
From: dtoohey@racingqueensland.com.au

To: thanmer@racingqueensland.com.au; wayne@milners.net.au; bryan@pilotpartners.com.au;
secretary@awu.org.au; blatte@racingqueensland.com.au

Subject: Industry Infrastructure Plan

Date: Tue, 8 Nov 2011 01:51:57 +0000

Sent on behalf of Bob Bentley

Following concerns on probity expenditure at the Board meeting on Friday, I attach the following:

1. Letter to Mike Kelly – 7 November 2011.
2. Industry Infrastructure Plan Control Group Charter, and
3. RQL's internal financial process.

From the attached material it can be seen that RQL is following a correct procedure with the exception of the appointment of Contour.

This is being rectified.

Debbie Toohey

EA to Senior Corporate Counsel/Company Secretary
Board Secretary

Race Information Co-ordinator



PO Box 63, Sandgate QLD 4017

P +61 7 3869 9707

F +61 7 3269 9043

E dtoohy@racingqueensland.com.au

W www.racingqueensland.com.au

*****E-Mail Disclaimer*****

This email, together with any attachments, is intended for the named recipient only. This email may contain information which is confidential, of a private nature or which is subject to legal professional privilege or copyright. Accordingly, any form of disclosure, modification, distribution and/or publication of this email message is prohibited unless expressly authorised by the sender acting with the Authority of or on behalf of Racing Queensland Limited.

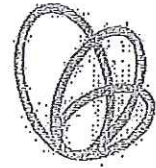
If you have received this email by mistake, please inform the sender as soon as possible and delete the message and any copies of this message from your computer system network. The confidentiality, privacy or legal professional privilege attached to this email is not waived or destroyed by that mistake.

It is your responsibility to ensure that this email does not contain and is not affected by computer viruses, defect or interference by third parties or replication problems (including incompatibility with your computer system).

Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.

This email has been scanned by the Symantec Email Security.cloud service.

For more information please visit <http://www.symanteccloud.com>



**RACING
QUEENSLAND**

7 November 2011

Mr Mike Kelly
Executive Director
Office of Racing
GPO Box 46
Brisbane Qld 4001

Racing Queensland Limited
A.B.N. 62 142 766 674
Racecourse Rd Deagon Qld 4017
PO Box 63 Sandgate, QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Dear Mike

RE: INDUSTRY INFRASTRUCTURE PLAN – PROBITY

We acknowledge that as part of the delivery of the Industry Infrastructure Plan (IIP) for the racing industry the importance of implementing a high degree of probity with the expenditure of these funds.

In doing so we have amended, and incorporated, the fundamentals of the Racing Queensland Limited (RQL) Purchasing Policies as part of the commitment to providers of services to RQL. In addition, RQL has established a control group to oversee the delivery of the Infrastructure Plan. Attached for your information is the group's charter along with the "RQL internal financial process" document.

We wish, however, to advise that in the case of the Mackay project, due to the urgency of commencing the works from a workplace, health and safety aspect, it was necessary to appoint Contour Consulting Engineers (CCE). This appointment did not involve the preferred process of seeking competitive fee submissions from alternative providers for the following disciplines:

- o Project Management
- o Civil Engineering
- o Structural Engineering
- o Environmental Engineering – To be sub consulted.
- o Architectural – Basic
- o Building Hydraulics
- o Flooding Drainage

The reasons for this appointment were due to the following:

1. Immediately upon the announcement of the IIP there was a requirement by the state for RQL to immediately commence the Mackay project.
2. The preferred process of this appointment would have delayed the commencement of this project by two months.

In order to satisfy 'value for money' RQL based the appointment on the following:

- Comparative industry rates of the percentages of construction costs normally applied for these disciplines.
- The level of experience of CCE has in relation to racecourse projects.
- The detailed negotiation by RQL employees with CCE on their fees which resulted in the total consultant fee budget for the project of \$877,030 being below the state approved budget of \$940,000.

RQL confirms that sufficient probity has been incorporated with the appointment of CCE in this role to ensure appropriate 'value for money'.

Further to this, it is also noteworthy that CCE, as a qualified supplier to RQL, also played an integral role in shaping up the original material for the infrastructure plan that needed to be compiled in a confidential manner.

RQL can advise that the fundamentals of the Purchasing Policy are continuing to be applied to all other commitments to service providers on this project.

In order to be able to prepare and lodge the necessary business cases with the state for funding approval RQL needed to appoint CCE to assist with the preparation of this material and this appointment is for this process only. The reason for the appointment without the preferred procurement process was based on the same reasons provided above for the Mackay project and RQL based the appointment on the same criteria as above.

RQL can advise you that the fundamentals of the Purchasing Policy will be implemented on all appointments for these projects moving forward once the business cases have been approved and funding is made available.

We trust the above is acceptable to you and please contact the writer should you wish to discuss the matter further.

Yours sincerely

R.G Bentley
Chairman