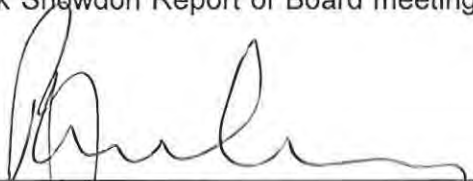
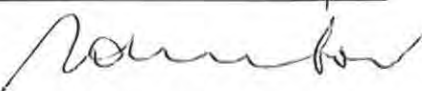


Supplementary Statement of Robert James Lette

ROBERT JAMES LETTE of [REDACTED], in the State of Queensland, Solicitor and Company Director states on oath (in respect of Queensland Racing Limited and Queensland Race Product Co Limited) as follows:

- 1 Further to what I state at paragraph 1.1 of my previous Statement, there is a mention in the Board meeting Minutes of 4 November 2011 to probity issues and purchasing policies raised by Tony Hamner.
- 2 There is also a reference in emails from Mr Bentley to the Directors of 22 November 2011 and 25 November 2011 concerning the infrastructure plan.
- 3 The purchasing policy for the infrastructure plan is mentioned at item 2.3c of the Minutes of the Board meeting of 19 December 2011. There are details concerning probity, selection of preferred suppliers, consulting services, conflicts of interest and internal financial process document.
- 4 In paragraph 1.10(b) of my previous Statement dated 30 July 2013 I made reference to the contract in relation to Mackay Race Track. At that time I could not find references in my copies of Board papers or in my notes to a full Board approval for that Race Track contract. I have now found the following references in the various papers to that matter in:
 - (a) Board meeting papers for meeting number 13 on 6 May 2011 including copy letter to Minister Mulhern of 5 May 2011 and extracts of "amended Infrastructure Plan";
 - (b) Board papers for meeting number 22 of 4 November 2011 including members of Board meeting of 2 September 2011 (p6);
 - (c) Board papers for meeting 24 (19 December 2011) in Minutes of the Board Meeting of 4 November 2011, pp 10-11;
 - (d) email from Mr Bentley to Board members dated 22 November 2011;
 - (e) Page 7 of Report of Paul Brennan for meeting 19 December 2011;
 - (f) Pages 1, 3, 5, 7 and 9 of Mark Snowdon Report of Board meeting 19 December 2011;


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- (g) Appendix 1 approved Business Case – Ooralia Park, Mackay;
- (h) Appendix 2 Funding Agreement Ooralia Park, Mackay;
- (i) Meeting papers for Audit Finance and Risk Committee meeting of 19 December 2011 including members of meeting of 10 October 2011;
- (j) Member of Board meeting 27 January 2012 p4;
- (k) Board meeting papers for meeting number 26 of 17 February 2012 including Minutes of Meeting of 19 December 2011 (p10-20);
- (l) Board meeting papers for meeting number 27 of 19 March 2012 including Member of Board meeting of 17 February 2012 (p19).

5 In my previous Statement in paragraph 26 I stated that the issues involving Queensland Race Product Co Limited and Tatts Group pre-dated my time as a Director of Racing Queensland Limited. I now realise that Statement was incorrect. I made a statement in paragraph 26 of the previous Statement that a deal was done in 2009. I now realise that was also incorrect.

6 In my previous Statement in paragraph 27 I was unable to be more specific about arrangements and (in paragraph 28) how Queensland Race Product Co Limited responded to the introduction of race information fees. I can now be more specific about these matters.

7 I do not have Board papers for meeting 4 and meeting 6. Meeting 4 was held 24 September 2010. I was away on business for that meeting. I was in Townsville for a meeting of Queensland Airports Board on those dates.

8 Meeting 5 was held 28 September 2010. I did not attend that Board meeting number 5.

9 That meeting number 5 was urgently convened. I was notified of the meeting but I apologised as I was in Cairns from 28 September through 1 October. I was attending North Queensland Airports meetings in Cairns.

10 I have the Board papers for Board meeting number 5. They are very slim volume. There is nothing contained in them in relation to the race fields legislation issue.



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- 11 I can see from the Risk and Audit Committee papers for 6 June 2011 under the item internal audit update that the race information fee issue was discussed. I was already aware of this issue. The particular item relates to the Deloitte internal audit report. Part of that report concerned the race information fee issue. Under the heading "Background" it sets out the detail of the changes to the fee arrangements from 1 January 2011 when they were to be charged from 1.5%. Settlements were being reached with corporate book makers. It made commercial sense to come to these settlements. They were in respect of retrospective claims for Race Information Fees under the original method of charging 1/12 % of turnover. I cannot find anything specific in the Minutes of the relevant Board meetings ratifying the deals that were made but I note that I was away in the United States between 9 October 2010 and 17 October 2010.
- 12 In the CEO's report of 6 August 2010 there a note concerning race fields legislation and the race information fees issue. Again, in the CEO's report of the meeting of 3 September 2010, there is a similar reference.
- 13 By meeting number 6 on 26 October 2010 I was back from the United States. This was a strategy day but there was a Board meeting for about half an hour before the strategy day commenced. The Minutes of that meeting are very sparse. There were no Board papers as such. That is because the main purpose of the day was the strategy meeting. However, I recall that at the Board meeting prior to the strategy day there was discussion concerning commercial settlement in respect of the race fields information fees problem. I note however that the Minutes mention nothing of this discussion. I recall however that there was a general discussion amongst the whole Board, although there was no specific resolution as a result of the discussion.
- 14 The specifics of a deal were to be worked out. My understanding was that the CEO would be giving instructions to lawyers and possibly that Tony Hamner as Deputy Chair may have had some involvement in the process. He was across all the particular issues. He chaired meetings of the Board concerning this issue due to Mr Bentley's conflict. I can't recall that it was ever specifically delegated to Tony to follow through on the decisions, but best practice is that a Chairperson does liaise with management to ensure that decisions are followed up.



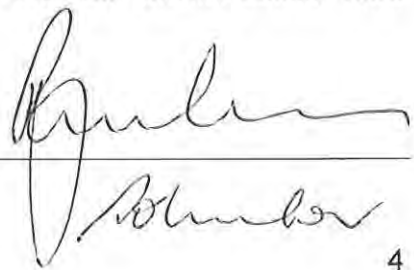
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- 15 The Board needed to consider the applications for race fields authorities. Each application was accompanied by probity checks and the Board was provided with a note from management. There were police checks and references to be considered. Each particular application could involve some twenty (20) pages or more of material and there were thirty (30) or forty (40) of these per meeting. Mr Bentley would not be in attendance for discussion on any of these matters.
- 16 The Board had been in receipt of legal advice that it could not do them on a blanket basis and that each one needed to be considered on its own merits. This work was quite tedious but I used to read the material carefully and would ask questions as appropriate.
- 17 I note in the Risk and Audit Committee papers of 11 August there is reference in the Minutes to a discussion and decision made 10 June 2011. On 19 March 2012 there is a further internal audit review paper on race information fees.
- 18 There was a change in the race fields charging regime out of the meeting on 28 September 2010.
- 19 I have discovered the following references to the Racefields issues in the Board papers:
- (a) 04/02/2011 – Meeting number 10;
 - (b) 06/02/2010 – Item 2.1 CEO Report (meeting number 9);
 - (c) 06/08/2010 – Item 2.1 of CEO Report;
 - (d) 03/09/2010 – Item 2.1 of CEO Report;
 - (e) 05/11/2010 – Member item 2.0;
 - (f) 06/12/2010 – Press Release 19 November 2010 Item 1.5;
 - (g) 21/03/2011 – Meeting 11 – minutes of 04/02/2011 reference to race information legislation.
- 20 I have discovered the following references to Racefields in the Risk and Audit Committee meeting papers:
- (a) 10/06/2011 front cover has a note by me “Bel Choice settled retro Race Fields claim for \$418K (incl gst)”;


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- (b) 10/06/2011 Item 6 – internal audit update – race information fee see second paragraph of background for details of how and when from fee charges. 1 January 2011 switched from 1½% of turnover to 10% part of gross revenue and 15% for premium months. Item 7 – paper and BDO Report on opening balances from each Code. Item 9 – Status of debts owed. See note on Racefields;
- (c) 11/08/2011 Item 1 – minutes of meeting of 10 June 2011 – see p3 and 4 re Racefields. Item 6 of 10 June 2011. See p6 re Item 7 of 10 June 2011;
- (d) 19/03/2012 Item 6 – internal audit review – race information fees.

21 In paragraphs 29 to 31 of my previous Statement I referred to the question of whether there was a legal opinion on this issue. I indicated I would need access to Board papers in order to be specific about this matter. I have now reviewed all the relevant Board papers and as far as I can see, no legal opinions were tabled at Board meetings. I do however have a recall that David Grace attended at a meeting to discuss the issue of Race Fields Information Fees to get legal advice on Racing Queensland Limited's position. I cannot recall exactly when that occurred.. .

22 More generally in relation to policies and procedures, I note that I have located and provided to the Inquiry a booklet of Racing Queensland Limited's draft policies which were widely circulated to the Racing Industry prior to adoption. The publication and introduction of these draft policies occurred around July 2010. I can attest to the date because the booklet I have located is accompanied by a memo from Shara Murray dated 15 July 2010.

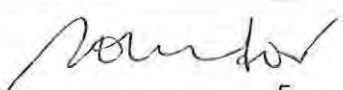
23 I resigned as a Director of Racing Queensland Limited on 27 March 2012 or thereabouts. The circumstances of my resignation were that I was elected President of Tattersalls Club and it was therefore necessary for me to resigned because I would have had a significant conflict of interest had I remained a Director.



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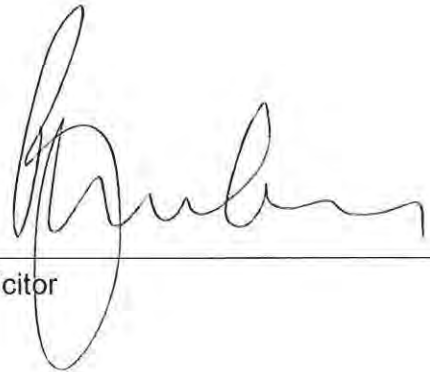

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24 I have located an email dated 27 September 2010 which I sent to Mr Bentley in which I gave feedback to him concerning the Strategic Plan. In the course of that I made comments on the lack of Board involvement in the development of the Strategic Plan.

SWORN by **ROBERT JAMES LETTE**
on *26 August 2013* at Brisbane
in the presence of:



Deponent



Solicitor

Deponent

Taken by