

QUEENSLAND RACING COMMISSION OF INQUIRY

Commissions of Inquiry Act 1950

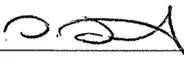
STATEMENT PURSUANT TO SECTION 5(1) (d).

I, **SHARA LOUISE REID** (formally Murray) of [REDACTED]
[REDACTED], do solemnly and sincerely declare as follows:

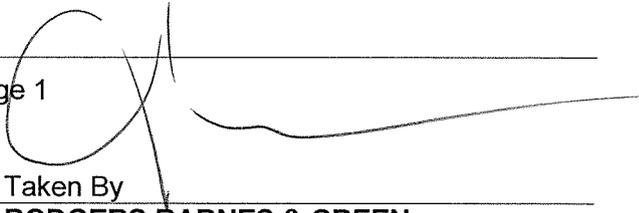
BACKGROUND

1. After the completion of my law degree in 1999, I was employed as an Investigator for the Australian Competition and Consumer Commission (**ACCC**) in the Northern Territory and Queensland. After that, I worked for the Queensland Treasury Corporation as a Company Secretary/Compliance Officer for about eight (8) or nine (9) months; and then in 2005, I was admitted as a solicitor of Queensland Supreme Court. In or about October 2005, I was then employed by the Queensland Thoroughbred Racing Board (**QTRB**), which then became Queensland Racing Limited (**QRL**) in 2006 and then, with the merger of the three (3) codes of racing under one control body, Racing Queensland Limited (**RQL**) in 2010.
2. Prior to joining the QTRB in or about October 2005, I had no prior experience or association with the thoroughbred, greyhound or harness racing industries.

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Deponent 
Statement of Shara Louise Reid

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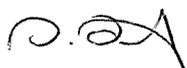
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3. My role with the QTRB, QRL and RQL was as Company Secretary, as well as In-House Legal Counsel.

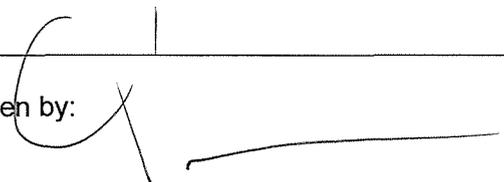
CONTRACT MANAGEMENT/PROCUREMENT

4. QRL and RQL had a number of processes, procedures and policies in place for corporate governance. There were two (2) broad categories - one (1) was the statutory policies required under the *Racing Act 2002* (Qld) (the **Act**) and the other being, more general policies and procedures that one would find in many other types of commercial enterprises.
5. In my role as In-House Legal Counsel, I was responsible for the section 81 and section 82 statutory policies. The other policies and procedures such as HR policies, procurement policies and finance policies were under the responsibility of Adam Carter, the CFO, who developed and administered those policies.
6. The section 81 and section 82 policies were placed on the QRL and RQL website, which outlined the next review date for each policy. These policies were available at all times to the public. The policies were reviewed every two (2) years. I would, as In-House Legal Counsel, direct Debbie Toohey (my Executive Assistant/Board Secretary) to contact the relevant manager seeking for them to review the policy, making any changes and then send it back to Ms Toohey to provide to myself to present to the Board for approval/discussion. The approved, updated policy would then be placed on the website. The approved policy would then also be sent to the Racing Office and relevant stakeholders. Should the essence of the policy alter from its original form, the policy would be sent to the Racing Office and the stakeholders for consultation, as per the requirements of other policies and the Act.

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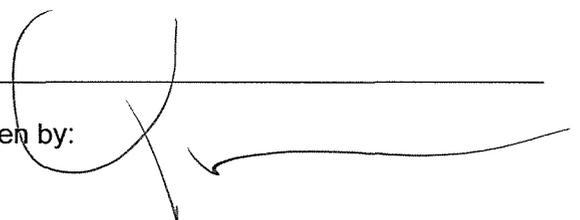


7. I recall the financial policies and procedures being tabled in the board meeting. However, while I would usually be present during the entire board meeting, if the matter being discussed was not within my area of responsibility then I may have been concentrating on other issues while those matters were being discussed.
8. Debbie Toohey took the Board meeting minutes. Debbie Toohey was responsible for drafting the Board meeting minutes and providing them to myself and the Chairman to review to confirm that the draft Board meeting minutes were a true and correct reflection of the meeting. As Company Secretary, I would then send the minutes to the Board for review. Instances where there was a conflict of interest, certain sections were omitted from the draft minutes for certain directors. There was a 4 week process I followed to ensure that the minutes were executed within a reasonable time period. This process was relayed the Board.
9. Adam Carter, the CFO, would only be in board meetings when required. Debbie Toohey or I would leave the board meetings to get the relevant executive manager to attend in relation to their department/ area of responsibility.
10. At each of the board meetings, the management executives would come in at different points during the meeting to present and report on their section that they managed.
11. I was not involved with negotiating any arrangements with Contour. If there were draft contracts that needed to be reviewed, then that would be my function.
12. I believe that the first dealings that Contour had with QRL was through SCRUT, the Sunshine Coast Racing Unit Trust, in relation to the cushion track installed at Corbould Park.

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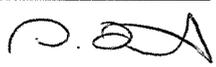
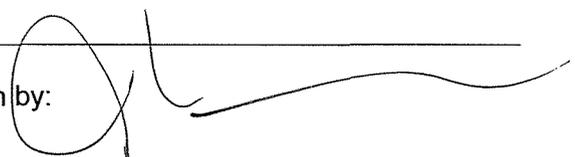
- (a) SCRUT – originally SCRUT was set up by David Grace of Cooper Grace Ward Lawyers with QRL and the Sunshine Coast Turf Club as both shareholders of the trustee company and as the unit holders of the trust.
- (b) SCRUT bought the land that had been leased from the Sunshine Coast Council to the Sunshine Coast Turf Club.
- (c) The SCRUT Board advertised for a project manager for the cushion track design and implementation.
- (d) Arben Management was engaged for the project manager's role and they subcontracted Contour for engineering work.

13. There had been a government grant given of approximately \$12 million for the purposes of having works carried out at various places including Toowoomba. I wasn't involved in obtaining that grant or anything to do with its proposal to the Queensland government.

14. However, I reviewed the Synthetic Track Funding Agreement, as drafted by Crown Law.. I cannot recall the conditions on the drawdown of the funding agreement other than to say that there were conditions imposed by the government that had to be met before it would advance the funds. Adam Carter, the former CFO, was the administrator of this agreement.

MANAGEMENT AND GOVERNANCE

15. The following is a structure of RQL at the time that I was there:

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- (a) The Board.

- (b) Below the Board was the Chief Operations Officer/Chief Executive Officer, Malcolm Tuttle and myself as Company Secretary. Malcolm Tuttle and I, in my role as Company Secretary, reported directly to the Board.

- (c) Below Malcolm Tuttle were the executive management team who would report directly to Malcolm, who would then ultimately report to the Board. The executive management team was comprised of the following:
 - i. Adam Carter as head of finance;
 - ii. Jamie Orchard as head of integrity;
 - iii. David Rowan as head of communications and IT;
 - iv. Paul Brennan as has head of products and race tracks;
 - v. Peter Smith as head of training and licensing; and
 - vi. Myself in my role as legal counsel.

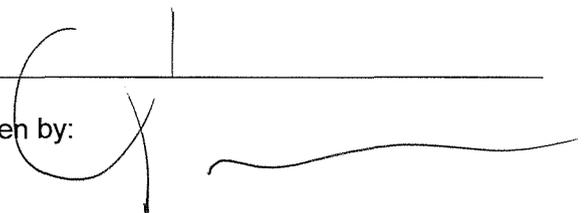
16. In relation to that structure, the office layout was broken up into quadrants. The first quadrant was Malcolm, Paul and myself and beneath us we had our own teams of people that we managed. The other quadrant was Peter Smith and David Rowan again with their own teams that they managed. Another quadrant on his own was Adam Carter and his accounts/finance team and in a different building in his own quadrant again was Jamie Orchard who managed stewards.

17. Management in relation to those structures and quadrants would follow up through the structures being that each of the heads of the different divisions and within their own quadrants would report up until it made its way up to Malcolm Tuttle who would then report to the board.

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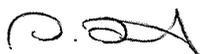


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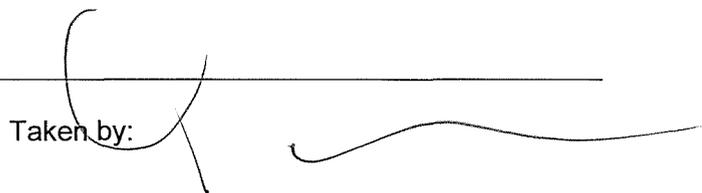


18. There were standing items on each board agenda and then there was separate papers done for each of the different departments.
19. Debbie Toohey and I would both leave board meetings when the Board was having *in camera* discussions and/or the Board wished to discuss confidential matters. On those occasions, the chair of the Board would be responsible for taking the minutes.
20. Each of the department heads would be responsible for ensuring that everyone complied with the policies.
21. In terms of spending limits for purchases, most of the department heads had sign off / spending authorisation limits. My spending limits were initially for two (2) thousand dollars but that was increased to ten (10) and then twenty (20) thousand dollars. If it was something that was not within my spending limit, I would receive the invoice to ensure accuracy of the charge, however, it would be sent to the relevant person such as Adam Carter or if it was above his approval authorisation then it would go to Malcolm Tuttle.
22. In 2010 when we were rolling into RQL, Cooper Grace Ward Lawyers reviewed all section 81 and 82 policies. All of these policies went out for consultation. All other policies such as HR and finance policies were outsourced to people like HRBS. Adam Carter was responsible for these policies..
23. I didn't have any involvement with the audit committee unless I was invited by the Committee to address a specific item within my area.

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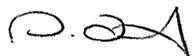


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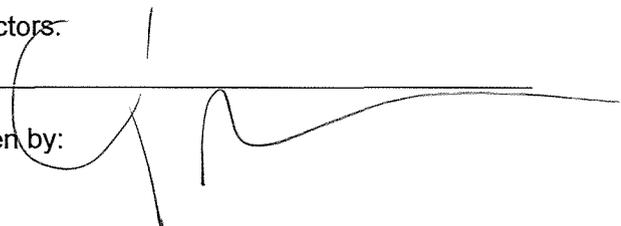


24. I am not aware of any instances where people were not acting in accordance with the constitution or in the best interests of RQL except for the actions of Kerry Watson when she was on the Board, which led to her being dismissed from the Board.
25. The way that the board dealt with the issue of any conflicts of interest was that at every meeting of the Board, there was a standing item regarding conflicts of interests to be declared. A sheet setting out various bodies that Board members were associated with was reviewed at every meeting.
26. Further to reduce the position of conflicts of interest, people such as Bob Bentley would receive different board papers to others so that his Board papers would not contain anything relating to Tatts Bet, Product Co. or race information.
27. If there was something to do with Tatts Bet raised in a meeting, Bob Bentley would remove himself from the meeting and come back later.
28. In relation to Product Co issues, Tony Hanmer would decide whether it was just a general discussion with no specific information that could prejudice RQL or advantage Tatts Bet (whereupon he would leave it open for the Board to decide if Bob Bentley should remain in the meeting, and Bob would only remain if it was unanimous for him to do so) or if it was anything beyond that then Bob would have to either leave the room.
29. There were also other instances where, for example, I would have to talk about the court matters involving Queensland Harness Racing and on those occasions, Bob Lette would leave the room.
30. I am not aware of any employment contracts have sought to restrain an employee from seeking employment with suppliers or contractors.

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OVERSIGHT AND MINISTERIAL GOVERNANCE

31. I would see Mike Kelly and Carol Perrett from the Office of Racing from time to time about section 81 or section 82 issues, race information issues, or specific funding agreements.

EMPLOYMENT CONTRACTS

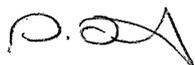
32. In 2010 there was a revision of the employment contracts as a result of the change from QRL to RQL.

33. Despite a minimal pay rise I was taking on more responsibility. I was now responsible for the legal department of three (3) codes, race information legislation and recovery of monies owed under that legislation from bookmakers corporates. I was also legal counsel and company secretary for SCRUT and Rockhampton Racing Pty Ltd, I was the Senior Sexual Harassment Officer, the CMC Liaison Officer and the Public Officer.

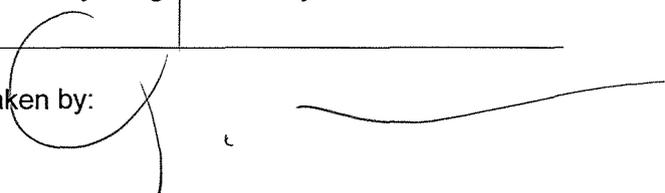
34. In early 2011, my daughter, who was in grade five (5) at the time at Sacred Heart Catholic School of Sandgate, would come home upset and distraught because of things that children at her school were saying about me, my abilities as a solicitor and about RQL. The school that she attended was also attended by children of many racing families and my daughter would often come home asking whether I would have a job when the LNP got in, if we would have a home and would we have money for food? Clearly, these questions and concerns were as a result of what children of parents involved in racing were saying.

35. It was a very distressing and upsetting for both my daughter and myself.

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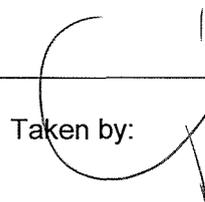


36. As a result of the bullying at my daughter's school, I made arrangements to enrol her in a different school some distance away where I believe she will not be subjected to such pressures.
37. I was also subject to constant harassment from some sections of the industry. I was trying to deal with parties such as bookmakers and licensees and their constant jibes about my being out of job when the government changed was wearing very thin. There was also constant media and social media pressure.
38. Against this background, at various times I was prepared to walk away from RQL and the Queensland racing industry.
39. I had discussed my concerns with Bob Bentley and Malcolm Tuttle b
40. At the end of April 2011 I took annual leave and went overseas with my family on a cruise. I needed to get away from the constant harassment and I also needed to get my daughter away too.
41. When I returned from leave on or about 9 May 2011 I was advised, by Debbie Toohey, that the Board had resolved to seek legal advice about amending the contracts of the senior executives.
42. The board determined to engage Clayton Utz for legal advice regarding the employment contracts. The Board also determined that the four (4) executive managers could seek independent legal advice.
43. Jamie Orchard identified Norton Rose as a firm that could give advice to the four (4) executive managers. Jamie Orchard contacted Murray Proctor and arranged the meeting.

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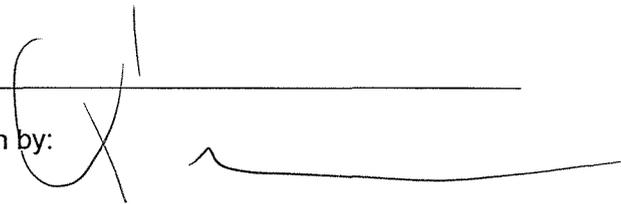


44. Malcolm Tuttle, Jamie Orchard and myself had a meeting at Norton Rose (Paul Brennan did not attend).
45. In that meeting Malcolm Tuttle advised Murray Proctor of the situation that we were in - some history as to the issues/ harassment we were facing, the work we were undertaking and the concern we had so that if the LNP was elected that the executives would be marched out the door.
46. Advices were provided by Norton Rose as well as Clayton Utz regarding the employment contract renegotiation.
47. In the final days of the discussions between Norton Rose and Clayton Utz in finalising our amended employment agreements I tried to arrange a meeting with Norton Rose and Clayton Utz for the four executive managers and the lawyers to attend to discuss the employment contracts and come to a consensus on the terms.
48. Barry Dunphy of Clayton Utz advised me, at late notice, that he couldn't attend the meeting that was scheduled. As it would be too difficult to reschedule the meeting at such a late stage, I telephoned him to ask whether he had any issues in respect of the advice given by Norton Rose. Barry told me that he had no issues with the advice given by Norton Rose in respect of the employment contracts.
49. Despite Barry's advice, after the meeting with Norton Rose, the board then received a letter from Clayton Utz stating a different position in respect of the employment contracts.
50. After that meeting the employment contracts were finalised and they were signed.

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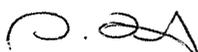


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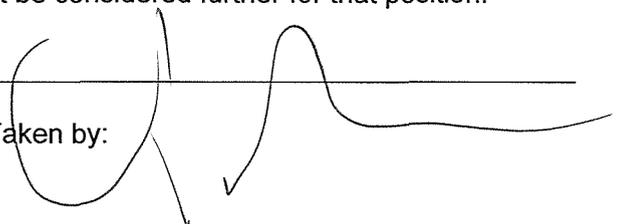


51. Over the coming months towards the end of 2011 and coming to the election in March 2012 it became evident that there would be a change of government.
52. In the lead up to the election, people who had been rude or dismissive of me were even more critical, rude and nasty. Kevin Dixon, of the Brisbane Race Club, was earmarked to be the new chairman of the board and made it well known that he would be making changes to RQL.
53. It was my understanding from 'talk' within the industry, my head was on the chopping block.
54. After the election result was known on the Saturday night I spoke at length with my husband about what I should do. We decided that it would be best for our family if I resigned.
55. On the Monday after the election, I attended at the Deagon office and sought to resign. I sought legal advice from Norton Rose about my resignation letter and also the resignation letters of Malcolm Tuttle, Jamie Orchard and Paul Brennan, as they too had indicated that they would be resigning.
56. Bob Bentley waived the notice period under the terms of the employment contract.
57. I then spent the rest of the day that Monday reviewing files, drafting memos and file handovers so that the incoming solicitor for RQL after me would have a full file brief.
58. After my resignation, I found that it was very difficult for me to find another job. I applied for numerous in house counsel positions and in one instance was told that because of the bad press in the paper that I would not be considered further for that position.

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59. I also became unwell as a result of the stress and pressure that I had been put on under in the last twelve months in my position at RQL and the months after my resignation.

QUEENSLAND RACE PRODUCT CO LTD

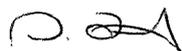
60. With the introduction of the amendments to legislation allowing charges to be raised for parties using race information, work was required for setting up a regime where authorities would be granted by the control body to use race information supplied by the control body. Then there was the further task of recovering the race information fees from various bookmakers including corporate bookmakers. Initially that task fell to Peter Smith who was in charge of licensing but I took over that task. In my time after taking those recoveries over I recovered approximately nine (9) to ten (10) million dollars from corporate bookmakers.

61. I was not involved in obtaining external advice in relation to the possibility of recovering race information fees from Unitab. I wasn't asked to give advice to the board about that. However, had I been asked, I would have advised the board that the position of Unitab being able to set off amounts under the pre-existing agreement that there was in place since 1999 was quite clear. In fact, section 113AF(6) of the Act makes it quite clear.

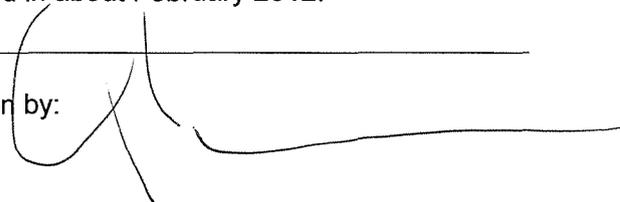
FUNDS TRANSFER IN FEBRUARY 2012

62. In conjunction with Mark Snowden, we both reviewed the Industry Infrastructure Funding Agreements between RQL and the Queensland Government, as drafted by Crown Law, in relation to the moneys required to be funded in about February 2012.

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63. I did not suggest any changes being made to the funding agreements as they were stock standard agreements, which ensured compliance and governance in relation to the expenditure of the funds.

64. The terms of those agreements was that the Queensland government would only provide the funding on the basis that RQL had complied with purchasing policies, invoicing policies and procurement policies. Mark Snowden and Ron Mathofer reviewed the financial information contained within the funding agreements – I was not aware of the complete financial details of each project. I understand that Adam Carter was responsible for providing the necessary declarations in relation to RQL's compliance with the expenditure of the funds.

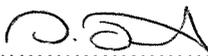
And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the *Oaths Act 1867*.

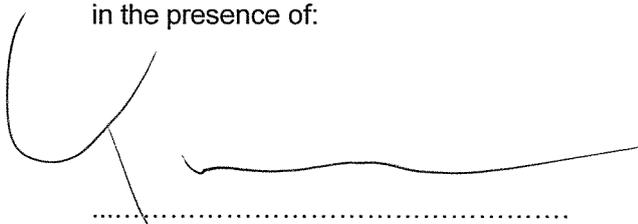
SIGNED AND DECLARED)

at Brisbane)

on 26 July 2013)

in the presence of:)


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Solicitor / Justice of the Peace