

QUEENSLAND RACING COMMISSION OF INQUIRY

*Commissions of Inquiry Act 1950*

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

I, **PETER JAMES SMITH**, of [REDACTED], Self-Employed, state on oath:

1. I have a Bachelor of Arts, a Certificate 4 in Training and Education, a Diploma of Management and a Certificate in TESL.
2. In 1998 I joined the Queensland Racing Industry Training Centre as a teacher. In 1999, I took over the coordination of the international program and was in charge of the training in that program. There was a Business Manager in the centre in 2000 so my role was solely in relation to the coordination of training. In 2003, I took over the management of the centre when the scale of the operation had reduced. At the same time I took over the responsibility for the domestic training program. In 2000, the centre was incorporated as the Queensland Race Training Pty Ltd which was an organisation run for the three codes of racing. In 2004, the training program that was being run by that company closed down and I oversaw the closure of the program and the selling of the assets (such as horses). When that closed down, I became a training manager for the Queensland Thoroughbred Racing Board.

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Deponent

  
Statement of Peter James Smith

Taken By

  
**RODGERS BARNES & GREEN**

Lawyers

Level 10, 300 Adelaide Street

Brisbane QLD 4000

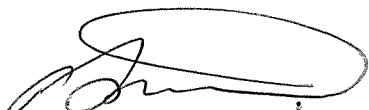
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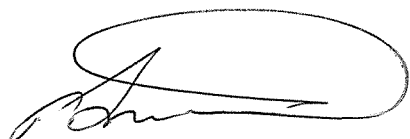
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3. The Queensland Thoroughbred Racing Board became a registered training organisation (RTO). That is a type of organisation that is nationally registered. To be registered as an RTO, the body needs to be accredited with the Australian Skills Quality Authority (ASQA). ASQA has certain national standards that are required for registered training organisations and ASQA audits those organisations from time to time. ASQA requires the executive of the RTO to take full responsibility for the RTO meeting its requirements. That person must have direct access to the CEO of the organisation.
  
4. From 2004 to 2012, the RTO had an excellent record of compliance. In October 2012, the RTO completed a full five year re-registration audit conducted by the Department of Education and Training. In 2010, the RTO was also audited comprehensively as a result of the formation of RQL. As well as part of the new and innovative agreement with the Sunshine Coast Institute of TAFE, the TAFE conducted intensive due diligence. TAFE compliance staff spent a whole day going through student files, assessment, materials and processes as well as talking to staff. They also came to block release training for a day and observed and spoke with students. After that the TAFE officers who are highly professional agreed that the RQL/RTO staff, systems, materials and overall training were excellent and amongst the best they had seen.
  
5. In 2006, in addition to my responsibilities as training manager, I took over as licensing manager for the board which then became Queensland Racing Limited. Previously, licensing was part of the stewarding function. When I took over, I observed that the system of licensing under the control of the stewards had been quite disorganised. There were files that were badly organised and records were needing to be reviewed and updated. I implemented an electronic filing system and went about setting up a proper structure.



6. The licensing function of Queensland Racing Limited was to license trainers, jockeys, apprentice jockeys, track riders, stable hands, bookmakers and clerks and also to register animals that were racing.
7. Prior to the establishment of Racing Queensland Limited as the control body for all three codes of racing, the licensing team consisted of myself as the manager, a senior licensing officer, a licensing officer, a licensing assistant and a registrar of racehorses. After the establishment of RQL, the team increased by taking on a harness licensing officer/registrar and a greyhound licensing officer. This later extended to an additional position.
8. On the training side, my team consisted of a training coordinator, two training officers (one for trainees such as stable hands and track riders and one for apprentice jockeys), an administration officer and four casual training officers (situated at Rockhampton, Toowoomba, Gold Coast and Deagon).
9. With the merger and establishment of RQL in 2010, I noted that the greyhound racing code did not have any training processes. In relation to harness racing, it had a long running training program for trainer/drivers. The training was coordinated by RQL who engaged the services of Neale Scott who was an experienced trainer driver.
10. There were two policies for which I was responsible in QRL/RQL. There was a training and education policy which was one of the Section 81 policies, and there was a licensing policy both of which were requirements under the Racing Act. Policies were required to be reviewed every two years. About three months before the end of the 2 year period, I would receive a notice from the secretary of the board as a reminder that the review was required. If there were major changes that were required, they would have to go to the

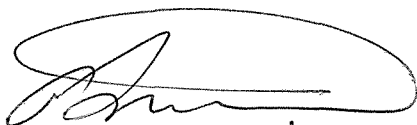


Office of Racing for approval. A board paper would be done respective of any changes to policies.

11. I would also do a report every month to the board in relation to licensing issues. Reports on training were more ad hoc. For example, I would report to the board if there was anything significant that needed to be considered. For example, in 2011, I prepared a review of apprentice jockey recruitment training and welfare which went to the board for consideration. I also presented an extensive paper for the board titled the Queensland Racing Industry skills plan in 2010.

12. The function of licensing was the responsibility of the board but the board was able to delegate that authority to a licensing committee, which would be governed by a committee charter. The licensing committee consisted of me as the Licensing Manager and Chair of the Committee, the Director of Integrity, the Chief Steward, Corporate Council for the control body and the Senior Licensing Officer who acted as the committee secretary. The charter set out the powers of the committee and how it would operate. A report would be drawn from a database of information compiled for the licensing committee meeting. Minutes of the committee meeting would be prepared by the committee secretary who would then send the minutes to me within a day or two of the meeting taking place.

13. The board allowed the licensing committee and the licensing functions to be conducted in an independent manner. Rarely would I receive any queries from the board in relation to specific licensing matters other than those that were reported through the licensing committee to the board in the usual course. I can recall one occasion when Wayne Milner asked me how an application for a trainer licence for a particular person was progressing. I cannot recall the name of the party but I can recall that notwithstanding Mr Milner's



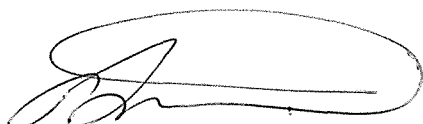
inquiry, the application was knocked back for quite a while. The applicant was required to meet our usual licensing requirements before a licence could be granted.

14. The only occasion that I can recall when a member of the board interfered in my function was in about the middle of 2012 when a New Zealand apprentice jockey, Rosie Myers, had been on loan from New Zealand. The usual practice was that such loan arrangements would be only for three months. I was directed by the new chair of the board, Kevin Dixon, to extend Ms Myer's loan period until the end of her apprenticeship. That direction was confirmed by an email from Adam Carter.

15. From time to time I would receive queries from Bob Bentley when he was chair of the board where he may have been contacted by someone wanting to make a complaint. On such occasions, Bob would raise the query with me as to what the matter was about so that he could respond to the query from the other party. However, in all such instances, Mr Bentley never attempted to interfere with the way in which the licensing department was handling the matter.

16. From my observations, I believe that the management of RQL was left to the executive management team. Malcolm Tuttle, the CEO, would hold regular monthly management team meetings, attended by himself, Jamie Orchard, Shara Reid, Paul Brennan, David Rowan, Adam Carter, myself and sometimes Cole Truscott who was the Country Racing Manager (attending by telephone). Occasionally, Bob Bentley may attend that meeting for a short period of time, but such meetings were under the control of Mr Tuttle.

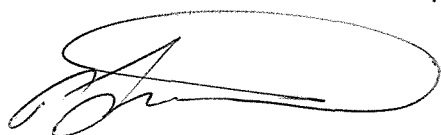
17. Budgets would be set annually. My group would have an operating budget and a capital budget and I would have discussions with Sharon Drew, an accountant in Adam Carter's finance department, in relation to setting the budget. I had a limit on the expenditure that I




could approve. If invoices came in that related to something for which I was responsible then the invoice would come to me because the subject matter of the invoice would have to be verified as being incurred. It would either be initialled by someone in my department and then given to me, or given straight to me and I would initial or sign it and then send it back to finance. If the amount of the invoice was within my limit of delegation then I assumed that the finance department would not need any further approval but would simply process the payment. However, on the occasions where expenditure may have been above my limit of delegation, I would send it back to the finance department or direct it to Adam Carter. It would then be up to the finance department to obtain the necessary approval.

18. I had no involvement in the events surrounding the renegotiation of employment contracts of Messers Tuttle, Orchard, Brennan and Mrs Reid in 2011.

19. In 2010 when RQL was established and my role as training and licensing manager was expanded to cover all three codes, I can recall that my salary was reviewed from about \$110,000 per annum (including superannuation) to \$120,000 (including superannuation). At the time, I thought that my level of remuneration was low. For example, I was aware that the General Manager for Training in Racing New South Wales (which was only concerned with thoroughbred racing) at the time had a package of \$128,000 (plus a car). Further, the role of training in that state was organised differently from in Queensland. In New South Wales, a lot of the actual training was done at TAFE Colleges so that the role of the General Manager in Racing New South Wales was more of a supervisory nature. They did do some apprentice training but not to the same degree as RQL. Further, in New South Wales there is a separate licensing manager. Therefore, I considered that my pay package was substantially below those of my interstate counterparts.



20. In 2011, my salary was reviewed but only to take account of a CPI increase.
21. The contract that I was on became a fixed contract where the end date was 30 June 2013.
22. In the lead up to the state election in 2012, despite the uncertain future over the control body if there was to be a change of government, I was surprised how smooth the office was running. For example, I was surprised how dedicated Paul Brennan continued to be even though he was doing a lot of work in relation to infrastructure plans which I believed would not be in favour if the government were to change.
23. On the Monday after the election, Mal Tuttle came to see me and informed me that he was leaving. I did not have a discussion with the other officers who were leaving at the same time.
24. Shortly after the election, Adam Carter came to see me and gave me a copy of the letter that had been received from the Office of Racing which raised numerous queries about matters that the office wanted to review. Attached and marked "PJS1" is a true copy of that letter. The handwritten notes on the letter are mine. I put together all of the material from my area various to the relevant requests in the letter. Nothing came of it after that, as far as I am aware. Sometime later I asked Kevin Dixon about the matters raised in the letter. He said to me words to the effect, "don't worry about that. We were just trying to find something on Bentley in case he refused to go."
25. After the new board was appointed, Adam Carter called a management meeting. At the meeting he said words to the effect "There is a new approach and now it's very simple –

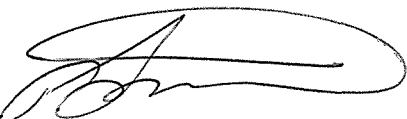


we go by FIFO – fit in or fuck off.” He also said that there was going to be a lot of changes and that if we didn’t like it, then we could leave.

26. In about September of 2012, Adam Carter who was acting CEO decided to move licensing to a business services department that he established. He promoted Ally Wade as Business Service Manager, covering licensing and prize money. So my role was reduced to that of only training. Ms Wade was a supervisor in Adam's financing department.

27. I left RQL on 29 November 2012. I can recall that I had a meeting schedules with Adam Carter to discuss routine matters at about 9am one morning. When I walked in, the HR consultant was there as well. I was handed a letter which advised that I was being made redundant. I was paid out my contract for a period up to 30 June 2013 as well as six weeks pay in lieu of notice.


28. With the introduction of race information fees, we received about 5 or 6 weeks notice from the Office of Racing that the legislation was coming in. I can recall having a meeting with Mike Kelly and Carol Perrett from the Office of Racing with Mal Tuttle and myself. With the proposed changes, an implementation committee was established within QRL. Initially, it was considered that the new legislation would have a significant impact on licensing because it would be necessary to have parties wishing to use Queensland Race information to apply for an authority. This was uncharted territory. Most of the work would end up requiring us to deal with very minor players, whereas most of the money that would come from race information fees would come from the big, wagering operators such as corporate bookmakers who were licensed in the Northern Territory. We also had to identify overseas parties who may be taking bets on Queensland races, but that was not a major part.



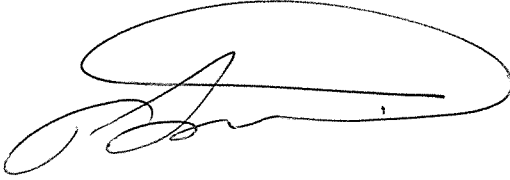


29. The issue of race information fees resulted in numerous legal issues arising. The large corporate bookmakers were well-resourced and experienced in fighting the issue because they were dealing with the same types of issues interstate. Issues also arose with the smaller bookmakers in Queensland of which only probably about 5 would end up having to pay the race information fees, depending on the size of their turnover. Due to the complexity of the legal issues that arose, a lot of the responsibility for dealing with the fights over race information fees shifted to Shara Reid.

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 Brisbane  
on 16 August 2013 in the presence of:  
  
.....  
Solicitor / Justice of the Peace

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**QUEENSLAND RACING COMMISSION OF INQUIRY**

*Commissions of Inquiry Act 1950*

**ANNEXURE "PJS 1"**

This is the annexure marked "PJS 1" to the statement of Peter James Smith, signed and declared at Brisbane this 16<sup>th</sup> August 2013 before me:

A handwritten signature in black ink, appearing to be 'Peter James Smith', written over a horizontal line. The signature is somewhat stylized and includes a large loop at the end.

Declarant

A handwritten signature in black ink, written over a horizontal line. The signature is more compact and less legible than the declarant's signature.

Solicitor

" PJS 1 "



Queensland Government

Department of National Parks, Recreation, Sport and Racing

Reference No: RAC/861 (4)

Mr Adam Carter  
Acting Chief Executive Officer  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

Dear Mr Carter

In accordance with section 46 of the *Racing Act 2002* (the *Racing Act*), the Minister has approved a program for assessing the suitability of Racing Queensland Limited to manage the thoroughbred, harness and greyhound codes of racing.

The 2012 assessment program will initially assess:

- the processes and procedures the control body undertakes in the application and discharge of its integrity functions;
- whether the processes and procedures the control body undertakes in the application and discharge of its integrity functions are best practice; and
- whether there is sufficient regard to protecting the rights and liberties of individuals subject to racing industry disciplinary and administrative processes.

Pursuant to section 49 of the *Racing Act*, you are requested to provide the following documents to this office:

1. Racing Queensland Limited's procedures and policies for granting, renewing and auditing all classes of licences. <sup>JS</sup> <sup>DT.</sup>
2. Racing Queensland Limited's policies, procedures and other documents relating to reviewing, auditing and inspecting licensed training facilities. <sup>JK</sup>
3. All documents, including, but not limited to, transcripts of stewards' inquiries, first level appeals committee documents, emails, and memoranda to and from the Director of Integrity Operations, internal and external legal advice and Racing Queensland Limited Board documents relating to the following cases:
  - a. Tracey Wolfgram - finalised by QCAT in February 2012;
  - b. Daniel Griffin - investigation into allegations of betting by jockey in November 2010;
  - c. Patrick Keane - weighed in underweight at Eagle Farm on 21 January 2012;

~~AC files~~ ?

1) Lic Policy + Annex  
 Lic Manuals + Procedures - GREYS  
 Forms + checklists - HARNESS  
 ↳ new  
 ↳ renewal. + TB Lic man  
 + SHAD  
 + flow charts  
 Auditing -

Office of Racing  
 Level 15, 111 George Street  
 Locked Bag 180  
 City East Qld 4002  
 Telephone +61 7 3234 1400  
 Facsimile +61 7 3234 1411

- d. Martin Knibbs - investigation into Racing Queensland Limited steward in August 2010;
- e. Terry Butts – bringing racing into disrepute in March 2012;
- f. Robert Bradshaw – bringing racing into disrepute in February 2011;
- g. Phillip Mitchell – bringing racing into disrepute in March 2011;
- ~~h.~~ Barry Winchester – all licensing and disciplinary action;
- i. Paul Facoor – proceedings finalised by QCAT in March 2010;
- j. Jay Bellamy – proceedings finalised by QCAT on 28 February 2011;
- k. Steve Fletcher - disciplinary action taken against unlicensed person from the Bold Glance inquiry finalised by QCAT in September 2011;
- l. All inspections of the on-track stabling facilities at Corbould Park by Racing Queensland Limited stewards; and
- m. all cases that were heard/determined by persons who were not employed by Racing Queensland Limited but who were appointed as stewards to hear specific cases.

4. All Board papers provided to the Board of Racing Queensland Limited from 1 July 2010 to 31 March 2012 on integrity related issues, produced by Mr Jamie Orchard, Director of Integrity Operations and/or Mr Wade Birch, Thoroughbred Chief Stipendiary Steward, together with all Board minutes relating to the issues.

5 All Board papers provided to the Board of Racing Queensland Limited from 1 July 2010 to 31 March 2012 on licensing issues produced by Mr Peter Smith Licensing, Transfers, Registrations and Syndications Manager and Training Manager, together with all Board minutes relating to the issues.

6. Any information, documents or minutes provided to the Board of Queensland Racing Limited or Racing Queensland Limited regarding the engagement of Mr John Schreck and the reasons for that engagement.

7. All instructions, memoranda, and other documents provided to Mr Schreck during his engagement by Queensland Racing Limited or Racing Queensland Limited.

8. All reports, correspondence and any other documents provided and /or produced by Mr Schreck during his engagement by Queensland Racing Limited or Racing Queensland Limited.

In view of the large number of documents required, it is requested that you provide documents numbered 1, 2, and 3(a)-(f) by COB Wednesday 11 April 2012 and the remainder of the documents by COB Friday 20 April 2012. If you believe you cannot comply with this timeframe, please contact this office as a matter of urgency to discuss.

Please note that pursuant to section 49 of the Racing Act, it is an offence to fail to comply with this request for information and documents, unless Racing Queensland Limited has a reasonable excuse.

This letter forms an initial notice of request to provide information and documents. As the conduct of the assessment program progresses, further documents may be required and we will keep you updated in this regard.

Office of Racing

Level 15, 111 George Street  
Locked Bag 180  
City East Qld 4002

Telephone +61 7 3234 1400  
Facsimile +61 7 3234 1411

atog -  
by 13/4

At request  
date 2/4

Ms Carol Perrett, Director (Investigations and Compliance) will be the primary point of contact for this assessment. Should you wish to discuss this matter further or require additional information, please do not hesitate to contact me on telephone 323 41376 or Ms Perrett on 323 41408 or email [carol.perrett@racing.qld.gov.au](mailto:carol.perrett@racing.qld.gov.au).

Yours sincerely



Mike Kelly  
Executive Director  
Office of Racing

**Office of Racing**

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