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30 October 2013

The Hon. Margaret White AO
Commissioner
Queensland Racing Commission of Enquiry
PO Box 12369
George Street Qld 4003

Dear Commissioner

Re: Potential Adverse Findings

Further to your letter of 21st October 2013 in relation to the abovementioned findings I wish to respond as follows:

I commenced consulting to Racing Queensland Limited (RQL) approximately March 2010. It was around that time I was introduced to the directors of Contour Consulting Engineers (CCE) at a meeting at the offices of RQL. I had no previous dealings with CCE.

I was advised at that meeting by the Chairman (Bob Bentley) and the Director of Product Development (Paul Brennan) that CCE did all project work on behalf of RQL including all investigatory work for feasibility purposes on an hourly basis.

During the course of 2010 we undertook the analysis of multiple schemes and variations of the Industry Infrastructure Plan (IIP) which included feasibilities, costings, plans and programs for the consideration by government. It was imperative to have the input from a firm such as CCE to be able to accurately produce sufficient information to prepare a plan for consideration.

As I was a consultant I signed off on CCE invoices purely from an 'hours worked' basis. The invoices were then signed off by the Director of Product Development and the CEO (Mal Tuttle) for payment.

Also during 2010, as the likelihood of commencing projects becoming real, and after reviewing the structure used by RQL on previous projects I advised RQL that the structure of utilising CCE for both engineering and project management was not an acceptable arms length management tool for the projects. I proposed from an early date that the project management duties be managed in house by RQL for better control of the projects. Whilst the advice was listened to it was not taken on board by management at that time.

In mid 2011 the workplace health and safety issues of the Mackay racecourse risked the closure of the facility should immediate action not be taken. A business case was prepared by myself and was considered and approved by cabinet. Treasury was not involved with the approval process. Work on the facility was considered urgent and work commenced immediately upon the funding being made available by the government.

At this time I was engaged as an employee and took on the responsibility of the overall management of the project. As RQL had no systems in place with internal project management CCE was engaged in this role against my preference, however I was instructed by management to proceed on that basis.

CCE was involved with the tendering of contractors for the project under my supervision and I was satisfied that a thorough tender process was undertaken to provide RQL with the best money for value.

It was during this time I was made aware by the CFO (Adam Carter) and the Office of Racing that a Purchasing Policy (PP) was to be put in place for the engagement of consultants and contractors the finance department took on the responsibility of preparing the document for the IIP. Therefore there was a catch up of systems after work had commenced. The PP, once completed, allowed for Sole Suppliers under special circumstances such as urgency which was what Mackay was classed as due to the potential shut down of the facility.

The PP also allows for Preferred Suppliers (PS) and this process of preparing the PS list was still underway when I left the organisation. The preparation of this list is a lengthy process as it requires obtaining and collating considerable information from the firms to be listed.

At all times I acted in the best interest of RQL, all of my actions and decisions were ratified by the board of RQL and I made best efforts possible to put the proper systems in place as quickly as possible whilst being under extreme pressure by the board to commence projects prior to the 2012 state election. There is substantial information in RQL to demonstrate this.

I had many meetings with Bob Bentley, Mal Tuttle and Paul Brennan where I stressed time and time again of the looseness of the systems of RQL in managing these projects. I was under pressure to continue to use CCE without the proper process which I resisted.

I had many meetings with the Office of Racing to explain and update the progress of these systems and what would be in place in retrospect. The Office of Racing was satisfied with the direction of this process.

In late 2011 and early 2012, the board accepted my recommendations and allowed me to appoint project managers internally to manage the IIP projects. In relation to other IIP projects, other than Mackay the project managers, under my supervision, commenced the implementation of appointments in line with the PP. With the change of government and the board of RQL all projects were halted and soon after I was made aware that my role was to be made redundant so I immediately resigned from my role.

My team and I acted at all times in the best interest of RQL and in line with the PP once it was retrospectively implemented. To the best of our ability we used what measures that was available to us to deliver value for money.

I trust this information will assist with your Inquiry.

Yours sincerely

Mark Snowdon