

QUEENSLAND RACING COMMISSION OF INQUIRY

AFFIDAVIT OF SUSAN MIDDLEDITCH

I, **SUSAN DELROI MIDDLEDITCH**, c/o Crown Law, State Law Building, 50 Ann Street, Brisbane in the State of Queensland, Deputy Director-General (System Support Services), Queensland Health states on oath:

Preliminary

1. I no longer have access to my inboxes or calendars for the period while I was at the Department of Employment, Economic Development and Innovation. Crown Law has provided me with copies of some documents relevant to my statement that have been located, but I have not been able to search for other documents that may be relevant.

Role

2. I am currently a Deputy Director-General (System Support Services) in Queensland Health.
3. The roles that I fulfilled during the period 1 January 2007 to 30 April 2012 were:
 - (a) From March 2008 to August 2010, I was Executive Director at the SEQ Water Grid Manager. I had no involvement with the racing industry prior to or during that time.
 - (b) From August 2010 to March 2012, I was the Group Executive Business Operations and Chief Financial Officer (Finance, ICT and Business Services) within the Department of Employment, Economic Development and Innovation ('DEEDI').
 - (c) From March 2012 to May 2012, I was Deputy Director-General, Corporate, for the Department of Agriculture, Forestry and Fisheries. I had no involvement with the racing industry during that time.
 - (d) From May 2012, I have been in my current position of Deputy Director-General (System Support Services), Queensland Health. I had no involvement with the racing industry during that time.

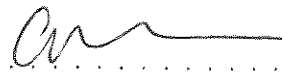
Page 1

Signed:



Deponent

Taken by:



Solicitor/Barrister/Justice of the Peace/
Commissioner for Declarations

Affidavit of Susan Middleditch


GR Cooper
CROWN SOLICITOR
11th Floor, State Law Building
50 Ann Street
Brisbane Qld 4000
Telephone 07 3239 3734
Facsimile 07 3239 3456

4. As chief financial officer within DEEDI, my role and responsibilities were to:
 - (a) oversee the macro budgetary arrangements for the Department;
 - (b) provide advice to the Executive Management Group, the Director-General and relevant Ministers regarding funding issues;
 - (c) liaise with Queensland Treasury and other central agencies as appropriate; and
 - (d) certify (sign) the annual financial statements of the Department.
5. I reported to the Director-General.
6. My team was responsible for setting the 'macro' budget for the department. It had two streams – Financial Accounting and Management Accounting.
7. The Management Accounting stream had four units corresponding to different portfolios within the department. Each unit 'managed' the budgetary position of the portfolio at a high level.
8. Individual business areas had responsibility for their own 'micro' budget and funding. All portfolios, and most business units, had their own finance staff who are responsible for the day to day management of their unit's budget. If an amount was budgeted for and contemplated by the forward estimates for a business area, then that business area could handle their own finance issues and approvals. Only where a payment exceeded the delegation limit of the head of the business unit would it be escalated higher. For that reason, I had minimal involvement in the budgets and finance issues for business areas, including the Office of Racing.
9. My role, and any advice I provided, focussed on macro finance and budgetary issues and was not specific to racing industry matters.

Caretaker conventions

10. The caretaker conventions apply to Government once an election is called. The conventions are set out in section 9 of the Cabinet Handbook, a copy of which is published on the Department of the Premier and Cabinet's website and are attached and marked 'SM-1'.
11. The caretaker conventions require a government to avoid implementing major policy initiatives or entering into major contracts or undertakings during the caretaker period.
12. My understanding is that, when an election is called, the Director-General of the Department of the Premier and Cabinet emails all other Director-Generals regarding the commencement of the caretaker period. An email is then circulated to all staff regarding the caretaker conventions.

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13. To the best of my knowledge, there was no specific person within the DEEDI who had responsibility to provide or coordinate caretaker convention advice from 25 January 2012. However, usually issues regarding the caretaker period or Cabinet Handbook would be referred to the Cabinet Liaison Office. Each department had its own Cabinet Liaison Office. That being said, every public servant should have a working knowledge and understanding of the caretaker conventions.
14. I had no specific role during the 2012 Queensland State election in relation to caretaker conventions. I was not responsible for providing or coordinating caretaker advice as such. However, in my role as chief financial officer, I would commonly receive queries about caretaker conventions and their effect on procurement or payment issues, particularly during a caretaker period. I had sufficient experience to provide a view about the application of caretaker conventions. But I am not an expert and my role was not specifically focussed on those issues.

Emails of 29 February 2012 about caretaker conventions

15. I have been shown an email string that includes emails between me and Rob Setter dated 29 February 2012. A copy of that email string is attached and marked 'SM-2'.
16. Rob Setter emailed me at 11:50am requesting my view about the appropriateness of a payment to Racing Queensland for reimbursement of their costs. Rob's email attached a letter from the Treasurer to Racing Queensland dated 5 December 2011. A copy of that letter is attached and marked 'SM-3'.
17. I emailed Rob Setter at 12:56pm confirming that I was satisfied that the necessary approvals for the payment were obtained before the caretaker period commenced. In my email I also highlighted an issue regarding the justification for the payment and advised Rob to ensure that Racing Queensland demonstrated that their costs were validly incurred.
18. As set out in my email to Rob Setter, my view was that there was no issue in making the payment to Racing Queensland because it had been approved before the caretaker period commenced. The basis upon which I formed that view was that:
 - (a) the funding under the Racing Industry Capital Development Scheme ('RICDS') was approved by the Cabinet Budget Review Committee ('CBRC') in its earlier decisions in November 2009 (decision 2863) and July 2011 (decision 3255) and was already part of the forward estimates for the Office of Racing;

- (b) the Treasurer approved the application of that funding for a specific purpose, being the reimbursement of Racing Queensland's costs in preparing the business cases;
 - (c) the Treasurer committed the funding to Racing Queensland in his letter of 5 December 2011; and
 - (d) Racing Queensland had already incurred the relevant costs requiring reimbursement.
19. In my assessment, this was not a new policy or undertaking for the purpose of the caretaker conventions, so it was not prohibited. The relevant undertaking regarding payment had been made by the Treasurer on 5 December 2011 out of funds allocated by the CBRC.
20. Mike Kelly emailed me and Rob Setter at 2:48pm on 29 February 2012 confirming that the documentation supporting the payment had been received from Racing Queensland and assessed as appropriate expenditure by the Office of Racing. A copy of that email is attached and marked 'SM-4'. The email confirms that the issue I had raised earlier with Rob Setter had been noted by the Office of Racing.
21. I was not aware that the Office of Racing proposed to enter into a Funding Deed in respect of reimbursement of Racing Queensland's costs. I am not sure that a funding deed was necessary in light of the CBRC decisions and the Treasurer's letter of 5 December 2011.

Briefings to the Treasurer

22. As the chief finance officer, I met weekly with the Treasurer to provide updates on various matters within my area of responsibility. My briefings to the Treasurer were about general finance issues. During those meetings I may have discussed racing related finance matters, including budgets and estimates. I cannot ~~now~~ ^{on an} recall any specific or important discussions about the racing industry.
23. I may also have been invited to briefings with other Ministers on occasion, but I do not recall attending any meetings with Ministers Lawlor or Mulherin regarding the racing industry.


Contact with racing entities

24. I did not have any contact with officers or employees of the racing control bodies between January 2007 and April 2012.

Other relevant matters

25. I may have participated in general discussion relating to budgets that incidentally involved the racing portfolio. However, I never specifically advised or briefed about racing issues.

Signed: 
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26. I have been shown a copy of an Instrument of Financial Delegations and Authorisations regarding the Executive Director of the Office of Racing. A copy of that document is attached and marked 'SM-5'. I signed this document in my capacity as chief finance officer.
27. This document also notes my requirement that there be a separation of duties between the staff member responsible for exercising contract delegations and the staff member responsible for approving payments.

Compensation for greyhounds

28. I have been shown a string of emails regarding 'Racing grant and outstanding payments' from February 2012. The email string contains a copy of an email from me to Duncan Anson dated 14 July 2011 regarding a \$10m compensation payment for greyhounds. A copy of the email string is attached and marked 'SM-6'. The email relates to issues arising from a machinery of government change in 2009 and 2011 and inter-departmental transfers. I had no ongoing involvement with the compensation payment for greyhounds and was only involved to the extent of resolving the interdepartmental transfer issue.

Business cases

29. I had no involvement in the analysis of business cases. However, I became aware, through general conversations with Rob Setter, that Racing Queensland was not happy about preparing business cases because of the associated costs. I cannot recall anything further about the business cases.

CBRC Submission re extension of RICDS

30. I recall there was a CBRC submission to extend the RICDS scheme. I understand this was submission number 4210 and decision number 3255. I had no involvement in this submission, but I recall general discussion within the department about it. I personally did not support the extension of the RICDS because the existing funding allocated in 2009 by CBRC had not yet been used.

CBRC Submission re flood remediation funding

31. I recall some discussion regarding a draft CBRC submission for flood remediation funding. I believe the submission was discontinued because the Treasurer instead approved the use of


Signed:  . . .
Deponent

Taken by:  . . .
Solicitor/Barrister/Justice of the Peace/
Commissioner for Declarations

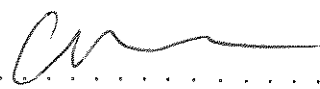
the RICDS funds. I do not recall seeing a draft CBRC submission. Any discussion I participated in would most likely have occurred at my weekly meetings with the Treasurer as described in paragraph 23.

32. 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 Susan Delroi Middleditch on 2 September 2013 at Brisbane in the presence of:



Deponent



Solicitor/~~Barrister~~/Justice of the Peace/
Commissioner for Declarations

Catherine Louise McLennan

Signed: 

Deponent

Taken by: 

Solicitor/~~Barrister~~/Justice of the Peace/
Commissioner for Declarations

QUEENSLAND RACING COMMISSION OF INQUIRY

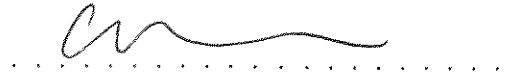
CERTIFICATE OF EXHIBITS – SUSAN DELROI MIDDLEDITCH

Bound and marked “SM-1” to “SM-6” are the exhibits to the affidavit of Susan Delroi Middleditch sworn on 2 September 2013.

Exhibit	Description	Date	Pages
SM-1	Caretaker Conventions	29.08.2013	1 to 5
SM-2	Email string re Reimbursement of RQL’s costs	29.02.2012	6 to 7
SM-3	Letter from Treasurer to Racing Queensland	05.12.2011	8
SM-4	Email Mike Kelly to Rob Setter re Reimbursement of RQL’s costs	29.02.2012	9 to 10
SM-5	DEEDI Instrument of Financial Delegations and Authorisations Amendment Request	21.06.2011	11
SM-6	Email string re Racing grant and outstanding payments	16.02.2012	12 to 16



Deponent



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Catherine Louise McLennan

Queensland Cabinet Handbook

exercised in the period between the announcement of the election and the dissolution of the Legislative Assembly.

9.3 Notification of the convention(s)

Shortly after the announcement of an election, the Premier will write to all Ministers, summarising the conventions which will apply from the dissolution of the Legislative Assembly and other matters which relate to the election period. The Director-General of the Department of the Premier and Cabinet will write to all Chief Executive Officers advising them of the caretaker conventions and when they will commence.

The Cabinet Secretariat will also circulate information to all CLLOs advising them of caretaker conventions, as soon as the election is announced.

9.4 Appointments

By convention a caretaker government should avoid, wherever possible, making appointments of significance in the caretaker period. Factors in deciding whether or not a particular appointment is significant include the degree to which it may be a matter of disagreement between the major parties contesting the election, as well as the position's inherent importance.

As a rule, significant appointments dated to commence after polling day would not be made in the caretaker period. Appointments which would normally be made after the date of dissolution are deferred until after the election.

Where it is necessary for a significant appointment to be made during the caretaker period, usually for reasons associated with the proper function of the agency concerned, there are several options available.

One is that provisions for an acting appointment, where available, are used to avoid the need for a substantive appointment. Another is that a short term appointment, normally of up to three months' duration, is made.

9.5 Major new policy implementation, contracts or undertakings

The broad rule is that governments should avoid implementing new policies, or entering into major contracts or undertakings during the caretaker period. This includes commitments which could bind an incoming government. Major contracts or undertakings should not be considered only in terms of monetary commitment but should also take into account other relevant factors such as the nature of the undertaking and the level of bipartisan support.

Consistent with this requirement, major project approvals within government programs are normally deferred by Ministers.

9.6 Operations of departments

The general rule during the caretaker period is that the normal business of government continues until the incoming government's wishes are known. Several aspects of a department's usual activities are, however, affected.

While departments are concerned at all times to avoid partisanship, the circumstances of an election campaign require special attention to the need to ensure the

9.0 Caretaker conventions

The following principles are based in part on the conventions established by the Commonwealth Department of the Prime Minister and Cabinet and on recent Queensland experience.

- [9.1 Basic conventions and practices](#)
- [9.2 The caretaker period](#)
- [9.3 Notification of the convention\(s\)](#)
- [9.4 Appointments](#)
- [9.5 Major new policy implementation, contracts or undertakings](#)
- [9.6 Operations of departments](#)
- [9.7 Guidelines for consultation by the Opposition with departmental officers](#)
- [9.8 Cabinet documents](#)
- [9.9 Legislation](#)
- [9.10 Executive Council during the caretaker period](#)
- [9.11 Other matters](#)

9.1 Basic conventions and practices

Successive Commonwealth and State Governments have accepted that special arrangements apply in the period immediately before an election, in recognition of the considerations that:

- with the dissolution of the Legislative Assembly, there is no popular Chamber to which the Executive Government can be responsible; and
- every general election brings with it the possibility of a change of government.

By convention, the government assumes a caretaker role from the time that the Legislative Assembly is dissolved, and ensures that decisions are not taken which would bind an incoming government and limit its freedom of action.

The basic caretaker conventions require a government to avoid implementing major policy initiatives, making appointments of significance or entering into major contracts or undertakings during the caretaker period. The basic conventions are directed to the making of decisions, and not to policy announcements. The caretaker conventions do not, of course, apply to new policy promises which a government may announce as part of its election campaign.

There are other established practices, usually regarded as part of the caretaker conventions, which govern activities in the election period. These are mainly directed at ensuring that departments should avoid any partisanship during an election campaign. They address matters such as the nature of requests that Ministers may make of their departments, procedures for consultation by the Opposition with departmental officers, travel by Ministers and their Opposition counterparts and the continuation of government advertising campaigns.

Adherence to the conventions and practices (which have no formal legal standing) is ultimately the responsibility of the Premier. Where Ministers are in doubt about a particular matter, they should raise it with the Premier.

9.2 The caretaker period

The caretaker conventions operate from the dissolution of the Legislative Assembly until the election result is clear or, in the event of a change of government, until the new government is appointed. However, it is also accepted that some care should be

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impartiality of the Public Service and its ability to serve whatever government is elected.

During the election period, Ministers would usually sign only necessary or routine correspondence. It is desirable that judgement be used in determining whether correspondence of significance should be signed in this period by the Minister or by the Chief Executive Officer. Care is taken when preparing departmental replies not to assume that one party or another will form the government after the election. References to post-election action are in terms of the "incoming government".

During an election period, Ministers may not request the development of new policy initiatives but may request factual material from departments. Departmental officers should not use their official position to act in a partisan manner.

Departmental officers who feel there is a difficulty with a particular request from a Minister may raise the matter with the Chief Executive Officer of the Department who may, if necessary, consult with the Director-General of the Department of the Premier and Cabinet.

9.7 Guidelines for consultation by the Opposition

In order to ensure a smooth transition in the event of a change of government, the following guidelines for pre-election consultation between the Parliamentary Opposition and departmental officers should apply.

These guidelines may come into operation before the caretaker period, and apply as soon as the election announcement has been made or two months before the expiry of the term of the Legislative Assembly, whichever date occurs first. Like the practice in all other Australian jurisdictions, consultations during the caretaker period are conducted through informal discussions:

- Consultations with departments are initiated by the Opposition spokesperson making a request for access to the relevant Minister, who will notify the Premier as to the nature of the request and as to whether it has been granted.
- The subject matter of the discussion between officers and the Opposition spokespersons relates to the machinery of government and administration and the resources generally available in the portfolio area as they would relate to the implementation of Opposition policy. Officers are not authorised to discuss the merits of policies of either the government or the Opposition.
- Officers are to inform Ministers when the discussions are taking place and Ministers are entitled only to seek assurances that the discussions are kept within the agreed purposes. The content of the discussion is confidential to the participants.
- Departments will be represented in such discussions by the Chief Executive Officer and an appropriate officer with relevant expertise from the Department of the Premier and Cabinet.
- For the purpose of facilitating consultation, the Chief Executive Officer should seek details of the likely topics for discussion so that relevant information can be made available during the deliberations. Information should only be presented in the form in which it exists at the time of the consultation (eg. annual reports, program statements, etc.). Alternatively, information can be communicated orally.
- The creation of documents for, or records of, consultations should be avoided. The confidentiality of matters raised during discussions should remain insulated from partisan political debate during an election period. Specific material generated for, or notes taken during, the meeting would form an official record of the proceedings and seriously undermine the requisite

Queensland Cabinet Handbook

confidentiality of the consultation particularly if the records subsequently became public.

- Departments will be expected to prepare two sets of briefing documents for the incoming government. One set will be drafted on the basis that the current government is returned, the second set on the basis that a new government is elected. Both sets of briefing documents should aim to provide the incoming Minister with a comprehensive statement of the organisation, structure, budget, functions and major current issues facing the department.
- Queries about approval of particular requests for consultation should be handled between a Minister and the Premier. Requests which involve an unreasonable amount of work by the department may properly be denied.

9.8 Cabinet documents

It is a requirement that Cabinet documents are treated as confidential to the government that created them. Accordingly, such documents are generally not made available to succeeding governments drawn from different political parties, except in specific circumstances related to continuity of administration. Refer to [Chapter 4.15.5 "Access to past government's Cabinet documents by the present government"](#)

At the beginning of the caretaker period and in accordance with instructions issued by the Cabinet Secretary, all Cabinet documents previously circulated by the Cabinet Secretariat and held in ministerial and departmental offices should be clearly identified and prepared for possible return to the Cabinet Secretariat for disposal purposes. In the event of a change of government, the outgoing Premier will issue instructions through the Cabinet Secretary about the disposal of documents of the outgoing administration.

9.9 Legislation

All Bills that have been introduced in the Legislative Assembly but are yet to be passed, automatically lapse when the Legislative Assembly is dissolved. Likewise, all Bills passed by the Legislative Assembly and awaiting Royal Assent will lapse with the dissolution of the Assembly.

By convention, the Governor should not proclaim the commencement of any Acts during the caretaker period. It is therefore necessary to ensure that all Bills which are awaiting Royal Assent and/or proclamation receive Assent and/or are proclaimed prior to the dissolution of the Legislative Assembly.

It is possible, where there is a need and where there is no infringement of the basic caretaker conventions, for subordinate legislation to be approved by the Governor in Council during the caretaker period.

9.10 Executive Council during the caretaker period

Ordinary meetings of the Executive Council are not held during the caretaker period. However, with the consent of the Premier and the Governor, special sittings of Executive Council may be held to consider limited business.

Arrangements for Executive Council will be forwarded to all departments by the Executive Council Secretariat at the commencement of the caretaker period.

9.11 Other matters

It has become accepted that the Premier considers whether any government advertising campaigns, which would otherwise be conducted during the caretaker period, should be suspended or curtailed.

Campaigns highlighting the role of particular Ministers or addressing issues which are controversial between the major political parties normally would be discontinued. Advertisements promoting rights or entitlements or which are of an operational nature usually continue.

If necessary, the Premier also considers whether visits to Queensland by foreign dignitaries, involving government hospitality, should proceed. In any case, the dignitaries are advised of the election announcement and any changes in arrangements, including the reduced availability of Ministers.

The Council of Australian Governments or the Ministerial Councils may meet during a caretaker period. If such a meeting is to be held during this time, Ministers should generally refrain from attending and adopting or announcing policy positions. Where the interests of the State need to be represented, it may be prudent for the Chief Executive Officer or another senior official of the relevant agency to attend in an observer role. If a major agreement is scheduled for discussion or ratification, the Chief Executive Officer should seek deferral of the item of rescheduling of the meeting until after the conclusion of the caretaker period.

Kelly, Michael - Racing

From: Setter, Robert
Sent: Wednesday, 29 February 2012 2:23 PM
To: Kelly, Michael - Racing
Cc: 'Peter.McCabe@ministerial.qld.gov.au'
Subject: FW: Reimbursement of RQL'a costs

Please resubmit Agreement for signature - and keep this as a record
R

From: Middleditch, Susan
Sent: Wednesday, 29 February 2012 12:56 PM
To: Setter, Robert
Subject: RE: Reimbursement of RQL'a costs

Hi Rob,
I'm satisfied that the necessary approvals have been received prior to caretaker. The Treasurer's letter is clear, as is Treasury's advice. The only additional thing I would expect is some documentation from RQL that shows the \$200k for internal costs in preparing the business cases was actually spent for that purpose. We should be wary of just paying them the \$200k as it may just be reimbursing for other purposes.

Susan

From: Setter, Robert
Sent: Wednesday, 29 February 2012 11:50 AM
To: Middleditch, Susan
Subject: FW: Reimbursement of RQL'a costs

Susan

Appreciate your advice; I have been asked to sign an agreement to pay RQL 2plus million consistent with Treasurers approval (see word document) to spend from monies held in Office of Racing, with the final amount approved by Senior Treasury officers. I am inclined to sign given Treasurers authority but seek you counsel to confirm that I am not in breach of caretaker.

Given that the commitment was made when it was by the Treasurer, and the monies expended by RQL I see this as payment for services approved by the Treasurer.

Your thoughts?

R

From: Kelly, Michael - Racing
Sent: Wednesday, 29 February 2012 11:42 AM
To: Setter, Robert
Subject: FW: Reimbursement of RQL'a costs

Rob

As discussed earlier, attached is the Treasurer's letter of 5 Dec 11 approving the quantum of reimbursement sought by RQL for costs previously incurred and the Treasury email confirming they have reviewed the RQL request for funding and approve the release of RICDS funds.

MK

From: Perrett, Carol
Sent: Wednesday, 29 February 2012 11:37 AM
To: Kelly, Michael - Racing
Subject: Reimbursement of RQL'a costs

<< File: RAC-00685 Signed letter from Treasurer to RQL 5.12.11 Attachment 2.doc >> << File: Email from Treasury approving funding 24.02.12.pdf >>



Hon Andrew Fraser MP
Member for Mount Coot-tha



Queensland
Government

Deputy Premier and Treasurer
Minister for State Development
and Trade

TRX-17947

05 DEC 2011

Mr R G Bentley
Chairman
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

I refer to issues you have recently raised regarding the delivery of racing infrastructure under the Racing Industry Capital Development Scheme (RICDS).

I have considered your comments in relation to the cost of preparing business cases for proposed racing infrastructure and have decided to provide access to limited funds from the RICDS to meet external costs incurred on those projects which are significant and have associated delivery risks. This will assist in accessing relevant expert advice necessary where the project scale and risks merit investment in those resources.

I approve funds of up to \$2,750,000 to be drawn for the purpose of reimbursing Racing Queensland Limited (RQ) for the cost of engaging external consultants assisting in the preparation of business cases, and capped internal costs of \$200,000 p.a. of internal RQ resources dedicated to this purpose. Requests for reimbursement may be submitted to the Office of Racing in the Department of Employment, Economic Development and Innovation at the end of each calendar quarter.

Note that this will however reduce the funds available for direct investment in capital infrastructure under the RICDS.

Should you require any further information, please contact Mr Stuart Booker, Assistant Under Treasurer on telephone (07) 3238 3059.

Yours sincerely

ANDREW FRASER

Level 9 Executive Building
100 George Street Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone +61 7 3224 6900
Facsimile +61 7 3229 0642
Email deputypremierandtreasurer@qld.gov.au
ABN 65 959 415 158

Perrett, Carol

From: Kelly, Michael - Racing
Sent: Wednesday, 29 February 2012 2:48 PM
To: Setter, Robert
Cc: Perrett, Carol; Middleditch, Susan
Subject: RE: Reimbursement of RQL'a costs

Rob - Will do. Re SM issue of documentation - that has been received, assessed and initially confirmed as appropriate expenditure by OR, and confirmed as appropriate by Treasury.

Carol - Pls resubmit documentation to ADG for consideration. Copy of this email trail is to be placed on the relevant RQL cost reimbursement file pls.

MK

From: Setter, Robert
Sent: Wednesday, 29 February 2012 2:23 PM
To: Kelly, Michael - Racing
Cc: 'Peter.McCabe@ministerial.qld.gov.au'
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Subject: Reimbursement of RQL'a costs

<< File: RAC-00686 Signed letter from Treasurer to RQL 5.12.11 Attachment 2.doc >> << File: Email from Treasury approving funding 24.02.12.pdf >>

Department of Employment, Economic Development and Innovation

**Instrument of Financial Delegations and Authorisations
Amendment Request**

To Susan Middleditch, Chief Finance Officer

Purpose To obtain approval for changes within the Instrument of Financial Delegations and Authorisations endorsed by the Executive Director, Office of Racing:

- Schedule 5 – establish authorisations for the administration for the Queensland Community Racing Scheme

Background *Schedule 5 Update*

The Executive Director, Office of Racing has proposed that approving authorities be established as outlined in the Schedule 5 Update Request attached. Ministerial approval has been sought to make a one-off grant of \$50K to Racing Queensland to be applied to the Queensland Community Racing Scheme (approved Ministerial Briefing Note attached).

A draft of proposed amendments to Schedule 5 to accommodate these changes is attached for your approval.

Recommendation That approval be given to amendments to administrative arrangements for the Queensland Community Racing scheme as contained in the proposed Schedule 5 draft attached.

Endorsed by: *Joan Camden* 20/6/11
 A/Director
 (Financial Accounting and Systems Development)

Approved by: *SMiddleditch* 21/6/11
 Chief Finance Officer

Pls note : I think there needs to be a separation of duties between someone who executes the contract / agreement & the person that approves payment under schedule 1.

'SM-6'

Zuj, Pat

From: Robertson, Kaylene
Sent: Thursday, 16 February 2012 3:14 PM
To: Smith, Tristan E
Subject: FW: Racing grant and outstanding payments

Tristan

FYI

Kaylene
-----Original Message-----
From: Emslie, Cameron
Sent: Wednesday, 2 November 2011 3:39 PM
To: Robertson, Kaylene
Subject: FW: Racing grant and outstanding payments

Hi Kaylene,
we have received the funds from Treasury for \$10M.

Cameron Emslie
Manager, Financial Reporting
Finance
Department of Employment, Economic Development and Innovation Level 8, 30 Mary Street,
Brisbane Qld 4000 PO Box 15168, City East Qld 4002
t: +61 7 3239 3238
f: +61 7 3224 2454
e: cameron.emslie@deedi.qld.gov.au
w: www.deedi.qld.gov.au

-----Original Message-----
From: Boaldin, Susana
Sent: Friday, 22 July 2011 8:27 PM
To: Emslie, Cameron
Subject: RE: Racing grant and outstanding payments

Cameron

have a deposit of \$10m received in the DEEDI Acct 1 Controlled (10007512) from T1
15000627925. T1 is treasury from experience.

Nothing in the other DEEDI Accounts.

Thanks
Susana Boaldin
Senior Finance Officer
Finance
Department of Employment, Economic Development and Innovation Level 8, Education
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t: +61 7 3224 6482
f: +61 7 3224 2454
e: susana.boaldin@deedi.qld.gov.au

Business Information Centre 13 23 23
www.deedi.qld.gov.au

-----Original Message-----
From: Emslie, Cameron
Sent: Friday, 22 July 2011 5:30 PM
To: Boaldin, Susana
Subject: FW: Racing grant and outstanding payments

Have we got any money from Treasury?

Cameron Emslie
Manager, Financial Reporting
Finance
Department of Employment, Economic Development and Innovation Level 8, 30 Mary Street,
Brisbane Qld 4000 PO Box 15168, City East Qld 4002
t: +61 7 3239 3238
f: +61 7 3224 2454
e: cameron.emslie@deedi.qld.gov.au
w: www.deedi.qld.gov.au

-----Original Message-----

From: Sands, Debbie
Sent: Friday, 22 July 2011 5:04 PM
To: Emslie, Cameron
Cc: Wong, Joe; Robertson, Kaylene
Subject: Re: Racing grant and outstanding payments

Cameron,
Thanks for this info. Do you know if the \$10M has been receipted in our bank account ?
I can follow up on Monday if you do not know off the top of your head.
Deb

----- Original Message -----

From: Emslie, Cameron
To: Sands, Debbie
Sent: Fri Jul 22 13:25:34 2011
Subject: FW: Racing grant and outstanding payments

Cameron Emslie
Manager, Financial Reporting
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-----Original Message-----

From: Middleditch, Susan
Sent: Thursday, 14 July 2011 10:38 AM
To: Camden, Jason
Cc: Emslie, Cameron
Subject: FW: Racing grant and outstanding payments

FYI.

-----Original Message-----

From: Duncan.Anon@treasury.qld.gov.au
[mailto:Duncan.Anon@treasury.qld.gov.au]
Sent: Thursday, 14 July 2011 10:36 AM
To: stewart.saini@treasury.qld.gov.au
Cc: Middleditch, Susan
Subject: Fw: Racing grant and outstanding payments

Stewart - please refer to Susan's email below. Can you please arrange payment of the \$10M to DEEDI.

Regards

Duncan

Duncan Anson
Director, Finance
Corporate Services
Queensland Treasury
Ph: (07) 30353300 (please dial full number)
Mob: 0457 568 368
Fax: (07) 30353302

----- Forwarded by Duncan Anson/PS/QTreasury on 14/07/2011 10:33 AM

From: "Middleditch, Susan" <Susan.Middleditch@deedi.qld.gov.au>
To: <Duncan.Anon@treasury.qld.gov.au>
Cc: <John.O'Connell@treasury.qld.gov.au>
Date: 14/07/2011 10:29 AM
Subject: RE: Racing grant and outstanding payments

Hi Duncan,

Thank you for my email, and apologies for the delay in making payments.

Of course, the current issues have been made more difficult due to OLGR MOGing to JAG. Even though OLGR MOGed to JAG in February, we have been the 'middle man' since then, with cut-over of financial processing only occurring on 1 July. This means that we have experienced delays in getting approvals to pay from OLGR staff.

My understanding is that \$7.2 million was paid to you yesterday - this should clear all outstanding debt, with the only payment now due being the uninvoiced amounts. We will process these as quickly as we can once we receive them.

I assume you will now be in a position to release the racing grant funds to DEEDI.

From 1 July, I expect that DEEDI would be removed from the transaction and you will invoice JAG directly.

Regards, Susan

-----Original Message-----

From: Duncan.Anon@treasury.qld.gov.au
[mailto:Duncan.Anon@treasury.qld.gov.au]
Sent: Tuesday, 12 July 2011 11:20 AM
To: Middleditch, Susan
Cc: John.O'Connell@treasury.qld.gov.au
Subject: Racing grant and outstanding payments

Good morning Susan,

I'm writing in regard to a number of outstanding payments relating to the Office of Liquor and Gaming (OLGR) and Office of Racing. Following the transfer of OLGR and Racing to DEEDI in March 2009 staff of those offices have remained on Treasury's payroll system and been paid from Treasury's controlled bank account. In 2009 it was agreed that the OLGR and Racing bank balances would not transfer to DEEDI until such time as all the staff were transferred over to DEEDI's payroll system. The arrangement was that Treasury would continue to pay OLGR staff and DEEDI would reimburse Treasury monthly in arrears. Treasury has always segregated those transactions relating to OLGR including any cash.

Over the period DEEDI has continuously failed in its obligation to repay Treasury for OLGR and Racing expenditure in a timely manner and at one stage payments fell eight months behind. The late payment of funds has meant that Treasury has been required to utilise its own funds for the

payment of DEEDI staff, and at one stage this forced the Treasury controlled bank account into an overdraft position. The issue of late payment has been discussed a number of times with finance staff in DEEDI including Ian McKomskie, Leith Brown, Susanna Boaldin, Emmanuel David and Cameron Emslie. Despite the best efforts of my staff to cooperate with the aforementioned, in an attempt to achieve a smooth process, in most cases this has not been reciprocated.

To rectify this issue we had no choice but to withhold Community Investment Fund (CIF) payments to encourage the repayments - which seemed to work for a period of time, however with CIF payments now going to JAG this may no longer be an option.

The reason I raise this issue is in regard to the \$10M conditional grant to Greyhound racing. Questions have been received as to the status of the funds. If Treasury were to pay the \$10M, we would once again be utilising Treasury's funds as DEEDI still owe us approximately \$9M at 30 June 2011 (\$7M has been invoiced to date with the remainder to be invoiced in July). We are therefore not in a position to release the funds to DEEDI.

I have attached a summary of outstanding payments.

(See attached file: Outstanding DEEDI invs 300611 .xls)

Your assistance in ensuring those payments are made in a timely manner, so that in turn Treasury can pay DEEDI the \$10M for Greyhound racing, would be greatly appreciated.

Regards

Duncan

Duncan Anson
Chief Financial Officer
Queensland Treasury
Ph: (07) 30353300 (please dial full number)
Mob: 0457 568 368
Fax: (07) 30353302

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