

Statement of Robert James Lette

ROBERT JAMES LETTE of [REDACTED], in the State of Queensland, Solicitor and Company Director states on oath (in respect of Queensland Harness Racing Board and Queensland Harness Racing Limited) as follows:

Contract Management and Financial Accountability

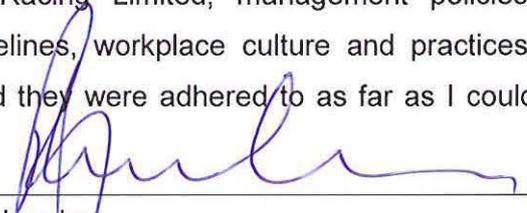
1 In respect of the procurement, contract management and financial accountability of Queensland Harness Racing Board and Queensland Harness Racing Limited during the period 1 January 2007 to 30 April 2012 ("**the relevant period**") I say that I was a Director and Chairman of Queensland Harness Racing Limited from 17 October 2007 until 23 December 2010 and prior to that time I was a member and Chairman of the Queensland Harness Racing Board and I say in respect of my time on both Boards as follows:

- 1.1 There were policies in existence but the administrative staff and executive staff of Queensland Harness Racing Board and Queensland Harness Racing Limited were much less significant than those of Racing Queensland Limited. Policies were approved by the Board but without access to my Board papers which have been provided to the Inquiry, I am not able to make any further comment at this time.
- 1.2 Processes in Queensland Harness Racing Board and Queensland Harness Racing Limited were documented. Again, without access to my Board papers I am unable to make a detailed comment about this issue at this time.

Management

2 During the relevant period there appeared to me to be in place in Queensland Harness Racing Board and Queensland Harness Racing Limited, management policies, management processes, management guidelines, workplace culture and practices. They appeared to me to ensure integrity and they were adhered to as far as I could


Deponent


Taken by

STATEMENT OF ROBERT JAMES LETTE

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Ref: PM:LM:114527

tell. I relied on my personal judgement as to the integrity of management. I had no reason to doubt the integrity of senior management, including the CEO.

- 3 As a Chairman and member of the Board, I played no part in the exercise of functions of the executive management team. I met regularly with the CEO but did not involve myself directly in operational matters.

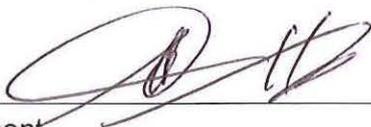
Oversight by the Minister, Executive Government and the Chief Executive

- 4 As Chair of Queensland Harness Racing Board and Queensland Harness Racing Limited I met regularly with the various Ministers and with the Director of the Office of Racing, Mr Mike Kelly. I would estimate I met with the Minister once or twice a year and further as required. This applied whilst the Board was Queensland Harness Racing Board and there was no real change after the incorporation of Queensland Harness Racing Limited. I would say that the oversight exercised by the Ministers and by Executive Government was appropriate. There was two-way communication and both Queensland Harness Racing Board and Queensland Harness Racing Limited regularly reported to the Office of Racing and the Board also had to report to Parliament annually.
- 5 All financials were audited by the Auditor General when we were Queensland Harness Racing Board and then by the company auditor, BDO or BDO Kendalls, when we were incorporated as Queensland Harness Racing Limited. The audit reports went to Government. There was no internal audit function but Queensland Harness Racing Board and Queensland Harness Racing Limited were much smaller operations than Racing Queensland Limited. Both Boards were a Board of four (4) people.

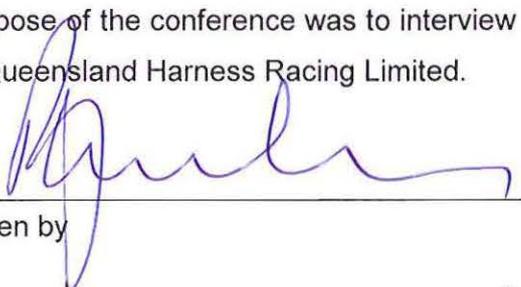
Any other matter

- 6 I resigned as a Director of Queensland Harness Racing Limited on 23 December 2010 or thereabouts. Proceedings were issued by Queensland Harness Racing Limited and others against Racing Queensland Limited and Mr Robert Bentley in late 2010. In my capacity as a former Director of Queensland Harness Racing Limited I had occasion to attend a conference with Michael Stewart SC, who had been engaged as counsel for Queensland Harness Racing Limited. The purpose of the conference was to interview me as a potential witness for the first plaintiff, Queensland Harness Racing Limited.

Deponent



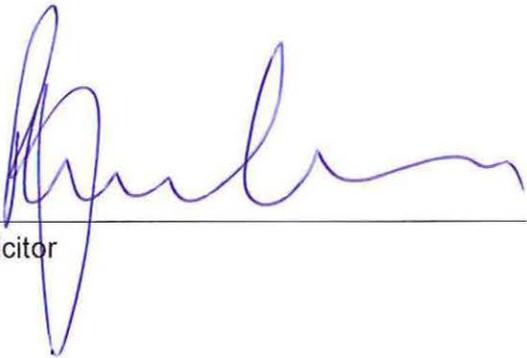
Taken by



7 The solicitors for Queensland Harness Racing Limited then prepared a Summary of evidence in Chief. Annexed and marked "A" is a true copy of the document entitled "Summary of evidence in Chief" which summarises the evidence I was able to provide at that time. I have read through the Summary of evidence in Chief and I say that the contents thereof are true and correct..

SWORN by **ROBERT JAMES LETTE**
on 30 July 2013 at Brisbane
in the presence of:

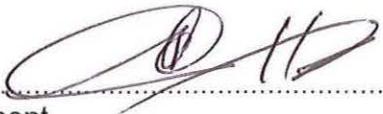


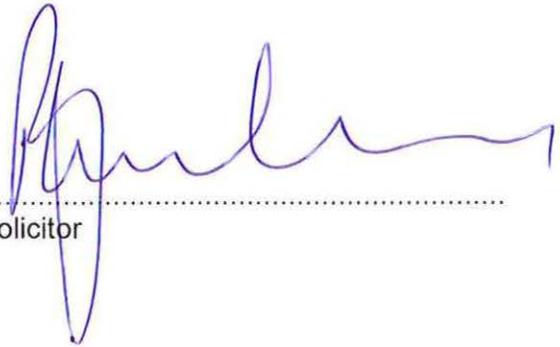
Deponent

Solicitor

EXHIBIT

Exhibit "A" to the Statement of **ROBERT JAMES LETTE** sworn 30 July 2013.


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Deponent


.....
Solicitor



SUPREME COURT OF QUEENSLAND

REGISTRY: BRISBANE
NUMBER: 13832/2010

First Plaintiff: **QUEENSLAND HARNESS RACING LIMITED (ACN 128 036 000)**

AND

Second Plaintiff: **ALBION PARK HARNESS RACING CLUB INCORPORATED
(ABN 20 915 436 422)**

AND

Third Plaintiff: **GOLD COAST HARNESS RACING CLUB INC
(ABN 44 353 563 241)**

AND

Fourth Plaintiff: **REDCLIFFE PENINSULA HARNESS RACING AND SPORTING
CLUB INC (ABN 95 525 290 290)**

AND

Fifth Plaintiff: **BREEDERS OWNERS TRAINERS & REINSPERSONS
ASSOCIATION (QLD) INCORPORATED (ABN 82 432 467 833)**

AND

First Defendant: **RACING QUEENSLAND LIMITED (ACN 142 786 874)**

AND

Second Defendant: **ROBERT GEOFFREY BENTLEY**

SUMMARY OF EVIDENCE IN CHIEF

This summary is additional to the Summary of Evidence filed and served on 19 July 2011 and is delivered on the basis of the contentions made by the Plaintiffs' in their solicitor's letter of 7 November 2011.

SUMMARY OF EVIDENCE
Filed on behalf of the Plaintiffs

SCHWEIKERT HARRIS
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Brisbane QLD 4000
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In this Summary, the expression:

- **'Statement of Claim'** means the Second Further Amended Statement of Claim dated 11 July 2011
- **'the Representations'** is used to generally describe the representations referred to in paragraphs 7(c) and 7A of the Statement of Claim;
- **'Infrastructure Funding'** is used to generally describe the funding referred to in paragraph 4(b) of the Statement of Claim; and
- **'Integration Bill'** is used to generally describe legislation referred to in paragraph 19(c) of the Statement of Claim.

Robert Lette

1. Mr Lette has been a director of the First Defendant (**Racing Queensland**) since 25 March 2010 and participated in several meetings of the directors of Racing Queensland prior to 1 July 2010. He was also a director of the First Plaintiff (**QHRL**) in the period 1 July 2008 to a date after 1 July 2010.
2. Because of Mr Lette's position as a former director of QHRL and current director of Racing Queensland and the fact that his ability to provide a Statement has been prejudiced by issues in relation to the defendants' disclosure, at present the Plaintiffs say that they expect his evidence will be to the following effect:
 - (a) that he is a solicitor and consultant to the firm Mullins & Mullins;
 - (b) that from 1 July 2008 to 30 June 2010, he was a director, a Class B Member and the Chairman of QHRL;
 - (c) that before then he had a long history of involvement with the harness racing code, including as Chairman of the Albion Park Club;
 - (d) that he is aware of the long connection between harness racing and Albion Park and the importance of Albion Park to the code and its future;
 - (e) that he is aware of the plans that had been discussed by the directors of QHRL for the redevelopment of Albion Park and the advice that had been received as to the likely cost of that redevelopment and the value of the asset;

- (f) that he is aware of the structure of the racing industry as it existed historically, including its structure prior to the integration that occurred on 1 July 2010;
- (g) that he knew the Second Defendant (**Mr Bentley**) to be the Chairman of Queensland Racing Limited (ACN 116 735 374) and that Mr Bentley had a long history of involvement with the control of racing in Queensland, including:
- (i) as Chairman of the Queensland Principal Club from 1993 to 2002;
 - (ii) as Chairman of the Queensland Thoroughbred Racing Board from 2002 to 2006;
 - (iii) as Chairman of Queensland Racing Limited from 1 July 2006 to the time the representations were made (and later to 30 June 2010);
 - (iv) that he knew that Mr Bentley had been closely involved in various reforms in the industry and had a reputation within the racing industry of being very influential;
- (h) that he knew Mr Mike Kelly to be the Executive Director of the Office of Racing within the Queensland Department of Employment, Economic Development and Innovation and Mr Ken Smith to be the Director-General of the Queensland Department of the Premier;
- (i) that he was aware of the Product and Program Agreement, the Intercode Agreement and the Club Contracts; and in particular that the Intercode Agreement provided to the effect that during the term of the Product and Program Agreement, the distribution of income from, inter alia, the Product and Program Agreement, was to be distributed in accordance with the following fixed distribution percentages:

Thoroughbred Code:	76.0%
Harness Code:	14.5%
Greyhound Code:	9.5%

- (j) that on or about 18 December 2009 he attended a meeting with Mr Bentley, Mrs Watson (a representative of the greyhound control body), Mr Kelly and Mr Smith, at which Mr Kelly sought on behalf of the Queensland Government, the agreement of the three racing codes to an amalgamation of the control bodies in exchange for which the Government would make available to the industry a capital works fund in the order of \$80,000,000;
- (k) that prior to that meeting, he was not aware that there was any proposal for amalgamation of the three codes;
- (l) that he received an email dated 22 December 2009 from QHRL's Chief Executive Officer, Mr Godber;
- (m) that he attended a further meeting on 23 December 2009 at the office of Queensland Racing Limited attended by Mr Bentley, Mrs Watson, Mr Kelly and Ms Carol Perrett (of the Office of Racing), which was chaired by Mr Bentley and at which:
 - (i) he emphasised the importance of Albion Park being retained for harness racing to continue at that venue;
 - (ii) various representations were made by Mr Bentley in connection with the proposal for the merger of the three codes of racing and the seeking of the agreement of QHRL to the merger to the effect pleaded in paragraph 7(c) of the Statement of Claim;
- (n) that on or about 30 December 2009, he received from Mr Bentley, minutes of the meeting of 23 December 2009 under cover of letter from Mr Bentley stating that in Mr Bentley's view, the minutes were a true reflection of the meeting;
- (o) that on 4 January 2010 he attended a meeting with the Treasurer, the Minister, Mr Bentley and Mrs Watson at which the Treasurer and the Minister again sought the agreement of the harness racing code to the merger proposal;
- (p) that on or about 4 January 2010 he gave Mr Bentley a document titled "Amalgamation of the three Racing Codes into a single organisation" (**the Twelve Points Document**), which detailed issues upon which the Plaintiffs required clarification so that they could properly consider whether to agree to the proposal;

- (q) that on or about 5 January 2010, Mr Bentley gave Mr Lette a document titled "Answers to Harness Questions 5th January 2010" (**the Twelve Points Response**);
- (r) that on 6 January 2010, he wrote to the Treasurer in relation to the basis upon which QHRL might agree to the proposal;
- (s) that on or about 8 January 2010 he received a letter from the Minister which stated, among other things, that "a funding package ... amounting to more than \$80 million will be made available to a united industry to redevelop key facilities such as those at Bundall, Albion Park and Logan";
- (t) that he received a letter dated 15 January 2010 from the Minister seeking the agreement of QHRL to the proposal;
- (u) that on or about 20 January 2010 he sent a letter to the Minister and stated that "a great majority of issues have been resolved including ... Albion Park has been guaranteed as the long term home and racing head quarters for Harness racing" and "current race product co agreement to continue until its end date in 2014.";
- (v) that on 20 January 2010 he received a letter from the Minister extending the time to advise whether QHRL accepted the proposal;
- (w) that on or about 21 January 2010 he received a letter from the Minister in response to his letter of 20 January 2010;
- (x) he had various discussions with Mr Mitchell, the authorised representative of the Class A Members, in which he informed Mr Mitchell of the things that had been said at the various meetings he had attended and of the contents of the Twelve Points Document and Twelve Points Response;
- (y) that on 25 January 2010 he wrote to the Minister raising issues in relation to the proposal;
- (z) that on 1 February 2010, he received a letter from the Minister dated 28 January 2010, responding to the letter of 25 January 2010 in which the Minister noted that QHRL had agreed to the proposal and advised that accordingly, he intended to introduce legislation into Parliament to amalgamate the three control bodies;

- (aa) that on 2 February 2010, he wrote to the Minister noting the matters set out in the Minister's letter and stating that the matter would be referred to the Class A Members of QHRL;
 - (bb) that on 3 February 2010, he wrote to Mr Bentley outlining certain matters that required addressing;
 - (cc) that on 3 February 2010, he wrote to the Minister advising of the matters the subject of his letter to Mr Bentley and advising that unless satisfactory agreement could be reached, the Class A Members would not agree to join the merger;
 - (dd) that on or about 5 February 2010 he received a letter from the Minister dated 5 February 2010 which asked that as a matter of urgency, QHRL reconsider its participation in the amalgamation process and advise on its participation by 5.00 pm 8 February 2010;
 - (ee) that on 8 February 2010 he sent a letter to the Minister informing him that QHRL agreed to the proposal on the basis of assurances that had been given to QHRL;
 - (ff) that he received a letter from the Minister dated 11 February 2010, responding to the letter of 8 February 2010 in which the Minister noted that QHRL had resolved to participate in the amalgamation and that he intended to introduce legislation into Parliament to give effect to the amalgamation;
 - (gg) that on 16 February 2010 he sent a letter to the Minister, a copy of which was also sent to Mr Bentley, expressing the willingness of QHRL to work together with the Minister and representatives of the other codes of racing to give effect to the amalgamation agreed to;
 - (hh) that he understood that, if QHRL agreed to the proposal, the Minister would cause a bill to be introduced into the Parliament of Queensland for legislation to give effect to the proposal and that the legislation would become law.
3. Based on that involvement, and not being aware of any information or advice to the contrary, by early February 2010 and through to (relevantly) at least 30 June 2010, his understanding and belief was that:
- (a) Mr Bentley had made the Representations; and

- (b) if QHRL agreed to support the integration of the 3 control bodies into a single new control body, the Minister for Racing would cause an Integration Bill to be prepared; and
 - (c) in due course that Bill would be passed and the integration effected such that, among other things, Mr Bentley and Racing Queensland would:
 - (i) cause Albion Park to be used as the long term home of harness racing;
 - (ii) cause 16% of the Infrastructure Funding to be used to construct a new grandstand at Albion Park; and
 - (iii) abide the terms of the Intercode Agreement such that 14.5% of funds received from Product Co pursuant to the Product & Program Agreement would be used for harness racing purposes.
4. He also understood that if QHRL's Class A or Class B Members resolved not to support the integration, QHRL would not support the integration and:
- (a) the Government would proceed with legislation to give effect to the agreement of the control bodies for the codes of thoroughbred and greyhound racing to be integrated into a new single control body and that those codes would receive all of the Infrastructure Funding; and
 - (b) QHRL would:
 - (i) continue to:
 - (A) be the control body for harness racing in Queensland;
 - (B) receive the harness code's 14.5% distribution under the Intercode Agreement;
 - (ii) not receive any part of the Infrastructure Funding.
5. He was present when the directors of QHRL resolved to support the integration in reliance upon the Representations. If the Representations had not been made, the directors of QHRL would not have resolved (and he as a director would not have voted) to support the integration and would have advised the Minister accordingly.

6. Subsequent to QHRL notifying its agreement to the integration and prior to 1 July 2010:
- (a) QHRL proceeded with progressing plans for the construction of the new grandstand at Albion Park;
 - (b) QHRL briefed Mr Tuttle (then of Queensland Racing Limited and now of Racing Queensland) about those plans; and
 - (c) neither QHRL nor Mr Lette was at any stage advised by Mr Tuttle or anyone else at or for Queensland Racing Limited or Racing Queensland or Mr Bentley:
 - (i) to cease progressing those plans; nor
 - (ii) that a consultancy had been planned and/or implemented with a view to determining that Albion Park should not be retained; nor
 - (iii) that Mr Bentley and/or Racing Queensland did not intend to or otherwise consider that Racing Queensland would not abide the terms of the Intercode Agreement from 1 July 2010.