

QUEENSLAND RACING COMMISSION OF INQUIRY

Commissions of Inquiry Act 1950

SUBMISSIONS

Part 7

Transfer of Funds - Term of reference 3(g)

The events surrounding the approved transfer of funds by the former Queensland Government to RQL's infrastructure trust account in February 2012, on what basis the transfer was made, whether any improper influence was exercised by RQL directors, and if the transfer was appropriate and justified.

1. While this term of reference received some attention by the Commission of Inquiry during its public sittings, it is noted that the Commission has not issued any notice specifying potential adverse findings in relation to this term of reference against any of the parties on whose behalf these submissions are made.
2. In the address given to the Commission in the public sitting on 15 July 2013, Counsel Assisting the Inquiry did not provide any better analysis of the elements of this Term of Reference but rather simply restated the text of the Term of Reference¹.
3. From RQL's side, a brief history of the steps taken to seek funds from the Government is set out at paragraphs 269 to 287 of the statement of Mr Adam Carter dated 2 August 2013 and at paragraphs 57 to 59 of the statement of Ms Sharon Drew dated 16 August 2013. Claims were invoiced by RQL and paid by transfer of funds as summarised in the following table:

¹ Refer "Terms of Reference: Draft Break-Down of Issues for Inquiry (as at 15 July 2013)"
http://www.racinginquiry.qld.gov.au/__data/assets/pdf_file/0004/205087/TOR-Breakdown.pdf

Submissions (Part 7)

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<i>Description of claim</i>	<i>Amount</i>	<i>Date invoiced</i>	<i>Date paid</i>
Beaudesert	\$4,344,215.44	14.02.12	17.02.12
Cairns	\$825,000.00	14.02.12	17.02.12
Rockhampton	\$121,000.00	14.02.12	17.02.12
Logan	\$1,517,144.20	14.02.12	17.02.12
Reimbursement of expenses	\$3,075,919.64	14.02.12	02.03.12
Gold Coast	\$3,850,000.00	16.02.12	20.02.12
Ipswich	\$732,239.20	16.02.12	Not paid

4. However, the process for seeking these funds commenced much earlier than when the invoices were raised. As Ms Perrett explained in her statement, the process required business cases to be prepared, which were submitted to the Office of Racing and then to Treasury². It cannot be said that approval of funds through Treasury was a mere formality³.
5. It is clear that RQL had raised with the Government as early as January 2011 that it would be seeking reimbursement of costs and expenses that had been incurred in relation to the preparation of the industry infrastructure plan⁴. So it was certainly no surprise that RQL was seeking and continued to seek reimbursement of such expenditure.
6. Indeed, it was entirely appropriate for RQL, having incurred significant expenditure from its own resources in relation to the formulation of the industry infrastructure plan and consequent business cases which were conditions of the Government industry funding, to seek reimbursement of such expenditure.
7. Counsel Assisting the Inquiry examined 'government' witnesses in relation to steps taken for the transfer of funds on the basis that there may have been some breach of caretaker conventions, given the announcement of the State election⁵. Regardless of whatever was required internally of the Government, it is quite clear on the evidence that the process by which RQL would be seeking funds from the Government had

² Statement of C Perrett dated 2 August 2013, paragraph 84.

³ Several statements were lodged by personnel in Treasury which outlined the processes adopted in scrutinising the business plans. One example of the approach by Treasury can be seen from the email from N Barber to S Booker of 13 February 2012 – annexure 'QB 12' to statement of A Beavers dated 5 September 2013 at page 43.

⁴ See letter from RQL to Mr Lawlor, attachment "ABC-292" to the statement of A Carter.

⁵ Transcript reference 14-44, line 36

commenced much earlier than, and independent of any decision by the Premier to call the election⁶.

8. In essence, the payments that were made to RQL were appropriate and justified because the payments were already approved and within forward estimates long before any caretaker period commenced⁷.
9. There can be no serious suggestion that RQL's officers were able to exercise any power over Treasury to approve further funding other than that which had been approved previously. RQL was unsuccessful in seeking funds from Treasury in relation to the Ipswich project⁸.
10. In response to the specific questions raised in the Term of Reference:
 - a. The basis of the transfer of funds was business cases and invoices that had been submitted by RQL and reviewed by the relevant government department;
 - b. There has been absolutely no evidence and no suggestion that any improper influence was exercised by RQL directors;
 - c. Following the review of the business cases and invoices, it is submitted that the transfer of funds was appropriate and justified;
 - d. In the circumstances, there can be no adverse finding made against any directors or officers of RQL in relation to this term of reference.

⁶ For example, see statement of C Perrett dated 2 August 2013, paragraph 9 ff.

⁷ Statement of S Middleditch dated 2 September 2013, paragraphs 18 & 19

⁸ Refer file note of meeting of 2 March 2012, annexure 'NB 16' to statement of N Barber dated 5 September 2013.