QUEENSLAND RACING COMMISSION OF INQUIRY

Commissions of Inquiry Act 1950

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

I, **ANTHONY JOHN HANMER** of c/- Level 10, 300 Adelaide Street, Brisbane, Queensland, Company Director, do solemnly and sincerely declare as follows:

1. I refer to my previous statements dated 29 July 2013 and 11 September 2013 and to the notice dated 10 October 2013 ("Notice") sent by the Commission to my solicitors informing me of potential adverse findings that may be made by the Commission.

2. My legal advisers will make written submissions to the Commission of Inquiry addressing the terms of reference, and the potential findings that may be made against me. This statement addresses factual matters.

3. I set out in this supplementary statement my response to the potential findings set out in the Notice, as far as I can in the limited time that the Commission has allowed me, and with the limited understanding I have of some of the allegations.

4. The Commission asserts in paragraph 1 of the Notice:

   Mr Hanmer knew, or should have known, at all times during the period from 1 January 2007 until 30 April 2012 ("the relevant period") that:

   (a) Contour Consulting Engineers ("Contour") was not engaged in compliance with the Purchasing Policy of Queensland Racing Limited ("QRL") or Racing Queensland Limited ("RQL") (generally "the Purchasing Policy");

   (b) on projects in which Contour was engaged in a project management role for QRL or RQL, Contour undertook or managed the procurement processes for

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engagement of other contractors for the projects but did not do so in compliance with the Purchasing Policy;

(c) QRL and RQL did not adhere to the Purchasing Policy during the relevant period:

i. at all; alternatively

ii. in respect of any infrastructure projects QRL or RQL undertook;

(d) QRL did not comply with the requirements of clause 4.18 of the Synthetic Track Funding Agreement entered on 2 June 2007, that QRL undertake open tender processes to appoint contractors to supply and lay the synthetic tracks;

(e) there were no, or no adequate, other measures utilised by QRL or RQL to ensure that contracts awarded delivered value for money.

5. As to the allegations set out in paragraph 1 (a), (b), (c)(ii), (d) and (e) of the Notice, I say as follows:

(a) I was aware that Contour was engaged in respect of various projects as that fact came to my attention as part of matters coming to the board of QRL and RQL;

(b) I also now understand, based on questions that have been put to witnesses during public hearings of the Commission, that the issue of alleged non-compliance with a purchasing policy was that engagement of Contour, apart from the very first engagement when Contour was subcontracted by Arben Management, did not follow a public tender process. I did not know of that asserted non-compliance during my tenure as a director of QRL and RQL;

(c) I have reviewed the various documents that are said to be the purchasing policies from time to time; I have reviewed board minutes where the policy, or proposed changes to the draft policy was discussed; and I have noted that in the board minutes of 13 April 2007, the board resolved certain provisions which were to be taken up in the document. Specifically, the board resolved that "*The requirement for an open tender process on contracts in excess of $100,000 may be waived by the Board*";

(d) When the merged body, RQL, commenced operation on 1 July 2010, it was necessary to adopt various policies that were required by the *Racing Act*. We did

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not view the purchasing policy as one of the mandatory policies but rather the minutes record that we adopted various finance type policies as "internal policies only";

(e) I considered that while going to a public tender on various works was a desired process in many cases, the board retained the discretion not to go to tender on all major engagements, as there may be circumstances where it was reasonable to engage consultants without the need for public tender, or because that would not lead to the best outcome for QRL or RQL. For example, I do not believe that QRL or RQL went to tender for legal services. Rather, the board had the discretion to engage consultants that we considered were suitable and reliable;

(f) The ongoing engagement of Contour in relation to the works that they were managing made sense because of their accumulated expertise and knowledge of the nature of the work that was required to be undertaken. If a different project manager was selected for each project by public tender, in my view, that would have been a very costly and time-consuming process. Also, each new project manager would have to "re-invent the wheel" whereas Contour had a lot of accumulated knowledge from the work they had carried out for QRL and RQL.

(g) I also know that in relation to the projects that Contour were managing, the works carried out by contractors were subject to tender processes, but others in QRL and RQL will be in a better position to give evidence on the dealings that were had in relation to Contour and other contractors. I was not involved in dealings with Contour or infrastructure projects. As a non-executive board member of a company that had senior management staff dealing with such matters, I relied on senior executives to present papers to the board from time to time in relation to matters that needed to come to the board;

(h) I have been shown a copy of the Synthetic Track Funding Agreement dated 26 June 2007. I cannot recall reading the agreement before I did so for the purpose of preparing this supplementary statement. I note that clause 4.18 states: "The Recipient must undertake open tender processes to appoint contractors to supply and lay the racetracks, whereby the achievement of a value for money price can be demonstrated, to the satisfaction of the State." The selection of the contractor appointed to supply and lay the racetracks was undertaken by the seeking of expressions of interest from those suppliers in the field. This was done by Contour. I also note that under clause 4.16 under which the project manager was

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to be appointed, such appointment was not required to be made after a tender process;

(i) QRL and RQL had an audit committee and had internal auditors whose task it was to check issues of compliance. I was on the Audit Committee. During my time there, the Audit Committee was chaired by Michael Lambert and then after he left, it was chaired by Brad Ryan. I cannot recall any issue of non-compliance with any purchasing policy being brought to the attention of the board by the auditors or Adam Carter who had responsibility for such matters within the management team of the company;

(j) However, I am aware that in late 2011 when RQL was seeking to implement arrangements for funding the industry infrastructure plan, amendments were made to a purchasing policy so as to comply with the requirements of the government. In fact, I was interested to ensure that strict processes were implemented. For example, the issue of ensuring that our project manager's contractors were suitable to be engaged was raised by me in an email to Mal Tuttle on 6 November 2011. A copy of that email is annexed and marked "**AJH 7**".

(k) I did not know that Contour was not engaged in compliance with the purchasing policy of QRL or RQL. Mr Carter never told me about that. Non-compliance was not raised at board level, to the best of my recollection;

(l) In relation to infrastructure work that was being carried out, there were tenders called for those works. Mark Snowden, who joined QRL and RQL in early 2010, had project management experience. I believe I was entitled to rely on the experience of such personnel to advise the board if any works that were being carried out was not at rates that were value for money.

6. I am surprised and perplexed by the allegation in paragraph 2(c)(i) of the letter that any purchasing policy was never followed at all. I do not know if the Commission of Inquiry has examined each and every purchase made by QRL or RQL over the relevant period. I would be surprised if they had. All I can say is that if a purchasing policy applied during the relevant period, then Adam Carter's finance department had sufficient resources and staff to ensure a substantial level of compliance, and if there was systemic non-compliance then it should have been picked up by his department and the auditors and reported to the Audit Committee. It was not.

7. The Commission alleges in paragraph 2 (a) of the Notice that I -

Signed: Taken by:

(a) failed to take, or cause QRL or RQL to take, steps to:

i. assess or have assessed:

A. the adequacy and integrity of, and adherence to, the Purchasing Policy;

B. QRL's compliance with clause 4.18 of the Synthetic Track Funding Agreement;

ii. improve generally the adequacy and integrity of, and adherence to, the Purchasing Policy;

iii. address the matters listed at (1)(a) to (e) of the Notice.

8. In answer to those allegations, I repeat my comments in paragraph 5 above. I also state that while on the audit committee, it was my practice to ask Adam Carter if there were any other issues that needed to be raised. None were raised.

9. The Commission alleges in paragraph 2 (b) of the Notice that I *failed to comply with QRL and RQL's respective Codes of Conduct, including in relation to:*

(a) the failure to investigate, or adequately investigate, allegations concerning Mr Ludwig's purported exercise on 6 August 2008 of a proxy on behalf of the Queensland Country Racing Committee;

(b) supporting and voting in favour of the motion to dismiss Ms Watson from the Board of RQL, on 6 December 2010.

10. I refute those suggestions:

(a) In relation to the issue of the proxy exercised on behalf of the Queensland Country Racing Committee:

i. The events occurred over 5 years ago;

ii. As far as I can remember, the paperwork relating to the voting at the members meeting of QRL in 2008 was handled by the company's

Signed: Taken by:

corporate counsel and the company's external lawyers, Cooper Grace Ward, were also engaged;

iii. Complaints were made to the Office of Racing about the process were raised soon after the events in question and I note from evidence given in the Commission that the matter was referred to the CMC, ASIC and the police;

iv. The proxy in question did not matter to the overall vote at the meeting (which was decided by a vote of 14-1), but in any event the government did not approve the changes to the constitution that was the voted upon;

v. While I cannot now recall any discussions or deliberations that were made internally about the matter, my recollection of the matter was that Mr Ludwig did not act in a fraudulent or dishonest way but rather genuinely believed that he was entitled to vote at the meeting;

vi. In the circumstances where the outcome of the vote was disregarded because the government did not approve the changes to the constitution, and Mr Ludwig did not set out to do anything dishonest or fraudulent, and he was already put through the wringer by police investigations and adverse publicity, I do not believe there was a need to investigate the issue any further.

(b) In relation to the vote on dismissing Ms Watson from the Board, my solicitors have informed me that during the public hearings of the Commission, Counsel Assisting the Inquiry questioned witnesses on the basis that the act of copying the letter that Ms Watson wrote to Mr Bentley on 30 October 2010 to the Minister and the Office of Racing was the sole reason for dismissing Ms Watson from the board. That assertion is completely wrong. Copying the letter to the Minister and the Office of Racing displayed a lack of unity on the Board, but of greater concern was the breach of confidentiality committed by Ms Watson in discussing aspects of the plan with others outside of the board and actively trying to lobby against the parts of the plan that she did not agree with. I voted in favour of the motion to dismiss Ms Watson. I was told that Mrs Watson had contacted Mr Felgate and exposed the commercially in confidence material and was determined to undermine the position voted upon by the board. Ms Watson admitted that she had done so. My attitude was that if she apologised to the board, then I would not have voted for her

Signed: Taken by:

dismissal, but during the meeting when she refused to apologise and displayed a clear disregard for the board, I believe it was appropriate to vote for her removal. I do not believe I acted in breach of the Code of Conduct in doing so. Rather, I believe that Ms Watson acted in breach of the Code of Conduct provision that states that "*A Board Member shall act independently and not in the interests of any sectional interests.*"

(c) It was suggested to me during my examination in the Commission that the way I treated Mrs Watson was poor, and not in accordance with the Code of Conduct of RQL. I reject that contention. Mrs Watson acted not only wrongly, in my opinion, when confronted with what she had done she was unrepentant and indeed, as I said in my oral evidence, abusive. I offered her the opportunity to apologise and believe that had she done so, she would not have been removed.

11. The Commission asserts in paragraph 2(c) of the Notice that in relation to Cooper Grace Ward's advice of 18 November 2008 ("the Grace advice"), I:

(a) caused QRL, RQL and Product Co to not seek the advice of senior counsel, alternatively any other formal legal advice, in relation to the correctness or otherwise of the Grace advice including by:

i. arguing against views expressed by Messrs Lambert, Andrews and Tuttle that further advice or clarification of the Grace advice should be obtained;

ii. causing Product Co to take irrelevant actions such as seeking clarification from the Queensland Government of the commercial intention of the Product and Program Agreement;

(b) failed to cause QRL, RQL and Product Co to seek such advice of senior counsel or other formal legal advice;

(c) failed to take any other relevant action.

12. I dispute the assertions made in the Notice. As I repeatedly stated in my oral evidence, I could only make decisions as part of the board of directors, any one of whom could have moved a motion that further legal advice be obtained, or that legal action be taken, or whatever. The majority view (with which I agreed) was to act as the Board did. Specifically:

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(a) The first occasion that there could have been any sensible discussion about the Grace Advice was at the meeting of Product Co in March 2009. Mr Lambert did not attend the earlier meeting in December 2008.

(b) My own view was and is that the Grace Advice, so far as it argued that Tatts was not entitled to deduct the fees it paid in respect of the NSW race information fees, as a third party charge under the Product and Program Agreement ('PPA') was wrong. I formed that view from my own reading of the Product and Program Agreement ("PPA") and from my understanding that the prospect of the "Gentlemen's Agreement" breaking down was always contemplated even before the PPA was entered into. My view was reinforced by the view that was expressed to me by Mr Lette who I believed to be a very good commercial lawyer, who had told me that he had also run the idea past another lawyer in his firm. My view was also reinforced by my discussions with Mike Kelly of the Office of Racing. I suspected at the time that the Office of Racing probably had its own advice about the matter since it was going through the whole process of looking at race information fees. My suspicion was correct as I note that it has been established in this Commission that Crown Law advice had in fact been obtained on the point.

(c) Mr Lambert never actually said he agreed with the Grace Advice. Rather, as I pointed out in my evidence to the Commission, Mr Lambert said he agreed with my view.

(d) At the meeting in March 2009, while I have no doubt that I would have expressed my own view on the matter, it was open to all other members of the board of Product Co to express their own views as well. Mr Grace was present at that meeting, but rather than pursue a review of his advice, the board decided on another approach – to seek the views of the Office of Racing. The motion was moved by Mr Godber seconded by Mr Watson. At no time did Mr Andrews or Mr Lambert put up an alternative resolution to seek further legal advice.

(e) I did not cause Product Co to take irrelevant actions such as seeking clarification from the Queensland Government of the commercial intention of the Product and Program Agreement. Rather, my letter that I sent to the office of Racing on 31 March 2009 asked the precise questions that were resolved at the board meeting earlier that month.

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(f) Therefore, at all times I went along with the majority of the board, but I admit that the majority view was the same as my own view.

(g) It has also recently come to my attention that Mr Grace did in fact provide a further advice in February 2009 which appears to be inconsistent with his earlier advice. Annexed and marked "**AJH 8**" is a copy of the letter from Cooper Grace Ward to Shara Murray dated 3 February 2009.

(h) I also believe that Counsel Assisting the Inquiry failed to appreciate the significance of the concessions that QRL had obtained from Tatts in November 2008 when it confirmed that QRL would be allowed to collect race information fees and not have to deduct them from the Product Fee as a result of clause 7.5 and clause 10.2(d). This will be further addressed in submissions.

13. The Commission asserts in paragraph 2(d) of the Notice that when acting and/or omitting to act as specified at paragraph 2(c) of the Notice, I:

(a) knew that Mr Bentley had a conflict of interest for the relevant period as a result of his being Chairman of QRL, subsequently RQL, and at the same time being a director of Tattersalls Limited, subsequently Tatts Group Limited ("Tatts"); and

(b) knew that Mr Bentley considered Mr Grace's advice to be incorrect and that this view favoured the interests of Tatts over those of QRL and subsequently RQL, and Product Co; and

(c) was influenced by Mr Bentley's view.

14. In response to those assertions, I knew that Mr Bentley had a potential conflict of interest because of his directorships. This was managed by Mr Bentley not attending Product Co meetings, and not taking part in any decisions that would have caused his potential conflict to become actual.

15. I did not know Mr Bentley's view of Mr Grace's advice but I suspect it would have been the same as mine. I was not influenced by Mr Bentley in any way in relation to this matter. To suggest that I acted in the way that I did, to promote the interest of Tatts ahead of Product Co or QRL and RQL is both offensive and wrong. I had no reason to do so. To suggest that I acted in the way that I did to benefit Mr Bentley, or to act as he asked me to, is also offensive and wrong. Again I had no reason to do so.

Signed: Taken by:

16. The Commission asserts in paragraph 2(e) of the Notice that in relation to the employment terms of Mr Tuttle, Mr Orchard, Mr Brennan and Ms Murray ("the four executives"), I:

    (a) at the RQL Board meeting on 5 August 2011, voted in favour of the approval of amendments to the employment terms of the four executives which were not in the best interests of RQL; and

    (b) on 28 March 2012, at the RQL Board meeting on that day, voted in favour of the resolution instructing Mr Carter to make payments to the four executives in accordance with the amended employment terms.

17. In relation those allegations, I admit that I voted in favour of the approval of amendments. However, I believed that agreeing to the terms was in the best interests of RQL. I voted in favour of the terms because it ensured that the key senior executives would remain for the very critical period of the ensuing months to allow the infrastructure plan to be completed by Mr Tuttle and Mr Brennan, to ensure continuity in the actions being taken by Ms Reid in relation to race field information and bookmakers issues, and ensured that we could portray stability in the all-important integrity structure headed by Mr Orchard.

18. I admit that I voted in favour of the resolution on 28 March 2012 instructing Mr Carter to make payments to the four executives. However, I point out that the particular resolution stated that "The Chair tabled a letter from BDO Kendalls confirming the calculations produced by Mr Carter and subsequently confirmed by Mr Brad Ryan as being correct in accordance with executive contracts. BDO further confirmed all matters were in order from an audit prospective. The Board RESOLVED to instruct Mr Carter to make payment." In the circumstances where we had the calculations checked by the auditors, I considered that it was entirely appropriate to pass the resolution.

19. The Commission asserts in paragraph 2(f) of the Notice that in or about January 2010, I *made representations to representatives of Greyhounds Queensland Limited ("GQL") in relation to the safeguards required by GQL prior to the amalgamation of the three control bodies, which representations were misleading and induced GQL to agree to the amalgamation.* At the time, I was not aware of any specific adverse issues about the proposed Logan development for Greyhounds. I simply believed that Ms Watson was being straight with me and so I assumed that the proposed Logan facility was a good idea. I was not told by Ms Watson about any problems with the site – it had been used as a waste dump and concerns were being expressed that it had not been

Signed: Taken by:

remediated properly. In fact, this issue is still causing concerns. I note that the following letter from the Gold Coast Racing Club addressed to the Queensland Racing Minister was reported on the racing news website *www.justracing.com.au* as recently as 2 October 2013.

CRONULLA PARK – LOGAN CITY QUEENSLAND

We write to you re the above mentioned parcel of land. It is common knowledge your Government is about to offer to Racing Queensland on behalf of the Greyhound Industry this parcel of land for compensation for the closure of our Club at Parklands Complex in 2008.

It is assumed the transfer of this parcel of land in Title "Fee Simple" to Racing Queensland will facilitate the building of a Greyhound Racing Track in Queensland, notwithstanding the fact this parcel of land consists of a closed (in approx. 1980) but not remediated contaminated land fill site.

We have great concerns for the health and wellbeing of the Industries participants' long term that will be expected to race their Greyhounds on this contaminated site.

This land fill was not a controlled site, as was the case after 1980 and therefore would contain many obnoxious and hazardous chemicals which are noted for long term residual effect on land.

Some of these could be:

1. Hydrocarbons
2. Petro chemicals
3. Dioxins
4. Dichloride
5. Diphynol
6. Tetrachloride
7. Endosulfan

There are more of these types of chemicals which today are not permitted in land fill because of its dangerous residual effect and contamination of the soil.

Mr Minister, we are aware this site has been offered to other sporting communities and been rejected, some of which are AFL, Rugby Union, Motor Cross Racing. Why did these Clubs reject the offer, if as being advocated "this is free land and further, why now this site is considered a good site for Greyhound Racing?

We are attaching a transcript of a documentary aired on the ABC program, "7.30 Report" which detailed the building and operation of Camden Park State High School in NSW on a contaminated gas site and the devastation caused to teachers and children who attend the school, with deaths from cancer tumours in all parts of the body, when the site produced a cancer cluster In this transcript are listed similar toxins which would be found in Cronulla Park land fill site.

Mr Minister will you give the Greyhound Racing participants and visitors to the proposed Racing site a guarantee what has occurred to these unfortunate

Signed: Taken by:

people in NSW, will not occur in Queensland if we are forced by your Government to race our greyhounds on this not remediated land fill site in Logan?

I would also point out in Cranbourne Victoria a Housing estate was approved on a similar site to Logan in Queensland. A documentary on another TV channel, showed housing with cracked footings, walls etc. caused by destabilised land, owners not being given assistance, and had commenced a class action against the Victorian State Government.

Do we never learn from the many mistakes having been made with using?

1. Contaminated land
2. Remediated unstable land fill sites
3. Not remediated land fill sites

Many types of Council have learned the hard way, and will not allow any construction on old land fill sites. We are aware of Councils who have small sporting groups of young children using these sites, and have received Compensation claims for injuries arising from wet weather conditions, when metal objects emerge at the top of an unsealed site causing serious injury.

Mr Minister we ask you to reconsider this imminent decision, as there is enough evidence available on this and other comparable contaminated sites, as a hazardous and serious threat to health of both participants and animals involved in Greyhound Racing.

Mr Minister why should participants of Greyhound Racing in Queensland, who are mostly unaware of the possible consequences of long term health impairment, should they be forced to accept this contaminated site to be their next Racing Complex, when many green field sites are available, just because they love, and choose to race greyhounds in Queensland?

We await your guarantee, if not forth coming, the confirmation the transfer of this site "Cronulla Park' will not go ahead to Racing Queensland as a replacement for the loss of "Parklands" greyhound track.

The long term health and longevity of life of the current participants in this Industry should be of paramount concern to you and your Government, and not be compromised for short term gain of a monetary problem.

Yours Faithfully

D Irwin
President
Gold Coast Racing Club
c.c. The Premier of Queensland

20. Therefore, I believe it is rather unfair that I be criticised over this issue when clearly I was not being told the full story.

Signed: Taken by:

21. Further, on the morning of 28 September 2010, prior to the board meeting that considered the draft plan, I met with Paul Brennan and later Malcolm Tuttle to discuss some of the issues in the plan. There were issues that affected the financial viability of the project as originally costed. I do not remember all the details but have a clear recollection that the financial viability of Logan appeared to have been contrived to fit within a $10 million grant from the government but that was not realistic. Firstly, the development plan for Logan had not included any live-in management accommodation; secondly, the proposal included an up-market restaurant and function area as a means of assisting to fund the operations but RQL had commissioned independent research which indicated that his type of establishment was entirely inappropriate for the Logan area; thirdly, lighting was a critical part of twilight and night racing for greyhounds but it had not been budgeted. From what I have read, the latest budget figures for the stand-alone Logan track are now being quoted at $15 million. That sort of financial analysis should have been done by the Greyhound control body before the talk of the merger of the codes.

22. At all times I acted with integrity, in good faith, and in what I considered to be the best interests of QRL, RQL and Product Co.

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

SIGNED AND DECLARED)
at Coolum, QLD)
on: 18th October 2013) .....
in the presence of:)

.....

Solicitor / ~~Justice of the Peace~~

Allyson Anne Richards
Solicitor.

QUEENSLAND RACING COMMISSION OF INQUIRY

Commissions of Inquiry Act 1950

ANNEXURE

Annexure **'AJH 7'** to the Further Supplementary Statement of **ANTHONY JOHN HANMER** signed 8th October 2013 at Coolum, QLD.

Anthony John Hanmer

Solicitor/Justice of the Peace
Allyson Anne Richards
Solicitor.

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AJH 7

From: tonyhanmer@hotmail.com
To: mtuttle@racingqueensland.com.au; msnowdon@racingqueensland.com.au
CC: rqlboard@racingqueensland.com.au; pbrennan@racingqueensland.com.au; smurray@racingqueensland.com.au
Subject: RE: Delivery of industry infrastructure plan
Date: Sun, 6 Nov 2011 15:00:40 +1000

Mal, thanks for your comprehensive note on steps taken to ensure we are following best practice on not just appointment of our consulting engineers but also best practice for any subsidiary who we may emply during the implementation of the industry infrastructure plan.
At the audit, finance and risk committee meeting 10th October, I tabled 2 items, one of which was ensuring that all RQ suppliers comply with several fairly simple criteria. This was born out of a concern that the board needed comfort in the suppliers our consulting engineers were subcontracting as well as having confidence that the consulting engineers we chose would be in a position to deliver on their contractual arrangements.

In essence this suggestion was that RQ needs to have reasssurance on:

Company structure and ultimate ownership
Disaster recovery plans
A statement of governance
policies in place to comply with statutory guidelines
some reassurance of financial stability
where deemed necessary an independent assessment of the organisation (probably via a process similar

to racefield information provenance)

I also suggested that if this was deemed too complicated, then whatever measures were required by the QG Audit office or the Office of Racing would be adequate. This was driven by my continual concern that we are spending taxpayers money and that even with a benevolent administration, we must comply not only with our own purchasing policy but with whatever policy the civil administration of the day requires.

Risk is the major issue all boards have to manage, the infrastructure plan is an issue of major order, and consequently our esposure is high. We must minimise our exposure to criticism and your note of yesterday will go a long way towards ensuring an acceptable outcome for the racing industry and taxpayers but, I would urge that any contract documentation is at least passed -by the Board.

Tony Hanmer

Non-Executive Board Director

Board Advisor, Corporate Strategy & Marketing

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Please consider the environment before printing this email

From: mtuttle@racingqueensland.com.au
To: msnowdon@racingqueensland.com.au
CC: RQLBoard@racingqueensland.com.au; pbrennan@racingqueensland.com.au; smurray@racingqueensland.com.au
Subject: Delivery of industry infrastructure plan
Date: Sat, 5 Nov 2011 00:16:52 +0000

Mark
Following on from your presentation yesterday to the Board there are a number of matters to be addressed as a matter of urgency. We spoke about these this morning and I undertook to get the process started with this email so we have some material to review on Monday morning. The following is in no particular order but reflect the matters that need to be attended to.

1. IP and copyright – Not negotiable this is the property of RQL (To be outlined to all consultants as a matter of urgency)

2. Write to Government advising what has occurred to date re the engagement of consultants to satisfy Government timelines (re Mackay) also advising how we have satisfied ourselves in terms of value for money and probity. Provide document to RQL Board ensuring Board is aware of what has occurred.

3. Engagement of Contour for Mackay (dealing with IP ownership)

4. Confirm work by Contour for the development of business cases is minimal and nothing further is required in terms of engagement

5. Re-confirm with all relevant consultants (including Contour) No work without engagement

6. Pair out all work subsequent to the business cases (This is not just a roll over for Contour – competitive tender to apply)

7. Competitive tender processes required as per RQL purchasing standards and compliant with any/all requirements of Government

8. Settle with RQL Board probity standards required re the engagement of consultants (Ensure probity standards are applied, met, and satisfy Government as required)

9. Ensure appropriate separation of disciplines with the engagement of consultants (ie project management, civil engineering, structural engineering, environmental etc)

10. Deal with tender process on a project by project basis (If this is not the case there needs to be an open, transparent, justifiable and competitive process highlighting why projects have been conjoined)

11. Evaluate and report to the Board on the competitive engagement of a quantity surveyor highlighting the value that will be brought to the projects

12. Re-evaluate project timelines and impact on commitments already given

Mark, I look forward to meeting with you, Paul and Shara on Monday morning. In the meantime, as we discussed, pls prepare a draft of the material for the Government and the Board.

Regards Mal.

Malcolm Tuttle
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QUEENSLAND RACING COMMISSION OF INQUIRY

Commissions of Inquiry Act 1950

ANNEXURE

Annexure **'AJH 8'** to the Further Supplementary Statement of **ANTHONY JOHN HANMER** signed 18th October ~~2013~~ at Coolum, QLD.

Anthony John Hanmer

Solicitor / Justice of the Peace
Allyson Anne Richards
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AJH 8

COOPER GRACE WARD
LAWYERS

Your business partner

Our Ref: DJG 10068247

3 February 2009

Shara Murray
Company Secretary
Queensland Racing Limited

By Email: smurray@queenslandracing.com.au

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Dear Shara

Product and Programme Agreement – Unitab

We refer to our telephone discussion with you of 2 February and to the Product and Programme Agreement made between UniTab (then TABQ), Product Co and the three Queensland control bodies on 9 June 1999 (Agreement).

The Agreement provides, *inter alia*, that there is a definition of "Australian Racing Product" which means Australian Racing Information in the format specified by TABQ to Product Co in accordance with clause 9.3 of the Agreement.

Australian Racing Information means all the information relating to Racing in Australia that is necessary for the efficient and effective conduct of Race Wagering on Racing in Australia and includes information of the nature set out in Schedule One of the Agreement.

Clause 9 of the Agreement deals with the supply of Australian Racing Product.

By clause 9.1 Product Co must supply Australian Racing Product to TABQ. The terms of clause 9 set out the timing and format of the information to be provided and by clause 9.4 Product Co is the exclusive supplier of Australian Racing Product to TABQ.

Clause 9.5 deals with the position where there is an inability to supply Australian Racing Product.

It provides that if Product Co cannot procure the Australian Racing Product it is required to supply to TABQ then TABQ may procure the equivalent of the Australian Racing Product from any other source and incur a Third Party Charge, defined to mean the amount of any fee payable or other consideration given by TABQ to obtain the equivalent of the Australian Racing Product and the costs and expenses incurred by TABQ from procuring it from another source.

The amount of that charge must be reasonably commercial in the circumstances, having regard to the need to maintain continuity of Australian Racing Product.

The amount of the Third Party Charge will be set off against the Product Fee.

By clause 10.2 TABQ is authorised to set off from the fee payable under 10.1 the amount of any Third Party Charge. 10.1 provides the amount of fee to be paid by TABQ to Product Co in respect of its performance of its obligations under the Agreement.

That is an amount of $2,833,333 per month and a variable amount equal to 39% of the Gross Wagering Revenue for the month (or pro rated for any part of the month) for which the Agreement applies.

Accordingly, the amount of back charge from TABQ appears to be lawful under the Agreement, subject to it being set off against the amounts of charge. There does not appear to be any provision under the Agreement by which it should be paid by a Queensland Control Body, but rather that it be

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set off against the amount payable by TABQ to the Queensland Control Body through its agent, Product Co under the Agreement.

Please advise if you have any further queries.

Yours faithfully
COOPER GRACE WARD

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