

**QUEENSLAND RACING
COMMISSION OF INQUIRY**

AFFIDAVIT OF MICHAEL ANTHONY BUCKBY

I, Michael Anthony Buckby, c/- Crown Law, 50 Ann Street, Brisbane, in the State of Queensland, a Senior Treasury Analyst state on oath:

Role

1. I joined the Department of Treasury (Treasury) in May 2009.
2. Between May 2009 and 30 April 2012, I was a Senior Treasury Analyst, in the Resources and Economic Development Branch of Treasury, but I was only assigned to racing matters from March 2011.
3. I am currently employed as Senior Treasury Analyst in the Education Group within Treasury.
4. As a Senior Treasury Analyst, I report to a Team Leader who reports to the Director of the Branch. This reporting structure was in place during the relevant period.
5. For convenience and ease of understanding, I will address the matters referred to in the summons in chronological order.

CBRC submission number 3756 for 26 November 2009

6. I had no involvement with this submission as it was before I was assigned to racing matters.

Page 1

Signed: 
Deponent

Taken by: 
Solicitor/Barrister /Justice of the Peace/
~~Commissioner for Declarations~~

Affidavit of Michael Buckby

GR Cooper
CROWN SOLICITOR
11th Floor, State Law Building
50 Ann Street
Brisbane Qld 4000
Telephone 07 3239 3734
Facsimile 07 3239 3456

Cabinet submission number 7290 for 22 February 2010

7. I had no involvement with this submission as it was before I was assigned to racing matters.

Cabinet submission number 7372 for 14 April 2010

8. I had no involvement with this submission as it was before I was assigned to racing matters.

CBRC submission number 4210 for 7 July 2011

9. I recall this submission sought approval for a one year extension to the wagering tax sharing arrangement which would increase the amount of funds available under the Racing Industry Capacity Development Scheme (the Scheme) from \$85 million to up to \$104 million. It also sought approval of a business case for capital works at the Mackay Racecourse.

10. I recall being consulted during the development phase of the submission, but I note that consultations would have been occurring at many levels between many officers. Exhibit **MB1** is a bundle of correspondence regarding the draft submission. The draft submission was prepared by the Department of Employment, Economic Development and Innovation through its Office of Racing. The department would have invited feedback from different Departments before finalising the submission.

11. Subsequent to the lodgement of the submission with the Cabinet Secretariat on or around 4 July 2011, continuing consultation occurred between the Department of Premier and Cabinet and Treasury. Exhibit **MB2** is a copy of emails of 6 July 2011 demonstrating that consultation.

12. I further recall that after discussions with my then Team Leader, Ashley Anderssen, and also my Director, Natalie Barber, I prepared a draft CBRC submission briefing note for the Treasurer, which did not support the one year extension to the wagering tax sharing arrangement. Exhibit **MB3** is a copy of that briefing note.

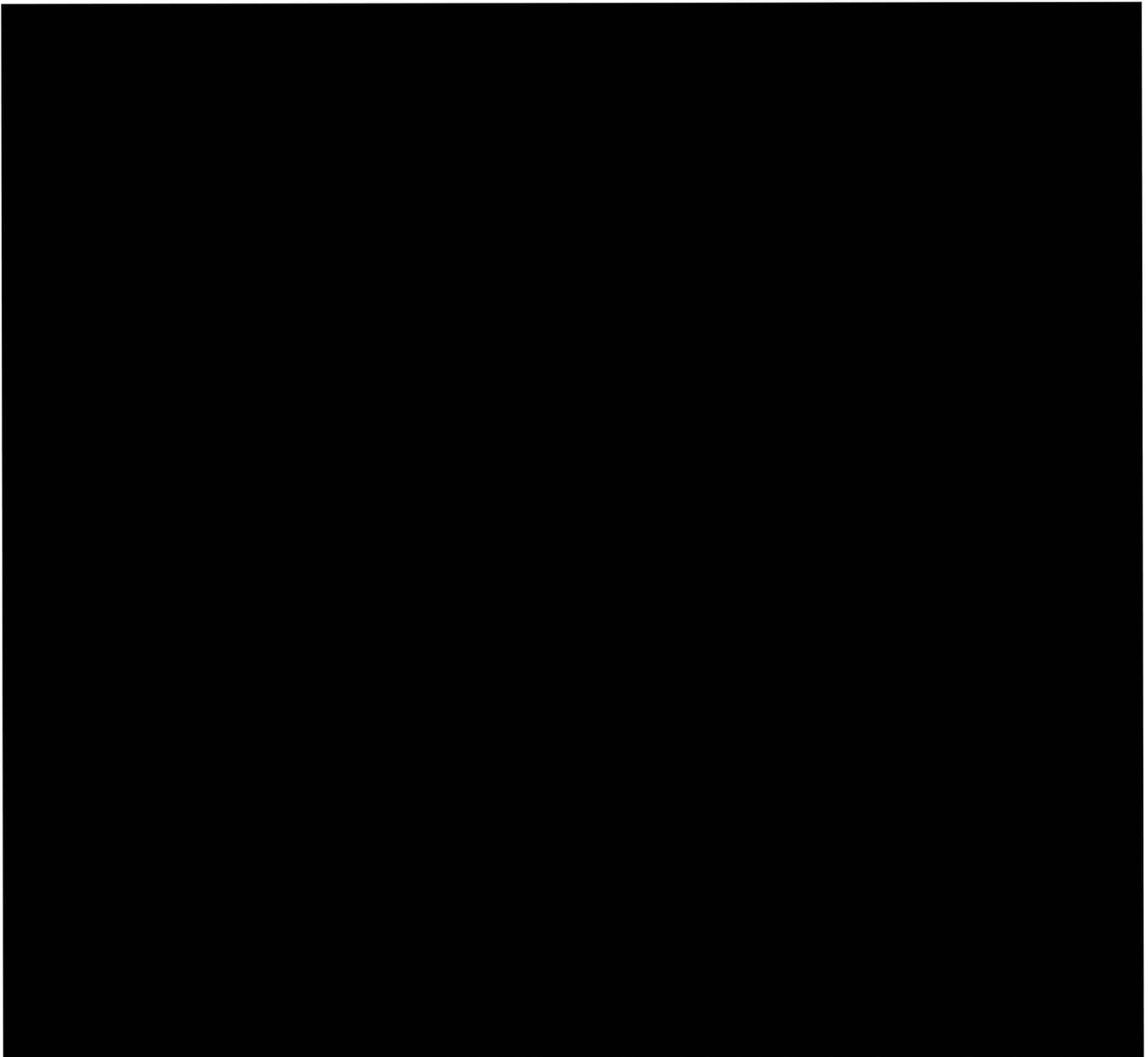
13. Whilst I am named as the contact at the bottom of the briefing note, I would have only drafted a first draft of the briefing note after discussions with my then Team Leader Ashley Anderssen and my Director as to Treasury's position on the matter. I note that my Director, Natalie Barber was noted as the Briefing Officer on the briefing note.


.....
Michael Buckby
Deponent

Taken by: 
.....
~~Witness~~
Solicitor

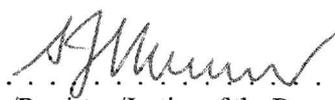
14. I recall, as recorded in the briefing note, Treasury's position was that the Racing Industry had previously been approved a significant amount of funding via the Scheme and that given the fiscally constrained environment it should work with the funding amount that had been approved. Treasury's position is articulated in the briefing note.

15. Treasury supported the use of the Scheme funds for occupational health and safety and public safety related works at Mackay Racecourse but asked for further costings and other particulars for the remainder of the proposed works.



Signed: 

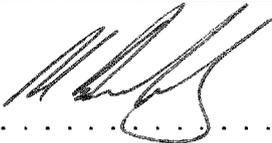
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Business cases generally

22. I was involved in the review of the business cases supporting the release of funds for the relevant entities under the Racing Industry Capital Development Scheme in consultation with my Team Leader and Director. Depending on the outcome of that review and consultation, feedback would be provided to the Office of Racing by myself, the Team Leader, Branch Director or Assistant Under Treasurer.
23. I recall having some discussion with officers from the Office of Racing as to what the business cases should provide. Treasury's position was that it was the role of the Office of Racing to liaise with Racing Queensland Limited as to the content and format of the business cases to be provided to government. I recall providing to the Office of Racing a copy of a 'Business case development' paper which I printed from the Department of Infrastructure and Planning's website under the 'Project Assurance Framework'. I believe this was provided by myself to Carol Perrett from the Office of Racing and to Mark Snowdon from Racing Queensland Limited during a meeting that took place on 11 August 2011.
24. My understanding of Treasury's role in assessing the business cases was to decide:
- a. Were the assumptions of the business case reasonable;
 - b. What was the impact of the project on the racecourse's future revenues and expenses and is this sustainable;
 - c. Does the scale and cost of the project appear reasonable.
25. It was not Treasury's role to assess the forecast costs included in the business cases in any detail, other than to see if they appeared reasonable or not. It was for the line agency, in this case the Office of Racing, to go into that level of detail.
26. Exhibit **MB5** is a copy of an email from Mark Snowdon and subsequent email from Carol Perrett regarding the preparation of the business cases and the drawing down of funds under the Scheme. I do not recall taking any action in response to those emails other than to advise Carol Perrett that Racing Queensland Limited should be directing its communications to the Office of Racing, not Treasury, and re-directing the email to Carol Perrett.

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27. I do not recall receiving or seeing any assessment from the Office of Racing about the business cases.

The Mackay Business Case

28. I recall the Mackay Business Case which contained a lot of information about safety issues, facilities requiring maintenance, numerous photographs, proposed upgrades and statements about the possible loss of its TAB status.

29. As to my involvement in the assessment of the business case, I recall:

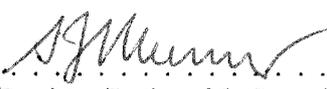
- a. reviewing the business case;
- b. forming the view it inadequately articulated what works were necessary to prevent the loss of TAB status and what the financial implications were if the TAB status was lost;
- c. discussing the inadequacies with my then team leader, Ashley Anderssen, and Director Natalie Barber.

30. I recall preparing the initial draft of the briefing note about the Mackay Business Case in response to a letter received from Minister Mulherin's office. Exhibit **MB6** is a copy of the letter from Minister Mulherin's office and the email to me attaching it. I cannot recall having a personal view about whether the business case should go back to the CBRC or how that idea came about. I may have been directed by my supervising officers to prepare an initial draft of a letter to Minister Mulherin which would accompany the briefing note. Exhibit **MB7** is a copy of the briefing note and a copy of the draft letter from the Treasurer to Minister Mulherin. I do not recall if the briefing note or letter were received or signed by the Treasurer.

31. I would have received direction at all stages by my supervising officers as to Treasury's response to the business case. Further, like any briefing note, as it progressed up the line of my superiors, changes may be made without my further input.

32. I recall that as this was the first business case to be submitted. I recall Racing Queensland Limited exploring what information it should supply, and Treasury considering what information it required in order to decide whether or not to accept the business case.

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Deponent

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33. Exhibit **MB8** is a copy of an email I sent to the Office of Racing regarding the potential loss of TAB status and the consequences for the Mackay racecourse. I would not have sent this email without consultation with either my Team Leader or my Director. We would have formulated the substance of the email together. The handwritten annotations on the email are not mine.

Beaudesert business case

34. A copy of the draft Beaudesert business case was received on 16 December 2011. Exhibit **MB9** is a copy of the email from the Office of Racing.

35. I do not recall agreeing to provide input into a draft business case. My understanding was that the business case sent to Treasury would be in a final form, rather than as a draft only for comment or advice as the email suggests.

36. I have been shown an email dated 3 January 2012 from Michael Kelly, the Executive Director at the Office of Racing, attaching a letter dated 22 December 2011 from Racing Queensland Limited. The email concerned the status of a decision regarding the Beaudesert business case and expressed concern that further delay in a decision would cause serious problems. It was not normally the practice for an executive director to correspond directly with me on such issues, but my Director Natalie Barber was not in the office on that date. In response to the email a meeting was arranged for 5 January 2012 as referred to in paragraph 37 of this statement. Exhibit **MB10** is a copy of the email and the attached letter.

37. Treasury's position was that it was not satisfied with the business case. I recall my Team Leader, Gerald Foley and myself met with Mark Snowden, Carol Perrett, Michael Kelly on the 5 January 2012 to discuss the Beaudesert business case.

38. As a result of that meeting I sent an email to the Office of Racing on 6 January 2012, attaching a summary of Treasury's comments on the Beaudesert business case as discussed in the meeting on 5 January 2012. Gerald Foley drafted the comments. Exhibit **MB11** is a copy of that email attaching those comments.

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39. I recall a telephone conference with officers from the Office of Racing, Stuart Booker, Natalie Barber and myself on 19 January 2012. It took place in Stuart Booker's office. Exhibit **MB12** are copies of emails I sent requesting the meeting be entered into the diaries of Treasury officers. I do not recall who requested the telephone conference or the outcome of the conference but note from my email that the purpose was for Mike Kelly to brief Stuart Booker, Natalie Barber and myself on recent discussions between Mike Kelly, Bob Bentley, Minister Mulherin and the Treasurer.
40. A revised Beaudesert business case was delivered to Treasury on 24 January 2012. I was involved in Treasury's review of that revised business case.
41. Treasury's position was that it had concerns with the revised Beaudesert business case. Of particular concern were the ongoing operating deficits, non-viability of the facility after completion of the capital works, and the indicated forecast subsidy required from Racing Queensland Limited.
42. On 31 January 2012 I forwarded an email to Michael Kelly advising that Treasury was preparing a number of questions relating to the business cases. On 1 February 2012, my Team Leader Gerald Foley copied me into an email which he forwarded to Michael Kelly setting out a list of further questions about the business case. Exhibit **MB13** are copies of those emails between Treasury and the Office of Racing about those questions.
43. I do recall seeing Racing Queensland Limited's response to those questions in an email provided via the Office of Racing on 2 February 2012. I assumed the response was prepared by Racing Queensland Limited.
44. On 6 February 2012, I forwarded an email to Office of Racing seeking further information about the total annual subsidy figures paid by Racing Queensland Limited and its predecessors to the various race clubs over the previous five financial years. Exhibit **MB14** is a copy of that email trail including the response email I received on 7 February 2012 from Carol Perret on forwarding an email received by the Office of Racing from Adam Carter of Racing Queensland Limited about those figures. I am unable to recall precisely the purpose for my asking for such information but believe it was connected to the assessment of the

Signed: 
Deponent

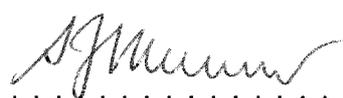
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business cases and the need for and/or capacity of Racing Queensland Limited to provide ongoing subsidisation to relevant clubs.

Other business cases

45. A further five businesses cases were received by Treasury between 31 January 2012 and 16 February 2012. This included the Gold Coast and Ipswich business cases which were received on 15 February 2012 and 16 February 2012 respectively, with 17 February 2012 being the final working day before the commencement of the caretaker period.
46. I do not recall how each of the business cases were submitted to Treasury but believe the final six business cases were hand delivered in hard copy by the Office of Racing.
47. The business cases consistently demonstrated that following completion of the infrastructure works, the racing clubs would continue to record operating deficits and were not viable in the medium to longer term without on-going subsidisation from Racing Queensland Limited.
48. I prepared a draft of the briefing note dated 10 February 2012 which sets out Treasury's evaluation of the Beaudesert, Rockhampton and Cairns business cases. I would have discussed the contents of the briefing note with Natalie Barber and Stuart Booker before commencing to draft it. I was conscious that we were approaching the last week before caretaker mode commenced. The substance of the recommendations and financial implications sections would have been mostly provided by my supervising officers. Exhibit **MB15** is a copy of that briefing note.
49. The briefing note of 10 February 2012 was overtaken by the briefing note of 14 February 2012, which included the Logan business case analysis. Exhibit **MB16** is a copy of that briefing note. The briefing note was initially prepared by me in continuing consultation with my supervisors Natalie Barber and Stuart Booker.
50. I recall Treasury recommended seeking an assurance that Racing Queensland Limited would continue to support and subsidise the racing clubs to mitigate against future funding requests to Government. I recall Treasury receiving the assurance, but personally do not know how that came about. Treasury further suggested in the briefing note to the Treasurer that Racing

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Queensland Limited should set aside a portion of wagering revenue to use as a buffer against future racing club operating deficits.

51. Following receipt of the Gold Coast and Ipswich business cases on 15 and 16 February 2012 respectively, the briefing note of 17 February 2010 was prepared. Exhibit **MB17** is a copy of that briefing note. The briefing note was initially prepared by me in continuing consultation with Natalie Barber and Stuart Booker.
52. Exhibit **MB18** is a copy of an email I received from Carol Perrett about the Ipswich Turf Club business case. I do not recall taking any further action on this email.
53. I recall that there was consistent pressure from the Office of Racing to accept the business cases to enable funds to be released. I also recall Treasury's concern with accepting the business cases was that even if the funding was provided as requested, the level of race club subsidisation required would increase.
54. I recall Minister Mulherin's office releasing a media statement regarding a number of business cases. Exhibit **MB19** is a copy of a media statement made by Minister Mulherin's office on 1 February 2012 concerning the commencement of construction of the \$8.2 million upgrade to the Beaudesert racing club which was drawn to the attention of Treasury by the Office of Racing in an email from Michael Kelly to Gerald Foley dated 2 February 2012. Exhibit **MB20** is a copy of a media statement from Minister Mulherin on 11 January 2012 regarding a \$35.4 million upgrade to the Gold Coast Turf Club. Treasury received the business case on 15 February 2012.

Other relevant and discussions

55. I did not have any meetings with officers of Racing Queensland Limited, other than the meetings referred to in paragraphs 23 and 37 of this statement.
56. I do not recall ever meeting with any officers or employees of any of the other Relevant Entities.

Signed: 

Deponent

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Other matters

57. In preparing this statement, I have seen other documents which relate to my interactions with Racing Queensland Limited and which may be relevant to the Commission's terms of reference. These are:

- a. A request for information from the Office of Racing on 24 October 2011. Exhibit **MB21** is a copy of the email request and the email in response. The documents speak for themselves. I do not now recall now the context of the request, but it may have something to do with the government's agreement with TattsBett. I believe the request originated from the Treasurer's office. It was not unusual for me to be directed to send requests for information without being informed of the background or context of the request.
- b. An email dated 12 December 2011 from Office of Racing to my Director Natalie Barber copied to me attaching a copy of the funding deed for Mackay and instructions from Office of Racing to DEEDI legal to draft a deed for Beaudesert. Exhibit **MB22** is a copy of that email. I cannot recall being involved in any discussion about the contents of that email.
- c. Costs of preparing the business cases. Exhibit **MB23** is a copy of a bundle of emails I received regarding the costs of external consultants and internal costs incurred by Racing Queensland Limited to prepare the business cases. Following a request from Racing Queensland Limited received via the Office of Racing, I recall drafting a briefing note which proceeded through my superiors seeking approval from the Treasurer to provide up to \$2.75 million to Racing Queensland Limited under the Scheme to assist with meeting the costs of preparing the business cases. Exhibit **MB24** is a copy of that briefing note. I recall Treasury receiving a large volume of invoices sent by the Office of Racing in early February 2012 relating to the costs of the external consultant and Racing Queensland Limited's internal costs. It was not Treasury's role to carry out a detailed analysis of such invoices. Rather, I was checking that the reimbursement sought fell within the parameters of the \$2.75 million approved by the Treasurer on 5 December 2011. I believed that the Office of Racing was already

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satisfied as to the details of how the funds were spent and that Treasury was being asked to confirm that it was in order for DEEDI to proceed to pay the amount claimed.

- d. A request from Racing Queensland Limited about ex gratia relief on stamp duty. Exhibit **MB25** is a briefing regarding this matter. The document speaks for itself.
 - e. Internal administration questions about the projections of revenue which were the basis of funds available under the Scheme. Exhibit **MB26** is an email string regarding this matter, which speaks for itself.
 - f. On 11 August 2011, I attended a meeting with representatives of Queensland Treasury Corporation (QTC), Carol Perrett from the Office of Racing and Mark Snowden from Racing Queensland Limited, regarding the CBRC Decision of 7 July 2011 approving QTC lending to RQL up to \$100 million on the basis that the loan was to be repaid in full by 30 June 2015 through the assignment back to the State of revenues arising from wagering tax sharing arrangements. Exhibit **MB27** is a copy of an undated and unsigned file note of that meeting. I do not know who prepared the file note. It records, in accordance with my recollection, that prior to accessing funds under any QTC loan, RQL (via DEEDI) would access funds that had already accrued under the Scheme together with the \$9.852 million (Parklands) funds. I do not recall how much was available under the Scheme at that time.
58. Should the Commission have any further queries in relation to these matters, I am happy to provide further assistance.
59. All of the facts and circumstances deposed to in this affidavit are within my own knowledge and belief, except for the facts and the circumstances deposed to from information only, and my means of knowledge and source of information appear on the face of this my affidavit.

Sworn by MICHAEL BUCKBY on 4 September 2013 at Brisbane in the presence of:


.....
Deponent


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

QUEENSLAND RACING COMMISSION OF INQUIRY

INDEX OF EXHIBITS

Bound and marked MB1 – MB27 are the exhibits to the affidavit of Michael Buckby on 4 September 2013.

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Affidavit of Michael Buckby

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CROWN SOLICITOR
11th Floor, State Law Building
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Brisbane Qld 4000
Telephone 07 3239 6112
Facsimile 07 3239 6272

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.....
Michael Buckby



.....
Solicitor/Barrister/Justice of the Peace/
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Perrett, Carol

From: Perrett, Carol
Sent: Wednesday, 8 June 2011 11:21 AM
To: Chris McJannett (chris.mcjannett@ministerial.qld.gov.au)
Cc: Kelly, Michael
Subject: FW: Treasury Feedback - Draft CBRC Submission titled 'Racing Industry Capital Development Scheme'

Chris

See comments from Treasury. I have been advised that these comments have been approved by the Under Treasurer.

I asked about the balance of the \$10 million and was advised that Treasury would support the payment of the balance of the \$10 million in addition to the \$85 million loan.

I will ring you to discuss.

Yards Carol

-----Original Message-----

From: michael.buckby@treasury.qld.gov.au [mailto:michael.buckby@treasury.qld.gov.au]
Sent: Wednesday, 8 June 2011 10:49 AM
To: Perrett, Carol
Cc: Ashley.Anderssen@treasury.qld.gov.au
Subject: Treasury Feedback - Draft CBRC Submission titled 'Racing Industry Capital Development Scheme'

Hi Carol,

Thank you for the opportunity to provide feedback on the draft CBRC submission titled 'Racing Industry Capital Development Scheme'.

We have reviewed the draft and provide the following comments:

- Treasury does not support an extension of the wagering tax arrangements. Treasury would consider the provision of a QTC loan of up to \$85 million based on the current arrangements where \$85 million is the maximum level of wagering tax revenue to be directed to Racing Queensland over four years. Loan repayments would be consistent with wagering tax receipts. In keeping with CBRC's 2009 decision, access to loan drawdowns would only be available once a business case has been submitted to Treasury and accepted.
- Treasury suggests that the staging of proposed capital developments should be consistent with available funding.

Carol, I hope you find this response beneficial. I would be pleased to discuss these comments further with you at any time.

Regards

Michael Buckby
Senior Treasury Analyst
Resources & Economic Development/Queensland Treasury Level 10, 100 George Street,
Brisbane
Phone: 3237 9999
Email: michael.buckby@treasury.qld.gov.au

Perrett, Carol

From: Seen, Chris
Sent: Monday, 30 May 2011 10:23 AM
To: michael.buckby@treasury.qld.gov.au
Cc: Emslie, Cameron; Richards, Mike; Perrett, Carol; Gerry.Foley@treasury.qld.gov.au
Subject: Racing - CBRC Submission RICDS (Confidential)
Importance: High
Sensitivity: Confidential

Hi Michael,

A meeting was held on Friday 27 May to brief Rob Setter (A D-G SAFRS) on the Racing RICDS CBRC Submission.

Rob raised several queries in regard to the financial strategy that was presented and is seeking feedback from Treasury as early as possible this week confirming that Treasury has no issues with the strategy.

As per our discussion I have a specific query in regard to one of the components.

In Option 2 which is the preferred Option there is reference to the inclusion of \$10M received as compensation for greyhounds vacating the Parklands Gold Coast venue.

Racing has advised that they believe there is a balance of \$9.852M remaining from these funds.

I have reviewed DEEDI balance sheet to identify where these funds are held and the best I can find is that the Opening Balance for Racing that was transferred to DEEDI was \$9.130M. These funds however were not physically transferred into DEEDI and are held as a Trade Debtor Other in DEEDI's balance sheet.

If this entry represents the residual of the funds then it is implying that the funds now form part of DEEDI Equity (Cash at Bank/Equity).

In order for these funds to be included in this proposal it would require an Equity to Output reclassification through CBRC approval. Is this correct?

Similarly, Recommendation 3 refers to a loan from QTC that will be repaid through the grant funds. At present as this has not been approved there is no inclusion of this in the State Borrowing Program.

Could you please review the comments in regard to the \$9.852M in order that we can confirm that these are available for Racing to include in this proposal.

Should DEEDI expect that Treasury will transfer the funds into DEEDI's bank account in order to clear the Trade Debtor Other balance?

Will you be able to meet Rob's timeline in a response on these items?

Happ to discuss.

Thanks,

Chris

Chris Seen

Account Manager, Science Agriculture Food and Regional Services (SAFRS)
Finance

Department of Employment, Economic Development and Innovation
Ph: (07) 32475575
Email: chris.seen@deedi.qld.gov.au

Catherine McLennan

From: Perrett, Carol [Carol.Perrett@racing.qld.gov.au]
Sent: Thursday, 30 June 2011 12:37 PM
To: 'michael.buckby@treasury.qld.gov.au'; Nicholas Lindsay
Subject: FW: Racing CBRC submission
Attachments: Draft Racing CBRC sub inc Mackay 30.6.11.doc; Attachment 1 Revised infrastructure plan.pdf

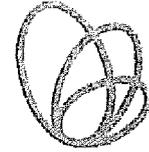
Michael and Nick

Attached is the latest version of the Racing Industry Capital Development Scheme CBRC submission.

I confirm that I have been advised that the submission is to be placed on the CBRC agenda for 7 July 2011.

Michael - We have addressed the issues you raised in relation to the Mackay Business Case in the submission.

Regards Carol



RACING QUEENSLAND

17 May 2011

Hon. Tim Mulherin MP
Minister for Agriculture, Food and Regional Economies
GPO Box 46
BRISBANE QLD 4001

Racing Queensland Limited
A.B.N 52 142 786 874
Racecourse Rd Deagon QLD 4017
PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Dear Minister

Please find **enclosed** amended industry Infrastructure Plan as requested, that can proceed immediately and be practical irrespective of the outcome of the Albion Park litigation.

The amended plan covers the three (3) codes of racing and recognises the likely loss of tracks and the state of each venue and also seeks to remedy known work place health and safety (WH&S) issues.

The amended plan includes the expenditure to date for each project for architectural engineering and other consultant's services that have been paid by RQL on the understanding that these costs will be reimbursed to RQL from the previously approved tax redirection. The costs incurred where necessary to be able to present the projects with supporting professionally prepared documentation as required and requested by Government:

Cairns	\$1,966,832.75
Townsville	\$6,348,584.00
Mackay	\$7,442,986.42
Rockhampton	\$1,605,000.00
Deagon	\$39,968,339.53
Gold Coast	\$35,477,647.22
Logan - Reimbursement of Costs to Date	\$480,536.01
Beaudesert	\$7,271,511.72
Ipswich - Reimbursement of Costs to Date	\$35,435.26

Country Racing WHS & Cyclone/Flood Remediation [Paid]	\$2,350,000.00
Albion Park	\$1,706,416.64
Project Administration Costs to be Reimbursed from Non-Allocated Project Costs	\$46,293.80
Interest Cost	\$6,022,007.00
Total Expenditure - Plan A	\$110,721,590.35

Following approval and prior to any project being commissioned, RQL will submit a detailed budget for each project.

An Executive Summary is included as part of the budget. The industry thanks you for your attention to this important project and looks forward to an urgent decision.

Yours sincerely



R G Bentley
Chairman

Encl.

Executive Summary

The purpose of this report is to present the amended Racing Industry Infrastructure Plan in a format that will detail the work to be undertaken from the funding provided by the state government in the form of tax redirection totalling approximately \$120,000,000 over six (6) years.

The expenditure of Plan A is proposed to be as follows:

Cairns	\$1,966,832.75
Townsville	\$6,348,584.00
Mackay	\$7,442,986.42
Rockhampton	\$1,605,000.00
Deagon	\$39,968,339.53
Gold Coast	\$35,477,647.22
Logan - Reimbursement of Costs to Date	\$480,536.01
Beaudesert	\$7,271,511.72
Ipswich - Reimbursement of Costs to Date	\$35,435.26
Country Racing WHS & Cyclone/Flood Remediation [Paid]	\$2,350,000.00
Albion Park	\$1,706,416.64
Project Administration Costs to be Reimbursed from Non-Allocated Project Costs	\$46,293.80
Interest Cost	\$6,022,007.00
Total Expenditure - Plan A	\$110,721,590.35

Financial Plan

It is proposed that Plan A is to be funded from the tax redirection of approximately \$120,000,000 over six (6) years. This funding will be received by the industry as a monthly drawdown and as the need for infrastructure upgrade on the proposed projects of Plan A is a priority it is the intention of Racing Queensland Limited (RQL) to establish a loan facility with Queensland Treasury Corporation.

The tax redirection will be used as security and serviceability of this loan and it is anticipated from project budgets that an interest cost of \$6,022,007.00 will be required to service the loan facility. A full project planning report will be prepared and submitted to government that will demonstrate the management of the cash flows and budgets. Time lines corresponding to the financials will be prepared and submitted to demonstrate that the timing of the projects will not in any way cause undue variances with the budget or unnecessarily incur additional interest cost.

It is intended by RQL that this loan facility will be fully repaid at the end of the 6 years of tax relief. RQL will be establishing the necessary systems and transparency with State Government to ensure the utilisation of these funds will be fully and comprehensively audited to Government's requirements.

Amended Infrastructure Plan

Cairns Project Budget		Cairns Comments
Costs to date to be Reimbursed	\$ 6,832.75	<i>The amounts allocated will be directed towards the upgrade of the track, repair the existing drainage system and renovate the existing stables to an acceptable standard.</i>
Course Proper Drainage and General Improvements Allowance	\$ 1,560,000.00	
Remediation Works to existing Stables Allowance	\$ 250,000.00	
Consultants Costs and Project Management	\$ 150,000.00	
Total	\$ 1,966,832.75	

Amended Infrastructure Plan

Townsville Project Budget	Townsville Comments
Costs to date to be Reimbursed	<i>The expenditure allocated will be utilised to upgrade the tracks, construct public infrastructure. A new swab stall will be constructed. In addition the existing roads and car parks will be upgraded.</i>
\$ 9,584.00	
Course Proper Surface and Subgrade Improvements	
\$ 1,100,000.00	
Course Proper Irrigation Improvements	
\$ 200,000.00	
Entry Roads to Stables	
\$ 230,000.00	
Upgrade Swab Stall	
\$ 200,000.00	
Track Machinery and Infrastructure	
\$ 4,359,000.00	
Consultants Costs and Project Management	
\$ 250,000.00	
Total	
\$ 6,348,584.00	

Amended Infrastructure Plan

Mackay Project Budget	Mackay Comments
Costs to date to be Reimbursed	\$ 91,977.42
Turf Track and Sand Track Upgrades	\$ 1,920,000.00
Relocated Running Rail	\$ 100,000.00
Irrigation to new grass track proper (pumps Extra)	\$ 350,000.00
Communications/Electrical/Timing/Fibre Optics	\$ 150,000.00
Entry Road and Float Car Park (Asphalt)	\$ 472,000.00
New Mounting Yard near Tie-up Stalls	\$ 50,000.00
New Stewards/Camera towers (5 no.)	\$ 200,000.00
Upgrade to Training Lights	\$ 50,000.00
Stewards and Jockey Building	\$ 400,000.00
New Swab Stall (inc. A/C)	\$ 200,000.00
New Winning Post tower (Steward, Judge, camera & race caller)	\$ 300,000.00
Mackay Turf Club Infrastructure Allowance	\$ 2,000,000.00
Consultants Costs and Project Management	\$ 940,000.00
Project Contingency	\$ 219,009.00
Total	\$ 7,442,986.42

Allowance has been made for the upgrade and realignment of the track and the training track. Additional allowance has been made to repair the roads and car parks. The non compliant workplace health and safety infrastructure will be demolished and insitu asbestos will be removed from the site.

Public facilities and members areas will be upgraded sufficiently to allow for the continuation of the facility as a TAB venue.

Amended Infrastructure Plan

Rockhampton Project Budget		Rockhampton Comments
Greyhound Facilities	\$ 1,500,000.00	<i>New kennels and track infrastructure has been allowed to enable the Rockhampton Greyhounds to be a TAB venue.</i>
Consultants Costs and Project Management	\$ 105,000.00	
Total	\$ 1,605,000.00	

Amended Infrastructure Plan

Gold Coast Project Budget	Gold Coast Comments
Costs to date to be Reimbursed	\$ 69,791.22
Turf Course Proper - Metro Standard	\$ 2,000,000.00
Synthetic Track and Infrastructure	\$ 8,730,000.00
Turf No. 2 - Minor Provincial Standard	\$ 1,800,000.00
Sand Training Track and Infrastructure	\$ 1,200,000.00
Ambulance Track	\$ 890,000.00
Racing Infrastructure	\$ 730,000.00
Communications Infrastructure	\$ 500,000.00
Major Stormwater Infrastructure	\$ 1,500,000.00
Internal Marquee and Overflow Car Park	\$ 500,000.00
Magic Millions Marquee Area Allowance	\$ 75,000.00
Fencing and Landscaping	\$ 250,000.00
New Stewarts/Camera Tower (6 no.)	\$ 300,000.00
Upgrade to training Lights	\$ 100,000.00
Car Parks, Roadways and Tunnels	\$ 6,730,000.00
New Tie-up Stalls	\$ 200,000.00
Equine Swimming Pool	\$ 926,251.00
Consultants Costs and Project Management	\$ 4,925,000.00
Council Costs	\$ 1,450,000.00
Contingency	\$ 2,601,605.00
Total	\$ 35,477,647.22

The plan provides for a complete revamp of the course proper, flood mitigation and the installation of a synthetic training and racing track with tunnel access to the inside of the tracks.

This major upgrade to the Gold Coast facility will be a significant improvement to rider and horse safety.

Amended Infrastructure Plan

Beaudesert Project Budget		Beaudesert Comments
Costs to date to be Reimbursed	\$ 231,511.72	
New 12m wide Sand Track (including Allowance for black soils)	\$ 1,490,000.00	<i>The Beaudesert facility will receive a new Jockey and Officials area, the existing drainage of the racetrack will be substantially improved and new fencing constructed around the track. The tie-up area will receive a basic upgrade as well as new public facilities. A new sand track will be provided.</i>
improve Major Flood Drainage	\$ 300,000.00	
Fencing and Landscaping	\$ 200,000.00	
Tie-up Stall Shed Demolition, Transport, Reconstruction and Fit-out	\$ 600,000.00	
New Jockey and Steward Facilities	\$ 400,000.00	
New Public Facilities Allowance	\$ 3,700,000.00	
Consultants Costs and Project Management	\$ 350,000.00	
TOTAL	\$ 7,271,511.72	

Amended Infrastructure Plan

Albion Park		Albion Park Comments
Costs to date to be Reimbursed	\$ 6,416.64	<i>To cover the costs of addressing the workplace health and safety issues currently existing at the venue and allow the continued use of Albion Park until Deagon is completed. The amount also covers expected current litigation cost and the current disability discrimination claim remedies.</i>
Machinery, Equipment & other WHS issues identified to be continued on a temporary basis	\$ 1,300,000.00	
Disability Access to be continued on a temporary basis	\$ 300,000.00	
Consultants Costs and Project Management	\$ 100,000.00	
Total	\$ 1,705,416.64	

Project Administration		Project Administration Comments
Consultants Costs and Project Management - Non allocated in preparation of the Plan	\$ 46,293.80	<i>Interest to be charged against a loan to be obtained to allow the works to commence.</i>
Interest Budget	\$ 6,022,007.00	
Total	\$ 6,068,300.80	

Preliminary Infrastructure Plan Summary		
Total Project Cost	\$	110,721,590.35

Catherine McLennan

From: carol.perrett@racing.qld.gov.au
Sent: Thursday, 26 May 2011 11:35 AM
To: michael.buckby@treasury.qld.gov.au; Nicholas Lindsay
Cc: john.paterson@racing.qld.gov.au
Subject: Draft CBRC submission - additional funding

Attachments: Consultation draft Racing CBRC sub 26.05.11.doc; Attachment 1 Revised infrastructure plan.pdf; Attachment 2 Funding Agreement.pdf



Consultation draft Attachment 1 Attachment 2
Racing CBRC... Revised infrastru... unding Agreement..

Michael and Nick

Attached is the draft CBRC submission for additional funding for the racing industry under the Racing Industry Capital Development Scheme.

Can you please review and provide me with you comments asap.

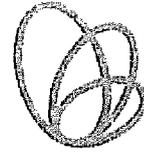
Please call me on 323 41408 or mobile 0401 692 943 if you wish to discuss.

Regards Carol

(See attached file: Consultation draft Racing CBRC sub 26.05.11.doc) (See attached file: Attachment 1 Revised infrastructure plan.pdf) (See attached file: Attachment 2 Funding Agreement.pdf)

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RACING QUEENSLAND

17 May 2011

Hon. Tim Mulherin MP
Minister for Agriculture, Food and Regional Economies
GPO Box 46
BRISBANE QLD 4001

Racing Queensland Limited
A.B.N 52 142 766 074
Racecourse Rd Deagon QLD 4017
PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3269 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Dear Minister

Please find **enclosed** amended industry Infrastructure Plan as requested, that can proceed immediately and be practical irrespective of the outcome of the Albion Park litigation.

The amended plan covers the three (3) codes of racing and recognises the likely loss of tracks and the state of each venue and also seeks to remedy known work place health and safety (WH&S) issues.

The amended plan includes the expenditure to date for each project for architectural engineering and other consultant's services that have been paid by RQL on the understanding that these costs will be reimbursed to RQL from the previously approved tax redirection. The costs incurred where necessary to be able to present the projects with supporting professionally prepared documentation as required and requested by Government:

Cairns	\$1,966,832.75
Townsville	\$6,348,584.00
Mackay	\$7,442,986.42
Rockhampton	\$1,605,000.00
Deagon	\$39,968,339.53
Gold Coast	\$35,477,647.22
Logan - Reimbursement of Costs to Date	\$480,536.01
Beaudesert	\$7,271,511.72
Ipswich - Reimbursement of Costs to Date	\$35,435.26

Country Racing WHS & Cyclone/Flood Remediation [Paid]	\$2,350,000.00
Albion Park	\$1,706,416.64
Project Administration Costs to be Reimbursed from Non-Allocated Project Costs	\$46,293.80
Interest Cost	\$6,022,007.00
Total Expenditure - Plan A	\$110,721,590.35

Following approval and prior to any project being commissioned, RQL will submit a detailed budget for each project.

An Executive Summary is included as part of the budget. The industry thanks you for your attention to this important project and looks forward to an urgent decision.

Yours sincerely



R G Bentley
Chairman

Encl.

Executive Summary

The purpose of this report is to present the amended Racing Industry Infrastructure Plan in a format that will detail the work to be undertaken from the funding provided by the state government in the form of tax redirection totalling approximately \$120,000,000 over six (6) years.

The expenditure of Plan A is proposed to be as follows:

Cairns	\$1,966,832.75
Townsville	\$6,348,584.00
Mackay	\$7,442,986.42
Rockhampton	\$1,605,000.00
Deagon	\$39,968,339.53
Gold Coast	\$35,477,647.22
Logan - Reimbursement of Costs to Date	\$480,536.01
Beaudesert	\$7,271,511.72
Ipswich - Reimbursement of Costs to Date	\$35,435.26
Country Racing WHS & Cyclone/Flood Remediation [Paid]	\$2,350,000.00
Albion Park	\$1,706,416.64
Project Administration Costs to be Reimbursed from Non-Allocated Project Costs	\$46,293.80
Interest Cost	\$6,022,007.00
Total Expenditure - Plan A	\$110,721,590.35

Financial Plan

It is proposed that Plan A is to be funded from the tax redirection of approximately \$120,000,000 over six (6) years. This funding will be received by the industry as a monthly drawdown and as the need for infrastructure upgrade on the proposed projects of Plan A is a priority it is the intention of Racing Queensland Limited (RQL) to establish a loan facility with Queensland Treasury Corporation.

The tax redirection will be used as security and serviceability of this loan and it is anticipated from project budgets that an interest cost of \$6,022,007.00 will be required to service the loan facility. A full project planning report will be prepared and submitted to government that will demonstrate the management of the cash flows and budgets. Time lines corresponding to the financials will be prepared and submitted to demonstrate that the timing of the projects will not in any way cause undue variances with the budget or unnecessarily incur additional interest cost.

It is intended by RQL that this loan facility will be fully repaid at the end of the 6 years of tax relief. RQL will be establishing the necessary systems and transparency with State Government to ensure the utilisation of these funds will be fully and comprehensively audited to Government's requirements.

Amended Infrastructure Plan

Cairns Project Budget		Cairns Comments
Costs to date to be Reimbursed	\$ 6,832.75	<i>The amounts allocated will be directed towards the upgrade of the track, repair the existing drainage system and renovate the existing stables to an acceptable standard.</i>
Course Proper Drainage and General Improvements Allowance	\$ 1,560,000.00	
Remeciation Works to existing Stables Allowance	\$ 250,000.00	
Consultants Costs and Project Management	\$ 150,000.00	
Total	\$ 1,966,832.75	

Amended Infrastructure Plan

Townsville Project Budget	Townsville Comments
Costs to date to be Reimbursed	<i>The expenditure allocated will be utilised to upgrade the tracks, construct public infrastructure. A new swab stall will be constructed. In addition the existing roads and car parks will be upgraded.</i>
Course Proper Surface and Subgrade Improvements	
Course Proper Irrigation Improvements	
Entry Roads to Stables	
Upgrade Swab Stall	
Track Machinery and Infrastructure	
Consultants Costs and Project Management	
Total	

	\$	9,584.00
	\$	1,100,000.00
	\$	200,000.00
	\$	230,000.00
	\$	200,000.00
	\$	4,359,000.00
	\$	250,000.00
	\$	6,348,584.00

Amended Infrastructure Plan

Mackay Project Budget	Mackay Comments
Costs to date to be Reimbursed	\$ 91,977.42
Turf Track and Sand Track Upgrades	\$ 1,920,000.00
Relocated Running Rail	\$ 100,000.00
Irrigation to new grass track proper (pumps Extra)	\$ 350,000.00
Communications/Electrical/Timing/Fibre Optics	\$ 150,000.00
Entry Road and Float Car Park (Asphalt)	\$ 472,000.00
New Mounting Yard near Tie-up Stalls	\$ 50,000.00
New Stewards/Camera towers (5 no.)	\$ 200,000.00
Upgrade to Training Lights	\$ 50,000.00
Stewards and Jockey Building	\$ 400,000.00
New Swab Stall (inc. A/C)	\$ 200,000.00
New Winning Post tower (Steward, Judge, camera & race caller)	\$ 300,000.00
Mackay Turf Club Infrastructure Allowance	\$ 2,000,000.00
Consultants Costs and Project Management	\$ 940,000.00
Project Contingency	\$ 219,009.00
Total	\$ 7,442,986.42

Allowance has been made for the upgrade and realignment of the track and the training track. Additional allowance has been made to repair the roads and car parks. The non compliant workplace health and safety infrastructure will be demolished and insitu asbestos will be removed from the site.

Public facilities and members areas will be upgraded sufficiently to allow for the continuation of the facility as a TAB venue.

Amended Infrastructure Plan

Rockhampton Project Budget		Rockhampton Comments
Greyhound Facilities	\$ 1,500,000.00	<i>New kennels and track infrastructure has been allowed to enable the Rockhampton Greyhounds to be a TAB venue.</i>
Consultants Costs and Project Management	\$ 105,000.00	
Total	\$ 1,605,000.00	

Amended Infrastructure Plan

Gold Coast Project Budget	Gold Coast Comments
Costs to date to be Reimbursed	\$ 69,791.22
Turf Course Proper - Metro Standard	\$ 2,000,000.00
Synthetic Track and Infrastructure	\$ 8,730,000.00
Turf No. 2 - Minor Provincial Standard	\$ 1,800,000.00
Sand Training Track and Infrastructure	\$ 1,200,000.00
Ambulance Track	\$ 890,000.00
Racing Infrastructure	\$ 730,000.00
Communications Infrastructure	\$ 500,000.00
Major Stormwater Infrastructure	\$ 1,500,000.00
Internal Marquee and Overflow Car Park	\$ 500,000.00
Magic Millions Marquee Area Allowance	\$ 75,000.00
Fencing and Landscaping	\$ 250,000.00
New Stewarts/Camera Tower (6 no.)	\$ 300,000.00
Upgrade to training Lights	\$ 100,000.00
Car Parks, Roadways and Tunnels	\$ 6,730,000.00
New Tie-up Stalls	\$ 200,000.00
Equine Swimming Pool	\$ 926,251.00
Consultants Costs and Project Management	\$ 4,925,000.00
Council Costs	\$ 1,450,000.00
Contingency	\$ 2,601,605.00
Total	\$ 35,477,647.22

The plan provides for a complete revamp of the course proper, flood mitigation and the installation of a synthetic training and racing track with tunnel access to the inside of the tracks.

This major upgrade to the Gold Coast facility will be a significant improvement to rider and horse safety.

Amended Infrastructure Plan

Beaudesert Project Budget		Beaudesert Comments
Costs to date to be Reimbursed	\$ 231,511.72	
New 12m wide Sand Track (including Allowance for black soils)	\$ 1,490,000.00	<i>The Beaudesert facility will receive a new Jockey and Officials area, the existing drainage of the racetrack will be substantially improved and new fencing constructed around the track. The tie-up area will receive a basic upgrade as well as new public facilities. A new sand track will be provided.</i>
Improve Major Flood Drainage	\$ 300,000.00	
Fencing and Landscaping	\$ 200,000.00	
Tie-up Stall Shed Demolition, Transport, Reconstruction and Fit-out	\$ 600,000.00	
New Jockey and Steward Facilities	\$ 400,000.00	
New Public Facilities Allowance	\$ 3,700,000.00	
Consultants Costs and Project Management	\$ 350,000.00	
Total	\$ 7,271,511.72	

Amended Infrastructure Plan

Ipswich	Ipswich Comments
Costs to date to be Reimbursed \$ 35,435.26	<i>RQL requests reimbursement for these costs associated with the development of the Infrastructure Plan. It is planned that this tricode venue will be a major racing hub in South East Queensland. All costs must be funded from the realisation of Albion Park.</i>
Total \$ 35,435.26	

	Country Racing Comments
Country Racing WHS & Cyclone/Flood Remediation - Paid \$ 2,350,000.00	<i>This is the amount already drawn down against the original 4 year tax redirection approval and has been paid.</i>

Amended Infrastructure Plan

Albion Park		Albion Park Comments
Costs to date to be Reimbursed	\$ 6,416.64	<i>To cover the costs of addressing the workplace health and safety issues currently existing at the venue and allow the continued use of Albion Park until Deagon is completed. The amount also covers expected current litigation cost and the current disability discrimination claim remedies.</i>
Machinery, Equipment & other WHS issues identified to be continued on a temporary basis	\$ 1,300,000.00	
Disability Access to be continued on a temporary basis	\$ 300,000.00	
Consultants Costs and Project Management	\$ 100,000.00	
Total	\$ 1,706,416.64	

Project Administration		Project Administration Comments
Consultants Costs and Project Management - Non allocated in preparation of the Plan	\$ 46,293.80	<i>Interest to be charged against a loan to be obtained to allow the works to commence.</i>
Interest Budget	\$ 6,022,007.00	
Total	\$ 6,068,300.80	

Total Project Cost	Preliminary Infrastructure Plan Summary	\$ 110,721,590.35
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FUNDING AGREEMENT

Between

STATE OF QUEENSLAND
acting through the
Department of Employment Economic Development and Innovation
ABN 24 830 236 406

and

RACING QUEENSLAND LIMITED
ABN 52142786874

FUNDING AGREEMENT

THIS AGREEMENT is made 11th day of April 2011

BETWEEN:

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

(the Department)

AND:

RACING QUEENSLAND LIMITED, established under the *Corporations Act 2001* (Cth), of Racecourse Road, Deagon, QLD (ABN 52142786874)

(the Recipient)

RECITALS:

- A. The Recipient has requested Funding from the Department for the purposes set out in this Agreement.
- B. The Department wishes to provide Funding to the Recipient, subject to the terms and conditions set out in this Agreement.
- C. The Department must ensure the accountability of Funding and accordingly, the Recipient must comply with the terms of this Agreement and will be accountable for all Funding it receives from the Department under this Agreement.

AGREEMENT:

1 INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings, unless the context otherwise requires:

"Agreement" means this document and includes all Schedules, annexures, attachments or other documents attached or incorporated into this document by express reference.

"Approved Security Provider" has the meaning it has in the *Financial and Performance Management Standard 2009* (Qld) as enacted under the *Financial Accountability Act 2009* (Qld).

"Approved Business Case" means a Business Case that has been provided to and endorsed (and Funding for it approved) by the relevant Responsible Person, in accordance with clauses 4.6 – 4.11.

"Assets" means assets or other equipment or materials purchased or constructed with the Funds in accordance with this Agreement.

"Business Case" means any business case or application for the use of the Funds that is prepared with respect to the Program or a Project under the Program (which may be attached in an annexure to this Agreement or as may otherwise provided to the Department from time to time under this Agreement), including the following:

- (a) how all elements of the Program or a Project proposed under it meets the criteria or Guidelines for allocation of the Funds (if any);
- (b) full details of the scope and objectives of the Program or a Project proposed under it;
- (c) full details of the work of any Program Employee to be engaged or employed to carry out in relation to the Program or a Project proposed under it;
- (d) an estimate of the costs to carry out and complete all elements of the Program or a Project proposed under it (and if additional funds are need to complete the Project, how those funds will be sourced);
- (e) full details of insurance payments received (if any) with respect to the Program or a Project proposed under it including details of any shortfall in the costs to carry out and complete all elements of the Program or Project after insurance payments (if any) are applied;

- (f) the proposed Program timeframes and budget (or timeframes and budget for a Project proposed under the Program); and
- (g) any other information required by the Department or Responsible Person from time to time in relation to the Program or a Project proposed under it.

"**Business Day**" means a day that is not a Saturday, Sunday or public holiday in Queensland.

"**Commencement Date**" means the date so specified in **Item 1, Schedule 1**, or if no date is so specified, then the date on which this Agreement is executed by the Parties (or if the Parties execute the Agreement on different days, the date on which the last Party executes the Agreement).

"**Confidential Information**" includes all trade secrets and know-how, financial or internal management information and other commercially valuable information of whatever description and in whatever form this information is communicated (whether by electronic means, in an electronic storage device, in writing or orally) but does not include information which is or becomes public knowledge other than by breach of this Agreement or any other confidentiality obligation.

"**Eligible Expenditure**" means the particular costs or expenditure for which Funding is permitted to be used or committed for the purposes of the Program (or a Project under it), as specified in **Item 2, Schedule 1**, and as is set out in an Approved Business Case.

"**Excess Funds**" any part or all of the Funds that has not been properly spent on or committed for Eligible Expenditure in accordance with this Agreement (whether by the Recipient or by a third party referred to in clause 4.11), as at the Expiry Date or the date of termination of this Agreement.

"**Expiry Date**" means the date so specified in **Item 3, Schedule 1**.

"**Force Majeure**" means any event or circumstance that is not within the control of a Party and which could not have been overcome, prevented or remedied by the exercise of reasonable care on the Party's part and includes, but is not limited to:

- (a) war, whether declared or undeclared, revolution or act of public enemies;
- (b) riot or civil commotion;
- (c) act of God;
- (d) fire, explosion, flood, storm, tempest, landslide or washaway;
- (e) act of restraint of any governmental or semi-governmental or other public or statutory authority, provided that an event will not be taken to be within the control of a party merely because that party forms part of the relevant government or authority; or
- (f) an order of any Court.

"**Funding**" or "**Funds**" means an amount to defray in whole or part any Eligible Expenditure, up to the maximum aggregate amount specified in **Item 4, Schedule 1**.

"**Goods and Services Tax**" or "**GST**" means a value added tax payable under the GST Law any similar tax, levy or impost as may otherwise be imposed by the Commonwealth Government.

"**GST Amount**" means the amount calculated by multiplying the GST exclusive amount of the funding as a taxable supply, payable under the terms of this Agreement, by the rate of GST applicable from time to time.

"**GST Law**" means *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and *A New Tax System (Goods and Services Tax Imposition – General) Act 1999* (Cth).

"**Guidelines**" is a reference to the guidelines in Annexure A to this Agreement and any of the Department's policies, formal procedures, framework or guidelines (including application forms) relevant to the application for or the granting of the Funds or approval of any Business Case, including as specified in **Item 5, Schedule 1**.

"**Guarantee**" means a contract performance guarantee in the form of a security provided by an Approved Security Provider for the amount specified in **Item 6, Schedule 1**, on terms that must be:

- (a) irrevocable and unconditional;
- (b) payable, in whole or in part, immediately on demand;
- (c) payable without reference to the Recipient or any another person;
- (d) not conditional on another right or obligation contained in another document;

- (e) not conditional on the Department proving that a demand or claim has been made under this Agreement;
- (f) unlimited as to time; and
- (g) otherwise satisfactory to the Department at its sole discretion.

"**Ineligible Expenditure**" means those costs or expenditure that are not within the specified Eligible Expenditure, including the Recipient's own administration and management costs, overheads, tender or engagement costs and financial and other reporting costs.

"**Insurance**" means the insurance of a kind and to the aggregate specified in **Item 7, Schedule 1**, if so specified, and includes any other insurance that would be desirably prudent having regard to the risks arising in connection with the Program or use of the Funds.

"**Intellectual Property or IP**" means all intellectual property rights including plant breeder's rights, patents, copyright, rights in circuit layouts, registered designs and trade marks; any right to have Confidential Information kept confidential; any application or right to apply for registration of any of these rights and all rights of a similar nature to any of these rights that may subsist in Australia or elsewhere, whether or not such rights are registered or capable of being registered.

"**Minister**" means a minister of the State of Queensland having ministerial responsibility for the Department.

"**Milestone**" means any milestones or outcomes to be completed by a certain date or the date upon which payment of the Funds or part of the Funds becomes due, as specified in **Schedule 3** (and includes the provision of reports and acquittals by the dates specified in **Schedule 2** and this Agreement).

"**Moral Rights**" mean the moral rights of attribution of authorship, right not to have authorship falsely attributed and right of integrity of authorship specified in Part IX of the *Copyright Act 1968* (Cth).

"**Party**" means either party to this Agreement and "**Parties**" means both of them.

"**Personal Information**" means information or an opinion, including information or an opinion forming part of a database, whether true or not and whether recorded in a material form or not, about an individual whose identity is apparent or can reasonably be ascertained, from the information or opinion.

"**Precondition**" means any preconditions for the operation of this Agreement or expenditure of Funds, as specified in **Item 8, Schedule 1**, or elsewhere in this Agreement, if so specified.

"**Preconditions Date**" means the date specified in the **Item 9, Schedule 1**, if so specified.

"**Project**" means any program of works, project, activity or purchase of any Asset that included as an element of the Program under this Agreement.

"**Program**" means all of the Projects, objectives and/or outcomes that are specified in **Item 10, Schedule 1**, or if not so specified, then as described in any Approved Business Case, which may include or be limited to the engagement or employment of a Program Employee.

"**Program Employee**" means any person engaged or employed by the Recipient to fill a Program position funded by the Funds, as specified in the Approved Business Case or **Item 11, Schedule 1**, if so specified.

"**Program Manager**" means the person engaged or employed by the Recipient to oversee the progress of the Program and this Agreement for the Recipient, whose details are specified in **Item 12, Schedule 1**, or as may be otherwise notified to the Department from time to time.

"**Representative**" means the person engaged or employed by the Department to liaise with the Program Manager in relation to the progress of the Program and this Agreement for the Department, whose details are specified in **Item 13, Schedule 1**, or as may be otherwise notified to the Recipient from time to time.

"**Responsible Person**" means the relevant person or persons with sufficient authority to approve the allocation of Funding and/or a Business Case for or on behalf of the Department (which may include the Minister or an officer of the Department), or as otherwise specified under this Agreement.

"**Site**" means the address(s) or location(s) where the Program must be carried out (whether in whole or in part), as specified in **Item 14, Schedule 1** (or in an Approved Business Case, if not so specified).

"**Standards**" means the forms, licensing, standards and legal requirements specified in this Agreement and **Item 15, Schedule 1**, if so specified, and includes any licensing obligations required by law and any Australian standards relevant to the matter for which standards are required (or if there are no relevant Australian standards, then any relevant international standards).

"**Term**" has the meaning given in clause 2.

1.2 In this Agreement:

- (a) a reference to this Agreement, document or other instrument includes any variation, novation or replacement of any of them;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word "person" includes a firm, body corporate, an unincorporated association or an authority;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (f) a reference to an accounting term is to be interpreted in accordance with approved accounting Standards under the *Corporations Act 2001 (Qld)* and, where not inconsistent with those accounting Standards, generally accepted principles and practices in Australia consistently applied by an incorporated body or as between incorporated bodies and over time;
- (g) a reference to anything (including any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively, to any 2 or more of them collectively and to each of them individually;
- (h) a reference to the Department or any other government department or entity ("Existing Entity") includes a reference to any department or other government entity ("New Entity") established or constituted in lieu of the Existing Entity, and with (as nearly as possible) the powers and responsibilities of the Existing Entity;
- (i) if an act prescribed under this Agreement, to be done by a party on or by a given day, is done after 5.00pm on that day, or at any time on a day that is not a Business Day, the act is deemed to be done on the following Business Day;
- (j) if a word or a phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (k) the monetary amounts stated in this Agreement are exclusive of GST, unless expressly stated otherwise;
- (l) reference to "\$" or "dollars" means Australian dollars;
- (m) headings do not affect the interpretation of this Agreement;
- (n) the word "includes" or similar is not to be read as a word of limitation; and
- (o) to the extent of any inconsistency between any clause, schedule or annexure of this Agreement, a clause will prevail over any schedule or annexure, and a schedule will prevail over any annexure.

2 TERM

- 2.1 This Agreement commences on the Commencement Date and unless earlier terminated in accordance with its terms, continues until the Expiry Date or upon completion of the Program, whichever is the later ('Term').

3 OBLIGATIONS OF THE DEPARTMENT

- 3.1 In this clause 3, a 'correctly rendered invoice' means an invoice that has been submitted to the Department and complies with the requirements of the GST Law (as a tax invoice) and must, unless inconsistent with the GST Law, specify:

- (a) the Recipient's Australian Business Number;
- (b) the Funding payment amount due to the Recipient and detail of any associated Milestone against which the claim for payment is made;
- (c) the amount of any GST paid or payable by the Recipient with respect to the Funding payment;
- (d) the Recipient's bank account, address or details for payment; and
- (e) the Department's reference number, if previously notified to the Recipient by the Department.

- 3.2 Subject to the Recipient complying fully with the terms and conditions of this Agreement and the Recipient meeting all Preconditions on or before the relevant Precondition Date, the Department will

pay to the Recipient the Funds to be committed, spent or disbursed solely on Eligible Expenditure for the purposes of the Program.

- 3.3 The Department will pay the Funds to the Recipient at the times and in the amounts specified in Schedule 3, subject to receipt of a correctly rendered invoice and completion of any applicable Milestones, within 30 days after receipt of a correctly rendered invoice.
- 3.4 Payment of any Funds under this Agreement is conditional upon the Department first receiving the following from the Recipient in a timely manner:
- (a) a copy of this Agreement signed by the Recipient's authorised signatory;
 - (b) an electronic funds transfer form;
 - (c) a copy of any contract under which the Funds are to be committed for payment or disbursement to any third party that includes the requirements in clause 4.11; and
 - (c) a correctly rendered invoice.

4 OBLIGATIONS OF THE RECIPIENT

Expenditure of Funds

- 4.1 The Recipient must comply with the following requirements and acknowledges that the Department's obligation to pay any Funds is conditional upon the Recipient:
- (a) meeting each Precondition on or before the relevant Precondition Date;
 - (b) committing and expending the Funds on Eligible Expenditure only;
 - (c) ensuring all elements of the Program are conducted at the Site, if applicable;
 - (d) ensuring all elements of the Program and any subcontracted work is conducted with due care and skill and in accordance with all applicable relevant Standards;
 - (e) providing all reports, acquittals and other information required under this Agreement to the Department and ensure that such reports, acquittals and other information is accurate and not misleading in any respect;
 - (f) not being in breach of any other funding arrangement or agreement with the State of Queensland;
 - (g) completing all elements of the Program and requirements of this Agreement in accordance with the timeframes in the Milestones and any timeframes specified in an Approved Business Case, and in any event on or before the Expiry Date;
 - (h) complying with all clauses of this Agreement; and
 - (i) complying with lawful notifications or directions of the Department given under this Agreement.

Assets and Excess Funds

- 4.2 Ownership of all Assets, as constructed or purchased, will vest in the Recipient, unless otherwise specified in Item 16, Schedule 1, in which case they will vest as set out in Item 16, Schedule 1. However, all other assets, including any assets or other equipment or materials that are purchased or constructed with the Funds in breach of this Agreement, those other assets will vest in the Department and may be disposed of at the Department's discretion without reference to the Recipient.
- 4.3 The Recipient must pay to the Department, on or before expiry of the period of time after the Expiry Date that is specified in Item 17, Schedule 1, an amount equal to the amount of all Excess Funds and such amount will be a debt due and payable to the Department without further need for proof of debt.
- 4.4 The Department is not liable to contribute any further money beyond the amount of the Funds under this Agreement. Where Funds are insufficient to meet full costs associated with the Program or to enable completion of the Program, the Recipient is responsible for providing all further funds necessary to complete the Program.
- 4.5 In consideration of the Funds, the Recipient must take all steps reasonably necessary to procure completion of all elements of the Program, including the engagement of a Program Employee (if any) and any other steps that may be specified in an Approved Business Case or other specifications set out in the Schedules.

Preparation of Business Case

- 4.6 If required by this Agreement (or if otherwise be requested by the Department in writing), the Recipient must prepare or require the preparation of a Business Case, for approval by the Responsible Person. The Business Case must be completed and provided to the Responsible Person (with a copy to the Department) at the times and in the manner specified by this Agreement (or as may otherwise be reasonably required by the Department).
- 4.7 The Business Case must:
- (a) contain those matters referred to in clause 1.1 of this Agreement and such other matters required elsewhere in this Agreement or as may be otherwise advised by the Department to the Recipient in writing; and
 - (b) be consistent with and address any relevant Guidelines.
- 4.8 The Recipient must not commit or spend any Funds until the Responsible Person has approved the relevant Business Case provided in respect of those Funds and has approved the expenditure of that Funding as Eligible Expenditure ('Approval').
- 4.9 The Department and any Minister will not be liable in any way in connection with the granting of or any failure to grant any Approval to any person under clause 4.8.
- 4.10 The Recipient will commit and spend Funds, and will ensure any third party approved by the Department conducting a Project under the Approved Business Case will commit and spend Funds allocated to them, only:
- (a) in accordance with this Agreement, including the Guidelines, and solely for Eligible Expenditure;
 - (b) for actual expenses incurred in respect of Eligible Expenditure; and
 - (c) after all relevant Preconditions have been met,
- and, the Recipient must not commit or spend, or allow any third party to commit or spend, any Funds on Ineligible Expenditure.
- 4.11 The Recipient must enter into a contract with any third party who is approved by the Department in the Approved Business Case to receive any Funds for a Project under the Program in accordance with the Guidelines, before providing any Funds to that third party, which at a minimum must include provisions:
- (a) to require the retention by the third party of all records relating to Funding expenditure for at least 7 years;
 - (b) to enable access to and audit by the Department (or their nominee) of that third party's records and premises (to the extent relevant to the Program), including the right to take copies of those records;
 - (c) to require appropriate minimum insurance requirements and indemnities;
 - (d) to require compliance with all relevant Standards and the Guidelines;
 - (e) to require the prompt return of Funds to the Recipient if they are unspent or uncommitted by the Expiry Date or date of termination of the third party contract or have been spent or committed other than for Eligible Expenditure or the specific purpose for which Funds were disbursed to the third party); and
 - (f) similar to the novation provisions (if any) of the Guidelines in Annexure A;
 - (g) without limiting the above, similar to clauses 6, 7.2, 9.7, 10.2, 10.3 and 11 of this Agreement.

Appointment of Program Manager

- 4.12 The Recipient must appoint a suitably qualified person as Program Manager to oversee the Program and who is authorised to represent and make decisions for the Recipient in relation to this Agreement.
- 4.13 If a Program Employee is specified, the Program Manager may also hold the position of Program Employee, provided the Department's prior written consent is obtained (which will not unreasonably be withheld).

- 4.14 The Program Manager will meet with and provide reasonable assistance and information to the Representative in relation to the Agreement or the Program, upon the reasonable request of the Representative.

Appointment of Program Employee (if applicable)

- 4.15 Where required as part of the Program, the Recipient must appoint, through an open tender or engagement process, a suitably qualified and experienced person as Program Employee with the skills, qualifications and experience specified in the position description for the Program Employee, if so specified in Item 11, Schedule 1, or the Business Case (or if not so specified, then as is relevant to and reasonably desirable for the proper performance of the work the Program Employee is to perform as part of the Program).
- 4.16 If the Program Employee is engaged as a consultant or an independent contractor to the Recipient, then the Recipient must ensure that the Program Employee gives binding undertakings to take out and maintain sufficient professional indemnity and public liability insurances appropriate for the work the Program Employee is to perform as part of the Program. The Recipient must undertake reasonable checks to ensure the Program Employee complies with their insurance undertakings.
- 4.17 The Department reserves the right to be included as part of the selection panel for the appointment of the Program Employee.
- 4.18 If in the reasonable opinion of the Department any person selected or appointed as Program Employee does not have the skills, qualifications or experience required by the position description for the Program Employee or relevant to and reasonably desirable for the proper performance of the work the Program Employee is to perform as part of the Program, then the Department may by notice to the Recipient require the Recipient to replace the person selected or appointed as Program Employee with another person satisfactory to the Department.

Program contracts and sub-contracting

- 4.19 The Recipient must, upon request, supply a copy of all successful tender and associated contract documentation for any works, services or goods provided under the Program and Program Employee to the Department.
- 4.20 If construction work is required as part of the Program, the Recipient must enter into an agreement with an appropriately licensed contractor and such agreement must comply with relevant Standards and Guidelines.
- 4.21 Where a head contractor is appointed, the Recipient must request written confirmation that all sub-contractors engaged on the Program are also appropriately licensed by law to carry out the work they perform, and that proof of current licensing status is provided, and provide copies of such confirmation promptly upon the Department's request.
- 4.22 All sub-contracts entered into in respect of the Program must include terms with similar access, audit, insurance, intellectual property and publication rights as are specified under this Agreement.
- 4.23 The Recipient must allow the Department and its nominated representative access to all Sites and any other Program sites and access to the contracted or nominated Program Manager, Program Employee or any construction manager on three (3) Business Days notice, and render all reasonable and necessary assistance to enable those persons to:
- (a) undertake Program monitoring;
 - (b) oversee the progress of construction and development on a monthly basis; and
 - (c) assess and forecast, with input from the Program Manager, the value of the work in ground.

5 REPORTING

- 5.1 The Recipient must provide the Department with the reports as described and at the times and in the manner specified in Schedule 2, and as otherwise reasonably requested by the Department from time to time, if not so specified.
- 5.2 All reports must be made in accordance with the form and/or format that is specified in Schedule 2, or if not so specified, as may be reasonably notified by the Department to the Recipient from time to time.
- 5.3 The Recipient must provide an audited financial statement of all Funding expenditure and commitments to the Department annually for each financial year of the Term, to be done in accordance with Australian accounting standards.

- 5.4 If the Recipient submits a report or acquittal which the Department considers unsatisfactory, the Department will provide the Recipient with a written notice within 14 days of receipt of the report or acquittal, advising the Recipient of the:
- (a) additional information which the Recipient must supply to the Department in order for the Recipient to deliver a satisfactory report or acquittal to the Department ("Resubmitted Report"); and
 - (b) due date by which the Recipient must provide the Resubmitted Report.
- 5.5 The Recipient must include details and information on the outcomes and results of the Program and Funding within its annual report prepared under the *Corporations Act 2001* (Cth) for each year of this Agreement and provide a copy of the Annual Report to the Department at its request.
- 5.6 The Recipient will inform the Department immediately if any significant issue comes to its attention regarding:
- (a) its compliance with this Agreement, including achievement of applicable timeframes and Milestones; or
 - (b) compliance with any laws concerning the provision or the use made of the Funding, whether by an officer, employee, Recipient or volunteer worker engaged by the Recipient.

6 ACCOUNTS

- 6.1 The Recipient's accounting system must be structured:
- (a) to enable the expenditure of the Funding to be properly and accurately identified, sourced, traced and reported upon to the Department;
 - (b) to ensure appropriate internal controls are in place to identify and prevent misuse or misappropriation of Funding; and
 - (c) to record that interest earned on the Funding is applied for Eligible Expenditure only.
- 6.2 The Recipient must deposit and retain the Funds in a separate bank account, invested in a manner agreed in writing to be acceptable to the Department.
- 6.3 The Recipient must ensure that any interest earned on the Funds is also committed and spent solely on Eligible Expenditure.

7 INSPECTION AND AUDIT

- 7.1 The Recipient must include similar provisions to clause 7.2 in favour of the Department in all contracts for third party recipients of any Funds for a Project, in respect of the accounts, records and premises of the third party, as though the third party were the Recipient in clause 7.2.
- 7.2 The Department and/or its nominated representative(s) may:
- (a) examine and copy the Recipient's accounts and records relating to the Program or the Funds any time during a Business Day, provided 48 hours written notice is given to the Recipient by the Department; and
 - (b) conduct an audit, if deemed necessary by the Department, of the Funding paid by the Department under the Recipient's accounts and accounting records relating to the Program or Funds and the Recipient must otherwise co-operate fully with the Department and/or its nominated representative(s) to enable the Department to exercise its rights under this clause 7.2.

8 RECIPIENT REPRESENTATIONS, UNDERTAKINGS AND WARRANTIES

8.1 The Recipient represents and warrants to the Department that:

- (a) it has full power and authority to enter into and perform its obligations under this Agreement;
- (b) it has taken all necessary action to authorise the execution, delivery and the performance of the Agreement;
- (c) this Agreement constitutes legal, valid and binding obligations, enforceable in accordance with its terms;
- (d) the information contained in any Business Case and the Recipient's application for the Funds and any other information provided by the Recipient to the Department in support of the application complies with the Guidelines and is accurate and not misleading in any particular;
- (e) all information provided under or in connection with this Agreement at any time is accurate and up to date;
- (f) it does not have any interests or obligations that conflict with its interests and obligations under this Agreement or will prejudice its ability to carry out the Program fairly and independently;
- (g) it has entered into this Agreement and decided to proceed with the Program on its own accord;
- (h) in entering into this Agreement it has not relied on or been influenced by any representations or warranties by the Department or by any person associated with the Queensland Government about:
 - i. the subject matter of this Agreement;
 - ii. the suitability or otherwise of any Site;
 - iii. feasibility or business prospects the Program or Program objectives or outcomes;
 - iv. the possibility of any other or further financial assistance or arrangements between the Recipient and the Department or the Queensland Government; or
 - v. any other matter, except as is expressly set out in this Agreement.
- (i) it has made full disclosure to the Department of all matters that relate to, or may be expected to adversely affect, the good reputation, character and standing of the Recipient and any related body, any director, senior officer or employee of the Recipient, or related body which may be involved in the Program, including matters relating to their acting in breach of their obligations under any law in the conduct of business or in any role as an officer of a company (for example obligations pursuant to the *Corporations Act 2001* (Cth)).

8.2 The Recipient acknowledges that the Department has not authorised any person to make any representation referred to in clause 8.1(h).

8.3 If the Recipient enters into this Agreement as a trustee, the Recipient:

- (a) is liable both personally and in its capacity as trustee; and
- (b) represents and warrants that:
 - i. it is the sole trustee of the trust;
 - ii. it is not in breach of trust;
 - iii. it has the right to be fully indemnified out of the trust assets for obligations incurred under this Agreement before the claims of beneficiaries; and
 - iv. this Agreement is for the benefit of the trust.

8.4 The warranties, representations and undertakings given under clauses 8.1 and 8.3 are continuing obligations for the duration of the Term.

9 CONFIDENTIALITY, PUBLICATION, INTELLECTUAL PROPERTY AND PRIVACY

Confidentiality

9.1 Each Party agrees that it will keep secret and confidential any Confidential Information of the other Party. Each Party must not disclose Confidential Information of the other party without the prior written consent of the other Party.

- 9.2 The obligations of confidentiality imposed on a Party under this Clause 9 will survive termination of this Agreement until each part of the Confidential Information lawfully becomes part of the public domain, unless otherwise agreed in writing.
- 9.3 The Department may use general details of the Recipient and the Program to publicise the benefits to Queensland of the Department's funding of the Program.
- 9.4 Despite any other provision of this Agreement, the Department may disclose to sitting members of Parliament, a House or a Committee of Parliament or Minister the general details, including Confidential Information, of the Recipient, this Agreement, the Program and Program Manager, and the fact that the Department has made a financial contribution to the Recipient.
- 9.5 The obligations of confidentiality of the Parties under clause 9 will not be taken to have been breached to the extent that Confidential Information is required or compelled by an order of a court or by any law to be disclosed or is necessary for the conduct of any legal proceedings arising in relation to this Agreement.

Publications

- 9.6 Unless this clause 9.6 is specified in Item 23, Schedule 1, to not apply, the Recipient must not make press or other announcements or releases relating to this Agreement and the transactions the subject of this Agreement without the prior written approval of the Department as to the form and manner of the announcement or release unless and to the extent that the announcement or release is required to be made by the Recipient by law.
- 9.7 The Recipient acknowledges that:
- (a) a statement as to the Funding received must be included in any sign or promotional material made or issued by the Recipient in relation to the Program or any Project under it;
 - (b) the format of any such statement must be approved by the Department; and
 - (c) all statements and acknowledgements must comply with the Guidelines.

Intellectual Property

- 9.8 The Parties agree that:
- (a) copyright in all reports and acquittals provided to the Department under this Agreement will vest in the Department, provided however that the Department grants to the Recipient a non-exclusive licence to use and reproduce the reports and acquittals for its own management and reporting purposes – the Recipient must also obtain written signed Moral Rights consents to any act or omission which might otherwise amount to the infringement of the author's Moral Rights, signed by each person who is to author any report or acquittal under this Agreement;
 - (b) all other material and Intellectual Property rights in it that is created or arises in connection with this Agreement will vest in the Recipient, unless otherwise specified in Item 19, Schedule 1; and
 - (c) if specified in Item 20, Schedule 1, the Party who does not own material and Intellectual Property rights referred to in clause 9.8(b) will be granted a licence to use, reproduce and adapt that material and intellectual property on the terms specified in Item 20, Schedule 1; and
 - (d) each Party will at its own cost obtain all necessary consents and permissions, including written signed Moral Rights consents, to enable the relevant Party to exercise the rights granted to the other Party in full in this clause 9.8.

Privacy

- 9.9 The Recipient undertakes to comply with Parts 1 and 3 of Chapter 2 of the *Information Privacy Act 2009* (Qld) in relation to the Recipient's dealings with Personal Information obtained from the Department or collected for or on behalf of the Department under this Agreement, as if the Recipient was the Department. The Recipient must comply with all reasonable directions given by the Department in relation to any such Personal Information.

10 INDEMNITY, INSURANCE AND SUSPENSION**Indemnity**

- 10.1 The Recipient agrees to release, indemnify and hold harmless the Department, its employees, contractors and agents ("those indemnified") from and against any loss, expenses, damages, costs and any consequential loss or damage and whether incurred by or awarded against those indemnified that those indemnified may sustain or incur as a result, whether directly or indirectly, of:

- (a) any breach of this Agreement by the Recipient, its directors, officers, employees, contractors or agents; or
- (b) any loss of or damage to any property or injury to or death of any person caused by any negligent act or omissions or wilful misconduct of the Recipient, its directors, officers, employees, contractors or agents; or
- (c) termination of this Agreement by the Department under clause 11 of this Agreement.

Insurance

- 10.2 The Recipient must effect and maintain for the duration of the Term (and any further period, if specified in Item 7, Schedule 1) Insurance to cover any liability arising in connection with the Program or use of the Funding and, promptly upon the Department's request, provide the Department with a copy of the relevant policies or Certificates of Currency, whichever is applicable.
- 10.3 The Recipient must have and maintain workers' compensation insurance for an amount required by the relevant State or Territory legislation applicable to the Recipient.

Suspension

- 10.4 The Department may, without prejudice to any of the Department's rights under this Agreement or at law (including, without limitation, any right to terminate this Agreement), suspend the provision of all or any part of the Funding if the Recipient fails to provide to the Department any document or information required under this Agreement, or the Recipient commits a default or breach of this Agreement, or a Force Majeure event occurs (collectively, a "Suspension Event"), until the Suspension Event is remedied or resolved to the satisfaction the Department.
- 10.5 The Department must notify the Recipient in writing of the Suspension Event and the grounds for the suspension ("Suspension Notice").
- 10.6 If the Department gives a Suspension Notice to the Recipient under clause 10.5:
- (a) the Recipient must continue to comply with its obligations under this Agreement (in the case of Force Majeure, to the extent it is able), unless the Department directs otherwise in the Suspension Notice; and
 - (b) the Suspension Notice continues until either:
 - (i) the Suspension Event stated in the Suspension Notice is remedied or resolved to the satisfaction of the Department and the Department gives a written notice of withdrawal of the Suspension Notice to the Recipient, evidencing that the Department is satisfied the Suspension Event has been remedied or resolved; or
 - (ii) the Recipient has not remedied the Suspension Event as stated in the Suspension Notice to the satisfaction of the Department and the Department terminates this Agreement under clause 11 (default or convenience) or clause 15.3 (Force Majeure).

11 TERMINATION FOR DEFAULT OR CONVENIENCE

- 11.1 The Recipient will be deemed to be in breach or have defaulted in the performance of its obligations under this Agreement if the Recipient:
- (a) becomes insolvent, or is unable to pay its debts when due, or admits in writing its inability to pay its debts; or

- (b) enters into any arrangements or composition with its creditors generally, or has a receiver appointed; or
- (c) goes into liquidation, or passes a resolution to go into liquidation, other than for the purpose of reconstruction; or
- (d) suffers any distress or execution levied against any assets of the Recipient which would, in the reasonable opinion of the Department, have a material adverse effect on the Recipient undertaking any part or all of the Program; or
- (e) fails to submit a report, acquittal, information, establish a record, or allow access required pursuant to this Agreement; or
- (f) fails to achieve the Milestones on or before the Expiry Date; or
- (g) fails to comply with any provision of this Agreement; or
- (h) expends or allows the expenditure of the Funding in a manner not in accordance with this Agreement.

11.2 Show Cause If the Department believes there has been any default or breach of any provision of this Agreement, the Department may give the Recipient a Notice to Show Cause which will specify:

- (a) what the alleged breach or default is;
- (b) what facts the Department relied on to establish the alleged breach or default;
- (c) what the Recipient must do to make good the alleged breach or default or whether the Department considers the alleged breach or default incapable of remedy; and
- (d) how long the Recipient has to make good the alleged breach or default or respond to the allegations in the Notice to Show Cause.

11.3 Notice to Remedy If the Recipient responds to the Notice to Show Cause within the time specified in that notice and:

- (a) such response is not to the satisfaction of the Department; and
- (b) the Department reasonably believes the alleged breach or default is capable of remedy and must be remedied without delay,

the Department may give a Notice to Remedy to the Recipient and require the breach or default identified in the earlier Notice to Show Cause to be remedied within not less than seven (7) days after the date of the Notice to Remedy.

11.4 Termination If the Recipient:

- (a) does not make good any breach specified in a Notice to Remedy:
 - (i) within the time allowed in that Notice to Remedy; or
 - (ii) in accordance with the Notice to Remedy given to the Recipient; or
- (b) does not respond to the Notice to Show Cause at all within the time specified in that notice; or
- (c) responds to the Notice to Show Cause and such response is not to the satisfaction of the Department and Department remains of the view that the breach or default is incapable of remedy;

the Department may give a Notice of Termination terminating this Agreement effective the date of the Notice.

11.5 Notwithstanding any other provision of this Agreement, the Department may terminate this Agreement for convenience, without cause, upon written notice to the Recipient effective the date specified in the notice provided that such date occurs on or after expiry of the notice period specified in Item 18, Schedule 1. Subject to clause 11.7, the Department may reimburse the Recipient for reasonably unavoidable costs or loss directly caused by such termination, if approved in writing signed by the Department (the Department may require proof of costs/loss to be first submitted by the Recipient to the satisfaction of the Department). Such reimbursement, if approved by the Department, will be in full and final satisfaction of any claim the Recipient may have against the Department in relation to the termination and the Recipient hereby irrevocably and unconditionally releases the Department in full from and against all such claims.

- 11.6 Subject to clause 11.7, termination of this Agreement under this Clause 11 does not affect any accrued rights or remedies of a Party.
- 11.7 Upon termination of this Agreement, the Department will not in any case be liable to the Recipient for compensation for any indirect or consequential loss of any kind suffered or incurred by the Recipient in connection with such termination.

12 EFFECT OF TERMINATION OF AGREEMENT

- 12.1 In the event of termination or expiration of this Agreement:
- (a) subject to Clause 12.1(b), each Party must stop using the Confidential Information of the other Party and, at the other Party's option:
 - (i) return to the other Party;
 - (ii) destroy and certify in writing to the other Party the destruction of; or
 - (iii) destroy and permit the other Party to witness the destruction of,all of the other Party's Confidential Information in that Party's possession or control;
 - (b) the Department is entitled to retain one copy of the Recipient's Confidential Information for the purposes of fulfilling its portfolio responsibilities, record keeping and accountability purposes;
 - (c) the Recipient must take all action necessary to minimise further expenditure of the Funding; and
 - (d) the Department may in the notice of termination or a further notice, require the Recipient to repay all Excess Funds.
- 12.2 Clauses 7, 8, 9, 10.1-10.3, 11.5, 12, 13, 14 and 15.1 continue to apply after expiration or earlier termination of this Agreement.

13 GST

- 13.1 The Parties agree that:
- (a) words and expressions used in this Clause 13 which are defined in the GST Law or, if not so defined, then which are defined in the *Competition and Consumer Act 2010* (Cth) have the same meaning in this Clause 13;
 - (b) any consideration, including the Funding, to be paid or provided for a supply made under or in connection with this Agreement excludes GST;
 - (c) such information must be exchanged, as is reasonably necessary, for each of the Department and the Recipient to make an assessment of the GST liability or benefits from the GST Law (including GST registration status and ABN);
 - (d) if the whole or part of the Funding is the consideration for a taxable supply, the Department must pay to the Recipient an additional amount equal to the GST Amount that the Recipient is liable to pay to the Commissioner of Taxation; and
 - (e) the Department is liable to pay the GST Amount to the Recipient only upon receipt of a valid tax invoice.
- 13.2 If it is determined on reasonable grounds that the amount of GST collected from the Department by the Recipient under this Clause 13 differs, for any reason, from the amount of GST paid or payable by the Recipient, the Department is entitled to a refund of the appropriate consideration collected from the Department and the Recipient must issue an appropriate GST adjustment notice.

14 CONTRACT PERFORMANCE GUARANTEE (if applicable)

- 14.1 If a Guarantee is specified as required in Item 6, Schedule 1, the Recipient must provide the Guarantee in favour of the Department to the Department at the time the Recipient lodges the first claim for payment of the Funds.
- 14.2 The Guarantee provided by the Recipient in favour of the Department in accordance with clause 14.1 must remain in force at all times and until the later of:
- (a) the termination of this Agreement; and
 - (b) the completion to the satisfaction of the Department of all obligations of the Recipient required to be undertaken by the Recipient in relation to the Program under this Agreement (which have arisen before termination of this Agreement or survive the termination of this Agreement, including, without limitation, the obligations of the Recipient to provide reports, acquittals and information to the Department under this Agreement).
- 14.3 If any Funding in excess of the amount of the Guarantee held at any time by the Department is able to be claimed by the Recipient under this Agreement, the Department will request an additional Guarantee in favour of the Department for the amount of that difference. The Recipient must provide to the Department, any additional Guarantee requested by the Department by the earlier of the date:
- (a) that a claim is made under this Agreement; or
 - (b) specified by any written notice by the Department to the Recipient.
- 14.4 If a Guarantee provided by the Recipient to the Department was given by a person who has (for any reason) ceased to be an Approved Security Provider, the Recipient must, within 20 Business Days of that person ceasing to be an Approved Security Provider, provide to the Department a replacement Guarantee in favour of the Department for an amount not less than the amount of the Guarantee provided by the Recipient to the Department at the date that the person ceased to be an Approved Security Provider.
- 14.5 The Department will have recourse to the Guarantee provided by the Recipient, without notice to the Recipient, to recover any amounts owing by the Recipient to the Department under this Agreement.
- 14.6 If the Recipient has complied with all its obligations under this Agreement, the Department will release or return the Guarantee, on the later of the dates in clause 14.2.
- 14.7 Notwithstanding any provision of this Agreement, nor the amount of the Funding actually claimed by the Recipient, the Department may require the Recipient to provide a Guarantee by a date specified in a written notice by the Department. The Recipient must comply with the Department's notice.

15 GENERAL**15.1 Relationship**

This Agreement does not create and must not be construed as creating, a relationship between the Department and the Recipient of employment, principal and Recipient, partnership or joint venture.

15.2 Assignment

No Party will assign, novate, transfer, encumber or subcontract any or all of its rights or obligations under this Agreement to any other party, except with the prior written consent of the Department or as otherwise expressly stated elsewhere in this Agreement.

15.3 Force Majeure

- (a) No Party is liable for any failure to perform or delay in performing its obligations under this Agreement if that failure or delay is due to a Force Majeure event, provided the Party affected by that event must promptly notify the other of the details of the event upon becoming aware of it, including how the event will delay or affect the affected Party's ability to perform its obligations under this Agreement.
- (b) If a Party is affected by a Force Majeure event for a period of 90 days or longer, then either Party may terminate this Agreement by notice to the other Party, and neither party will be liable to the other for any loss or costs in relation to such termination.

15.4 Waiver

The failure by a Party to enforce at any time any provision of this Agreement will not be construed as a waiver of that provision or any other provision of this Agreement. A waiver or consent given by a Party under this Agreement is only effective if it is given or confirmed in writing by that Party.

15.5 Compliance with Law

The Recipient will, in performing this Agreement or any work in connection with it, comply with the provisions of any relevant statutes, regulations, by-laws and requirements of any applicable Commonwealth, State, Territory or local authority.

15.6 Applicable Law

This Agreement is governed by and construed in accordance with the laws of the State of Queensland and the Parties submit to the jurisdiction of Queensland courts and any appellate courts therefrom.

15.7 Notices

- (a) Any notice or communication required to be given under this Agreement must be in writing and may be delivered, posted by ordinary mail or sent by facsimile to the Party to which such notice is to be given under this Agreement.
- (b) All such notices and communications are effective and deemed to have been received in the following circumstances:
- (i) if delivered, upon delivery;
 - (ii) if sent by mail, 2 Business Days after posting; and
 - (iii) if sent by facsimile transmission, upon the sender's facsimile machine producing a transmission report that the facsimile was successfully sent to the addressee's facsimile number,
- if sent to the address or facsimile number specified in Item 21 or 22 of Schedule 1 for the relevant Party (*attention to the Program Manager, if for the Recipient, or attention to the Representative, if for the Department*), as modified under clause 15.7(c), provided always that in the case of a corporation or incorporated association, the notice may otherwise be sent to the corporation or incorporated association's registered address current at the time of sending the notice.
- (c) A Party may modify its address for notices, from time to time, by a written notice served on the all other Parties.
- (d) Any notice served after 5.00pm is deemed to have been received on the next Business Day in the place to which it was sent.
- (e) A notice will take effect on and from the date of the notice, unless otherwise specified in the notice.

15.8 Entire Agreement

The terms of the Agreement between the Parties are those set out in this Agreement and no written or oral agreement, arrangement or understanding made or entered into prior to the date of this Agreement may be read or incorporated into this Agreement.

15.9 Amendments

This Agreement will not be changed, modified or waived orally, but only by an instrument in writing signed by the duly authorised signatories of each Party.

15.10 Counterparts

This Agreement may be signed in any number of counterparts. All original counterparts will be taken to constitute one instrument, provided however that if there is a discrepancy between counterparts, the original counterpart signed by the Department will prevail.

15.11 Severability

If any provision of this Agreement is held to be illegal or unenforceable the provision will be severed from the Agreement and the remaining provisions will govern the relationship of the parties as if the offending provision had never been included.

EXECUTED as an agreement

SIGNED for and on behalf of the
STATE OF QUEENSLAND acting through the
Department of Employment Economic Innovation
and Development

By Mike Kelly (name),

Executive Director, Office of Racing
(position)

a person duly authorised to act on its behalf,

this 11th day of April 2011

in the presence of

[Signature]

(signature of witness)

JOHN PATERSON

(print name of witness)

111 GEORGE ST, BRISBANE

(address of witness)

SIGNED for and on behalf of
RACING QUEENSLAND LIMITED, in accordance with
the Corporations Act 2001 (Cth)

by ROBERT GEOFFREY BENTLEY

Director

(insert name)

And

by SHARA LOUISE MURRAY

Director/Company Secretary

(insert name)

[Signature]
Signature of Authorised Officer

[Signature]
(signature)

Date: 1.1.11 2011

[Signature]
(signature)

Date: 3.13 2011

[Signature]
Signature of Witness

CAROL PERRETT
NAME OF WITNESS

Schedule 1 – Reference Items

Item	Description	Clause Reference	Details (for completion)
1.	Commencement Date	Clause 1.1	
2.	Eligible Expenditure	Clause 1.1, Clause 4	<p>1. \$200,000 to be spent solely on approved Projects to assist Non Strategic Non-TAB Race Clubs as defined in Annexure A impacted by recent flooding in Queensland and Cyclone Yasi meet critical workplace health and safety requirements and other remediation works to become compliant with the Minimum Venue and Equipment Standards as defined in Annexure A; and</p> <p>2. \$700,000 to be spent solely on approved Projects for assisting Non-TAB Race Clubs as defined in Annexure A meet the Minimum Venue and Equipment Standards as defined in Annexure A, with priority afforded to critical workplace health and safety requirements,</p> <p>allocated and spent in accordance with this Agreement and the Guidelines in Annexure A (collectively known as "Non-TAB Race Club Funding"); and</p> <p>3. \$1.45 million to be spent solely on approved Projects for assisting TAB and Strategic Non-TAB Race Clubs as defined in Annexure A with remediation of damage caused by recent flooding and Cyclone Yasi ("TAB Race Club Funding").</p>
3.	Expiry Date	Clause 1.1	1 April 2013
4.	Funds (amount)		The total the amount of Funds (excluding GST) is as follows: \$2.35 million
5.	Guidelines	Clause 1.1	Annexure A - WORKPLACE HEALTH & SAFETY AND FLOOD AND CYCLONE REMEDIATION COUNTRY RACING FUNDING PROGRAM GUIDELINES applicable to Non-TAB Race Club Funding.
6.	Guarantee	Clause 1.1 and Clause 14	Not applicable
7.	Insurance	Clause 10.2	<p>Type of insurance: Public liability and professional indemnity</p> <p>Aggregate cover: \$10 million (public liability) and \$1 million (professional indemnity)</p> <p>Run-off period: 6 years after the Expiry Date (<i>applies for professional indemnity insurance</i>)</p>
8.	Preconditions	Clause 1.1, Clause 4	Execution of this Agreement by both Parties
9.	Precondition Date	Clause 1.1, Clause 4	
10.	Program	Clause 1.1	<p>For Non-TAB Race Club Funding see Annexure A (Guidelines) for the Program details, including any Projects to be approved under it in accordance with the Guidelines.</p> <p>For all Funding an application for Funds made under the</p>

			<p>Program to the Recipient by a TAB or Non-TAB Race Club will be taken to be a Business Case for the purpose of clauses 1.1 and 4.6 – 4.11.</p> <p>The Recipient and the Department's Office of Racing will be taken to be the Responsible Person for endorsement of the Business Case and approval of allocation of the Funds for a Project.</p> <p>After the Recipient and the Department's Office of Racing have endorsed a Business Case and approved allocation of the Funding to be spent on the Project the subject of the Business Case, then the Project will be taken to be part of the Program (otherwise, until so endorsed and approved, it will not be taken to be a Project under or part of the Program for the purpose of Eligible Expenditure).</p>
11.	Program Employee (position description)	Clause 1.1, Clause 4	Not Applicable
12.	Program Manager (Person appointed to manage the Agreement/Program for the Recipient)	Clause 1.1, Clause 15.7	<p>Paul Brennan, Director of Product Development with the Recipient</p> <p>Telephone: 07 3869 9721</p> <p>Email: pbrennan@racingqueensland.com.au</p>
13.	Representative (Person appointed to liaise with the Program Manager on behalf of the Department)	Clause 1.1, Clause 15.7	John Paterson, Principal Compliance Officer, Office of Racing with the Department
14.	Site	Clause 1.1, clause 4.1(c), clause 4.23 and clause 8.1	<p>For Non-TAB Race Club Funding, any Non-TAB Race Club venue in Queensland (refer to Annexure A), which benefits from the expenditure of Funding for a Project approved by the Recipient under the Guidelines as part of the Program.</p> <p>For TAB Race Club Funding, any TAB and Strategic Non-TAB Race Club venue in Queensland which benefits from the expenditure of Funding for a Project approved by the Parties under the Guidelines and this Agreement as part of the Program.</p>
15.	Standards	Clause 1.1	<ol style="list-style-type: none"> 1. Minimum Venue and Equipment Standards (refer to Annexure A) for Non-TAB Race Club Funding; 2. All applicable laws, regulations, by-laws, codes and standards relevant to racing venues and workplaces, including: <ol style="list-style-type: none"> 2.1 the <i>Racing Act 2002</i> (Qld). 2.2 Building Code of Australia, relevant State and Local Building requirements (e.g. <i>Building Act 1975</i> (Qld), <i>Queensland Development Code</i>) 2.3 licensing requirements for any persons performing

			<p>or supervising building or landscaping work</p> <p>2.4 Occupational Health & Safety standards and legislation</p> <p>2.5 Liquor Licensing standards and legislation</p> <p>2.6 Food Safety standards and legislation.</p>
16.	Asset ownership	Clause 4.2	<p>For Non-TAB Race Club Funding, the Non-TAB Race Club that conducts a Project the subject of an Approved Business Plan (but only those Assets purchased or constructed as part of that Project will be owned by that Non-TAB Race Club).</p> <p>For TAB Race Club Funding, the TAB and Strategic Non-TAB Race Club that conducts a Project the subject of an Approved Business Plan (but only those Assets purchased or constructed as part of that Project will be owned by that TAB and strategic Non-TAB Race Club).</p>
17.	Excess Funds (return date)	Clause 1.1 and Clause 4.3	On or before 60 days after the Expiry Date
18.	Minimum notice period	Clause 11.5	60 days
19.	Intellectual Property (IP)	Clause 9.8	
20.	Licence to Intellectual Property	Clause 9.8	The Recipient grants the Department a non transferable, irrevocable, royalty free, non-exclusive licence to use, reproduce and adapt that material and intellectual property for the purposes of this Agreement and the Department's own internal, non-commercial use
21.	Department contact details for notices	Clause 15.7	<p>Attention: John Paterson, Principal Compliance Officer, Office of Racing</p> <p>Street Address: Level 15, 111 George Street, Brisbane</p> <p>Postal Address: Locked Bag 180 CITY EAST Qld 4002</p> <p>Telephone: 07 3234 1404</p> <p>Facsimile: 07 3234 1411</p> <p>Email: john.paterson@racing.qld.gov.au</p>
22.	Recipient contact details for notices	Clause 15.7	<p>Attention: Adam Carter, Chief Financial Officer, Racing Queensland</p> <p>Street Address: Racecourse Road, Deagon</p> <p>Postal Address: PO Box 63, Sandgate Qld 4017</p> <p>Telephone: 07 3869 9702</p> <p>Facsimile: 07 3269 8978</p> <p>Email: acarter@racingqueensland.com.au</p>
23.	Specify if clause 9.6 does not apply	Clause 9.6	Clause 9.6 does not apply.

Schedule 2 – Reports and acquittals

Report	Description of Report	Due Date
Non-TAB Race Club Funding Monthly Report	Detailing the Funds spent, the Projects on which the Funds have been spent and the balance of Funds remaining with respect to Non-TAB Race Club Funding	Within 7 days of expiry of each calendar month of the duration of this Agreement
TAB Race Club Funding Monthly Report	Detailing the Funds spent, the Projects on which the Funds have been spent and the balance of Funds remaining with respect to TAB Race Club Funding	Within 7 days of expiry of each calendar month of the duration of this Agreement
Non-TAB Race Club Funding Annual Report	As per clause 5.3 of this Agreement with respect to Non-TAB Race Club Funding	Within 14 days of expiry of each financial year of the Term
TAB Race Club Funding Annual Report	As per clause 5.3 of this Agreement with respect to TAB Race Club Funding	Within 14 days of expiry of each financial year of the Term
Non-TAB Race Club Funding Final Report	Detailing the Funds spent, the Projects on which the Funds have been spent and the balance of Funds remaining (if any) with respect to Non-TAB Race Club Funding	Expiry Date or date of termination, whichever occurs earlier
TAB Race Club Funding Final Report	Detailing the Funds spent, the Projects on which the Funds have been spent and the balance of Funds remaining (if any) with respect to TAB Race Club Funding	Expiry Date or date of termination, whichever occurs earlier

Schedule 3 – Milestones and Payments

Milestone number	Milestone Description and performance criteria	Milestone payment	Milestone due date
1.	Signature by both Parties of this Agreement	The Total amount of the Funding	Upon the date the department receives a fully signed original of this Agreement (signed by both the Department and Recipient)
2.	Receipt of all monthly reports required in Schedule 2	Not applicable	Within 7 days of expiry of each calendar month of the duration of this Agreement
3.	Receipt of all annual reports required in Schedule 2	Not applicable	Within 14 days of expiry of each financial year of the Term
4.	Receipt of the final reports required in Schedule 2	Not applicable	Expiry Date or date of termination, whichever occurs earlier



Annexure A – WORKPLACE HEALTH & SAFETY AND FLOOD AND REMEDIATION COUNTRY RACING FUNDING PROGRAM GUIDE

**RACING
QUEENSLAND**

A. In this Annexure A, the following terms are defined as set out below:

"Control Body" means the new thoroughbred control body as defined under the Racing Act, or a similar body under any Act passed in substitution of the Racing Act, and for the avoidance of any doubt as at the Commencement Date is the same as the Recipient.

"Country Racing Association" ("CRA") means any or all of the associations listed and established in accordance with clause 26.1 of the Recipient's registered constitution in force at as at the Commencement Date.

"Country Racing Committee" ("CRC") means the committee of that name established in accordance with clause 26.2 of the Recipient's registered constitution in force at as at the Commencement Date.

"Minimum Venue and Equipment Standards" means the standards set out in the Recipient's document entitled *Minimum Venue and Equipment Standards – Non-TAB Race Clubs* as published on Recipient's website at (as at the Commencement Date): <http://www.racingqueensland.com.au/media/2083/minimum%20standards%2029%2007%2010.pdf>

"Non Strategic Non-TAB Race Club" means any club listed in Annexure C.

"Non-TAB Race Club" means a thoroughbred race club in Queensland for which TABQ does not, or is unlikely to, offer wagering on the majority of the club's races of thoroughbred horses. A Non-TAB Race club is any club listed in Annexures B and C.

"Project" means a project conducted by a Non-TAB Race Club for which Funding is provided under the Program, which is endorsed and approved by the Recipient.

"Program" means the program described in Item 1 of this Annexure A, below.

"Racing Act" means the *Racing Act 2002* (Qld).

"Strategic Non-TAB Club" means any club listed in Annexure B.

"TABQ" means TAB Queensland Limited ACN 085 691 738 now known as TattsBet or 'TABQ' under the Racing Act.

"WH&S" means any workplace health and safety compliance requirements or standards required by any law or standard of Australia or Queensland, including the Minimum Venue and Equipment Standards.

B. In this Annexure A, Guidelines for the allocation of the Funds are as follows:

1. Funding objective

Under the Program, the Recipient will allocate the Funding to CRA's, in accordance with these Guidelines and the Agreement, to assist Non-TAB Race Clubs complete Projects.

All Projects must be solely for:

- (a) the construction of improvements to racing and training facilities; or

(b) the purchase of Assets,

in order to ensure compliance with the Minimum Venue and Equipment Standards.

2. Funding

The Funds will be provided by the Department to the Recipient in accordance with the Agreement. The Recipient's allocation of the Funds (for the purpose of conducting Projects) will be as follows:

- \$700,000 (GST exclusive) of the Funds to assist Non-TAB Race Clubs in meeting the Minimum Venue and Equipment Standards, with priority afforded to critical WH&S compliance work; and
- \$200,000 (GST exclusive) of the Funds to assist Non Strategic Non-TAB Race Clubs impacted by recent flooding in Queensland and Cyclone Yasi with critical WH&S compliance and remediation works to become compliant with the Minimum Venue and Equipment Standards.

3. Funding Disbursement

The Recipient will determine the allocation of Funds between CRAs based on the prioritised requirements of Non-TAB Race Clubs within each CRA.

4. Program Requirements

Non-TAB Race Clubs must apply for Funds under the Program to their respective CRA by submitting a detailed Business Case application for Funds in respect of each Project (refer clause 1.1 of the Agreement).

Each CRA that receives a Business Case will make recommendations for endorsement of the allocation of Funds for each Project by that CRA. The CRA will:

- (c) prioritise Business Case applications for Funding by Non-TAB Race Clubs according to the assessment criteria in Item 5 of this Annexure A, below; and
- (d) make recommendations to the CRC on applications to receive Funding under the Program, for final endorsement and approval by the Control Body, acting in accordance with the Racing Act.

The Recipient will, upon it endorsing a Business Case application and approving Funding for the relevant Project, notify the Department and provide a copy of the Business Case for the Department's endorsement of the Business case and approval to allocate the Funds for that Project.

The Funds must not be provided to any Non-TAB Race Club for their Project until the Department's written endorsement of the Business Case and approval of the Funds allocation is received by the Recipient.

The Recipient must obtain the applicant's consent to provide a copy of the Business Case and fully executed contract to the Department.

5. Assessment criteria

Recommendations for endorsement of a Non-TAB Race Club's Business Case application for Funding, received by the Country Racing Committee from CRA's, must be assessed as high, medium or low priority by the CRC, using the following assessment criteria:

- a. **WH&S Compliance** - Funds must only be used, or have been used since 1 July 2010, for undertaking improvements to racing and training facilities and/or the purchase of equipment in order to meet the Minimum Venue and Equipment Standards.
- b. **Damage caused by Recent Flooding and Cyclone Yasi** – Funds must only be provided to Non-Strategic Non-TAB Clubs that have incurred damage by the recent flooding or Cyclone Yasi who have logged details with the Recipient.
- c. **Benefit to the Racing Industry** – The importance of the club/meeting to the wider racing industry.
- d. **Benefit to the Local Community** – The impact of the club/race meeting in the relevant Association's local community/social context.
- e. **Funding** – financial position of the club – can it self-fund? Level of race club commitment to the project, demonstrated by financial and in-kind contributions.

The CRC is then required, using the assessment criteria identified above to assess the relative priority and importance of the Business Case application for Funding by each Non-TAB Race Club.

6. Accounting for Projects and Funding

The Recipient will ensure that all Non-TAB Race Clubs that are successful in their Business Case application for Funds under the Program will:

- (a) enter into a contract between the club and the Recipient, which contains at a minimum the requirements in clause 4.11;
- (b) be responsible for overseeing Project management for the approved Project for which the Funds are to be used, in accordance with the contract for that Funding;
- (c) provide an acquittal of all Funding received from the Recipient under the Program to the Recipient.

The Recipient must provide copies of all such contracts and acquittals to the Department.

The Recipient's Annual Report must include details and information on the Program and all Project outcomes.

The Recipient must provide a Final Report including financial reconciliation to the Department of all Funding payments made under the Program and each Project and the details and outcomes of all Projects completed using the Funding.

7. Control Body status

If the Recipient loses its status as Control Body under the Racing Act, it will promptly novate this Agreement to another body that has had the Recipient's legal status and rights and obligations as Control Body under the Racing Act transferred to it on terms satisfactory to and as approved by the Department in writing signed by the Department. All Funds and contracts relevant to the Agreement must be promptly transferred to the novated party and the Recipient will render all assistance, including the signing of documents, upon the request of the Department.

Annexure B

Strategic Non TAB Clubs

Emerald JC
Gladstone TC
Thangool RC
Barcaldine RC
Barcoo ARC
Longreach JC
Central Warrego RC
Cunnamulla & DDRC
Roma TC
Chinchilla RC
Dalby & NDJC
Goondiwindi RC
Warwick TC
Atherton TC
Cairns JC
Innisfail TC
Bowen TC
Burdekin RC
Towers JC
Cloncurry & DRC
Julia Creek TCX
Mt Isa RC
Richmond TC
Beaudesert RC
Bundaberg RC
Gympie TC
Lockyer RC
Nanango RC

Annexure C
Non Strategic Non TAB Race Clubs

Blackwater Loins RC	Oak Park RC
Bluff/Blackwater ARC	Charters Towers ARC
Calliope JC	Ewan ATC
Clermont RC	Herbert River JC
Dingo RC	Moranbah RC
Middlemount RC	Oakey APRC
Rockhampton St Patrick's Day RC	Pentland RC
Springsure St Patrick's Day RC	Prairie JC
Springsure JC	Tower Hill PARC
Yeppoon TC	Twin Hills RC
Aramac RC	Boulia TC
Bedourie RC	Camooweal JC
Betoota RC	Corfield ARC
Birdsville RC	Gregory Downs JC
Ilfracombe PRC	Hughenden JC
Isisford RC	Maxwelton RC
Jundah RC	McKinlay RC
Muttaburra ATC	North Gregory TC
Tambo & DRC	Stamford RC
Augathella RC	Western Picnic RC
Injune RC	Beaudesert Hibernian RC
Maranoa Diggers RC	Burrandowan PRC
Morven RC	Eidsvold RC
Noorama PRC	Esk JC
Quilpie DRC	Gayndah JC
Roma Picnic RC	Kilcoy RC
St George JC	Kumbia RC
Surat DRC	Monto RC
Bell RC	Mt Perry RC
Clifton JC	South Burnett RC
Dalby Amateur PRC	
Dawson JC	
Flinton RC	
Goondiwindi & McIntyre PRC	
Jandowae RC	
Miles & DAPRC	
Stanthorpe JC	
Talwood RC	
Tara RC	
Texas JC	
Wandoan PRC	
Warra RC	
Warwick Picnic RC	
Cooktown ATC	
Einasleigh RC	
Gordonvale TC	
Laura ATC	
Mareeba TC	
Mt Garnet ATC	

Catherine McLennan

From: Nicholas Lindsay [Nicholas.Lindsay@premiers.qld.gov.au]
Sent: Wednesday, 6 July 2011 3:32 PM
To: 'michael.buckby@treasury.qld.gov.au'
Subject: Racing recommendations
Attachments: Racing recommendations.docx

Michael

Your thoughts on these amended recommendations please.

Regards

Nick

Catherine McLennan

From: Nicholas Lindsay [Nicholas.Lindsay@premiers.qld.gov.au]
Sent: Wednesday, 6 July 2011 4:32 PM
To: 'michael.buckby@treasury.qld.gov.au'
Subject: RE: Racing recommendations

Attachment A

1. Note the Racing Queensland's proposed capital works program, as outlined in the revised infrastructure plan (Attachment 1), noting that the total Government contribution will not exceed \$95 million;
2. Approve Option 1 as outlined in the submission being a loan of up to \$85 million from the Queensland Treasury Corporation (to be repaid through the assignment back to the State of the revenues arising from the wagering tax sharing arrangements), in addition to a previous government commitment to provide the balance of a \$10 million grant as compensation for greyhounds vacating Parklands Gold Coast;
3. Note the business case (Attachment 2) totalling \$7.443 million for works under the Scheme at Ooralea Park, Mackay and approve:
 - funding to undertake urgent works necessary for maintaining worker and public safety, as identified in a safety audit to be undertaken by a Workplace Health and Safety Queensland approved auditor; and
 - the remaining proposed works and their costs be subject to an amended business case being provided to the Department of Employment, Economic Development and Innovation, Department of the Premier and Cabinet and the Treasury Department for approval by the Treasurer and Minister for State Development and Trade.
4. Approve Queensland Treasury Corporation lending to Racing Queensland up to \$85 million on the basis that the loan is to be repaid in full by 30 June 2014 through the assignment back to the State of revenues arising from wagering tax sharing arrangements;
5. Note that access to loan draw downs would only be available once a business case for each project has been provided to the Department of Employment, Economic Development and Innovation, Department of the Premier and Cabinet and the Treasury Department for approval by the Treasurer and Minister for State Development and Trade;
6. Note the provision of a one-off grant of \$9.852 million (the balance of the original grant of \$10 million) to Racing Queensland, subject to an approved business case, fulfilling a previous government commitment to provide funding towards the establishment of a new greyhound racing facility as compensation for vacating the Gold Coast Parklands venue; and
7. Ratify the Treasurer's decision of 7 March 2011 to advance the allocation of \$2.35 million from the Scheme to Racing Queensland.

From: Nicholas Lindsay
Sent: Wednesday, 6 July 2011 3:32 PM
To: 'michael.buckby@treasury.qld.gov.au'
Subject: Racing recommendations

Michael

Your thoughts on these amended recommendations please.

Regards

Nick

<< File: Racing recommendations.docx >>

29/08/2013

TREASURY DEPARTMENT

CABINET BUDGET REVIEW COMMITTEE BRIEFING NOTE

Sub No: 4210 Minister: Mulherin Briefing Officer: Natalie Barber Tel: (W) (07) 322 44475
 XXXX (M) 0412 566 242
Racing Industry Capital Development Scheme (RICDS)

PURPOSE

1. Seeks approval in principle for Racing Queensland Limited's (RQL) capital works program, and approval of a one year extension of the wagering tax sharing arrangement; an increase in the RICDS from \$85M to a maximum of \$104M; the business case for capital works at Ooralea Park Racecourse, Mackay and payment of \$4.946M from the RICDS; and \$100M borrowings for RQL.

BACKGROUND AND ISSUES

2. On 26 November 2009, CBRC (Decision 2863) approved the implementation of the RICDS, where 50% of the net wagering tax received is to be directed to the RICDS up to a maximum of \$85M over four years. A program of capital works was to be developed for CBRC consideration with funding on priority capital works based on the submission of business cases.
3. An amended program of capital works (program) is now submitted for CBRC approval. However the program totals \$110.7M, exceeding the RICDS limit by \$25.7M. Most of this shortfall is proposed to be met from a one year extension of the wagering tax sharing arrangement sought in this submission.
4. The program allocates \$35.5M to the Gold Coast, \$40M to Deagon to accommodate greyhounds (relocated from Parklands) and harness facilities, with the balance of \$35.2M distributed across other regional venues. Note that should the limit be held at \$85M, \$9.5M would be available for distribution amongst regional venues.
5. The submission and business case seeks \$7.443M over 2 years for Ooralea Park Racecourse (Mackay), with \$4.946M as an immediate payment. The business case advises that the venue would cease to operate as a TAB venue should the workplace health and safety issues not be addressed as a matter of urgency. Treasury has requested, but is yet to be advised, of the portion of the \$4.946M which relates to workplace health and safety associated works.

FINANCIAL CONSIDERATIONS

6. The submission's preferred Option 2 seeks a one year extension to the wagering tax sharing arrangement and an increase in the available funds from \$85M up to \$104M (an increase of \$19M). If Option 2 is approved it would result in a further \$19M in wagering tax revenue being redirected from the State's revenues to the RICDS.
7. It seeks a QTC loan of up to \$100M to be repaid from the tax revenue stream to enable funds to be drawn to meet the proposed infrastructure program. The submission does not include information on the cashflow needs of the proposed program but includes an estimate of \$6M for interest costs, presumably arising from the timing differences between drawdown of debt and the collection of tax revenues.
8. It also seeks a further \$9.852M from the balance of the State's \$10M compensation commitment arising from the closure of the Parklands Gold Coast venue (greyhounds). Funds are held in Treasury for this commitment.

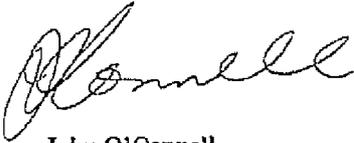
TREASURY POSITION

9. Treasury supports Option 1 which maintains the current wagering tax sharing arrangement of 4 years and up to \$85M. Treasury supports a QTC loan of up to \$85M to be repaid from the tax revenue stream to manage the cashflow needs of the program.
10. The balance of \$9.852M from the \$10M commitment to compensate for the closure of the Parklands Gold Coast (greyhounds) venue is currently held in Treasury Department and is available to be paid on agreement between DEEDI and Treasury.

11. Treasury considers that the Ooralea Park Racecourse business case only just meets the minimum standards for a business case and would benefit from the identification of the workplace health and safety related works and further details and information of the other proposed works and their costs. Treasury will work with DEEDI to discuss the minimum information it considers future business cases should include.

RECOMMENDATION

12. Treasury supports the alternate set of recommendations at Attachment A.



John O'Connell
Assistant Under Treasurer

Date: 6-7-11

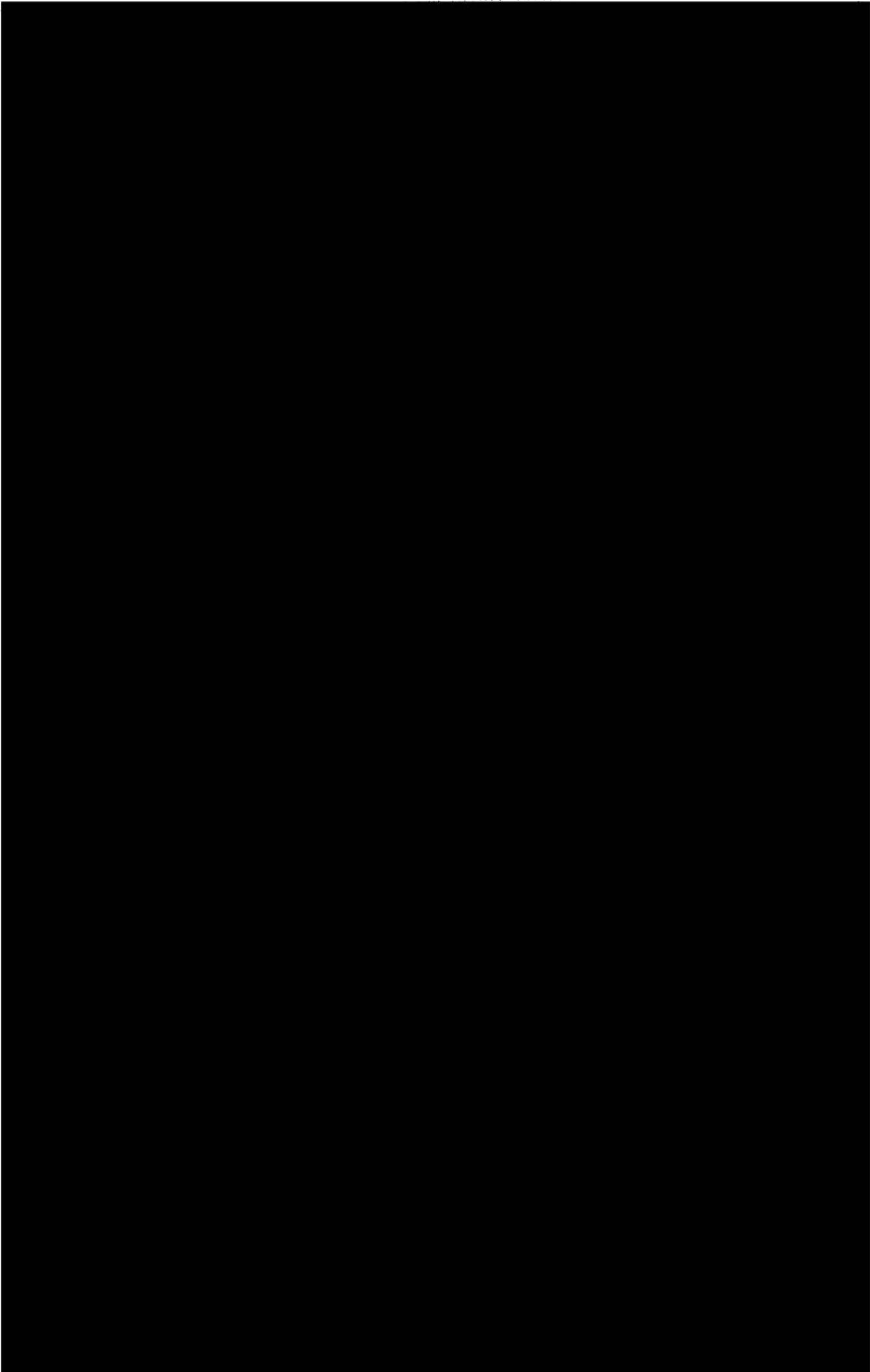


Under Treasurer

Date: 6-7-11

Attachment A

1. Note the Racing Queensland's proposed capital works program, as outlined in the revised infrastructure plan (Attachment 1), noting that the total Government contribution will not exceed \$95 million;
2. Approve Option 1 as outlined in the submission being a loan of up to \$85 million from the Queensland Treasury Corporation (to be repaid through the assignment back to the State of the revenues arising from the wagering tax sharing arrangements), in addition to a previous Government commitment to provide the balance of a \$10 million grant as compensation for greyhounds vacating Parklands Gold Coast;
3. Note the business case (Attachment 2) totalling \$7.443 million for works under the Scheme at Cooralea Park, Mackay and approve:
 - funding to undertake urgent works necessary for maintaining worker and public safety, as identified in a safety audit to be undertaken by a Workplace Health and Safety Queensland approved auditor; and
 - the remaining proposed works and their costs be subject to an amended business case being provided to the Department of Employment, Economic Development and Innovation, Department of the Premier and Cabinet and the Treasury Department for approval by the Treasurer and Minister for State Development and Trade.
4. Approve Queensland Treasury Corporation lending to Racing Queensland up to \$85 million on the basis that the loan is to be repaid in full by 30 June 2014 through the assignment back to the State of revenues arising from wagering tax sharing arrangements;
5. Note that access to loan draw downs would only be available once a business case for each project has been provided to the Department of Employment, Economic Development and Innovation, Department of the Premier and Cabinet and the Treasury Department for approval by the Treasurer and Minister for State Development and Trade;
6. Note the provision of a one-off grant of \$9.852 million (the balance of the original grant of \$10 million) to Racing Queensland, subject to an approved business case, fulfilling a previous Government commitment to provide funding towards the establishment of a new greyhound racing facility as compensation for vacating the Gold Coast Parklands venue; and
7. Ratify the Treasurer's decision of 7 March 2011 to advance the allocation of \$2.35 million from the Scheme to Racing Queensland.



Perrett, Carol

From: Perrett, Carol
 Sent: Thursday, 29 September 2011 3:47 PM
 To: 'michael.buckby@treasury.qld.gov.au'
 Subject: RE: Racing Queensland Industry Infrastructure Plan Funds

Michael

I have spoken to Mark Snowden. There is no need for a meeting for a few weeks.

We discussed his email to you and I advised him that funds will not be released until a business case (including council approval) for a project is provided and that there are to be no staged approvals.

I suggested that he prepare a business case for the Logan project that is not proceeding. The business case will be to reimburse RQL for \$480,536.01 that has already been spent.

He is still working on the business case for Beaudesert and will send me a draft in due course for feedback.

I will be in touch when we have something for you to look at.

Regards Carol

-----Original Message-----

From: michael.buckby@treasury.qld.gov.au [mailto:michael.buckby@treasury.qld.gov.au]
 Sent: Thursday, 29 September 2011 12:01 PM
 To: Perrett, Carol
 Subject: Fw: Racing Queensland Industry Infrastructure Plan Funds

----- Forwarded by Michael Buckby/TO/QTreasury on 29/09/2011 12:00 PM -----

From: Mark Snowdon <msnowdon@racingqueensland.com.au>
 To: Michael Buckby <michael.buckby@treasury.qld.gov.au>
 Date: 29/09/2011 11:42 AM
 Subject: Racing Queensland Industry Infrastructure Plan Funds

Michael

Further to our recent discussion I would like to arrange a time to meet with you next week so we could have some discussion on the following:

1. Review of a draft business case on Beaudesert so that we may be able to massage the draft into a format acceptable for Treasury to approve for all business cases
2. Discuss the possibility of drawing down IIP funds to cover off on the work required by RQL on each of the projects to be able to formulate the business cases
3. Discuss the possibility of having a staged approval on the business cases for the likes of Deagon so that we may cover off on the costs of preparing and lodging the material change of use with council.

In relation to items 2 and 3 I might suggest that the easiest way of achieving this may be to draw down the \$9.852m compensation for Parklands to cover off on these costs. As far as I understand this money is currently being held in consolidated revenue and is not part of the tax redirection.

If you could give some thought to this and advise of a suitable time to meet that would be appreciated.

Thanks

Mark Snowdon
Project Director

Description: Description: Racing Queensland
Logo_Colour_Small PO Box 63, Sandgate QLD 4017
P +61 7 38699402
F +61 7 32699043
M 0417 440083
E msnowdon@racingqueensland.com.au
W www.racingqueensland.com.au

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Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.
(See attached file: image001.png)

PERRETT Carol

From: Perrett, Carol
Sent: Wednesday, 22 June 2011 9:39 AM
To: 'michael.buckby@treasury.qld.gov.au'
Subject: Urgent funding for Mackay
Attachments: 20110622092706550.pdf

Michael

Attached is the signed letter from Minister Mulherin to the Treasurer re urgent funding for Mackay Turf Club.

Regards Carol



Hon Tim Mulherin MP
Member for Mackay
Reference: CTS05333-11



Queensland
Government

Minister for Agriculture, Food
and Regional Economies

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

Dear ^{Andrew}Treasurer

I refer to the Racing Industry Capital Development Scheme and proposed urgent capital works for Ooralea Park Racecourse, Mackay.

Racing Queensland Limited has recently submitted an urgent business case for Ooralea Park (Attachment 1). The business case outlines capital works amounting to approximately \$7.443 million, with \$4.946 million of expenditure required as a matter of urgency to address workplace health and safety issues and to ensure the racecourse can continue operation as a TAB racing venue. The imperative for these works to be undertaken as a matter of urgency has been communicated to the Mackay Turf Club by Racing Queensland Limited (Attachment 2).

Accordingly, I seek your approval of the attached business case submitted by Racing Queensland Limited and the release of \$4.946 million from the Racing Industry Capital Development Scheme. Please note that should you approve this funding, in accordance with CBRC's decision of 26 November 2009 (Decision No 2863), CBRC's ratification of your decision will be sought. The remaining \$2.497 million of expenditure is scheduled to be completed in the 2012/13 financial year and will be the subject of an additional request at a later date.

If you or your officers require any further information regarding this matter, please do not hesitate to contact Chris McJannett, Policy Advisor in my office on telephone 07 3239 3000.

I look forward to your early consideration and response to this issue.

Yours sincerely

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

Att: 2

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 65 959 415 148

BRIEFING NOTE

FROM	Treasury		
FOR	Treasurer Minister for State Development and Trade		
SUBJECT	Racing Industry Capital Development Scheme and Proposed Urgent Capital Works at Ooralea Park Racecourse, Mackay.		
Contact Officer:	Natalie Barber – Director, Resources and Economic Development Branch Ph 322 44475, Mb 0412 566 242	Record No: QTO-12187	Date: 30 June 2011
Requested by:	Jonathan Scott	Date Approval Required By: 4 July 2011	

PURPOSE

1. The purpose of this submission is to seek your:
 - Approval not to advance Racing Queensland Limited (RQL) \$4.946 million from the Racing Industry Capital Development Scheme (RICDS) for urgent capital works at Ooralea Park Racecourse, Mackay; and
 - Signature on the letter to the Minister for Agriculture, Food and Regional Economies, The Honourable Tim Mulherin MP, advising your decision not to approve the requested \$4.946 million advance and requesting the preparation of a submission for consideration by CBRC.

BACKGROUND

2. On 26 November 2009, CBRC (Decision No. 2863) approved the implementation of the RICDS, where 50% of the net wagering tax received is to be directed to the RICDS up to a maximum of \$85 million over four years. These funds are to be used to rebuild racing facilities across the state. The decision stated that industry would submit business cases on priority capital works to be funded by the RICDS and that CBRC would approve the capital works program based on advice from Treasury and DEEDI on industry submissions.
3. RQL commissioned inspections of the Ooralea Park Racecourse facilities in 2010 that identified issues with the racing and public facilities which require rectification.
4. Minister Mulherin wrote to you on 22 June 2011 seeking your approval to advance RQL \$4.936 million from the RICDS so that urgent works may be undertaken to address the workplace health and safety related capital works at the Ooralea Park Racecourse and to ensure the racecourse may continue to operate as a TAB racing venue. A business case for the proposed works has been prepared by RQL and Minister Mulherin also seeks your approval of the business case.
5. In March 2011, \$2.65 million was released to RQL from the RICDS for flood remediation works (\$1.65 million) and to assist country race clubs in meeting minimum health and safety standards (\$0.7 million).

ISSUES

6. The letter from Minister Mulherin requests your approval to release \$4.946 million from the RICDS and proposes that should your approval be provided, that in accordance with CBRC's Decision 2863, CBRC's ratification of your decision will be sought.

7. Treasury notes that this request is not consistent with CBRC's Decision 2863 in that the decision provides for CBRC to approve the capital works program, rather than yourself. There is no delegated power for you to make decisions in respect of the RICDS.
8. Treasury considers that a CBRC submission should be prepared as soon as possible so the matter may be considered by CBRC at the earliest opportunity. This has been discussed with DEEDI's Office of Racing Regulation at officer level and DEEDI is now preparing a CBRC submission.
9. The business case states that the standards at Ooralea Park Racecourse are falling below that required for TAB racing and if not addressed, the racecourse will lose its TAB status. It also lists a variety of works to be undertaken, many of which appear to 'upgrades'. The CBRC submission should clearly state what works are required to bring the racecourse up to the TAB standard, what the cost of this will be and who has verified these costs.
10. Treasury considers the business case should also clearly state what works are required to bring the racecourse up to the TAB standard, the costs and the financial implications if these works are not completed.

RECOMMENDATION

11. That you:
 - Do not approve the business case or the advance of \$4.946 million from the Racing Industry Capital Development Scheme for urgent capital works at Ooralea Park Racecourse, Mackay; and
 - Sign the letter to the Minister for Agriculture, Food and Regional Economies, The Honourable Tim Mulherin MP, advising your decision not to approve the business case and the \$4.946 million advance. The letter also requests further information to be included in the business case and requests the preparation of a submission for consideration by CBRC.

Gerard Bradley
 Under Treasurer Date / /

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

Name:	*Action Officer/Author: Michael Buckby	Director: Natalie Barber	(Initials)	ED/AUT: John O'Connell	(Initials)	OUT:	(Initials)
Branch/Division:	Resources and Economic Development	Resources and Economic Development					
Telephone:	323 79999	322 44475					
Date:	30/06/2011	30/06/2011		30/06/2011		/ /	

* This officer may be required to provide further detailed information regarding the issue

QTO-12187

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

Thank you for your letter of 22 June 2011 seeking my approval of the business case for capital works at Ooralea Park Racecourse, Mackay, and my approval for the release of \$4.946 million from the Racing Industry Capital Development Scheme for these capital works.

Approval for the release of funds from the Racing Industry Capital Development Scheme should be sought from Cabinet Budget Review Committee. Discussions have taken place at officer level between Treasury and the Office of Racing Regulation within the Department of Employment, Economic Development and Innovation and a submission is now being prepared for consideration by Cabinet Budget Review Committee. The business case and submission should state what works are required to bring the racecourse up to the TAB standard mentioned in your letter, the estimated costs of these works and the financial implications should the work not be completed.

Should your officers wish to discuss this matter further, they may contact Ms Natalie Barber, Director Resources and Economic Development Branch on 322 44475.

Yours sincerely

ANDREW FRASER

Perrett, Carol

From: michael.buckby@treasury.qld.gov.au
Sent: Wednesday, 29 June 2011 4:49 PM
To: Perrett, Carol
Subject: Re: Urgent funding for Mackay

Hi Carol,

Further to the request received for urgent funding for works at Ooralea Park Racecourse, the business case states that,

"The standards at Mackay are falling below that required for TAB racing and if not addressed, Mackay will lose its TAB status."

Would you please advise who sets the standards referred to and does the TAB issue some kind of licence?

Have they been issued with a notice advising that they are falling below the TAB standards? *Yes by letter dated 10 JUNE 2011*

Also, who has calculated the cost estimates and have they been verified by an independent party?

Finally, what are the financial consequences if the TAB status is lost? -

Carol, thank you for your assistance.

Regards

Michael Buckby
Senior Treasury Analyst
Resources & Economic Development/Queensland Treasury Level 10, 100 George Street,
Brisbane
Phone: 3237 9999
Email: michael.buckby@treasury.qld.gov.au

loses broadcast
- lose national broadcast
- exposure

- Status is diminished - standards that apply across the Bd that carry TAB wages is

eg - no of races
- level of prize money
- quality of jockeys
- ability to attract sponsors

- If Mackay did not conduct TAB
→ fewer race meetings, fewer races, fewer participants
Mackay location - half way betw 2 racing centres of Rockhampton + T'ville - Lynchpin position is lost
Impacts on

Perrett, Carol

From: Perrett, Carol
Sent: Friday, 16 December 2011 3:36 PM
To: 'michael.buckby@treasury.qld.gov.au'
Subject: Beaudesert Business Case

Attachments: Industry Infrastructure Plan - Business Case for Beaudesert Race Course 16-12-11 amended.doc

Michael

Attached is the draft Beaudesert Business Case. A hard copy was delivered to you this afternoon.

I look forward to receiving your comments and advice in due course and would be happy to meet with you to discuss.

Regards Carol



Industry
Infrastructure Plan -

Perrett, Carol

From: Kelly, Michael - Racing
Sent: Tuesday, 3 January 2012 12:35 PM
To: 'michael.buckby@treasury.qld.gov.au'
Cc: Booker (stuart.booker@treasury.qld.gov.au); 'Gerald.W.Foley@treasury.qld.gov.au'; Perrett, Carol; Hamish Williams
Subject: RICDS - Beaudesert business case
Attachments: 20120103121714131.pdf

Michael et al,

I refer to the attached correspondence received from Racing Queensland Limited concerning the status of a decision regarding the Beaudesert business case. As you know, Treasury approval of the business case is required before any RICDS funds can be released. The business case was provided to Treasury from this Office on 16 December 2011.

As outlined in the attached RQL correspondence, it would be most unfortunate if additional race meetings have to be cancelled and this will no doubt cause some considerable angst on a range of levels. However, if further delay in a decision on the Beaudesert business case is unavoidable, RQL will have to wait and readjust their plans. That said, if the issue can be resolved asap that would prevent some serious problems.

Can you please advise what is the status of the Beaudesert business case assessment and when a decision is likely.

Regards

Mike Kelly
Executive Director
Office of Racing
Department of Employment,
Economic Development and Innovation



2012010312171413
1.pdf (526 KB)...

Hamish - fyi as I suspect Mr Bentley will raise this with the Min if he has not already done so.

OFFICE OF RACING

23 DEC 2011

RECEIVED



RACING
QUEENSLAND

22 December 2011

Mr Mike Kelly
Executive Director
Office of Racing
GPO Box 46
BRISBANE QLD 4001

23/12/11

Racing Queensland Limited
A.B.N 62 142 788 674
Racecourse Rd Deagon QLD 4017
PO Box 63 Sandgate QLD 4017
T 07 3869 9777
F 07 3289 6404
E info@racingqueensland.com.au
W www.racingqueensland.com.au

Dear Mike

RE: BEAUDESERT BUSINESS CASE APPROVAL

As you are aware Racing Queensland has been working with the Office of Racing to finalise the business case for the Beaudesert Industry Infrastructure Project.

I have been advised by the Project Director, Mr Mark Snowdon that this business case has been progressed to Treasury and that due to some unforeseen issues it is unlikely that approval for this business case will be forthcoming until mid to late January 2012.

I feel it necessary to place on record the impact this will have on the Beaudesert project and the confidence of the Beaudesert Race Club committee and stakeholders.

As per the business case, Racing Queensland had based its schedule upon the approval of the business case in mid December 2011, to enable works to be commenced in late January 2012. If this approval and subsequent funding agreement is not approved until mid to late January 2012, this will have a major impact on the previous schedule.

There are two key issues associated with any delay to this project and I have outlined these below.

1. The Beaudesert Race Club is scheduled to conduct four race meetings between March and June 2012. Based on the proposed schedule the Club has been advised that these meetings will be unable to be conducted and they have removed all advertising and advised sponsors and corporate clients that the meetings will be unable to proceed. One of these meetings was the Beaudesert Hibernian meeting and this Club has already commenced discussions with like Clubs to alter the date and venue of this meeting. Any further delay in approval of the business case and the commencement of works will result in additional race meetings having to be cancelled, with the resultant flow-on consequences impacting severely on Beaudesert and surrounding localities.

Although the Chairman of the Beaudesert Race Club is extremely committed to the Industry Infrastructure Plan process and understands the reasons for the delays, he does have a number on his committee who are looking to politicise this issue and raise concerns regarding the Queensland Government's and Racing Queensland's commitment to this project. The Chairman of the Club is doing his very best to pacify his committee and local stakeholders, but as there has been no work undertaken at the site since the announcement in July 2011, they are becoming extremely nervous as to whether this project will receive approval.

2. As outlined within the Beaudesert business case this project will ensure the facility is improved to a TAB standard to assist with the management of training and racing activities during the upgrade of the Gold Coast facilities.

As it is likely that the Minister will be announcing commencement dates for the Gold Coast works at the 2012 Magic Millions, it is imperative that Racing Queensland is in receipt of approval for the Beaudesert business case to ensure it is positioned to adhere to the timelines announced by the Minister for the Gold Coast. Ultimately, any delay on Beaudesert will impact on the Gold Coast project and due to constraints around feature meetings at this venue any delays could require a 12 month postponement of works.

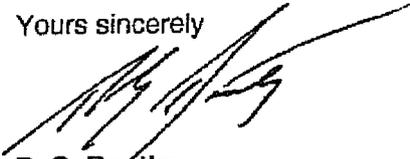
I would appreciate if you could liaise with Treasury regarding the above issues.

The backtracking to reinstate the four meetings is not a satisfactory situation as this reinstatement will create significant uncertainty regarding the fate of the project and has the potential to lead to a major political situation. On the other hand it will be unacceptable to the industry if these race meetings are not reinstated, but yet no work has commenced at the facility.

Whilst I appreciate the current constraints, I ask that this issue be considered as a matter of urgency to provide Racing Queensland with the direction it requires to appropriately plan for this project.

Please do not hesitate to contact me if you wish to discuss this issue further.

Yours sincerely



R. G. Bentley
Chairman

i. word, FYI & pls liaise with Treasury re status of this.



PERRETT Carol

From: michael.buckby@treasury.qld.gov.au
Sent: Monday, 9 January 2012 9:38 AM
To: Perrett, Carol
Subject: Fw: Beaudesert Race Course Infrastructure Expenditure Business Case - Treasury written comments
Attachments: Treasury Comments - Proposed Urgent Capital Works Beaudesert Race Course 050112.doc

--- Forwarded by Michael Buckby/TO/QTreasury on 09/01/2012 09:36 AM ---

From: Michael Buckby/TO/QTreasury
To: "Perrett, Carol" <Carol.Perrett@racing.qld.gov.au>
Cc: Gerald W Foley/TO/QTreasury@QTreasury, Stuart Booker/TO/QTreasury@QTreasury
Date: 06/01/2012 12:41 PM
Subject: Beaudesert Race Course Infrastructure Expenditure Business Case - Treasury written comments

Hi Carol,

As requested I have attached written comments following our meeting yesterday with Mark Snowdon.

These comments represent a broad outline of our detailed discussions.

I hope this assists.

Regards

Michael Buckby
Senior Treasury Analyst
Resources & Economic Development/Queensland Treasury Level 10, 100 George Street, Brisbane
Phone: 3237 9999
Email: michael.buckby@treasury.qld.gov.au

(See attached file: Treasury Comments - Proposed Urgent Capital Works Beaudesert Race Course 050112.doc)

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TREASURY COMMENTS:
RACING QUEENSLAND BUSINESS CASE – BEAUDESERT

5 January 2012

The business case currently contains dollar amounts to be expended on the various components of the Beaudesert upgrade. However it is difficult to provide a 'reality check' on these numbers unless the underlying context is provided. The business case should provide clarity on the work-up of cost estimates by including such information as:

- Method and basis of calculation
- by whom the calculations were made
- when the estimates were made, and in what dollar amounts (real or nominal and what year as base)
- allowances within the estimates (i.e. is there any inherent contingency?)
- comparisons with similar projects

The business case assumes that there will be increased demand for training facilities once the upgrade is completed. There is also projected to be sufficient demand for additional race-days such that 8 non-TAB meetings per year will be replaced by 18 TAB meetings per year. The business case should contain supporting analysis to justify these expectations. Information should include:

- What is the basis for the projections?
- Over what time frame would the increased demand unfold?

Benefits of redevelopment should be more fully explained, including:

- Benefits for the local community including the existing club
- Benefits for Queensland racing generally, including an analysis of whether increased activity at this venue may be at the expense of decreased activity at other venues, including major venues and other regional facilities.

The business case currently contains no financial information on the proposed operation of the track. It is important that the viability of the upgraded venue be established. This would be a key expectation: that the provision of significant amounts of capital funding from the Government will place the racecourse in a financially sustainable position. Information should include:

- projected revenue, expenses over a reasonable period (at least three years, or more if revenues are expected to ramp up slowly)
- basis for projections including source of revenues, which should be subject to analysis that would show, for example, whether the success of the venue relies on local patronage or on off-track revenue
- include adequate provision for FTEs
- adequate provision for maintenance, depreciation
- detailed responsibility for expenses (including possible local club involvement)
- the effect on viability if cutbacks are found to be necessary on public facilities.

From: <stuart.booker@treasury.qld.gov.au>
Date: Wednesday, 18 January 2012 4:29 PM
To: "Michael Buckby/TO/QTreasury" <michael.buckby@treasury.qld.gov.au>; "Kelly, Michael - Racing" <michael.kelly@racing.qld.gov.au>; "Natalie Barber/TO/QTreasury" <natalie.barber@treasury.qld.gov.au>
Attach: ATT00001_.htm; c162930.ics
Subject: Invitation: Phone Briefing from Office of Racing (19 Jan 02:30 PM ZE 10 in Stuart's Office)

Description

Hi Kassia,
 As discussed, would you please note in Stuart's diary that Mike Kelly will brief him tomorrow on discussions that have taken place in recent days between Mike, Bob Bentley, Minister Mulherin and the Treasurer. 2:30 would suit. Mike's email address is michael.kelly@deedi.qld.gov.au
 Please include Natalie Barber and myself in the invitation.
 Thank you
 Michael Buckby
 Senior Treasury Analyst
 Resources & Economic Development/Queensland Treasury
 Level 10, 100 George Street, Brisbane
 Phone: 3237 9999
 Email: michael.buckby@treasury.qld.gov.au

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16/07/2013

Catherine McLennan

Subject: Invitation: Phone Briefing from Office of Racing (19 Jan 02:30 PM ZE10 in Stuart's Office)
Location: Stuart's Office

Start: Thu 19/01/2012 2:30 PM
End: Thu 19/01/2012 3:00 PM

Recurrence: (none)

Meeting Status: Accepted

Description

Hi Kassia,

As discussed, would you please note in Stuart's diary that Mike Kelly will brief him tomorrow on discussions that have taken place in recent days between Mike, Bob Bentley, Minister Mulherin and the Treasurer.

2:30 would suit. Mike's email address is michael.kelly@deedi.qld.gov.au

Please include Natalie Barber and myself in the invitation.

Thank you

Michael Buckby
Senior Treasury Analyst
Resources & Economic Development/Queensland Treasury
Level 10, 100 George Street, Brisbane
Phone: 3237 9999
Email: michael.buckby@treasury.qld.gov.au

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c162930.ics (2 KB)

From: <michael.buckby@treasury.qld.gov.au>
Date: Tuesday, 31 January 2012 5:37 PM
To: "Kelly, Michael - Racing" <michael.kelly@racing.qld.gov.au>
Cc: <natalie.barber@treasury.qld.gov.au>; <stuart.booker@treasury.qld.gov.au>
Subject: Business Case Questions

Hi Mike,

As discussed this afternoon we are preparing a number of questions relating to the business cases.

We will have these to you early tomorrow morning.

Regards

Michael Buckby
Senior Treasury Analyst
Resources & Economic Development/Queensland Treasury
Level 10, 100 George Street, Brisbane
Phone: 3035 1423
Email: michael.buckby@treasury.qld.gov.au

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16/07/2013



Beaudesert business case

Gerald W Foley to: michael.kelly
Cc: Michael Buckby, Natalie Barber, Stuart Booker

01/02/2012 10:06 AM

Mike

As discussed this is a list of further questions on the business case:

We acknowledge that Racing Queensland Ltd (RQL) already provides funding to meet the operating funding needs of many Queensland Clubs. However the Beaudesert business case indicates that the facility, after its upgrade and based on the increased frequency of meetings per year (from 8 rising to 18), the indicated forecast subsidy from RQL rises from \$21K to \$300-\$400K p.a.

- How is it proposed for RQL to fund the Beaudesert facility in the face of reduced UNITAB allocations?
- Has the RQL considered moderating the frequency of meetings, on the basis that 18 meetings per year is not financially sustainable?
- Will the facilities which have reduced mid-week meetings (p. 18) incur operating offsetting reduced losses?
- Has RQL considered using an element of the Deagon capital (\$39.9M) as a "buffer" (eg \$10 - \$15M) to absorb such increased operating losses?
- As increased deficits also appear to be a feature of other business cases (Rockhampton and Cairns) has RQL identified where it will find the increased financial resources required to cover these deficits as well?

regards
Gerry

Gerald Foley
Principal Treasury Analyst
Resources And Economic Development / Treasury Office / Queensland Treasury

Phone: (07) 30351483
Executive Building

 **Queensland** Government

Catherine McLennan

From: Perrett, Carol
Sent: Tuesday, 7 February 2012 11:09 AM
To: michael.buckby@treasury.qld.gov.au
Subject: FW: Subsidy figures paid by RQL

Michael

See information below provided by RQL.

Regards Carol

From: Adam Carter [mailto:acarter@racingqueensland.com.au]
Sent: Tuesday, 7 February 2012 11:01 AM
To: Perrett, Carol
Subject: FW: Subsidy figures paid by RQL

Carol,

	FY07	FY08	FY09	FY10	FY11	FY12 Budget
Total*	11,697,911	10,934,695	11,097,548	9,381,472	8,409,230	8,721,874

* The above figures are related to operational/administration subsidies only and do not include any grants for capital projects or other subsidies such as training tracks.

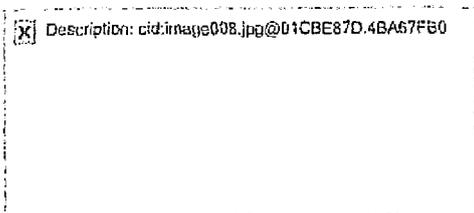
* Total Amounts for 3 codes, Thoroughbred, Harness and Greyhounds paid to TAB and Non TAB clubs

Operational subsidy paid to thoroughbred clubs reduced in FY0910 as the BTC and QTC merged to be BRC and with the RQL equity share arrangements with SCTC and Rockhampton Jockey Club came into play.

Operational subsidy paid to Greyhounds was by way of total allocation less prizemoney paid out leaving the clubs an operating amount (agreement was for minimum 75% of allocation from GRAQ to go into prizemoney). Greyhound model of subsidy was brought into line with thoroughbreds methodology when RQL came into being

Harness clubs were assisted from FY0809 by way of HRQ taking over administrative role including financial services, reporting etc and absorbing associated race day costs. When RQL came into being this arrangement was reviewed with some responsibilities and expenses returned to clubs and as can be seen FY1112 budget includes operational subsidies in line with methodology used for the other codes.

Regards



-----Original Message-----

From: Perrett, Carol [mailto:Carol.Perrett@racing.qld.gov.au]
Sent: Monday, 6 February 2012 4:56 PM
To: Adam Carter
Subject: Fw: Subsidy figures paid by RQL

Adam

11/07/2013

Can you please send me this information.

Thanks Carol

----- Original Message -----

From: michael.buckby@treasury.qld.gov.au {mailto:michael.buckby@treasury.qld.gov.au}

Sent: Monday, February 06, 2012 04:28 PM

To: Perrett, Carol

Cc: Gerry.Foley@treasury.qld.gov.au <Gerry.Foley@treasury.qld.gov.au>

Subject: Subsidy figures paid by RQL

Hi Carol,

Hoping you can help me with this one. If not would you please request the information from RQL.

The numbers i am seeking are the total annual subsidy figures paid by RQL and its predecessors to the various race clubs over the last five financial years, ie. one figure for each financial year.

If you could send this information to me as soon as possible tomorrow morning that would be appreciated.

Thanks and regards

Michael Buckby

Senior Treasury Analyst

Resources & Economic Development/Queensland Treasury Level 10, 100 George Street, Brisbane

Phone: 3035 1423

Email: michael.buckby@treasury.qld.gov.au

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11/07/2013

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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:	Najelle Barber - Director, Resources and Economic Development Branch Tel: 3036 1414, Mob: 0412 690 242	Record No: TRX-18469	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 Economics, 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 (\$8 million), works at Ipswich Turf Club (\$8 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 change. 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 UNITAB 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.

- 3 -

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.

RECOMMENDATION

21. It is recommended that you:

- o Note that Treasury has reviewed the business cases for Beaudesert, Cairns and Rookhampton 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 Mulhern 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 Mulhern 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 12/12/12

<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:	Author:	Director:	ED/ADJ:	DUT:
Michael Buckley	Michael Barber	Blair Barber		
Resources and Economic Development	Resources and Economic Development	Resources and Economic Development		
07 5036 3423	07 3036 1414	07 5036 1850		
Date: 10/02/12	10/12/12	10/02/12		

BRIEFING NOTE

FROM	Treasury		
FOR	Deputy Premier, Treasurer and Minister for State Development and Trade		
SUBJECT	Business Cases for Racing Industry Infrastructure Expenditure		
Contact Official:	Nobelle Barber - Director, Resources and Economic Development Branch Tel: 3035 1414, Mbl: 0412 666 242	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 DEED'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 8 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 (\$8 million), works at Ipswich Turf Club (\$6 million), project variations at Beaudesert (\$0.94 million), new works at Brisbane Race Club (\$0.76 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

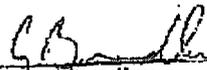
11. Treasury's review of the three business cases for the horse racing venues has identified that there is a consistent trend towards an increasing gap between revenues forecast to be generated by clubs and their costs of operating. On the basis of the current business cases under review, Treasury considers 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 \$169 million. It provided prize money and other distributions of \$106 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.

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 Logen 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.


 Gerard Bradley
 Under Treasurer Date 19/2/12

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

Name:	*Action Officer/Author:	Director:	ED/AUT:	OUT:
Breach/Division:	Michael Buchby	Natalie Barber	Stuart Booker	
Telephone:	Resources and Economic Development	Resources and Economic Development	Resources and Economic Development	
Date:	07 3035 1423	07 3035 1414	07 3035 1869	
eDocs:	14/02/2012			

edoc 824921

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:	Natasha Barber - Director, Resources and Economic Development Branch Tel: 3835 1414, Mo: 0412 559 242	Record No: TRX-18557	Date: 17 February 2012
Requested by:	MA	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 Gold Coast and Ipswich racecourses under the Racing Industry Capital Development Scheme (RICDS); and
 - seek your signature on a letter to the Honourable Minister Mulheir MP, Minister for Agriculture, Food and Regional Economics, 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 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 (\$8 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.
- 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.
- 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 (\$8 million) racecourses total \$41.48 million or a further 38% of the \$110 million IIF.
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 is 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.

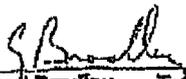
15. Furthermore, Treasury reiterates its previous recommendation that it would be prudent as a risk mitigation strategy for RQL to set aside a portion of wagering revenue to be held in reserve and to act as a buffer against rising expenses and potentially reducing wagering revenue. This could be reviewed 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.

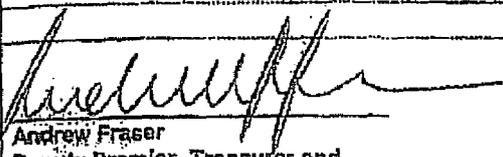
16. **RECOMMENDATION**

17. It is recommended that you note that Treasury has reviewed the business cases for the Gold Coast Turf Club and the Ipswich Turf Club and:

- Treasury does not endorse the business case for the Gold Coast Turf Club due to the forecast operating deficits, however does not object to the release of funds to the project under the RICDS on the basis of the assurance received from Racing Queensland Limited on 14 February 2012; and
- Treasury does not approve the business case for the Ipswich Turf Club and does not recommend the release of funds under the RICDS as the project is not considered to have met the objectives of the scheme.

The attached letter to Minister Mulherin has been prepared on this basis for your consideration.


 Gerard Bradley
 Under Treasurer Date 17/2/12

<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	
		
Andrew Fraser Deputy Premier, Treasurer and Minister for State Development and Trade 17/2/12		

Name:	Action Officer/Author:	Director:	ED/AUT:	OUT:
Branch/Division:	Resources and Economic Development	Resources and Economic Development	Resources and Economic Development	
Telephone:	07 3036 1423	07 3036 1414	07 3036 1030	
Date:	17/02/2012			

oDoc: 624650

MB18

Perrett, Carol

From: Perrett, Carol
Sent: Friday, 17 February 2012 11:18 AM
To: 'michael.buckby@treasury.qld.gov.au'
Subject: FW: ITC Queries from Treasury
Attachments: image001.png; 13 04 10 Ipswich Turf Club Feasibility_V3 with equity return_S1TMG.xls; ITC feasibility DD 1-7-10.pdf

Michael

This is the email that I received yesterday but didn't send to you as you said you would not have time to read it.

I am forwarding it in case there is any useful info in it for you.

Regards Carol

From: Mark Snowdon [mailto:msnowdon@racingqueensland.com.au]
Sent: Thursday, 16 February 2012 4:22 PM
To: Perrett, Carol
Cc: Adam Carter; Ron Mathofer; Malcolm Tuttle
Subject: ITC Queries from Treasury

Hi Carol

In relation to the queries of Treasury on the ITC business case I advise as follows:

The equity return to ITC from the proposed development.

ITC were originally dealing with Wingate Properties who are a property developer. Their proposal consisted of WP purchasing the commercial site from ITC by way of paying for the tunnel and tie up stalls. In addition they were going to give ITC one strata title tenancy within the development from which they would earn the income from that strata.

The Mannix Group then undertook a Due Diligence report on the feasibility (feasibility and DD report attached) and recommended that the better option for ITC was to undertake the development themselves so they would enjoy the full financial benefit from the development.

The total rental income from the development is approx. \$4m. If ITC were to borrow the full development cost (less the land) they would receive approx. \$1.9m in income.

Mark Snowdon

Project Director



RACING QUEENSLAND

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6/03/2012

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MB19

Agriculture, Food and Regional Economies
The Honourable Tim Mulherin
01/02/2012

AMENDMENTS TO THE RACING INDUSTRY INFRASTRUCTURE PLAN APPROVED

The Queensland Government and Racing Queensland Limited (RQL) today unveiled significant changes to the \$110 million Industry Infrastructure Plan (IIP) to deliver new and improved racing facilities across the state.

The projects are independent of the ongoing legal action surrounding the sale of Albion Park and uncertainty over any future redevelopment at Deagon.

Minister for Agriculture, Food and Regional Economies, Tim Mulherin, joined RQL Chairman, Bob Bentley, to detail the changes today.

"I'm pleased today to announce the Blich Government has approved amendments put forward by RQL to the \$110 million Industry Infrastructure Plan," said Mr Mulherin.

"The changes have been sought by RQL to move the racing industry forward with greater certainty while still maintaining the vision to build viable facilities that are state-of-the-art and will service the industry well for decades to come.

"This process hasn't been easy. I am confident that we now have the right balance of projects that represent the diverse needs of each industry.

"Another significant change under this revised plan is that parts of the proposed Ipswich Turf Club upgrade, which were previously dependent upon the successful redevelopment of Albion Park, can now be brought forward.

"The Government is fully supportive of RQL's plan to provide \$6 million to build a tunnel under the course proper that will really unlock the full potential of that site allowing for a future secondary harness and greyhound venue.

"The changes to the IIP have all been approved by the Government and funding for each project will be released upon submission of the business case by RQL - as demonstrated by the Mackay and Beaudesert upgrades," he said.

"I can also announce today that construction will start on the \$8.2 million upgrade to the Beaudesert Race Club before the end of the month following the submission of a business case by RQL to Government.

Mr Bentley said the changes to the IIP will allow RQL to move forward with certainty and fund \$110 million in works across all three codes of racing.

"There has been increasing angst, particularly within the greyhound racing industry, that the legal action surrounding the sale of Albion Park and uncertainty over the Deagon development application was delaying vital projects for simply too long," Mr Bentley said.

"Greyhound racing in South East Queensland is in desperate need of a new home. Logan will be more than a home, it will be the premier greyhound racing facility in Queensland, if not Australia.

"RQL will have the business case for Logan completed next week with construction to start before the end of financial year.

"Brisbane City Councillors made it clear they were unwilling to consider the Deagon application based on merit. We're fortunate that there is an alternate site at Logan that is ready to go and has the strong, unified support of the greyhound industry and Logan City Council."

Mr Bentley said the business case for a multi-million dollar redevelopment in Cairns has been submitted to Government and work is well underway on the cases for the Gold Coast, Logan, Townsville and Rockhampton.

Key changes to the Plan include:

- Withdrawal of the development application for a \$39.9 million new dual-code racing facility at Deagon;
- \$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;
- \$2 million reserved for a new master plan for the Deagon racecourse site which will incorporate continued thoroughbred training, a harness racing facility and greyhound training track. The master plan will only be developed provided the sale of Albion Park proceeds.

Mr Mulherin said the changes to the plan are sensible and thanked RQL for consulting with industry to cement the new and altered projects.

"Townsville greyhounds were facing a major crisis with the showgrounds. Their problems are now solved and the greyhound racing industry in Townsville and surrounds has a bright and positive future," he said.

"Cronulla Park Logan will develop into an important venue on the national greyhound racing stage, which is exciting for the Logan district and South East Queensland."

Mr Bentley said RQL will continue with its plan to realise the value of Albion Park.

"Realising the potential of Albion Park' will do three things - remove an ageing liability for our industry, inject tens of millions of dollars to complete all the major and minor works that need to be done across the state and provide a reoccurring income stream which can be used for such things as prizemoney for years to come," he said.

\$8.2 million Beaudesert Race Club Upgrade

The Beaudesert facility will receive a new jockey and official's area, the existing drainage of the racetrack will be substantially improved and new fencing erected around the track. The tie-up area will be upgraded and there will be new public facilities. A new sand track will also be provided.

Media Contact

Minister's Office: 32396530

Racing Queensland Limited: 38699762

16 (b)

MB20



Fw: Agreement on \$35.4 million upgrade to Gold Coast Turf Club

Stuart Booker to: Natalie Barber, Michael Buckby

11/01/2012 09:40 AM

Cc: Tim Spencer

FYI

Stuart Booker

Assistant Under Treasurer

Ph: 3238 3059

M: 0418 750 307

----- Forwarded by Stuart Booker/TO/QTreasury on 11/01/2012 09:29 AM -----

From: <statements@qld.gov.au>
To: <stuart.booker@treasury.qld.gov.au>
Date: 11/01/2012 05:14 AM
Subject: Agreement on \$35.4 million upgrade to Gold Coast Turf Club

Joint Statement:

Premier and Minister for Reconstruction
The Honourable Anna Bligh

Agriculture, Food and Regional Economies
The Honourable Tim Mulherin
11/01/2012

Agreement on \$35.4 million upgrade to Gold Coast Turf Club

Gold Coast Turf Club and Racing Queensland Limited have signed an historic agreement to spend \$35.4 million on upgrades to the Gold Coast Turf Club.

Premier Anna Bligh said she was pleased that the Gold Coast Turf Club and Racing Queensland had come to an agreement on the investment so works could commence as soon as possible.

"This announcement secures the future of thoroughbred racing on the Gold Coast including the Magic Millions Carnival.

"I can also confirm that Racing Queensland will not be seeking any equity sharing arrangement in the redevelopment and this has resolved one of the major sticking points that has delayed agreement on this project.

"Works are expected to begin in August 2012 and will initially focus on the redevelopment of the Member's facilities, the installation of an all weather synthetic track and an upgrade of existing training tracks.

"This will be followed by the redevelopment of the course proper in July 2013 which will be completely resurfaced and a new drainage system installed to ensure racing on the Gold Coast can continue year-round, no matter the weather.

"This project is staged to ensure no disruption to day-to-day training and major events such as the Prime Minister's Cup and future Magic Millions carnivals.

"Without first class facilities for industry participants, and punters alike, the Queensland racing industry will struggle to attract the wagering dollar when there is so much competition for that dollar in this day and age," she said.

Racing Minister Tim Mulherin, who told Gold Coast racing fraternity of the deal while officially opening the 2012 Magic Millions last night (Tuesday, Jan 10), said the \$35.4 million upgrade formed part of the record \$110 million Racing Industry Capital Development Scheme committed by the Bligh Labor Government to the Queensland racing industry.

"The injection of significant capital expenditure on racing infrastructure is contingent upon Racing Queensland and individual clubs coming to an agreement on how those funds will be spent," he said.

"The investment of over \$110 million in vital infrastructure upgrades by the Bligh Government will ensure we have a world class product well into the future."

Media Contact: 32396530

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Enter the username and password you used to subscribe in the text boxes and click on the link that allows you to check your subscription details.
The address with which you are subscribed is 'stuart.booker@treasury.qld.gov.au'. Please ensure that you use the email address exactly as it appears, especially in relation to upper and lower case characters.

MB21

PERRETT Carol

From: Perrett, Carol
Sent: Monday, 24 October 2011 12:46 PM
To: 'michael.buckby@treasury.qld.gov.au'
Cc: Kelly, Michael
Subject: RE: URGENT: information on the racing industry
Attachments: P&P Agreement and Prizemoney to 09-10.doc

Michael

Responses to questions 2 and 3 are attached.

Regards Carol

-----Original Message-----

From: michael.buckby@treasury.qld.gov.au [<mailto:michael.buckby@treasury.qld.gov.au>]
Sent: Monday, 24 October 2011 10:16 AM
To: Perrett, Carol
Subject: URGENT: information on the racing industry

Hi Carol,

We have received an urgent request from the Treasurer's office for answers to the following questions:

- (1) What has been the income derived from racing by the Queensland Government over the last 5 years?
- (2) What has Queensland Racing received from the TAB over the last 5 years?
- (3) What has been the actual distribution of prize money to owners over the last 5 years?

Would please provide answers as soon as possible or advise who I should speak with to obtain the information.

Thanks and regards

Michael Buckby
Senior Treasury Analyst
Resources & Economic Development/Queensland Treasury Level 10, 100 George Street, Brisbane
Phone: 3237 9999
Email: michael.buckby@treasury.qld.gov.au

Net Distribution to the three Queensland racing industry control bodies from the TAB (includes race information fees from 2008/09 onwards)

FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
117,146,483	124,963,048	122,765,148	139,673,338	134,364,989	134,010,011

Total Prizemoney Paid across the three codes (exact payment to owners cannot be provided – arrangements between owners, trainers, jockeys, others are commercial arrangements)

FY 05/06	FY 06/07	FY 07/08*	FY 08/09	FY 09/10	FY 10/11
92,926,712	94,730,495	81,273,833	100,300,101	103,703,010	102,205,875

*Figure for FY 07/08 prizemoney significantly reduced due to Equine Influenza outbreak.

Figures for FY 10/11 currently still being compiled and audited by Racing Queensland Limited.

MB22

PERRETT Carol

From: Perrett, Carol
Sent: Monday, 12 December 2011 3:28 PM
To: 'natalie.barber@treasury.qld.gov.au'
Cc: 'michael.buckby@treasury.qld.gov.au'; Kelly, Michael - Racing
Subject: Funding Deeds

Natalie

As we discussed last week, attached is a copy of the funding deed for Mackay. Also attached are instructions for DEEDI Legal to draft a deed for Beaudesert. You will note that we are looking to tighten up the tendering/project management process.

Any suggestions that you have for the Beaudesert funding deed and for future funding deeds would be appreciated.

Regards Carol



Final funding deed for Macka... Attachment 1 to Request for Le...

MB23

From: "Perrett, Carol" <carol.perrett@racing.qld.gov.au>
Date: Thursday, 16 February 2012 10:16 AM
To: "Kelly, Michael - Racing" <michael.kelly@racing.qld.gov.au>
Attach: Signed letter from Treasurer to RQL 5.12.11.doc; Letter from RQL to Office of Racing 2.02.12.pdf
Subject: Reimbursement of RQL's costs

Stuart

I refer to telephone conversations between Carol Perrett and Michael Buckby and wish to confirm that having regard to the Treasurer's letter of 6 December 2011 to Racing Queensland and Racing Queensland's letter of 2 February 2012 to me that it is now in order to pay Racing Queensland the sum of \$2,796,290.58 which consists of \$2,596,290.58 for the costs incurred by Racing Queensland in engaging external consultants in the preparation of business cases and \$200,000 for Racing Queensland's cost of internal resources for 2010-2011.

A copy of the relevant documents are attached.

Regard Carol

16/07/2013

Fw: Reimbursement of RQL's costs
Michael Buckby to: Stuart Booker
Cc: Natalie Barber, Gerald W Foley

21/02/2012 05:03 PM

Hi Stuart,

Below is a suggested response to Mike Kelly.

Thank you for your email requesting the release of funds for costs incurred by Racing Queensland Limited (RQL) in the preparation of business cases.

Treasury has reviewed the information provided and approves that the requested \$2,596,290.58 (engaging external consultants) and \$200,000 (RQL internal costs) be released to RQL.

Yuan Wang 3035 3327 and Sharon Ryan 3035 3328 in our finance area have been advised to expect a request from the Office of Racing via your DEEDI finance colleagues.

Regards
Michael
51423

----- Forwarded by Michael Buckby/TO/QTreasury on 21/02/2012 04:31 PM -----

From: "Kelly, Michael - Racing" <Michael.Kelly@racing.qld.gov.au>
To: "Booker (stuart.booker@treasury.qld.gov.au)" <stuart.booker@treasury.qld.gov.au>
Cc: "michael.buckby@treasury.qld.gov.au" <michael.buckby@treasury.qld.gov.au>, "Gerry.Foley@treasury.qld.gov.au" <Gerry.Foley@treasury.qld.gov.au>, "Satter, Robert" <Robert.Satter@deedi.qld.gov.au>, "Hamish Williams" <Hamish.Williams@ministerial.qld.gov.au>, "Perrett, Carol" <Carol.Perrett@racing.qld.gov.au>
Date: 18/02/2012 10:21 AM
Subject: Reimbursement of RQL's costs

Stuart

I refer to telephone conversations between Carol Perrett and Michael Buckby and wish to confirm that having regard to the Treasurer's letter of 5 December 2011 to Racing Queensland and Racing Queensland's letter of 2 February 2012 to me that Treasury is agreeable to the release of funds to pay Racing Queensland the sum of \$2,796,290.58, which consists of \$2,596,290.58 for the costs incurred by Racing Queensland in engaging external consultants in the preparation of business cases and \$200,000 for Racing Queensland's cost of internal resources for 2010-2011.

A copy of the relevant documents are attached.

Regard Carol

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From: <stuart.booker@treasury.qld.gov.au>
Date: Thursday, 23 February 2012 5:22 PM
To: "Kelly, Michael - Racing" <michael.kelly@racing.qld.gov.au>
Cc: <michael.buckby@treasury.qld.gov.au>; <natalie.barber@treasury.qld.gov.au>
Attach: Signed letter from Treasurer to RQL 5.12.11.doc; Letter from RQL to Office of Racing 2.02.12.pdf
Subject: Reimbursement of RQL's costs

.Hi Michael,

.Thank you for your email requesting the release of funds for costs incurred by Racing Queensland Limited (RQL) in the preparation of business cases.

We had discussed this internally earlier this week, and I had wrongly thought that I had already replied to you !

Treasury has reviewed the information provided and approves that the requested \$2,596,290.58 (engaging external consultants) and \$200,000 (RQL internal costs) be released to RQL.

Yuan Wang 3035 3327 and Sharon Ryan 3035 3328 in our finance area have been advised to expect a request from the Office of Racing via your DEEDI finance colleagues.

best regards,
Stuart

Stuart Booker
Assistant Under Treasurer
Ph: 3035 1860
M: 0418 750 307

Cc: "michael.buckby@treasury.qld.gov.au"
<michael.buckby@treasury.qld.gov.au>,
"Gerry.Foley@treasury.qld.gov.au"
<Gerry.Foley@treasury.qld.gov.au>, "Setter, Robert"
<Robert.Setter@deedi.qld.gov.au>, "Hamish Williams"
<Hamish.Williams@ministerial.qld.gov.au>, "Perrett, Carol"
<Carol.Perrett@racing.qld.gov.au>
Date: 16/02/2012 10:21 AM
Subject: Reimbursement of RQL's costs

Stuart

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16/07/2013

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A copy of the relevant documents are attached.

Regard Carol

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(See attached file: Signed letter from Treasurer to RQL 5.12.11.doc)(See attached file: Letter from RQL to Office of Racing 2.02.12.pdf)

16/07/2013

Perrett, Carol

From: Kelly, Michael - Racing
Sent: Friday, 24 February 2012 9:34 AM
To: 'stuart.booker@treasury.qld.gov.au'; Perrett, Carol
Cc: michael.buckby@treasury.qld.gov.au; Natalie.Barber@treasury.qld.gov.au
Subject: RE: Reimbursement of RQL's costs

Stuart

Thanks for the advice.

I appreciate the effort you and your team have devoted to this issue. Pls pass on my thanks to them.

I will advise RQL accordingly and that should finalise the matter.

Regards

MK

Carol - Pls progress reimbursement payment.

MK

-----Original Message-----

From: stuart.booker@treasury.qld.gov.au [mailto:stuart.booker@treasury.qld.gov.au]
Sent: Thursday, 23 February 2012 5:22 PM
To: Kelly, Michael - Racing
Cc: michael.buckby@treasury.qld.gov.au; Natalie.Barber@treasury.qld.gov.au
Subject: Reimbursement of RQL's costs

.Hi Michael,

.Thank you for your email requesting the release of funds for costs incurred by Racing Queensland Limited (RQL) in the preparation of business cases.

We had discussed this internally earlier this week, and I had wrongly thought that I had already replied to you !

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Yuan Wang 3035 3327 and Sharon Ryan 3035 3328 in our finance area have been advised to expect a request from the Office of Racing via your DEEDI finance colleagues.

best regards,
Stuart

Stuart Booker
Assistant Under Treasurer
Ph: 3035 1860
M: 0418 750 307

Cc: "'michael.buckby@treasury.qld.gov.au'"
<michael.buckby@treasury.qld.gov.au>,
"'Gerry.Foley@treasury.qld.gov.au'"
<Gerry.Foley@treasury.qld.gov.au>, "Setter, Robert"
<Robert.Setter@deedi.qld.gov.au>, "'Hamish Williams'"
<Hamish.Williams@ministerial.qld.gov.au>, "Perrett, Carol"
<Carol.Perrett@racing.qld.gov.au>

Date: 16/02/2012 10:21 AM
Subject: Reimbursement of RQL's costs

Stuart

I refer to telephone conversations between Carol Perrott and Michael Buckby and wish to confirm that having regard to the Treasurer's letter of 5 December 2011 to Racing Queensland and Racing Queensland's letter of 2 February 2012 to me that Treasury is agreeable to the release of funds to pay Racing Queensland the sum of \$2,796,290.58, which consists of \$2,596,290.58 for the costs incurred by Racing Queensland in engaging external consultants in the preparation of business cases and \$200,000 for Racing Queensland's cost of internal resources for 2010-2011.

A copy of the relevant documents are attached.

Regard Carol

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(See attached file: Signed letter from Treasurer to RQL 5.12.11.doc) (See attached file: Letter from RQL to Office of Racing 2.02.12.pdf)

PERRETT Carol

From: Perrett, Carol
Sent: Tuesday, 6 March 2012 4:01 PM
To: 'michael.buckby@treasury.qld.gov.au'
Subject: Figures

Michael

As discussed, attached is the explanation re Beaudesert. Attached are emails for Cairns and Rockhampton that shows that the figures have been rounded for the funding agreements.

Regards Carol



Beaudesert
explanation re fi...



Email re Cairns
figures.pdf



Email re
Rockhampton fi...

BEAUDESERT BUSINESS CASE APPROVED BY THE TREASURER

On page 12 of the Beaudesert Business Case, Racing Queensland stated that the amount of \$769,481.94 was claimed in a separate claim for the cost of engaging external consultants (and internal Racing Queensland costs) in the preparation of business cases. The total amount claimed in the business case was stated to be \$6,502,029.

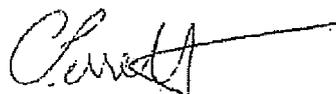
However, the amount that was actually claimed in the separate claim was \$769,448.49 (see attached Summary of Expenses). A difference of \$33.45, making the total amount claimed \$6,502,063.23.

Accordingly, the Funding Agreement was drafted to reflect the correct figures:

Instalment 1 - \$3,949,286.76

Instalment 2 - \$2,552,776.47

Total \$6,502,063.23.



Carol Perrett
Director (Investigations and Compliance)
Office of Racing

MB24

BRIEFING NOTE

NO INVOLVEMENT

FROM	Treasury		
FOR	Deputy Premier, Treasurer and Minister for State Development and Trade		
SUBJECT	Racing Queensland Limited – Racing Industry Capital Development Scheme		
Contact Officer:	Natalie Barber – Director, Resources and Economic Development Branch Ph 3224 4475, Mb 0412 566 242	Record No: TRX-17947	Date: 01 December 2011
Requested by:	Matthew Vagne	Date Approval Required By: N/A	

PURPOSE

1. The purpose of this submission is to inform you of issues raised by Racing Queensland Limited (RQ) in relation to the delivery of racing infrastructure under the Racing Industry Capital Development Scheme (RICDS) and to seek your:
 - Approval to provide up to \$2.75M to RQ under the RICDS to meet the cost of procuring external consultants assisting in the preparation of business cases; and
 - Signature on the letter to Mr Bob Bentley, Chairman RQ advising of the above.

BACKGROUND

2. On 26 November 2009, CBRC (Decision 2863) approved the implementation of the RICDS, where 50% of net wagering tax received was to be directed to the RICDS, up to a maximum of \$85M over four years.
3. On 7 July 2011, CBRC (Decision 3255) approved RQ's capital works program totalling \$110.7M as outlined in its Infrastructure Plan (IP). CBRC also approved a one year extension to 30 June 2015 of the wagering tax sharing arrangements under the RICDS, totalling approximately \$100M-\$104M (depending on the total wagering tax collected). A further \$9.852M was made available to RQ under the RICDS being the balance of \$10M previously committed by the State to the establishment of a new greyhound racing facility.
4. Under the CBRC decision access to funds under the RICDS is subject to a business case for each project being submitted and subsequently accepted by Treasury.
5. CBRC also approved Queensland Treasury Corporation (QTC) lending to RQ up to \$100M on the basis that the loan is to be repaid in full by 30 June 2015 through the assignment back to the State of revenues arising from the wagering tax sharing arrangements.
6. Mr Bob Bentley, Chairman of RQ has recently raised a number of issues on the progress of delivery of racing infrastructure under the RICDS.

ISSUES

FUNDING FOR BUSINESS CASES

7. RQ advises that it has progressed eight business cases but does not have the funds to complete the business cases without directing funds away from other priorities within the industry. RQ seeks a preliminary payment of approximately \$3.54M for the continued development of the business cases in advance of submitting business cases to Treasury as approved by CBRC.

8. Treasury considers that it is reasonable to provide RQ access to limited funds from the RICDS to meet the cost of procuring external consultants assisting in the preparation of the business cases where the capital improvement projects are significant and have an associated delivery risk. However Treasury does not support RICDS funds being applied towards reimbursing RQ's internal operating costs as has been requested.
9. Treasury considers up to \$2.75M (approximately 2.5% of the \$110.7M Infrastructure Program) could be made available from the RICDS to meet the cost of preparing business cases. This would mainly relate to the cost of procuring external consultants to assist in the preparation of such business cases, although it would not be unreasonable to also include the direct and indirect costs of a dedicated resource in RQ, up to \$200,000 per annum. Subject to your approval, requests from RQ for reimbursement could be submitted to DEEDI's Office of Racing at the end of each calendar quarter.

REQUIREMENT FOR COUNCIL APPROVALS

10. RQ refers to advice from Treasury that "all council approvals" would need to be in place prior to a business case being lodged and that this would create issues particularly for the proposed Deagon development. As full development funding is to be made available to RQ once the business case has been endorsed by Treasury, Treasury considers it is reasonable that a copy of the Development Approval from the relevant council be included in the business case to provide confidence that the project is able to be delivered.
11. Treasury notes that in the case of the Deagon development, the Brisbane City Council has publicly stated its opposition to the project and this is a key risk to the project's delivery. Treasury has sought to avoid a situation where full development funding is provided to RQ for a development which may not proceed.

TRANSFER DUTY

12. The matter of transfer duty on joint venture transactions has also been raised.
13. RQ advises that the payment of transfer duty has not been factored into its Infrastructure Plan and seeks ex gratia relief of approximately \$3.95M on proposed transactions involving RQ taking an equity position in the Rockhampton Jockey Club, Gold Coast Turf Club and the Townsville Turf Club. Further requests for relief are planned for similar transactions relating to racecourse assets at Cairns, Mackay and Beaudesert.
14. Ex gratia relief from the payment of transfer duty was previously approved for the Sunshine Coast Turf Club, however has not been granted for the payment of transfer duty in relation to arrangements between RQ and the Rockhampton Jockey Club.
15. The Office of State Revenue (OSR) advises that ex gratia relief was approved on the Sunshine Coast Turf Club transaction as the transfer of the racecourse to a new entity was initiated in response to the State Government's policy on the ownership of racing venues. The transaction involved the securing of facilities previously owned by the Caloundra City Council.
16. OSR however considers that the transaction at Rockhampton does not result directly from State Government policy. The transaction involves the transferring of racing assets to a company with shares owned by both the Rockhampton Jockey Club and RQ. OSR advises that ex gratia relief should not be provided as the transaction was voluntary and motivated by commercial considerations relating to RQ's investment in racing facilities and control of racecourse management.
17. DEEDI's Office of Racing advises that while it has been supportive of RQ's approach to take an equity position in the entity holding the assets in exchange for infrastructure funding, it has not advised RQ that an equity position is a pre-condition or requirement for funding.

FINANCIAL IMPLICATIONS

- 18. The provision of up to \$2.75M to RQ to meet consultancy costs incurred in the development of business cases will reduce the amount available for investment in racing infrastructure under the RICDS.
- 19. Transfer Duty for the changes proposed for Rockhampton Jockey Club, Gold Coast Turf Club and the Townsville Turf Club sought by RQ to be refunded is estimated to be \$3.95M.

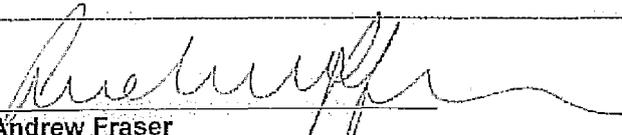
RECOMMENDATION

That you:

- Approve the provision of up to \$2.75M to Racing Queensland under the Racing Industry Capital Development Scheme to meet the cost of procuring external consultants assisting in the preparation of business cases and capped internal costs of \$200,000 per annum. Requests from RQ for reimbursement should be submitted to DEEDI's Office of Racing at the end of each calendar quarter.
- Sign the attached letter to Mr Bob Bentley, Chairman RQ advising of the above.



 Gerard Bradley
 Under Treasurer Date 2/12/11

<input type="checkbox"/> Approved	<input type="checkbox"/> Not approved	<input checked="" 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		
5 12 11		

Doc ID: 618055	*Action Officer/Author:	Director:	(Initials)	ED/AUT:	(Initials)	OUT:	(Initials)
Name:	Michael Buckby	Natalie Barber	AB	Stuart Booker	AB		
Branch/Division:	Resources and Economic Development	Resources and Economic Development					
Telephone:	07 3237 9999	07 3224 4475		07 3238 3059			
Date:	01/12/2011	01/12/2011		1/12/2011		/ /	

BRIEFING NOTE

FROM	Treasury		
FOR	Deputy Premier, Treasurer and Minister for State Development and Trade		
SUBJECT	Racing Queensland Limited – Request for ex gratia relief from transfer duty.		
Contact Officer:	Natalie Barber – Director, Resources and Economic Development Branch Tel: 3095 1414, Mb: 0412 566 242	Record No: TRX-18353;	Date: 30 January 2012
Requested by:	N/A	Date Approval Required By:	N/A

PURPOSE

1. The purpose of this briefing note is to:
 - Inform you of advice from the Office of State Revenue (OSR) regarding requests for ex gratia relief from transfer duty for transactions associated with the delivery of the Industry Infrastructure Plan (IIP) and current developments regarding the request; and
 - Seek your signature on a letter to the chairman of Racing Queensland Limited (RQ).

BACKGROUND

2. Refer Office of State Revenue (OSR) brief to the Treasurer (QTO-12601) regarding a request by RQ for exemption from duty on all transactions to implement the IIP.
3. OSR advises that there is no duty exemption provided in the *Duties Act 2001* for the types of transactions being undertaken by RQ. While noting that ex gratia relief has been provided to the racing industry in some limited circumstances, OSR advises that in each case, ex gratia relief was provided consistent with the principle that duty should not apply to transactions undertaken in accordance with, and driven by, government policy.
4. OSR also advises that providing ex gratia relief to RQ may establish precedents for clubs and commercial operations outside of the racing industry.

ISSUES

5. The Chief Executive Officer of RQ, Mr Malcolm Tuttle, has subsequently advised at officer level that RQ no longer seeks ex gratia relief from transfer duty for all transactions that occur as a result of the implementation of the IIP. However, as negotiations with race clubs are ongoing, RED considers that it is advisable to inform RQ of Treasury's view on the question of ex gratia relief from transfer duty.
6. Treasury also understands that duty relief for Rockhampton Racing Pty Ltd is a current issue for RQ. Treasury has previously considered the request for duty relief for the Rockhampton matter and determined that it is not eligible for relief, as it is a commercial transaction unrelated to a Government policy decision. A letter informing RQ of this decision was sent on 3 August 2011.

FINANCIAL IMPLICATIONS

7. RQ has estimated that transfer duty payable under the IIP to be in the order of \$5.79 million. It should be noted that this estimate includes \$3.50 million for the Gold Coast Turf Club which did not accept RQ's equity model.

RESULTS OF CONSULTATION

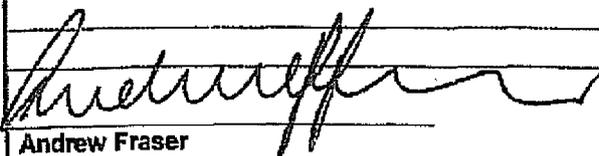
8. The Office of Racing has been consulted.

RECOMMENDATION

That you:

- Note the advice from OSR; and
- Sign the attached letter to the chairman of Racing Queensland Limited.


 Gerard Bradley
 Under Treasurer Date 1/12/12

<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	
 Andrew Fraser Deputy Premier, Treasurer and Minister for State Development and Trade 1/12/12		

Name	Director	(Initials)	(Initials)
Michael Buckley	Natalie Barber	RB	RB
Resources and Economic Development	Resources and Economic Development		
07 3237 9999	07 3224 4476	07 3238 3059	
30/01/2012	30/01/2012	30/01/2012	

MB26

Wilesmith, Roger

From: Zuj, Pat
Sent: Tuesday, 20 March 2012 10:18 AM
To: Wilesmith, Roger
Subject: FW: FW: Tridata Mismatch Report - Mar 2012

Attachments: 2012031611495298.PDF



2012031611495298
.PDF (12 KB)

Roger, FYI as well as place a copy on the main RICDS file.

Regards

Pat Zuj
Principal Compliance Officer

Office of Racing
Department of Employment, Economic Development & Innovation Level 15, 111 George
Street, Brisbane, City East, Qld 4002
p: +61 7 3234 1419
e: pat.zuj@racing.qld.gov.au

-----Original Message-----

From: Smith, Tristan E
Sent: Monday, 19 March 2012 3:03 PM
To: Kelly, Michael - Racing
Cc: Zuj, Pat; Reason, Doug; Murthy, Shilpa; Tan, Siew
Subject: FW: FW: Tridata Mismatch Report - Mar 2012

Hi Michael

Treasury have just advised that the adjustment is a decrease not an increase.

The details are attached and will represent an overall decrease of \$4.680M. In terms of the RICDS this will drop the value from \$104M to \$99.320M (Not including the Greyhound Compensation payment).

As a result of the attached, the deferral to 2012-13 will now be for \$16.553M (\$18.722M less 2.169M).

Regards

Tristan

-----Original Message-----

From: michael.buckby@treasury.qld.gov.au [mailto:michael.buckby@treasury.qld.gov.au]
Sent: Monday, 19 March 2012 2:19 PM
To: Lee, Graham
Cc: Tan, Siew; Smith, Tristan E
Subject: Re: FW: Tridata Mismatch Report - Mar 2012

Hi Graham,

The \$2.169M number is specific to 2011-12 so has to be in 2011-12.

Also, it's a decrease not an increase, as are \$2.430 in 2012-13, \$1.843M in 2013-14. The \$1.762M figure for 2014-15 is an increase.

These numbers came from the revised estimates of wagering tax revenue in the MYFER.

Please give me a call.

Thanks

Michael Buckby
Senior Treasury Analyst
Resources & Economic Development/Queensland Treasury Level 10, 100 George Street,
Brisbane
Phone: 3035 1423
Email: michael.buckby@treasury.qld.gov.au

From: "Lee, Graham" <Graham.Lee@deedi.qld.gov.au>
To: "michael.buckby@treasury.qld.gov.au"
<michael.buckby@treasury.qld.gov.au>,
Cc: "Smith, Tristan E" <Tristan.Smith@deedi.qld.gov.au>, "Tan,
Siew" <Siew.Tan@deedi.qld.gov.au>
Date: 19/03/2012 01:34 PM
Subject: FW: Tridata Mismatch Report - Mar 2012

Hi Michael,

In relation to the attached ATM update is it possible to move the increased 2011-2012 funding amount of \$2.169M to the outyears? This is in line with the fact that DEEDI has deferred \$18.722M funding to 2012-2013 (Please refer to DEEDI ATM37360) as part of the March Forward Estimates update.

DEEDI's preference is to distribute the \$2.169M over the outyears 2012-2013 to 2014-15 rather than deferring the whole \$2.169M into 2012-13. Please advise.

Regards,
Graham

Graham Lee
Management Accountant, Corporate Management Accounting Department of Employment,
Economic Development and Innovation Level 8, 30 Mary Street, Brisbane Qld 4000 PO Box
15168, BRISBANE QLD 4002
T: +61 7 323 93194
F: +61 7 3224 2454
E: graham.lee@deedi.qld.gov.au
W: www.deedi.qld.gov.au

-----Original Message-----

From: Robertson, Kaylene
Sent: Friday, 16 March 2012 3:01 PM
To: Lee, Graham
Subject: FW: Tridata Mismatch Report - Mar 2012

-----Original Message-----

From: Sharon.Ryan@treasury.qld.gov.au [
mailto:Sharon.Ryan@treasury.qld.gov.au]
Sent: Friday, 16 March 2012 1:40 PM
To: Robertson, Kaylene
Subject: Tridata Mismatch Report - Mar 2012

Hi Kaylene

I've been looking further into the mismatch report and realise that Treasury has prepared a further ATM 37715 to reflect revised RICDS funding based on 50% of the Wagering tax budgets (refer Treasury internal email below).

Can you please prepare an ATM to reflect the changes to your revenue WOSFIR 461002. If you have any questions please contact your TA Michael Buckby.

Thanks

Sharon Ryan
Management Accountant
Budget & Performance Management / Corporate Services / Old Treasury
Phone: (07) 3035 3328 (please dial full number)
33 Charlotte Street

From: Glenn Miller/TO/QTreasury
To: Yuan Wang/PS/QTreasury@QTreasury,
Cc: Gerald W Foley/TO/QTreasury@QTreasury, Joshua
Rowe/TO/QTreasury@QTreasury
Date: 06/03/2012 11:48 AM
Subject: RICDS allocations

Hi Yuan

Natalie Barber spoke to Gerard Bradley about RICDS yesterday, particularly to confirm how allocations of wagering tax should be calculated.

Gerard has advised that the calculation should be 50% of total wagering tax being allocated to RICDS (rather than 50% of the amount after the 8.5% is taken off).

I've attached a table showing how I think this translates into the current estimates.

If you are OK with these calculations, could you please update the CIF table accordingly for inclusion in the incoming government brief.

thanks

Glenn
303 51962

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(See attached file: 201203161149529B.PDF)

INFORMATION FOR QUEENSLAND TREASURY CORPORATION (QTC)

At the meeting on 11 August 2011 between David Mullins and Randall Wilson from QTC, Mark Snowden from Racing Queensland Limited (RQL), Michael Buckby from Treasury and Carol Perrett from the Office of Racing it was advised that as RQL is a company established under the *Corporations Act 2001* (Cth), QTC would require a delegation from the Under Treasurer to provide a loan to Racing Queensland.

The following information is provided to assist QTC in obtaining the delegation from the Under Treasurer.

A copy of CBRC's decision of 7 July 2011 is attached. CBRC approved QTC lending to Racing Queensland up to \$100 million on the basis that the loan is to be repaid in full by 30 June 2015 through the assignment back to the State of revenues arising from wagering tax sharing arrangements.

Payments made to RQL

A total of \$? has been paid to RQL from the Racing Industry Capital Development Scheme (the Scheme):

- \$2.585 million (GST inclusive) was advanced to RQL on 13 April 2011 for assistance with Remediation of Flood & Cyclone Damage, assistance with meeting Workplace, Health & Safety Requirements and Complying with Minimum Venue & Equipment Standards.
- \$5441,068.60 (GST inclusive) was advanced to RQL on 18 July 2011 for the Mackay racecourse redevelopment at Ooralea Park, Mackay. CBRC approved the payment of \$7443 million (excluding GST) with the immediate payment of \$4.946 million excluding GST).

Racing Queensland has not submitted any further business cases for approval.

It is proposed that Racing Queensland will access the money that has already accrued in the Scheme and the \$9.852 million (Parklands) prior to accessing the loan. There is \$33,704,000.00 available to RQL, which includes the \$9.852 million.

RQL

RQL is a company limited by guarantee. Its registered office is at Racecourse Road Deagon and its ABN is 52142786874.

The contact officers at RQL are:

Mark Snowden,
Phone 386997
msnowden@racingqueensland.com.au

Adam Carter, Chief Financial Officer
Ph 38699702
acarter@racingqueensland.com.au