

IN THE MATTER OF THE *COMMISSIONS OF INQUIRY ACT 1950*  
QUEENSLAND RACING COMMISSION OF INQUIRY

AFFIDAVIT

I, **ANDREW FRASER**, of c/- Gilshenan & Luton Legal Practice, Level 11, 15 Adelaide Street, Brisbane in the State of Queensland, affirm and say as follows:

1. I am the recipient of a Requirement to Give Information in a Written Statement issued pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* and dated 5 July 2013 (the **Requirement**) with respect to matters associated with paragraphs 3(b), 3(c), 3(d), 3(f), and 3(g) of the Terms of Reference contained in *Commissions of Inquiry Order (No 1) of 2013* (the **Terms of Reference**). Attached to this affidavit and marked **AF-1** is a true copy of that Requirement.
2. From 13 September 2006 to 13 September 2007, I was the Minister for Local Government, Planning and Sport in the Beattie Government. Then, from 13 September 2007 until the State Election on 24 March 2012, I served as Treasurer in the Bligh Government. From 26 March 2009 I also served as the Minister for Employment and Economic Development and, following a machinery of government change on 21 February 2011, I was appointed as Treasurer and Minister for State Development and Trade. From 16 September 2011 to 24 March 2012, I held the office of Deputy Premier.

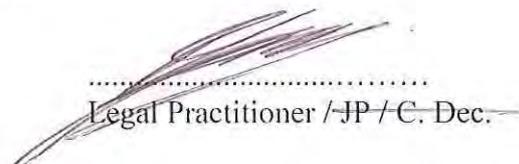
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**AFFIDAVIT OF  
ANDREW FRASER**



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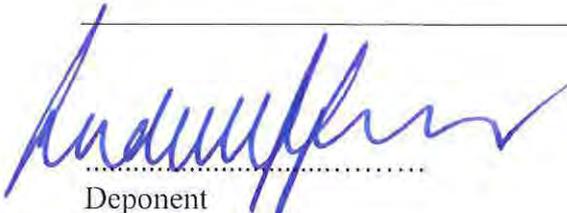
3. Over the Relevant Period, as that expression is defined in the Schedule to the Requirement (1 January 2007 to 30 April 2012), I was the Minister responsible for racing between 13 September 2006 and 26 March 2009. In that regard, racing was part of my Ministerial responsibilities from 13 September 2006 to 13 September 2007 as part of the Local Government, Planning and Sport portfolio and, from 13 September 2007 to 26 March 2009, the Treasury portfolio included responsibility for the Office of Liquor, Gaming and Racing.

### Sources of Information

4. On leaving politics, as is usual practice, I retained in my possession very little in the way of records of my time in office, with all official records retained by the State. In consequence, the matters I have deposed to herein are principally derived from my own, unaided recollection. Although I have done my best to recall the relevant events, I would obviously have derived considerable assistance by access to whatever contemporaneous records exist relating to those events.
5. The only exception to this general proposition concerns the events about which paragraph 3(g) of the Terms of Reference is concerned. In that respect, I have had regard to the following two sources of documentary information when preparing this affidavit:
  - (a) A copy of Briefing Notes and correspondence obtained from the publicly accessible disclosure log maintained by the Department of Treasury and Trade on its website ([www.treasury.qld.gov.au](http://www.treasury.qld.gov.au)) with respect to information released pursuant to applications made pursuant to the *Right to Information Act* 2009. In this instance, such an application appears to have been made by the Courier-Mail newspaper on 13 April 2013, in consequence of which the following documents were released:

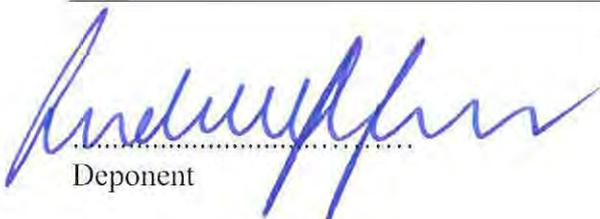
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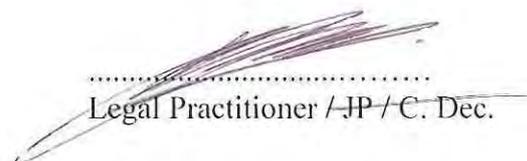
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- Briefing Note from Treasury to me dated 10 February 2012 (Treasury document tracking number TRX-18459), a copy of which is attached to this affidavit and marked **AF-2**;
  - Briefing Note from Treasury to me dated 14 February 2012 (Treasury document tracking number TRX-18459), a copy of which is attached to this affidavit and marked **AF-3**;
  - Letter to the Hon. Tim Mulherin from me, a copy of which is attached to this affidavit and marked **AF-4**;
  - Briefing Note from Treasury to me dated 17 February 2012 (Treasury document tracking number TRX-18557), a copy of which is attached to this affidavit and marked **AF-5**;
  - Letter to the Hon. Tim Mulherin from me dated 17 February 2012, a copy of which is attached to this affidavit and marked **AF-6**;
- (b) Documents obtained by my solicitors from Crown Law pursuant to letters requesting same dated 18 and 23 July 2013. In the main, this material consists of Applications, Information Notices, Control Body Approval Notices, Briefing Notes, a few pieces of correspondence (including emails) and a small number of records (recording the transfer of funds on or about 17 February 2012). A copy of the letters from my solicitors to Crown Law dated 18 and 23 July 2013 is attached to this affidavit and marked **AF-7** and **AF-8** respectively. A copy of a Table prepared by my instructing solicitors that compares the requests against the documents received is attached and marked **AF-9**;

  
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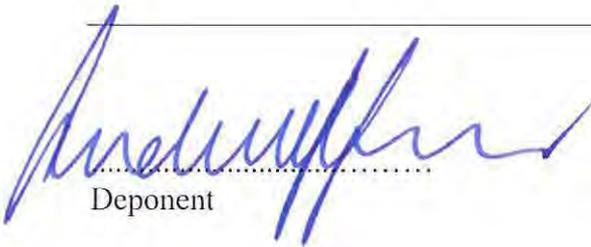
- (c) Various Media Statements obtained from the archive maintained by the Queensland government on its website ([www.treasury.qld.gov.au](http://www.treasury.qld.gov.au)), which Media Statements I identify later in this affidavit as necessary.
6. The body of documentary material referred to in paragraph 5 is far from complete. For example, the Briefing Notes referred to in (a) refer to attachments that are missing and the copy of the same Briefing Notes supplied by Crown Law suffer from the same defect. In particular, I do not have access to any relevant Cabinet Submissions or decisions of the Cabinet Budget Review Committee. Further, as at the date of affirming this affidavit, Crown Law have not yet responded to a number of the requests for documents made by my solicitors. In consequence, and although my recollection has been assisted by referring to the documents that have been obtained, those documents hardly cover the field. It may therefore be necessary to reconsider aspects of what follows as further documents come to light as I do not have an independent recollection of all of the events about which this Inquiry is concerned.

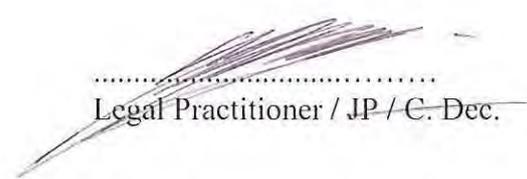
### **Background and Ministerial Portfolios**

7. I am [REDACTED] years of age, having been born on [REDACTED].
8. I was first elected to the Legislative Assembly of Queensland on 7 February 2004 as the Member for Mount Coot-tha. Part way into my first term, I served (from July 2005) as the Parliamentary Secretary to the Premier and Treasurer, the Hon. Peter Beattie, and this included responsibility for sport. However, it did not include racing.
9. I completed my first term in September 2006 and was re-elected. I was appointed to the Ministry for the first time – becoming the Minister for Local Government,

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Planning and Sport. This portfolio included responsibility for racing. I commenced in that role on 13 September 2006.

10. Precisely one year later, on 13 September 2007, I was appointed to the office of Treasurer in the new Bligh Government which was sworn in after the Hon. Peter Beattie resigned as Premier and retired from politics. While I no longer had responsibility for the Sport portfolio, I continued to be responsible for racing with the Office of Racing transitioned to become part of the Treasury Department.
11. In that respect, the Office of Gaming Regulation was a longstanding part of the Treasury Department. However, shortly after my appointment as Treasurer, it became clear that there was a need for some consolidation of ministerial responsibility for Racing, Liquor Licensing and Gaming, all of which shared a similar regulatory focus. Accordingly, it was decided that Liquor Licensing would be consolidated with Gaming and Racing within the Treasury Department and, as such, within my ministerial portfolio. This gave rise to the Office for Liquor Licensing, Gaming and Racing (the **OLGR**), which took some months to formalise.
12. The Deputy Under-Treasurer, David Ford, had overall responsibility for the OLGR. Under him, Mike Sarquis headed up gaming regulation, although it is possible that he may also have been the head of the OLGR. Chris Watters was responsible for liquor licensing, and Mike Kelly was responsible for racing. All three reported to Mr Ford. Mr Ford reported to the Under-Treasurer, Gerard Bradley, who in turn reported to me.
13. I was re-elected for a third term at the March 2009 election. On 26 March 2009, I was given additional responsibility for Employment and Economic Development in addition to my role as Treasurer. The Hon. Peter Lawlor was given ministerial responsibility for racing. As such, from 26 March 2009, I ceased to have direct

ministerial responsibility for racing. Mr Lawlor continued as the responsible Minister until February 2011, when the Hon. Tim Mulherin took over and remained in that role until the government was defeated in the March 2012 election.

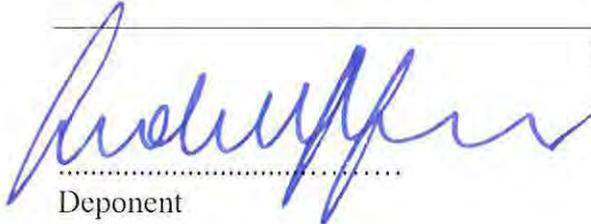
14. After the 2009 election, there was a broad and substantial restructuring of the whole of the public sector into “super departments”. A component of that was the transfer of the OLGR to form part of the Department of Employment and Economic Development & Innovation (**DEEDI**). I remained as Treasurer and also became the Minister for Employment and Economic Development. I served as one of a cluster of Ministers working with DEEDI under one CEO, who was initially Peter Henneken and, later, Ian Fletcher.
15. On 21 February 2011, following a machinery of government change, I was appointed as Treasurer and Minister for State Development and Trade. At the same time, I ceased in my role as Minister for Employment and Economic Development.
16. Lastly, on 16 September 2011 I was elected by the Caucus to serve as Deputy Premier. I also remained as Treasurer and Minister for State Development and Trade. I held office as such until the State election on 24 March 2012, when the Bligh Government lost office and I was not successful in recontesting my seat.

### **Scheduled Matters**

17. I refer to the Schedule to the Requirement to Give Information in a Written Statement dated 5 July 2013 referred to in paragraph 1, being attachment **AF-1** to this affidavit. I set out below my knowledge of the matters contained on that Schedule.

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18. For that purpose, and as deposed in paragraph 3, the Relevant Period for those matters is defined in the Schedule to the Requirement (1 January 2007 to 30 April 2012). Where applicable, the Relevant Entities are as defined in the Schedule, that is:

(a) Racing Queensland Limited:

- Before July 2010, Queensland Racing Limited, Greyhounds Queensland Limited and Queensland Harness Racing Limited;
- Before July 2008, Greyhound Racing Authority and Queensland Harness Racing Board;

(b) Entities controlled by Racing Queensland Limited or the other entities mentioned above, including Queensland Race Product Co Limited.

*Matter 1. MANAGEMENT (paragraph 3(b) of the Terms of Reference)*

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

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

19. During my time as responsible Minister, I had no involvement in the day-to-day management of the Racing Entities. Nor do I recall the Department ever bringing to my attention, for example, that material concerns were held about board members of any of the racing control bodies being improperly involved in the exercise of the functions of the executive management team or other key management personnel.

20. Having said that, I was conscious that, for at least part of the Relevant Period (particularly whilst the recruitment process for a Chief Executive Officer was on foot) Mr Bentley was essentially acting as an Executive Chairman in the case of

thoroughbred racing. I calibrated this situation against the obvious need for the industry to confront change with strong leadership. Further, in the cases of harness racing and greyhound racing, I was conscious that these control bodies had relied, to an extent, on the active engagement of their board members. In any event, I believed the structural changes, when fully matured, would result in a more robust governance arrangement than the industry had historically enjoyed.

21. To further explain my observations regarding the need for the industry to confront change and the structural changes on foot, when I initially commenced in the portfolio in September 2006, my understanding was that the racing industry had historically been a “club-centric” model, with significant government involvement (including with respect to appointments to leadership positions). However, the industry was in transition away from that model to a more “industry-led” model. It was also a transition away from statutory bodies to a new corporate structure. Substantial amendments to the *Racing Act* 2002 had come into effect on 1 July 2006 on the back of two successive public Inquiries, and provided for approved control bodies for thoroughbred racing, harness racing, and greyhound racing. Indeed, it is my recollection that I arrived in the portfolio shortly after the approved control body for thoroughbred racing (Queensland Racing Limited) had been put in place. Harness racing and greyhound racing were to follow suit in July 2008 (Greyhounds Queensland Limited and Queensland Harness Racing Limited) and, eventually (in July 2010), these three control bodies would come together as Racing Queensland Limited.
  
22. As such, my initial (and continuing) focus as Minister was to assist in the implementation of these fundamental structural changes for the industry. In addition, there was a number of specific economic issues affecting revenue and an awareness that the industry was struggling to sustain growth. Under the new model, however, the emphasis was on industry responsibility and that extended to its own corporate

governance as well as appointments to leadership (and management) positions. Indeed, the government's powers became more accurately described as reserve powers rather than decision-making powers. By way of illustration, the last time there was "racing" in the title of the responsible Minister was when the Hon. Robert Swarten was Minister (earlier in 2006). The removal of "racing" from the title was quite deliberate; it was intended to send a clear message that racing was an area that was to be led by industry rather than government.

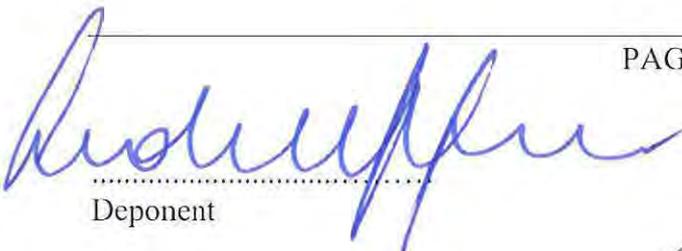
23. So far as the economic issues were concerned, chief among those was the changing wagering landscape. While the State government collected wagering tax, which is a tax on turnover of the TAB, the majority of that revenue was remitted to the industry from the TAB. However, with the rise of corporate bookmakers and the online betting exchange, Betfair, the return to industry was significantly, and adversely, challenged. This challenge was of course not limited to Queensland; across Australia, the racing industry was facing the same threat to revenue and grappling with how to counter this threat. Because the new corporate structure was intended to provide the racing industry with more flexibility and independence, it was intended that this would also enable it to be more responsive in what had become a very challenging commercial environment.
24. For completeness, the equine influenza was also a significant issue affecting the racing industry throughout 2007 and 2008 and, to some extent, there was continuing work to be done in that regard. A copy of Media Statements relevant to this issue, and dated 27 September 2007, 28 September 2007 and 14 January 2008 is attached to this affidavit and marked **AF-10**.

*Matter 2. CORPORATE GOVERNANCE (paragraph 3(c) of the Terms of Reference)*

- 2.1 *Whether Racing Queensland Limited and its Officers operated and acted:*  
(a) *with integrity;*

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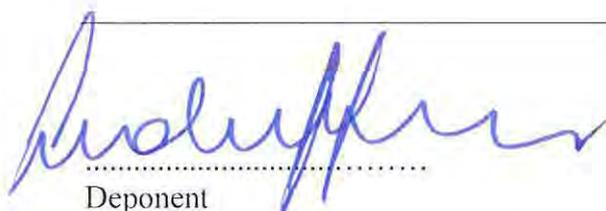
  
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- (b) *in accordance with the company's constitution;*
- (c) *in the best interests of the company; and*
- (d) *in the best interests of the racing industry.*

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

- (a) *identify and manage conflicts of interest; and*
- (b) *minimise the risk of directors and executives improperly using their position and information for personal or financial gain.*

25. As to 2.1, the only instance I can presently recall when a substantive allegation which prima facie appeared to warrant action came to my attention occurred in 2008. The allegation concerned the exercise of a proxy vote by Mr Ludwig. In that case, after requesting advice from the department, the allegation was sent to the relevant authorities for investigation. As I recall it, no findings of any wrongdoing were ultimately made by the relevant authorities in relation to Mr Ludwig. In any event, as I recall and relying on Hansard, I refused approval for a substantive request that came to me as Minister for constitutional change in relation to the exercise of that vote. A copy of my Media Statement relevant to this issue, and dated 23 August 2008, is attached to this affidavit and marked **AF-11**. A copy of two extracts from Hansard to which I referred, dated 28 October 2008 and 11 November 2008 respectively, is attached to this affidavit and marked **AF-12**.
26. Other than that instance, I cannot recall any other instance during my time in executive government where I was provided with advice that led me to conclude that Racing Queensland Limited or any of its officers had acted without integrity, had acted other than in accordance with the constitution or had not acted in the best interests of the company or the racing industry. Had any such instance come to my attention, I would have acted upon it, as I did in the case of Mr Ludwig.
27. As to 2.2, I became aware that there was a potential conflict between Bob Bentley's role as a director of a racing control body and as a director of UNITAB (later, the Tatts Group). This issue was of long-standing and pre-dated my appointment as

  
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Minister. I was generally aware that it had been, and to some extent continued to be, the subject of vigorous debate prior to my appointment. It was my understanding that Mr Bentley did not serve on the board of Queensland Race Product Co. Limited for this reason.

28. That said, although I knew the potential for a conflict existed, as far as I was aware it had been, and would continue to be, managed by those concerned, as is normal practice in the corporate environment. It was also the case that, following corporatisation, the racing control bodies, and their officers, would be required to act conformably with their duties and obligations as provided in the legislation governing corporations. In any event, so far as I can recall, at no stage was I furnished with a briefing or advice that called on me to address any deficiencies identified in the management of that issue within Racing Queensland Limited.

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

- 3.1 *Oversight of the operations of the Relevant Entities in the Relevant Period by:*
- (a) the responsible Minister;*
  - (b) the Executive Government; and*
  - (c) the Chief Executive.*

29. As deposed in paragraph 3, over the Relevant Period, I was the Minister responsible for racing between 13 September 2006 and 26 March 2009. Further, at all times during the Relevant Period I was a member of the executive government.
30. As a responsible Minister, you are heavily reliant on the advice given to you by the officers of the department. They raise any material issues of concern and provide advice. In turn, you might raise matters with them for their assessment and subsequent reporting back to you with recommendations. I always considered that such an approach was far preferable to, for example, decision-making by decree and,

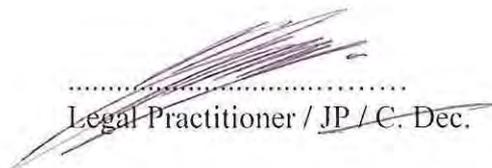
  
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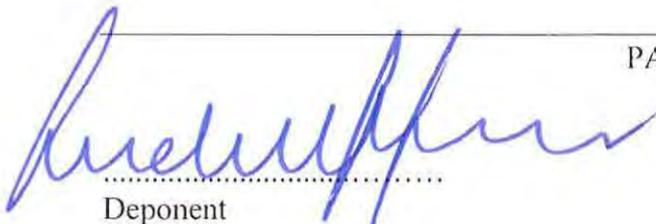
so, I depended on the briefing system to perform my role as responsible Minister and, later, as Treasurer. This approach also assisted me to keep my workload within manageable limits, particularly as my executive responsibilities grew substantially in other areas over the period from 2006 to 2012.

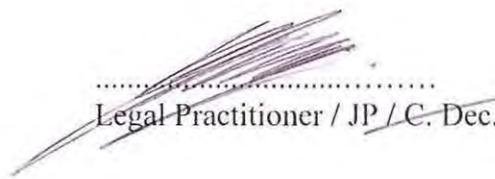
31. So far as this briefing system is concerned, my practice was to meet regularly with departmental officers for formal briefing sessions led by the department head, with senior departmental officers in attendance as necessary. Indeed, it was my general practice to meet with the department head and senior officers both prior to each Cabinet meeting and subsequently. I also held (at least) two broader briefing sessions each week (generally scheduled for Tuesdays and Fridays) with the department head and senior officers. I also had a standing meeting scheduled with the department head for every morning at around 8:30 am which would take place unless there were no agenda items to be discussed.
32. I almost invariably relied on this formal briefing system rather than direct email traffic between the department head and myself as Minister. Most discussions took place in person or, if it was necessary to confer by telephone, with other people present and participating. I expected that if there were any issues of concern about which I as Minister should be made aware, that this would occur through the briefing system.
33. I took as thorough an approach as possible so far as briefing papers were concerned. In this, I always tried to deal with the flow of briefings each day to avoid the situation where matters of importance did not receive timely attention. Meetings consumed most days and, so, each night I would take home the contents of my in-tray and my office would also prepare a compendium which was colloquially known as my "homework pack".

  
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34. If briefing papers contained any issues which I wished to query, I would raise them at the briefing sessions which were conducted with the relevant officers in attendance. I considered this the most efficient way to discharge my responsibilities as it ensured that all relevant advisers and officers were present during these deliberations and avoided any matters "being lost in translation". It was also the most direct and expeditious manner of dealing with issues as they were brought to my attention.
35. When Treasurer, for each Cabinet meeting and each Cabinet Budget Review Committee (CBRC) meeting, whether convened in person or by flying minute, I did my level best to read all submissions as opposed to relying on briefing notes or prepared précis of material. This consumed my time on most Sundays.
36. The CBRC was constituted by the Premier and Deputy Premier of the day, along with the Treasurer and another Minister (selected on a rotational basis). As such, I was a permanent member of the CBRC from 13 September 2007 until we lost office in March 2012.
37. The Chairman of Racing Queensland Limited during my time as the responsible Minister was Bob Bentley, with Tony Hamner as Deputy Chairman. I would meet with Mr Bentley and other representatives of Queensland Racing Limited as well as the broader industry as necessary. To the best of my recollection, during my time as Treasurer I met with Bob Bentley on occasion, perhaps three or four times per year, and usually with the Minister responsible for racing.
38. Such meetings would usually be coordinated by the department and then attended by at least one departmental officer, usually the department head. On occasion, Mr Bentley would attempt to contact me directly to arrange a meeting but at any such meeting I would have someone else present. If for some reason a departmental officer could not attend, my practice was to have at least a senior member of my own staff

  
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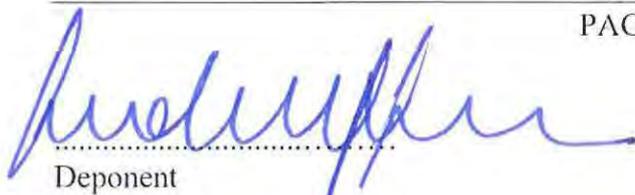
present. Such a practice was not confined to Mr Bentley; it was my practice across all meetings relevant to my role as Minister.

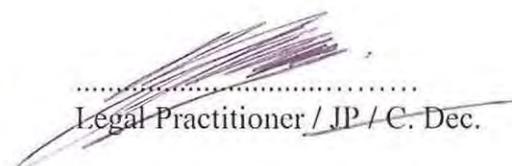
39. Before I was appointed Treasurer, Michael Kinnane was the department head responsible under the *Racing Act 2002* (as Director-General of the Department of Local Government, Planning and Sport). Then, from 13 September 2007, Gerard Bradley (as Under-Treasurer) was the relevant department head until my term as the responsible Minister ceased after the 2009 election. Throughout my time, I had full trust and confidence in both men as experienced public servants and administrators.
40. I certainly relied on the briefing system to alert me to any issues of concern and to provide to me advice and recommendations regarding the same. To the best of my recollection, I cannot recall any occasion when evidence was presented to me in briefing notes or otherwise which caused me to form a view that there was an inadequacy in the operation of a racing control body that required me to reconsider the appropriateness of their position as a control body.
41. For the reasons deposed in paragraph 23, during my time as the responsible Minister I considered the predominant challenges facing the industry to be economic in nature, and not limited to the local industry. My priorities were centered around oversight of the structural changes to which I earlier referred and assistance in dealing with the revenue threat, such as through the passage of the Race Fields legislation (in January 2009). This legislation provided the industry with the capacity to derive a return from those entities that had been otherwise utilising the proprietary interests of the racing industry without providing a commercial return by charging for the use of Queensland race information for the purpose of race wagering.
42. When I was the Minister responsible for racing, correspondence containing “information” of wildly varying standards in relation to the racing industry was often

received, the common thread to which was inviting or imploring my intervention in all manner of issues. By my observation, it was an industry that was beset by people prosecuting various personal agendas. I was firmly of the view that the notion that the Minister of the day should be co-opted in matters properly for the industry to determine ran counter to the intent of the 2006 legislative reforms. So I did my level best not to get involved in any such issues but to, instead, encourage and then reinforce by my actions the legislated aim to promote corporate independence for the industry.

43. As a general proposition, I did not respond personally to correspondence raising individual matters or accusations. Instead, such correspondence would usually be responded to by my chief-of-staff who, through correspondence prepared by the department for signature, would routinely advise correspondents to avail themselves of appropriate channels, such as the Crime and Misconduct Commission. If any such concerns were raised by the industry bodies or leaders then I would generally respond, under my signature, with the same advice.
44. I saw it as critical to establish a new culture of responsibility within the industry. After all, this was an industry that had been beset by sectional interests and so as part of the structural changes it was imperative that such interests be put aside in order to meet the challenges that faced the industry as a whole. This was a very strong conviction on my part. Indeed, I regularly reinforced this message to members of the industry whenever the opportunity arose. My approach therefore was to help to inspire the racing industry to responsible self-determination. My guiding principle was: if there were changes to be made and they were the right changes from the industry's perspective, I was willing to support them. Each of the three codes of racing would have been only too well aware that this was my approach because it was regularly communicated to them during my time in office.

45. In addition to my reliance on the briefing system, I would also review the published Annual Reports of the corporate entities. I recollect in particular that the Annual Reports for the thoroughbred control body included an unqualified auditor's statement signed by a reputable firm. There was, in addition, an annual Control Body Assessment audit that assessed each control body's compliance on key issues which I always paid particular attention to. This was a "belts and braces" audit that did spot checks on particular systems, for example, on the industry's preparedness for a possible outbreak of disease.
46. I had to also consider the sizeable applications of Greyhounds Queensland Limited and Queensland Harness Racing Limited before approving them as control bodies in July 2008. I saw this corporatisation process as being particularly important in providing and supporting a more robust governance arrangement for these two sectors which, I was aware, had not enjoyed the same level of industry resources as thoroughbred racing.
47. As against all of that, throughout the period I was responsible for racing (from September 2006 – March 2009), there were various issues within my other portfolio commitments which were often more pressing or prominent than racing issues. For example, during most of my period as Minister for Local Government, Planning and Sport (September 2006 to September 2007), I was trying to effect local council amalgamations – firstly through a voluntary process and then through a specially legislated commission charged with authoring reform. Then, when I became Treasurer (September 2007), the first references to potential problems with US sub-prime mortgages were only weeks old.
48. Naturally I prioritised my new responsibilities as Treasurer and, with the benefit of a year of oversight of racing, I was able to focus on dealing with the emerging economic and fiscal challenges facing the State. In this respect, the investment

  
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markets were already coming under significant pressure at this time and the full-blown effects of the Global Financial Crisis began to unfold inside my first year as Treasurer.

*Matter 4. QUEENSLAND RACE PRODUCT CO LIMITED and TATTS GROUP  
(paragraph 3(f) of the Terms of Reference)*

- 4.1 *The operations of the Relevant Entities in the Relevant Period with respect to the arrangements between Queensland Race Product Co Limited and Tatts Group (formerly UNITAB) concerning fees paid by Tatts Group for Queensland wagering on interstate races through TattsBet ("Fee Arrangements").*
- 4.2 *How Queensland Race Product Co Limited responded to the introduction of race information fees.*
- 4.3 *When the race information fees were introduced or at any other time in the Relevant Period, whether the directors and senior executives of the Relevant Entities acted in relation to the Fee Arrangements:*
- (a) in good faith;*
  - (b) consistently with their responsibilities;*
  - (c) consistently with their duties and legal obligations; and*
  - (d) in the best interests of the company or companies of which they were directors or senior executives.*
  - (e) Whether the actions of the directors and/or senior executives of the Relevant Entities relating to the Fee Arrangements were influenced by a conflict of interest when the race information fees were introduced or at any other time in the Relevant Period.*
- 4.4 *Whether, in relation to the Fee Arrangements, the directors and the senior executive of the Relevant Entities used their position to gain a personal advantage when the race information fees were introduced or at any other time in the Relevant Period.*

49. As to 4.1, I did not have an involvement in the negotiation or entry into of the agreement that existed between Queensland Race Product Co Limited and the Tatts Group. Without the benefit of a review of relevant documentation, it is my understanding that the relevant agreement was entered into around the time the TAB was privatised (1999). Further, it is also my recollection that, in broad terms, the agreement provided for a fixed percentage of the returns to be payable to the thoroughbred, greyhound and harness racing industry. However, I do recall being

briefed that these percentage shares did not align with the individual contributions of the three sectors but that the arrangement as entered into was not open to review during the term of the agreement.

50. As to 4.2, as deposed in paragraph 41, I was the Minister who oversaw the introduction of the Race Fields legislation via amendments to the *Racing Act* in 2008. This allowed the industry to commence charging wagering operators – wherever they were domiciled in Australia - for the use of Queensland race information for the purpose of race wagering. As such, Queensland Racing Limited, Queensland Harness Racing Limited and Greyhounds Queensland Limited were given the capacity to derive a return from wagering operators through the payment of a turnover-based fee for using Queensland racing product. A copy of Media Statements relevant to this issue, and dated 4 October 2008, 12 November 2008 and 4 December 2008 is attached to this affidavit and marked **AF-13**.
51. As to 4.3 and 4.4, I have already referred in paragraphs 27 and 28 to the potential conflict of interest between Mr Bentley's role as a director of a control body and as a director of UNITAB (and later the Tatts Group) and to my understanding Mr Bentley did not serve on the board of Queensland Race Product Co Limited for this reason. As I deposed in paragraph 28, although I knew the potential for a conflict existed, as far as I was aware it was being managed by those concerned as part of normal corporate practice. As far as I can recall, I was never called on to address any deficiencies that had been identified in the management of that issue within Racing Queensland Limited.
52. That said, during my time as a member of the executive government, I cannot recall any instance where I was provided with departmental advice about the fee arrangements that caused me to conclude that the directors or senior executives of the Relevant Entities had not acted in good faith, consistently with their responsibilities,

consistently with their duties and legal obligations or in the best interests of the company or companies of which they were directors or senior executives. Nor was I ever furnished, so far as I can recall, with departmental advice that the actions of the directors and/or senior executives of the Relevant Entities relating to race information fees had been influenced by a conflict of interest when those fees were introduced or at any other time in the Relevant Period. Had anything of the sort come to my attention, I would have referred it to the authorities.

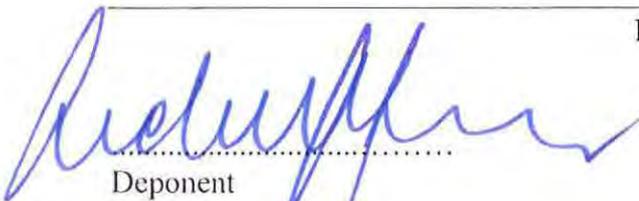
53. I recall only one conversation of possible relevance. On that occasion, the Under Treasurer (Mr Bradley) remarked during the course of a briefing that the precise arrangements around the fees were not apparent to the Treasury. I understood this to mean that the government was not privy to the full commercial arrangements as determined in the industry, but such a state of affairs was not unusual in the interface between government and any industry.

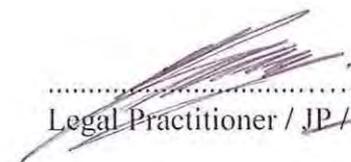
*Matter 5. FUNDS TRANSFER IN FEBURARY 2012: QUEENSLAND GOVERNMENT TO RACING QUEENSLAND LIMITED INFRASTRUCTURE TRUST ACCOUNT (paragraph 3(g) of the Terms of Reference)*

- 5.1 *Events surrounding the approved transfer of funds by the Queensland Government to the Racing Queensland Limited Infrastructure Trust Account in February 2012.*
- 5.2 *The basis upon which the transfer of funds was made.*
- 5.3 *Was any influence exercised by directors of Racing Queensland Limited in relation to having the transfer made.*

54. As to 5.1 and 5.2, on 20 December 2009 the government announced that it was considering a funding package to assist the racing industry to improve facilities across the State - the Racing Industry Capital Development Scheme (**RICDS**). At the time, the Hon. Peter Lawlor was the Minister responsible for racing and a copy of his Media Statement with respect to that announcement is attached to this affidavit and marked **AF-14**.

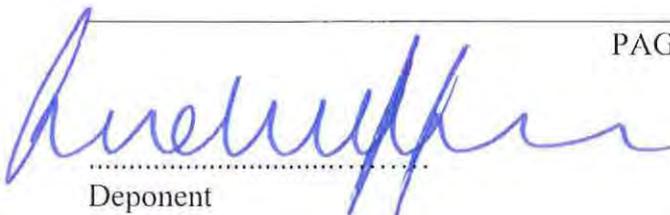
55. On 9 January 2010, in my capacity as Treasurer, I announced that the government had committed to a funding package for the RICDS of more than \$80 million over four years. A copy of the relevant Media Statement in this regard is attached to this affidavit and marked **AF-15**. As there appears, the funding would be sourced from the redirection of around half of the revenue gained from wagering taxes.
56. The RICDS was the government's response to the significant pressures facing the racing industry to which I have earlier deposed and, in a real sense, a recognition that the industry had failed to properly respond to those pressures. A rationalisation of the industry's capital footprint was clearly required and a singular body was considered necessary to drive decision-making in the interests of the industry as a whole. In addition, it was accepted that a substantial capital injection would be required to improve a number of the existing facilities that had become rundown.
57. The racing clubs had been unable to generate funding to provide the necessary investment. In part, this was because of the economic issues to which I have earlier deposed but it was also of serious concern to the government that the industry remained fragmented despite the structural changes instigated in 2006. Of course, funding by the government of infrastructure development in a sporting context is not something that is unique to racing, or to Queensland. The construction of stadia is regularly financed by governments - in whole or in part - for the use of sports that would otherwise not be able to undertake or sustain such investments by themselves. Racing clubs are no different and this reality informed the decision to go ahead with the RICDS. All that said, the intent was that the industry would be rejuvenated to the extent that it could become self-sustaining.
58. The RICDS was therefore seen as the means to provide funding but, at the same time, force the industry to be rationalised and then brought under the one control body. An

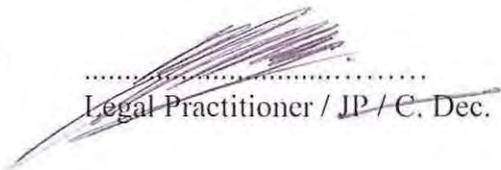
  
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industry wide plan was required with respect to both objectives and, only on such a plan being agreed, would the funds that had been earmarked then be made available. In this way, they were very much regarded as preconditions that had to be met before any funds would be released.

59. Importantly, the RICDS was designed to not to be an on-going funding arrangement, but instead to provide a quantum of funds that would allow for re-investment, to re-capitalise the industry on a once-and-for-all basis. Thereafter, and consistently with the intent of the 2006 reforms, the industry as a whole would be expected to take responsibility for its own investment and capital renewal. The government wanted an end to different sections of the industry advocating individual projects for unique consideration by the government; it wanted the industry to make those decisions and in the interests of the industry as a whole. The central rationale was that the industry had to be involved in investing funds back into the industry (the racing clubs) to sustain the industry and provide the opportunity for it to be self-sufficient. Beyond this re-capitalisation the government was resolved to not provide any further substantial capital assistance.
60. On 21 May 2010 the government announced, in effect, that the first of the two preconditions referred to in paragraph 56 had been met – the amalgamation of the racing control bodies - Queensland Racing Limited, Greyhounds Queensland Limited and Queensland Harness Racing Limited – as Racing Queensland Limited. A copy of the Hon. Peter Lawlor’s Media Statement in this regard is attached to this affidavit and marked **AF-16**. The amendments to the *Racing Act* 2002 to facilitate the amalgamation commenced on 1 July 2010. So, too, did amendments to the *Wagering Act* 1998 and the *Gaming Machine Act* 1991 commence so as to authorise the transfer from the Community Investment Fund of the \$80 million that had been earmarked by the government for the RICDS. A copy of the Premier’s Media

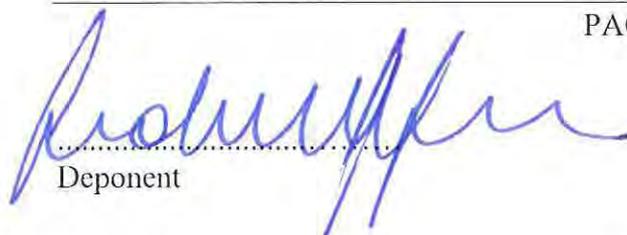
  
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Statement dated 30 June 2010 foreshadowing the commencement of these amendments is attached and marked **AF-17**.

61. As to the other precondition referred to in paragraph 58 – its capital work priorities - the industry was slow to respond. Much debate ensued within the industry as to its priorities and, doubtless, there was considerable interaction with departmental officers. Of course, at that time, I was no longer Minister responsible (the Hon. Peter Lawlor was, until February 2011, when the Hon. Tim Mulherin took over the portfolio), but my recollection is that time marched on without much in the way of a clear resolution. I was aware that internal disagreements within the industry were again hindering holistic decision-making.
62. That said, there was definitely an awareness on my part of the length of time that had elapsed during the protracted industry deliberations and subsequent stalling of the program due to other factors (such as litigation launched against the sale of Albion Park) and an overall impression that the industry was stagnating in consequence. Things certainly needed to get moving under the RICDS to redress this as the outlook for the industry became ever more challenging. To the point, the recapitalising of the industry was becoming more urgent. I was particularly conscious that the government's commitment to provide funding – provided back in 2010 – had yet to be met as this protracted process wore on.
63. So far as subsequent events are concerned, when preparing this affidavit I have relied on the Briefing Notes and correspondence referred to in paragraph 5, despite the shortcomings in that body of material to which I referred in paragraph 6. I cannot recall all of that material coming to my attention at the time (for example, the emails between officers to which I am not a party) or the precise content of the departmental briefings and associated communications, but I have used the documents to which I have referred to construct a picture of the relevant events. As to that, it appears:

- (a) An Industry Infrastructure Plan (**IIP**) was eventually prepared;
- (b) A revised version of the IIP was considered, and approved, by the CBRC on 7 July 2011. Eleven infrastructure projects were identified for funding under the RICDS. In addition, by that time, the government's financial commitment had increased by \$20 million and the term of the scheme extended from four to five years. In addition to the \$80 million commitment announced in late 2009/early 2010, the government had previously agreed to set aside \$10 million with respect to a greyhound complex at Parklands. In the result, the overall package under the RICDS therefore stood at \$110 million. A copy of the Media Statement made by the Hon. Tim Mulherin on 20 July 2011 regarding this increased commitment is attached and marked **AF-18**;
- (c) Some funding was released by the CBRC immediately to pay for repairs to infrastructure damaged in the January 2011 floods and Cyclone Yasi and for works urgently required at the Mackay Turf Club;
- (d) Otherwise, the CBRC resolved that a business case for each project was required to be submitted to Treasury for assessment prior to any further funding being made available;
- (e) The various business cases were eventually submitted by the industry to Treasury. It was not until 16 December 2011 that the first of those was submitted, with the last (so far as is presently relevant) on 16 February 2012. In at least one instance, a revised business case was presented to Treasury;
- (f) On 30 January 2012, Cabinet noted a revised IIP that proposed expenditure on various infrastructure projects. This included projects at Beaudesert, Cairns,

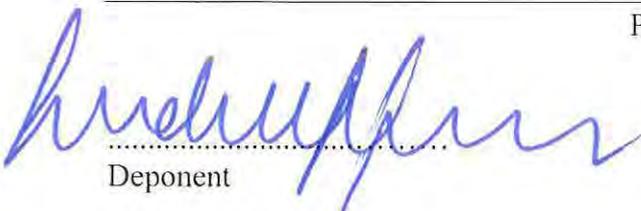
  
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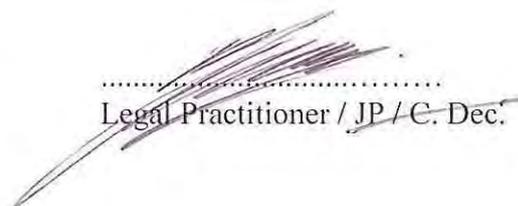
  
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Logan and Rockhampton. The Treasury assessment of the business cases with respect to those clubs was that they would be commercially unviable without some level of subsidy – as is generally the case with capital subsidy programs for sporting or cultural facilities. As such, Treasury recommended that funding not be advanced from the RICDS towards those projects unless Racing Queensland Limited assured the government that it was prepared to, in effect, underwrite any operating deficits. This parallels the approach taken, as I recall the matter, for the construction of the AFL Stadium on the Gold Coast;

- (g) A review of the Briefing Notes and correspondence referred to in paragraph 5 indicates that Treasury signed off briefing material to me on 10 February 2012, which appears to have been updated by 14 February 2012 and my approval has been provided on 15 February 2012;
- (h) On 14 February 2012, Racing Queensland Limited forwarded a letter to the Hon. Tim Mulherin which provided the financial assurance the Treasury had recommended be obtained;
- (i) As already noted, I acted in accordance with Treasury’s recommendation and therefore signed a letter to the Hon. Mr Mulherin as the responsible Minister which had been provided to me for my signature as part of the briefing. In that letter I approve the release of funds from the RICDS for the Beaudesert, Cairns, Logan and Rockhampton projects in light of the financial assurance that had been provided by Racing Queensland Limited. It also notes the need for the assurance to provide a “clear basis of justification” and suggests an option is that a portion of the wagering revenue be set aside in the future “as a buffer for increased operating deficits”;

- (j) According to the EFT Advice in the body of material I have now considered the funds for the Beaudesert, Cairns, Logan and Rockhampton projects were transferred by DEEDI to Racing Queensland Limited on 17 February 2012. The total sum transferred was \$6,807,359.64;
- (k) On 17 February 2012, I was briefed on the Treasury's assessment of business cases submitted by the industry for infrastructure projects at the Gold Coast and Ipswich. Business cases for these projects were received by Treasury on 15 and 16 February 2012. So far as the Gold Coast project was concerned, Treasury formed a similar view to that it had formed with respect to the Beaudesert, Cairns, Logan and Rockhampton projects, however, recommended the release of funds for that project on the basis of the financial assurance provided by Racing Queensland Limited on 14 February 2012. In the case of the Ipswich project, Treasury recommend against the release of any funds;
- (l) I acted in accordance with Treasury's recommendations, approving the release of funds for the Gold Coast project but declining to approve the release of any funds for the Ipswich project. In particular, I signed a letter to the Hon. Tim Mulherin as the responsible Minister which had been provided to me for my signature as part of the briefing I received on 17 February 2012;
- (m) According to an email in the body of material I have now considered the funds for the Gold Coast project were transferred by DEEDI to Racing Queensland Limited on 20 February 2012. The sum transferred was \$3,500,000.00.
- (n) In summary, a total of \$10,307,359.64 of the overall funding package under the RICDS of \$110 million was approved in this way. My recollection is that disbursement of approximately 20% of the overall package was approved by

  
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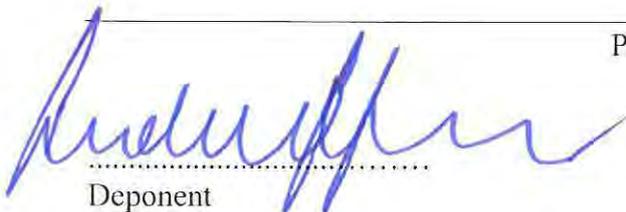
  
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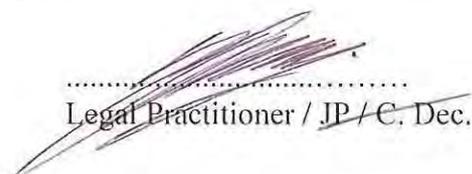
this time, taking account of the previously approved funding for recovery from natural disasters and the safety improvements at Mackay;

- (o) In providing these approvals, I was conscious that the funds to be advanced represented initial part-payments only (for each approved project) and that further funds would only be disbursed upon the future satisfaction of oversighting agencies of the government. This was to my mind an important aspect in the ongoing accountability of the application of these public funds.

64. As to 5.3, the directors of Racing Queensland Limited did not exercise any influence on me in relation to any of the approvals. I acted at all times in accordance with the recommendations made by Treasury and took advice on the issues from Mr Bradley. Although I was conscious of the need for the recapitalisation under the RICDS to get moving as quickly as possible, that was very much in the hands of the industry and Treasury's assessment of the business cases. As such, if Treasury had advised me that its recommendation was to withhold all funding then I would have accepted that advice. It had never been my practice to disregard its views in this respect.

65. When granting the approvals, I cannot recall meeting with any of the directors of Racing Queensland Limited or, for that matter, any other representatives of the industry. I was aware that the Hon. Tim Mulherin was engaged directly with the industry as the Minister. I also knew from Mr Mulherin that Racing Queensland Limited was eager to resolve the matter and that both sides had been involved in a substantial negotiation to achieve an outcome, that was more than two years after the funds were first earmarked. However, as I have deposed above, any approval was dependent on the industry submission being reviewed by Treasury and their advice to me on such reviews.

  
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*Matter 6. ANY OTHER RELEVANT MATTER*

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

66. After a review of the Terms of Reference, I believe that I have already dealt with the matters about which I have direct knowledge. However, I undertake to review the sufficiency of this affidavit in that regard once I am given access to a complete body of documentary material concerning these events.
67. All the facts and circumstances deposed to in this my affidavit are within my own knowledge and belief, except for the facts and circumstances deposed to from information only, and my means of knowledge and sources of information appear on the face of this my affidavit.

Affirmed by Andrew Fraser on the 5<sup>th</sup> day of August 2013 at Brisbane in the State of Queensland in the presence of:



Deponent



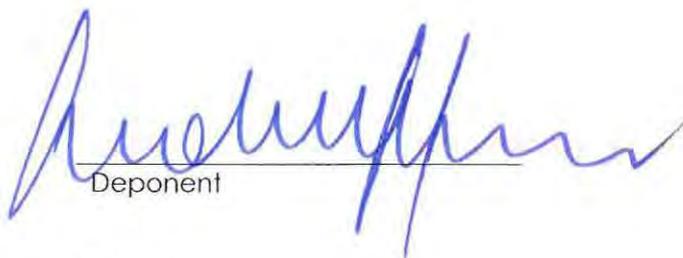
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Commissioner for Declarations

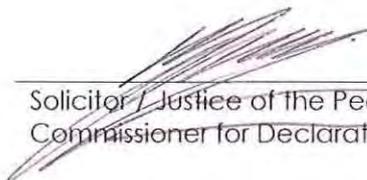
**IN THE MATTER OF THE COMMISSIONS OF INQUIRY ACT 1950**  
**QUEENSLAND RACING COMMISSION OF INQUIRY**

These are the exhibits marked and referred to in the affidavit of Andrew Fraser on the 5<sup>th</sup> day of August 2013

**INDEX OF EXHIBITS**

<b>Exhibit</b>	<b>Document</b>	<b>Date</b>	<b>Pages</b>
"AF-1"	Requirement to Give Information in a Written Statement	05.07.13	1-6
"AF-2"	Briefing Note from Treasury to Andrew Fraser (Deputy Premier, Treasurer and Minister for State Development and Trade) – TRX-18459	10.02.12	7-11
"AF-3"	Briefing Note from Treasury to Andrew Fraser (Deputy Premier, Treasurer and Minister for State Development and Trade) – TRX – 18459	14.02.12	12-16
"AF-4"	Letter to the Hon. Tim Mulherin from Andrew Fraser	Undated	17-18
"AF-5"	Briefing Note from Treasury to Andrew Fraser (Deputy Premier, Treasurer and Minister for State Development and Trade) – TRX – 18557	17.02.12	19-21
"AF-6"	Letter to the Hon. Tim Mulherin from Andrew Fraser	17.02.12	22-23
"AF-7"	Letter from Gilshenan & Luton Legal Practice to Crown Law	18.07.13	24-25
"AF-8"	Letter from Gilshenan & Luton Legal Practice to Crown Law	23.07.13	26-27
"AF-9"	Table prepared by Gilshenan & Luton Legal Practice comparing the requests for information against documents received	31.07.13	28-29

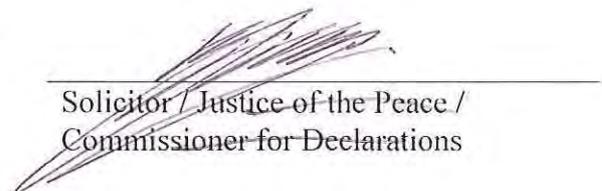
  
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"AF-10"	Three media statements relevant to the equine influenza titled: <i>'State Government outlines response to horse flu'</i> ; <i>'Bligh announces \$20 Million package for horse industry'</i> ; and <i>'End in sight for horse flu in Queensland'</i> .	27.09.07, 28.09.07 & 14.01.08	30-35
"AF-11"	Media Statement titled <i>'Fraser confirms material forwarded to CMC'</i>	23.08.08	36
"AF-12"	Hansard Extracts	28.10.08 & 11.11.08	37-39
"AF-13"	Three media statements titled: <i>'Queensland to introduce 'Race Fields' legislation to protect future of racing'</i> ; <i>'Race Fields legislation introduced to parliament'</i> ; and <i>'Race Fields legislation passed'</i> .	04.10.08, 12.11.08 & 04.12.08	40-43
"AF-14"	Media Statement titled <i>'Bligh Government considers major funding boost for racing industry'</i>	20.12.09	44-45
"AF-15"	Media Statement titled <i>'Massive new investment in Queensland racing industry: Magic Millions redevelopment first cab off the rank'</i>	09.01.10	46-47
"AF-16"	Media Statement titled <i>'Parliament approves record racing funds'</i>	21.05.10	48
"AF-17"	Media Statement titled <i>'Media Advisory – Summary of new concessions and laws to be introduced July 1'</i>	30.06.10	49-52
"AF-18"	Media Statement titled: <i>'Government approves \$110 Million for Queensland Racing Industry'</i>	20.07.11	53-54



Deponent



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"AF - 1"

Queensland Racing  
Commission of Inquiry



QUEENSLAND RACING COMMISSION OF INQUIRY

*Commissions of Inquiry Act 1950*  
Section 5(1)(d)

REQUIREMENT TO GIVE INFORMATION IN A WRITTEN STATEMENT

To: Andrew Fraser

Of: [REDACTED]

I, THE HONOURABLE MARGARET WHITE AO, Commissioner appointed pursuant to *Commissions of Inquiry Order (No. 1) 2013* to inquire into certain matters pertaining to racing in Queensland ("the Commission") require you to give a written statement to the Commission pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* in regard to your knowledge of the matters set out in the Schedule annexed hereto.

YOU MUST COMPLY WITH THIS REQUIREMENT BY:

Giving a written statement prepared either in affidavit form or verified as a statutory declaration under the *Oaths Act 1867* and in accordance with the Practice Guideline (which is published on the Commission website at [www.racinginquiry.qld.gov.au](http://www.racinginquiry.qld.gov.au)) to the Commission on or before 26 July 2013, by delivering it to the Commission at Level 1, 50 Ann Street, BRISBANE, or to the Commission's secretary at PO Box 12369, George Street, BRISBANE, or electronically to [info@racinginquiry.qld.gov.au](mailto:info@racinginquiry.qld.gov.au).

If you believe that you have a reasonable excuse for not complying with this notice, for the purposes of section 5(2)(b) of the *Commissions of Inquiry Act 1950* you will need to provide evidence to the Commission in that regard by the due date specified above.

DATED this *fifth* day of *July* 2013

A handwritten signature in cursive script, appearing to read "Margaret White".

The Hon. Margaret White AO  
Commissioner  
Queensland Racing Commission of Inquiry

## SCHEDULE

### *Commission of Inquiry Act 1950*

1. MANAGEMENT (paragraph 3(b) of the Terms of Reference)
  - 1.1 The involvement of the boards or members of the boards of the *Relevant Entities* in the exercise of functions of:
    - (a) the executive management team; and
    - (b) other key management personnel, including the company secretary and those involved in integrity matters.
2. CORPORATE GOVERNANCE (paragraph 3(c) of the Terms of Reference)
  - 2.1 Whether Racing Queensland Limited and its *Officers* operated and acted:
    - (a) with integrity;
    - (b) in accordance with the company's constitution;
    - (c) in the best interests of the company; and
    - (d) in the best interests of the racing industry.
  - 2.2 In the *Relevant Period* were there in place policies, rules and procedures within Racing Queensland Limited to:
    - (a) identify and manage conflicts of interest; and
    - (b) minimise the risk of directors and executives improperly using their position and information for personal or financial gain.

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

3.1 Oversight of the operations of the *Relevant Entities* in the *Relevant Period* by:

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

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

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

4.2 How Queensland Race Product Co Limited responded to the introduction of race information fees.

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

- (a) in good faith;
- (b) consistently with their responsibilities;
- (c) consistently with their duties and legal obligations; and

- (d) in the best interests of the company or companies of which they were directors or senior executives.
- (e) Whether the actions of the directors and/or senior executives of the *Relevant Entities* relating to the *Fee Arrangements* were influenced by a conflict of interest when the race information fees were introduced or at any other time in the *Relevant Period*.

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

**5. FUNDS TRANSFER IN FEBRUARY 2012: QUEENSLAND GOVERNMENT TO RACING QUEENSLAND LIMITED INFRASTRUCTURE TRUST ACCOUNT (paragraph 3(g) of the Terms of Reference)**

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

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

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

**6. ANY OTHER RELEVANT MATTER**

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

## GLOSSARY

*Officers* - means:

- the directors of Racing Queensland Limited;
- the executive management team of Racing Queensland Limited;
- other key management personnel of Racing Queensland Limited;
- the company secretary of Racing Queensland Limited.

*Relevant Entities* – means:

- Racing Queensland Limited
  - before July 2010: Queensland Racing Limited, Greyhounds Queensland Limited and Queensland Harness Racing Limited;
  - before July 2008: Greyhound Racing Authority and Queensland Harness Racing Board;
- entities controlled by Racing Queensland Limited or the other entities mentioned above, including Queensland Race Product Co Limited.

*Relevant Period* means 1 January 2007 to 30 April 2012.

*Terms of Reference:* the terms of reference for the Commission are contained in *Commissions of Inquiry Order (No. 1) 2013* which is available on the Commission's website at [www.racinginquiry.qld.gov.au/](http://www.racinginquiry.qld.gov.au/).

**INFORMATION TO ADDRESSEE**

**YOU MUST COMPLY WITH THIS SUMMONS OR NOTICE**

Pursuant to sections 5 and 7 of the *Commissions of Inquiry Act 1950* ("the Act"), a failure without reasonable excuse to comply with this summons or notice, and (if summonsed to give evidence) a failure to continue to attend as required by the Commissioner until excused from further attendance, constitutes an offence which carries a maximum penalty of 200 penalty units or 1 year's imprisonment. Non-compliance with this summons or notice may result in a warrant being issued for your arrest.

**LEGAL REPRESENTATION**

You may be legally represented at a Commission hearing, if you first obtain leave from the Commissioner. The procedure for seeking such leave is set out in the Initial Practice Guidelines available on the Commission's website at [www.racinginquiry.qld.gov.au](http://www.racinginquiry.qld.gov.au).

**IF THIS NOTICE REQUIRES YOU TO GIVE A STATEMENT OR ANSWER QUESTIONS**

Pursuant to section 14 of the Act, a person attending before the Commission is not entitled to remain silent upon being required to give evidence, refuse or fail to answer any question they are required by the Commissioner to answer, or refuse or fail to produce any thing that the person has been summonsed or required to produce, on the ground that to do otherwise would or might tend to incriminate the person.

Pursuant to section 14A of the Act, a statement or disclosure made by any witness in answer to any question put to the witness by the Commission or the Commissioner shall not be admissible in evidence against the witness in any civil or criminal proceedings save for any proceedings for contempt or in relation to the offences specified in section 22 of the Act.

**IF THIS NOTICE REQUIRES YOU TO PRODUCE A DOCUMENT OR THING**

You must **bring** the stated document or thing to the Commission, if the stated document or thing is in your possession, custody or control. You must **produce** the document or thing to the Commission, unless you have a reasonable excuse. A claim of privilege, other than legal professional privilege, is not a reasonable excuse. However, legal professional privilege is not a reasonable excuse if the privilege is waived by any person (including you) who has authority to waive it.

**PROTECTIONS AND ALLOWANCES FOR A WITNESS**

Every witness attending before the Commission has the same protection and the same liability as a witness would in any action or trial in the Supreme Court of Queensland.

Pursuant to section 23 of the Act, penalties apply to any employer who dismisses an employee from employment, or prejudices him or her in their employment because the employee appeared as a witness before the Commission.

Pursuant to section 24 of the Act, a person attending a Commission hearing under summons is entitled to be paid the allowances and expenses as allowed by regulation or by the Commissioner.

BRIEFING NOTE

FROM	Treasury		
FOR	Deputy Premier, Treasurer and Minister for State Development and Trade		
SUBJECT	Business Cases for Racing Industry Infrastructure Expenditure		
Contact Officer:	Natalie Barber – Director, Resources and Economic Development Branch Tel: 3035 1414, Mb: Contrary to Public Interest	Record No: TRX-18459	Date: 10 February 2012
Requested by:	N/A	Date Approval Required By:	N/A

PURPOSE

1. The purpose of this submission is to:
  - inform you of the results of Treasury's review of the business cases for infrastructure expenditure at Beaudesert, Cairns and Rockhampton race courses under the Racing Industry Capital Development Scheme (RICDS); and
  - seek your signature on a letter to the Honourable Minister Mulkerin MP, Minister for Agriculture, Food and Regional Economies, informing him of Treasury's conclusions.

BACKGROUND

2. On 7 July 2011 CBRC approved the \$110 million Industry Infrastructure Plan (IIP) which comprised 11 projects with funds allocated under the RICDS. Funding for the IIP also included \$10 million previously committed by the Government for the closure of the greyhound racing complex at Parklands. CBRC determined that a business case for each project was required to be submitted to Treasury and accepted prior to funding being made available.
3. On 16 December 2011 a business case was provided to Treasury requesting the release of \$7,271,512 held under the RICDS for infrastructure expenditure at Beaudesert race course.
4. On 5 January 2012 Treasury provided written feedback to DEEDI's Office of Racing requesting further information. A revised business case for Beaudesert race course was provided to Treasury on 24 January 2012 with business cases for Cairns and Rockhampton race courses provided on 31 January 2012.
5. On 30 January 2012 Cabinet noted a revised IIP which redirected \$37.9 million in funding from the Deagon development to new greyhound racing facilities at Logan (\$24 million) and Townsville (\$6 million), works at Ipswich Turf Club (\$6 million), project variations at Beaudesert (\$0.94 million), new works at Brisbane Race Club (\$0.75 million) and increases in cost estimates at Cairns, Mackay, and Rockhampton race courses.

ISSUES

6. Proposed expenditure on infrastructure projects at Beaudesert (\$8.2 million), Cairns (\$2.2 million) and Rockhampton (\$1.8 million) race courses total \$12.2 million of the \$110 million IIP, or 11 per cent of the overall program.
7. The business cases demonstrate that, following completion of the infrastructure works at Beaudesert, Cairns and Rockhampton race courses, all three clubs will continue to report an operating deficit throughout the forecast period 2012-16. This in effect demonstrates that in each case, the club is forecast to be commercially unviable without some level of subsidy.

8. As substantial public funds are proposed to be invested in capital projects at these clubs, it is important from a stewardship perspective, that the business cases demonstrate that the clubs have the financial capacity to operate the new facilities to be funded by the State and that the clubs are viable in the medium to longer term. In each business case Treasury has reviewed, this position has not been demonstrated.
9. It is apparent that there is a generally accepted view by the industry that racing clubs are not financially viable businesses. Indeed the business cases advise that "no TAB race club in Queensland is financially viable without financial support from Racing Queensland" and that RQL has subsidised the costs of racing at every race club in Queensland.
10. The business cases indicate that the cumulative subsidies required from RQL to meet the deficits of the three race courses would increase from \$0.177 million for 2010-11 to \$0.806 million for 2013-14 (refer graph at Attachment 1).

#### FINANCIAL IMPLICATIONS

11. Treasury's review of the three business cases has identified that there is a consistent trend towards an increasing gap between revenues forecast to be generated by clubs and their costs of operating. On the basis of the current business cases under review, Treasury considers there is a strong likelihood that this position will be replicated across the whole IIP.
12. RQL contends that it has the necessary financial resources to continue to fund the operation of race clubs Queensland-wide.
13. It further contends that the deficits are largely on account of depreciation. However, this is only the case for Cairns, which has a more modest operating loss of some \$117,000. RQL's forecast financials for Beaudesert indicates that operating (cash) costs increase significantly from \$355,000 to \$913,000 with depreciation listed separately at \$186,000. Similarly, the projections for Rockhampton include a relatively modest depreciation charge. For both Beaudesert and Rockhampton, the projected racing operations are profoundly non profitable.
14. RQL's revenue is largely comprised of its share of wagering revenue from UNITAB in accordance with the agreement by the Government to issue UnNiTAB with an exclusive wagering licence. It is noted that RQL's wagering revenue has fallen from \$140 million in 2008-09 to \$134 million in 2010-11. It is likely that wagering revenues will decline in the future because of the impacts of recent legal challenges to exclusive wagering licences in other jurisdictions, and also due to the impact of technology enabling access by non state-based wagering operators.
15. RQL's 2011 Annual Report shows that it had receipts of \$159 million. It provided prize money and other distributions of \$105 million, and on face value it appears would have some capacity to support clubs. However, it is unclear what impact the increased deficits will have across the whole program, and to what extent existing commitments can be realigned.
16. Given that the business cases are being progressed individually, Treasury is unable to form a view as to whether RQL has the capacity to subsidise increasing operating deficits for clubs across the whole program. Without a transparent disclosure of RQL's strategy for underwriting the deficits, it is not possible to be assured that the capital program is sustainable in the longer term.
17. Treasury therefore considers the risk of an increasing subsidisation requirement from RQL is a financial risk to the Government also, as it not unreasonable to expect that RQL may have difficulty meeting these deficits in the longer term and could call upon the Government for financial assistance.

18. Following an analysis of the business cases for Beaudesert, Cairns and Rockhampton, Treasury has concluded that as the clubs are not viable in the medium to longer term, funds should not be advanced from the RICDS towards the capital projects identified for those clubs.
19. However, should RQL be able to demonstrate that it has in place an overall rationalisation strategy which supports an increase in subsidies for some clubs with at least an offsetting decrease in other less profitable clubs, Treasury considers that may be an acceptable position. To this end, Treasury recommends that a letter of comfort be sought from RQL which provides an outline of RQL's program strategy and risk management approach across the whole of the IIP and which clearly outlines RQL's commitment to support the IIP and any emerging subsidies across the program.
20. Furthermore, Treasury recommends that it would be prudent as a risk mitigation strategy for RQL to set aside a portion of wagering revenue to be held in reserve and to act as a buffer against rising expenses and potentially reducing wagering revenue. This could be reviewed annually, based on an assessment of RQL's ability to continue funding the operating deficits, and an improved understanding of the operating position of the improved facilities.

RTI RELEASE

RECOMMENDATION

21. It is recommended that you:

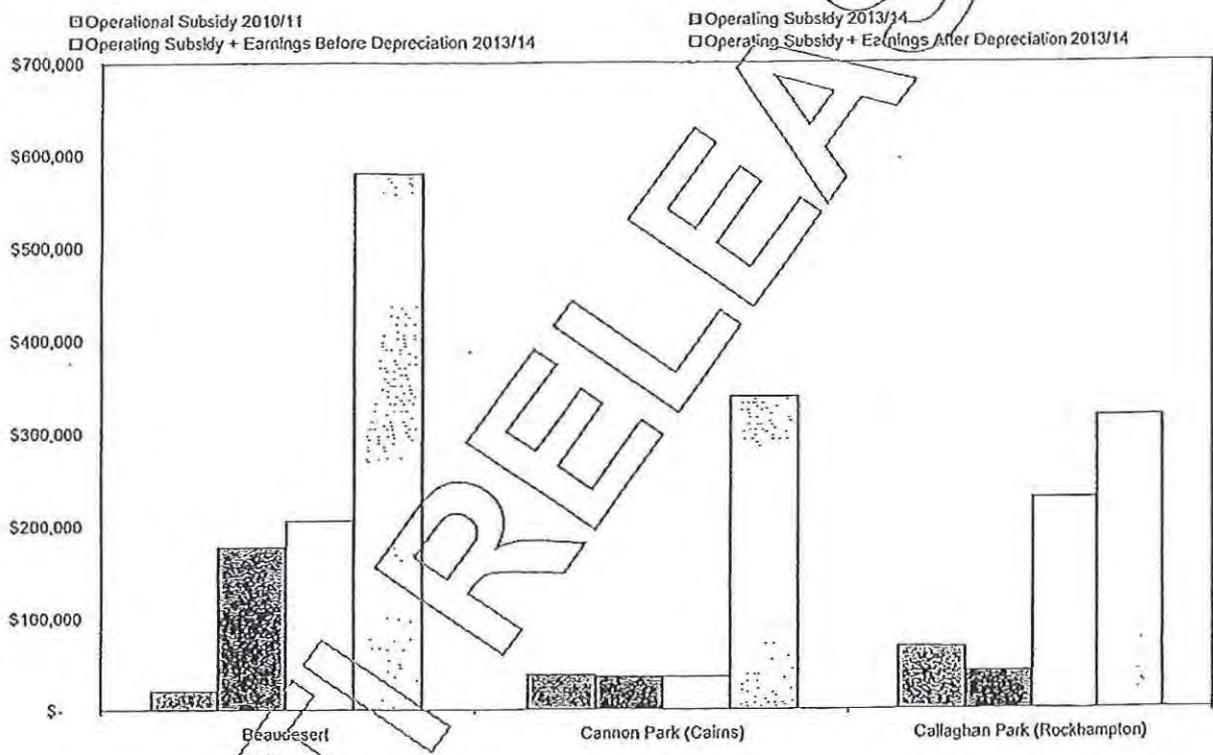
- o Note that Treasury has reviewed the business cases for Beaudesert, Cairns and Rockhampton Racing Clubs and has concluded that the business cases do not demonstrate the ongoing viability of those clubs without some level of subsidy, and that this precludes Treasury from endorsing the release of public funds to those clubs in the absence of an assurance from Racing Queensland Ltd that it is committed and has the resources to meet any ongoing operating deficits;
- o Approve that you request Minister Mulherin to seek a letter of comfort from Racing Queensland Ltd to provide an assurance to Government that Racing Queensland Ltd has the capacity to fund the ongoing operating deficits (including depreciation) of Queensland race clubs, following the investment of State funds in racing club assets; and
- o Subject to your approval, sign the attached letter to Minister Mulherin which has been prepared on this basis.
- o Note that subject to receiving the letter of comfort from RQL, Treasury will review subsequent business cases under the IIP and advise Government of its assessment, but that the advancement of funds would not be precluded should the business cases demonstrate future viability issues for the relevant racing club.

*Gerard Bradley*  
 Gerard Bradley  
 Under Treasurer Date 10/12/12

<input checked="" type="checkbox"/> Approved	<input checked="" type="checkbox"/> Not approved	<input type="checkbox"/> Noted
Deputy Premier, Treasurer and Minister for State Development and Trade		
<p><i>Andrew Fraser</i>                  Andrew Fraser                  Deputy Premier, Treasurer and Minister for State Development and Trade                  15/12/12</p>		

Name:	*Action Officer/Author: Michael Buckby	Director: Natalie Barber	(Initials) <i>MB</i>	ED/AUT: Stuart Booker	(Initials) <i>SB</i>	OUT:	(Initials)
Branch/Division:	Resources and Economic Development	Resources and Economic Development		Resources and Economic Development			
Telephone:	07 3035 1423	07 3035 1414		07 3035 1860			
Date:	10/02/2012	10/02/12		10/02/12			

eDocs: 823231



BRIEFING NOTE

FROM	Treasury		
FOR	Deputy Premier, Treasurer and Minister for State Development and Trade		
SUBJECT	Business Cases for Racing Industry Infrastructure Expenditure		
Contact Officer:	Natalie Barber – Director, Resources and Economic Development Branch Tel: 3035 1414, Mb: Contrary to Public Interest	Record No: TRX-18459	Date: 14 February 2012
Requested by:	N/A	Date Approval Required By: N/A	

PURPOSE

1. The purpose of this submission is to:
  - inform you of the results of Treasury's review of the business cases for infrastructure expenditure at Beaudesert, Cairns, Rockhampton and Logan race courses under the Racing Industry Capital Development Scheme (RICDS); and
  - seek your signature on a letter to the Honourable Minister Mulherin MP, Minister for Agriculture, Food and Regional Economies, informing him of Treasury's conclusions.

BACKGROUND

2. On 7 July 2011 CBRC approved the \$110 million Industry Infrastructure Plan (IIP) which comprised 11 projects with funds allocated under the RICDS. Funding for the IIP also included \$10 million previously committed by the Government for the closure of the greyhound racing complex at Parklands. CBRC determined that a business case for each project was required to be submitted to Treasury and accepted prior to funding being made available.
3. On 16 December 2011 a business case was provided to Treasury requesting the release of \$7,271,512 held under the RICDS for infrastructure expenditure at Beaudesert race course.
4. On 5 January 2012 Treasury provided written feedback to DEEDI's Office of Racing requesting further information. A revised business case for Beaudesert race course was provided to Treasury on 24 January 2012 with business cases for Cairns and Rockhampton race courses provided on 31 January 2012. On 6 February 2012 a further business case for the establishment of greyhound racing venue at Cronulla Park Logan was received.
5. On 30 January 2012 Cabinet noted a revised IIP which redirected \$37.9 million in funding from the Deagon development to new greyhound racing facilities at Logan (\$24 million) and Townsville (\$6 million), works at Ipswich Turf Club (\$6 million), project variations at Beaudesert (\$0.94 million), new works at Brisbane Race Club (\$0.75 million) and increases in cost estimates at Cairns, Mackay, and Rockhampton race courses.

ISSUES

6. Proposed expenditure on infrastructure projects at Beaudesert (\$8.2 million), Cairns (\$2.2 million), Rockhampton (\$1.8 million) and Logan (\$24 million) race courses total \$36.2 million of the \$110 million IIP, or 33 per cent of the overall program.

7. The business cases demonstrate that, following completion of the infrastructure works at Beaudesert, Cairns and Rockhampton race courses, all three clubs will continue to report an operating deficit throughout the forecast period 2012-16. This in effect demonstrates that in each case, the club is forecast to be commercially unviable without some level of subsidy. The Logan facility is forecast to achieve profitability in 2016-17, however this is achieved with a substantial subsidy (over \$1 million annually) from Racing Queensland Limited (RQL).
8. As substantial public funds are proposed to be invested in capital projects at these clubs, it is important from a stewardship perspective, that the business cases demonstrate that the clubs have the financial capacity to operate the new facilities to be funded by the State and that the clubs are viable in the medium to longer term. In each business case Treasury has reviewed, this position has not been demonstrated.
9. It is apparent that there is a generally accepted view by the industry that racing clubs are not financially viable businesses. Indeed the business cases advise that "no TAB race club in Queensland is financially viable without financial support from Racing Queensland" and that RQL has subsidised the costs of racing at every race club in Queensland.
10. The business cases indicate that the cumulative subsidies required from RQL to meet the deficits of the three race courses would increase from \$0.177 million for 2010-11 to \$0.806 million for 2013-14 (refer graph at Attachment 1). The position is less clear for the greyhound racing venue at Logan which may in the long term act as a substitute for existing venues.

#### FINANCIAL IMPLICATIONS

11. Treasury's review of the three business cases for the horse racing venues has identified that there is a consistent trend towards an increasing gap between revenues forecast to be generated by clubs and their costs of operating. On the basis of the current business cases under review, Treasury considers there is a strong likelihood that this position will be replicated across the whole IIP. The business case for the Logan greyhound racing venue forecasts a relatively stable operating deficit requiring funding from RQL. This is an entirely new facility and therefore the forecasts are not based on historical data.
12. RQL contends that it has the necessary financial resources to continue to fund the operation of race clubs Queensland-wide.
13. It further contends that the deficits are largely on account of depreciation. However, this is only the case for Cairns, which has a more modest operating loss of some \$117,000. RQL's forecast financials for Beaudesert indicates that operating (cash) costs increase significantly from \$355,000 to \$913,000 with depreciation listed separately at \$186,000. Similarly, the projections for Rockhampton include a relatively modest depreciation charge. For both Beaudesert and Rockhampton, the projected racing operations are profoundly non profitable. As previously noted the new venue at Logan will require an operating subsidy of over \$1 million per annum to achieve break even.
14. RQL's revenue is largely comprised of its share of wagering revenue from UNITAB in accordance with the agreement by the Government to issue UnNITAB with an exclusive wagering licence. It is noted that RQL's wagering revenue has fallen from \$140 million in 2008-09 to \$134 million in 2010-11. It is likely that wagering revenues will decline in the future because of the impacts of recent legal challenges to exclusive wagering licences in other jurisdictions, and also due to the impact of technology enabling access by non state-based wagering operators.
15. RQL's 2011 Annual Report shows that it had receipts of \$159 million. It provided prize money and other distributions of \$105 million, and on face value it appears would have some capacity to support clubs. However, it is unclear what impact the increased deficits will have across the whole program, and to what extent existing commitments can be realigned.

16. Given that the business cases are being progressed individually, Treasury is unable to form a view as to whether RQL has the capacity to subsidise increasing operating deficits for clubs across the whole program. Without a transparent disclosure of RQL's strategy for underwriting the deficits, it is not possible to be assured that the capital program is sustainable in the longer term.
17. Treasury therefore considers the risk of an increasing subsidisation requirement from RQL is a financial risk to the Government also, as it not unreasonable to expect that RQL may have difficulty meeting these deficits in the longer term and could call upon the Government for financial assistance.
18. Following an analysis of the business cases for Beaudesert, Cairns and Rockhampton, Treasury has concluded that as the clubs are not viable in the medium to longer term, funds should not be advanced from the RICDS towards the capital projects identified for those clubs. The new Logan venue also requires substantial ongoing support from RQL to remain viable.
19. However, should RQL be able to demonstrate that it has in place an overall rationalisation strategy which supports an increase in subsidies for some clubs with at least an offsetting decrease in other less profitable clubs, Treasury considers that may be an acceptable position. To this end, Treasury recommends that a letter of comfort be sought from RQL which provides an outline of RQL's program strategy and risk management approach across the whole of the IIP and which clearly outlines RQL's commitment to support the IIP and any emerging subsidies across the program.
20. Furthermore, Treasury recommends that it would be prudent as a risk mitigation strategy for RQL to set aside a portion of wagering revenue to be held in reserve and to act as a buffer against rising expenses and potentially reducing wagering revenue. This could be reviewed annually, based on an assessment of RQL's ability to continue funding the operating deficits, and an improved understanding of the operating position of the improved facilities.

RTI REVIEWED

RECOMMENDATION

21. It is recommended that you:

- o Note that Treasury has reviewed the business cases for Beaudesert, Cairns and Rockhampton Racing Clubs and the new Logan venue, and has concluded that the business cases do not demonstrate the ongoing viability of those clubs without some level of subsidy, and that this precludes Treasury from endorsing the release of public funds to those clubs in the absence of an assurance from Racing Queensland Ltd that it is committed and has the resources to meet any ongoing operating deficits;
- o Approve that you request Minister Mulherin to seek a letter of comfort from Racing Queensland Ltd to provide an assurance to Government that Racing Queensland Ltd has the capacity to fund the ongoing operating deficits (including depreciation) of Queensland race clubs, following the investment of State funds in racing club assets; and
- o Subject to your approval, sign the attached letter to Minister Mulherin which has been prepared on this basis.
- o Note that subject to receiving the letter of comfort from RQL, Treasury will review subsequent business cases under the IIP and advise Government of its assessment, but that the advancement of funds would not be precluded, should the business cases demonstrate future viability issues for the relevant racing club.

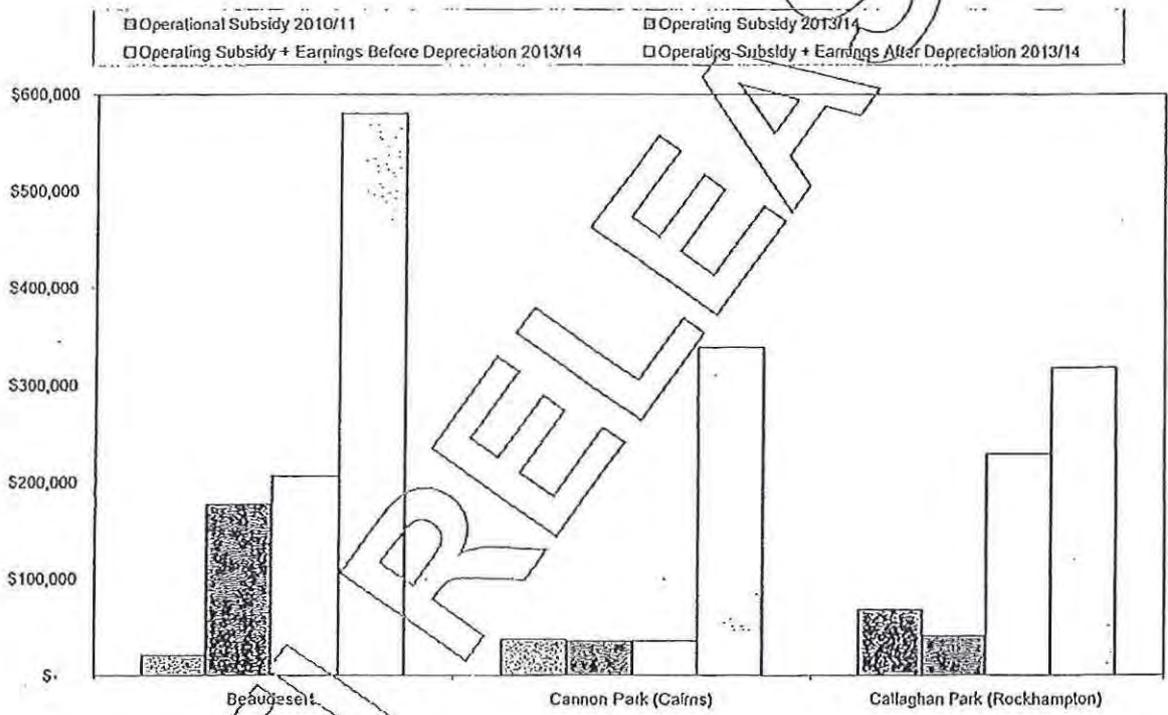
*G Bradley*  
 Gerard Bradley  
 Under Treasurer Date 14/2/12

<input type="checkbox"/> Approved	<input type="checkbox"/> Not approved	<input type="checkbox"/> Noted
Deputy Premier, Treasurer and Minister for State Development and Trade		
Comments		
Andrew Fraser Deputy Premier, Treasurer and Minister for State Development and Trade / /		

Name:	*Action Officer/Author: Michael Buckley	Director: Natalie Barber	(Initials) <i>MB</i>	ED/AUT: Stuart Booker	(Initials) <i>SB</i>	OUT:	(Initials)
Branch/Division:	Resources and Economic Development	Resources and Economic Development		Resources and Economic Development			
Telephone:	07 3035 1423	07 3035 1414		07 3035 1860			
Date:	14/02/2012						

eDocs: 823231

Attachment 1



"AF-4"

14 Feb 2012  
~~04 Feb 2012~~

edoca 850718



Hon Andrew Fraser MP  
Member for Mount Cook-tha



Queensland  
Government

Deputy Premier and Treasurer  
Minister for State Development  
and Trade

TRX-18459

The Honourable Tim Mulherin MP  
Minister for Agriculture, Food and Regional Economics  
GPO Box 46  
BRISBANE QLD 4001

Tim,

I refer to recent correspondence between the Department of Employment, Economic Development and Innovation, Racing Queensland Limited (RQL), and Treasury Department (Treasury) regarding business cases for proposed capital works under the Industry Infrastructure Plan (IIP), and recent correspondence to you from the Chairman of RQL.

I have been informed that Treasury considers there are outstanding issues in the business cases so far received, being for capital works at Beaudesert, Cairns, Rockhampton and Logan. The business cases disclose reasonable information regarding the proposed upgrades and construction, however the business cases demonstrate that the ongoing viability of the facilities is dependent on continuing increased support from RQL. I understand that operational deficits for individual racecourses are likely to be a feature of the majority, if not all, of future business cases. The ability of RQL to provide this support in the long term is not explicitly evident in each business case.

I acknowledge that providing financial support for racing clubs is a prime function of RQL in its capacity as a racing control body. In particular I note the financial assurance provided on 14 February by RQL, which addresses the need to provide adequate financial backing to the upgraded and new facilities, for which RQL is seeking funding from the Racing Industry Capital Development Scheme. On this basis, I am prepared to approve the release of funds for the capital works at Beaudesert, Cairns, Rockhampton and Logan.

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Facsimile +61 7 3229 0642  
Email [deputypremierandtreasurer@qld.gov.au](mailto:deputypremierandtreasurer@qld.gov.au)  
ABN 65 959 415 158

The assurance should have a clear basis of justification. You may care to consider whether it would be prudent to set aside a portion of wagering revenue to use as a buffer for increased operating deficits in the event that betting distributions decline in the near future, for various reasons including the level of popularity and success of the racing industry, and emerging changes to gaming and betting infrastructure and service providers. This could be reviewed annually based on an assessment of RQL's ability to continue funding the operating deficits, and an improved understanding of the operating position of the improved facilities.

Yours sincerely



ANDREW FRASER

RTI RELEASE

BRIEFING NOTE

FROM	Treasury		
FOR	Deputy Premier, Treasurer and Minister for State Development and Trade		
SUBJECT	Business Cases for Racing Industry Infrastructure Expenditure – Gold Coast and Ipswich		
Contact Officer:	Natalie Barber – Director, Resources and Economic Development Branch Tel: 3035 1414, Mb: Contrary to Public Interest	Record No: TRX-18557	Date: 17 February 2012
Requested by:	N/A	Date Approval Required By:	N/A

PURPOSE

1. The purpose of this submission is to:
  - inform you of the results of Treasury's review of the business cases for infrastructure expenditure at Gold Coast and Ipswich racecourses under the Racing Industry Capital Development Scheme (RICDS); and
  - seek your signature on a letter to the Honourable Minister Mulherin MP, Minister for Agriculture, Food and Regional Economies, informing him of Treasury's conclusions.

BACKGROUND

2. On 7 July 2011 CBRC approved the \$110 million Industry Infrastructure Plan (IIP) which comprised 11 projects with funds allocated under the RICDS. Funding for the IIP also included \$10 million previously committed by the Government for the closure of the greyhound racing complex at Parklands. CBRC determined that a business case for each project was required to be submitted to Treasury and accepted prior to funding being made available.
3. On 30 January 2012 Cabinet noted a revised IIP which redirected \$37.9 million in funding from the Deagon development to new greyhound racing facilities at Logan (\$24 million) and Townsville (\$6 million), works at Ipswich Turf Club (\$6 million), project variations at Beaudesert (\$0.94 million), new works at Brisbane Race Club (\$0.75 million) and increases in cost estimates at Cairns, Mackay, and Rockhampton racecourses.
4. Business cases for Beaudesert, Cairns, Rockhampton and Logan racecourses have recently been reviewed by Treasury (refer TRX-18459). As the business cases for the projects did not demonstrate the ongoing viability of those clubs without some level of subsidy, Treasury was precluded from endorsing the release of public funds and recommended that a letter of assurance be sought from Racing Queensland to underwrite the forecast losses.
5. On 14 February 2012 Racing Queensland Limited (RQL) provided a written financial assurance to Government that RQL has the capacity to underwrite the operation of the new and upgraded facilities and their maintenance into the future. Following receipt of this assurance you approved the release of funds for the capital works proposed at Beaudesert, Cairns, Rockhampton and Logan racecourses. The funds total \$36.2 million which represents 33% of the \$110 million IIP.

## ISSUES

6. Proposed expenditure on capital works at the Gold Coast (\$35.48 million) and Ipswich (\$6 million) racecourses total \$41.48 million or a further 38% of the \$110 million IIP.
7. Business cases for capital works at the Gold Coast and Ipswich racecourses were received by Treasury on 15 and 16 February 2012 respectively. Given the limited time available to review the documentation, Treasury has examined the key aspects of the business cases and has formed its conclusions within a restricted framework.

### *Gold Coast Turf Club (GCTC)*

8. The business case for the GCTC indicates that, following the reconstruction works, the club will report continuing operating deficits of around \$0.4 million per annum after including a \$1 million subsidy from RQL. The RQL subsidy is not forecast to change from its current level. The operating deficits can be attributed to non-cash expenses, with depreciation of approximately \$1.9 million per annum, therefore the club should achieve a positive cashflow. However the inability to cover depreciation costs may indicate that in the long term, further government assistance could be sought, as there would be insufficient provision to replace the assets if the deficit position was sustained. This is consistent with the other business cases submitted.
9. In the limited time available, Treasury has not conducted a thorough analysis of the underlying assumptions of the business case. However it is noted that the business case contains limited analysis of the financial risks faced by the GCTC once works have been completed and insufficient analysis of how these risks may be mitigated.
10. Treasury is therefore not assured that the club will remain viable in the longer term without further assistance. The letter from RQL provides an important assurance that RQL has the capacity to provide any further assistance necessary to the GCTC.

### *Ipswich Turf Club*

11. The business case for the Ipswich Turf Club (ITC) at Bundamba indicates that the proposed capital expenditure will not enhance the ability of the club to conduct meetings, nor will it provide any direct benefit to the racing industry in general or to RQL. Instead, the expenditure will enable the ITC to take advantage of the relocation of facilities in order to enter into a commercial development on a vacated portion of the facility.
12. The business case assumes that the club will become profitable in 2015-16 due to income received from the proposed commercial development. Treasury considers that the relocation of facilities should be a cost to the proposed commercial project, which Treasury understands to be a prospective joint arrangement between the ITC and a commercial developer.
13. Treasury considers that providing RICDS funding for this project would not be in accordance with the aims of the RICDS.

## FINANCIAL IMPLICATIONS

14. Treasury notes that RQL has provided a letter to the Minister for Racing undertaking to support the racing clubs as necessary, and advising that it has financial capacity to fulfil these obligations. Nevertheless Treasury considers that the risk of an increasing subsidisation requirement from RQL and falling wagering tax revenues is a financial risk to the Government, as it not unreasonable to expect that RQL may have difficulty meeting these deficits in the longer term and could call upon the Government for financial assistance, despite the written financial assurance provided by RQL.

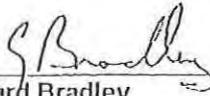
15. Furthermore, Treasury reiterates its previous recommendation that it would be prudent as a risk mitigation strategy for RQL to set aside a portion of wagering revenue to be held in reserve and to act as a buffer against rising expenses and potentially reducing wagering revenue. This could be reviewed annually, based on an assessment of RQL's ability to continue funding the operating deficits, and an improved understanding of the operating position of the improved facilities.

16. RECOMMENDATION

17. It is recommended that you note that Treasury has reviewed the business cases for the Gold Coast Turf Club and the Ipswich Turf Club and:

- Treasury does not endorse the business case for the Gold Coast Turf Club due to the forecast operating deficits, however does not object to the release of funds to the project under the RICDS on the basis of the assurance received from Racing Queensland Limited on 14 February 2012; and
- Treasury does not approve the business case for the Ipswich Turf Club and does not recommend the release of funds under the RICDS as the project is not considered to have met the objectives of the scheme.

The attached letter to Minister Mulherin has been prepared on this basis for your consideration.

  
 Gerard Bradley  
 Under Treasurer Date 17/2/12

<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Not approved	<input type="checkbox"/> Noted
Deputy Premier, Treasurer and Minister for State Development and Trade		
Comments		
 Andrew Fraser Deputy Premier, Treasurer and Minister for State Development and Trade 17/2/12		

Name:	*Action Officer/Author:	Director:	(Initials)	ED/AUT:	(Initials)	OUT:	(Initials)
Branch/Division:	Resources and Economic Development	Resources and Economic Development		Stuart Booker			
Telephone:	07 3035 1423	07 3035 1414		07 3035 1860			
Date:	17/02/2012						

Docs: 824650

"AF-6"



Hon Andrew Fraser MP  
Member for Mount Coot-tha



Queensland  
Government

Deputy Premier and Treasurer  
Minister for State Development  
and Trade

TRX-18557

17 FEB 2012

The Honourable Tim Mulherin MP  
Minister for Agriculture, Food and Regional Economics  
GPO Box 46  
BRISBANE QLD 4001

*Tim*

I refer to recent correspondence regarding business cases for proposed capital works under the Industry Infrastructure Plan, including recent correspondence to you from the Chairman of Racing Queensland Limited (RQL.)

Treasury Department has recently received a further business case for capital works for the Gold Coast Turf Club (GCTC). The business case discloses reasonable information regarding the proposed upgrades and construction.

Treasury advises that the business case for the Gold Coast facility demonstrates that the long term viability of the facilities is dependent on continuing support from RQL. The letter provided by RQL on 14 February 2012 provides an important assurance that the RQL will continue to support any losses incurred by the GCTC, and on this basis I am prepared to approve the release of funds for the capital works at the Gold Coast.

As previously advised it would be prudent to seek confirmation that RQL will establish a reserve fund through setting aside a portion of wagering revenue to use as a buffer for increased operating deficits in the event that betting distributions decline in the near future.

Yours sincerely

ANDREW FRASER

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ABN 65 959 415 158

Pages 17 through 26 redacted for the following reasons:

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Exempt - Sch.3, s.12(1)

RTI RELEASE

"AF - 7"



GILSHENAN & LUTON  
LEGAL PRACTICE

Partner: Glen Cranney  
Contact: Glen Cranney  
Direct Line: (07) 3361 0240  
Direct Fax: (07) 3361 0201  
Email: gcranney@gnl.com.au  
Our Ref: GMC:130134  
Your Ref:

18 July 2013

Attention: Ms Melinda Pugh  
Assistant Crown Solicitor  
Crown Law  
GPO Box 5221  
BRISBANE QLD 4001

Via Email: [melinda.pugh@crownlaw.qld.gov.au](mailto:melinda.pugh@crownlaw.qld.gov.au)

Dear Ms Pugh

#### QLD RACING COMMISSION OF INQUIRY – REQUEST FOR INFORMATION

We refer to the above Commission of Inquiry and advise that we act on behalf of Mr Andrew Fraser. Mr Fraser has received a summons to provide evidence to the Inquiry in the form of a written statement pursuant to s5(1)(d) of the *Commissions of Inquiry Act 1950* (the Act).

We advise that Mr Fraser was the Treasurer at the time that funds were transferred to Racing Queensland Limited, an issue which is specifically the subject of Term of Reference (g) of the Inquiry. He was also the Minister responsible for racing for at least two years of the relevant period which the Commission is to examine.

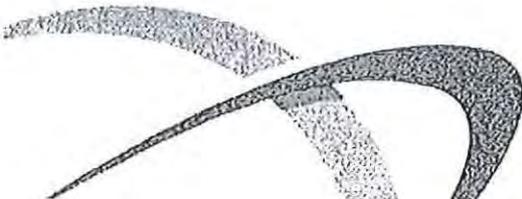
In the course of taking instructions from Mr Fraser, we have identified that certain material exists which is likely to be relevant to Term of Reference (g) and to Mr Fraser's ability to compile a comprehensive and accurate statement in respect of this matter.

As a result of this, on 17 July 2013 our office wrote to the Commission Secretary of the Inquiry and requested that certain documents be provided to us to assist in our representation of Mr Fraser. On 18 July 2013, we were advised by the Inquiry that they would endeavour to assist our client to gain access to the documents however an application would need to be made to your office for access to them.

Accordingly, we request your assistance to obtain the following documents:

- The complete copies of Briefing Notes provided by Treasury to Mr Fraser as Deputy Premier, Treasurer and Minister for State Development and Trade dated:
  - 10 February 2012 – TRX-18459;
  - 14 February 2012 – TRX-18459; and
  - 17 February 2012 – TRX-18557.

These briefing notes concern the payment of funds by Treasury to Racing Queensland Limited in February 2012 under the Racing Industry Capital Development Scheme.



18 July 2013

- 
- Copies of emails exchanged between Treasury and Racing Queensland Limited concerning the payment of funds by Treasury to Racing Queensland Limited in February 2012;
  - A copy of correspondence provided by Racing Queensland Limited to Treasury on 14 February 2012 relating to financial assurance by Racing Queensland Limited to fund new and upgraded facilities;
  - Complete copies of Briefing Notes provided by Racing Queensland Limited to Mr Fraser as the Minister responsible for racing between September 2006 and March 2009, concerning:
    - The Annual Reports of the three industry bodies (Thoroughbred Racing QLD, QLD Harness Racing and Greyhound QLD);
    - The applications for Greyhounds QLD and QLD Harness Racing to become control bodies; and
    - The approval of the review program by the Office of Racing which was performed in relation to readiness for a disease outbreak.

The above information will greatly assist us in properly preparing a statement on behalf of Mr Fraser in accordance with the summons served on him.

We thank you for your assistance and if you have any questions or queries, please do not hesitate to contact Mr Glen Cranny or Ms Melanie Morris of our office.

Yours faithfully  
GILSHENAN & LUTON LEGAL PRACTICE



Glen Cranny  
Partner  
Accredited Specialist (Crime)

cc Joanne Budgen  
Executive Director (Secretary)  
Via email: [info@racinginquiry.qld.gov.au](mailto:info@racinginquiry.qld.gov.au)



"AF-8"



GILSHENAN & LUTON  
LEGAL PRACTICE

Partner: Glen Cranny  
Contact: Glen Cranny  
Direct Line: (07) 3361 0240  
Direct Fax: (07) 3361 0201  
Email: gcranny@gnl.com.au  
Our Ref: GMC:130134  
Your Ref:

URGENT

23 July 2013

Attention: Ms Melinda Pugh  
Assistant Crown Solicitor  
Crown Law  
GPO Box 5221  
BRISBANE QLD 4001

Via Email: [melinda.pugh@crownlaw.qld.gov.au](mailto:melinda.pugh@crownlaw.qld.gov.au)

Dear Ms Pugh

**QLD RACING COMMISSION OF INQUIRY – REQUEST FOR INFORMATION**

We refer to the above Commission of Inquiry and our letter to you dated 18 July 2013 where we requested a number of documents to assist us in preparing a statement on behalf of our client Mr Andrew Fraser. On 22 and 23 July 2013 you provided a number of documents to us in accordance with our request.

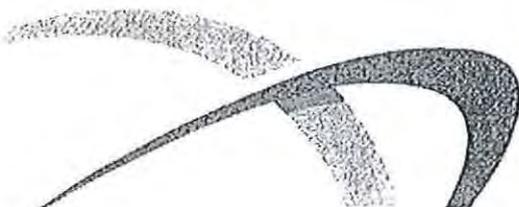
As you are aware, we previously requested the complete copies of briefing notes provided by Treasury to Mr Fraser as Deputy Premier, Treasurer and Minister for State Development & Trade dated:

- 10 February 2012 – TRX-18459;
- 14 February 2012 – TRX-18459; and
- 17 February 2012 – TRX-18557.

We confirm receipt of these briefing notes from your office however note that they are redacted versions of the briefing notes listed above. Accordingly, we request that a complete copy of the briefing notes are provided to our office.

In addition to the above, we have taken further instructions from our client and request your assistance to obtain the following documents:

- A copy of the Cabinet Note relating to the revised Industry Infrastructure Plan dated 30 January 2012;



Level 11, 15 Adelaide Street Brisbane Q 4000  
PO Box 12215, George Street Post Shop, Brisbane Q 4003  
T: +61 7 3361 0222 F: +61 7 3361 0201  
ABN: 52 482 641 610  
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Attention: Ms Melinda Pugh  
Assistant Crown Solicitor  
Crown Law

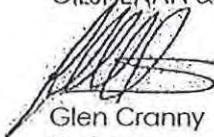
23 July 2013

- 
- A Briefing Note dated 2008 relating to the approval of the review program by the Office of Racing.
  - A copy of the Incoming Briefing Note from September 2006 as it relates to racing issues. This would have been provided to our client when he was initially appointed as the Minister for Local Government, Planning & Sport.

The above information will greatly assist us in properly preparing a statement on behalf of Mr Fraser in accordance with the Summons served on him pursuant to s.5(1)(d) of the *Commissions of Inquiry Act 1950*.

We thank you for your assistance and if you have any questions or queries, please do not hesitate to contact our Mr Glen Cranny or Ms Melanie Morris of our office.

Yours faithfully  
GILSHENAN & LUTON LEGAL PRACTICE



Glen Cranny  
Partner  
Accredited Specialist (Crime)

cc: Ms Joanne Bugden  
Executive Director (Secretary)  
Via email: [info@racinginquiry.qld.gov.au](mailto:info@racinginquiry.qld.gov.au)



Request for Information from Crown Law

Gilshenan & Luton have sent two letters to Crown Law requesting material relating to Andrew Fraser's matter. These letters were dated 18 July 2013 and 23 July 2013.

Crown Law have provided us with complete and incomplete documents. They have also failed to provide us with certain documents requested. The following table details whether information has been provided in full, in part or not at all.

Request For Information	Date of Request	Received/Not Received/Part Received
<p>The complete briefing notes provided by Treasury to Mr Fraser as Deputy Premier, Treasurer and Minister for State Development and Trade dated:</p> <ul style="list-style-type: none"> <li>- 10.02.12 – TRX-18459;</li> <li>- 14.02.12 – TRX-18459; and</li> <li>- 17.02.12 – TRX-18557</li> </ul>	18.07.13	Partially received - via email on 22.07.13. The briefing notes were exactly the same as those provided to the Courier Mail under an RTI application.
<p>A further request was made for the complete briefing notes (detailed above) as the notes provided appeared to have been redacted.</p>	23.07.13	Not Received - email sent from Catherine McLennan of Crown Law on 25.07.13 advising she is unsure why we believe the briefing notes are incomplete as she cannot identify any missing pages.
<p>Copies of emails exchanged between Treasury and RQL concerning the payment of funds by Treasury to RQL in February 2012</p>	18.07.13	<p>Not Received – On 19.07.13 Crown Law advised that they could not locate any emails between Treasury and RQL concerning the payment of funds by Treasury to RQL in February 2012.</p> <p>Crown Law provided other emails to and from the Office of Racing Regulation.</p>
<p>Copy of correspondence provided by RQL to Treasury on 14.02.13 relating to financial assurance by RQL to fund new and upgraded facilities</p>	18.07.13	Received on 19.07.13
<p>Complete copy of briefing notes provided by RQL to Fraser between September 2006 and March 2009</p>	18.07.13	Not Received.

concerning the annual reports of the three industry bodies		
Complete copy of briefing notes provided by RQL to Fraser between September 2006 and March 2009 concerning the applications for Greyhounds QLD and QLD Harness Racing to become control bodies	18.07.13	Received on 25.07.13
Complete copy of briefing notes provided by RQL to Fraser between September 2006 and March 2009 concerning the approval of the review program by the Office of Racing which was performed in relation to readiness for a disease outbreak.	18.07.13	Received on 19.07.13
Copy of the Cabinet Note relating to the revised Industry Infrastructure Plan dated 30.01.12	23.07.13	Not Received
Briefing Note dated 2008 re: the approval of the review program by the Office of Racing	23.07.13	Received on 23.07.13
Incoming Briefing Note from September 2006	23.07.13	Not Received (however the request should have been for the Incoming Minister's Brief). Clarification of this may result in the complete document being provided.



## Media release

Premier

The Honourable Anna Bligh

### STATE GOVERNMENT OUTLINES RESPONSE TO HORSE FLU

The State Government will implement a range of new measures to help people in the horse industry impacted by the recent spread of the equine influenza, Premier Anna Bligh announced today.

"The outbreak of equine influenza at Hendra has taken this emergency to a new level and we need to elevate our response accordingly," Ms Bligh said.

"Our response has been effective so far but hundreds of more horses have now been potentially affected and the flow on effects to owners, breeders and industry workers is enormous.

"This is akin to a natural disaster and we must treat it accordingly.

"This morning the Treasurer Andrew Fraser, Minister for Primary Industries Tim Mulherin and the Director-General of Premier and Cabinet Ken Smith had a productive meeting with a range of industry representatives and as a result we will implement a number of short-term assistance and long-term industry recovery measures.

"In the short-term we have agreed to the following measures to help people directly employed in the industry including:

- A small business interest subsidy scheme administered by the Queensland Government. This will help businesses facing hardship because of the crisis meet their financial commitments. The criteria for the loans will be determined by State Cabinet on Monday.
- Requests for assistance, through the Australian Bankers Association for banks to provide short-term relief for people facing financial difficulty meeting mortgage or other loan repayments. Requests for assistance, through the Insurance Council of Australia, for insurance companies to speedily process claims.
- Creation of a new one-stop shop at Hendra to provide financial, social and employment assistance. The exact location of this site will be determined in the next twenty-four hours. It will complement the five existing centres at Brookfield, Goondiwindi, Rosewood, Tamborine and Warwick.
- Creation of a mobile one-stop shop to service other affected areas of the State.
- Financial assistance to organisations such as Lifeline and Red Cross to help administer emergency relief payments through the Department of Communities. These payments complement the existing services available under Centrelink.

Ms Bligh said State Cabinet would also consider a raft of long-term measures to help the industry get back on its feet.

"I have asked the Treasurer and Minister responsible for Racing, Andrew Fraser, to bring to Cabinet on Monday a submission to fund a major marketing and advertising campaign in support of next year's Winter Racing Carnival," she

said.

"This will ensure that once the effects of the flu have passed we are ready to race again and give punters and fans every opportunity to support the industry.

"This submission will also address employment and training assistance and other business support measures."

Ms Bligh said she had also written to the Prime Minister last night to outline the recent spread of the disease in Queensland and to seek his assistance in upgrading the level and scope of the response.

"I appreciate the Commonwealth support so far, but the racing industry alone is responsible for the employment of an estimated 30,000 people in Queensland - most of whom have been impacted by the escalation of the horse flu crisis," she said.

"Their hardship is likely to increase dramatically in coming weeks.

"Our governments need to respond to this as they would a significant natural disaster, requiring high levels of cooperation and coordination between governments across a range of social, income support and industry assistance services."

Ms Bligh said there would be no racing at Eagle Farm or Doomben until at least February and at this stage race meetings scheduled for elsewhere in south east Queensland had also been cancelled.

She said the first batch of vaccines were expected to arrive in Australia tomorrow.

Members of the public seeking further information or assistance can contact 13 25 23.

26 September, 2007

Media contact: Premiers Office (07) 3224 4500



## Media release

Premier

The Honourable Anna Bligh

### **BLIGH ANNOUNCES \$20 MILLION PACKAGE FOR HORSE INDUSTRY**

An immediate \$20 million State Government assistance package is operational for all Queenslanders whose livelihoods are affected by the equine influenza outbreak, Premier Anna Bligh said today.

Ms Bligh urged anyone suffering hardship to immediately contact the Equine Influenza helpline (13 25 23) or to visit the Government's assistance centres across the affected "Red Zone". A mobile one-stop shop also would be dispatched to areas in need.

She said a one-stop shop opened this morning in Hamilton, in Brisbane's racing precinct, to offer a wide range of help to people affected by the outbreak.

It will complement the services available at Warwick, Goondiwindi, Mt Tamborine, Rosewood and Brookfield that provide advice on containment. The Government is set to expand the network of one-stop shops to other hot-spots.

The immediate \$20 million State Government assistance package includes:

- An initial \$5million to provide one-off payments for individuals and families of up to \$155 for individuals and \$750 for families.
- \$10 million to help struggling businesses meet interest payments on new or existing loans. Up to \$5000 is available in dollar-for-dollar subsidies.
- A \$5 million recovery package to help the horse industry retain skilled employees and get back on their feet after the influenza outbreak.

"The people doing it tough are not confined to the racing industry. The horse industry is much broader than most people think and we want to help anyone who has been affected," Ms Bligh said.

"Our assistance package is in addition to the national assistance scheme recently announced by the Commonwealth, which includes a range of welfare payments and business assistance grants.

"We anticipate that our rescue package could run to \$20 million in the short term and are working with the industry to keep on top of the situation as it evolves.

"A top-level Equine Influenza Taskforce comprising the directors-general of relevant state departments is constantly monitoring the outbreak and reporting directly to me on the Government's response. It will ensure we will take swift action wherever necessary to get people through this crisis.

Details of all assistance is available by calling the helpline or visiting the one-stop shops. The Government is working with Red Cross, Lifeline and St Vincent de Paul and the Federal Government to provide assistance.

Ms Bligh said the initial \$20 million package was on top of the \$1.5 million the State Government had spent to date on containing the outbreak and buying vaccine.

Vaccination of horses on the Gold Coast will start tomorrow and the Government will receive a further 100,000 doses over the next four weeks.

Further information: Premier's Office 3224 4500



## Media release

Treasurer

The Honourable Andrew Fraser

### End in sight for horse flu in Queensland

Queensland could be declared free of Equine Influenza by mid to late March this year if no new infections are confirmed, Treasurer and acting Minister for Primary Industries and Fisheries Andrew Fraser said today.

"But to ensure this we need the community's continued cooperation," Mr Fraser said.

"It is essential that people immediately report any suspect cases of horse flu, otherwise the infection could flare again."

Mr Fraser, who also is Racing Minister, said there had been no new cases of EI confirmed in Queensland since December 22, 2007.

"The longer we go without any new cases the more confident we are that the disease is close to eradication," he said.

"There are now approximately 300 infected premises in the south east Queensland Red Zone and that number drops every day.

"This is a remarkable achievement when you consider there were about 2200 infected properties in November.

"I want to thank the horse industries and the general community for the tremendous level of cooperation they have shown since August last year working to have Queensland rid of this devastating disease.

"This news will be particularly welcome by the pleasure horse industry as it will enable them to get back to business as soon as possible.

"Last week, the rapidly improving situation allowed us to introduce relaxed movement conditions, in particular "on-hoof" movements without permit, and multi-movement permits for travel by vehicle.

"We have also had many applications to hold events in the Red and Amber zones, which will start soon."

Mr Fraser said the next stage in the campaign to eradicate EI would be "Proof of Freedom".

"There will be a lot of surveillance work to confirm that we no longer have the disease and then we may be able to revoke the Red and Amber zones," he said.

"Because of the great progress to date, we are fast tracking this process.

"This will require DPI&F and private vets to conduct intense surveillance over the next two months and if no further infections are confirmed we may be in a position to change the Red Zone to Green sometime in March.

“This will involve random testing, surveillance of 900 properties throughout the Red Zone, intensive surveillance at the most recent clusters of infection, surveillance at equestrian events, and a 60 day period with no new cases.

“However this does not mean the battle is over. We are almost there, but it only takes one new case to set back our plans.

“I urge everyone to maintain good biosecurity on their properties, observe the movement restrictions and report any suspect cases.

“If we all keep working together we will beat horse flu, which will be a unique achievement on a world scale.

“While this has been an extremely difficult time for the horse industry, there is light at the end of the tunnel.

For more information call 13 25 23 or visit [www.dpi.qld.gov.au](http://www.dpi.qld.gov.au)

Media:

Primary Industries and Fisheries Minister’s office: 3239 6530

DPI&F 3239 3010



## Media release

Treasurer

The Honourable Andrew Fraser

### Fraser Confirms Material forwarded to CMC

Treasurer Andrew Fraser has confirmed that material regarding allegations of impropriety in Queensland Racing Limited has been collated and referred to the CMC.

The allegations are contained in a letter dated 19 August which was received in the Office of the Treasurer on 20 August.

"I first became aware of the letter around midday on Friday 22 August and after reviewing its contents convened a meeting with officials to discuss the allegations," Mr Fraser said.

"At that meeting I asked for the department to formally assess the material and refer the matter on to the CMC, and any other body, as necessary.

"I have been advised by the Under Treasurer that the material is now in the hands of the CMC.

"As such, it would be inappropriate to comment further."

Media Contact: Chris Taylor 0419 710 874

funds in Australia suffered a benchmark loss of 6.4 per cent in 2007-08 and our own market returns plunged from two per cent estimated at the end of May to negative 2.24 per cent by 30 June, with a corresponding final operating deficit of \$1.559 billion.

We have taken steps, in consultation with rating agencies, to remove this volatility from the headline budget reporting to ensure that budget accountability is more legible and transparent. Of course, since September the globe has recalibrated the notion of a bad month on the markets. While the world concerns itself with year-on-year losses, we have borne witness to a day like 10 October in which the Australian Stock Exchange lost 8.3 per cent in a single day. No-one escaped the carnage. Our own superannuation scheme remains in a strong position, built up by previous bumper returns. Our investment strategy implemented over the past few years will enable us to ride out the financial storm.

The tabling of these documents closes off the last financial year. We find ourselves in a stunningly different environment just four months into this financial year. Next month the Reserve Bank will publish updated growth forecasts, shortly followed by the federal Treasury. I have commenced work early on the midyear review in light of changing circumstances. There is no question that we, like all governments around the world, face significant downside pressure. Data from the ABS due to be released over the next month will be crucial in finalising a robust forecast for growth for the remainder of this financial year. Clarity on activity in the housing market, including the effect of the Reserve Bank's cumulative 125 basis point cut to rates, as well as activity spurred by our first home owner stamp duty cuts and the enhanced first home owner grant scheme, will be important in forming a concluded view on the future of transfer duty returns.

As I have said repeatedly, the \$809 million surplus—the second largest budgeted surplus in a decade—was put in place to guard against downside uncertainties. It is clear that the world's economy is precariously positioned. We have the policy levers in place to ensure that we can continue to perform. We have the surplus in place. We have the \$17 billion Capital Works Program in place. Standard and Poor's have affirmed our AAA credit rating. Now more than ever we need to place a premium on strong financial management. It is this government that stands before the people of Queensland and this parliament with that commitment and with that track record.

#### Queensland Racing Ltd

**Hon. AP FRASER** (Mount Coot-tha—ALP) (Treasurer) (10.14 am): I am today releasing the result of the referral to the Australian Securities and Investment Commission of matters concerning Queensland Racing Ltd. ASIC has decided not to pursue action against QRL or its directors. This matter has now been the subject of assessment by both the CMC and ASIC and no further action is being pursued by either body.

These referrals concerned the process undertaken for seeking a constitutional amendment to Queensland Racing Ltd. That process requires ultimate assessment by the minister administering the Racing Act 2002. I have decided to reject the substantive amendments submitted by QRL on the ground that it does not appropriately provide for independent selection of directors. The capacity for independent selection was a clear condition of original approval for Queensland Racing and I similarly insisted upon such conditions for both the greyhound and harness racing codes upon corporatisation earlier this year.

In light of the conclusion of the inquiries made by the CMC and ASIC and my decision about the proposed constitutional change to QRL, I consider this matter to be closed. The board of QRL retains my confidence, and I table the result from ASIC.

*Tabled paper:* Letter from the ASIC Regional Commissioner for Queensland to the Under Treasurer, dated 22 October 2008, concerning Queensland Racing Ltd.

**Mr SPEAKER:** It is with pleasure that I welcome into the public gallery today staff and students from the Good Counsel College and also from the Djarragun College situated in the electorate of Mulgrave which is represented in this House by the Hon. Warren Pitt. I also welcome to the public gallery today staff and students from Whitfield State School and Cairns Adventist School situated in the electorate of Cairns which is represented in this House by the Hon. Desley Boyle.

#### Cairns Transit Network

**Hon. RJ MICKEL** (Logan—ALP) (Minister for Transport, Trade, Employment and Industrial Relations) (10.16 am): We are entering into an exciting new phase of planning for public transport in Cairns, the Cairns Transit Network project. This project comes about as a result of many years of hard work by the Queensland government in cooperation with the Cairns Regional Council. The urban bus network in Cairns is already one of the most successful in the state. Last year more than three million people travelled around Cairns by bus. The project will consider how to deliver a 68-kilometre network of dedicated public transport links to connect all of Cairns city, from Palm Cove to Gordonvale and west to Redlynch. It will consider how to better integrate urban bus services and how to deliver stations within walking or cycling distance for most residents. This project will play a crucial role in achieving our Toward Q2 target of reducing greenhouse emissions here in Cairns.

**Mr Johnson:** There are people in my electorate using hurricane lamps; they haven't even got power. What are you going to do about that?

**Mr SPEAKER:** Member for Gregory.

**Ms BLIGH:** For every light bulb that is changed—

**Mr Johnson** interjected.

**Mr SPEAKER:** Order! Member for Gregory!

**Mr Johnson:** I am just reminding them.

**Mr SPEAKER:** Order! Member for Gregory, you will be warned in a moment.

**Ms BLIGH:** Every household that changes one conventional light bulb to an energy-saving one saves \$11 every year on its bill and it saves 72 kilograms of greenhouse gas. Multiply that by a million and we have \$11 million worth of saving every year and 72,000 tonnes of greenhouse gas emissions. If every household changed most of its bulbs where able to, it would be saving \$200 to \$300 on its bill. These bulbs last for 10 years. So this is a very good investment by the state government to help householders meet the challenges of climate change.

It is not that long ago that we stood in this House and listened to those opposite lampoon the idea of a government setting targets for the state's future. One of our targets for Q2 is that we want to help households reduce their carbon footprint by 30 per cent. What do you do? You set a target and then you focus on meeting that target—step by step, bit by bit, inch by inch. This bulb giveaway was part of that program. This is the largest energy-efficient light bulb giveaway ever in Australia. We are seeing householders and individuals grab the opportunity. That tells us that Queenslanders want to be part of change. Queenslanders want to meet the challenge of climate change. Queenslanders are happy to do their bit if government puts out a hand and helps them. The next cab off the rank will be our climate smart homes program in January, and I expect to see a very good uptake on that as well.

#### Queensland Racing Ltd; Ludwig, Mr W

**Mr McARDLE:** My question is to the Treasurer. I refer to the Treasurer's comment to this House on 28 October about alleged vote rorting at Queensland Racing in which he said, 'I consider this matter to be closed,' even though neither the CMC nor ASIC had actually investigated it. I also refer to Monday's announcement that the Queensland police will investigate ALP kingmaker and the Treasurer's personal friend Bill Ludwig for alleged fraud and vote rorting at Queensland Racing, and I ask: were the Treasurer's comments merely incompetence on his part or corruption by his government to protect a Labor mate?

**Mr FRASER:** Both the content of that question and the person who delivered that question are extraordinary for the fact that they contain a number of untruths from probably the most untruthful member of this parliament. Point 1: when I was provided with allegations, they went straight to the CMC and to ASIC. The member just said that the CMC and ASIC didn't investigate. In fact, ASIC considered parts of the allegations within its jurisdiction and other parts not. Now, further allegations were provided to me on Friday and they have been provided to the police. But does anyone believe that, on the nature of the allegations provided to the CMC some weeks ago, if there was clearly a case of a crime being committed that the CMC merely would have closed the case? The fact is that this has been brought to the attention of both the CMC and ASIC.

**Mr Horan:** The CMC said it was outside their jurisdiction. They said it was constitutional, not operational.

**Mr SPEAKER:** Order! Member for Toowoomba South!

**Mr FRASER:** Ultimately, this relates to a process in substance which I rejected.

**Mr Hobbs** interjected.

**Mr SPEAKER:** Order! Member for Warrego! Members of the opposition, the Treasurer has been asked an important question. Have some respect and let him answer it.

**Mr FRASER:** Mr Speaker, the matter of substance has been rejected and it is therefore a plain statement of fact that the matter was closed. In that context, at each and every point that a position has been put to me it has been referred to the appropriate authorities. At each and every point, I acted with integrity, as I am obliged to do under the Racing Act.

**Mr Nicholls:** You had all the allegations.

**Mr SPEAKER:** Order! Member for Clayfield!

**Mr FRASER:** Finally, while I have always had respect for Mr Ludwig for his contribution to the trade union movement, a simple review of Newstext would probably indicate to you that another part of your question was quite definitely wrong as well.

**Mr McArdle** interjected.

**Mr SPEAKER:** Order! Member for Caloundra, you have heard the answer. I know you are a great recidivist at this, but I ask you to desist in regard to the question that has just been answered.

### Recycled Water

**Ms MALE:** My question is to the Premier. Can the Premier explain the importance of recycled water to securing south-east Queensland's water supply and the support the scheme has received from both sides of politics?

**Ms BLIGH:** I thank the member for the question. But before going to the specifics of her question, can I give the House another piece of interesting information. In the 34 sitting days to October 2007 under the leadership of the member for Callide, how many private member's bills were introduced? Eleven. In the 34 days to October this year, how many were introduced? Six.

**Mr McArdle** interjected.

**Opposition members** interjected.

**Mr SPEAKER:** Order! I say to members of the opposition, you may be upset by what is being said. The standing orders of this House give you an opportunity later to rebut those comments if you so wish. I call the Premier.

**Ms BLIGH:** Thank you, Mr Speaker. It is clear that, under the leadership of the member for Southern Downs, the LNP believes that an RDO is a rostered day on.

Our goal is very clear and it is this: to get ahead of water demand. We should remember that our dams remain 60 per cent empty. The challenges of population growth and climate change are not over. In fact, we need to cope with the reality that our catchments may change forever. Our purified recycled water is part of our long-term plan, and our barrier filtration and purification process is now renowned around the world. It has been backed by Queensland Health, the Office of the Water Supply Regulator and the independent panel of experts chaired by Professor Paul Greenfield, the Vice-Chancellor of UQ. It is not just scientists who have backed our plan. What did John Howard say? John Howard said—

The use of purified recycled water is a viable option to augment water supply. I'm very strongly in favour. Mr Beattie is right and I agree with him completely.

What did the current federal Leader of the Opposition, Mr Malcolm Turnbull, say? He said—

Recycled water is an important part of Australia's long-term water future.

Let us not forget that Malcolm Turnbull thought it was such a good solution that he spent \$408 million of federal money on it. It was a Liberal federal government that put almost half a billion dollars into it. What did the member for Moggill say? He said—

I think that recycled water is safe. I really don't believe it changes the sex of fish, but you get on the internet and you find all these exotic arguments.

What we see here is the open, scientific minds of true Liberals being dominated by the kooky, wacky, voodoo science of the National Party. They have capitulated on science to the Queensland National Party. Let there be no doubt about it. If the member for Southern Downs had been around 300 or 400 years ago, he would have signed the paper to imprison Galileo.

### Queensland Racing Ltd; Ludwig, Mr W

**Mr HORAN:** My question without notice is to the honourable Treasurer and minister for racing. Is the minister aware that an experienced north Queensland journalist wrote an article in the *North Queensland Register* on 28 August exposing the allegations of vote rorting by Queensland Racing and other issues concerning stewards? Unfortunately for this journalist, he has been a licensed trainer for many years and he has now been rubbed out by Queensland Racing in retribution for his article. Will the minister refer this matter to the CMC for investigation as potential official misconduct by Queensland Racing Ltd?

**Mr FRASER:** I think it is incumbent upon any member of this House if they believe that they have evidence of any misconduct to forward that forthwith to the CMC rather than seek to use this parliament to prosecute those arguments for other purposes. I am not aware of the article in question that he referenced, but if he does believe that there is any aspect that needs to be referred to the appropriate authorities then I suggest he does so forthwith.

### Queensland Economy

**Mr FINN:** My question without notice is to the Treasurer. Maintaining a strong handle on the state's finances has never been more important as we deal with the fallout from the global financial crisis. Can the Treasurer advise the House of the government's policy for managing the state's finances in the face of the fallout?

**Mr FRASER:** I thank the member for the question. No-one should doubt the resolve of this government. No-one should doubt the unity of purpose of this government. No-one should doubt the commitment of this government to managing the state's finances as we deal with the fallout from the global financial crisis. This is a huge challenge before us. We have demonstrated in the past our ability to manage the state's finances and to grow the state's economy ahead of the national average.



## Media release

Treasurer

The Honourable Andrew Fraser

### QUEENSLAND TO INTRODUCE 'RACE FIELDS' LEGISLATION TO PROTECT FUTURE OF RACING

In response to the New South Wales government's recent decision to allow fees to be charged against wagering operators who take bets on NSW races, the Queensland Government has today announced that it will introduce similar 'race fields' legislation to protect the future of racing in Queensland, Treasurer and Racing Minister Andrew Fraser said.

"The Queensland Government had no option but to go down the path of developing race fields legislation, following the breakdown of the 'gentleman's agreement', to ensure the Queensland racing industry is not out of pocket.

"Without such changes, the Queensland racing industry risks losing several million dollars per year to NSW alone.

"The Government will be recommending that Parliament makes the operation of the Bill retrospective to 1 September 2008 in line with the operation of the New South Wales legislation.

"It is expected that other States will introduce race fields legislation in the near future, with South Australia already indicating that its legislation will also apply retrospectively."

In making its decision, Mr Fraser said the Queensland Government was mindful of the recent High Court decision in the relation to the *Betfair v West Australian Government* case.

"It is important that any legislation does not discriminate against operators on a geographical basis. All wagering operators; whether based in Queensland or licensed elsewhere in Australia, will be required to gain approval to offer betting on Queensland races."

Mr Fraser said he expected the Bill to be introduced into Parliament before the end of the year.

The amendments to the Racing Act will allow the Queensland racing control bodies – Queensland Racing Limited, Queensland Harness Racing Limited and Greyhounds Queensland Limited – to charge wagering operators a turnover-based fee for using Queensland racing product.

"The amount of the fee will be determined by the Queensland racing industry, not the Government, as the money will go directly back to the industry," Mr Fraser said.

"NSW has determined that a fee of up to 1.5% on wagering turnover is an appropriate charge.

"Queensland's racing bodies will make their own decisions on a race fields fee that maintains an appropriate level of revenue for the Queensland Racing Industry.

The recent decision in the NSW Supreme Court is not expected to present difficulties in the drafting of the Queensland legislation to ensure all wagering operators contribute to the industry.

The three control bodies were briefed on the arrangements yesterday and Mr Fraser indicated that the consultation with other stakeholders would be undertaken before the Bill was introduced.

Contact: Renee Mickelburgh 0458 357 539

Brendan Connell 0437 837 976



## Media release

Treasurer

The Honourable Andrew Fraser

### 'Race fields' legislation introduced to Parliament

The Bligh Government has moved to protect the future of racing in Queensland with the introduction of 'race fields' legislation into State Parliament today.

Treasurer Andrew Fraser said it was an important step forward for the racing industry.

"Since New South Wales committed to introducing 'race fields' legislation earlier this year, the Bligh Government had no option but to follow the same path," Mr Fraser said.

"The legislation will allow Queensland's racing bodies to charge wagering operators a turnover-based fee for using Queensland racing product.

"The Queensland industry itself will determine the rate applied, but I expect it to be similar to NSW, where the charge is 1.5%.

"As has been previously announced, the Bill will be retrospective to 1 September 2008. This will bring the operation of the 'race fields' legislation in line with NSW.

"The revenue gathered from 'race fields' fees will go straight back into the racing industry.

"Without this legislation, the Queensland racing industry could lose millions each year.

Mr Fraser said the State Government had taken into account the recent High Court decision in the relation to the *Betfair v West Australian Government* case.

"It is important that any legislation does not discriminate against operators on a geographical basis. All wagering operators, whether based in Queensland or licensed elsewhere in Australia, will be required to gain approval to offer betting on Queensland races."

Media Contact: Treasurer's Office 3224 5982



## Media release

Treasurer

The Honourable Andrew Fraser

### **Racefields legislation passed**

Treasurer and Racing Minister Andrew Fraser said State Parliament has today passed legislation that will pave the way for the introduction of 'race fields' fees in Queensland.

"The Government had no choice but to introduce the legislation after New South Wales unilaterally implemented similar fees earlier this year," Mr Fraser said.

"This legislation will allow a fee to be charged on all Queensland racing product, creating a level playing field with their counterparts in NSW.

"Without this legislation, our racing industry would suffer to the tune of millions of dollars.

"That's not a price we're willing to see them pay.

"Queensland's racing bodies will determine what rate will be applied. NSW charges 1.5%, and I'd expect Queensland's fee to be in that vicinity.

"As has been previously announced, the Bill will be retrospective to 1 September 2008. This will bring the operation of the 'race fields' legislation in line with NSW.

"Other states are simultaneously implementing legislation from 1 September.

"The revenue gathered from 'race fields' fees will go straight back into the racing industry."

**Media Contact (Treasurer's office): 3224 5982 or 3224 6361**



## Media release

Minister for Tourism and Fair Trading

The Honourable Peter Lawlor

### **Bligh Government considers major funding boost for racing industry**

The Bligh Government is considering a major capital injection for the racing industry, Minister responsible for Racing Peter Lawlor said.

Senior government officials met this week with the Chairs of the three racing control bodies – Queensland Racing Limited, Queensland Harness Racing Limited and Greyhounds Queensland Limited to look at ways to strengthen and unite the industry through an integrated control body.

"A number of racecourses are in urgent need of capital expenditure if the industry is going to remain competitive and grow in Queensland," Mr Lawlor said.

"The racing industry is worth more than \$2 billion in Queensland, which helps support local economies, tourism and jobs.

"We want to help revitalise the industry's ageing capital stock and provide a much needed confidence boost for the racing industry as a whole.

"The industry is committed to ensuring it is efficiently and effectively conducting its business and the Chairs of the three control bodies have agreed to work together for a united industry.

Chair of Queensland Racing Bob Bentley said the foresight of the Bligh Government in facilitating and bringing forward a commitment to deliver an integrated Control Body is a great initiative.

"It will bring enormous benefits to all racing codes in Queensland, especially the Harness and Greyhound codes.

"This initiative will deliver superior infrastructure and will lead to increases in prize money and growth across all codes.

Chair of Greyhounds Queensland Kerry Watson said she will work with the government and the other codes to ensure a positive outcome for the greyhound industry and the Queensland racing industry as a whole.

Chair of Queensland Harness Racing Bob Lette said he welcomed the fact that the Government has acknowledged the importance of the Racing Industry to the Queensland economy.

"This proposal will lead to major benefits for all three racing codes," he said.

"The details still need to be worked through but I am sure there will be significant good will by all three codes to make it work which will form common ground for the benefit of the Queensland Racing Industry.

"The Racing Industry (particularly Harness) requires significant capital investment in Infrastructure and this is a very positive approach from Government to achieve this end."

The three control bodies will meet with the Treasurer and Minister Lawlor at the beginning of January to present a combined governance proposal for the future.

Minister's office: Zoe Russell 0437 436 914

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## Media release



Treasurer and Minister for Employment and  
Economic Development  
The Honourable Andrew Fraser

### **Massive new investment in Queensland racing industry: Magic Millions redevelopment first cab off the rank**

The Bligh Government will help 'usher in a new era' for the racing industry, with a funding package of more than \$80 million over four years to redevelop key facilities across the state.

Treasurer Andrew Fraser said the funding package, sourced from the redirection of half of the revenue gained from wagering taxes, will help revitalise an industry that has been estimated to directly and indirectly employ 43,000 people across the state.

"The racing industry is critical to Queensland's economy and many local communities," Mr Fraser said.

"We have identified the need to redevelop the industry's ageing infrastructure to usher in a new era of racing – something the industry cannot achieve on its own.

"It is the government's desire to see a major redevelopment of the Gold Coast Turf Club, the home of the Magic Millions carnival, undertaken as soon as possible.

"It is an important event to the Gold Coast and Queensland, and needs a world-class facility in order for the event to grow.

"The government also believes a new greyhound facility at Logan is a key priority.

"As they say, if you build it, they will come."

Mr Fraser said as part of the biggest overhaul of racing in Queensland in generations, he and Racing Minister Peter Lawlor had received a merger proposal from the heads of both the Thoroughbred and Greyhound codes.

The government supports industry reform to strengthen its future and has provided in-principle support for the proposal. The government intends to legislate early this year to facilitate the proposal.

Representatives of the Harness code have agreed in-principle to the importance of a merged control body, but have not yet formally proposed to participate.

Mr Fraser said the commitment of funds was a commitment to reform and sustainability.

"The government will allocate this funding to a new amalgamated racing body, which will have the financial and administrative strength to take the industry forward and invest this money appropriately.

"The government would welcome the involvement of the Harness code."

Mr Lawlor said the funding injection is critical to the sustainability of the industry into the future.

"This is a big win for the industry and particularly the Gold Coast," Mr Lawlor said.

"The government will stump up the money to improve the facilities, which will then allow the Magic Millions owners to reach for the sky, and see the event reach its potential on the international stage."

Mr Lawlor said the investment will benefit the industry across the state.

"This is a major step forward for Queensland's racing industry."

**Media contacts:**

For comment, Minister Lawlor will hold a press conference on the Gold Coast at 11.30am today at the Magic Millions event.

Minister Lawlor's office – Zoe Russell – 0437 436 914

Treasurer's Office – 3224 4551 or 3224 5982



## Media release

Minister for Tourism and Fair Trading  
The Honourable Peter Lawlor

### Parliament approves record racing funds

Queensland Parliament yesterday approved a single racing control body to guide the industry to a sustainable and healthy financial future, Minister Responsible for Racing Peter Lawlor has said.

Mr Lawlor said that the amalgamation of Queensland Racing, Harness Racing Queensland and Greyhounds Queensland has opened the way for more than \$80 million in funding for capital investment offered to the industry by government.

"We have established the Racing Industry Capital Development Scheme and this will provide the largest-ever injection of funds to renew the industry's rundown facilities," Mr Lawlor said.

"This massive investment is all about the future of racing across Queensland. We want to ensure racing remains popular and has a sustainable future – it's part of our state's heritage and we're making sure it's part of our future too."

The Racing Industry Capital Development Scheme will be funded by a racing industry levy of 50 percent of the net tax collected from wagering taxation over the four years to 2013-14.

"The amalgamation of the three existing control bodies will ensure that this money is spent in the most efficient and effective manner in the long-term interests of the racing industry.

"Racing Queensland will now provide its capital works priorities to government to scrutinise before it can access any funding."

Mr Lawlor also reassured country race clubs they are an important and vital part of their communities.

"In the lead up to this debate in Parliament there has been a fear campaign carried out by some individuals who wanted to hold the industry back," he said.

"Any sale of a club must go through a three step process – it has to have agreement by the club itself, the racing control body, and the Minister.

"That was the case yesterday, that's the case today, and that will be the case tomorrow – nothing changes.

"The legislation transfers the employees, assets, liabilities and responsibilities of the existing racing control bodies to Racing Queensland Limited," Mr Lawlor said.

"This ensures the continuity of entitlements of staff with all employees of the three existing control bodies earning total remuneration of up to \$100,000 to be employed on the terms and conditions of employment at least equivalent to what they now enjoy for a period of at least two years."

The legislation takes effect from 1 July 2010.

Media contact: Minister's Office 3225 1005



## Media release

Premier and Minister for the Arts  
The Honourable Anna Bligh

### Media Advisory – Summary of new concessions and laws to be introduced July 1

#### New Concessions

The introduction of an additional \$4000 First Home Owner Grant (on top of the existing \$7000) for first home owners who purchase or build new homes in regional Queensland – commenced 1 June 2010

More cash back for pensioners' power bills – we've already increased the rebate available to \$190 per year, and from 1 July this year it will increase to around \$216.

A new Medical Cooling and Heating Electricity Commission Scheme will provide a rebate to assist with the electricity costs for eligible concession card holders with a medical condition who have a dependence on air-conditioning to regulate body temperature.

The Electricity Life Support Scheme (oxygen) will increase by \$51.65 to \$440.30 per annum (GST inclusive)

The Kidney Dialysis Scheme will increase by \$34.59 to \$294.85 per annum (GST inclusive)

The Reticulated Natural Gas Rebate will increase from \$59.43 to \$61.21 (GST inclusive).

An increase to the South East Queensland Pensioner Water Subsidy Scheme – up to \$100 cash back for eligible pensioners from July this year (previously \$70).

Our changes to CTP insurance will save motorists money. Preventing motor dealers from receiving commissions will reduce costs by around \$24 per annum.

Land tax exemption for Level 3 Supported Accommodation Providers – to align with the same exemption that applies to aged-care facilities (\$1M in foregone revenue)

Extension of 125% payroll tax rebate for apprentices and trainees for another 12 months from 1 July (estimated \$8M in foregone revenue)

#### New Laws from July 1

##### Health

National Registration and Accreditation for health professionals will be introduced from July 1.

##### Racing

The Racing and Other Legislation Amendment Act 2010 commences on 1 July 2010. It amends the Racing Act 2002, Racing Regulation 2003, Wagering Act 1998, Wagering Regulation 1999 and the Gaming Machine Act 1991.

It amends the Racing Act 2002, to provide for the amalgamation of the three control bodies and establishes Racing Queensland Limited as the control body for the thoroughbred, harness and greyhound codes of racing.

Amendments to the Wagering Act 1998 and the Gaming Machine Act 1991 authorise the mechanics of the transfers to and from the Community Investment Fund to enable the payment of in excess of \$80 million to the amalgamated control body over four years from 2010 to 2014 under the Racing Industry Capital Development Scheme. This is to be funded by a "Racing Industry Levy" of 50% of the net (wagering) tax collected being paid into the Community Investment Fund.

#### Fair Trading

Trade Measurement: the Qld Trade Measurement Act 1990 will be repealed as of 1 July 2010 in order to transfer power to the Commonwealth to regulate trade measurement.

Consumer Credit: the Credit (Commonwealth Powers) Act 2009 will commence on 1 July 2010. It will transfer power to the Commonwealth for the Commonwealth to regulate consumer credit nationally, including licensing of finance providers through the Australian Securities and Investment Commission. However, Qld will retain legislative powers that will enable it to enforce the 48% interest rate cap. Qld will retain this power pending the Commonwealth's consideration of its position on interest rate caps.

#### Local Government

Local Government Act 2009. This is a modern framework covering all councils outside of Brisbane. It gives councils the flexibility to make choices suiting their individual size, location and administrative circumstances while including checks and balances to improve accountability. The legislation is supported by the three regulations covering Operations, Finance and Business.

City of Brisbane Act 2010. It replaces the *City of Brisbane Act 1924*. Brisbane has retained its stand alone legislation recognising it is unique as the nation's largest local government. It also replaces the *City of Brisbane Regulation 2004*, *Brisbane City Council Business and Procedures Act 1939*, the *Local Government (China Town and Valley Malls) Act 1984* and the *Local Government (Queen Street Mall) Act 1981*.

Under new Regulations made under the *Animal Management (Cats and Dogs) Act 2008*, it will be compulsory to register all cats and microchip all cats and dogs when ownership is transferred in the following council areas: Burdekin, Hinchinbrook, McKinlay, Richmond, Mackay, Western Downs, Longreach, Goondiwindi, Charters Towers, Barcaldine and Balonne Councils.

*Note: These provisions already apply in: Banana, Brisbane, Gold Coast, Ipswich, Logan, Redland, Lockyer Valley, Moreton Bay, Scenic Rim, Somerset, Sunshine Coast, Toowoomba, Gladstone and Central Highlands. The provision will be in place in the rest of Queensland from December 12, 2010.*

#### Infrastructure and Planning

For commencement on 1 July:

- Amendment to the *Building Regulation 2006* to give effect to an updated version of the temporary accommodation buildings Queensland Development code to align it with the revised energy efficiency provisions of the Building Code of Australia 2010;
- Amendment of the *Building Regulation 2006*, *Plumbing and Drainage Regulation 2003* and *Sustainable Planning Regulation 2009* to increase the fees for building certifiers, plumbers and drainers and Building and Development Dispute Resolution Committees by 3 per cent in line with the Consumer Price Index for the March 2009 quarter.

For commencement on 5 July:

- A number of provisions of BOLA Act (No 1) – which roll out the machinery for the Government's pool safety strategy including setting up the Pool Safety Councils and the licensing regime for pool safety inspectors

### Climate Change and Sustainability

#### *Great Barrier Reef Protection Amendment Act 2009*

- A person applying or directly supervising the use of herbicides containing atrazine, ametryn, diuron, hexazinone or tebuthiuron must hold the specified qualifications

#### *Environmental Protection Act 1994 under the South-East Queensland Water (Distribution and Retail Restructuring)*

- These amendments are to improve the environmental management of produced water from coal seam gas production.

### Transport

#### Primary legislation scheduled to commence 1 July 2010

No alcohol limits and heavy vehicle speeding reforms.

- On 1 July 2010, chapter 2, parts 1, 2 and 4 and the schedule, part 2 of the Transport and Other Legislation Amendment Act 2010 (Act No. 13 of 2010) commences by proclamation. The provisions amend the Transport Operations (Road Use Management) Act 1995 and extend the no alcohol limit to all learner, probationary and provisional licence holders irrespective of age and implement heavy vehicle speeding reforms.

#### Heavy vehicle speed limiter requirements

- The Transport Operations (Road Use Management—Vehicle Standards and Safety) and Another Regulation Amendment Regulation (No. 1) 2010 strengthens compliance with speed limiter requirements for certain heavy vehicles.
- The amendments increase the maximum penalty applying to a person who drives a heavy vehicle that does not comply with ADR 65 to \$4,000 (40 penalty units) and to increase the maximum penalty applying to a person who permits someone else to drive a heavy vehicle that does not comply with the Australian Design Rule (ADR) 65 to \$8,000 (80 penalty units) and to reduce the speed threshold that triggers the mandatory issuing of a notice which requires an owner to take steps to ensure a heavy vehicle complies with ADR 65 from 115km/h to 110km/h.
- The amendment regulation also amends the Transport Operations (Road Use Management—Driver Licensing) Regulation 1999 to provide that the offence of driving a heavy vehicle that does not comply with ADR 65 is a three demerit point offence.

### Treasury

#### Land Tax Act 2010 – commences 30 June 2010

Land Tax Act 2010:

- rewrites the provisions of the *Land Tax Act 1915* from 30 June 2010;
- introduces extended payment arrangements for land tax;
- provides a cap on the increase in value on which land tax is assessed for the 2010-11 financial year.

### Industrial relations

New laws to strengthen Queensland's workers' compensation scheme take effect on 1 July 2010. These laws will help maintain Queensland's scheme as the strongest and most stable scheme in Australia. The changes will harmonise the *Workers' Compensation and Rehabilitation Act 2003* with the *Civil Liability Act 2003*, align liability and contributory negligence provisions and cap damages. However, workers will still have unfettered access to common law claims.



## Media release

Agriculture, Food and Regional Economies  
The Honourable Tim Mulherin

### **GOVERNMENT APPROVES \$110 MILLION FOR QUEENSLAND RACING INDUSTRY**

The Queensland Government has announced an extra \$20 million for the Queensland racing industry, in addition to the \$80 million that had already been promised as part of the Racing Industry Capital Development Scheme, taking the total for the scheme to over \$100 million.

Minister for Agriculture, Food and Regional Economies Tim Mulherin said the funding will be provided immediately in the form of a \$100 million loan from the Queensland Treasury Corporation.

"This will allow the industry to progress immediately with priority infrastructure developments around the state and provide improved race facilities for local communities," he said.

"Racing Queensland will also access the \$10 million previously committed by this Government as compensation for the loss of Parklands as a greyhound racing complex in 2008.

"This will take total funding from the Government to \$110 million and allow immediate implementation of a revised Industry Infrastructure Plan developed by Racing Queensland."

Mr Mulherin said the revised Industry Infrastructure Plan will enable works to commence on projects regardless of the outcome of the Albion Park legal proceedings.

"It became clear that without action the broader racing industry would suffer as a result of these ongoing legal proceedings," he said.

"As a result, the Government has approved a revised Industry Infrastructure Plan submitted by Racing Queensland Limited that identifies major works on which the \$110 million will be spent.

"The Queensland Government is backing the racing industry to ensure its growth into the future," Mr Mulherin said.

Mr Mulherin said the \$100 million loan would be repaid from redirection of 50 per cent of wagering tax over five years.

"This loan will provide the industry with the immediate funding to be able to provide modern, high quality infrastructure and facilities."

Mr Mulherin said projects proposed under Racing Queensland's program for major facility upgrades include:

- \$35.4 million for the Gold Coast
- \$7.27 million for Beaudesert
- \$1.96 million for Cairns
- \$6.34 million for Townsville

- \$7.44 million for Mackay
- \$1.6 million for Rockhampton
- \$39.9 million for the redevelopment of the Deagon training complex to a dual purpose harness and greyhound facility.

Mr Mulherin said \$5 million had been approved immediately to provide for urgent works at the Mackay Turf Club to ensure the facility was of an appropriate standard to continue to host TAB meetings.

"The Government has already provided \$2.35 million to Racing Queensland from the Scheme to fund repairs to infrastructure damaged in the January floods and Cyclone Yasi," he said.

"As part of that allocation, \$900,000 has been provided to help small country and regional thoroughbred clubs meet Racing Queensland's Workplace Health and Safety standards."

Mr Mulherin said the redevelopment of the Ipswich thoroughbred racing complex as a multi-code venue has been delayed because of legal action regarding Albion Park Raceway by the former harness racing control body, Queensland Harness Racing Limited.

"It is unfortunate that a few individuals are preventing Racing Queensland delivering on the Ipswich redevelopment," he said.

"However, Racing Queensland has assured me that once the current legal action is resolved they will move on the Ipswich redevelopment."

"This Government is totally supportive of the Queensland racing industry and, in partnership with Racing Queensland, to delivering first class racing facilities at our race clubs."

Media Contact: 32396530