

QUEENSLAND RACING
COMMISSION OF INQUIRY

AFFIDAVIT OF GERARD PATRICK BRADLEY

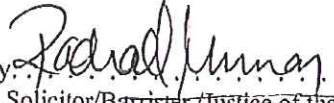
I, Gerard Patrick Bradley, C/o Crown Law, State Law Building, 50 Ann Street, Brisbane, Chairman of the Capital Markets Board of Queensland Treasury Corporation in the State of Queensland state on oath:-

Role

1. I was the Under Treasurer in the Department of Treasury during the relevant period, 1 January 2007 to 30 April 2012.
2. The position of Under Treasurer in the Department of Treasury (Treasury) is equivalent to the position of Director-General in other Government departments.
3. By way of contemporaneous context, I note that during the relevant period, the Government and Treasury were occupied with, amongst other issues, managing the State Budget during the period of the global financial crisis, state government asset sales, State revenue collection, insurance and natural disaster recovery and the roll out of the shared services initiative. Treasury's involvement with the racing industry was a minor part of my day to day work during this period.
4. In my role, I would be required to review a large volume of correspondence including Cabinet and Cabinet Budget Review Committee Submissions, with attached briefing notes and supporting documentation.
5. On average, I would meet with the Treasurer on a weekly basis (some times more often) to discuss Treasury matters. However, during the period when the Office of Racing was within Treasury, my Deputy Under Treasurer, David Ford would process relevant briefs for and meet with the Treasurer to discuss racing and gambling regulatory matters.

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Signed: . . .  . . .
Deponent


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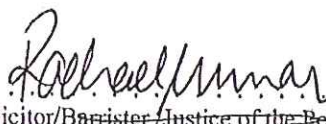
Affidavit of Gerard Patrick Bradley

GR Cooper
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The Department of Treasury

6. For business organisational purposes, Treasury is divided into Portfolio Offices, which include, for example, the Treasury Office, the Office of Economic and Statistical Research, the Office of Government Owned Corporations, The Office of State Revenue and Portfolio Services. Exhibit **GPB1** is a print out of the organisational structure, taken from Treasury's 2008-2009 Annual Report.
7. The Treasury Office is further divided into Government Business Branches. Each Business Branch is comprised of a group of Government departments. The departments comprising a business branch change as machinery of government changes occur.
8. Between 13 September 2007 and 26 March 2009 (the reporting period), the racing industry in Queensland was overseen by the Office of Racing, which was an administrative unit within the Treasury Office.
9. After 26 September 2007, Treasury interacted with the Office of Racing, via the Portfolio Offices. The Government Business Branch which was assigned the responsibility for the Racing Portfolio differed at different times during the relevant period.
10. Between 26 March 2009 and 3 April 2012, the Office of Racing was an administrative unit which formed part of the Department of Employment, Economic Development and Innovation. From 3 April 2012, the Office of Racing was an administrative unit which formed part of the Department of National Parks, Recreation, Sport and Racing.
11. During the reporting period, I held formal financial and administrative function delegations under the *Racing Act 2002*.
12. In my role as Under Treasurer, I delegated to my Deputy Under Treasurer, David Ford, some of my functional responsibilities under the *Racing Act*. The delegated responsibilities included signing briefing notes and other correspondence on my behalf.
13. During this period, the Office of Racing would report to David Ford, who would then report matters to me as the Under Treasurer, or directly to the Treasurer.
14. I also had oversight of Treasury Business Areas which would interact with Government departments, including Treasury, as clients. In this way, the relevant Business Area would also independently interact with the Office of Racing. By way of example, a Treasury Business Area is responsible for the administration of the *Statutory Bodies*

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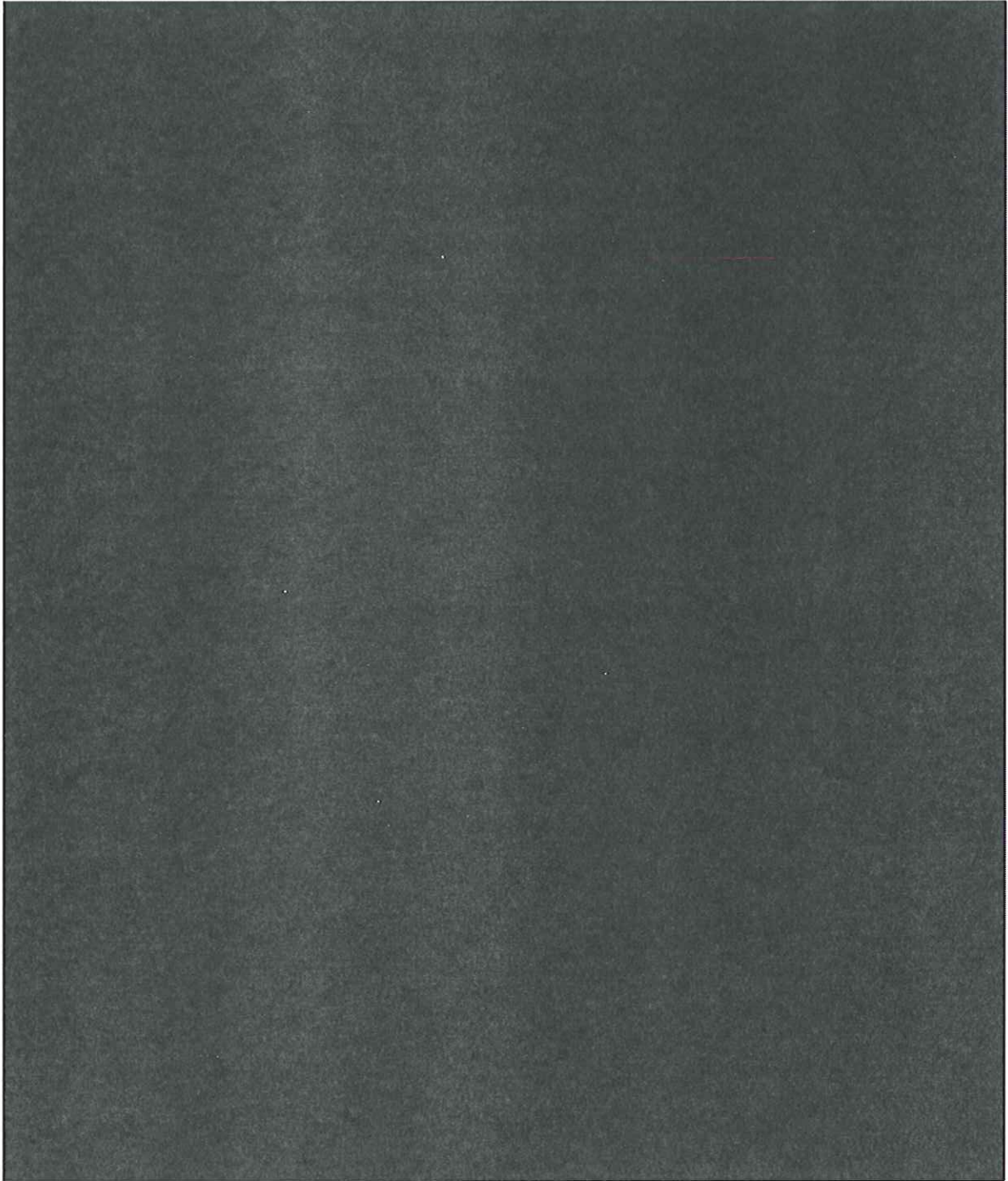
Financial Arrangements Act 1982, which governed some of the organisational structures within the Office of Racing or the racing industry.

15. My Deputy Under Treasurer, Alex Beavers, had oversight of organisational units within Treasury Office which included the Business Branches which had responsibility for Treasury's relationship with the departments.

Cabinet Submissions and Cabinet Budget Review Committee Submissions generally

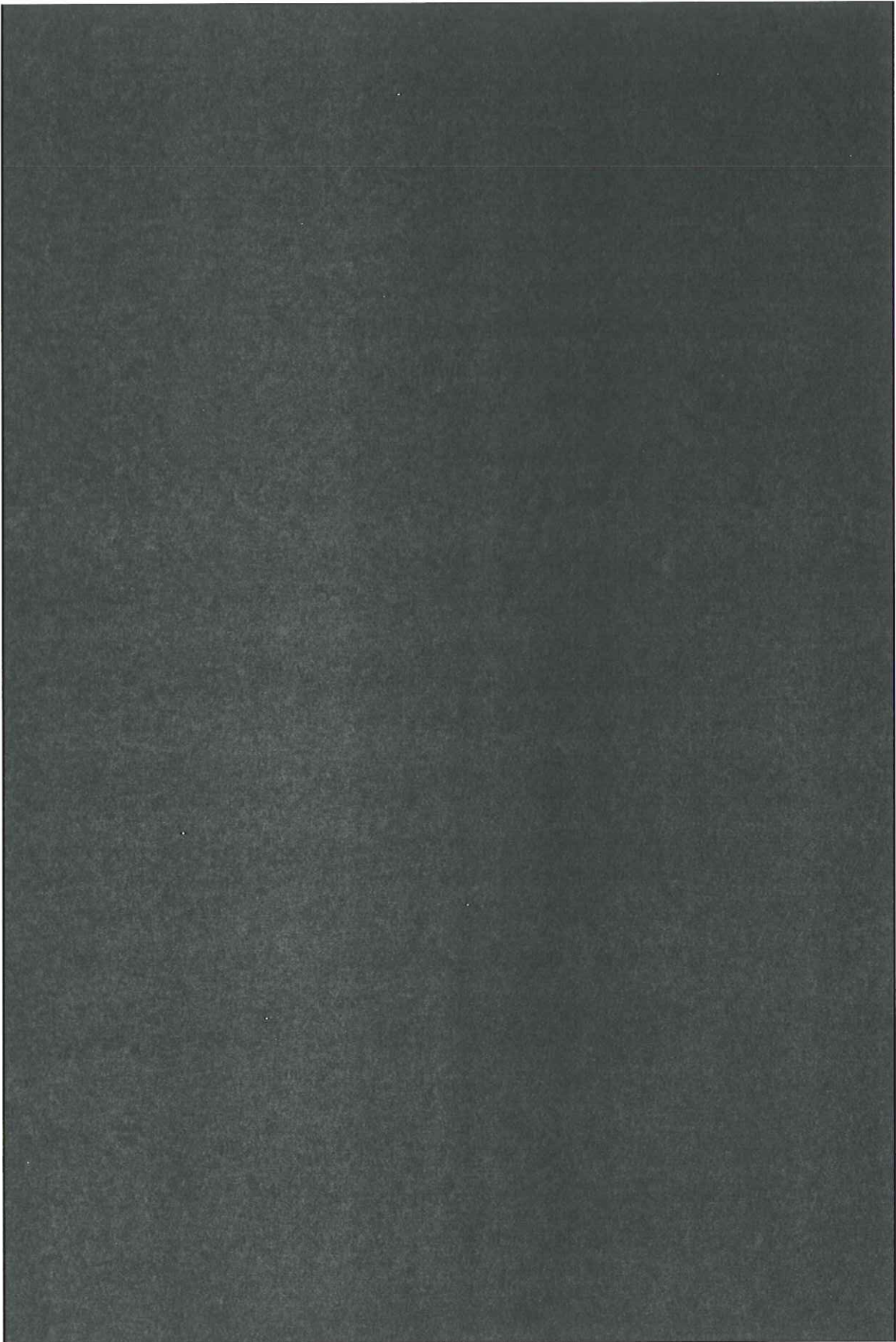
16. Cabinet submissions and Cabinet Budget Review Committee (CBRC) submissions are processed by Treasury via two processes.
17. If the submission originated within Treasury as the portfolio department:
 - a. In my weekly meetings with the Treasurer, I would talk through issues about which the Treasurer or Treasury wanted to make a submission.
 - b. The issue would then be managed through the Cabinet Legislation & Liaison Officer (the CLLO).
 - c. A first draft of the submission would be prepared, with a cover sheet for me to sign recommending approval by the Treasurer.
 - d. The Treasurer would review and sign, or amend the submission.
 - e. The final signed draft of the submission would then be lodged with the Cabinet Secretariat. The Cabinet Secretariat would circulate the submission to the relevant Ministers and departments as an advance copy prior to the Cabinet or CBRC sitting.
18. If the submission originated within another department as the portfolio department:
 - a. The Cabinet Secretariat would provide an advance copy of the submission to Treasury, in line with the process outlined in paragraph 17(e) of this statement.
 - b. The submission would be noted and distributed by the CLLO to the relevant area of Treasury. If the contents of the submission were noteworthy, the CLLO would also provide me with a copy of the submission in the first instance.
 - c. A Treasury Analyst would prepare a briefing note about the submission, in consultation with the team leader and Director of the relevant Branch.

- d. The department making the submission is required to consult with the budget officers of the relevant Treasury Business Branch. This is recorded under the heading of consultation in the body of the submission.
- e. The briefing note would then be provided to the relevant Deputy Under Treasurer for endorsement, and if necessary, come to me for endorsement, before going to the Treasurer.



Signed: *[Handwritten Signature]*
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Signed: . . . *J. Bradley* . . .
Deponent

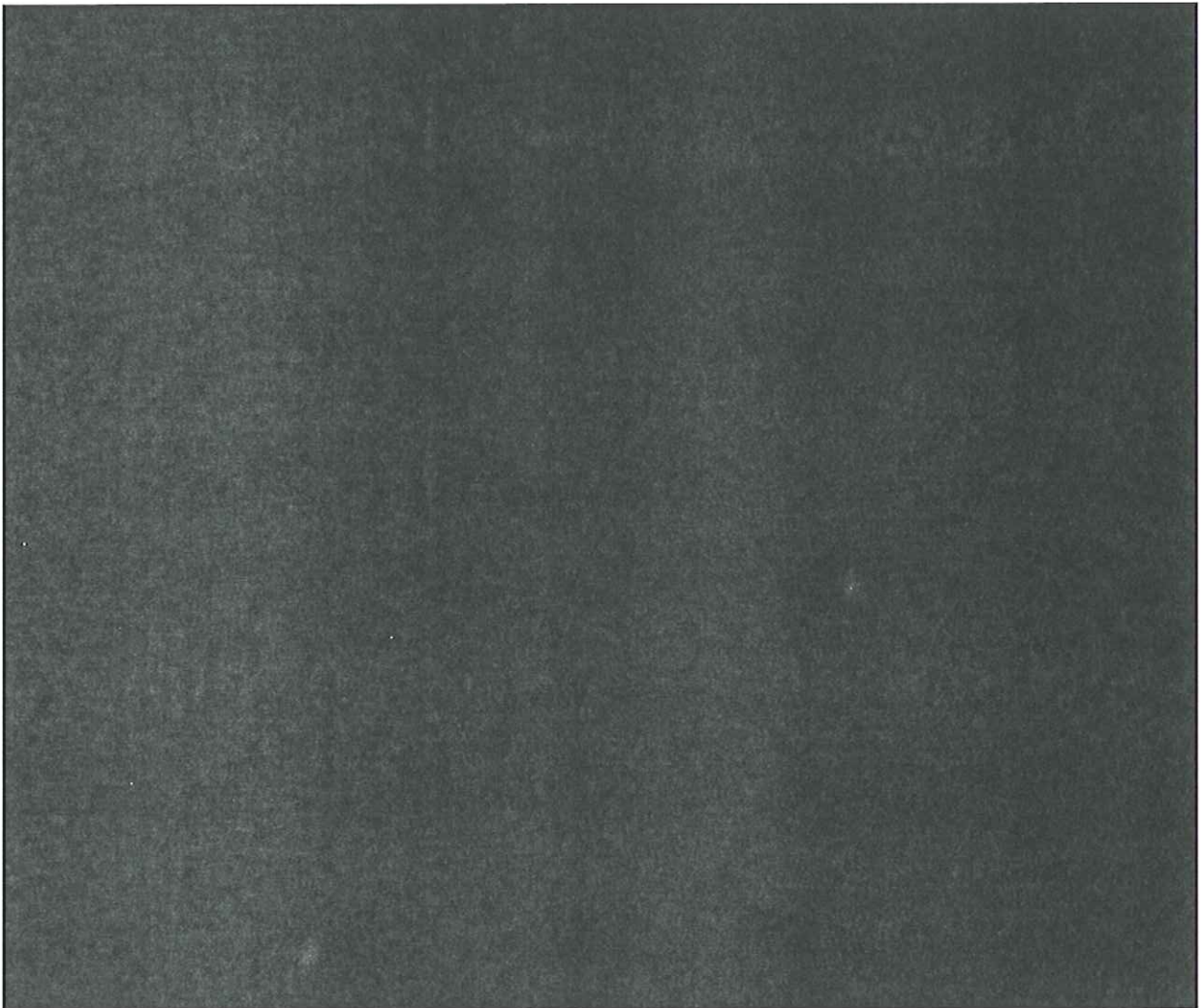
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Cabinet Budget Review Committee Submission No 4210 for 7 July 2011

35. I have a general recollection of this Submission. I again expect that I would have seen it, via the process referred to in paragraph 18 of this statement.
36. The submission addressed a number of issues, including the approval of the Mackay Business Case and the extension of the Racing Industry Capital Development Scheme (the Scheme).
37. Treasury was concerned that the racing industry wanted another "top up" of funds, considering the circumstances set out in paragraphs 3, 21, 25, 26 and 27 of this statement.
38. I recall that the extension of the Scheme included an attempt to gain early access to money for capital works by a loan facility of \$100 million.
39. This approach was opposed by Treasury. Treasury also did not support the extension of the wagering tax arrangements. The State's budget was generally in deficit and was not in a fiscal position to support such a proposal.
40. Treasury's policy position in respect of the submission is set out in paragraphs 82 to 84, on page 14 of the body of the submission.
41. I recall that it was not a practical option for Racing Queensland Limited to obtain a loan from a commercial vendor or to mortgage industry assets. It was a better option for Government to internally finance the request.
42. Treasury's opposition to the submission was made on general fiscal principles, rather than racing industry specific issues. The request for the type of funding was not a high priority for Treasury. It also was an additional form of spending for a budget already in deficit.
43. Treasury's opposition to a submission would usually carry considerable weight with CBRC. In this particular case, other policy goals must have outweighed fiscal considerations.
44. I have been shown a copy of the Treasury briefing note regarding this submission. It is self explanatory and sets out Treasury's position and advice to the Treasurer. Exhibit **GPB3** is a copy of that briefing note.

Matter to note of briefing on 30 January 2012

45. I do not have any personal or specific recollection of a matter to note or a briefing on 30 January 2012.
46. I have been shown a copy of a draft briefing note prepared by other Treasury officers regarding this matter to note. I do not recall whether the final briefing note regarding the matter to note, which ordinarily would have been endorsed by me, remained in the same terms as the draft. I recall Treasury's general position was that the approval of CBRC should be sought for the proposed variations to the Industry Infrastructure Plan.



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Business Cases

50. I do not have any recollection of the assessment or approval of the business cases for releasing funds. I was not personally involved in the assessment or approval of the business cases.
51. The relevant Assistant Under Treasurer would have had personal involvement in the assessment and approval of the business cases.
52. I would have supported the view of the Officers who undertook the assessments. I would expect they would have looked to ensure the business cases justified the spending of money on clubs with financial viability.
53. I remember there was an argument against the business cases because the clubs were unlikely to be financially viable even after the investment in capital works.
54. I recall Assistant Under Treasurer Stuart Booker discussing the possibility of keeping some of the money aside as a buffer.
55. I recall a draft letter which Treasury proposed to the Treasurer, which sought a letter of comfort from Racing Queensland Limited (RQL). The letter of comfort was to provide an assurance that RQL could subsidise the clubs into the future and no further State investment would be required.
56. I understand that once this letter from RQL was received, the Treasurer wrote to Minister Mulherin advising he agreed to the release of funds. I had no further involvement in the release of funds, once the Treasurer wrote to Minister Mulherin, agreeing to the release of the funds.

Other relevant meetings

57. I recall two meetings with Robert Bentley.
58. The first meeting was a meeting with the Premier, Mr Bill Ludwig, Ms Anna Bligh (the then Deputy Premier) and Mr Bentley regarding a proposal to establish a racetrack at Wacol in 2007.
59. I do not any further particulars of that meeting.
60. Exhibit **GPB5** is a briefing note on this matter which speaks for itself.
61. The second meeting was on 10 September 2010, with the members of Racing Queensland Limited, when RQL presented a Strategic Asset Plan for Queensland All Codes, to free up funds (by way of early access to wagering moneys) in a detailed


proposal to sell or develop Albion Park. Exhibit **GPB6** is a copy of the presentation made by Racing Queensland.

62. I did not consider it to be a sound proposal and advised that RQL should come up with another solution.
63. This proposal was the precursor to the proposal which formed the substance of CBRC Submission 3255 and CBRC Decision 4210.
64. I do not recall any further particulars of that meeting.


Other relevant matters

65. In preparing this statement, I have seen numerous documents which relate to my interactions with Racing Queensland Limited. The main issues which I can recall which are relevant to the Commission's terms of reference are:
 - a. RQL seeking funding for the installation of synthetic tracks at Caloundra, Gold Coast, Brisbane and Toowoomba. Exhibit **GPB7** is a bundle of correspondence regarding this matter. These documents speak for themselves.
 - b. A complaint of misconduct against the Chair and Directors of Queensland Racing Limited. Exhibit **GPB8** is a bundle of correspondence regarding this matter. These documents speak for themselves.
 - c. Approval of the establishment of Queensland Harness Racing Limited and Greyhounds Queensland Limited as companies under the *Corporations Act 2001*. Exhibit **GPB9** is a bundle of correspondence, regarding this matter. These documents speak for themselves.
 - d. Submission to the Treasurer regarding the approval of Queensland Harness Racing Limited and Greyhounds Queensland Limited as control bodies. Exhibit **GPB10** is a bundle of correspondence, regarding this matter. These documents speak for themselves.
 - e. The Training Track Subsidy Scheme. I have only a vague recollection of this issue, and note that David Ford signed many of documents, as my delegate. He would have had the day to day management of the issue. Exhibit **GPB11** is a briefing note and attachments regarding this matter. These documents speak for themselves.
 - f. The 2007/2008 Assessment program of the OLGR on certain issues. I only have a vague recollection of this issue. Exhibit **GPB12** is a bundle of correspondence regarding this matter. These documents speak for themselves.

Signed:
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- g. The RQL amendment to its constitution to alter recruitment clauses. Exhibit **GPB13** is a briefing note regarding this matter which speaks for itself.
 - h. The transfer of land at Logan to the Greyhounds Racing Authority. Exhibit **GPB14** is a bundle of correspondence regarding this matter. These documents speak for themselves.
 - i. RQL compliance with section 68M of the Racing Act. Exhibit **GPB15** is a briefing note regarding this matter, which speaks for itself.
 - j. The request from Racing Queensland Limited for *ex gratia* relief from transfer duty. Exhibit **GPB16** is a briefing note regarding this matter which speaks for itself.
66. Should the Commission have any further queries in relation to these matters, I am happy to provide further assistance.
67. All of the facts and circumstances deposed to in this affidavit are within my own knowledge and belief, except for the facts and the circumstances deposed to from information only, and my means of knowledge and source of information appear on the face of this my affidavit.

Sworn by GERARD PATRICK BRADLEY on 2 September 2013 at Brisbane in the presence of:

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Deponent

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**QUEENSLAND RACING
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INDEX OF EXHIBITS

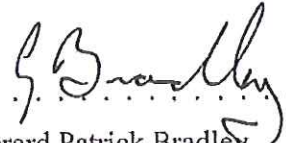
Bound and marked GPB1 – GPB13 are the exhibits to the affidavit of Gerard Patrick Bradley sworn on 2 September 2013.

Exhibit	Document	Date	Page
GPB1	Organisational Structure – Queensland Treasury and Trade	2008-2009	1
GPB2	[REDACTED]		
GPB3	Briefing note for CBRC Submission 4210	06.07.2011	4 - 6
GPB4	[REDACTED]		
	January 2012		
GPB5	Briefing Note re: meeting with Queensland Racing Limited regarding ongoing issues with the Brisbane Turf Club and Queensland Turf Club	19.03.2007	8 - 10
GPB6	Racing Queensland Limited presentation to Treasury re: Strategic Asset Plan for Queensland All Codes	10.09.2010	11 - 62
GPB7	Briefing Note re: Synthetic Race Tracks – Endorsement of Business Case and Approval of Initial Draw Down of Funds	20.11.2008	63 - 72
GPB8	Bundle of correspondence regarding a complaint of misconduct against the Chair and Directors of Queensland Racing Limited	Various	73 - 92
GPB9	Bundle of correspondence regarding the approval of the establishment of Queensland Harness Racing Limited and Greyhounds Queensland Limited as companies	Various	93 - 118
GPB10	Bundle of correspondence regarding the approval of Queensland Harness Racing and Greyhounds Queensland Limited as control bodies	Various	119 - 177
GPB11	Briefing Note re: 2007-08 Training Track Subsidy Scheme	14.02.2008	178 - 195
GPB12	Bundle of correspondence regarding the 2007/2008 Control Body Assessment Program	various	196 - 205
GPB13	Briefing Note re: Amendments to Queensland Racing Limited (QRL) constitution	22.08.2008	206 - 208
GPB14	Bundle of correspondence regarding the transfer of land at Logan to the Greyhounds Racing Authority	Various	209 - 217


Index of exhibits
Affidavit of Gerard Patrick Bradley

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Exhibit	Document	Date	Page
GPB15	Briefing Note re: Non-TAB racing under section 68M of the Racing Act 2002	16.06.2008	218 - 219
GPB16	Briefing Note re: Racing Queensland Limited - Request for ex gratia relief from transfer duty	30.01.2012	220 - 222



 Gerard Patrick Bradley



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