

QUEENSLAND RACING COMMISSION OF INQUIRY

AFFIDAVIT

I, **TIMOTHY SEAN MULHERIN** of [REDACTED] in the State of Queensland, Member of the Queensland Parliament, solemnly and sincerely affirm and declare:

BACKGROUND

1. I was born on [REDACTED] and I reside with [REDACTED].
2. I was elected to the Queensland Parliament as the Member for Mackay on 15 July 1995, and have held this position since that time.
3. I was appointed Minister for Primary Industries and Fisheries on 12 December 2005, a position I held until 21 February 2011. I received the additional Ministerial responsibility as Minister for Rural and Regional Queensland on 26 March 2009, a position I again held until 21 February 2011.
4. On 21 February 2011 I was appointed Minister for Agriculture, Food and Regional Economies, a position I held until 26 March 2012. This portfolio included Ministerial Responsibility for Racing, administering the *Racing Act 2002* ("the *Racing Act*") and the *Racing Venues Development Act 1982* pursuant to the *Administrative Arrangements Order (No. 1) 2011*.

Page 1

Signed: 

Taken by: 

AFFIDAVIT OF TIMOTHY SEAN MULHERIN

TAYLORS SOLICITORS
Level 2, 17 Brisbane Street
Mackay Q 4740
Tel: 07 4957 2944
Fax: 07 4957 2016
Email: mail@taylors-solicitors.com.au
Ref: JCT:KB: 130632

5. Before being given the Ministerial responsibility for Queensland racing, my experience with the racing industry was limited. As a young man before entering parliament I had for several years worked as a clerk for bookmakers at weekend races in Mackay. Also during the early 1980's I was part owner, with friends, in two racehorses. However, I had never been a member of a race club or on a board of any race club nor had I any prior experience in the administration of racing. After entering parliament I infrequently attended race meetings.

6. In the period from the 21st of February 2011 to the 26th of March 2012 when I held Ministerial responsibility for racing, I relied upon and was guided by the advice that I received from officers of the Office of Racing and officers of the Department of Agriculture Food and Regional Economics ("Department").

MANAGEMENT (Paragraph 3(b) of the Terms of Reference)

7. As Minister responsible for racing I understood my function was not to be involved in the management of Racing Queensland Limited ("RQL") or Queensland Race Product Co Ltd ("QRPCL").

8. Both these organisations were public companies subject to the requirements of the *Corporations Act (Cth) 2001* ("the Corporations Act") and had boards of directors independent of Government and responsible for the functions of their executive management team and other key management personnel, including the company secretary and others involved in integrity matters.

9. During my term as a responsible Minister I had no specific knowledge of the nature or the extent of the involvement of the boards or members of the boards of RQL or QRPCL in the exercise of the functions of:-
 - (a) the executive management team; and
 - (b) other key management personnel, including the company secretary and others involved in integrity matters.

Signed:  Taken by: 

10. As far as I recall at no time during my period as a responsible Minister did I receive advice from the Office of Racing or my Department that caused me to believe that the boards or members of the boards of RQL and QRPCL had failed in their corporate governance responsibilities relating to their involvement in the exercise of the functions of:-

- (a) the executive management team; and
- (b) other key management personnel, including the company secretary and those involved in integrity matters.

CORPORATE GOVERNANCE – (Paragraph 3(c) of the Terms of Reference)

11. At the time I was appointed Minister for Agriculture, Food and Regional Economies, RQL was the control body for the three codes of racing namely thoroughbred racing, harness racing and greyhound racing in Queensland.

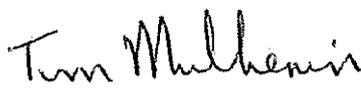
12. I knew that RQL was a public company limited by guarantee, established under the *Corporations Act*. As such, RQL had an obligation to prepare an annual directors' report and an audited financial report, which were required to be lodged with the Australian Securities and Investment Commission.

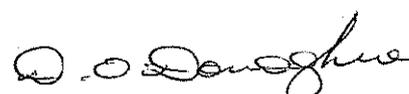
13. I knew that the directors of RQL had responsibility for corporate governance in accordance with the *Corporations Act* and that the company secretary's usual duties included providing guidance and direction to company officers on matters of corporate governance.

14. According to the RQL's Annual Report, the company secretary and senior corporate counsel was appointed on 25 March 2010.

15. Officers of a corporation have various fiduciary duties under the *Corporations Act*. These include:

- To act in good faith (acting in the best interests of the company as a whole and exercising powers conferred for a proper purpose);

Signed: 

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- To retain discretion and avoid conflicts of interests of duty;
- Not to misuse their position or company information; and
- To exercise reasonable care, skill and diligence.

Failure to do so constitutes an offence under the *Corporations Act*.

16. Under the *Corporations Act*, officers are taken to have exercised reasonable care and diligence if they make a decision based on four criteria:

- The judgment is made in good faith for a proper purpose;
- They do not have a material personal interest in the matter;
- They inform themselves about the matter to the extent that they consider reasonable; and
- They rationally believe the judgment is in the company's best interests.

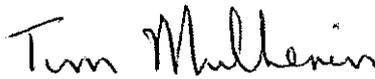
17. Directors of a corporation also commit an offence under the *Corporations Act* if they use their position dishonestly or recklessly, with the intention or the result of directly or indirectly gaining an advantage for themselves, or someone else, or causing detriment to the corporation.

18. During my term as Minister responsible for racing, I do not recall receiving any advice from either the Office of Racing or from my Department which caused me to believe that RQL and its officers did not operate and act:-

- (a) with integrity;
- (b) in accordance with the company's constitution;
- (c) in the best interest of the company; and
- (d) in the best interest of the racing industry.

19. In 2010 amendments were made to the *Racing Act* which cancelled the licences issued to the three previous control bodies and licensed a new amalgamated control body RQL from the 1st of July 2010.

20. Under the *Racing Act* the control body had the power and responsibility for regulation and management of the three codes of racing.

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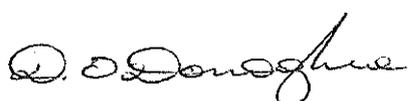
21. Directors of RQL were bound by the *Corporations Act 2001 (Cth)* which required them to act in the best interests of RQL.
22. Under the *Racing Act* the directors of RQL were not to represent any particular code of racing and the directors were to represent the interests of the entire Queensland racing industry.
23. Prior to the 1st of July 2010, the regulatory model that existed required the control body company for each code of racing to regulate its own members and for those members to vote on the appointment of directors. The Class A members of the previous three control body companies were clubs and licensee associations. This meant that licensees of the racing industry voted on who would regulate the industry which could be viewed as a serious integrity risk.
24. After the 1st of July 2010 the new control body model involving RQL was intended to ensure that members with a vested interest in a matter were not able to influence decision making to ensure an outcome that was not in the best interests of RQL or in the best interests of the wider racing industry.
25. Under the constitution of RQL the directors of the company were the only members of the company. This removed any potential for the decisions of directors to be influenced by licensees who may be voting on the appointment of directors.
26. At the time of my appointment as Minister responsible for racing the directors of RQL were Mr Bob Bentley (Chair), Mr Tony Hanmer (Deputy Chair), Mr Bill Ludwig, Mr Brad Ryan, Mr Wayne Milner and Mr Bob Lette.
27. These directors were to hold office for an initial term which expired at the conclusion of the Annual General Meeting of RQL which was to take place after the 30th of June 2014. The Chairman, Mr Bob Bentley, and one director other

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than the Deputy Chairman were to retire at the first Annual General Meeting following the initial term in 2014.

28. When I was Minister responsible for racing, the Government policy position was that the control body, RQL, had the responsibility and all the necessary powers under the *Racing Act* to regulate and manage the three codes of racing and ensure the integrity of the racing product.
29. At the time that I was Minister responsible for racing, the Government was not directly involved in the commercial decision making of the racing industry but was responsible for providing an appropriate legislative framework for the racing industry to operate within.
30. During my term as Minister responsible for racing, I was informed by means of advice and briefings from time to time by officers of the Office of Racing and of my Department and I believed that:-
- (a) the directors of RQL had been appointed through a series of corporate governance and legislative restructuring following a selection process conducted by an independent recruitment firm and an industry selection panel;
 - (b) the directors of RQL were from a cross section of the community with a skill set that included knowledge of the racing industry and backgrounds in business, finance, marketing, the legal profession, accounting and industrial relations;
 - (c) under the *Racing Act* the initial term of the RQL directors was limited and would therefore allow for board refreshment;
 - (d) the directors of RQL had responsibilities under the *Corporations Act* and that these included obligations to identify and manage conflicts of interest and to minimise their risk as directors of improperly using their position and information for personal or financial gain.
 - (e) the board of RQL met regularly and according to its annual report in the 2011 financial year held 21 board meetings;

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- (f) RQL had an audit committee which according to its annual report held 5 meetings in the 2011 financial year;
- (g) RQL had a remuneration and nomination committee which according to its annual report held two meetings in the 2011 financial year;
- (h) RQL was required to produce each year an annual report which included reports from the Chairman, Mr Bentley, a report from the Chief Executive Officer and a director's report.
- (i) the annual financial statements of RQL were audited by an external auditor who satisfied the independence requirements of the *Corporations Act*;
- (j) RQL had appointed a company secretary and corporate counsel whose functions would include providing compliance guidance to the board and management with respect to RQL's Constitution, legislative requirements and corporate governance generally.
- (k) the Office of Racing oversaw the auditing, accessing and reporting on non-compliance by RQL with the *Racing Act*.

OVERSIGHT BY THE MINISTER, THE EXECUTIVE GOVERNMENT AND THE CHIEF EXECUTIVE (Paragraph 3(d) of the Terms of Reference)

31. I know that the *Racing Act*, as it applied when I was the responsible Minister, did set out the reporting requirements that applied to a control body such as RQL. The *Racing Act* also provided the mechanism for the responsible Minister to monitor and discipline RQL.

32. I know that pursuant to s.46 of the *Racing Act*, the Chief Executive of the Department of Employment, Economic Development and Innovation had to each year prepare and give to the responsible Minister a program for assessing the suitability of RQL to manage the codes of racing. I recall approving such a program during 2011. The program was used as an audit process to assess RQL's continued suitability to manage the codes of racing. To the best of my recollection the program I had approved had been prepared by and recommended to me by the Office of Racing.

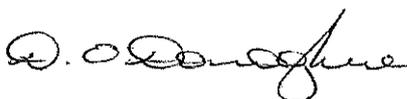
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33. I do not recall the Chief Executive of the Department, or officers of the Office of Racing or any other officer of my Department drawing anything to my attention concerning breaches by RQL of the *Racing Act* or any other legislation or breaches of policies or of corporate governance principles.
34. I know that the Office of Racing is a body that regulates the Queensland Racing Industry. The Office of Racing oversaw the auditing assessing and reporting on compliance with the *Racing Act*.
35. To the best of my ability I do not recall any concerns being raised with me by the Office of Racing or the Chief Executive of the Department as to the continuing suitability of RQL to manage the codes of racing.
36. As Minister, I had various functions and responsibilities under the *Racing Act*. I would exercise those functions and responsibilities on advice from the Office of Racing and the Chief Executive of the Department.
37. I know that as Minister, if grounds existed to take disciplinary action against RQL I could give a show cause notice to RQL. I do not recall any information that was brought to my attention about RQL's management that gave me reason to issue a show cause notice to RQL.

QLD RACE PRODUCT CO LIMITED AND TATTS GROUP (Paragraph 3(f) of the Terms of Reference)

38. At the time I was appointed Minister for Agriculture, Food and Regional Economies, Tatts Group (formerly UNITAB) held an exclusive wagering licence which is scheduled to expire in 2014. I had no involvement in the granting of that licence, which I understand was granted in 1999.

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39. At the time I was appointed Minister Mr Bob Bentley was Chairman of RQL. I was advised by officers of my Department and I believed that he was also a member of the Board of Tatts Group.

40. I was further informed by the Office of Racing, and I believed, that the Office had previously sought legal advice in relation to possible or perceived conflicts of interest in Mr Bob Bentley holding these positions, and the Office of Racing received advice that any potential conflict of interest was capable of being appropriately managed.

41. I was not the Minister who had Ministerial responsibility for racing at the time and I therefore do not have any knowledge of the establishment of Qld Race Product Co Limited. Nor was I the Minister who had Ministerial responsibility for racing at the time of the introduction of race information fees and I therefore have no knowledge of any matters pertaining to this.

FUNDS TRANSFER IN FEBRUARY 2012; QUEENSLAND GOVERNMENT TO RACING QUEENSLAND LIMITED INFRASTRUCTURE TRUST ACCOUNT (Paragraph 3(g) of the Terms of Reference)

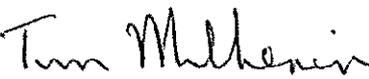
42. The *Racing and Other Legislation Amendment Act 2010* provided for the establishment of a new racing control body for all codes of racing in Queensland. It also amended the *Wagering Act 1998 (Wagering Act)* and the *Gaming Machine Act 1991 (Gaming Machine Act)* to enable the payment of monies out of the Community Investment Fund to fund a scheme for providing capital works for the racing industry.

43. RQL was formed on 1 July 2010 through the amalgamation of the previously existing racing control bodies for each of the three codes in Queensland: thoroughbred racing, harness racing and greyhound racing.

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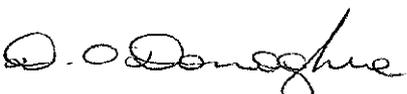
44. In 2010, a Wagering Tax redirection was approved by the Queensland Government to this fund of \$80 Million over 4 years.
45. Whilst I was Minister for Agriculture, Food and Regional Economies, Cabinet approved an extension of this Wagering Tax redirection for a further year, making a total of \$100 Million over 5 years. An additional \$10 Million was added to the fund as compensation for the loss of greyhound racing at Parklands.
46. As far as I recall during my term as Minister responsible for racing all my dealings with RQL were through Mr Bentley in his capacity as Chairman. I would meet with Mr Bentley after such meetings were arranged by the Office of Racing or my Department. Mr Bentley did on a number of occasions bring Mr Ludwig to these meetings. It was my usual practice to have an officer from my Department and an officer from the Office of Racing in attendance at such meetings. A Ministerial adviser also usually attended these meetings.
47. At some time in 2010, RQL presented an infrastructure plan to the Queensland Government. As part of that plan, they proposed the sale of Albion Park, with the proceeds of the sale to be reinvested in the three codes through the Racing Industry Infrastructure Plan.
48. At some time in 2011, I became aware through my Department officers that the former Queensland Harness Racing Limited had commenced litigation to prevent the sale of Albion Park. On advice from the Office of Racing on 27 April 2011, I wrote to the Chairman of Racing Queensland, Mr Bob Bentley, advising that I did not consider it to be prudent to delay consideration of the Infrastructure Investment Plan ("IIP") until that matter was resolved. Accordingly, I requested that the IIP proposal be amended so as to identify a primary tranche of developments which could progress immediately, unaffected by any dealings relating to the Albion Park facility. A second tranche of works could then be considered and developed pending resolution of the current legal matters.

Signed: 

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49. On advice from the Office of Racing I therefore advised RQL to revise their infrastructure plan to not include the sale of Albion Park and for the relocation of harness racing to Deagon. They provided me with a revised plan, with infrastructure redevelopment scaled down because there was less money available. At this stage, the only money for any capital upgrade was funding provided by the Queensland Government.
50. My recollection is that the revised plan included upgrades of facilities at the Gold Coast, Beaudesert, Cairns, Townsville, Mackay and Rockhampton race courses.
51. I advised RQL that in order to access funds for the projects included in their Industry Infrastructure Plan, they would have to submit a business case for each project through the Office of Racing to Queensland Treasury. The process to be adopted was that Queensland Treasury would assess each business case and make a recommendation in respect thereof to the Treasurer.
52. The Treasurer would then consider the recommendations of Queensland Treasury and advise me of the outcome. I would then advise the Chairman of RQL of the outcome and any resultant release of funds, which would be subject to Queensland Treasury conditions. The Office of Racing would then release funds to RQL in accordance with this procedure.
53. Various pieces of correspondence passed between the Treasurer and me, and the Chairman of RQL and me, seeking further information and letters of comfort in respect of matters identified by Queensland Treasury in relation to the business cases.
54. I did not seek to influence the decision of the Treasurer or Queensland Treasury in respect of any of the business cases that had been submitted by RQL for approval.

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55. I subsequently received correspondence from the Treasurer advising that expenditure had been approved for some racecourse capital expenditure subject to certain conditions.

56. I have accessed through the Queensland Treasury and Trade website (www.treasury.qld.gov.au) and in particular the Disclosure Log - Right to Information Requests, three Treasury briefing notes and two letters to me from the Honourable Andrew Fraser, the then Deputy Premier and Treasurer. annexed hereto and marked "TSM-1 - TSM-5" are copies of those documents namely:-

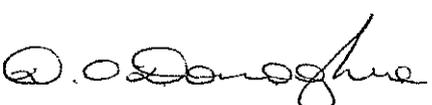
- (a) "TSM-1" Briefing Note from Treasury dated 10th of February 2012;
- (b) "TSM-2" Briefing Note from Treasury dated 14th of February 2012;
- (c) "TSM-3" Letter from Honourable Andrew Fraser dated 14th of February 2012;
- (d) "TSM-4" Briefing Note from Treasury dated 17th of February 2012;
- (e) "TSM-5" Letter from Honourable Andrew Fraser dated 17th of February 2012.

57. On or about the dates of the documents, I recall receiving and reading the documents referred to as annexures "TSM1 - TSM5".

58. I have no independent recollection of the contents of correspondence that passed between the Chairman of RQL and me in relation to the approval of capital expenditure for racecourses.

59. I did on or about the 17th of July 2013 instruct my solicitor, Mr John Taylor, of Taylors Solicitors to make application to the Secretary, Queensland Racing Commission of Inquiry and to Crown Law, Queensland for copies of relevant documents the subject of the Queensland Racing Commission of Inquiry.

60. I am informed by Mr John Taylor and I believe that on the 17th of July 2013 and the 18th of July 2013 respectively he did make written application to the

Signed:  Taken by: 

Secretary, Queensland Racing Commission of Inquiry and Crown Law
Queensland for access to the following documents:-

- all Cabinet submissions signed by Tim Mulherin relating to racing and RQL from 21st of February 2011 until the 24th of March 2012.
- all Cabinet Budget Review Committee submissions relating to racing and RQL from 21st of February 2011 until the 24th of March 2012.
- all briefing notes from the Office of Racing to Tim Mulherin as Minister from the 21st of February 2011 until the 24th of March 2012.
- all correspondence signed by Tim Mulherin to RQL from the 21st of February 2011 until the 24th of March 2012.
- any annual program provided to Tim Mulherin by the Chief Executive pursuant to s.46 of the Racing Act 2002.

61. I am further informed by Mr John Taylor and believe that both the Secretary, Queensland Racing Commission of Inquiry and Crown Law offered to assist to obtain copies of the documents requested.

62. I am further informed by Mr John Taylor and believe that on 22nd of July 2013 he did receive by letter dated 19th of July 2013 from Ms Melinda Pugh, Assistant Crown Solicitor and by emails from Crown Law on 22nd and 23rd of July 2013 a bundle of correspondence and briefing notes. Annexed hereto and marked "TSM-6" is a copy of the letter from Ms Melinda Pugh. Annexed hereto and marked "TSM-7" is a bundle of correspondence and briefing notes received from Ms Pugh and Crown Law.

63. If a review of any further documentation provided suggests the need, I will offer a further Affidavit.

ANY OTHER RELEVANT MATTERS

**PROCUREMENT AND ADHERENCE TO POLICIES, PROCEDURES AND
GUIDELINES (paragraphs 3(a) of the Terms of Reference)**

Signed: 

Taken by: 

64. I do not recall during my term as Minister responsible for Racing receiving any expressions of concern or similar advices from my Department or the Office of Racing relating to the matters referred to in paragraph 3(a) of the Terms of Reference of the Queensland Racing Commission of Inquiry.

EMPLOYMENT CONTRACTS (paragraphs 3(c)(iv) and 3(e) of the Terms of Reference

65. I do not recall during my term as Minister responsible for Racing receiving any expressions of concern or similar advices from my Department or the Office of Racing relating to the matters referred to in paragraphs 3(c)(iv) and 3(e) of the Terms of Reference of the Queensland Racing Commission of Inquiry.

66. All the facts and circumstances above deposed to are within my own knowledge save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my affidavit.

SWORN by Timothy Sean Mulherin on: 26th July 2013
At Brisbane In the presence of: '



Deponent

*Delete whichever is inapplicable



Barrister/Solicitor/Justice of the Peace/
Commissioner for Declarations

QUEENSLAND RACING COMMISSION OF INQUIRY

**INDEX TO EXHIBITS TO
AFFIDAVIT OF TIMOTHY SEAN MULHERIN**

No.	Description
"TSM-1"	Briefing Note from Treasury dated 10 th February 2012
"TSM-2"	Briefing Note from Treasury dated 14 th of February 2012
"TSM-3"	Letter from Honourable Andrew Fraser dated 14 th February 2012
"TSM-4"	Briefing Note from Treasury dated 17 th of February 2012
"TSM-5"	Letter from Honourable Andrew Fraser dated 17 th of February 2012
"TSM-6"	Letter from Assistant Crown Solicitor dated 23 rd of July 2013
"TSM-7"	Bundle of correspondence and briefing notes attached to letter from Assistant Crown Solicitor

INDEX OF EXHIBITS

152514

TAYLORS SOLICITORS

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Ref: JCT:KB:130632

QUEENSLAND RACING COMMISSION OF INQUIRY

Exhibited hereto and marked with the letter "TSM-1" is the exhibit mentioned and referred to in the affidavit of **TIMOHTY SEAN MULHERIN**.

* sworn / *~~affirmed~~: 26th July 2013 (date)

Tim Mulherin

Deponent

* Delete whichever is inapplicable

D. O'Donoghue

*Barrister/Solicitor/Justice of the Peace/
Commissioner for Declarations

CERTIFICATE OF EXHIBIT

152514

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Ref: JCT:KB:130632

BRIEFING NOTE

FROM	Treasury		
FOR	Deputy Premier, Treasurer and Minister for State Development and Trade		
SUBJECT	Business Cases for Racing Industry Infrastructure Expenditure		
Contact Officer:	Natalie Barber – Director, Resources and Economic Development Branch Tel: 3035 1414, Mb: Contrary to Public Interest	Record No: TRX-18459	Date: 10 February 2012
Requested by:	N/A	Date Approval Required By:	N/A

PURPOSE

- The purpose of this submission is to:
 - inform you of the results of Treasury's review of the business cases for infrastructure expenditure at Beaudesert, Cairns and Rockhampton race courses under the Racing Industry Capital Development Scheme (RICDS); and
 - seek your signature on a letter to the Honourable Minister Mulherin MP, Minister for Agriculture, Food and Regional Economies, informing him of Treasury's conclusions.

BACKGROUND

- On 7 July 2011 CBRC approved the \$110 million Industry Infrastructure Plan (IIP) which comprised 11 projects with funds allocated under the RICDS. Funding for the IIP also included \$10 million previously committed by the Government for the closure of the greyhound racing complex at Parklands. CBRC determined that a business case for each project was required to be submitted to Treasury and accepted prior to funding being made available.
- On 16 December 2011 a business case was provided to Treasury requesting the release of \$7,271,512 held under the RICDS for infrastructure expenditure at Beaudesert race course.
- On 5 January 2012 Treasury provided written feedback to DEEDI's Office of Racing requesting further information. A revised business case for Beaudesert race course was provided to Treasury on 24 January 2012 with business cases for Cairns and Rockhampton race courses provided on 31 January 2012.
- On 30 January 2012 Cabinet noted a revised IIP which redirected \$37.9 million in funding from the Deagon development to new greyhound racing facilities at Logan (\$24 million) and Townsville (\$6 million), works at Ipswich Turf Club (\$6 million), project variations at Beaudesert (\$0.94 million), new works at Brisbane Race Club (\$0.75 million) and increases in cost estimates at Cairns, Mackay, and Rockhampton race courses.

ISSUES

- Proposed expenditure on infrastructure projects at Beaudesert (\$8.2 million), Cairns (\$2.2 million) and Rockhampton (\$1.8 million) race courses total \$12.2 million of the \$110 million IIP, or 11 per cent of the overall program.
- The business cases demonstrate that, following completion of the infrastructure works at Beaudesert, Cairns and Rockhampton race courses, all three clubs will continue to report an operating deficit throughout the forecast period 2012-16. This in effect demonstrates that in each case, the club is forecast to be commercially unviable without some level of subsidy.

8. As substantial public funds are proposed to be invested in capital projects at these clubs, it is important from a stewardship perspective, that the business cases demonstrate that the clubs have the financial capacity to operate the new facilities to be funded by the State and that the clubs are viable in the medium to longer term. In each business case Treasury has reviewed, this position has not been demonstrated.
9. It is apparent that there is a generally accepted view by the industry that racing clubs are not financially viable businesses. Indeed the business cases advise that "no TAB race club in Queensland is financially viable without financial support from Racing Queensland" and that RQL has subsidised the costs of racing at every race club in Queensland.
10. The business cases indicate that the cumulative subsidies required from RQL to meet the deficits of the three race courses would increase from \$0.177 million for 2010-11 to \$0.806 million for 2013-14 (refer graph at Attachment 1).

FINANCIAL IMPLICATIONS

11. Treasury's review of the three business cases has identified that there is a consistent trend towards an increasing gap between revenues forecast to be generated by clubs and their costs of operating. On the basis of the current business cases under review, Treasury considers there is a strong likelihood that this position will be replicated across the whole IIP.
12. RQL contends that it has the necessary financial resources to continue to fund the operation of race clubs Queensland-wide.
13. It further contends that the deficits are largely on account of depreciation. However, this is only the case for Cairns, which has a more modest operating loss of some \$117,000. RQL's forecast financials for Beaudesert indicates that operating (cash) costs increase significantly from \$355,000 to \$913,000 with depreciation listed separately at \$186,000. Similarly, the projections for Rockhampton include a relatively modest depreciation charge. For both Beaudesert and Rockhampton, the projected racing operations are profoundly non profitable.
14. RQL's revenue is largely comprised of its share of wagering revenue from UNITAB in accordance with the agreement by the Government to issue UnNITAB with an exclusive wagering licence. It is noted that RQL's wagering revenue has fallen from \$140 million in 2008-09 to \$134 million in 2010-11. It is likely that wagering revenues will decline in the future because of the impacts of recent legal challenges to exclusive wagering licences in other jurisdictions, and also due to the impact of technology enabling access by non state-based wagering operators.
15. RQL's 2011 Annual Report shows that it had receipts of \$159 million. It provided prize money and other distributions of \$105 million, and on face value it appears would have some capacity to support clubs. However, it is unclear what impact the increased deficits will have across the whole program, and to what extent existing commitments can be realigned.
16. Given that the business cases are being progressed individually, Treasury is unable to form a view as to whether RQL has the capacity to subsidise increasing operating deficits for clubs across the whole program. Without a transparent disclosure of RQL's strategy for underwriting the deficits, it is not possible to be assured that the capital program is sustainable in the longer term.
17. Treasury therefore considers the risk of an increasing subsidisation requirement from RQL is a financial risk to the Government also, as it not unreasonable to expect that RQL may have difficulty meeting these deficits in the longer term and could call upon the Government for financial assistance.

18. Following an analysis of the business cases for Beaudesert, Cairns and Rockhampton, Treasury has concluded that as the clubs are not viable in the medium to longer term, funds should not be advanced from the RICDS towards the capital projects identified for those clubs.
19. However, should RQL be able to demonstrate that it has in place an overall rationalisation strategy which supports an increase in subsidies for some clubs with at least an offsetting decrease in other less profitable clubs, Treasury considers that may be an acceptable position. To this end, Treasury recommends that a letter of comfort be sought from RQL which provides an outline of RQL's program strategy and risk management approach across the whole of the IIP and which clearly outlines RQL's commitment to support the IIP and any emerging subsidies across the program.
20. Furthermore, Treasury recommends that it would be prudent as a risk mitigation strategy for RQL to set aside a portion of wagering revenue to be held in reserve and to act as a buffer against rising expenses and potentially reducing wagering revenue. This could be reviewed annually, based on an assessment of RQL's ability to continue funding the operating deficits, and an improved understanding of the operating position of the Improved facilities.

RTI RELEASE

RECOMMENDATION

21. It is recommended that you:

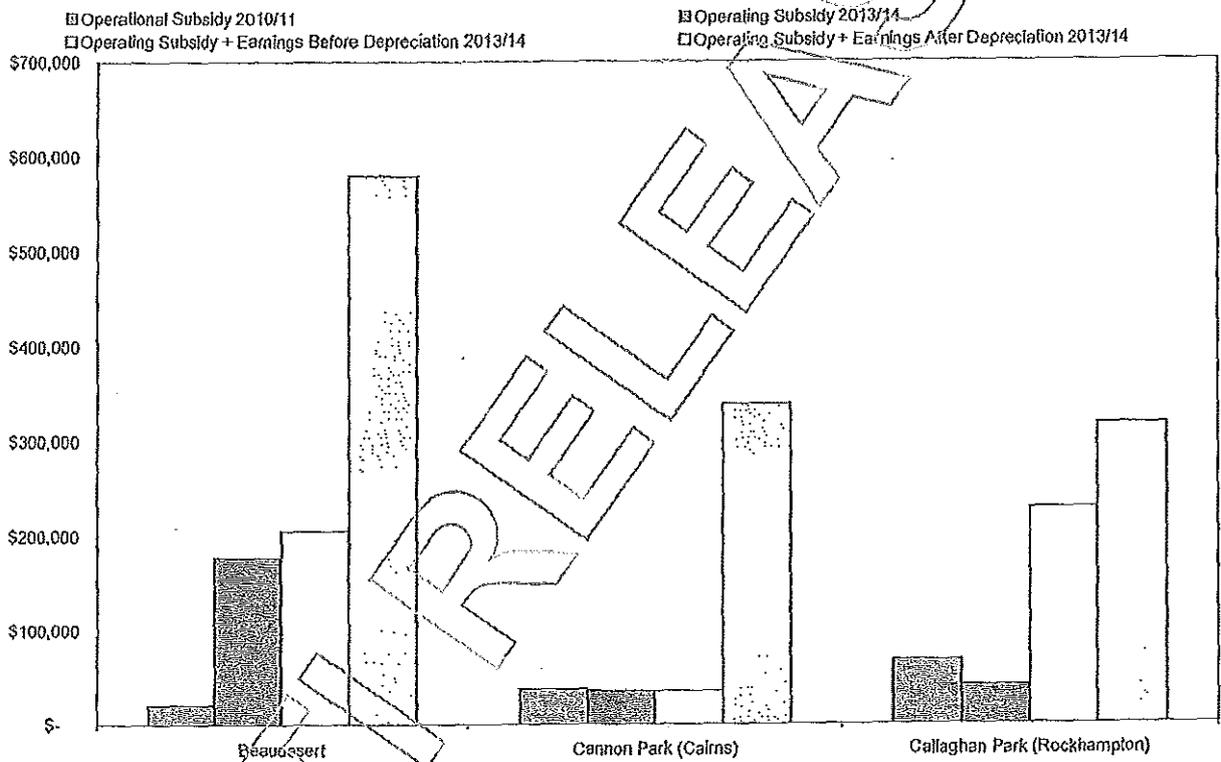
- o Note that Treasury has reviewed the business cases for Beaudesert, Cairns and Rockhampton Racing Clubs and has concluded that the business cases do not demonstrate the ongoing viability of those clubs without some level of subsidy, and that this precludes Treasury from endorsing the release of public funds to those clubs in the absence of an assurance from Racing Queensland Ltd that it is committed and has the resources to meet any ongoing operating deficits;
- o Approve that you request Minister Mulherin to seek a letter of comfort from Racing Queensland Ltd to provide an assurance to Government that Racing Queensland Ltd has the capacity to fund the ongoing operating deficits (including depreciation) of Queensland race clubs, following the investment of State funds in racing club assets; and
- o Subject to your approval, sign the attached letter to Minister Mulherin which has been prepared on this basis.
- o Note that subject to receiving the letter of comfort from RQL, Treasury will review subsequent business cases under the IIP and advise Government of its assessment, but that the advancement of funds would not be precluded should the business cases demonstrate future viability issues for the relevant racing club.

G.B. Bradley
 Gerard Bradley
 Under Treasurer Date 10/12/12

<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Not approved	<input type="checkbox"/> Noted
Deputy Premier, Treasurer and Minister for State Development and Trade		
Comments		
<p><i>Andrew Fraser</i> Andrew Fraser Deputy Premier, Treasurer and Minister for State Development and Trade 15/12/12</p>		

Name:	*Action Officer/Author: Michael Buckby	Director: Natalie Barber	(Initials) <i>MB</i>	ED/AUT: Stuart Booker	(Initials) <i>SB</i>	OUT:	(Initials)
Branch/Division:	Resources and Economic Development	Resources and Economic Development		Resources and Economic Development			
Telephone:	07 3035 1423	07 3035 1414		07 3035 1860			
Date:	10/02/2012	10/02/12		10/02/12			

eDocs: 823231



QUEENSLAND RACING COMMISSION OF INQUIRY

Exhibited hereto and marked with the letter "TSM-2" is the exhibit mentioned and referred to in the affidavit of **TIMOHTY SEAN MULHERIN**.

* sworn / ~~* affirmed~~: *26th July 2013* (date)

Tim Mulherin

~~x~~
Deponent

* Delete whichever is inapplicable

W O Donoghue

~~* Barrister/Solicitor/Justice of the Peace/
Commissioner for Declarations~~

CERTIFICATE OF EXHIBIT

152514

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Ref: JCT:KB:130632

BRIEFING NOTE

FROM	Treasury		
FOR	Deputy Premier, Treasurer and Minister for State Development and Trade		
SUBJECT	Business Cases for Racing Industry Infrastructure Expenditure		
Contact Officer:	Natalie Barber -- Director, Resources and Economic Development Branch Tel: 3035 1414, Mb: Contrary to Public Interest	Record No: TRX-18459	Date: 14 February 2012
Requested by:	N/A	Date Approval Required By:	N/A

PURPOSE

1. The purpose of this submission is to:
 - inform you of the results of Treasury's review of the business cases for infrastructure expenditure at Beaudesert, Cairns, Rockhampton and Logan race courses under the Racing Industry Capital Development Scheme (RICDS); and
 - seek your signature on a letter to the Honourable Minister Mulherin MP, Minister for Agriculture, Food and Regional Economies, informing him of Treasury's conclusions.

BACKGROUND

2. On 7 July 2011 CBRC approved the \$110 million Industry Infrastructure Plan (IIP) which comprised 11 projects with funds allocated under the RICDS. Funding for the IIP also included \$10 million previously committed by the Government for the closure of the greyhound racing complex at Parklands. CBRC determined that a business case for each project was required to be submitted to Treasury and accepted prior to funding being made available.
3. On 16 December 2011 a business case was provided to Treasury requesting the release of \$7,271,512 held under the RICDS for infrastructure expenditure at Beaudesert race course.
4. On 5 January 2012 Treasury provided written feedback to DEEDI's Office of Racing requesting further information. A revised business case for Beaudesert race course was provided to Treasury on 24 January 2012 with business cases for Cairns and Rockhampton race courses provided on 31 January 2012. On 6 February 2012 a further business case for the establishment of greyhound racing venue at Cronulla Park Logan was received.
5. On 30 January 2012 Cabinet noted a revised IIP which redirected \$37.9 million in funding from the Deagon development to new greyhound racing facilities at Logan (\$24 million) and Townsville (\$6 million), works at Ipswich Turf Club (\$6 million), project variations at Beaudesert (\$0.94 million), new works at Brisbane Race Club (\$0.75 million) and increases in cost estimates at Cairns, Mackay, and Rockhampton race courses.

ISSUES

6. Proposed expenditure on infrastructure projects at Beaudesert (\$8.2 million), Cairns (\$2.2 million), Rockhampton (\$1.8 million) and Logan (\$24 million) race courses total \$36.2 million of the \$110 million IIP, or 33 per cent of the overall program.

7. The business cases demonstrate that, following completion of the infrastructure works at Beaudesert, Cairns and Rockhampton race courses, all three clubs will continue to report an operating deficit throughout the forecast period 2012-16. This in effect demonstrates that in each case, the club is forecast to be commercially unviable without some level of subsidy. The Logan facility is forecast to achieve profitability in 2016-17, however this is achieved with a substantial subsidy (over \$1 million annually) from Racing Queensland Limited (RQL).
8. As substantial public funds are proposed to be invested in capital projects at these clubs, it is important from a stewardship perspective, that the business cases demonstrate that the clubs have the financial capacity to operate the new facilities to be funded by the State and that the clubs are viable in the medium to longer term. In each business case Treasury has reviewed, this position has not been demonstrated.
9. It is apparent that there is a generally accepted view by the industry that racing clubs are not financially viable businesses. Indeed the business cases advise that "no TAB race club in Queensland is financially viable without financial support from Racing Queensland" and that RQL has subsidised the costs of racing at every race club in Queensland.
10. The business cases indicate that the cumulative subsidies required from RQL to meet the deficits of the three race courses would increase from \$0.177 million for 2010-11 to \$0.806 million for 2013-14 (refer graph at Attachment 1). The position is less clear for the greyhound racing venue at Logan which may in the long term act as a substitute for existing venues.

FINANCIAL IMPLICATIONS

11. Treasury's review of the three business cases for the horse racing venues has identified that there is a consistent trend towards an increasing gap between revenues forecast to be generated by clubs and their costs of operating. On the basis of the current business cases under review, Treasury considers there is a strong likelihood that this position will be replicated across the whole IIP. The business case for the Logan greyhound racing venue forecasts a relatively stable operating deficit requiring funding from RQL. This is an entirely new facility and therefore the forecasts are not based on historical data.
12. RQL contends that it has the necessary financial resources to continue to fund the operation of race clubs Queensland-wide.
13. It further contends that the deficits are largely on account of depreciation. However, this is only the case for Cairns, which has a more modest operating loss of some \$117,000. RQL's forecast financials for Beaudesert indicates that operating (cash) costs increase significantly from \$355,000 to \$913,000 with depreciation listed separately at \$186,000. Similarly, the projections for Rockhampton include a relatively modest depreciation charge. For both Beaudesert and Rockhampton, the projected racing operations are profoundly non profitable. As previously noted the new venue at Logan will require an operating subsidy of over \$1 million per annum to achieve break even.
14. RQL's revenue is largely comprised of its share of wagering revenue from UNITAB in accordance with the agreement by the Government to issue UnNITAB with an exclusive wagering licence. It is noted that RQL's wagering revenue has fallen from \$140 million in 2008-09 to \$134 million in 2010-11. It is likely that wagering revenues will decline in the future because of the impacts of recent legal challenges to exclusive wagering licences in other jurisdictions, and also due to the impact of technology enabling access by non state-based wagering operators.
15. RQL's 2011 Annual Report shows that it had receipts of \$159 million. It provided prize money and other distributions of \$105 million, and on face value it appears would have some capacity to support clubs. However, it is unclear what impact the increased deficits will have across the whole program, and to what extent existing commitments can be realigned.

16. Given that the business cases are being progressed individually, Treasury is unable to form a view as to whether RQL has the capacity to subsidise increasing operating deficits for clubs across the whole program. Without a transparent disclosure of RQL's strategy for underwriting the deficits, it is not possible to be assured that the capital program is sustainable in the longer term.
17. Treasury therefore considers the risk of an increasing subsidisation requirement from RQL is a financial risk to the Government also, as it not unreasonable to expect that RQL may have difficulty meeting these deficits in the longer term and could call upon the Government for financial assistance.
18. Following an analysis of the business cases for Beaudesert, Cairns and Rockhampton, Treasury has concluded that as the clubs are not viable in the medium to longer term, funds should not be advanced from the RICDS towards the capital projects identified for those clubs. The new Logan venue also requires substantial ongoing support from RQL to remain viable.
19. However, should RQL be able to demonstrate that it has in place an overall rationalisation strategy which supports an increase in subsidies for some clubs with at least an offsetting decrease in other less profitable clubs, Treasury considers that may be an acceptable position. To this end, Treasury recommends that a letter of comfort be sought from RQL which provides an outline of RQL's program strategy and risk management approach across the whole of the IIP and which clearly outlines RQL's commitment to support the IIP and any emerging subsidies across the program.
20. Furthermore, Treasury recommends that it would be prudent as a risk mitigation strategy for RQL to set aside a portion of wagering revenue to be held in reserve and to act as a buffer against rising expenses and potentially reducing wagering revenue. This could be reviewed annually, based on an assessment of RQL's ability to continue funding the operating deficits, and an improved understanding of the operating position of the improved facilities.

RTI REVIEW

RECOMMENDATION

21. It is recommended that you:

- o Note that Treasury has reviewed the business cases for Beaudesert, Cairns and Rockhampton Racing Clubs and the new Logan venue, and has concluded that the business cases do not demonstrate the ongoing viability of those clubs without some level of subsidy, and that this precludes Treasury from endorsing the release of public funds to those clubs in the absence of an assurance from Racing Queensland Ltd that it is committed and has the resources to meet any ongoing operating deficits;
- o Approve that you request Minister Mulherin to seek a letter of comfort from Racing Queensland Ltd to provide an assurance to Government that Racing Queensland Ltd has the capacity to fund the ongoing operating deficits (including depreciation) of Queensland race clubs, following the investment of State funds in racing club assets; and
- o Subject to your approval, sign the attached letter to Minister Mulherin which has been prepared on this basis.
- o Note that subject to receiving the letter of comfort from RQL, Treasury will review subsequent business cases under the IIP and advise Government of its assessment, but that the advancement of funds would not be precluded, should the business cases demonstrate future viability issues for the relevant racing club.

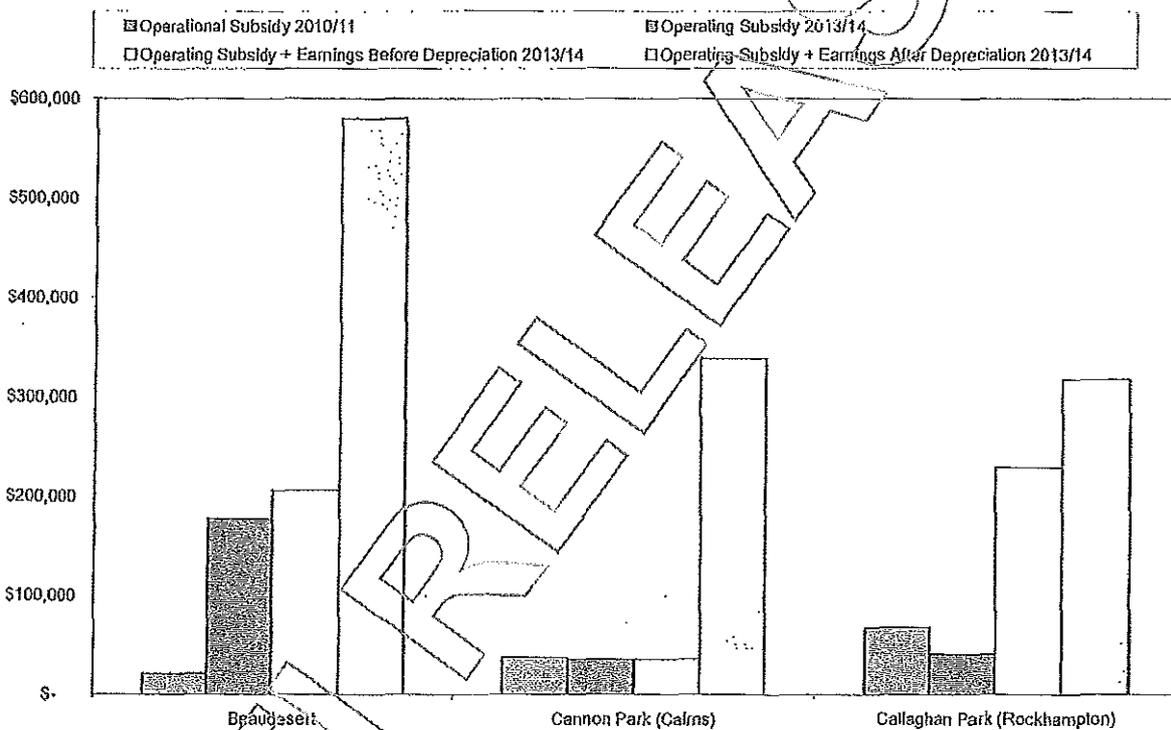
G Bradley
 Gerard Bradley
 Under Treasurer Date 14/2/12

<input type="checkbox"/> Approved	<input type="checkbox"/> Not approved	<input type="checkbox"/> Noted
Deputy Premier, Treasurer and Minister for State Development and Trade		
Comments		
Andrew Fraser Deputy Premier, Treasurer and Minister for State Development and Trade / /		

Name:	*Action Officer/Author:	Director:	(Initials)	ED/AUT:	(Initials)	OUT:	(Initials)
	Michael Buckley	Natalie Barber	<i>NB</i>	Stuart Booker	<i>SB</i>		
Branch/Division:	Resources and Economic Development	Resources and Economic Development		Resources and Economic Development			
Telephone:	07 3035 1423	07 3035 1414		07 3035 1860			
Date:	14/02/2012						

eDocs: 823231

Attachment 1



RTI RELEASED

QUEENSLAND RACING COMMISSION OF INQUIRY

Exhibited hereto and marked with the letter "TSM-3" is the exhibit mentioned and referred to in the affidavit of **TIMOHTY SEAN MULHERIN**.

* sworn / *affirmed: 26th July 2013 (date)

Tim Mulherin

Deponent

* Delete whichever is inapplicable

W O Donoghue

* ~~Barrister/Solicitor/Justice of the Peace/~~
Commissioner for Declarations

CERTIFICATE OF EXHIBIT

152514

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Ref: JCT:KB:130632

14 Feb 2012
~~04 Feb 2012~~

edoca 85 0718

"TSM-3"



Hon Andrew Fraser MP
Member for Mount Cook-tha



Queensland
Government

Deputy Premier and Treasurer
Minister for State Development
and Trade

TRX-18459

The Honourable Tim Mulherin MP
Minister for Agriculture, Food and Regional Economics
GPO Box 46
BRISBANE QLD 4001

Tim,

I refer to recent correspondence between the Department of Employment, Economic Development and Innovation, Racing Queensland Limited (RQL), and Treasury Department (Treasury) regarding business cases for proposed capital works under the Industry Infrastructure Plan (IIP), and recent correspondence to you from the Chairman of RQL.

I have been informed that Treasury considers there are outstanding issues in the business cases so far received, being for capital works at Beaudesert, Cairns, Rockhampton and Logan. The business cases disclose reasonable information regarding the proposed upgrades and construction, however the business cases demonstrate that the ongoing viability of the facilities is dependent on continuing increased support from RQL. I understand that operational deficits for individual racecourses are likely to be a feature of the majority, if not all, of future business cases. The ability of RQL to provide this support in the long term is not explicitly evident in each business case.

I acknowledge that providing financial support for racing clubs is a prime function of RQL in its capacity as a racing control body. In particular I note the financial assurance provided on 14 February by RQL, which addresses the need to provide adequate financial backing to the upgraded and new facilities, for which RQL is seeking funding from the Racing Industry Capital Development Scheme. On this basis, I am prepared to approve the release of funds for the capital works at Beaudesert, Cairns, Rockhampton and Logan.

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Facsimile +61 7 3229 0642
Email deputypremierandtreasurer@qld.gov.au
AON 65 959 415 15B

The assurance should have a clear basis of justification. You may care to consider whether it would be prudent to set aside a portion of wagering revenue to use as a buffer for increased operating deficits in the event that betting distributions decline in the near future, for various reasons including the level of popularity and success of the racing industry, and emerging changes to gaming and betting infrastructure and service providers. This could be reviewed annually based on an assessment of RQL's ability to continue funding the operating deficits, and an improved understanding of the operating position of the improved facilities.

Yours sincerely

A handwritten signature in cursive script, appearing to read "Andrew Fraser".

ANDREW FRASER

RTI RELEASE

QUEENSLAND RACING COMMISSION OF INQUIRY

Exhibited hereto and marked with the letter "TSM-4" is the exhibit mentioned and referred to in the affidavit of **TIMOHTY SEAN MULHERIN**.

* sworn / * ~~affirmed~~: *x 26th July 2013* (date)

Tim Mulherin

Deponent

* Delete whichever is inapplicable

D. O'Donoghue

*Barrister/Solicitor/Justice of the Peace/
Commissioner for Declarations

CERTIFICATE OF EXHIBIT

152514

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Fax: 07 4957 2016

Email: mail@taylor-solicitors.com.au

Ref: JCT:KB:130632

BRIEFING NOTE

FROM	Treasury		
FOR	Deputy Premier, Treasurer and Minister for State Development and Trade		
SUBJECT	Business Cases for Racing Industry Infrastructure Expenditure – Gold Coast and Ipswich		
Contact Officer:	Natalie Barber – Director, Resources and Economic Development Branch Tel: 3035 1414, Mb: Contrary to Public Interest	Record No: TRX-18557	Date: 17 February 2012
Requested by:	N/A	Date Approval Required By:	N/A

PURPOSE

1. The purpose of this submission is to:
 - inform you of the results of Treasury's review of the business cases for infrastructure expenditure at Gold Coast and Ipswich racecourses under the Racing Industry Capital Development Scheme (RICDS); and
 - seek your signature on a letter to the Honourable Minister Mulherin MP, Minister for Agriculture, Food and Regional Economies, informing him of Treasury's conclusions.

BACKGROUND

2. On 7 July 2011 CBRC approved the \$110 million Industry Infrastructure Plan (IIP) which comprised 11 projects with funds allocated under the RICDS. Funding for the IIP also included \$10 million previously committed by the Government for the closure of the greyhound racing complex at Parklands. CBRC determined that a business case for each project was required to be submitted to Treasury and accepted prior to funding being made available.
3. On 30 January 2012 Cabinet noted a revised IIP which redirected \$37.9 million in funding from the Deagon development to new greyhound racing facilities at Logan (\$24 million) and Townsville (\$6 million), works at Ipswich Turf Club (\$6 million), project variations at Beaudesert (\$0.94 million), new works at Brisbane Race Club (\$0.75 million) and increases in cost estimates at Cairns, Mackay, and Rockhampton racecourses.
4. Business cases for Beaudesert, Cairns, Rockhampton and Logan racecourses have recently been reviewed by Treasury (refer TRX-18459). As the business cases for the projects did not demonstrate the ongoing viability of those clubs without some level of subsidy, Treasury was precluded from endorsing the release of public funds and recommended that a letter of assurance be sought from Racing Queensland to underwrite the forecast losses.
5. On 14 February 2012 Racing Queensland Limited (RQL) provided a written financial assurance to Government that RQL has the capacity to underwrite the operation of the new and upgraded facilities and their maintenance into the future. Following receipt of this assurance you approved the release of funds for the capital works proposed at Beaudesert, Cairns, Rockhampton and Logan racecourses. The funds total \$36.2 million which represents 33% of the \$110 million IIP.

ISSUES

6. Proposed expenditure on capital works at the Gold Coast (\$35.48 million) and Ipswich (\$6 million) racecourses total \$41.48 million or a further 38% of the \$110 million IIP.
7. Business cases for capital works at the Gold Coast and Ipswich racecourses were received by Treasury on 15 and 16 February 2012 respectively. Given the limited time available to review the documentation, Treasury has examined the key aspects of the business cases and has formed its conclusions within a restricted framework.

Gold Coast Turf Club (GCTC)

8. The business case for the GCTC indicates that, following the reconstruction works, the club will report continuing operating deficits of around \$0.4 million per annum after including a \$1 million subsidy from RQL. The RQL subsidy is not forecast to change from its current level. The operating deficits can be attributed to non-cash expenses, with depreciation of approximately \$1.9 million per annum, therefore the club should achieve a positive cashflow. However the inability to cover depreciation costs may indicate that in the long term, further government assistance could be sought, as there would be insufficient provision to replace the assets if the deficit position was sustained. This is consistent with the other business cases submitted.
9. In the limited time available, Treasury has not conducted a thorough analysis of the underlying assumptions of the business case. However it is noted that the business case contains limited analysis of the financial risks faced by the GCTC once works have been completed and insufficient analysis of how these risks may be mitigated.
10. Treasury is therefore not assured that the club will remain viable in the longer term without further assistance. The letter from RQL provides an important assurance that RQL has the capacity to provide any further assistance necessary to the GCTC.

Ipswich Turf Club

11. The business case for the Ipswich Turf Club (ITC) at Bundamba indicates that the proposed capital expenditure will not enhance the ability of the club to conduct meetings, nor will it provide any direct benefit to the racing industry in general or to RQL. Instead, the expenditure will enable the ITC to take advantage of the relocation of facilities in order to enter into a commercial development on a vacated portion of the facility.
12. The business case assumes that the club will become profitable in 2015-16 due to income received from the proposed commercial development. Treasury considers that the relocation of facilities should be a cost to the proposed commercial project, which Treasury understands to be a prospective joint arrangement between the ITC and a commercial developer.
13. Treasury considers that providing RICDS funding for this project would not be in accordance with the aims of the RICDS.

FINANCIAL IMPLICATIONS

14. Treasury notes that RQL has provided a letter to the Minister for Racing undertaking to support the racing clubs as necessary, and advising that it has financial capacity to fulfil these obligations. Nevertheless Treasury considers that the risk of an increasing subsidisation requirement from RQL and falling wagering tax revenues is a financial risk to the Government, as it not unreasonable to expect that RQL may have difficulty meeting these deficits in the longer term and could call upon the Government for financial assistance, despite the written financial assurance provided by RQL.

QUEENSLAND RACING COMMISSION OF INQUIRY

Exhibited hereto and marked with the letter "TSM-5" is the exhibit mentioned and referred to in the affidavit of **TIMOHTY SEAN MULHERIN**.

* sworn / *affirmed: *x 26th July 2013* (date)

x Tim Mulherin

Deponent

* Delete whichever is inapplicable

D. O. Donoghue

* ~~Barrister/Solicitor/Justice of the Peace/
Commissioner for Declarations~~

CERTIFICATE OF EXHIBIT

152514

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Ref: JCT:KB:130632

"TSM-5"



Queensland Government

Hon Andrew Fraser MP
Member for Mount Coot-tha

Deputy Premier and Treasurer
Minister for State Development
and Trade

TRX-18557

17 FEB 2012

The Honourable Tim Mulherin MP
Minister for Agriculture, Food and Regional Economics
GPO Box 46
BRISBANE QLD 4001

Tim

I refer to recent correspondence regarding business cases for proposed capital works under the Industry Infrastructure Plan, including recent correspondence to you from the Chairman of Racing Queensland Limited (RQL.)

Treasury Department has recently received a further business case for capital works for the Gold Coast Turf Club (GCTC). The business case discloses reasonable information regarding the proposed upgrades and construction.

Treasury advises that the business case for the Gold Coast facility demonstrates that the long term viability of the facilities is dependent on continuing support from RQL. The letter provided by RQL on 14 February 2012 provides an important assurance that the RQL will continue to support any losses incurred by the GCTC, and on this basis I am prepared to approve the release of funds for the capital works at the Gold Coast.

As previously advised it would be prudent to seek confirmation that RQL will establish a reserve fund through setting aside a portion of wagering revenue to use as a buffer for increased operating deficits in the event that betting distributions decline in the near future.

Yours sincerely

ANDREW FRASER

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Facsimile +61 7 3229 0642
Email deputypremierandtreasurer@qld.gov.au
ABN 65 959 415 158

Pages 17 through 26 redacted for the following reasons:

Exempt - Sch.3, s.12(1)

RTI RELEASE

QUEENSLAND RACING COMMISSION OF INQUIRY

Exhibited hereto and marked with the letter "TSM-6" is the exhibit mentioned and referred to in the affidavit of **TIMOHTY SEAN MULHERIN**.

* sworn / * ~~affirmed~~: 26th July 2013 (date)

Tim Mulherin

Deponent

*Delete whichever is inapplicable

D. O'Donoghue

*~~Barrister/Solicitor/Justice of the Peace/~~
Commissioner for Declarations

CERTIFICATE OF EXHIBIT

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Ref: JCT:KB:130632

"TS m - 6"



Queensland
Government

Crown Law

Department of
Justice and Attorney-General

Your ref: JCT:KB:130632
Our ref: CDC/PRE052/2000/FRH
Contact: Melinda Pugh
Direct ph: 07 3239 6315
Direct fax: 07 3239 6386
Email: Melinda.pugh@crownlaw.qld.gov.au

19 July 2013

Mr John Taylor
Partner
Taylors Solicitors
PO Box 687
MACKAY QLD 4740

22 JUL 2013

Dear Mr Taylor

Racing Industry Commission of Inquiry

I refer to your email dated 18 July 2013.

I am unable to provide your client with Cabinet submissions directly. I expect to be in a position to provide some Cabinet material to the Commission very shortly and I have asked the Commission to provide your client with copies of the documents that you have requested.

I **enclose** a CD containing scanned copies of correspondence and briefing notes relevant to Mr Mulherin.

Yours sincerely

A handwritten signature in black ink, appearing to read 'MPugh'.

Melinda Pugh
Assistant Crown Solicitor
for **Crown Solicitor**

encl

State Law Building
50 Ann Street
GPO Box 5221 Brisbane
Queensland 4001 Australia
DX 40121 Brisbane Uptown
Telephone 07 3239 6703
Facsimile 07 3239 0407
Website www.justice.qld.gov.au
ABN 13 846 673 994

QUEENSLAND RACING COMMISSION OF INQUIRY

Exhibited hereto and marked with the letter "TSM-7" is the exhibit mentioned and referred to in the affidavit of **TIMOHTY SEAN MULHERIN**.

* sworn / *affirmed: 26th July 2013 (date)

Tim Mulherin

Deponent

* Delete whichever is inapplicable

D. O'Donoghue

*Barrister/Solicitor/Justice of the Peace/
Commissioner for Declarations

CERTIFICATE OF EXHIBIT

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Ref: JCT:KB:130632

" TSM-7 "

Reference: Insert CTS number

Honourable Andrew Fraser MP
Deputy Premier, Treasurer and
Minister for State Development and Trade
GPO Box 611
Brisbane Qld 4001

Dear Mr Fraser

I refer to the exclusive wagering licence granted to Tattsbet which expires on 30 June 2014. As you would be aware, the Product and Program Agreement between the Queensland racing industry and Tattsbet which provides the majority of the racing industry's funding also expires on 30 June 2014.

Mr Tony Hanmer, the Chair of Queensland Race Product Co Pty Ltd and the Deputy Chair of Racing Queensland Limited has requested the opportunity to address relevant Government Ministers on the issues and importance of having an appropriate agreement in place post 30 June 2014 to deliver critical funding to the industry.

While I propose to meet with Mr Hanmer, in view of the wider issues involving the granting of a new wagering licence, it is suggested that it would be appropriate for both you and the Attorney-General, Minister for Local Government and Special Minister for State to also attend such a meeting.

My appointment secretary, Troy Mitchell will be in contact with your office to arrange a suitable time for a meeting.

Yours sincerely

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay



Advisor	Queensland Government
Dated	/
Approved / Not Approved	
Further information required	
Minister	Department of Justice and Attorney-General
Dated	/

To:
 Hon Tim Mulherin MP
 Minister for Agriculture, Food and
 Regional Economies

Copy:
 Ian Fletcher, Director-General
 Rob Setter, Associate Director-
 General

From:
 Carol Perrett, A/Executive
 Director, Office of Racing

Endorsed:
 Carol Perrett, A/Executive
 Director, Office of Racing

25 November 2011

**Racing Bookmakers charged with breaches of the
*Racing Act 2002***

Summary/Recommendation

1. That you note the contents of this brief.

Background

2. An audit by Racing Queensland of licensed bookmakers' betting ledgers and their authorised phone records showed discrepancies.
3. At subsequent stewards' inquiries, five bookmakers, Murray Bird, Robert Turner, Lindsay Gallagher, Vince Aspinall and Bob McHarg, were charged and found guilty of breaches under the Rules of Racing, including taking bets on personal phones and taking bets when not present at a licensed racing venue during the time a race meeting was being conducted.
4. Racing Queensland has formally advised this office that the bookmakers had admitted offences that may be breaches of the relevant provisions of the *Racing Act 2002*.

Issues

5. Carrying on bookmaking at a place which is not a licensed venue under the control of the control body is contrary to section 199 of the *Racing Act 2002*.
6. Further, making a bet with a person through a telephone system that is not approved by the control body is contrary to section 200(3) of the *Racing Act*.

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 GPO Box 5221 Brisbane
 Queensland 4001 Australia
 DX 40121 Brisbane Uptown
 Telephone 07 3239 6703
 Facsimile 07 3239 0407
 Website www.justice.qld.gov.au
 ABN 13 846 673 994



- 7. Complaints against Mr Bird and Mr Turner have been filed in the Magistrates Court and a summons for both to appear in court on 22 February 2012 will be served on Monday, 28 November 2011.
- 8. Complaints against Messrs Gallagher, Aspinall and McHarg are expected to be lodged by mid-January.
- 9. Bookmakers provisions in the Racing Act are central to the integrity of racing and the offences that the bookmakers have been charged with are considered serious offences.

Clearance

- 10. DEEDI Legal Services has engaged Crown Law and Counsel to act on behalf of the State in this matter.

Carol Perrett

Action Officer: Michael Duff
Tel: 324 74740

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
Tim Mulherin Minister for Agriculture, Food and Regional Economies	

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To:
Hon Tim Mulherin MP
Minister for Agriculture, Food and
Regional Economics

Copy:
Ian Fletcher, Director-General
Rob Setter, Associate Director-
General

From:
Mike Kelly, Executive Director,
Office of Racing

Endorsed:
Mike Kelly, Executive Director,
Office of Racing

28 November 2011

Racing Queensland Limited Annual Report 2010-11

Summary/Recommendation

1. That you note the contents of this brief.

Background

2. On 1 July 2010 Racing Queensland Limited became the control body for thoroughbred, harness and greyhound racing in Queensland.

Issues

3. The Report highlights-

Achievements including-

- Racing Queensland has delivered operational savings of \$1.38 million in its first year;
- Development of the Industry Infrastructure Plan and the Queensland Government's announcement of \$110 million to fund it;
- \$1.5 million boost to greyhound prizemoney; and
- Racing Queensland's commitment to country thoroughbred racing by providing \$6.38 million over and above the legislated 5.32% of Net Tattsbet Product Fee.

Challenges faced by the industry including-

- Reduction of revenues flowing to the industry as a result of wagering on the Queensland product with Tattsbet declining; and
- Harness racing continues to face a declining market share.

Revenue

- Whilst overall Tattsbet wagering increased to \$2.23 billion, Product Fees declined to \$128.42 million from \$129.75 million the previous year due to increased costs incurred by Racing Queensland for interstate race information fees.
- Racing Queensland's net race information revenue increased to \$4.91 million.

Racing Queensland reported an overall loss of \$5.54 million for the 2010/11 financial year. This is due to \$6.05 million for the installation of the Toowoomba cushion track being written-off as a grant after the Board of the Toowoomba Turf Club rejected an equity sharing arrangement with Racing Queensland.

Attachments

4. Attachment 1: Racing Queensland Limited Annual Report 2010/11.

Mike Kelly

Action Officer: Roger Wilesmith
Tel: 323 41404

CTS09943/11
RAC-00654

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
<hr/> Tim Mulherin Minister for Agriculture, Food and Regional Economies / /	

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further Information required	
Minister	
Dated	/ /

To:
Hon Tim Mulherin MP
Minister for Agriculture, Food and
Regional Economies

Copy:
Ian Fletcher, Director-General
Rob Setter, Associate Director-
General

From:
Mike Kelly, Executive Director,
Office of Racing
8 December 2011

Endorsed:
Mike Kelly, Executive Director,
Office of Racing

Title

**Unauthorised use of Queensland Race Information –
further 47 notifications**

Summary/Recommendation

1. That you note the contents of this brief.

Background

2. Section 113C of the *Racing Act 2002* (the Act) provides that a licensed wagering operator must not, whether in Queensland or elsewhere, use Queensland race information unless they have a race information authority.
3. Race information is that information a wagering operator requires to conduct its wagering business and includes information that identifies horses or dogs that have been nominated for, or that will otherwise take part in, a race; the name, number and time of a race; and the name of a jockey or trainer of a horse or dog nominated for a race.
4. Under the Act, racing control bodies have the power to issue race information authorities to licensed wagering operators and charge fees for the use of Queensland race information.
5. The Act does not specify the quantum of the fee or how the fee is to be calculated. That is determined by the control body.
6. Significant penalties apply to breaches of the Act, specifically 600 penalty units or 12 months imprisonment for a first offence, and 4000 penalty units or 5 years imprisonment for subsequent offences.

7. Racing Queensland had previously provided advice that 28 bookmakers (from within Queensland and a number of other states) were using Queensland race information without a race information authority and letters were sent from the Office of Racing advising bookmakers that they would have 28 days to comply with the Act and obtain a race information authority.
8. The compliance date for the letters sent to the first round of Bookmakers identified is 7 December 2011.

Issues

9. Further advice has been received from Racing Queensland identifying an additional 47 bookmakers (one from Queensland and the remaining from other states) that are using Queensland race information without a race information authority.
10. Racing Queensland has advised the bookmakers of their obligations under the Act.
11. As the bookmakers continue to use Queensland race information without a race information authority, it is proposed that the Office of Racing write to the bookmakers and again advise them of their obligations under the Act and of the penalties that may be imposed.
12. The bookmakers will be given a period of 42 days to comply with the Act and obtain a race information authority if they wish to continue to use Queensland race information. The compliance period has been extended from 28 days to 42 days due to the time of year and ensuing holiday period and closures of offices over this period.
13. If the bookmakers continue to use race information in breach of the Act after the 42 day period, it is proposed to take steps to initiate prosecution action. This will be the subject of a separate brief.

Attachments

14. **Attachment 1:** List of bookmakers the Office of Racing will write to advising of their responsibilities under the Racing Act.
15. **Attachment 2:** Letters to bookmakers from the Executive Director, Office of Racing (version to be sent is dependant on the corporate status of the bookmaker).

Clearance

16. Racing Queensland was consulted in the preparation of this brief.



Queensland
Government

Department of Employment, Economic Development
and Innovation

«Name»
«Company»
«Address_1»
«Address_2»

Dear «Salutation»

This Office has been advised by Racing Queensland Limited ('Racing Queensland'), the control body for racing in Queensland, that your organisation is currently using Queensland race information without a race information authority being issued under the *Racing Act 2002* (Qld).

Use of Queensland race information, without a race information authority issued by the control body is a serious offence. A licensed wagering operator must not, whether in Queensland or elsewhere, use Queensland race information for the conduct of the operator's wagering business, unless the operator is authorised to do so under a race information authority issued by Racing Queensland Limited. You should note that significant penalties apply to contraventions of this law, specifically, 600 penalty units or 12 months imprisonment for a first offence, and 4000 penalty units or 5 years imprisonment for subsequent offences.

As it has been identified that your organisation does not hold a race information authority to use Queensland race information, you are encouraged to either:

- contact Racing Queensland and make the necessary arrangements to use Queensland race information legally; or
- cease the unlawful use of Queensland race information.

You should note that where relevant to a wagering operator's business structure, corporate officers are personally liable for race information-type offences. Any conviction for an offence against the *Racing Act 2002* will be reported to national and international regulatory authorities and such a conviction may adversely impact upon a wagering operator's future eligibility for licensing, both in Queensland and other jurisdictions.

A review of race information authorities issued to wagering operators by Racing Queensland will be conducted in 42 days and any wagering operator using Queensland race information without the required race information authority will be liable to prosecution action.

Office of Racing

Level 15, 111 George Street
GPO Box 48
Brisbane Qld 4001

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

Email info@racing.qld.gov.au

--2--

You are requested to make urgent contact with Racing Queensland to ensure you operate your business in compliance with Queensland law. Should you need to discuss this matter in any detail please do not hesitate to contact this Office on 07 323 41400.

Yours sincerely

Mike Kelly
Executive Director
Office of Racing



Queensland
Government

Department of Employment, Economic Development
and Innovation

«Name»
«Address_1»
«Address_2»

Dear «Salutation»

This Office has been advised by Racing Queensland Limited (Racing Queensland), the control body for racing in Queensland, that you are currently using Queensland race information without a race information authority being issued under the *Racing Act 2002* (Qld).

Use of Queensland race information, without a race information authority issued by the control body is a serious offence. A licensed wagering operator must not, whether in Queensland or elsewhere, use Queensland race information for the conduct of the operator's wagering business, unless the operator is authorised to do so under a race information authority issued by Racing Queensland Limited. You should note that significant penalties apply to contraventions of this law, specifically, 600 penalty units or 12 months imprisonment for a first offence, and 4000 penalty units or 5 years imprisonment for subsequent offences.

As it has been identified that you do not hold a race information authority to use Queensland race information, you are encouraged to either:

- contact Racing Queensland and make the necessary arrangements to use Queensland race information legally; or
- cease the unlawful use of Queensland race information.

You should note that where relevant to a wagering operator's business structure, corporate officers are personally liable for race information-type offences. Any conviction for an offence against the *Racing Act 2002* will be reported to national and international regulatory authorities and such a conviction may adversely impact upon a wagering operator's future eligibility for licensing, both in Queensland and other jurisdictions.

A review of race information authorities issued to wagering operators by Racing Queensland will be conducted in 42 days and any wagering operator using Queensland race information without the required race information authority will be liable to prosecution action.

Office of Racing

Level 15, 111 George Street
GPO Box 46
Brisbane Qld 4001

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

Email info@racing.qld.gov.au

You are requested to make urgent contact with Racing Queensland to ensure you operate your business in compliance with Queensland law. Should you need to discuss this matter in any detail please do not hesitate to contact this Office on 07 323 41400.

Yours sincerely

Mike Kelly
Executive Director
Office of Racing

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To:
Hon Tim Mulherin MP, Minister for
Agriculture, Food and Regional
Economies

Copy:
Mr Ian Fletcher, Director-General,
Department of Employment,
Economic Development and
Innovation
Mr Robert Setter, Associate
Director-General, Science,
Agriculture, Food and Regional
Services

From:
Mike Kelly, Executive Director
Office of Racing

Endorsed:
Mike Kelly, Executive Director
Office of Racing

14 December 2011

2011-2012 Training Track Subsidy Scheme Payments

Summary/Recommendation

1. To seek your signature on letters enclosing cheque payments to Racing Queensland and to eligible race clubs under the 2011-12 Training Track Subsidy Scheme (**Attachment 1**).

Background

2. By Ministerial briefing note dated 17 November 2011 you approved payments to Racing Queensland and 35 eligible race clubs under the 2011-12 Training Track Subsidy Scheme (**Attachment 2**).
3. In accordance with the approved 'threshold' payments detailed in the previous briefing note, direct threshold payments amounting to a total of \$1,319,600 million (GST inclusive) are to be made to each of the 35 eligible race clubs and to Racing Queensland.
4. Racing Queensland, in its capacity as a provider of training track facilities, will receive one cheque for \$291,500 being the total 'threshold' payment for Corbould Park (Caloundra), Callaghan Park (Rockhampton) and Deagon racetracks.
5. You have already presented a cheque in the sum of \$4,400 (GST inclusive) to the Cunnamulla and District Diggers' Race Club.

Attachments

- 6. **Attachment 1** – Letters to eligible race clubs and Racing Queensland.
- 7. **Attachment 2** – Ministerial Briefing note dated 17 November 2011.

Clearance

- 8. Nil.

Next steps

- 9. Subject to your approval, sign letters enclosing cheque payments to eligible race clubs and return to Office of Racing for processing.

Mike Kelly

Action Officer: Pat Zuj
Tel: 323 41419

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
Tim Mulherin Minister for Agriculture, Food and Regional Economies	

Reference: Insert CTS number

Mr Bob Bentley
Chairman
Racing Queensland Limited
PO Box 643
Sandgate Qld 4017

Dear Mr Bentley

As you are aware, the Queensland Government has allocated grants totalling \$2 million for Racing Queensland Limited's Training Track Subsidy Scheme in 2011-12.

Please find enclosed a cheque in favour of Racing Queensland Limited for \$291,500.00 (GST Inclusive), representing the 'threshold' payment which Racing Queensland is eligible to receive under the Training Track Subsidy Scheme for Corbould Park (\$159,500.00), Deagon (\$66,000.00) and Callaghan Park (\$66,000.00) racetracks.

The 'threshold' payments to each of the eligible race clubs under the Scheme, as advised by Racing Queensland Limited and totalling \$1.32 million (GST inclusive), have been approved and are now being actioned by the Department of Employment, Economic Development and Innovation (DEEDI) for direct payment to each club.

As a condition of providing these grants, and as a means to acquit the grant funding, Racing Queensland must provide the DEEDI with a statement by no later than 31 October 2012 relating to the period 1 July 2011 to 30 June 2012, signed by the Chair and the Chief Executive Officer, certifying:

- Racing Queensland has a signed declaration from each recipient race club that all monies provided under the Scheme were spent in accordance with the scheme's objective of 'offsetting the cost of maintaining training facilities', and
- The amount of incentive payments made by Racing Queensland to each race club and with respect to the Deagon Racecourse, Corbould Park Racecourse and Callaghan Park Racecourse, verified against the official starter statistics supplied by Racing Information Services Australia.

This statement is to be supported by a schedule that reconciles all payments made to eligible race clubs (including to Racing Queensland with respect to Deagon, Callaghan Park and Corbould Park racecourses) relating to the period 1 July 2011 to 30 June 2012.

I am pleased to provide this grant payment to help Racing Queensland defray the significant annual costs it incurs in maintaining training facilities and as a tangible demonstration of the Queensland Government's commitment to the entire racing industry.

Yours sincerely

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

Enc

U:\SAFRS\OOR\TOG\Common\Training Track Subsidy Scheme\2012\Stage 2\Attachment 1 - TTSG RQL letter.doc

Reference: Insert CTS number

«Name»
«Position», «Club»
«Address1»
«Address_2»

Dear «Salutation»

As you are aware, the Queensland Government has allocated grants totalling \$2 million for Racing Queensland Limited's Training Track Subsidy Scheme in 2011-12.

Please find enclosed a cheque in favour of the «Club» for «Amount» (GST «GST»), which represents the 'threshold' payment, as advised by Racing Queensland, which the club is eligible to receive under the Training Track Subsidy Scheme.

As a condition of providing these grants, and as a means to acquit the grant funding, Racing Queensland must provide the Department of Employment, Economic Development and Innovation (DEEDI) with a statement by no later than 31 October 2012, certifying that Racing Queensland has received a signed declaration from each recipient race club that all monies provided by DEEDI under the 2011-12 Training Track Subsidy Scheme (including both 'threshold' and 'incentive' payments) have been spent in accordance with the scheme's objective of 'offsetting the cost of maintaining training facilities'. Racing Queensland will provide further details to you on the acquittal process for these grants.

I am pleased to provide this grant payment to help the «Club» defray the significant annual costs it incurs in maintaining training facilities and as a tangible demonstration of the Queensland Government's commitment to the entire racing industry.

Yours sincerely

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

Enc

CTS10541/11
RAC-00660

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To:
Hon Tim Mulherin MP, Minister
for Agriculture, Food and Regional
Economies

Copy:
Mr Ian Fletcher, Director-General,
Department of Employment,
Economic Development and
Innovation
Mr Robert Setter, Associate
Director-General, Science,
Agriculture, Food and Regional
Services

From:
Mike Kelly, Executive Director,
Office of Racing
16 December 2011

Endorsed:
Mike Kelly, Executive Director,
Office of Racing

On-course Bookmakers in Queensland

Summary/Recommendation

1. That you note contents of this brief.
2. That you agree to meet with the Office of Racing to discuss pathways to progress this matter prior to progressing any correspondence to Mr Kevin Dixon, Chairman, Brisbane Racing Club.
3. Subject to (2) above, that you sign the response to Mr Kevin Dixon, Chairman, Brisbane Racing Club.

Background

4. On 23 November 2011, Mr Kevin Dixon, wrote to the Honourable Anna Bligh MP, Premier and Minister for Reconstruction, regarding the current conditions under which Racing Bookmakers (bookmakers) in Queensland operate.
5. The issues raised in the abovementioned correspondence relate to:
 - legislative restrictions; and
 - conditions imposed on bookmakers through the Race Information Authorities issued by Racing Queensland Limited.
6. In September 2009, the Queensland Bookmakers' Association met with the then Racing Minister Mr Peter Lawlor MP and argued that:
 - a lack of access to internet-based technology causes its members to be non-competitive with interstate bookmakers;
 - there are serious risks that Queensland bookmakers will become less and less financially viable; and
 - Queensland wagering dollars will increasingly leak to operators in other jurisdictions.

Issues

Current situation

7. Mr Dixon has identified that the number of bookmakers fielding at Brisbane Racing Club meetings have fallen from 19 to 12 over the past 23 months and that on course bookmaker turnover is forecast to reduce from \$88M to \$58M.
8. The 2011 Australian Racing Fact Book reports that on-course bookmaker turnover in Queensland has dropped from \$224.6M in 2006 to \$132.58M in 2011.
9. The number of registered thoroughbred bookmakers in Queensland has dropped from 157 in 2000 to 107 in 2011.
10. It is reasonable, based on current trends, to conclude that bookmaker numbers and individual turnover levels will continue to decline in Queensland.

Queensland Legislation

11. Under the *Racing Act 2002* (the Act), Queensland bookmakers are permitted to take bets face-to-face and via the telephone while they are present at a racing venue during a race meeting but cannot take bets via the internet.
12. The *Interactive Gambling (Player Protection) Act 1998* provides for the issuing of interactive gambling licences but imposes a taxation rate of 50%. These arrangements have the actual effect of making licensing financially prohibitive for bookmakers.

Exclusivity arrangements

13. The exclusivity of the wagering licence granted to Tattsbet under the *Wagering Act 1998* has been the basis for the Government prohibiting bookmakers from using the internet to conduct bookmaking.
14. The refusal to allow bookmakers to use the internet to take bets has been strongly supported by the Office of Liquor and Gaming Regulation (OLGR) within the Department of Justice and Attorney-General.

Race Information Authorities

15. The Act empowers the control body to charge wagering operators a fee to use Queensland race information. The Act does not direct either the method of fee calculation or the quantum of the fee.
16. Section 92 of the *Commonwealth of Australia Constitution Act 1901* (Cth) requires free trade within Australia and, following the High Court's decision in *Betfair Pty Ltd v Western Australia* (2008), it has been interpreted as requiring the racing control bodies (or the State Governments) to charge the same fees for any 'authorisation' issued regardless of a wagering operators geographic location.
17. Racing Queensland is charging a 10% (15% during the Queensland Winter Racing Carnival) fee based on the wagering operator's gross wagering revenue. This accords with the calculation method Racing Victoria Limited use as opposed to the method used by Racing NSW, which is based on the wagering operator's turnover.

CTS10541/11
RAC-00660

18. Racing Queensland does not allow bookmakers to credit their losses against fees owed (as Racing Victoria does).

Fielding fees

19. It should be noted that Queensland bookmakers are also required to pay fielding fees to individual race clubs that allow the bookmaker to 'field' at race meetings conducted by the relevant club. These fees are often calculated on the bookmaker's turnover.
20. Racing Victoria and Racing NSW do not allow race clubs to charge fielding fees and in return make compensatory payments to race clubs.
21. The Brisbane Racing Club, of which Mr Dixon is Chairman, has the power to immediately cease charging bookmakers any fee to field at race meetings conducted at Eagle Farm and/or Doomben race courses.

Clearance

22. Nil.

Author

Mike Kelly, Executive Director, Office of Racing

Action Officer: Michael Duff, Principal Compliance Officer, Office of Racing
Tel: 324 74740

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
Tim Mulherin Minister for Agriculture, Food and Regional Economies / /	

Name:	Action Officer	General Manager	Initials	SET member	Initials
	Michael Duff	Mike Kelly		SET Name	
Business Unit:	Office of Racing	Office of Racing		SET Business Group	
Telephone:	3234 74740	323 41378	/ /	SET Phone xxxx xxxx	/ /
Date:	16 December 2011	16 December 2011			
EA Name:	Carole Miller	EA Telephone 323 41400		File No: RMSII file	
	DDG, AFT	/ /		Associate Director-General	/ /

Reference: CTS10541/11 - RAC-00880

Mr Kevin Dixon
 Chairman
 Brisbane Racing Club
 PO Box 817
 Hamilton Central Qld 4007

Dear Mr Dixon

I refer to your letter of 23 November 2011 to the Honourable Anna Bligh MP, Premier and Minister for Reconstruction, regarding your concerns about the regulation of Queensland bookmakers. As this issue falls within my ministerial portfolio responsibilities, your correspondence has been forwarded to me for consideration.

Under the *Wagering Act 1998* (Qld), Tattsbet is the holder of an exclusive off-course wagering licence in Queensland. The terms of this exclusivity, as it currently operates, prohibits bookmakers from using the internet to conduct bookmaking or take bets when they are not fielding at a race meeting.

As to the matter of the charging of fees for Race Information Authorities, under the *Racing Act 2002* (Qld), both the method of calculation, and the quantum of the fee, are matters for the control body to determine.

The decision by a race club to charge bookmakers a fielding fee is a commercial matter between the host club and bookmakers wishing to field at those meetings.

If you need any further assistance on this matter, please contact Mr Mike Kelly, Executive Director, Office of Racing, on telephone 07 3234 1400.

Yours sincerely

TIM MULHERIN, MP
 Minister for Agriculture, Food
 and Regional Economies
 Member for Mackay

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To: Minister Mulherin

Copy:

From:

Endorsed:

Vanessa Bonesch, Principal
Lawyer, DEEDI Legal

Katherine Mackenzie, A/Director,
DEEDI Legal

12 January 2012

Title

Summary/Recommendation

1. Note DEEDI Legal's view that:
 - (a) The Gold Coast Greyhound Racing Club ("GCG Racing Club") does not have any right to compensation from the State under the *Acquisition of Land Act 1967* as there has been no resumption of land for the purposes of that Act;
 - (b) The GCG Racing Club does not have any right to compensation under the licence agreement pursuant to which the GCG Racing Club was permitted to occupy part of the Gold Coast Parklands ("the Parklands").
 - (c) The State does not have any legal obligation to compensate Greyhounds Queensland Limited ("GQL"), the control body for the greyhound racing code, in relation to the decision to vacate the GCG Racing Club from the Parklands.
 - (d) The State was under no legal obligation to promise \$10 million to GQL.
 - (e) On the information available, it is highly unlikely that the GCG Racing club could successfully claim it has acted to its detriment in reliance on the Minister's promise to pay \$10 million to GCL and, accordingly, the State has very minimal exposure to liability in this regard.
2. Approve and send the revised version of CTS 10267/11 (see **Attachment A**).

Timing

3. Urgent. The QCG Racing Club is awaiting a response to their letters to the Premier of 28 October 2011 and 25 November 2011. CTS10267/11 has been revised for your consideration (**Attachment A**).

Background

4. In or about 2008, a decision was made by Government to redevelop the Gold Coast Parklands.
5. To facilitate the redevelopment, the Parklands Gold Coast Trust ("Parklands Trustee"), the trustee appointed by the Governor in Council for the control of the Parklands, required the GCG Racing Club to vacate the Parklands facility.

[Can we elaborate on this? Is there a letter from the Trust to the Racing Club that we can attach to this brief?]

6. On 16 July 2008, the Treasurer announced that the Government would provide \$10 million to QGL, the control body for the greyhound racing code, conditional on the industry applying the funds to new facilities.

[In the Treasurer's statement of 16 July 2008, he states "The Greyhounds presently pay \$130,000 a year in a leasehold arrangement. The compensation offered recognises the need to assist the industry and represents a generous settlement."

This suggests that the Control Body for the greyhound racing code paid \$130,000 pursuant to a leasehold arrangement.

[Office of Racing to check and clarify.]

7. On 29 July 2008, the Treasurer wrote to GQL, confirming that "a cash amount of \$10 million will be provided to GQL as compensation for vacating the Parklands venue, conditional upon the Industry applying the funds towards the development of a new facility" (see **Attachment B**).
8. The GCG Racing Club claims that it is entitled to compensation from the State under the *Acquisition of Land Act 1967*. This claim is based on the incorrect premise that Queensland Health and the State Government have resumed the land.
9. The Gold Coast Parklands is land held by the State. As there has been no resumption of the Parklands for the purposes of the *Acquisition of Land Act 1967*, that Act does not apply and, accordingly, there is no right to compensation under that Act.
10. On 29 April 1993, the then trustee of the Parklands entered into a licence agreement ("Licence Agreement") with the GCG Racing Club (then known as the Parklands Greyhound Racing Club Inc) [Office of Racing - please confirm that this is the same entity as the GCG Racing Club] to permit the GCG Racing Club to conduct greyhound race meetings on the Licensed Area on the Parklands (see **Attachment C**).

11. The Parklands Trustee has advised that the GCG Racing Club has not exercised any options to renew the Licence Agreement nor has any other licence or agreement been negotiated between the parties. ~~[Office of Racing - Please confirm]~~ Accordingly, it appears that clause 3.3 of the Licence Agreement applies.
12. The effect of clause 3.3 of the Licence Agreement is that, on the expiry of the initial 5 year term of the Licence Agreement:
 - (a) the GCG Racing Club continued to occupy the Licensed Area on a week to week basis; and
 - (b) the Licence Agreement was terminable by either party by not less than one week's notice.
13. The Parklands Trustee complied with clause 3.3 when terminating the Licence Agreement. ~~[Office of Racing - please confirm and amend by reference to the relevant letter]~~
14. There is no provision in the Licence Agreement for compensation for the GCG Racing Club on termination of the Licence Agreement.
15. The State does not have any legal obligation to compensate GQL in relation to the decision to vacate the GCG Racing Club from the Parklands.
16. The State was under no legal obligation to promise \$10 million to GQL.
17. Ministers and other government officers may be estopped from acting inconsistently with a representation, provided the representation does not involve the exercise of statutory duties or discretions. On the information available, it is highly unlikely that the GCG Racing club could successfully claim it has acted to its detriment in reliance on the Minister's promise to pay \$10 million to GCL and, accordingly, the State has very minimal exposure to liability in this regard.

Attachments

18. A – Draft letter from Minister Mulherin to the GCG Racing Club;
B – Letter from Treasurer to QGL dated 29 July 2008;
C - Media release by Treasurer dated 16 July 2008, entitled "\$10 million compensation for Greyhounds".

Clearance

19. Clearance is to be used in place of 'consultation' – make it clear whether consultees' views are being accepted. For example:
 - financial approval, indicate who from finance agrees
 - contracts, contractual or litigation issues should be cleared by an appropriate officer in Legal
 - media and communications issues should be cleared by a relevant media and communications officer

Ref: MI11/3152

- HR issues these should be cleared by the relevant HR officer
- regional issues should be cleared by the relevant ERD.

Next steps

20. Approve and send **Attachment A** the GCG Racing Club.

Author

Action Officer: Vanessa Bonesch, Principal Lawyer, DEEDI Legal
Tel: (07) 3404 3518

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
<p>Tim Mulherin Minister for Agriculture, Food and Regional Economies</p> <p>/ /</p>	

Advisor	OK
Dated	/ /
Approved / Not Approved Further information required	
Minister	
Dated	/ /

To: Minister Mulherin

Copy:

From:

Endorsed:

Sinead McCarthy
Chief Counsel

12 January 2012

Title

Summary/Recommendation

1. Note Legal's view that:
 - (a) The State was under no legal obligation to promise \$10 million to Greyhounds Queensland Ltd (GQL).
 - (b) DEEDI is not liable to compensate the Gold Coast Greyhound Racing Club (the Club) in relation to its vacation of the Gold Coast Parklands as a result of the redevelopment of that site.
 - (c) DEEDI is not obliged to pay the \$10 million funding offered to GQL to the Club.
2. Approve and send the revised version of CTS 10267/11 (see Attachment 3A).

Timing

3. The Club is awaiting a response to their letters to the Premier of 28 October 2011 and 25 November 2011.

Background

4. The Office of the Minister for Agriculture, Food and Regional Economics has requested advice on the legal obligation of the State in relation to the Treasurer's promise to pay \$10 million to GQL on 29 July 2008.
5. Legal is instructed as follows:
 - (a) The Parklands Gold Coast Trust ("Parklands Trustee") was the trustee appointed by the Governor in Council on 1 July 2003 under the *Racing Venues Development Act 1982* (the Act) for the control of the Gold Coast Parklands. The Gold Coast Parklands are public lands administered for the State by the Parklands Trustee.

- (b) One occupant of the Gold Coast Parklands was the Club. It is not clear by what legal right it occupied the land, but it appears it was likely to have been either under a licence or a permit to occupy.
 - (c) In 2007, a decision was made by Government to redevelop the Gold Coast Parklands to build a new hospital. To facilitate the redevelopment, the Parklands Trustee required the Club to vacate the Parklands facility at the end of July 2008.
 - (d) On 16 July 2008, the Treasurer announced that the Government would provide \$10 million to GQL, then the control body for the greyhound racing code in Queensland, as compensation for the Club having to vacate the venue. This offer was made formally on 29 July 2008, and was conditional upon GQL applying the funds to the development of new facilities.
 - (e) On 1 July 2010, before any funds were paid to GQL, the control bodies were amalgamated into a single control body for the whole of racing in Queensland – Racing Queensland Limited (Racing Qld).
 - (f) The Government has subsequently agreed to pay Racing Qld funding in excess of \$110 million to address infrastructure needs identified in its amended industry infrastructure plan. This figure includes the \$10 million previously budgetted for allocation to GQL.
6. Legal's view is that the State was under no legal obligation to promise \$10 million in funding to GQL. As the GQL no longer exists, there is no mechanism for the State to pay this amount now in any event. To the extent that there was any binding obligation upon the State to pay this money to GQL, that entitlement would have transferred automatically to Racing Qld upon amalgamation. The State's decision to incorporate this previously allocated funding into the larger funding arrangement with the GQL's successor, Racing Qld, is therefore entirely reasonable in the circumstances.
7. The only time that Ministers and other government officers can be prevented from acting inconsistently with a promise such as this is where the recipient has relied upon the promise and acted to its detriment in reliance on the representation (known as estoppel). On the information available, it is highly unlikely that the Club could successfully claim it has acted to its detriment in reliance on the Minister's promise to pay \$10 million to GQL, which was an entirely separate entity. The Club was obliged to vacate the premises regardless of the offer of funding to GQL. The funding was offered to GQL, not the Club.
8. This advice does not address the question raised in the letters which have been forwarded to the Minister by the Premier from the Club of 28 October (**Attachment 1**) and 25 November 2011

Ref: MI11/3152

and Regional Economies

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To:
Hon Tim Mulherin MP, Minister
for Agriculture, Food and Regional
Economies

Copy:
Mr Mark Bermingham,
A/Director-General, Department
of Employment, Economic
Development and Innovation
Mr Robert Setter, Associate
Director-General, Agriculture,
Food and Regional Services

From:
Mike Kelly, Executive Director,
Office of Racing
13 February 2012

Endorsed:
Mike Kelly, Executive Director,
Office of Racing

**Meeting with Deputy Premier, Minister Lucas and
Product Co Chair Tony Hamner regarding Tattsbet Pty
Ltd exclusivity negotiations**

Summary/Recommendation

1. It is recommended that you note the contents of this brief.

Timing

2. The meeting to be held on Tuesday, 14 February 2012 from 1-2pm at Parliament House. Mike Kelly, Executive Director, Office of Racing will attend as the departmental representative.

Background

3. The Queensland TAB was corporatised by the Queensland Government on 1 July 1999 prior to a public float later that year.
4. The Queensland TAB, now operating as Tattsbet, purchased a 99-year licence to operate off-course wagering in Queensland. The first 15 years of the licence is exclusive (until 30 June 2014), meaning no other wagering operator can be licensed by the Government.
5. As part of the privatisation arrangements, the Product and Program Agreement was negotiated between Tattsbet, Racing Queensland and Race Product Co.
6. Product Co. is a wholly-owned subsidiary of Racing Queensland Limited, and acts as a intermediary selling the Racing industry

- product and receiving the Product and Program Agreement revenue fees to then distribute to Racing Queensland. When Product Co. was formed there were three separate control bodies and a single entity "buying and selling" Queensland racing product to the TAB was seen as more efficient than individual negotiations.
7. This agreement provides the majority of funding to the racing industry and underpins its operation. The agreement expires on 30 June 2014.
 8. The Product and Program Agreement requires that Tattsbet return to the racing industry 39% of gross wagering revenue earned by Tattsbet. In FY 2010/11 this product fee was \$101.223 million (2009/10: \$107.212 million). *This figure is net of the Race Information fees paid by Tattsbet to other jurisdictions.*
 9. The vast majority of racing industry stakeholders believe the industry did not get a good deal when the Queensland TAB was privatised because the Product and Program Agreement delivered less revenue than either the Victorian or New South Wales deals.

Issues

10. The Product and Program Agreement took a considerable length of time to negotiate and was done in an acrimonious manner between the parties, and interested stakeholder groups. It is expected that any new agreement will encounter the same difficulties.
11. The wagering landscape is changing rapidly with a move away from totalisator betting to fixed odds and punters betting with corporate bookmakers in low tax jurisdictions, such as the Northern Territory and Tasmania.
12. These shifting betting patterns will, in addition to reducing overall totalisator betting, also reduce the value of 'exclusivity arrangements' and 'wagering licences'.
13. If the Queensland racing industry is not to decline from its current base, it is imperative that the Government gets the wagering regulatory framework right and allows the industry to get a satisfactory commercial return on the race product it sells to wagering operators.
14. Section 22(4) of the *Wagering Act 1998* (Qld) provides that after the exclusivity period, the responsible Minister may only grant an application for a race wagering licence if he is satisfied, having regard to relevant market conditions, that the commercial arrangements between the parties are no less favourable to the racing industry than the current Product and Program Agreement.
15. How section 22(4) is to be interpreted and applied by Treasury and the Office of Gaming Regulation is yet to be advised.
16. In the lead up to the corporatisation of the Queensland TAB, the Government formed a working group consisting of officers from Treasury (then incorporating the Office of Gaming), Premier's Department and the Office of Racing.

17. This working group conducted the negotiations between the Government and the, then statutory TAB, and the racing control bodies.
18. The Office of Racing needs to be represented in the decision making process, and should be represented on any working party that is formed to progress wagering arrangements post 2014.
19. While the expiration of the Product and Program Agreement does not occur until June 2014, the establishment of new wagering arrangements is a complicated task and the process should commence as soon as practicable.

Attachments

20. Nil

Clearance

21. Nil.

Next steps

22. Nil.

Author

Mike Kelly, Executive Director, Office of Racing

Action Officer: Michael Duff, Principal Compliance Officer, Office of Racing
Tel: 324 74740

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
Tim Mulherin Minister for Agriculture, Food and Regional Economies	

Advisor	OK
Dated	/ /
Approved / Not Approved Further information required	
Minister	
Dated	/ /

To:
Hon Tim Mulherin MP, Minister
for Agriculture, Food and Regional
Economies

Copy:
Mr Mark Bermingham,
A/Director-General, Department
of Employment, Economic
Development and Innovation
Mr Robert Setter, Associate
Director-General, Science,
Agriculture, Food and Regional
Services

From:
Mike Kelly, Executive Director,
Office of Racing

Endorsed:
Mike Kelly, Executive Director,
Office of Racing

13 February 2012

**Meeting with Representatives of the Breeders, Owners,
Trainers and Reinspersons Association (harness) and the
Gold Coast Harness Racing Club**

Recommendation

1. That you note the contents of this brief.

Timing

2. Meeting to be held on Tuesday, 14 February 2012 from 4pm at Parliament House. Mike Kelly, Executive Director, Office of Racing will attend as the departmental representative.

Issues

3. The Gold Coast Harness Racing Club is seeking compensation from the State for being required to vacate the Parklands Gold Coast venue by 30 September 2013.
4. Parklands Gold Coast is owned by the State of Queensland.
5. The Parklands Gold Coast venue is required for the Gold Coast University Hospital development and Athletes Village for the 2018 Commonwealth Games.
6. The Gold Coast Harness Racing Club and other tenants at the facility do not have a right to compensation at the end of their tenancy.
7. The Gold Coast Harness Racing Club has not been able to provide any evidence that compensation was promised by former Governments.

8. In a 2004 submission from the Gold Coast Harness Racing Club, to then Racing Minister Robert Swarten MP, the club acknowledged that the then National Party Government specifically ensured no compensation was payable as a result of the resumption of land at Queen Street, Southport by amending the *Racing and Betting Act 1980 (Old)* (repealed).
9. The Government has allocated \$110 million to the industry under the Racing Industry Capital Development Scheme to redevelop its capital infrastructure.
10. Among the projects identified by Racing Queensland are new harness racing facilities at Deagon and Ipswich.

Background

The Queen Street land and compensation

11. The Gold Coast Harness Racing Club originally owned land in Queen Street, Southport which was used for conducting harness races. The land was resumed by the State Government in 1988 to construct the Southport Primary School.
12. At that time, \$9 million was paid from the Racing Development Fund (a government fund established to provide funds for racing venues) to build the multi-use facility at Parklands, Gold Coast, including the harness track/facilities. Additional money (approximately \$500,000) was later paid from the fund to build training stables on the Parklands site.
13. While no monetary compensation was paid directly to the Gold Coast Harness Racing Club, it became a tenant of the Parklands Gold Coast Trust and had access to greatly improved facilities at the Parklands venue.
14. A 2004 submission by the Gold Coast Harness Racing Club to the then Racing Minister Robert Swarten MP, stated:

"The National Party Government of the day resumed the club's land at Queen Street Southport, via an amendment to the Racing & Betting Act and specifically provided there by no compensation to the club in respect of the resumption."

Parklands venue

15. The Parklands Gold Coast venue is owned by the State of Queensland. Trustees of Parklands Gold Coast are appointed under the *Racing Venues Development Act 1982* to control land for establishing, extending or developing the land as a racing venue, and for any other purpose decided by the Governor in Council.
16. In July 2007, the preferred site for the new Gold Coast University Hospital was announced. The selected site includes a portion of the land currently occupied by the Parklands Gold Coast Trust.

17. In Stage 1 of a two stage Gold Coast University Hospital development process, the Gold Coast Greyhound Racing Club was required to vacate the Parklands site by 1 September 2008.
18. Stage 2 of the development process will see the resumption of the balance of the Parklands site by 30 September 2013, requiring the remaining tenants of the Trust, including the Gold Coast Harness Racing Club, to vacate the site by this time.
19. Parklands Gold Coast is also the site for the Athletes' Village for the 2018 Commonwealth Games.

Media activity

20. A media article appearing in the Gold Coast Sun indicated that the Gold Coast Harness Racing Club will seek financial compensation for having to vacate the Parklands venue, based on the fact that it was not compensated directly in 1988 for the resumption of the Queen Street, Southport land.
21. The Breeders, Owners, Trainers and Reinspersons Association and the Gold Coast, Albion Park and Redcliffe Harness Racing Clubs and the Breeders Association have been signatories to a series of full page advertisements in *The Courier-Mail* calling for compensation for the loss of tenure at Parklands and for a replacement Gold Coast harness racing venue.

Responsibility for development of harness facilities

22. Racing Queensland, as the control body for harness racing, is responsible for identifying a replacement venue for harness racing currently conducted at Parklands, if one is required.
23. The establishment of a replacement harness racing facility is one of the issues addressed by the Industry Infrastructure Plan approved by Government.
24. Racing Queensland has confirmed compensation for the harness racing code vacating the Parklands site in 2013 would not be required if the Government provided the funding for Racing Queensland Industry Infrastructure Plan.
25. The latest Industry Infrastructure Plan has harness racing to continue at Albion Park until legal action initiated by the former harness racing control body, Harness Racing Queensland, is finalised.
26. The Industry Infrastructure Plan contains plans for a new harness racing facility at Deagon and initial works for a new harness racing facility at Ipswich, inside the thoroughbred racing track, which will be funded from the eventual sale of Albion Park.

Attachments

27. Nil

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To: Honourable Tim Mulherin MP,
Minister for Agriculture, Food and
Regional Economies

Copy: Mark Bermingham
Acting Director-General
Agriculture, Food and Regional
Services
Robert Setter
Associate Director-General
Agriculture, Food and Regional
Services

From: Mike Kelly
Executive Director
Office of Racing
13 February 2012

Endorsed: Mike Kelly
Executive Director
Office of Racing

Meeting with Australian Trainers Association (ATA)

Summary/Recommendation

1. It is recommended you note the contents of this brief.

Timing

2. The meeting is scheduled for Monday, 13 February 2012 at 5pm in a private room at the Hamilton Hotel, Racecourse Road, Hamilton.
3. Attendees include:
 - Pat Duff, President of the ATA
 - Cameron Partington, Qld Coordinator, ATA (0433 329 395)
 - 4 other members of the ATA (Prominent Trainers)
4. Mike Kelly, Executive Director, Office of Racing will attend the meeting as the Department representative.

Background

5. The ATA is the national body that represents thoroughbred trainers Australia wide.

Issues

Prize money

6. The distribution of prize money is the responsibility of the control body, Racing Queensland Limited.
7. The Queensland Government has never directly funded prize money.
8. The government policy position is that it will not fund prizemoney for the racing industry.

9. The amount of money available for distribution is directly related to the revenue supplied from the industry's commercial deal with Tattsbet and Race Fields fees.
10. Comparisons between Queensland and Victoria and New South Wales are unrealistic given the population disparities across the states and, therefore, TAB turnover and industry revenue.

Queensland Thoroughbred Incentive Scheme (QTIS)

11. QTIS is a breeding-incentive scheme that provides additional prizemoney to QTIS registered horses on specifically programmed races.
12. QTIS is aimed at improving the quality of Queensland-bred thoroughbreds and encouraging the ownership and breeding of Queensland horses.
13. The QTIS scheme is funded by Racing Queensland and owners/trainers who participate in the scheme. While the majority of funding for QTIS comes from Racing Queensland, in managing the scheme, Racing Queensland works closely with the Thoroughbred Breeders Association of Queensland.
14. Under the 2011 scheme, the advertised bonus for QTIS was \$11.03 million.
15. Racing Queensland released a revised QTIS prize money program for 2012 onwards with proposed bonuses of \$8.8 million, a reduction of \$2.150 million. \$900,000 of these savings is planned to be directed to increasing midweek and provincial prize money.
16. In developing the revised QTIS prizemoney program, Racing Queensland worked with the Thoroughbred Breeders Queensland Association (TBQA) negotiating committee, comprising Basil Nolan, Bob Frappell, David Lucas and Neville Stewart. Based on information provided by Mr Stewart, there is a considerable level of dissatisfaction with the proposed QTIS model.
17. While the operation and funding of QTIS, is a matter for the racing industry and it is not something in which the government is directly involved in, any scheme that does not have the support of the racing industry is unlikely to be successful in achieving the aim of encouraging the ownership and breeding of Queensland horses.

Racing Industry Capital Development Scheme (RICDS)

18. The RICDS will provide \$110 million in infrastructure funding to 2014-15 to the racing industry to fund Racing Queensland's Industry Infrastructure Plan (IIP).
19. This is the largest single investment in the racing industry by any Government in Australia.
20. The RICDS will fund many key projects that will underpin the future development and security of the industry.

21. Projects under Racing Queensland's recently revised IIP include:
- \$8.2 million upgrade to Beaudesert;
 - \$35.4 million for the Gold Coast;
 - the withdrawal of the Development Application for Deagon and \$2 million reserved for a new master plan for the site;
 - \$24 million for a new greyhound racing facility at Cronulla Park, Logan, including a one and two turn track, training facilities, grandstand and public amenities;
 - \$6 million for the Ipswich Turf Club to construct a tunnel under the course proper, which will facilitate access to the infield for the preparation of a secondary greyhound and harness track and to maximise the potential of a development site fronting Brisbane Road;
 - \$6 million to relocate Townsville greyhounds from the showgrounds to Cluden Park; and
 - significant other investment in Cairns, Mackay, and Rockhampton (see **Attachment 1**).
22. Should any future development be planned at Deagon, Racing Queensland would be required to undertake a new Development Application process which would include detailed consultation with all stakeholder groups. At this stage, no such activity is planned for the immediate future.

Governance

23. The amalgamation of the control bodies removes the duplication of resources and ensures decisions are taken in the best interests of the entire Queensland racing industry.
24. The next 2 years are crucial to the racing industry as the current commercial agreement with Tattsbet ends on 30 June 2014.
25. Having an experienced, unified, integrated and stable voice for the industry during these negotiations will enable long term planning for the racing industry.
26. The amalgamation of the control bodies has already resulted in operational savings of almost \$1.3 million in the first year of operation.

Attachments

27. Amended Industry Infrastructure Plan.

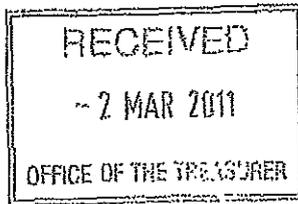
Author

Mike Kelly

Action Officer: Roger Wilesmith
Tel: 323 41404



Hon Tim Mulherin MP
Member for Mackay

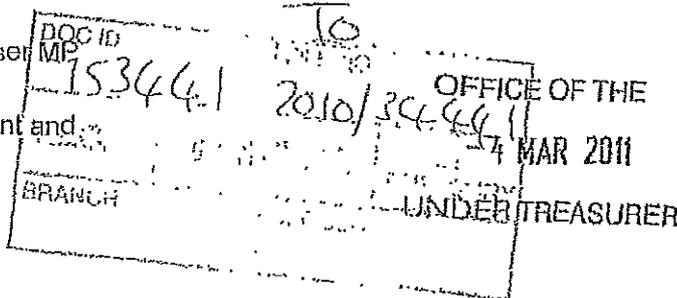


Queensland
Government

Minister for Primary Industries,
Fisheries and Rural and Regional
Queensland

25 FEB 2011

The Honourable Andrew Fraser
Treasurer and
Minister for State Development and
Trade
GPO Box 611
BRISBANE QLD 4001



Dear *Andrew* Treasurer

I refer to the letter, dated 18 February 2011, from the former Minister for Tourism and Fair Trading, the Honourable Peter Lawlor MP, seeking your approval to allocate \$2.35 million from the Racing Industry Capital Development Scheme to Racing Queensland for flood remediation works and to assist non-TAB (country) thoroughbred race clubs achieve minimum workplace, health and safety standards.

Racing Queensland, and the race clubs affected by the recent flooding and cyclone events are experiencing financial pressures resulting from damage to racing infrastructure. Accordingly, I would appreciate it if you could give your urgent consideration to this matter so that the funds required by Racing Queensland to addresses the abovementioned matters can be provided.

If you require any further information regarding this matter, please do not hesitate to contact Chris McJannett in my office on telephone 07 3225 1319 or email Chris.McJannett@ministerial.qld.gov.au.

Yours sincerely

Tim Mulherin

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

Level 8
Primary Industries Building
80 Ann Street Brisbane
GPO Box 46 Brisbane
Queensland 4001 Australia
Telephone +61 7 3239 3000
Facsimile +61 7 3229 8541
Email dpi@ministerial.qld.gov.au



COPY



Queensland
Government

Hon Tim Mulherin MP
Member for Mackay

Reference: GTS01594/11

Minister for Primary Industries,
Fisheries and Rural and Regional
Queensland

18 APR 2011

Mr Dave Irwin
President
Gold Coast Greyhound Racing Club
108 Bromley Street
Cornubia Qld 4130

Dear Mr Irwin

I refer to your letter of 14 February 2011 to the former Minister responsible for racing Mr Peter Lawlor MP regarding compensation to the greyhound racing code for the loss of the greyhound racing track at Parklands. As this issue now falls within my responsibilities as Minister for Agriculture, Food and Regional Economics, your correspondence has been forwarded to me for consideration.

The Government offered compensation to the greyhound code control body, now Racing Queensland Limited, on the condition the control body applied the funds to the development of a new greyhound racing facility.

The control body for racing in Queensland, Racing Queensland is responsible for managing the three codes of racing. This responsibility includes identifying the need for industry facilities and their location.

Racing Queensland has publicly released its draft Industry Infrastructure Plan on 7 December 2010 and conducted state wide consultation on the plan in December 2010. I would encourage you to discuss your concerns directly with Racing Queensland as they are responsible for the implementation of the Plan. Racing Queensland has yet to submit the final version of the Industry Infrastructure Plan and as such, the Government has not given any formal consideration to the Plan.

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Email dpi@ministerial.qld.gov.au
ABN 65 959 415 258

The contents of your letter have been noted and I thank you for bringing your views to my attention.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tim Mulherin'. The signature is written in a cursive style with a prominent initial 'T'.

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay



Hon Tim Mulherin MP
Member for Mackay

Reference CTS 04224/11

05 JUL 2011

Ms Patricia Marchant
Secretary
Queensland Greyhound Breeders
Owners and Trainers Association
PO Box 1077
Beenleigh Qld 4207



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

Dear Ms Marchant

Thank you for your letter of 26 April 2011 concerning the payment of compensation to the greyhound racing code for the loss of the greyhound racing track at Parklands.

The compensation offered to the then greyhound code control body, Greyhounds Queensland Limited, was on the condition the control body applied the funds to the development of a new greyhound racing facility. No compensation was offered to the Gold Coast Greyhound Racing Club for the loss of the greyhound racing track at Parklands.

I am advised that any funding under this agreement would be provided to Racing Queensland, the control body now responsible for greyhound racing.

As the control body for racing in Queensland, Racing Queensland is responsible for managing the three codes of racing. This responsibility includes identifying the need for racing industry facilities and their location.

The Queensland Government has yet to formally consider a final version of the Racing Industry Infrastructure Plan, including any plan for the development of a new greyhound racing facility.

Should you wish to discuss this matter in detail, I suggest that you contact Racing Queensland direct on (07) 3869 9777 to make the necessary arrangements.

Yours sincerely

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

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Facsimile +61 7 3229 8541
Email agriculture@ministerial.qld.gov.au
ABN 65 959 415 158



COPY



Queensland
Government

Hon Tim Mulherin MP
Member for Mackay

Reference: 04503/11

Minister for Agriculture, Food
and Regional Economies

19 JUL 2011

Mr John Smith
Chairman
Cairns Jockey Club Inc
PO Box 12079
Cairns DC Qld 4870

Dear Mr Smith

As you would be aware, Racing Queensland Limited recently submitted a revised racing industry infrastructure plan to government that addresses critical infrastructure needs of the three codes of racing throughout the State.

The revised plan makes provision for approximately \$110 million of expenditure on upgrades to existing infrastructure as well as the construction of a new multi-purpose facility for harness and greyhound racing at Deagon.

To fund these projects the State Government will provide an extra \$20 million in addition to the \$80 million that had already been promised under the Racing Industry Capital Development Scheme. A one off payment of \$10 million related to the government's previous commitment to compensate the previous greyhound control body for the loss of the use of the Parklands racing complex will also be provided.

This will take the total for the scheme to over \$110 million, the single largest commitment by any government to the racing industry in Australia. Please see the attached media release for further detail.

I am pleased to advise that the Cairns Jockey Club will benefit under Racing Queensland's revised industry infrastructure plan with \$1.06 million earmarked for priority capital works at Cannon Park Racecourse. To expedite commencement of these works, I would encourage you to work closely with Racing Queensland to prepare a detailed business case and project plan. The business case will then be submitted by Racing Queensland to government for final consideration.

The State Government is totally committed to supporting the Queensland racing industry and, in partnership with Racing Queensland, to delivering first class racing facilities at race clubs across the State.

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Email agriculture@minlsterial.qld.gov.au
ABN 65 959 415 158

If you require any further information regarding this matter, please do not hesitate to contact Mr Mike Kelly, Executive Director, Office of Racing on telephone 07 3234 1400 or email michael.kelly@racing.qld.gov.au.

Yours sincerely



TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

Att



Hon Tim Mulherin MP
Member for Mackay



Queensland
Government

Minister for Agriculture, Food and
Regional Economies

GOVERNMENT APPROVES \$110 MILLION FOR QUEENSLAND RACING INDUSTRY

The Queensland Government has announced an extra \$20 million for the Queensland racing industry, in addition to the \$80 million that had already been promised as part of the Racing Industry Capital Development Scheme, taking the total for the scheme to over \$100 million.

Minister for Agriculture, Food and Regional Economies Tim Mulherin said the funding will be provided immediately in the form of a \$100 million loan from the Queensland Treasury Corporation.

"This will allow the industry to progress immediately with priority infrastructure developments around the state and provide improved race facilities for local communities," he said.

"Racing Queensland will also access the \$10 million previously committed by this Government as compensation for the loss of Parklands as a greyhound racing complex in 2008.

"This will take total funding from the Government to \$110 million and allow immediate implementation of a revised Industry Infrastructure Plan developed by Racing Queensland."

Mr Mulherin said the revised Industry Infrastructure Plan will enable works to commence on projects regardless of the outcome of the Albion Park legal proceedings.

"It became clear that without action the broader racing industry would suffer as a result of these ongoing legal proceedings," he said.

"As a result, the Government has approved a revised Industry Infrastructure Plan submitted by Racing Queensland Limited that identifies major works on which the \$110 million will be spent.

"The Queensland Government is backing the racing industry to ensure its growth into the future," Mr Mulherin said.

Mr Mulherin said the \$100 million loan would be repaid from redirection of 50 per cent of wagering tax over five years.

"This loan will provide the industry with the immediate funding to be able to provide modern, high quality infrastructure and facilities."

Mr Mulherin said projects proposed under Racing Queensland's program for major facility upgrades include:

- \$35.4 million for the Gold Coast
- \$7.27 million for Beaudesert
- \$1.96 million for Cairns
- \$6.34 million for Townsville
- \$7.44 million for Mackay
- \$1.6 million for Rockhampton
- \$39.9 million for the redevelopment of the Deagon training complex to a dual purpose harness and greyhound facility.

Mr Mulherin said \$5 million had been approved immediately to provide for urgent works at the Mackay Turf Club to ensure the facility was of an appropriate standard to continue to host TAB meetings.

"The Government has already provided \$2.35 million to Racing Queensland from the Scheme to fund repairs to infrastructure damaged in the January floods and Cyclone Yasi," he said.

"As part of that allocation, \$900,000 has been provided to help small country and regional thoroughbred clubs meet Racing Queensland's Workplace Health and Safety standards."

Mr Mulherin said the redevelopment of the Ipswich thoroughbred racing complex as a multi-code venue has been delayed because of legal action regarding Albion Park Raceway by the former harness racing control body, Queensland Harness Racing Limited.

"It is unfortunate that a few individuals are preventing Racing Queensland delivering on the Ipswich redevelopment," he said.

"However, Racing Queensland has assured me that once the current legal action is resolved they will move on the Ipswich redevelopment."

"This Government is totally supportive of the Queensland racing industry and, in partnership with Racing Queensland, to delivering first class racing facilities at our race clubs."

Media Contact: 32396530



Hon Tim Mulherin MP
Member for Mackay

Reference: 04603/11

COPY



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

19 JUL 2011

Mr Royce Ahern
Chairman
Beaudesert Race Club Inc
PO Box 84
Beaudesert Qld 4285

Dear Mr Ahern

As you would be aware, Racing Queensland Limited recently submitted a revised racing industry infrastructure plan to government that addresses critical infrastructure needs of the three codes of racing throughout the State.

The revised plan makes provision for approximately \$110 million of expenditure on upgrades to existing infrastructure as well as the construction of a new multi-purpose facility for harness and greyhound racing at Deagon.

To fund these projects the State Government will provide an extra \$20 million in addition to the \$80 million that had already been promised under the Racing Industry Capital Development Scheme. A one off payment of \$10 million related to the government's previous commitment to compensate the previous greyhound control body for the loss of the use of the Parklands racing complex will also be provided.

This will take the total for the scheme to over \$110 million, the single largest commitment by any government to the racing industry in Australia. Please see the attached media release for further detail.

I am pleased to advise that the Beaudesert Race Club will benefit under Racing Queensland's revised industry infrastructure plan with \$7.27 million earmarked for priority capital works at Beaudesert Racecourse. To expedite commencement of these works, I would encourage you to work closely with Racing Queensland to prepare a detailed business case and project plan. The business case will then be submitted by Racing Queensland to government for final consideration.

The State Government is totally committed to supporting the Queensland racing industry and, in partnership with Racing Queensland, to delivering first class racing facilities at race clubs across the State.

8th Floor Primary Industries Building
80 Ann Street Brisbane 4000
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Facsimile +61 7 3229 8541
Email agriculture@ministerial.qld.gov.au
ABN 65 959 415 158

If you require any further information regarding this matter, please do not hesitate to contact Mr Mike Kelly, Executive Director, Office of Racing on telephone 07 3234 1400 or email michael.kelly@racing.qld.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tim Mulherin". The signature is written in a cursive style with a large initial 'T'.

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

Att



Hon Tim Mulherin MP
Member for Mackay



**Queensland
Government**

Minister for Agriculture, Food and
Regional Economies

GOVERNMENT APPROVES \$110 MILLION FOR QUEENSLAND RACING INDUSTRY

The Queensland Government has announced an extra \$20 million for the Queensland racing industry, in addition to the \$80 million that had already been promised as part of the Racing Industry Capital Development Scheme, taking the total for the scheme to over \$100 million.

Minister for Agriculture, Food and Regional Economies Tim Mulherin said the funding will be provided immediately in the form of a \$100 million loan from the Queensland Treasury Corporation.

"This will allow the industry to progress immediately with priority infrastructure developments around the state and provide improved race facilities for local communities," he said.

"Racing Queensland will also access the \$10 million previously committed by this Government as compensation for the loss of Parklands as a greyhound racing complex in 2008.

"This will take total funding from the Government to \$110 million and allow immediate implementation of a revised Industry Infrastructure Plan developed by Racing Queensland."

Mr Mulherin said the revised Industry Infrastructure Plan will enable works to commence on projects regardless of the outcome of the Albion Park legal proceedings.

"It became clear that without action the broader racing industry would suffer as a result of these ongoing legal proceedings," he said.

"As a result, the Government has approved a revised Industry Infrastructure Plan submitted by Racing Queensland Limited that identifies major works on which the \$110 million will be spent.

"The Queensland Government is backing the racing industry to ensure its growth into the future," Mr Mulherin said.

Mr Mulherin said the \$100 million loan would be repaid from redirection of 50 per cent of wagering tax over five years.

"This loan will provide the industry with the immediate funding to be able to provide modern, high quality infrastructure and facilities."

Mr Mulherin said projects proposed under Racing Queensland's program for major facility upgrades include:

- \$35.4 million for the Gold Coast
- \$7.27 million for Beaudesert
- \$1.96 million for Cairns
- \$6.34 million for Townsville
- \$7.44 million for Mackay
- \$1.6 million for Rockhampton
- \$39.9 million for the redevelopment of the Deagon training complex to a dual purpose harness and greyhound facility.

Mr Mulherin said \$5 million had been approved immediately to provide for urgent works at the Mackay Turf Club to ensure the facility was of an appropriate standard to continue to host TAB meetings.

"The Government has already provided \$2.35 million to Racing Queensland from the Scheme to fund repairs to infrastructure damaged in the January floods and Cyclone Yasi," he said.

"As part of that allocation, \$900,000 has been provided to help small country and regional thoroughbred clubs meet Racing Queensland's Workplace Health and Safety standards."

Mr Mulherin said the redevelopment of the Ipswich thoroughbred racing complex as a multi-code venue has been delayed because of legal action regarding Albion Park Raceway by the former harness racing control body, Queensland Harness Racing Limited.

"It is unfortunate that a few individuals are preventing Racing Queensland delivering on the Ipswich redevelopment," he said.

"However, Racing Queensland has assured me that once the current legal action is resolved they will move on the Ipswich redevelopment."

"This Government is totally supportive of the Queensland racing industry and, in partnership with Racing Queensland, to delivering first class racing facilities at our race clubs."

Media Contact: 32396530

COPY



Hon Tim Mulherin MP
Member for Mackay



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

Reference: 05746/11

16 SEP 2011

Mr William Dixon
President
Breeders, Owners, Trainers
and Retirees Association (Qld) Inc.
PO Box 689
Albion BC Qld 4010.

Dear Mr Dixon

I refer to your letter of 25 July 2011, which was copied to all members of Parliament, regarding the harness racing code.

The Racing Industry Capital Development Scheme (RICDS) will provide in excess of \$110 million in Government funding for specific racing industry infrastructure projects. The Government has never made any commitment that the money would be distributed between the three codes of racing on a percentage basis. Under the RICDS, I am advised that a new \$40 million joint harness and greyhound racing facility is planned to be constructed at the current site of the Deagon Thoroughbred Training Complex.

While you have referred to the 'Product and Program Agreement', it would appear that you are in fact referring to the former 'Intercode Agreement' between the three former separate control bodies, which specified the allocation of funding to each code from revenue received from Tattsbet. The 'Intercode Agreement' was a contract between three former separate control body companies and, when a single company became the control body on 1 July 2010, the agreement ceased. The Government did not, nor had any power to, give any promises or guarantees regarding the dissemination of funds between the codes. The spending of industry funds has always been a matter for the industry control bodies, as is the case in every other State and Territory in Australia.

You have also raised a number of industry issues involving commercial and operational decisions taken by the control body. The Government has no involvement in these matters. As is the situation in all Australian jurisdictions, decisions regarding the allocation of race meetings and prize money are matters for the control body. The Government does not have, and never has had, any role in these decisions and the racing industry has long campaigned to make sure government does not involve itself in this decision-making. This policy approach is reflected in the *Racing Act 2002*.

8th Floor Primary Industries Building
80 Ann Street Brisbane 4000
GPO Box 48
Brisbane 4001 Queensland
Telephone +61 7 3239 3000
Facsimile +61 7 3229 8541
Email agriculture@mhinisterof.qld.gov.au
ABN 65 959 435 158

The racing industry, like many other sport and recreation sectors, faces many challenges to ensure its market share in the leisure and wagering markets is maintained or able to grow. The establishment of Racing Queensland as the control body for the three codes of racing enables decisions to be made in the interests of the entire Queensland racing industry to ensure its competitiveness in the commercial marketplace, rather than representing the often competing interests of each individual code.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tim Mulherin". The signature is written in a cursive, slightly slanted style.

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economics
Member for Mackay

Edocs-486389

CTS 09821/11
RAC-00643

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

AS
17.11.11

To:
Hon Tim Mulherin MP
Minister for Agriculture, Food and
Regional Economies

Copy:
Ian Fletcher, Director-General
Rob Setter, Associate Director-
General

From:
Mike Kelly, Executive Director,
Office of Racing

Endorsed:
Mike Kelly, Executive Director,
Office of Racing

NOTED
3/10/11
DDG, AF

27 October 2011

Control Body Assessment Program 2011

Summary/Recommendation

1. To seek your approval on the scope of the 2011 Control Body Assessment Program as required by section 46 of the *Racing Act 2002* (the Act).
2. It is recommended that you approve the Control Body Assessment Program for 2011 (**Attachment 1**) in accordance with section 46(3) of the Act.

NOTED
3/10/11
ADG, SAFRS
pm
17.11.11

Background

3. Section 46 of the Act requires that each year, the Chief Executive must prepare and provide to the Minister a program for assessing the suitability of control bodies to manage their relevant code of racing. In accordance with section 46(3) of the Act, you may approve the program for the year, with or without changes.
4. Racing Queensland Limited, as the control body for all three codes of racing, is the relevant control body to be assessed.

Issues

5. Section 109 of the Act provides that a race club may only hold a race or betting meeting at a licensed venue.
6. Section 34 of the Act gives Racing Queensland the powers necessary to license racing venues.

7. The aim of the 2011 Control Body Assessment Program is to assess:
- Racing Queensland's compliance with section 109 of the Act in ensuring all thoroughbred, harness and greyhound venues at which race meetings are to be conducted during the period 1 July 2011 to 30 June 2012 are licensed;
 - That all venue licences include the real property description of the licensed venue; and
 - How effectively the policy on 'the standard required of licensed venues, including criteria for different categories of venues' under section 81(k) has been implemented in regard to the minimum standards for licensed venues.

The assessment program is proposed to commence in November 2011 and be undertaken by the Office of Racing.

Attachments

8. Attachment 1: Program for Assessing the Suitability of a Control Body 2011

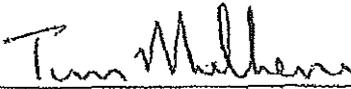
Next steps

9. The Office of Racing will conduct the assessment and the outcome will be the subject of a separate brief.

Mike Kelly

Action Officer: Roger Wilesmith
Tel: 323 41404

CTS 09321/11
RAC-00643

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
Approved	
	
Tim Mulherin Minister for Agriculture, Food and Regional Economies	
17/11/11	

Attachment 1

Program for Assessing the Suitability of a Control Body 2011

Assessment

The assessment will be conducted under section 46 of the *Racing Act 2002*.

Assessment Program

The Office of Racing will assess:

- Racing Queensland's compliance with section 109 of the Act in ensuring all thoroughbred, harness and greyhound venues at which race meetings are to be conducted during the period 1 July 2011 to 30 June 2012 are licensed;
- That all venue licences include the real property description of the licensed venue; and
- How effectively the policy on 'the standard required of licensed venues, including criteria for different categories of venues' under section 81(k) has been implemented in regard to the minimum standards for licensed venues.

Assessment Scope

Racing Queensland Limited will be assessed for its suitability to manage the thoroughbred, harness and greyhound codes of racing.

Conduct of Assessment Program

The assessment for 2011 will be undertaken by the Office of Racing and is proposed to commence in November 2011.

Control Body Interview Questions 2011 Control Body Assessment Program

The 2011 assessment program will assess Racing Queensland's (RQL) compliance with section 109 of the Act in ensuring all thoroughbred, harness and greyhound venues at which race meetings are to be conducted during the period 1 July 2011 to 30 June 2012 are licensed.

109 Licensed club to hold race and betting meeting at licensed venue when under control of control body that licensed club and venue

(1) A licensed club must not hold a contest, contingency or event in which 2 or more animals compete against each other for the purpose of providing a contest, contingency or event on which bets may be made, unless it is held—

- (a) at a licensed venue of the licensed club; and
- (b) under the control of the control body that licensed the club and venue.

Racing Maximum penalty—200 penalty units.

(2) A licensed club must not hold a meeting at which betting is carried on and at which a race is not held, unless the meeting is held—

- (a) at a licensed venue of the licensed club; and
- (b) under the control of the control body that licensed the club and venue.

Maximum penalty—200 penalty units.

1. Please provide a list of all venues where a race meeting has been and is scheduled to be held during the period 1 July 2011 to 30 June 2012.
2. Are all of the venues licensed by RQL for this period?
3. Were there any other race meetings held or are there any planned at venues that are not identified in Question 1?

The 2011 assessment program will assess that all venue licences include the real property description of the licensed venue.

4. Please provide a copy or display a copy of all venue licences for those venues named in 1.
5. Do the venue licences contain real property descriptions (Lot on Plan).

The 2011 assessment program will assess how effectively the policy on 'the standard required of licensed venues, including criteria for different categories of venues' under section 81(k) has been implemented in regard to the minimum standards for licensed venues.

6. Further to RQL's policy under section 81(k), what measures does RQL have in place to monitor minimum standards?
7. Under section 39 of the *Racing Act 2002* and the Policy, RQL must have a program to audit the suitability of every licensed club and venue to continue to be licensed. Please provide details on this program for 2011 and progress of the program to be put in place for 2012.
8. Have licensed venues been adhering to the policy in regards to obtaining risk assessments by an accredited WH&S officer and providing them to RQL a minimum of two weeks prior to a race meeting as required?
12. How has RQL been policing the requirement in Question 11?
13. If a licensed venue fails to, or cannot meet a minimum standard it must immediately notify RQL with details of the non-compliance and any steps taken, or to be taken, to remedy the breach. Has this requirement been effective?



**RACING
QUEENSLAND**

Racing Queensland Limited
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BRIEFING NOTE

TO: Hon. Tim Mulherin MP
FROM: Mr Bob Bentley
SUBJECT: Daagon
DATE: 31 October 2011
NO OF PAGES: 3

Background on Industry Infrastructure plan (Plan)

Findings at a glance as at the end of 2010 were:

- 68% support across all three codes for the Plan.
- 251 media articles on the Plan including several pro-Plan front page stories and supportive editorial in major regional papers.
- It is estimated this media coverage reached an audience of more than 49.9 million people across Australia.
- All thoroughbred racing clubs, amateur associations and industry stakeholder groups in Cairns, Townsville, Mackay, Rockhampton, Gold Coast, Beaudesert and Ipswich in full support.
- All greyhound clubs and industry stakeholder groups in Cairns, Townsville, Rockhampton, Ipswich and Brisbane (including the Brisbane Greyhound Club) in full support.
- Provincial clubs voiced public concern that if the Plan was not immediately implemented then the changes needed would be too slow to save their local industries.
- More than 260 individuals met with the RQL working group during the two-week feedback process.

- 275 pieces of correspondence were received from 167 stakeholders and other interested parties.
- A strong belief existed within the harness racing fraternity it had previously owned Albion Park, despite the facility being 50% shared by the greyhound industry.
- Many of the negative responses from harness participants were due to the LNP promising to demerge the codes and retain Albion Parks should it win the next State election at the expense of other industry facilities across Queensland.

Progress to date

- Extensive briefings did take place within the local community via local members, chamber of commerce, affected stakeholders, etc, in December 2010 and updates have continued as available.
- Much work was done in the first six months of 2011 to try to reconfigure the proposal for Deagon to factor in the wish list of the thoroughbred trainers to avoid the obvious fight such a change would bring about. There was also some hope a ruling regarding Albion Park would offer some more flexibility to planning.
- A requirement by Treasury advised on August 11, 2011, that Deagon would need all council approvals in place prior to a business case being lodged further complicated matters. It further advised only weeks ago that all council approvals would need to be in place prior to a business case being lodged.
- RQL was under considerable pressure to lodge the Deagon MOU, which was only finalised and lodged on October 8, 2011.
- Expert advice deemed at that time it was only required to be lodged as code assessable rather than impact assessable however will now no longer be the case.
- Public consultation will now be undertaken as part of the Deagon Public Advertising Period within the lodgement process. It requires 90 business days due to the proximity to wetland and the Christmas period from December 20 to January 5 is not included. Therefore the timing for public comment is scheduled to run from December 5, 2011, to February 6, 2012. RQL will be undertaking public information sessions now that an impact assessable application has been lodged during November and December.
- Regarding public comment it should be noted that it is RQL's advice this absolutely falls within the current Sport and Recreation zoning of the site. In fact, if the hours of operation were 7am-7pm (and not the proposed 9.30pm

- 276 pieces of correspondence were received from 161 stakeholders and other interested parties.
- A strong belief existed within the harness racing fraternity it had previously owned Albion Park, despite the facility being 50% shared by the greyhound industry.
- Many of the negative responses from harness participants were due to the LNF promising to demerge the codes and retain Albion Parks should it win the next State election at the expense of other industry facilities across Queensland.

Progress to date

- Extensive briefings did take place within the local community via local members, chamber of commerce, affected stakeholders, etc, in December 2010 and updates have continued as available.
- Much work was done in the first six months of 2011 to try to reconfigure the proposal for Deagon to factor in the wish list of the thoroughbred trainers to avoid the obvious fight such a change would bring about. There was also some hope a ruling regarding Albion Park would offer some more flexibility to planning.
- A requirement by Treasury advised on August 11, 2011, that Deagon would need all council approvals in place prior to a business case being lodged further complicated matters. It further advised only weeks ago that all council approvals would need to be in place prior to a business case being lodged.
- RQL was under considerable pressure to lodge the Deagon MCU, which was only finalised and lodged on October 8, 2011.
- Expert advice deemed at that time it was only required to be lodged as code assessable rather than impact assessable however will now no longer be the case.
- Public consultation will now be undertaken as part of the Deagon Public Advertising Period within the lodgement process. It requires 30 business days due to the proximity to wetland and the Christmas period from December 20 to January 5 is not included. Therefore the timing for public comment is scheduled to run from December 5, 2011, to February 6, 2012. RQL will be undertaking public information sessions now that an impact assessable application has been lodged during November and December.
- Regarding public comment it should be noted that it is RQL's advice this absolutely falls within the current Sport and Recreation zoning of the site. In fact, if the hours of operation were 7am-7pm (and not the proposed 9.30pm

to accommodate night racing broadcast needs) this application would be "self assessable".

- Council town planners will make their recommendations based on key impacts such as noise, traffic, lighting which are all well covered in specialist reports and should (according to expert advice) pose no issue for a recommendation by town planning to approve.
- Should a meeting of full council vote down the application, then it may need to be appealed in the Planning and Environment Court. RQL would be clearly able to demonstrate according to its expert advice that it had met planning criteria and the court would rule solely on planning issues. This cost has been factored into the additional \$1m for business cases.
- Almost 12 months on from the launch of the Plan, RQL has progressed this vital industry project as far as it is able. Without the Government now partially releasing some of its promised funds the entire project hangs in the balance.

Options for discussion

- The shortening time span for a new facility to be completed to replace Parklands (2019).
- Possibility of State Government exercising its right to take over the application and approval process.
- Continue the current application through council.

End Briefing Note...

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To:
Hon Tim Mulherin MP, Minister
for Agriculture, Food and Regional
Economics

Copy:
Mr Ian Fletcher, Director-General,
Department of Employment,
Economic Development and
Innovation
Mr Robert Setter, Associate
Director-General, Science,
Agriculture, Food and Regional
Services

From:

Mike Kelly, Executive Director,
Office of Racing

Endorsed:

Mike Kelly, Executive Director,
Office of Racing

13 October 2011

**Meeting with Thoroughbred Breeders Queensland
Association (TBQA) President Basil Nolan, Vice President
Stan Johnston and Committee Members Bob Frappell
and Gary Turkington**

Summary/Recommendation

1. The TBQA are meeting with you to discuss thoroughbred prizemoney levels in Queensland, the Queensland Thoroughbred Incentive Scheme (QTIS) and Industry Infrastructure Plan.
2. For noting.

Timing

3. Meeting is to be held at Parliament House (Rm A22), 25 October 2011, 1.00 -2.00 pm . Mike Kelly, Executive Director, Office of Racing will attend as the departmental representative.

Background

4. The TBQA represents thoroughbred racehorse breeders in Queensland and has recently been in negotiations with Racing Queensland regarding changes to the current QTIS and QTIS 600 ('QTIS').

Issues

Prize money

5. The distribution of prize money is the responsibility of the racing control body, Racing Queensland Limited.
6. The Queensland Government has never directly funded prize money.
7. The long-standing government policy position is that it will not fund prizemoney for the racing industry.
8. The amount of money available for distribution as prizemoney is directly related to the revenue earned by the industry through its commercial deal with Tattsbet (expires June 2014).
9. Comparisons of prizemoney levels between Queensland and, Victoria and New South Wales, are unrealistic and misleading given:
 - the population disparities across the states as control body revenue is derived from betting turnover that is dependant upon the size of the betting population.
 - different wagering/gaming arrangements apply in all primary racing jurisdictions that provide differing revenue models to relevant control bodies.
10. The Opposition spokesman for Racing, Mr Tim Nicholls MP, confirmed at the Queensland Racehorse Owners Association AGM held on 19 August 2011 and attended by Murray Watt MP, that the LNP policy position was the same as that adopted by the Queensland Government.

Queensland Thoroughbred Incentive Scheme and Queensland Thoroughbred Incentive Scheme 600 (QTIS)

11. QTIS are thoroughbred breeding-incentive schemes that provide additional prizemoney to QTIS registered horses on specifically programmed races.
12. QTIS is aimed at improving the quality of Queensland-bred thoroughbreds and encouraging the ownership and breeding of Queensland horses.
13. The schemes are funded by Racing Queensland and owners/trainers who participate in the scheme. In managing the scheme, Racing Queensland works with the TBQA.
14. Under the 2011 scheme, the advertised bonus for QTIS was \$11.03 million.
15. Racing Queensland recently released details of the 'new QTIS' that will commence form 2012.
16. Under the new QTIS, the proposed prizemoney bonuses total \$8.8 million, a reduction of \$2.150 million from the previous QTIS

levels. \$900,000 of these savings is planned to be directed to increasing midweek and provincial prize money.

17. Under the new QTIS, registration fees payable by a participating breeder have changed from \$550 (QTIS) and \$3,300 (QTIS 600) to \$1,320 (new QTIS) per horse.
18. QTIS is by far the larger, and more popular, incentive scheme with consistently approximately five times the number of horse registered for that scheme compared to QTIS 600.
19. While the cost of registering a horse for the new QTIS has increased by 140% compared to the current QTIS (\$550 to \$1320), the available new QTIS bonuses have only risen by 47% (\$6.040 million to \$8.88 million).
20. In developing the new QTIS arrangements, Racing Queensland worked with the TBQA negotiating committee, comprising Basil Nolan, Bob Frappell, David Lucas and Neville Stewart. The meeting may provide an opportunity for the Minister to receive feedback on the new arrangements from a thoroughbred industry perspective.
21. It is understood that the new QTIS arrangements were advised to members of the TBQA who attended their annual general meeting. however, the new arrangements were not formally endorsed.
22. While the operation and funding of QTIS, is a matter for the racing industry, the scheme would need to have the support of the breeding industry if it is to be successful in achieving the aim of encouraging the ownership and breeding of Queensland horses.

Racing Industry Capital Development Scheme (RIDCS)

23. RIDCS will provide \$110 million in infrastructure funding to the racing industry over the next five years.
 24. This is the largest single investment in the racing industry by any Government in Australia.
 25. The RIDCS will fund many key projects that will underpin the future development and security of the industry.
 26. This includes funding for major facility upgrades for:
 - \$35.4 million for the Gold Coast;
 - \$7.27 million for Beaudesert;
 - \$1.96 million for Cairns;
 - \$6.34 million for Townsville;
 - \$7.44 million for Mackay;
 - \$1.6 million for Rockhampton; and
- \$39.9 million for the redevelopment of the Deagon training complex to a dual purpose harness and greyhound facility.

Attachments

C:\Documents and Settings\czmcle\Local Settings\Temporary Internet Files\OLKAD\CTS08593-11 BN Meeting with Nolan Frappell et al (TBAO).doc

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To:
Hon Tim Mulhcrin MP
Minister for Agriculture, Food and
Regional Economies

Copy:
Ian Fletcher, Director-General
Rob Setter, Associate Director-
General

From:
Mike Kelly, Executive Director,
Office of Racing

Endorsed:
Mike Kelly, Executive Director,
Office of Racing

26 October 2011

Unauthorised use of Queensland Race Information

Summary/Recommendation

1. That you note the contents of this brief.

Background

2. Section 113C of the *Racing Act 2002* (the Act) provides that a licensed wagering operator must not, whether in Queensland or elsewhere, use Queensland race information unless they have a race information authority.
3. Race information is that information a wagering operator requires to conduct its wagering business and includes information that identifies horses or dogs that have been nominated for, or that will otherwise take part in, a race; the name, number and time of a race; and the name of a jockey or trainer of a horse or dog nominated for a race.
4. Under the Act, racing control bodies have the power to issue race information authorities to licensed wagering operators and charge fees for the use of Queensland race information.
5. The Act does not specify the quantum of the fee or how the fee is to be calculated. That is determined by the control body.
6. Significant penalties apply to breaches of the Act, specifically 600 penalty units or 12 months imprisonment for a first offence, and 4000 penalty units or 5 years imprisonment for subsequent offences.

Issues

7. Advice from Racing Queensland indicates that it has identified 28 bookmakers (from within Queensland and a number of other states) that are using Queensland race information without a race information authority.
8. Racing Queensland has advised the bookmakers of their obligations under the Act.
9. As the bookmakers continue to use Queensland race information without a race information authority, it is proposed that the Office of Racing write to the bookmakers and again advise them of their obligations under the Act and of the penalties that may be imposed (**Attachment 1**).
10. The bookmakers will be given a period of 28 days to comply with the Act and obtain a race information authority if they wish to continue to use Queensland race information.
11. If the bookmakers continue to use race information in breach of the Act after the 28 day period, it is proposed to take steps to initiate prosecution action. This will be the subject of a separate brief.

Attachments

12. **Attachment 1**: Letter to bookmakers from the Executive Director, Office of Racing.

Clearance

13. Racing Queensland was consulted in the preparation of this brief.

Next steps

14. Letter to be sent from the Office of Racing to bookmakers identified by Racing Queensland as using Queensland race information without a race information authority.
15. The bookmakers will have 28 days to comply with the Act and obtain a race information authority.

Mike Kelly

Action Officer: Roger Wilesmith
Tel: 323 41404

CTS
RAC-00641

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
<hr/> Tim Mulherin Minister for Agriculture, Food and Regional Economies / /	

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To:
Hon Tim Mulherin MP
Minister for Agriculture, Food and
Regional Economies

Copy:
Ian Fletcher, Director-General
Rob Setter, Associate Director-
General

From:

Mike Kelly, Executive Director,
Office of Racing

Endorsed:

Mike Kelly, Executive Director,
Office of Racing

2 November 2011

**Meeting with Townsville Greyhound Racing Club
President Garry Heath, Treasurer Christine Hickmont
and committee member Sam Walker**

Summary/Recommendation

1. It is recommended you note the contents of this brief.

Timing

2. The meeting is scheduled for Wednesday, 2 November 2011 at 4.15pm at Level 10, Suncorp Plaza, 61 Sturt St, Townsville.

Background

3. The Townsville Greyhound Racing Club (TGRC) has been a tenant at the Townsville Showground for approximately 30 years.
4. The Townsville Showground is owned by the Queensland Government subject to a Deed of Grant in Trust, with the Townsville Show Society (TSS) as Trustee.
5. The TGRC and the TSS have had a difficult relationship dating back for more than a decade, including the most recent issue relating to the TSS hosting a motor racing event which caused great inconvenience to the TGRC and almost caused the cancellation of greyhound racing.

Issues

6. The TGRC has had discussions with the local member, the Honourable Craig Wallace MP, Minister for Main Roads, Fisheries and Marine Infrastructure, regarding relocating the club.
7. There are currently two options to relocate the TGRC from the Showgrounds. One proposal is to sub-divide a parcel of vacant land at Cluden Park, which is owned by the Townsville Turf Club and build greyhound racing facilities on it. This proposal is forecast to cost approximately \$6 million. (**Attachment**)
8. There is also an option for the TGRC to move to a new sporting precinct. Details of this proposal have not been provided to the Office of Racing.
9. Racing Queensland support the proposal for the TGRC to relocate to either venue due to the poor relationship between the TGRC and the TSS which is unlikely to improve in the foreseeable future.
10. Racing Queensland has indicated that following a meeting with the Townsville Turf Club, there is support to move the TGRC to Cluden Park.
11. The TGRC had a surplus of \$25,000 and liquidity assets of \$156,000 at the end of 2010-11.

Funding

12. It is expected that Racing Queensland would seek government assistance with funding to relocate the TGRC.
13. The relocation of the TGRC from the Showgrounds is not an approved project under the Industry Infrastructure Plan.

Attachments

14. Proposed Townsville Racecourse redevelopment plans.

Author Mike Kelly

Action Officer: Michael Duff
Tel: 3247 4740

CTS09292/11
RAC-00642

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
<hr/>	
Tim Mulherin Minister for Agriculture, Food and Regional Economies / /	

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To:
Hon Tim Mulherin MP
Minister for Agriculture, Food and
Regional Economies

Copy:
Ian Fletcher, Director-General
Rob Setter, Associate Director-
General

From:
Mike Kelly, Executive Director,
Office of Racing

Endorsed:
Mike Kelly, Executive Director,
Office of Racing

27 October 2011

Control Body Assessment Program 2011

Summary/Recommendation

1. To seek your approval on the scope of the 2011 Control Body Assessment Program as required by section 46 of the *Racing Act 2002* (the Act).
2. It is recommended that you approve the Control Body Assessment Program for 2011 (**Attachment 1**) in accordance with section 46(3) of the Act.

Background

3. Section 46 of the Act requires that each year, the Chief Executive must prepare and provide to the Minister a program for assessing the suitability of control bodies to manage their relevant code of racing. In accordance with section 46(3) of the Act, you may approve the program for the year, with or without changes.
4. Racing Queensland Limited, as the control body for all three codes of racing, is the relevant control body to be assessed.

Issues

5. Section 109 of the Act provides that a race club may only hold a race or betting meeting at a licensed venue.
6. Section 34 of the Act gives Racing Queensland the powers necessary to license racing venues.

7. The aim of the 2011 Control Body Assessment Program is to assess:

- Racing Queensland's compliance with section 109 of the Act in ensuring all thoroughbred, harness and greyhound venues at which race meetings are to be conducted during the period 1 July 2011 to 30 June 2012 are licensed;
- That all venue licences include the real property description of the licensed venue; and
- How effectively the policy on 'the standard required of licensed venues, including criteria for different categories of venues' under section 81(k) has been implemented in regard to the minimum standards for licensed venues.

The assessment program is proposed to commence in November 2011 and be undertaken by the Office of Racing.

Attachments

8. Attachment 1: Program for Assessing the Suitability of a Control Body 2011

Next steps

9. The Office of Racing will conduct the assessment and the outcome will be the subject of a separate brief.

Mike Kelly

Action Officer: Roger Wilesmith
Tel: 323 41404

CTS
RAC-00643

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments

Tim Mulherin
Minister for Agriculture, Food
and Regional Economies

/ /

CTS 09940/11
RAC-00652

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

7.12.11

To:
Hon Tim Mulherin MP, Minister for
Agriculture, Food and Regional
Economies

Copy:
Mr Ian Fletcher, Director-General,
Department of Employment,
Economic Development and
Innovation
Mr Robert Setter, Associate
Director-General, Science,
Agriculture, Food and Regional
Services

NOTED
27/11/11
DDG, AF
NOTED
2/12/11
ADG, SARKS

From:
Carol Perrett, A/Executive Director
Office of Racing

Endorsed:
Carol Perrett, A/Executive Director
Office of Racing

17 November 2011

Approval – 2011-2012 Training Track Subsidy Scheme

Summary/Recommendation

1. To advise you of the Training Track Subsidy Scheme (the Scheme) arrangements.
2. That you approve the threshold payments under the 2011-12 Scheme to be paid to each of the eligible race clubs and Racing Queensland Limited (for Deagon Racecourse, Callaghan Park Racecourse, Rockhampton and Corbould Park Racecourse, Caloundra) for the amounts specified in **Attachment 1** and totalling \$1.2 million (GST exclusive).
3. Approve the payment of a grant of \$800,000 (GST exclusive) to Racing Queensland for the incentive component of the 2011-12 Scheme.
4. Sign the letter to the chair of Racing Queensland (**Attachment 2**) which details funding, grant distribution and acquittal arrangements for the 2011-12 Scheme and requests the funding agreement (**Attachment 3**) be executed and returned to the Department of Employment, Economic Development and Innovation.

Background

5. The Scheme has been in operation since 1997 with the objective of off-setting the costs to Queensland thoroughbred race clubs of maintaining training facilities at their venues, thereby enhancing their ability to service the racing industry throughout Queensland.
6. The Scheme is administered by Racing Queensland under a funding agreement which is executed each year between Racing Queensland and the State. Key elements of the Scheme are:
 - The State provides \$2 million (GST exclusive) each year for payments to eligible race clubs in Queensland to assist with the maintenance of their training facilities.
 - The State makes direct 'threshold payments' to race clubs totalling \$1.2 million (GST exclusive), based on eight categories of clubs determined by Racing Queensland using an assessment of the quality and extent of the training facilities each club offers to the racing industry.
 - The State provides Racing Queensland with the balance of \$800,000 (GST exclusive), which it pays as 'incentive payments' to race clubs based on the actual number of starters provided by each venue to the Queensland industry during that year. The level of incentive paid for each starter depends on the category (one to eight) the club is allocated to.
 - Racing Queensland is required to provide a financial reconciliation report to the State by 31 October each year disclosing all payments made under the Scheme for the previous financial year and certifying that all payments have been applied towards maintaining training track facilities.
7. Deagon Racecourse is a major public training facility owned and maintained, not by a race club, but by Racing Queensland. Racing Queensland has also taken over responsibility from the Rockhampton Jockey Club Inc and the Sunshine Coast Turf Club Inc for racing and training facilities at Callaghan Park Racecourse, Rockhampton and Corbould Park, Caloundra, respectively. Racing Queensland is therefore entitled to receive the 'threshold' component payment applicable for these facilities and the 'incentive' component payment based on the actual number of starters supplied by the Deagon, Callaghan Park and Corbould Park racecourses to the industry.
8. Since 2000, threshold payments have been paid directly to the eligible race clubs under a letter from the Minister responsible for racing, usually in February each year, with the incentive payments administered and paid through Racing Queensland.

Attachments

9. **Attachment 1** – 2011-12 Threshold payments.
10. **Attachment 2** – Letter to the chair of Racing Queensland.
11. **Attachment 3** – Funding Agreement.
12. **Attachment 4** – Acquittal of grants received for 2010-11 under the Scheme.

Clearance

13. Racing Queensland has been consulted and has advised the threshold payments payable to individual clubs for 2011-12.
14. Legal Services have cleared the funding agreement (**Attachment 3**).

Next steps

15. Racing Queensland has provided an acquittal of grants provided under the 2010-11 Scheme supported by a financial reconciliation report (**Attachment 4**), which shows that in 2010-11, a total of 69 race clubs benefited from the Scheme.
16. Subject to your approval, the following arrangements for 2011-12 for payments to eligible race clubs under the Scheme are outlined below:
 - The threshold payments to be made by the department totalling \$1.2 million (GST exclusive) direct to each club in February 2012 are shown in **Attachment 1**. As indicated above, the amounts of these payments have been determined by Racing Queensland. Letters from you to each club have been prepared and will be provided to your office as soon as you have considered this brief.
 - Funding for the incentive payments totalling \$800,000 (GST exclusive) will be paid as a grant to Racing Queensland, under the terms of the funding agreement. An initial instalment will be made to eligible race clubs by Racing Queensland in February 2012, with the balance to be paid to each eligible race club in July 2012 following confirmation of the final number of starters in 2011-12 provided by the venue.
 - A letter from you to the chair of Racing Queensland, Mr Bob Bentley, outlining the arrangements proposed for the administration and acquittal of the Scheme funds in 2011-12 is attached (**Attachment 2**) together with a funding agreement for execution by Racing Queensland and subsequently the State (**Attachment 3**).

CTS 09940/11
RAC-00652

Financial Implications

The 2011-12 State Budget includes consolidated fund provision of \$2 million (GST exclusive) for the Scheme in 2011-12, and this has been apportioned by Racing Queensland as \$1.2 million for the threshold payments and \$800,000 for the incentive payments, the same as previous years.

Carol Perrett

Action Officer: Pat Zuj
Tel: 323 41419

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
Approved	
	
Tim Mulherin Minister for Agriculture, Food and Regional Economies	
07/12/11	

**RACING QUEENSLAND
TRAINING TRACK SUBSIDY PAYMENTS 2011-12**

Grade	Clubs	Non TAB/TAB	Threshold Payment	Threshold Payment GST Inclusive
1	Brisbane Racing Club	TAB	315,000	346,500
2	Gold Coast Turf Club	TAB	145,000	159,500
	Toowoomba Turf Club	TAB	145,000	159,500
	Racing Queensland (for Sunshine Coast Turf Club/Corbould Park Racecourse)	TAB	145,000	159,500
3	Racing Queensland (for Deagon Racecourse)	-	60,000	66,000
	Ipswich Turf Club	TAB	60,000	66,000
4	Racing Queensland (for Rockhampton Jockey Club/Callaghan Park Racecourse)	TAB	60,000	66,000
	Townsville Turf Club	TAB	50,000	55,000
5	Cairns Jockey Club	TAB	30,000	33,000
	Mackay Turf Club	TAB	30,000	33,000
6	Atherton Turf Club	Non TAB	8,000	8,800
	Beaudesert Race Club	Non TAB	8,000	8,800
	Burdekin/Ayr/Home Hill	Non TAB	8,000	8,800
	Dalby & NJDC	Non TAB	8,000	8,800
	Emerald Jockey Club	Non TAB	8,000	8,800
	Innisfail Turf Club	Non TAB	8,000	8,800
	Lockyer (Gatton) Race Club	Non TAB	8,000	8,800
	Longreach Jockey Club	Non TAB	8,000	8,800
	Mareeba Turf Club	Non TAB	8,000	8,800
	Nanango Race Club	Non TAB	8,000	8,800
	Warwick Turf Club	Non TAB	8,000	8,800
	Yeppoon	Non TAB	8,000	8,800
7	Barcoo (Blackall) Race Club	Non TAB	4,000	4,400
	Bowen	Non TAB	4,000	4,400
	Bundaberg Race Club	Non TAB	4,000	4,400
	Central Warrego (Charleville) Race	Non TAB	4,000	4,400
	Cunnamulla & Diggers Race Club	Non TAB	4,000	4,400
	Gladstone Turf Club	Non TAB	4,000	4,400
	Goondiwindi Race Club	Non TAB	4,000	4,400
	Gordonvale Turf Club	Non TAB	4,000	4,400
	Gympie Turf Club	Non TAB	4,000	4,400
	Herbert River/Ingham	Non TAB	4,000	4,400
	Mount Isa Race Club	Non TAB	4,000	4,400
	Oakey & District Race Club	Non TAB	4,000	4,000
	Richmond	Non TAB	4,000	4,400
	Roma Turf Club	Non TAB	4,000	4,400
	South Burnett (Wondal) Race Club	Non TAB	4,000	4,400
	Thangool Race Club Inc	Non TAB	4,000	4,400
	Total Threshold Payments		\$1,200,000	\$1,319,600

Note: Racing Queensland has categorised race clubs providing training facilities into eight (8) grades which reflect the extent and quality of the training facilities provided. Only those race clubs categorised into grades 1-7 as shown above are eligible to receive a base "threshold payment". Clubs graded into category 8 are only entitled to receive an incentive payment based on the number of starters provided by the venue.

Reference:

Mr R G Bentley
Chair
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

Dear Mr Bentley

As you are aware, a \$2 million allocation has again been provided by the Queensland Government for the operation of the Training Track Subsidy Scheme (the Scheme) during the 2011-12 financial year.

The 'threshold' payments to each of the eligible race clubs under the Scheme, as advised by Racing Queensland and totalling \$1.2 million (GST inclusive), have been approved and are now being actioned by the Department of Employment, Economic Development and Innovation for direct payment to each club.

With respect to the 'incentive' payments which are based on the actual starter numbers provided from each training facility, it is proposed that a grant be made to Racing Queensland for the further administration of these payments.

Under the funding agreement, Racing Queensland must deliver to the Office of Racing by no later than 31 October 2012, a statement signed by the Chair and Chief Executive Officer, certifying that:

- Racing Queensland has received a signed declaration by each recipient race club that all monies provided under the 2011-2012 Scheme (that is, via both 'threshold' and 'incentive' payments) were spent in accordance with the Scheme's objective of offsetting the cost of maintaining training facilities; and
- the total of incentive payments made via Racing Queensland to each race club and the payment for the Deagon, Callaghan Park and Corbould Park racecourses have been verified against official starter statistics supplied by the Racing Services Bureau.

This is to be supported by a schedule reconciling all payments under the Scheme.

Please find enclosed two copies of a funding agreement with the conditions for application of the \$880,000 (GST Inclusive) grant. If acceptable, please sign both copies and return the documents as soon as possible. An original signed copy of the funding agreement will be returned to Racing Queensland in due course.

If you require further information regarding this matter, please do not hesitate to contact Ms Pat Zuj, Principal Compliance Officer, Office of Racing, Department of Employment, Economic and Innovation on telephone (07) 3234 1419 or email info@racing.qld.gov.au.

Yours sincerely

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

Attach

**FUNDING
AGREEMENT**

FOR THE

TRAINING TRACK SUBSIDY SCHEME

between

THE STATE OF QUEENSLAND
(Department of Employment, Economic Development and
Innovation)
ABN 24 830 236 406

and

RACING QUEENSLAND LIMITED
(trading as Racing Queensland) ABN 52 142 786 874

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SCHEDULES

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FUNDING AGREEMENT dated the

day of

2012

BETWEEN:

THE STATE OF QUEENSLAND (acting through the Department of Employment, Economic Development and Innovation) of Level 15, 111 George Street, Brisbane ABN 24 830 236 406("the State")

AND

RACING QUEENSLAND LIMITED (established under the *Corporations Act 2001 (Cth)*) and having its registered office at Racecourse Road, Deagon in the State of Queensland ABN 52 142 786 874 ("Racing Queensland")

RECITALS

- A. The Training Track Subsidy Scheme ("the Scheme") is an initiative of the Queensland Government to provide a subsidy to assist race clubs licensed by Racing Queensland to offset the costs of maintaining horse racing training facilities throughout the State of Queensland.
- B. The State has set aside the amount of \$2 million (GST Exclusive) to be applied for the operation of the Scheme (including both Threshold and Incentive payments) during the financial year 1 July 2011 to 30 June 2012.
- C. The State has already made Threshold payments directly to race clubs in the amounts as specified in Schedule 2.
- D. The State proposes to grant the remaining funds to Racing Queensland and Racing Queensland agrees to administer the Incentive payments, provide a financial reconciliation to the State of all payments made under the Scheme and to ensure the benefit of the public funding enures to the Queensland racing industry, under the terms and conditions of this Agreement.

OPERATIVE:

1 INTERPRETATION AND DICTIONARY

1.1 Interpretation The following interpretation applies to this Agreement:

- 1.1.1 Reference to any Statute includes any modification or re-enactment of the Statute substituted for it, and all statutory instruments and regulations issued under it.
- 1.1.2 Reference to the singular includes the plural and vice versa and reference to persons includes corporations and vice versa. Reference to a gender includes both genders.
- 1.1.3 Headings are for guidance only and will not affect interpretation, and reference to a clause, paragraph or schedule is a reference to a clause, paragraph or schedule of this Agreement.
- 1.1.4 Where any word or phrase is given a definite meaning in the Dictionary in clause 1.2, any part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning.

1.2 Dictionary Where used in this Agreement, the following words have the meanings here assigned:

"**Agreement**" means this Funding Agreement between the State and Racing Queensland, including the Schedules;

"**Commencement Date**" means the date upon which this Agreement is executed by the Parties or if the Parties execute the Agreement on different days, the date upon which the last party executes the Agreement;

"**Funding or Funds**" means the public monies provided to Racing Queensland under this Agreement;

"**GST**" means a goods and services tax (or tax equivalents) imposed on taxable supplies under the taxation laws of the Commonwealth of Australia;

"**GST Legislation**" means *A New Tax System (Goods and Services Tax) Act 1999 (C'with)* and includes subsequent implementation legislation and Rulings issued from time to time by the Commissioner of Taxation of the Commonwealth of Australia in relation to the imposition of, or the administration of, a goods and services tax (or tax equivalents) in Australia;

"**Guidelines**" means the arrangements as approved by the State under which the Scheme is to operate and be administered, an outline only comprising **Schedule 3**;

"**Racing Queensland**" means Racing Queensland Limited approved pursuant to the *Racing Act 2002* as the Control Body for thoroughbred racing in Queensland;

"**Recipient**" means a race club licensed by Racing Queensland to which Funds are paid under the Scheme, and are the race clubs specified in **Schedule 2** in receipt of a Threshold payment from the State;

"**Scheme**" means the Training Track Subsidy Scheme, a program of public funding to support the continuation of thoroughbred racing in Queensland through assisting race clubs to maintain training facilities in diverse centres around the State, administered by Racing Queensland and includes both Threshold and Incentive payments;

"**tax invoice**" has the meaning given to that term in the GST Legislation, and in particular for the purpose of this Agreement, refers to a valid tax invoice to be issued with respect to any taxable supply constituted by the delivery of services by Racing Queensland to the State in consideration for the payment of Funding.

2 **TERM**

2.1 This Agreement will commence on the Commencement Date and terminates on 31 October 2012, unless terminated earlier by the State under clause 8.3.

3 **PROVISION OF FUNDING**

3.1 Amount The Funding approved by the State will be advanced to Racing Queensland in the amount and at the time set out in **Item 1 of Schedule 1**.

3.2 GST The payment of grant funding incurs a GST liability, and Racing Queensland must deliver a valid tax invoice to the State when seeking payment of the Funding under this Agreement.

3.3 Unspent Funds Any Funding not spent or committed by Racing Queensland at the time of termination of this Agreement must be returned by Racing Queensland to the State immediately. Any documentation required by the GST Legislation, such as the issue of a tax invoice adjustment note with respect to unspent funds, must be completed and delivered to the State with the unspent funds.

4 RECIPIENT'S OBLIGATIONS

4.1 Racing Queensland must:

- 4.1.1 use the Funding solely for incentive payments to Recipients under the Scheme;
- 4.1.2 expend the Funding in accordance with Schedule 3;
- 4.1.3 exercise due care and skill in carrying out the Scheme;
- 4.1.4 provide acquittal documentation as required under Schedule 3;
- 4.1.5 act in accordance with the standards of professional care and diligence of the industry to which Racing Queensland belongs; and
- 4.1.6 take all steps, execute all documents and do everything reasonably required to give effect to this agreement.

5 PUBLIC FUNDS ACCOUNTABILITY

5.1 Accounting Systems Racing Queensland's accounting system must be structured:

- 5.1.1 to enable the expenditure of the Funding to be properly and accurately identified, sourced, traced and reported upon to the State;
- 5.1.2 to provide financial statements prepared to Australian Accounting Standards and to requirements of the Queensland Auditor-General to the State;
- 5.1.3 to ensure appropriate internal controls are in place to identify and prevent misuse or misappropriation of Funding; and
- 5.1.4 to record that interest earned on the Funding is applied to the Scheme.

5.2 Reporting Racing Queensland must by the date specified in **Item 2 of Schedule 1**:

- 5.2.1 provide financial statements to the State disclosing all payments from Funding during the previous financial year;
- 5.2.2 provide a statutory declaration and certification by its officers that all Scheme payments have been applied towards maintaining of training track facilities;

and provide such other reports and information on the administration of the Scheme as may be requested by the State, within such reasonable time limits as may be nominated by the State at the time of the request.

5.3 Annual Report Racing Queensland must include details and information on the operation of the Scheme within its Annual Report.

6 LEGAL REQUIREMENTS

6.1 Statutory Compliance Racing Queensland is responsible for compliance with the requirements of all Statutes of the Commonwealth of the State of Queensland and with any lawful requirements of public and other authorities affecting Racing Queensland in using the Funding for the specified purposes.

6.2 Inform the State Racing Queensland will inform the State immediately if any significant issue comes to its attention regarding:

6.2.1 Racing Queensland's compliance with this Agreement; or

6.2.2 Recipients application of funds for the purpose of the Scheme; or

6.2.3 compliance with any laws concerning the provision or the use made of the Funding, whether by an officer, employee, contractor or volunteer worker engaged by Racing Queensland or by Recipients.

6.3 Indemnity Racing Queensland indemnifies the State with respect to liability for any claims or damages arising from:

6.3.1 Racing Queensland's administration of the Scheme; and

6.3.2 any use of the Funding under the Scheme.

7 CONFIDENTIALITY AND PRIVACY ISSUES

7.1 Public Statements The State reserves the right to issue public statements or to release information in relation to the Scheme or to any aspect arising from Funding provided under this Agreement.

7.2 Signage and Publicity Racing Queensland acknowledges that:

7.2.1 a statement as to the Funding assistance received must be included in any sign or promotional material made or issued by Racing Queensland or any Recipient in relation to the Scheme; and

7.2.2 the format of any such statement must be approved by the State.

7.3 Personal Information Racing Queensland must ensure the requirements of Parts 1 and 3 of Ch.2 of the *Information Privacy Act 2009* (Qld) are satisfied in all matters involving the collection, storage and management or disclosure of any personal information arising in the course of administering the Funding.

8 DISPUTE PROCEDURES

8.1 Show Cause If the State believes there has been a breach of any term of this Agreement, the State may give Racing Queensland a Notice to Show Cause which will specify:

8.1.1 what the alleged breach is;

8.1.2 what facts the State relied on to establish the alleged breach;

8.1.3 what Racing Queensland must do to make good the alleged breach;

8.1.4 how long Racing Queensland has to make good the alleged breach or respond to the Notice to Show Cause.

8.2 Notice to Remedy Where Racing Queensland does not respond to the Notice to Show Cause to the satisfaction of the State within the time specified, or where the State reasonably believes the alleged breach must be remedied without delay, the State may give a Notice to Remedy to Racing Queensland, in the same form as the Notice to Show Cause, and requiring the breach identified in the Notice to be remedied within SEVEN (7) days.

8.3 Termination Unless the dispute has been referred to an alternative dispute resolution procedure, should Racing Queensland not make good any breach specified in a Notice to Remedy -

8.3.1 within the time allowed; and

8.3.2 in the manner set out in the Notice to Remedy given to Racing Queensland;

the State may give a Notice of Termination terminating this Agreement as and from the date specified in the Notice.

9 DISPUTE RESOLUTION

9.1 If a dispute arises under clause 8 of this Agreement, either Party may give written notice to the other Party setting out the nature of the dispute ("the Dispute Notice").

9.2 Upon the service of the Dispute Notice, the nominated representatives of each Party are to meet and to endeavour to expeditiously resolve the complaint.

9.3 If the Parties are unable to resolve the complaint within 2 weeks of the date of service of the Dispute Notice, the complaint must be referred to the Minister for Agriculture, Food and Regional Economies to mediate the complaint.

9.4 The Minister's determination is final and binding on the Parties.

9.5 Nothing in this clause prevents a Party from instituting proceedings for the purpose of obtaining injunctive relief or specific performance to restrain any breach or prevent or compel performance under, or declaratory relief in relation to, this Agreement.

9.6 Each Party will continue to perform this Agreement despite the existence of a dispute under this clause.

10 Notices

10.1 Written: Notices under this Agreement must be in writing, and may be delivered by prepaid postage, by hand, or by facsimile transmission.

10.2 Address Any notice must be addressed as set out in Item 3 of Schedule 1, unless a notice of change of address is given.

10.3 Time of Service A notice will be taken to have been given and received:

10.3.1 three (3) business days after mailing with pre-paid postage;

10.3.2 on receiving delivery by hand;

10.3.3 by facsimile transmission at 9.00 a.m. on the next business day if the sender's facsimile machine notes a successful transmission to the number specified in Schedule 1, or specified in a notice of change of address.

11 GENERAL PROVISIONS

11.1 Relationship of parties This Agreement does not create, and must not be construed as creating, a relationship between the State and Racing Queensland of employment, principal and agent, partnership or joint venture.

11.2 No assignment The Agreement may not be assigned, charged, transferred, novated or otherwise dealt with in whole or in part by Racing Queensland without the prior written consent of the State.

- 11.3 Waiver The failure of the State to enforce at any time any provision of this Agreement will in no way be interpreted as a waiver of that provision or a waiver in respect of any other provision of the Agreement.
- 11.4 Governing Law This Agreement will be governed by and construed in accordance with the laws in force in the State of Queensland and the parties submit to the jurisdiction of the courts of that State.
- 11.5 Costs Each party will pay their own costs in relation to this Agreement.

EXECUTED as an agreement

SIGNED for and on behalf of the STATE OF
QUEENSLAND (represented by the
Department of Employment, Economic
Development and Innovation) by:

Director-General, Department of Employment,
Economic Development and Innovation this
day
of

In the presence of:

Signature of witness

Name of witness - please print

SIGNED by duly authorised officers of
Racing Queensland Limited

R.G. Bentley, Chair

And

Director/Secretary

this day of
in the presence of:

Signature of witness

Name of witness - please print

Signature

Signature

Signature

SCHEDULE 1

Item 1 Funding

Grant	\$ 800,000.00
GST	<u>\$ 80,000.00</u>
Amount	<u>\$880,000.00</u>

The Funding amount will be paid in 1 instalment following receipt of the signed Agreement and a valid tax invoice.

Item 2 Date for Financial Report 31 October 2012.

Item 3 Representatives

Queensland Racing

Adam Carter
Chief Financial Officer

Racing Queensland
Racecourse Road, Deagon
PO Box 63
Sandgate Qld 4017

Telephone: 07 3869 9720

Facsimile: 07 3269 8978

Email: acarter@racingqueensland.com.au

State Representative:

Pat Zuj
Principal Compliance Officer

Office of Racing
Department of Employment, Economic Development
and Innovation
Level 15, 111 George Street, Brisbane
GPO Box 46
BRISBANE Qld 4001

Telephone: (07) 3234 1419

Facsimile: (07) 3234 1411

Email: pat.zuj@racing.qld.gov.au

SCHEDULE 2

Threshold payments already made by the State.

Grade	Clubs	Non TAB/TAB	Threshold Payment	Threshold Payment GST Inclusive
1	Brisbane Racing Club	TAB	315,000	346,500
2	Gold Coast Turf Club	TAB	145,000	159,500
	Toowoomba Turf Club	TAB	145,000	159,500
	Racing Queensland (for Sunshine Coast Turf Club/Corbould Park Racecourse)	TAB	145,000	159,500
3	Racing Queensland (for Deagon Racecourse)	-	60,000	66,000
	Ipswich Turf Club	TAB	60,000	66,000
4	Racing Queensland (for Rockhampton Jockey Club/Callaghan Park Racecourse)	TAB	60,000	66,000
	Townsville Turf Club	TAB	50,000	55,000
5	Cairns Jockey Club	TAB	30,000	33,000
	Mackay Turf Club	TAB	30,000	33,000
6	Atherton Turf Club	Non TAB	8,000	8,800
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	Burdekin/Ayr/Home Hill	Non TAB	8,000	8,800
	Dalby & NJDC	Non TAB	8,000	8,800
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	Lockyer (Gatton) Race Club	Non TAB	8,000	8,800
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	Bowen	Non TAB	4,000	4,400
	Bundaberg Race Club	Non TAB	4,000	4,400
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	Goondwindi Race Club	Non TAB	4,000	4,400
	Gordonvale Turf Club	Non TAB	4,000	4,400
	Gympie Turf Club	Non TAB	4,000	4,400
	Herbert River/Ingham	Non TAB	4,000	4,400
	Mount Isa Race Club	Non TAB	4,000	4,400
	Oakey & District Race Club	Non TAB	4,000	4,400
	Richmond	Non TAB	4,000	4,400
	Roma Turf Club	Non TAB	4,000	4,400
	South Burnett (Wondai) Race Club	Non TAB	4,000	4,400
	Thangool Race Club Inc	Non TAB	4,000	4,400
	Total Threshold Payments		\$1,200,000	\$1,319,600

SCHEDULE 3 - GUIDELINES

TRAINING TRACK SUBSIDY SCHEME – OUTLINE OF PAYMENTS

BACKGROUND OF SCHEME

The Queensland Government Training Track Subsidy Scheme, established since 1997, assists race clubs registered with Racing Queensland Limited ("Racing Queensland") to defray the costs of maintaining training track facilities at their venue.

Allocation of funds under the Scheme to individual race clubs is comprised of two components:

1. "Threshold" payment - based on categorising clubs in accordance with an assessment and rating by Racing Queensland of the training facilities the club offers to the industry; and

Threshold component in 2011/12

These payments have already been made by the State under the Scheme.

To determine the payments, Racing Queensland categorised race clubs providing training facilities into eight (8) grades which reflect the extent and quality of the training facilities provided. A base "threshold payment" for grades 1 to 7, as determined by Racing Queensland, was made directly to the eligible race clubs by the State acting through the Department of Employment, Economic Development and Innovation. The total amount of threshold payments available is \$1.2 million (GST Exclusive) with the GST liability with respect to any payment to a race club to be met by the State.

2. "Incentive" payment - based on the actual number of starters provided by a particular venue to the industry over the relevant financial year.

Incentive component in 2011/12

These payments are to be made by Racing Queensland in accordance with this Agreement.

The total amount for starter subsidies to be available to eligible race clubs is \$800,000 (GST Exclusive), with this funding together with the GST liability incurred on the grant will be paid by the State to Racing Queensland for administration and distribution.

CALCULATION OF INCENTIVE PAYMENTS

Race clubs will be paid a predetermined subsidy per starter supplied to the Queensland racing industry from their training venue. The statistics used in determining the number of starters supplied by a venue are those statistics supplied by the Racing Information Services Australia (RISA).

Prior to any horse being permitted to start in Queensland, trainers are required to provide a stable return to RISA, which in addition to ownership information also provides the training location of each horse.

At the conclusion of the six month periods 1 July to 31 December and 1 January to 30 June, Racing Queensland determines the training location of every starter in Queensland during the aforementioned period and develops a list of starters from each registered race club that provides training facilities.

The subsidy per starter that is paid to a race club is to be obtained by multiplying the number of starters supplied by a venue with a starter subsidy rate.

The starter subsidy rate is determined by Racing Queensland based on the grading that a race club is allocated in determining the Threshold payment and an assessment of the contribution of each grade of club to the wider industry. The rate can be adjusted by Racing Queensland to ensure the total Incentive payment of \$800,000 is expended under the terms of this Agreement.

The current starter subsidy rates are:

Grade	Rate
1	\$26.58
2	\$26.58
3	\$26.58
4	\$19.75
5	\$15.36
6	\$9.87
7	\$9.87
8	\$9.87

TIMING OF INCENTIVE PAYMENTS

Funding is to be distributed by Racing Queensland in accordance with this Agreement by 31 October 2012.

ACQUITTAL OF INCENTIVE PAYMENTS

Racing Queensland must provide to the Office of Racing of the Department of Employment, Economic Development and Innovation by no later than 31 October 2012 a statement relating to the period 1 July 2011 to 30 June 2012, signed by the Chair and the Chief Operations Manager, certifying:

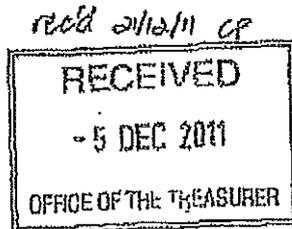
- Racing Queensland has a signed declaration from each recipient race club that all monies provided under the Scheme were spent in accordance with the Scheme's objective of "offsetting the cost of maintaining training facilities"; and
- the amount of Incentive payments made by Racing Queensland to each race club and with respect to the Deagon Racecourse, Corbould Park Racecourse and Callaghan Park Racecourse verified against the official starter statistics supplied by the RISA.

This statement is to be supported by a schedule that reconciles all payments made to eligible race clubs (including to Racing Queensland with respect to Deagon, Callaghan Park and Corbould Park racecourses) relating to the period 1 July 2011 to 30 June 2012.



Hon Tim Mulherin MP
Member for Mackay

Reference: 09909/11



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

02 DEC 2011

The Honourable Andrew Fraser MP
Deputy Premier, Treasurer and
Minister for State Development and Trade
GPO Box 611
Brisbane Qld 4001

Dear Andrew Deputy Premier

I refer to the exclusive wagering licence granted to Tattsbet which expires on 30 June 2014. As you would be aware, the Product and Program Agreement between the Queensland racing industry and Tattsbet which provides the majority of the racing industry's funding also expires on 30 June 2014.

Mr Tony Hanmer, Chair, Queensland Race Product Co Pty Ltd and the Deputy Chair of Racing Queensland Limited has requested the opportunity to address relevant Queensland Government Ministers on the issues and importance of having an appropriate agreement in place post 30 June 2014 to deliver critical funding to the industry.

While I propose to meet with Mr Hanmer, in view of the wider issues involving the granting of a new wagering licence, it is suggested that it would be appropriate for both you and the Attorney-General, Minister for Local Government and Special Minister of State to also attend such a meeting. //

Mr Troy Mitchell, Personal Secretary/ Office Manager will be in contact with your office to arrange a suitable time for a meeting.

Yours sincerely

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

8th Floor Primary Industries Building
80 Ann Street Brisbane 4000
GPO Box 46
Brisbane 4001 Queensland
Telephone +61 7 3239 3000
Facsimile +61 7 3229 8541
Email agriculture@ministerial.qld.gov.au
ABN 65 959 419 158



Queensland
Government

Department of Employment, Economic Development
and Innovation

5 DEC 2011

Reference No: RAC/861 (3)

5 DEC 2011

Mr Malcolm Tuttle
Chief Executive Officer
Racing Queensland Limited
PO Box 63
SANDGATE QLD 4017

Dear Mr Tuttle

In accordance with section 46 of the *Racing Act 2002*, the Minister has approved a program for 2010 for assessing the suitability of the control body to manage its relevant codes of racing.

The 2011 assessment program will assess:

- Racing Queensland's compliance with section 109 of the Act in ensuring all thoroughbred, harness and greyhound venues at which race meetings are to be conducted during the period; 1 July 2011 to 30 June 2012 are licensed;
- That all venue licences include the real property description of the licensed venue; and
- How effectively the policy on 'the standard required of licensed venues, including criteria for different categories of venues' under section 81(k) has been implemented in regard to the minimum standards for licensed venues.

In order to undertake the assessment, this office is seeking the co-operation of Racing Queensland in nominating an appropriate point of contact to provide advice on its policies.

Racing Queensland Limited will be assessed for its suitability to manage the thoroughbred, harness and greyhound codes of racing. At the conclusion of the assessment process, a report detailing the outcomes of the assessment will be compiled and provided to the Minister. Prior to finalising the report, a draft version of the report will be provided to Racing Queensland for comment.

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
Email info@racing.qld.gov.au

Sandra Gordon, Principal Compliance Officer (ph 3234 1378) will be the primary point of contact for this assessment. Would you please have your nominated officer contact her at the earliest opportunity to arrange a suitable time and date to conduct the assessment. Should you wish to discuss this matter further or require additional information, please do not hesitate to contact me on 3247 4740.

Yours sincerely



Michael Duff
A/Director (Investigations and Compliance)
Office of Racing Regulation

Office of Racing

Level 13, 111 George Street
Locked Bag 180
City East Qld 4002

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

Email info@racing.qld.gov.au



Hon Tim Mulherin MP
Member for Mackay

Reference: 00940/11



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

09 DEC 2011

Mr R G Bentley
Chair
Racing Queensland Limited
PO Box 63
Sandgate Qld 4017

Bale
Dear Mr Bentley

The Queensland Government has provided a \$2 million allocation for the operation of the Training Track Subsidy Scheme (the Scheme) during the 2011-12 financial year.

The 'threshold' payments to each of the eligible race clubs under the Scheme, as advised by Racing Queensland and totalling \$1.2 million (GST inclusive), have been approved and are now being actioned by the Department of Employment, Economic Development and Innovation for direct payment to each club.

With respect to the 'incentive' payments which are based on the actual starter numbers provided from each training facility, it is proposed that a grant be made to Racing Queensland for the further administration of these payments.

Under the funding agreement, Racing Queensland must deliver to the Office of Racing by no later than 31 October 2012, a statement signed by the Chair and Chief Executive Officer, certifying that:

- Racing Queensland has received a signed declaration by each recipient race club that all monies provided under the 2011-12 Scheme (that is, via both 'threshold' and 'incentive' payments) were spent in accordance with the Scheme's objective of offsetting the cost of maintaining training facilities; and
- the total of incentive payments made via Racing Queensland to each race club and the payment for the Deagon, Callaghan Park and Corbould Park racecourses have been verified against official starter statistics supplied by the Racing Services Bureau.

This is to be supported by a schedule reconciling all payments under the Scheme.

Please find enclosed two copies of a funding agreement with the conditions for application of the \$880,000 (GST inclusive) grant. If acceptable, please sign both copies and return the documents as soon as possible. An original signed copy of the funding agreement will be returned to Racing Queensland in due course.

8th Floor Primary Industries Building
80 Ann Street Brisbane 4000
GPO Box 46
Brisbane 4001 Queensland
Telephone +61 7 3239 3000
Facsimile +61 7 3229 8541
Email agriculture@ministerial.qld.gov.au
ABN 65 959 415 158

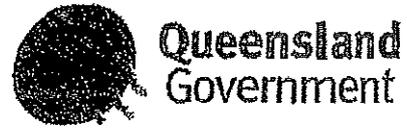
If you require further information regarding this matter, please do not hesitate to contact Ms Pat Zuj, Principal Compliance Officer, Office of Racing, Department of Employment, Economic and Innovation on telephone 07 3234 1419 or email info@racing.qld.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tim Mulherin". The signature is written in a cursive style with a large initial "T".

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

Att



MOC: 12015

06 FEB 2012

Office of the
Minister for Agriculture, Food
and Regional Economics

Mr Bob Bentley
Chairman
Racing Queensland Limited
PO Box 63
Sandgate Qld 4017

Dear Mr Bentley

I refer to Racing Queensland Limited's submission of a revised Industry Infrastructure Plan (IIP) provided to my office on 27 January 2012.

I wish to advise that Cabinet considered the changes Racing Queensland proposed and has agreed to approve the amended IIP. As you are aware the key changes include:

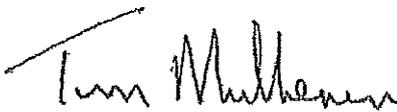
- Withdrawal of the development application for a \$39.9 million new dual-code racing facility at Deagon and the permanent retention of thoroughbred training facilities.
- \$24 million for a new greyhound racing facility at Cronulla Park, Logan, including a one and two turn track, training facilities, grandstand and public amenities;
- Bringing forward \$6 million for the Ipswich Turf Club to construct a tunnel under the course proper, which will facilitate access to the infield for the preparation of a secondary greyhound and harness track and to maximise the potential of a development site fronting Brisbane Road;
- Investing \$6 million to relocate Townsville greyhounds from the showgrounds to Cluden Park, adjacent to the Townsville Turf Club; and
- \$2 million to be reserved for a new master plan for the Deagon racecourse which will be dependent on a resolution around Albion Park. The new Deagon master plan will retain thoroughbred training facilities while installing a 1400m harness track and a greyhound trialling track.

I would now ask that you work closely with my Department to progress the work identified in the amended IIP to ensure the timely delivery of this vital racing infrastructure throughout the State.

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ABN 65 959 415 158

If you require any further information regarding this matter, please do not hesitate to contact Mike Kelly, Executive Director, Office of Racing on telephone 07 3234 1376 or email michael.kelly@racing.qld.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tim Mulherin". The signature is written in a cursive style with a long horizontal stroke at the beginning.

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay



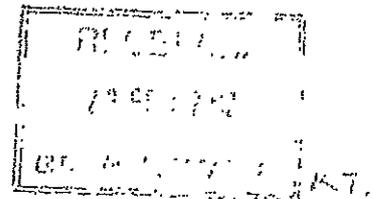
Hon Tim Mulherin MP
Minister for Mackay



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

Hon Andrew Fraser MP
Deputy Premier and Treasurer
Minister for State Development and Trade
GPO Box 611
Brisbane Qld 4001



Andrew
Dear Mr Fraser

Thank you for your letters of 16 and 17 February 2012 concerning funding for capital works under the Racing Industry's Industry Infrastructure Plan (IIP).

I would like to thank you for approving this funding which will see vital upgrades to racing infrastructure throughout the state that will assist the Queensland racing industry to prosper well into the future.

I note the issues raised by the Treasury Department in relation to the capacity of Racing Queensland Limited (RQL) to provide financial support to race clubs in the long term. Further to advice from the Chairman of RQL received on 14 February 2012, I have received further guarantees from the Chairman in a letter dated 17 February 2012 advising RQL is committed to the subsidies provided to race clubs as they are treated akin to a first charge against RQL wagering revenues prior to consideration of discretionary industry allocations.

Notwithstanding these guarantees, I intend to write to RQL highlighting the issues raised by Treasury and request they give due consideration to the possible solution as detailed in your letter.

If you or your officers require any further information regarding this matter, please do not hesitate to contact Peter McCabe, Principal Advisor in my office on telephone 07 323 93001 or email peter.mccabe@ministerial.qld.gov.au.

Yours sincerely

Tim Mulherin

TIM MULHERIN MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

17/02/12

5th Floor, 1000 Rylands Building
Raffles Place, Brisbane QLD
4001 QLD
Brisbane QLD 4001 Queensland
Telephone +61 7 3239 3000
Facsimile +61 7 3239 3001
Email tim.mulherin@ministerial.qld.gov.au
AGPS 1000 Rylands Bldg



COPY



028/000030-002
Queensland
Government

Reference: 028/000030-002

Office of the
Minister for Agriculture, Food
and Regional Economies

17 FEB 2012

Mr Royce Ahrens
Chairman
Beaudesert Race Club Inc
PO Box 84
Beaudesert Q 4285

Mr Ahrens
Dear Mr Ahrens

I am pleased to inform you that funding of \$8.2 million for infrastructure works identified in Racing Queensland Limited's Industry Infrastructure Plan at Beaudesert Racecourse has been approved. Racing Queensland will be liaising with your club to confirm a construction program and work commencement dates.

This funding has been provided through the Queensland Government's \$110 million Racing Industry Capital Development Scheme and will assist the Queensland Racing Industry to prosper well into the future by providing first class facilities. I would like to take this opportunity to wish the Beaudesert Race Club every success for the future.

If you require any further information regarding this matter, please do not hesitate to contact Mike Kelly, Executive Director, Office of Racing on telephone 07 3234 1400.

Yours sincerely

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

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Email agriculture@ministeria.qld.gov.au
ABN 65 959 415 158



Queensland
Government

Hon Tim Mulherin MP
Member for Mackay

Minister for Agriculture, Food
and Regional Economies

Mr Wayne Patch
Chairman
Ipswich Turf Club
PO Box 1
Ipswich QLD 4305

Wayne
Dear Mr Patch

I refer to the Ipswich Turf Club project included in the revised Industry Infrastructure Plan which has been approved by Cabinet. I have reviewed the proposed scope of works and recognise Stage one of this project, which includes the construction of a tunnel under the course proper, is the first step in developing a racing precinct at Ipswich that will be the envy of the Queensland industry.

As you are aware the release of funds is subject to the approval of the business case by the Office of Racing and Queensland Treasury. Unfortunately, consideration of the business case for the release of funding for the project could not be completed before the Government enters the election caretaker period. Accordingly, a final decision on the release of funds will be one for the in-coming government. Rest assured approval to release the funds will be a priority for the government following the elections.

With your support, I know that Racing Queensland will continue to progress planning for this project and continue to advocate the obvious benefits this project will have for not only the Ipswich Turf Club, but racing in Queensland.

I would like to thank you and your committee for the hard work that has been devoted to this project to this point.

Yours sincerely

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

Cc Hon Rachel Nolan, Minister for Finance, Natural Resources and The Arts.

17/02/12.

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Facsimile +61 7 3229 8547
Email agrc.1pr@minister.nat.gov.au
ABN 65 250 415 158



Hon Tim Mulherin MP
Member for Mackay
MOC: 12022

COPY



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

Ms Desley Boyle MP
Member for Cairns
PO Box 1259
Cairns Q 4870

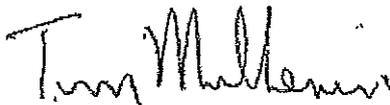

Dear Ms Boyle

I am pleased to inform you that funding of \$2.195 million for infrastructure works identified in Racing Queensland Limited's Industry Infrastructure Plan at Cannon Park Racecourse has been approved. Racing Queensland will be liaising with the Cairns Jockey Club to confirm a construction program and work commencement dates.

This funding has been provided through the Queensland Government's \$110 million Racing Industry Capital Development Scheme and will assist the Queensland Racing Industry to prosper well into the future by providing first class facilities.

If you require any further information regarding this matter, please do not hesitate to contact Lauren Bride, advisor in my office, on telephone 07 3239 3009.

Yours sincerely



TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

20/02/12.

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ABN 65 959 415 138



Hon Tim Mulherin MP
Member for Mackay
MOC: 72026



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

Mr Jason O'Brien MP
Member for Cook
PO Box 2080
Cairns Q 4870

Dear *Jason* Mr O'Brien,

I am pleased to inform you that funding of \$2.195 million for infrastructure works identified in Racing Queensland Limited's Industry Infrastructure Plan at Cannon Park Racecourse has been approved. Racing Queensland will be liaising with the Cairns Jockey Club to confirm a construction program and work commencement dates.

This funding has been provided through the Queensland Government's \$110 million Racing Industry Capital Development Scheme and will assist the Queensland Racing Industry to prosper well into the future by providing first class facilities.

If you require any further information regarding this matter, please do not hesitate to contact Lauren Bride, advisor in my office, on telephone 07 3239 3009.

Yours sincerely,

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

20/02/12



Hon Tim Mulherin MP
Member for Mackay
MOC: 12027

COPY



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

Mr Curtis Pitt MP
Member for Mulgrave
PO Box 314
Gordonvale Q 4865

Curtis
Dear Mr Pitt,

I am pleased to inform you that funding of \$2.195 million for infrastructure works identified in Racing Queensland Limited's Industry Infrastructure Plan at Cannon Park Racecourse has been approved. Racing Queensland will be liaising with the Cairns Jockey Club to confirm a construction program and work commencement dates.

This funding has been provided through the Queensland Government's \$110 million Racing Industry Capital Development Scheme and will assist the Queensland Racing Industry to prosper well into the future by providing first class facilities.

If you require any further information regarding this matter, please do not hesitate to contact Lauren Briede, advisor in my office, on telephone 07 3239 3009.

Yours sincerely

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

20/02/12



Hon Tim Mulherin MP
Member for Mackay
MOC: 12030

COPY



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

Mr Steve Wattenhall MP
Member for Barron River
PO Box 1014
Smithfield Q 4878

Steve

Dear Mr Wattenhall,

I am pleased to inform you that funding of \$2.195 million for infrastructure works identified in Racing Queensland Limited's Industry Infrastructure Plan at Cannon Park Racecourse has been approved. Racing Queensland will be liaising with the Cairns Jockey Club to confirm a construction program and work commencement dates.

This funding has been provided through the Queensland Government's \$110 million Racing Industry Capital Development Scheme and will assist the Queensland Racing Industry to prosper well into the future by providing first class facilities.

If you require any further information regarding this matter, please do not hesitate to contact Lauren Bride, advisor in my office, on telephone 07 3239 3009.

Yours sincerely

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

20/02/12



Hon Tim Mulherin MP
Member for Mackay

COPY



Queensland
Government

Reference: 09856/11

Minister for Agriculture, Food
and Regional Economies

The Honourable Paul Lucas MP
Attorney-General
Minister for Local Government and
Special Minister of State
PO Box 15009
City East Qld 4002

Paul
Dear Minister

I refer to the exclusive wagering licence granted to Tattsbet which expires on 30 June 2014. As you would be aware, the Product and Program Agreement between the Queensland racing industry and Tattsbet which provides the majority of the racing industry's funding also expires on 30 June 2014.

Mr Tony Hanmer, Chair, Queensland Race Product Co Pty Ltd and the Deputy Chair of Racing Queensland Limited has requested the opportunity to address relevant Queensland Government Ministers on the issues and importance of having an appropriate agreement in place post 30 June 2014 to deliver critical funding to the industry.

While I propose to meet with Mr Hanmer, in view of the wider issues involving the granting of a new wagering licence, it is suggested that it would be appropriate for both you and the Deputy Premier, Treasurer and Minister for State Development and Trade to also attend such a meeting.

Mr Troy Mitchell, Personal Secretary/ Office Manager, in my office will be in contact with your office to arrange a suitable time for a meeting.

Yours sincerely

Tim Mulherin

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

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Facsimile +61 7 3229 8541
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ABN 65 959 415 15B

Edocs-531260

CTS09943/11
RAC-00654

Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

13/12/11

To:
Hon Tim Mulherin MP
Minister for Agriculture, Food and
Regional Economies

Copy:
Ian Fletcher, Director-General
Rob Setter, Associate Director-
General

From:

Mike Kelly, Executive Director,
Office of Racing

Endorsed:

Mike Kelly, Executive Director,
Office of Racing

NOTED
29/11/11
DDG, AF
NOTED
30/11/11
ADC, SAFFS

28 November 2011

Racing Queensland Limited Annual Report 2010-11

Summary/Recommendation

1. That you note the contents of this brief.

Background

2. On 1 July 2010 Racing Queensland Limited became the control body for thoroughbred, harness and greyhound racing in Queensland.

Issues

3. The Report highlights-

Achievements including-

- Racing Queensland has delivered operational savings of \$1.38 million in its first year;
- Development of the Industry Infrastructure Plan and the Queensland Government's announcement of \$110 million to fund it;
- \$1.5 million boost to greyhound prizemoney; and
- Racing Queensland's commitment to country thoroughbred racing by providing \$6.38 million over and above the legislated 5.32% of Net Tattsbet Product Fee.

Challenges faced by the industry including-

- Reduction of revenues flowing to the industry as a result of wagering on the Queensland product with Tattsbet declining; and
- Harness racing continues to face a declining market share.

Revenue

- Whilst overall Tattsbet wagering increased to \$2.23 billion, Product Fees declined to \$128.42 million from \$129.75 million the previous year due to increased costs incurred by Racing Queensland for interstate race information fees.
- Racing Queensland's net race information revenue increased to \$4.91 million.

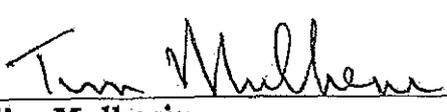
Racing Queensland reported an overall loss of \$5.54 million for the 2010/11 financial year. This is due to \$6.05 million for the installation of the Toowoomba cushion track being written-off as a grant after the Board of the Toowoomba Turf Club rejected an equity sharing arrangement with Racing Queensland.

Attachments

4. Attachment 1: Racing Queensland Limited Annual Report 2010/11.

Mike Kelly

Action Officer: Roger Wilesmith
Tel: 323 41404

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input type="checkbox"/> Noted	Comments
<i>Noted</i>	
 Tim Mulherin Minister for Agriculture, Food and Regional Economies <i>23/01/12</i>	

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RAC-00597

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OFFICE
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Advisor	OK
Dated	/ /
Approved / Not Approved	
Further information required	
Minister	
Dated	/ /

To:
Hon Tim Mulherin MP, Minister
for Agriculture, Food and Regional
Economies

Copy:
Mr Ian Fletcher, Director-General
Mr Robert Setter, Associate
Director-General, SAFRS

From:
Mike Kelly, Executive Director,
Office of Racing

Endorsed:
Mike Kelly, Executive Director,
Office of Racing

NOTED
15/6/11
DDG AF

14 June 2011

**Information - Composition of the Board of Racing
Queensland Limited**

NOTED
16/6/11
ADG, SAFRS

Summary/Recommendation

1. That you note the membership of the Board of Racing Queensland Limited.

Background

2. Amendments to *the Racing Act 2002* (Qld) in 2010 cancelled the licences issued to the three previous control bodies and licensed a new amalgamated control body - Racing Queensland Limited from 1 July 2010.
3. Under the *Racing Act* the control body has the power and responsibility for regulation and management of the three codes of racing.
4. Directors of Racing Queensland are bound by the *Corporations Act 2001* (Cth), which requires them to act in the best interests of the company.
5. Under the *Racing Act*, the directors of Racing Queensland do not represent any particular code of racing, they must represent the interests of the entire Queensland racing industry (section 34A).
6. The Class A members of the previous three control body companies were clubs and licensee associations.
7. This model required the control body company to regulate its own members and for those members to vote on the appointment of directors.

Issues

8. The current directors of the company are Bob Bentley (Chair), Tony Hammer (Deputy Chair), Bill Ludwig, Brad Ryan and Wayne Milner (directors of previous thoroughbred control body); and Bob Lette (chair of the previous harness control body).
9. There is one vacant position as a result of the removal of Ms Kerry Watson (chair of the previous greyhound control body).
10. The directors hold office for an initial term which expires at the conclusion of the Annual General Meeting which takes place after 30 June 2014. The Chairman (Bob Bentley) and one Director (other than the Deputy Chairman) must retire at the first Annual General Meeting following the Initial Term in 2014.
11. Under the constitution of Racing Queensland, the directors of the company are the only members of the company.
12. This removes any potential for the decisions of directors to be influenced by licensees who may be voting for the appointment of directors.
13. Any model that has licensees of the racing industry voting on who will regulate the industry is a serious integrity risk.
14. The current control body model ensures that members with a vested interest in a matter are not able to influence decision-making to ensure an outcome that is not in the interests of the wider industry.
15. The Government policy position is that the control body, Racing Queensland, has the responsibility and all the necessary powers under the Racing Act to regulate and manage the three codes of racing and ensure the integrity of the racing product.
16. The Government is not directly involved in the commercial decision-making of the industry but is responsible for providing an appropriate legislative framework and economic environment to allow the racing industry to maximise its revenues.

Author

Mike Kelly, Executive Director, Office of Racing

Action Officer: Michael Duff, Principal Compliance Officer, Office of Racing
Tel: 324 74740

CTS04841/11
RAC-00597

<input type="checkbox"/> Approved <input type="checkbox"/> Not approved <input checked="" type="checkbox"/> Noted	Comments
Please draft letter to Chau RQH urging RQH to progress replacement as soon as possible	
Tim Mulherin	
Tim Mulherin Minister for Agriculture, Food and Regional Economies 28/06/11	



COPY



Queensland
Government

Hon Tim Mulherin MP
Member for Mackay

Reference: CTS01364/12 -- RAG:00893

Minister for Agriculture, Food
and Regional Economies

15 MAR 2012

Mr Tony Hamner
Chairman
Queensland Race Product Co Ltd
PO Box 63
Sandgate Qld 4017

Dear ^{Tony}Mr Hamner

Thank you for your letter of 15 February 2012 regarding our meeting of 14 February 2012 with the Honourable Andrew Fraser MP, Deputy Premier, Treasurer and Minister for State Development and Trade, to discuss the exclusive wagering licence arrangements in Queensland after 30 June 2014.

The Queensland Government is now in a caretaker role until the outcome of the Queensland State Election is known.

Product Co. should continue to plan for the expiration of the Product and Program Agreement in 2014 and raise any relevant concerns with the Government after the caretaker period.

Thank you for taking the time to write to me on this matter.

Yours sincerely

Tim Mulherin

TIM MULHERIN, MP
Minister for Agriculture, Food
and Regional Economies
Member for Mackay

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