracts awarded by RQL would deliver value for money. I did keep notes of some of these meetings. My notes have been provided to Crown Law.
12. Relevant documents are on the departmental Beaudesert RICDS file.

1.2 In respect of the policies, processes, guidelines and measures were they adhered to?

Response

13. I am not aware of any specific instances when the policies processes, guidelines and measures were not adhered to.
14. The business case seeking funding for the redevelopment of the racecourse at Ooralee Park, Mackay was approved by CBRC in July 2011. It was the first business case to be approved by government under the RICDS. CBRC also approved the immediate payment of the first instalment of funding.
15. When the Mackay business case was approved, RQL had a Procurement/ Purchasing Policy in place but it had not been updated as discussed in 1.1 above.
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16. The Mackay Business Case was approved as a matter of urgency by CBRC. This was due to the need for work to commence at Mackay to address workplace, health and safety issues and the likelihood that the Mackay Turf Club would lose its TAB race meetings if the works were not done.
17. A funding deed between the State and RQL was entered into.

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18. There were meetings I attended with Mark Snowden and officers from Treasury Department and the Office of Racing for the purpose of assisting in the preparation of RQL's business cases.
19. I believe RQL and the Office of Racing spent a number of months finalising the Beaudesert business case, however, I would need to refer to the departmental RICDS Beaudesert file to confirm the time spent.
20. Crown Law drafted funding deeds for the provision of funding under the RICDS to RQL for the Beaudesert Racecourse, Cannon Park at Cairns, Cronulla Park at Logan and the Gold Coast Turf Club at Bundall. The funding deeds included the requirement for RQL to undertake a tender process, however there was provision for approval of a variation to the stipulated tender process. These projects did not proceed as the incoming government requested that no action be taken until a new Industry Infrastructure Strategy was approved by the current Treasurer.
21. Relevant documents are on the individual departmental RICDS files, in particular the Beaudesert RICDS file. Copies of these files have been provided to Crown Law.

1.3 Events surrounding all contractual arrangements between the Relevant Entities and Contour Consulting Engineers Pty Ltd (Contour) including those contracts where Contour was contracted to manage contracts on behalf of the Relevant Entities.

Response

22. I have no direct knowledge of contractual arrangements between Contour and the Relevant Entities.

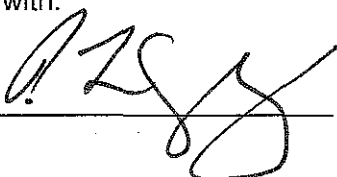
1.4 In respect of contracts which were entered into between the Relevant Entities and Contour:

- (a) Whether each contract was underpinned by procurement practices;***
(b) Whether, for each contract, payment policies and processes:
i. Were implemented; and
ii. Were adhered to.

Response

23. I have no direct knowledge of contractual arrangements between Contour and the Relevant Entities. I do not recall seeing any contracts between RQL and Contour.
24. I recall that RQL's Purchasing/Procurement Policy that was updated in 2011 was originally dated 2010. I have no direct knowledge of whether RQL's Purchasing/Procurement Policy was complied with.

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25. I recall that Mark Snowden and I had a number of discussions in which he advised that he was taking action to ensure that RQL's procurement processes were robust and that he was taking the necessary steps to ensure that Contour complied with all requirements. He supported RQL's Purchasing/Procurement Policy being updated to make the processes more robust.

2. MANAGEMENT (paragraph 3(b) of the Terms of Reference)

2.1 As to the Relevant Entities during the Relevant Period, the

- (a) management policies;**
- (b) management processes;**
- (c) management guidelines; and**
- (d) workplace culture and practices**

that were in place and whether each one:

- (a) ensured integrity; and**
- (b) was adhered to.**

Response

26. Section 81 of the Racing Act requires a control body to have a policy about the employment of staff that are not required to be licensed. A copy of the policies made by each control body would be available from the All Codes Racing Industry Board, trading as Racing Queensland.

2.2 The involvement of the boards or members of the boards of the Relevant Entities in the exercise of functions of:

- (a) the executive management team; and**
- (b) other key management personnel, including the company secretary and those involved in integrity matters.**

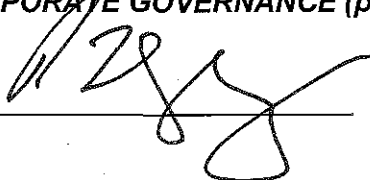
Response

27. Bob Bentley was appointed as the chair of the Queensland Thoroughbred Racing Board in 2002. He continued in the position of chair of QRL and then RQL until 2012.

28. When Mike Kelly was on leave, I acted in the position of Executive Director, Office of Racing. During periods of relieving, I would have almost daily telephone contact with Bob Bentley. As the majority of my contact with Bob Bentley was over the phone, I did not witness his interaction with the relevant executive management team, and other key management personnel, including the company secretary and those involved in integrity matters.

3. CORPORATE GOVERNANCE (paragraph 3(c) of the Terms of Reference)

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3.1 The corporate governance arrangements of Racing Queensland Limited in the Relevant Period.

Response

29. The initial directors of RQL were the five directors of QRL (Bob Bentley, Tony Hanmer, Bill Ludwig, Wayne Milner and Bradley Ryan), the chair of Greyhounds Queensland Limited (Kerry Watson) and the chair of Queensland Harness Racing Limited (Bob Lette).
30. Since the appointment of the initial members of the Queensland Thoroughbred Racing Board in 2002, the Office of Racing arranged for corporate governance training for the board members/directors and executive officers of the control bodies. The training was conducted by Barry Dunphy, Partner at Clayton Utz and on occasions an officer from the Crime and Misconduct Commission.
31. The Office of Racing also arranged for Clayton Utz to develop and present workshops on decision-making for the stewards employed by QRL, Greyhounds Queensland Limited and Queensland Harness Racing Limited.
32. Relevant documents including a copy of the workbooks and other material prepared by Clayton Utz and given to participants would be on the departmental files.
33. Pursuant to section 59 (now section 32D) of the Racing Act, the control bodies were units of public administration for the purposes of the *Crime and Misconduct Act 2001*.

3.2 Whether Racing Queensland Limited and its Officers operated and acted:

- (a) with integrity;**
(b) in accordance with the company's constitution;
(c) in the best interests of the company
(d) in the best interests of the racing industry;
(e) consistently with policies made pursuant to sections 81 and 83(2) of the Racing Act 2000 (2002) by the Relevant Entities which were current during the Relevant Period; and
(f) consistently with legislation including the Racing Act 2000 (2002) and the Corporations Act 2001.

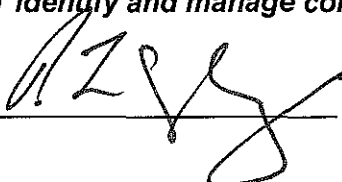
Response

34. I am not aware of any instances where RQL and its officers did not act in accordance with 3.2 (a) to (f).

3.3 In the Relevant Period were there in place policies, rules and procedures within Racing Queensland Limited to:

- (a) identify and manage conflicts of interest; and**

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(b) minimise the risk of directors and executives improperly using their position and information for personal or financial gain.

Response

35. QRL was required to develop a Code of Conduct as part of its application to be approved as the control body for the thoroughbred code of racing in 2006. An application process requiring the submission of a code of conduct was not undertaken when RQL became the control body for the thoroughbred, harness and greyhound codes of racing in 2010 as the appointment of RQL as the control body was effected by legislation (see the *Racing and Other Legislation Amendment Act 2010*). As all assets, liabilities and policies of QRL were transferred by the legislation to RQL, QRL's Code of Conduct would have been transferred to RQL. I am not aware if the Code of Conduct was updated.
36. The *Racing Amendment Act 2008* inserted section 60A into the Racing Act which requires an executive officer of a control body, who is the owner of a licensed animal to disclose specified information at a meeting of the directors of the control body. The control body must make the disclosed information available to any person on request.

3.4 Within Racing Queensland Limited during the Relevant Period were there in place terms of employment in contracts restraining former directors and executives from seeking employment with Racing Queensland Limited's contractors and suppliers.

Response

37. I have no knowledge of whether there were terms in employment contracts restraining former directors and executives from seeking employment with Racing Queensland Limited's contractors and suppliers.
38. The Office of Racing has never reviewed any employment contracts of control bodies and I was not aware of the terms of the contracts. The control bodies had the power to engage staff on lawful terms and conditions and this was not a matter that the government was involved in.

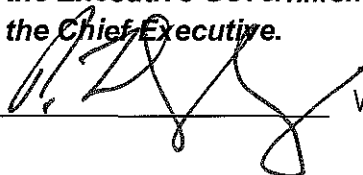
4. OVERSIGHT BY THE MINISTER, THE EXECUTIVE GOVERNMENT, THE CHIEF EXECUTIVE (paragraph 3(d) of the Terms of Reference)

4.1 Oversight of the operations of the Relevant Entities in the Relevant Period

by:

- (a) *the responsible Minister;*
(b) *the Executive Government; and*
(c) *the Chief Executive.*

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Response

39. Since the privatisation of the Queensland TAB in 1999, it was government policy that government involvement in the racing industry was limited to matters impacting on the integrity of the industry. This is reflected in the drafting of the Racing Act. Section 4(1) of the Racing Act has always stated that the main purposes of the Act are:

- a) to maintain public confidence in the racing of animals in Queensland for which betting is lawful; and
- b) to ensure the integrity of all persons involved with racing or betting under this Act; and
- c) to safeguard the welfare of all animals involved in racing under the Act.

40. The structure of the Racing Act, prior to the amendments inserted by the *Racing and Other Legislation Amendment Act 2012* which commenced on 1 May 2013, reflected that government involvement was limited to matters of probity and integrity. The Minister's power of direction was limited. Section 45 of the Racing Act (replicated in section 32C for approved control bodies only) permitted the Minister to direct the control body to make a new policy, review an existing policy, make rules of racing about a matter or review existing rules of racing. The Minister's power to give such directions was limited to circumstances where the Minister believed that the giving of a direction was necessary:

- a) to ensure public confidence in the integrity of the Queensland racing industry;
- b) to ensure the control body is managing its code of racing in the interests of the code;
- c) to ensure the welfare of the control body's licensed animals;
- d) to ensure the control body's actions were accountable and its decision-making processes are transparent; to ensure the control body's rules of racing have sufficient regard to the rights and liberties of individuals as mentioned in the *Legislative Standards Act 1992*, [section 4(3)].

41. Legal advice was obtained in relation to section 45 of the Racing Act. This advice will be on departmental hard copy files and in the legal advice electronic files in the Office of Racing directory.

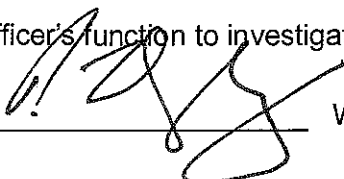
42. The responsibilities of the chief executive/Office of Racing Regulation under the Racing Act include:

- undertaking assessments of applications for control body approvals;
- receiving the control bodies' annual plan for managing its code of racing;
- conducting an annual assessment program that has been approved by the Minister under section 46;
- undertaking the functions of authorised officers under section 262.

43. The main function of an authorised officer under section 262 is to investigate and enforce compliance with the Act.

44. A compliance officer's function to investigate compliance with the Act includes-

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- a) monitoring each control body's activities for its code of racing about licensed clubs, participants and venues; and
- b) auditing each control body to assess whether the control body is complying with this Act, other than in relation to the welfare of licensed animals.

45. An integrity officer's function to investigate compliance with the Act includes-

- a) monitoring each control body's activities for its code of racing relating to the welfare of licensed animals;
- b) auditing each control body to assess whether the control body is complying with this Act, in relation to the welfare of licensed animals;
- c) auditing each accredited facility to assess whether it is complying with the conditions that apply under this Act.

46. The Executive Director, Director, Investigations and Compliance and the Principal Compliance Officers are appointed as both compliance and integrity officers. The Principal Integrity Officer is appointed an integrity officer only.

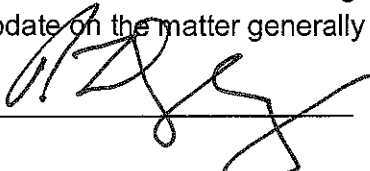

47. While formal investigations have always been a small part of the work undertaken by the Office of Racing Regulation, there has always been ongoing monitoring of the control bodies on a daily basis.

48. When issues arose that needed to be addressed, such as reporting animal welfare incidents, drug testing arrangements, increased consultation with stakeholders, the regulation of the control bodies was undertaken in an educative and conciliatory manner rather than by issuing of directions under the Racing Act.

49. The Office of Racing had systems in place prior to the commencement of the Racing Act in 2003 for regular reporting and communication with the control bodies. This continued over the years and worked well. The General Manager or CEO and Chief Steward of the control bodies would contact generally either me or Mike Kelly, but sometimes other officers on contentious/integrity related, animal welfare and other relevant issues. Depending on the issue, the chairs of the control bodies would also contact the Executive Director. If the Office of Racing became aware of an issue and had not been advised of the matter by the control body, we would contact the control body and ask for a report. If the Minister's office became aware of a matter, they would contact Mike Kelly or me for further information. We would then contact the control body for a report.

50. Shara Reid (nee Murray), the Legal Counsel for QRL would provide advice/an update on legal matters to either me or Mike Kelly. David Grace of Cooper Grace and Ward Lawyers, QRL's legal advisers would also provide advice and updates to either me or Mike Kelly and would provide any information that we requested.

51. When the control bodies were amalgamated in 2010, and RQL became the control body this process continued. If there was a legal matter, Shara Reid (nee Murray) would provide advice/an update on the matter generally to either me or Mike Kelly.

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52. David Grace continued to provide information/updates until Clayton Utz was appointed by RQL as its legal adviser. Barry Dunphy and, after Shara Reid (nee Murray) resigned, Michelle Hutchinson liaised with/provided updates and requested information to the Office of Racing.
53. Jamie Orchard, Director of Integrity Operations provided advice/updates on integrity related issues, Paul Brennan provided advice/updates on industry/club issues and Col Truscott, Country Racing Liaison Officer, located In Rockhampton, provided information in relation to country racing issues.
54. To enable the Office of Racing to monitor action taken by stewards, all steward's reports were emailed to Mike Kelly and me at the same time they are sent to other officers at RQL.
55. Oversight by Executive Government was by formal Cabinet/CBRC submissions that were drafted by the Office of Racing with considerable input from central agencies, in particular the Department of Premier and Cabinet and Treasury Department.

**5. EMPLOYMENT CONTRACTS: TUTTLE, ORCHARD, BRENNAN, REID
(paragraph 3(c) of the Terms of Reference)**

**5.1 The events surrounding the renegotiation of employment contracts in 2011,
for the following senior executives of Racing Queensland Limited:**

- (a) Malcolm Tuttle;**
- (b) Jamie Orchard;**
- (c) Paul Brennan; and**
- (d) Shara Reid (nee Murray)**

Response

56. I had no knowledge of the events surrounding the renegotiation of employment contracts in 2011 for Malcolm Tuttle, Jamie Orchard, Paul Brennan, and Shara Reid (nee Murray).

**5.2 The events surrounding the payouts made under the abovementioned
contracts on the voluntary termination in March 2012 of the employment of:**

- (a) Mr Tuttle**
- (b) Mr Orchard**
- (c) Mr Brennan**
- (d) Ms Reid.**

Response

57. I had no knowledge of the events surrounding the payouts made under the abovementioned contracts on the voluntary termination in March 2012 of the employment of Malcolm Tuttle, Jamie Orchard, Paul Brennan, and Shara Reid (nee Murray).

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5.3 The actions of the directors and senior executives of Racing Queensland Limited referred to in paragraph 5.1 and 5.2 hereof and:

- (a) the responsibilities;**
- (b) the duties; and**
- (c) the legal obligations of those persons.**

Response

58. The actions of the directors and senior executives of Racing Queensland Limited referred to in paragraph 5.1 and 5.2 hereof and the responsibilities, the duties and the legal obligations of those persons have been investigated by, and are the subject of a report by the Auditor General.
59. Shortly after the State election in 2012, when only three Ministers had been sworn in, I attended a meeting attended by Mr Tim Nicholls MP; Mr Geoff Seeney MP who at that time, had responsibility for a number of portfolios, including racing; Mike Kelly, Executive Director, Office of Racing; Tony Keyes and Gerard Sammon from Crown Law and Paul Levin, Ministerial Advisor.
60. The Office of Racing prepared a letter for the Minister's signature requesting the Audit General to conduct an audit under section 60 of the Racing Act. Mike Kelly liaised with the Auditor General on this matter. Documents regarding this matter would be on the departmental files.
61. The Audit General conducted an audit and provided a report to Parliament.

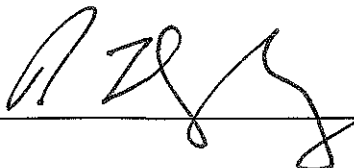
6. QUEENSLAND RACE PRODUCT CO LIMITED and TATTS GROUP (paragraph 3(f) of the Terms of Reference)

6.1 The operations of the Relevant Entities in the Relevant Period with respect to the arrangements between Queensland Race Product Co Limited (Product Co) and Tatts Group (formerly UNITAB) concerning fees paid by Tatts Group for Queensland wagering on interstate races through TattsBet (Fee Arrangements).

Response

62. The amendments to the Racing Act that empowered the control bodies to grant an authority and charge a fee to a wagering operator for the use of Queensland race information in the conduct of their wagering business, included section 113E(6) now section 113AF(6). This provision was included because it was acknowledged that TattsBet already paid a product fee to the control bodies through Product Co, which was significantly more than what it would be required to pay under a race information authority.

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63. The explanatory notes to clause 90 (section 113E(6)) of the *Revenue and Other Legislation Amendment Bill (No.2) 2008* state:

"This supports the purpose of the proposed amendments, which is to ensure that those whose revenue is derived from wagering on Queensland racing make a contribution to the cost of conducting racing in Queensland. For example, UNiTAB Limited currently pays the control bodies monies under an agreement referred to as the 'Product and Program Agreement'. Having considered this, the control bodies could decide the fee payable by UNiTAB Limited under section 3 of clause 113E is calculated by deducting the monies already payable by UNiTAB Limited under the 'Product and Program Agreement' from the fees which would otherwise be imposed under section 3."

6.2 How Product Co responded to the introduction of race information fees.

Response

64. The role of Product Co after the introduction of race information fees was to collect the fees on behalf of the control bodies.

65. A provision (section 113G) was included in the *Racing and Other Legislation Amendment Act (No.2) 2008* that provided an authorisation under the Trade Practices Act for two or more control bodies to enter into an agreement to appoint an agent to collect fees payable under race information authorities.

6.3 Whether there was legal or other expert advice obtained by the boards of the Relevant Entities as to the effect on the fees payable by the Tatts Group to Product Co as a consequence of race information fees being introduced.

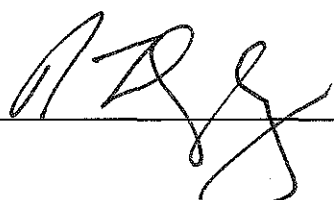

Response

66. I am aware that QRL obtained advice from its then legal advisors, Cooper Grace and Ward in regard to the Product and Program Agreement. A copy of that advice was provided to the Office of Racing and is on the departmental file.

6.4 Any action taken or not taken as a consequence of the legal or other expert advice and whether there were reasons for taking or for not taking action in accordance with the advice.

Response

67. I do not recall being advised of action taken or not taken as a consequence of the legal or other expert advice or reasons for taking or for not taking action in accordance with the advice.

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6.5 When the race information fees were introduced or at any other time in the Relevant Period, whether the directors and senior executives of the Relevant Entities acted in relation to the Fee Arrangements:

- (a) in good faith;**
- (b) consistently with their responsibilities;**
- (c) consistently with their duties and legal obligations;**
- (d) in the best interests of the company or companies of which they were directors or senior executives;**
- (e) whether the actions of the directors and/or senior executives of the Relevant Entities relating to the Fee Arrangements were influenced by a conflict of interest when the race information fees were introduced or at any other time in the Relevant Period.**

Response

68. I am not aware of any instances where RQL and its officers did not act in accordance with 6.5 (a) to (d) nor am I aware of any instances where their actions were influenced by a conflict of interest.
69. The legislation made it clear that the amount of the fee and how it was to be calculated was a matter for the control bodies and not a matter for government. Accordingly, the Office of Racing had no involvement in the setting of the fee.
70. Due to legal challenges to interstate race information legislation on constitutional grounds, Crown Law advice was sought at all stages of the drafting of the race information legislation, including the preparation of the drafting instructions, reviewing draft legislation and preparing the explanatory notes.

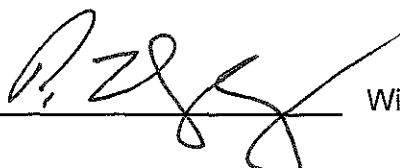
6.6 Whether, in relation to the Fee Arrangements, the directors and senior executives of the Relevant Entities used their position to gain a personal advantage when the race information fees were introduced or at any time in the Relevant Period.

Response

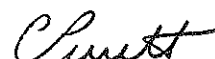
71. I have no knowledge of the directors and senior executives of the Relevant Entities using their position to gain a personal advantage when the race information fees were introduced or at any time in the Relevant Period.

7. FUNDS TRANSFERRED IN FEBRUARY 2012; QUEENSLAND GOVERNMENT TO RACING QUEENSLAND LIMITED INFRASTRUCTURE TRUST ACCOUNT in February 2012.

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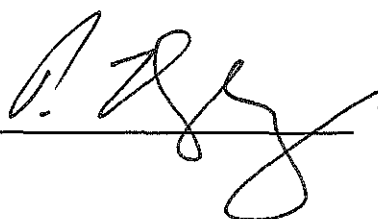


7.1 Events surrounding the approved transfer of funds by the Queensland Government to the Racing Queensland Limited Infrastructure Trust Account in February 2012.

Response

72. In 2009, the three control bodies, QRL, Queensland Harness Racing Limited and Greyhounds Queensland Limited submitted a document to government referred to as an Issues Paper, which outlined the need for infrastructure funding across the three codes of racing. Another document entitled 'A Case for Change' was also submitted to government that outlined issues in the industry. A copy of these documents is on the departmental files and was provided to Crown Law for the Commission of Inquiry.
73. It was the government policy position that the approval of government funding would be contingent on the three control bodies agreeing to the amalgamation of the three control bodies. Cabinet approved the drafting of amendments to amalgamate the control bodies and to facilitate the establishment of the RICDS.
74. Amendments to the Racing Act, the *Gaming Machine Act 1991*, the *Wagering Act 1998* and the *Wagering Regulation 1999* contained in the *Racing and Other Legislation Amendment Act 2010* that commenced on 1 July 2010 established the RICDS. The effect of the amendments was that from 1 July 2010 to 30 June 2014, approximately 50% of wagering tax collected by the government was to be used to fund the RICDS. While the former government announced that it would extend the funding for an additional year until 30 June 2015, the necessary amendments were not made. The *Racing and Other Legislation Amendment Act 2012* which commenced on 1 May 2013 extended the funding until 30 June 2015.
75. In 2010, RQL developed an Industry Infrastructure Plan (IIP) which was based on funding of approximately \$200 million.
76. RQL was asked by government to develop an IIP for the purpose of undertaking consultation with the racing industry prior to its consideration by government. A glossy IIP document was released by RQL in December 2010.
77. The former harness control body, Queensland Harness Racing Limited instituted Supreme Court action against RQL to prevent the sale of Albion Park.
78. As the Supreme Court action was delaying the progress of the IIP, RQL was asked by government in 2011 to develop a revised IIP on a smaller scale that did not require funding from the sale of Albion Park. RQL submitted a revised IIP to government which was approved by CBRC in July 2011. CBRC also approved a business case and funding for the redevelopment at the Mackay Turf Club.

Solicitor



Witness Signature



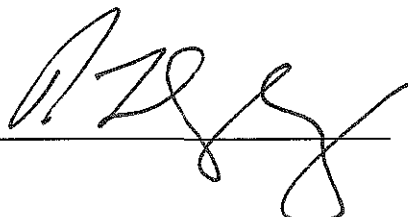
79. The Mackay Business Case was the first one developed by RQL as there was a need to urgently address workplace, health and safety issues. According to RQL, there was the likelihood that the Mackay Turf Club would lose its TAB race meetings if the works were not done.
80. The revised IIP included funding for the redevelopment of the Beaudesert Race Club, Cannon Park at Cairns, Gold Coast Turf Club, the development of a harness and greyhound racing venue at Deagon and some other venues.
81. The next business case that RQL developed was Beaudesert – see 1.2 above.
82. In January 2012, RQL submitted to government a further revised IIP as it had become clear that the Brisbane City Council would not approve the proposed redevelopment of Deagon racecourse from a thoroughbred training facility to a harness and greyhound racing venue. Accordingly, the development of a greyhound racing facility at Cronulla Park at Logan was included in the further revised IIP. Increased funding for various projects to include a contingency in the event of cost overruns was included. The further revised IIP was approved by Cabinet in late January 2012.
83. I provided feedback to RQL on business cases submitted by RQL.
84. The business cases for the Beaudesert Racecourse, Cannon Park at Cairns, Cronulla Park at Logan, the Gold Coast Turf Club, Rockhampton and Ipswich Turf Club were submitted by RQL to the Office of Racing. These were sent to Queensland Treasury Department for review and any feedback from Treasury Department was forwarded to RQL. These business cases did not include the increased funding for various projects approved by Cabinet in January 2012.
85. Without access to departmental files and emails, I am unable to provide any better details. Relevant documents are located on the departmental individual RICDS files and Racing Queensland IIP and RICDS files, electronic files held in the Office of Racing directory and emails between me and Mark Snowden and other RQL employees.

7.2 The basis upon which the transfer of funds was made.

Response

86. In February 2012, the Treasurer approved the payment of funding for Beaudesert Racecourse, Cannon Park at Cairns, Cronulla Park at Logan, the Gold Coast Turf Club and Rockhampton. He did not approve the business case or funding for the Ipswich Turf Club.

Solicitor



Witness Signature



87. Crown Law drafted individual funding deeds for the payment of the funding which were executed on behalf of the State and RQL. The funding deeds contained clauses that permitted the State to terminate the deeds for convenience without giving any reason.
88. The transfer of the funds was made on the basis that the IIPs were approved by CBRC/Cabinet, the business cases and payments were approved by the Treasurer and funding deeds drafted by Crown Law had been executed on behalf of the State and RQL.

7.3 Was any influence exercised by directors of Racing Queensland Limited in relation to having the transfer made.

Response

89. I am aware that there was correspondence from Racing Queensland regarding the transfer. Departmental files would have copies of that correspondence.
90. When caretaker period was approaching there was some urgency to have Treasury consideration of business cases finalised, and any approved payments made, as no action would occur during caretaker period.
91. I prepared a document entitled "Timelines" which contained full details of all relevant approvals and payments under the RICDS and is relevant to No 7. I provided a copy of the document to Crown Law on 12 July 2013 to provide to the Counsel representing the State at the Racing Commission of Inquiry.

8. ANY OTHER RELEVANT MATTER

8.1 Any other matter relevant to the Commission's Terms of Reference.

Response

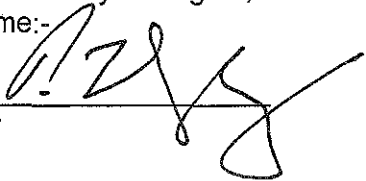
92. I have nothing further to add.

AND I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1867*.

DECLARED AND SIGNED at BRISBANE
this Second day of August, 2013.

Before me:-

Solicitor



Witness