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June 22, 2007

Mr Neville Stewart  
Chairman  
*Toowoomba Turf Club*  
PO Box 6037  
TOOWOOMBA WEST QLD 4350

Dear Neville

I am in receipt of your letter dated on June 21, 2007.

Firstly, it is recognised that you have a duty to your Club members and committee, as Queensland Racing Limited (QRL) has to the industry.

Firstly it is incumbent on me to correct an erroneous statement in your letter of June 21, 2007. QRL did not direct any employee of the Toowoomba Turf Club (TTC), yourself or the committee. In my letter of June 20, it clearly requests that for orderly, coordinated progress, any question on Cushion Track be directed through QRL. This is a reasonable request to ensure a consolidated approach rather than to give the impression that some sections of the industry simply run in their own direction, autonomously and in isolation to the Control Body. QRL has never, in the term of this Board, sought to give a direction under any circumstances, notwithstanding that it may do so as provided for in the *Racing Act, 2002*.

The reference to your racing secretary in my letter was in response to your statement to me that Mr Gavin McEvoy was making these enquiries without your knowledge.

Your telephone call on June 19, greatly disturbed me, as you claimed that you had in your possession both a fax and an email that contained serious allegations as to the suitability of Cushion Track for racing and training.

On June 19, I asked you on two separate occasions to send me the information you were holding to my home fax. You have sent confidential information to me on numerous occasions over the years knowing that this is a secure form of

communication. However, for some reason on this occasion you chose to provide only part of the information. I am at a loss to understand what information in the fax or email could be commercial in confidence between a club and the control body in relation to synthetic tracks. On the afternoon of June 20, you gave me an understanding that you would send the information that afternoon. When no information was provided I placed a further phone call to you. This call led to page 2 of the fax from Pro-Ride being provided with the first page being withheld.

The allegations as to the suitability of the cushion track made verbally by you and set out on page 2 of the fax are serious and if correct would make the cushion track entirely unsuitable. QRL is obviously concerned to ensure that the appropriate surface is selected and when you assert that you have an email from Mr. Martin Panzer, a person employed at Hollywood Park and a previous champion of Cushion Track, criticizing the surface I expected that you would have provided a copy of that email as requested to assist QRL in considering any allegations. After all, in your letter you assert that your Club has, "done everything it can to assist QRL in the synthetic track project and will continue to do so". Your recent actions in withholding information do not support the claim that you are doing everything you can to assist. Rather they could be interpreted as actions designed to destabilise the decision making process. It is also noted that despite my requests you still have not provided the information you claim to have.

I do not apologise for the tone of the official letter, as I expected, you, of all people to offer up this information in full. The situation conveyed to you was that QRL was preparing a contract for execution, and if you had any detrimental allegations in relation to Cushion Track QRL needed to have them in full immediately.

The information in the possession of the TTC did not need to be held up for a meeting. The information could have been immediately checked and investigated and discarded if incorrect.

You also assert that, "you consider QRL would be grateful in being provided the information we gathered during our investigation of possible options."

The information collected by the TTC would have been helpful and any concerns or problems brought to QRL's attention during the expression of interest period. The expression of interest period was conducted over six months, with an evaluation period of five months. There were no less than ten major international and local suppliers that submitted expressions of interest. If the TTC had been collecting information on synthetic tracks, it seems inconsistent that the allegations made on June 20, had not previously been evident. There was no previous comment from the TTC on the suitability of any supplier or product.

-- Cushion Track was always a contender for the contract as far back as September 2006, when the track was evaluated at Newmarket and trainer Gibbon's training centre at Lincolnshire.

There also seems to be concern over not being able to meet on June 20, a date offered up by the TTC. QRL endeavoured to accommodate the TTC on Wednesday, June 21, but at the time you were advised that a prior meeting had been organised

for June 21, with the Minister, at a time to be confirmed. Subsequently, the meeting with the TTC was postponed to July 4, so as to accommodate the meeting with the Minister.

QRL is well aware of the research work being undertaken at the USQ. QRL provided the entire seed funding at the TTC request to analyse the material content of synthetic track material. The work being undertaken by the USQ was never intended to complete with the established track manufacturers. The intention was to possibly produce a low cost solution for secondary tracks.

So as to be perfectly clear and that there is no confusion going forward, I repeat what I have told you previously.

The Queensland Government will provide \$12M of the projected \$18M costs for three synthetic tracks, subject to a comprehensive Business Plan being prepared by PricewaterhouseCoopers and paid for by QRL. QRL has identified, in our strategic plan, the need for four synthetic tracks. The offer of funding by the Government will be forthcoming on the approval of the Business Plan and the provision of documentation that will include, amongst other items, an audit of the evaluation process undertaken. The TTC can be assured that a comprehensive evaluation process has been undertaken and is ongoing and will form part of the submission.

QRL has, over the last three years, been concerned with the substandard training facilities and poor maintenance procedures of training tracks at TAB venues in South East Queensland. To help remedy this situation, QRL has previously set aside funds to install a synthetic race and training track at Corbould Park. This initiative is quite separate to the recent announcement by Government for financial support.

The synthetic track at Corbould Park will be open to all and will undergo vigorous evaluation before consideration of any offer to other clubs to install a synthetic track.

The TTC will no doubt appreciate that for the continuing success of racing in South East Queensland, a consistent all weather track surface needs to be installed at major venues. It is QRL's intention that if the Cushion Track meets or exceeds expectations, this will be the track surface offered for future installation.

QRL does not dispute that the Government gifted the freehold to clubs and they now contend that they own their own facilities under certain conditions under the Act.

The installation of a synthetic track to a club will be an offer, a synthetic track will not be installed against the wishes of the club. There will be no need for the Government to be involved. The track offer will be up to the club to accept or reject.

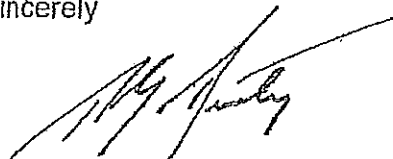
QRL will not support the situation of the clubs receiving funds and then being individually accountable for their actions, the club control of development funds in the past has not been satisfactory and will only result in a suboptimal outcome.

In closing, QRL did not negotiate Government assistance for a synthetic track at Clifford Park. QRL asked the Government for assistance to install synthetic tracks in South East Queensland for the future of the industry, water conservation and animal

welfare. The Attorney General, the Honourable Kerry Shine, submitted that Toowoomba be given strong consideration to be the recipient of a synthetic track. QRL agreed with this assessment and will proceed to work to have this installation offered, subject to due diligence.

I trust that this corrects any misunderstandings that the TTC may have and that a healthy working relationship between QRL and the TTC can be restored.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R. G. Bentley', written in a cursive style.

**MR R. G. BENTLEY**  
Chairman



# TOOWOOMBA TURF CLUB INC.

Clifford Park Racecourse

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Mr R G Bentley  
Queensland Racing Limited  
PO Box 63  
Sandgate 4017

By Facsimile: 07 3269 9043

Tuesday 03 July 2007

Dear Mr Bentley

I refer to your letter dated June 22, 2007.

You seek to "correct" an erroneous statement in my letter of June 21, by saying "QRL did not direct any employee of the TTC, yourself or the committee." No such statement was made in my letter of June 21; my comments were in response to your statement (20 June 2007) that you found it "extraordinary" that our race secretary would be making direct inquiries (into Cushion Track) without the knowledge of QRL. I find it neither extraordinary nor improper.

You say further "the reference to your racing secretary in my letter was in response to your statement to me that Mr Gavin McEvoy was making these enquiries without your knowledge." Simply not true. A re-read your letter of 20 June 2007 will confirm as mentioned in the previous paragraph of this letter, it was your assertion that McEvoy was making the enquiries without the knowledge of QRL that offended you.

You make a number of statements in regard to your request for information relating to Cushion Track including "on the afternoon of June 20, you gave me an undertaking that you would send the information that afternoon. When no information was provided I placed a further phone call to you." While the nature of the information gathered by our racing secretary was raised verbally with me on the day of our committee meeting (Saturday 16 June 2007), it was not discussed at committee level or in great detail. However, I thought it prudent to phone you on Sunday 17 June with the general nature of the information. I was not in possession of the written information and was out of town on personal business from Monday 18 June (pm) until late in that week. Following our phone calls on the morning of Tuesday June 19 I contacted Gavin McEvoy and asked him to fax the written information to you at your home fax number. Facsimile activity reports will show the fax was transmitted to you on Tuesday June 19 at 10.22 a.m. I am at a loss to understand how you claim to have not received the information and still requesting it by pm on June 20.

When the fax was sent to you there was a covering letter from the racing secretary to you stating that only the second page of the fax was being sent and outlining further information he had received from the Hollywood Park secretary. While the decision to fax only the second page of the fax was done without my knowledge, and by the initiative of the racing secretary, it was a judgement call by him that I respect. The

"Light years ahead of the rest"



reason for his decision was wording on the first page which said "Gavin, please do not publish any of these documents. They are for your information only."

Incredibly, you suggest that our actions "*could be interpreted as actions designed to destabilize the decision making process.*" I contacted you on Sunday June 17 so that the issue was raised at the earliest opportunity. It was always our intention to provide all relevant information gathered to QRL. To this end, we attempted to arrange a meeting on Wednesday June 20 between TTC and QRL (to be held in Brisbane for your convenience). Although you initially agreed to this meeting, you subsequently said you were too busy to meet with TTC until July 4. Considering the importance that you seem to place on the information, evidenced by your vitriolic correspondence, it is indeed peculiar that you would choose to postpone the meeting for such a long period of time. In doing so, and considering the efforts of the TTC to share the information, it makes your comments in regard to "designed to destabilize the decision making process" are completely unwarranted and offensive to this committee.

You say you do not apologize for the tone of your letter (20 June 2007). To any fair-minded individual, the tone of your letter would be seen as aggressive and unprofessional. The committee of the TTC is a non-paying position. Most committeemen are self-employed in high-pressure industries or professions. Our attempt to arrange a meeting with your officers in Brisbane on Wednesday June 20 involved considerable sacrifice by myself and other committeemen, but we regarded a meeting on this date to achieve the optimal outcome within the earliest possible time frame. Your response to our attempt to share information with you is indeed surprising.

You refer to the expression of interest and evaluation periods for synthetic tracks and state, "*There were no less than ten major international and local suppliers that submitted expressions of interest. If the TTC had been collecting information on synthetic tracks, it seems inconsistent that the allegations made on June 20 had not previously been evident. There was no previous comment from the TTC on the suitability of any supplier or product. Cushion Track was always a contender for the contract as far back as September 2006, when the track was evaluated at Newmarket and trainer Gibbon's training centre at Lincolnshire.*" The facts are that the TTC received very little feedback from QRL during the expression of interest period. It is news to us of the number of potential suppliers and we are still not aware of who they were. The information conveyed by me verbally to you on June 17 and by fax on June 19 was delivered within days of it being received by us and the enquiries by our racing secretary were only prompted after the media release by QRL announcing the acceptance of Cushion Track. To suggest that the club withheld information is incorrect, mischievous and inflammatory. The obvious forum for the sharing of information between the control body and clubs would surely have been regular meetings of the synthetic track sub-committee. Although QRL formed such a sub-committee over 12 months ago, to our knowledge, no meeting was ever called.

You state "*QRL is well aware of the research work being undertaken at the USQ. QRL provided the entire seed funding at the TTC request to analyse the material content of synthetic track material. The work being undertaken by the USQ was never*

*intended to compete with the established track manufacturers. The intention was to possibly produce a low cost solution for secondary tracks." QRL was not requested to be involved with work being carried out between TTC and USQ - it was invited. The "entire seed funding" was \$1,600. The QRL view that the work undertaken by the USQ was never intended to compete with the established track manufacturers is news to the TTC. Following our invitation to QRL to be involved with the project, an officer of QRL told a member of the USQ research department "not to have further discussions with TTC". This somewhat underhanded approach by QRL is seemingly indicative of the insular, non-consultative approach being taken by QRL.*

*You state, "QRL has over the last three years, been concerned with the substandard training facilities and poor maintenance procedures of training tracks at TAB venues in South East Queensland." TTC has received no communication over the last three years from QRL in regard to substandard training facilities and poor maintenance procedures of training tracks at TAB venues in SEQ - certainly not in relation to the Toowoomba Turf Club. We would be pleased to be informed of details of such issues concerning training facilities and maintenance procedures.*

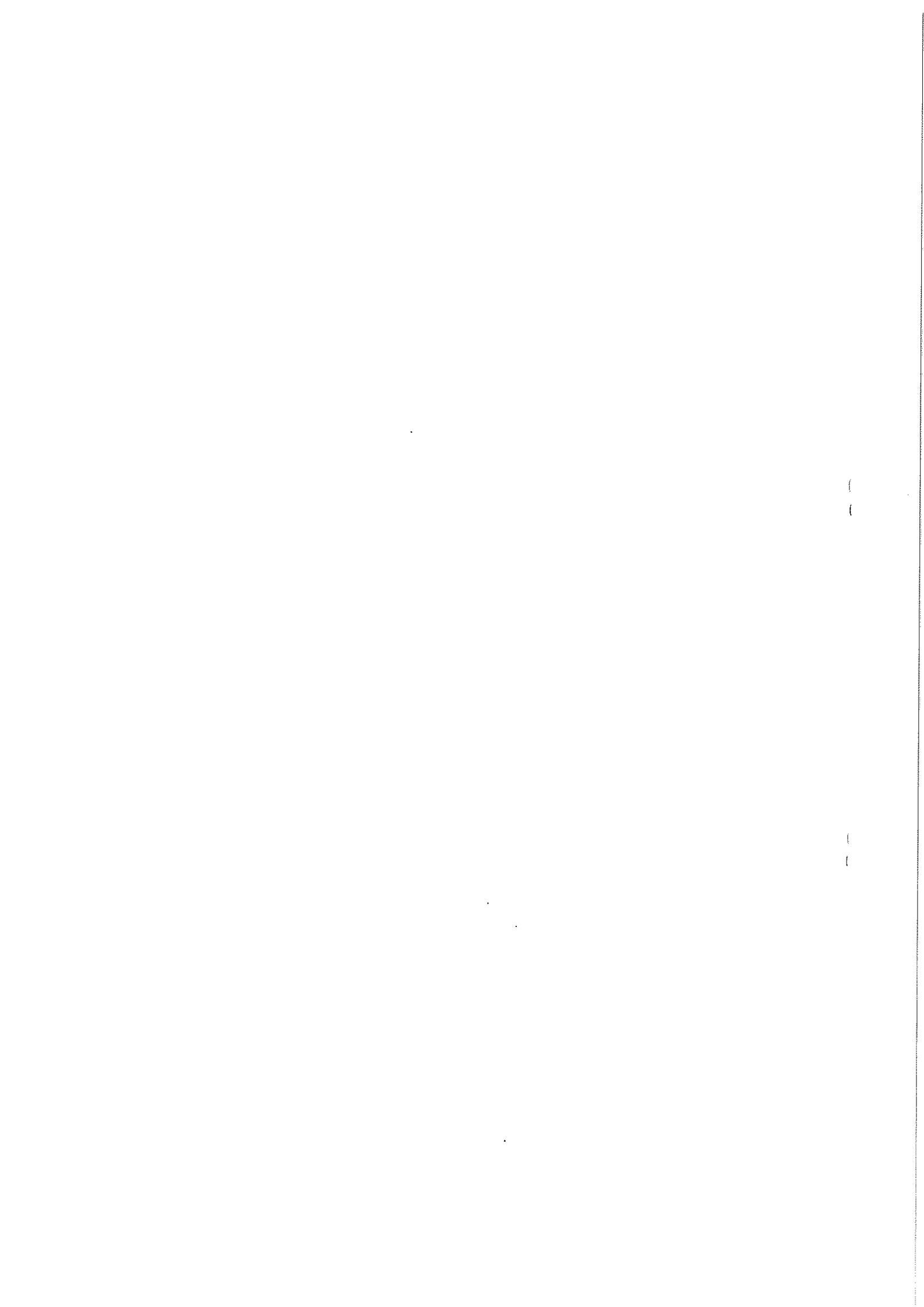
*Curiously, you choose to state, "QRL does not dispute that the Government gifted the freehold of racecourses to clubs and they now contend that they own their own facilities under certain conditions of the Act. TTC does not "contend" that it owns its own facilities at Clifford Park - it does. For your information, Clifford Park Racecourse was originally privately owned before being gifted to the State Government over fifty years ago.*

*Somewhat concerningly, you state, "The installation of a synthetic track to a club will be an offer and a synthetic track will not be installed against the wishes of the club. There will be no need for the Government to be involved, as the track offer to the TTC will be up to the club to accept or reject." This seems very much like an ultimatum being delivered to accept the decision made unilaterally by QRL without consultation and without the opportunity for any meaningful input from our club. Considering the number of stakeholders affected by this decision, we would have considered a more consultative approach to be in the best interests of the industry.*

Regards,



Neville C Stewart  
Chairman - Toowoomba Turf Club





SENT  
recd 4/7/07-ks  
FAXED  
3/7/07-ks



3 July 2007

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FACSIMILE: (07) 4633 1256 -- 2 pages

Dear Neville

**RE: YOUR CORRESPONDENCE DATED TUESDAY 3 JULY 2007**

Receipt of the above correspondence is acknowledged.

Whilst I do not intend to respond to the further claims made by you in the abovementioned correspondence, I am of the view that it is important to provide you with a further opportunity to provide the information from Mr Martin Panza, Racing Secretary of Hollywood Park, that you claim to have.

As such, you are again invited to provide this information so that Queensland Racing Limited (QRL) can be fully and properly informed in relation to any claim that involves the performance of Cushion Track.

For your information, both myself and Chief Stipendiary Steward, Mr Reid Sanders recently visited Hollywood Park and personally interviewed Mr Panza on Monday 25 June 2007 (USA time).

During the interview, Mr Panza stated the following in relation to the performance of the cushion track at Hollywood Park:-

- Field sizes are up in the order of 1 horse on average per race.
- Betting turnover has been increasing since implementation of Cushion Track.
- New owners and existing owners are sending horses to Hollywood Park from other racecourses to be trained on the Cushion Track.
- Kickback is no issue.

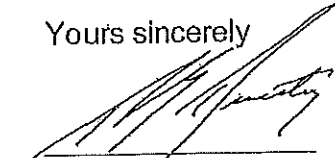
- Horse injuries have been reduced, this has led to horses racing for longer and increasing the number of horses in training.
- Cushion Track is a good surface.
- The overall maintenance required is minimal, in fact, over-maintenance can lead to minor problems.
- Whilst a minimal amount of water has been used on the surface during the early stages of implementation, the track had performed better without watering.
- Grooms and Jockeys had expressed their satisfaction with Cushion Track for both horse and rider.
- No jarring for riders, and less knee injuries as a result.
- The Cushion Track has had a fair workout with 3,000 horses currently working per day, 7 days a week, with all other associated vehicles and work ponies also on the track.

As will be discerned by Mr Panza's comments, he is more than satisfied with the overall performance of the recent Cushion Track installation at Hollywood Park.

Interviews with the Senior Management of Hollywood Park, Trainers, Jockeys and Track Work Riders confirmed the views of Mr Panza.

To reiterate, you are again invited to provide the material that you claim to have that is critical of Equestrian Surfaces', Cushion Track.

Yours sincerely



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**R.G. BENTLEY**  
Chairman

