



Minutes of
RQL
Board Meeting



Tuesday, 28 September 2010

Board Room, Racing Queensland
Racecourse Road, Deagon

Meeting Commenced at 8:45am
Meeting Concluded at 10.00am

Board Directors Present:	Bob Bentley Tony Hanmer Bill Ludwig Wayne Milner Kerry Watson	- Chairman - Deputy Chairman
Board Directors Present via Telephone:	Bradley Ryan	
Apologies:	Bob Lette	
In attendance:	Malcolm Tuttle Adam Carter Jamie Orchard David Rowan Mark Snowden	- Chief Executive Officer - Chief Finance Officer - Director, Integrity Operations - Manager, IT & Communications - Project Manager
Minutes:	Renee Whitchurch	- Legal Assistant

The Chairman opened the Meeting at 8:45am.

1. Apologies

Arrangements were made available for Mr Bob Lette to attend via teleconference, however, Mr Lette was unable to attend.

The Board **NOTED** Mr Lette's apology.

2. Declaration of Conflicts of Interest

The Board **NOTED** Attachment 'A'.

The Chairman advised the Board that in relation to discussion on race information legislation, it could be seen as a conflict with his position as a Director of Tatts Group. The Chairman stood down and left the meeting on this subject.

The Deputy Chairman, Mr Tony Hanmer took the Chair

Mr Bradley Ryan called into the meeting at 9:00am.

3. Resolution to call a Board Meeting on Short Notice

The Board gave its consent to hold the Board Meeting despite the fact that shorter notice had been given than as required by the *Corporations Act 2001* (Cth) and the Company's Constitution.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

Motion Carried.

The Chairman advised the Board that in relation to discussion on race information legislation, it could be seen as a conflict with his position as a Director of Tatts Group. The Chairman stood down and left the meeting on this subject.

4. Betfair Authorisation

Mr Tony Hanmer explained to the Board that this is a commercial issue which lies with RQL and not the government. The Government cannot enforce race information payments.

Mr Wayne Milner suggested that any further negotiations with Betfair should incorporate a floor. There are considerable complications in this not least of which is the requirement that there can be no discrimination to any wagering operator or type of operator. Specifically Betfair's bet matching business model would involve across all wagering operator types a figure, so low as to not be reasonably practical. Subsequent to this, the existing deed which specifically precludes any wagering operator being able to either demand a payment for loss or accrue a payment for loss from RQL has been adopted. This allows for RQL to be able to answer any criticism of its negotiations with the statement that unlike other states it is impossible for a wagering operator to accrue or receive payments from the Queensland Control body subsequent to a loss by a wagering operator.

MOVED by Mr Wayne Milner **SECONDED** by Ms Kerry Watson

The Chairman, Mr Bob Bentley resumed the position of Chair at 9.15am.

5. Confirmation of Minutes of RQL Board meeting of 24 September 2010

The Board **RESOLVED** that the RQL Board Meeting Minutes of 24 September 2010 be received and confirmed.

MOVED by Mr Tony Hanmer **SECONDED** by Wayne Milner

Motion Carried.**6. Strategic Asset Management Plan**

Mr Ryan had raised his concerns with Mr Mark Snowden in relation to the figures for the Albion Park realisation and sale, stating that he was unsure if the model of 900 units over 8 years had sufficient buffering to enable those sales.

Mr Snowden stated that the figure of 907 units was based on 2 bedroom units at a concept level, however this may change taking into account some 1, 2 and 3 bedroom units. The average sales would work out to 2 units per week in the current Brisbane market.

Mr Ryan queried if the interest costs were achievable.

Mr Snowden stated that it is only at a concept stage and there are healthy signs from developers in Queensland, which are looking for opportunities such as this. Mr Snowden stated a terms arrangement on site would be put in place to pay off over 4 years and that the figures are conservative.

Ms Kerry Watson inquired into the possibility of marketing the sale of the units to an overseas market.

Mr Snowden stated that a marketing campaign would include a push through the internet to reach overseas buyers and that talks with the Brisbane City Council would occur to ensure that maximum density is acquired.

Mr Wayne Milner queried if the costs for each development are reasonable. It was stated that the Heads of Agreement warrants that the amount expended on each project states that the amount to be spent on each project is an amount up to but not over.

Ms Watson stated that overall she approved of the concept. Ms Watson asked if the Logan feasibility took in the constant usage by greyhound owners and trainers, operating out of the facility.

Mr Malcolm Tuttle explained that at the time this study was done it was to be about Logan and if a restaurant was feasible. The stand alone facility would not be profitable and the study was to ascertain if the added value of a restaurant open to the public would bring the facility into profit.

Ms Watson expressed concerns that the greyhound industry participants may not be happy due to the traffic and travel distance to dog trials and races at Deagon.

The Board agreed that the Logan site did not offer a superior location as far as travel was concerned and whilst there would be some extra travel for some stakeholders the location of Deagon and Ipswich was a better alternative.

Mr Milner stated that he had emailed Mr Bob Lette with regards to receiving his comments on the Strategic Asset Plan. Mr Milner passed on Mr Lette's comments from an email, and that he cannot support the sale of Albion Park.

*The Board **RESOLVED** that the Board authorise the Chairman to recommend the Strategic Asset Development Plan to the Queensland Government.*

MOVED Mr Wayne Milner **SECONDED** Mr Bill Ludwig

Motion Carried.

7. Australian Standardbred Consultancy

Mr Tony Hanmer explained to the Board that Australian Standardbred Consultancy (**ASC**) was employed to produce the Harness the Power Magazine by the former Harness Board. Since the amalgamation, it was explained to Mr Marshall Dobson of ASC that RQL would produce its own tri-code magazine and Harness the Power would no longer be required. RQL terminated its agreement with ASC, with a one off payment of \$40,000 (plus GST). As a part of the settlement agreement, Mr Dobson was required to supply RQL with its magazines subscribers and advertisers.

The Board **NOTED** the termination and settlement of ASC.

Mr Hanmer advised the Board that it was proposed that Journalist Mr David Brash would continue to be employed by RQL in an editorial role, however it was agreed to part ways as a salary agreement could not be reached. Mr Brash's role has been replaced by 8 Journalists who are employed at a union rate of \$200 per 600 words.

The Board **NOTED** this update.

8. Redcliffe Harness Racing

Mr Jamie Orchard presented a paper to the Board to seek approval to settle claims against the Redcliffe Harness Racing Club (**Club**). Mr Orchard advised the Board that the Club was advised that its license would be restored by 1 October 2010 if it met precondition that the club pay RQL all amounts assessed as outstanding under the Licence Agreement, which the Club had agreed to in writing.

RQL officers undertook further review of the clubs accounts and assessed that an amount of \$48,651.71 was outstanding.

*The Board **RESOLVED** that: Redcliffe Harness Racing Club pay the total sum of \$48,651.71 to RQL in full settlement of all amounts outstanding under the clubs Licence Agreement.*

MOVED by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

Motion carried.

9. IT Upgrade Proposal

Mr David Rowan presented the IT Standard Operating Environment (SOE) tender evaluation to the Board and requests approval to award the project and expenditure as moved at the at the Audit Committee Meeting in August 2010.

Mr Rowan explained that the current IT equipment of former QRL and HRQ is aged and at the end of its useful life. Greyhounds Queensland equipment is new (March 2010) and is incorporated into the new SOE in order to minimise costs.

Total financial commitment by RQL is approximately \$330,000 to be leased over 4.5 years and replacing the current IT equipment leases.

Mr Rowan advised the Board that after tabling this paper an error was discovered in the costs for supply of software from Data#3, causing their quote to be understated by \$5,000 in the paper's financials.

This error is not seen as materially affecting the tender process or the financial commitment by RQL and is communicated for the information of the Board.

The result of this is that the tender will now be awarded to Datacom in its entirety.

MOVED by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

Motion carried.

The Chairman closed the meeting at 10.00am.

Confirmed as a true record.


R G Bentley

Chairman

Dated...../...../2010

Attachment 'A'

Mr Bob Bentley

Director of Tatts Group
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)
Director/Chairman of Australian Racing Board

Mr Tony Hanmer

Member of the Sunshine Coast Turf Club

Mr Bob Lette

Life member Albion Park Harness Racing Club
Member of Brisbane Racing Club
Consultant to Mullins Lawyers
Non Executive Director Watpac Limited

Mr Bill Ludwig

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)
Board Member of WorkCover Queensland
Member of Brisbane Racing Club

Mr Bradley Ryan

Member of the Brisbane Racing Club
Member of Tattersalls Club

Mr Wayne Milner

Member of the Brisbane Racing Club
Member of the Sunshine Coast Turf Club
Member of the Ipswich Turf Club
Member of the Victoria Racing Club
Life Member of QROA
Member of Queensland Breeders Association
Holder of Victoria Owners Gold Card

