

Affidavit

I, . . .Darryl Geoffrey Kyle of. [REDACTED],
make oath and say that.....

I have received a letter dated 24/7/13 from the Queensland Racing Commission of Inquiry and my response is as follows:-

In Response to Schedule 1.

My period of employment with the then Control Body "Queensland Racing" (QR) ceased mid December 2007, with the final few months focussed mainly on the administration of grants associated with the horse flu epidemic.

My role of Business Analyst (BA) did not involve me in any discussions or decisions with regard to the appointment of contractors even those relating to Synthetic tracks, which I had a fair bit of knowledge of due to working on the business case with PWC. The selection / procurement of contracts were discuss and decided on by the Executive Management team.

I have no knowledge of the business name "Contour" or "Contour Consulting Engineers Pty Ltd". I was not across any, nor involved in processing any accounting entries at all during my time at QR.

In Response to Schedule 2.

The management environment was quite top down with culture operationally (not so much with finance) focussed on outcomes preferred by CEO/Chairman. But in saying this it really is no different to many other organisations striving for certain outcomes or results. Occasionally analysis work I'd worked on was delayed or put on back burner depending on state of play between QR and the club/person(s) involved.

However from a commercial point of view establishment of benchmarking (i.e. request for financial info yearly under Racing Act) if we didn't adhere to a black and white (rather than grey) approach the way the industry and participants (ranging from novices to professional businesses) would never respond in form or on time and have no clarity on structure. Bearing mind that QR is a 'control body' and given nature of industry, management direction, communication, precedent and dealings with licencees and others had to be enforced and strong interpretation and compliance to the Racing Act was evident especially.

The QR Chairman was very active on site at Deagon HQ often spending time with Senior and other staff on daily function issues and often provided insight on board papers and minutes.

Any dealings with Unitab on fees, wagering reporting, TV coverage and legals were channelled via Executive Management Team to the likes of Shane Adams and Brad Tamer and I think Colin Scully etc.... I dealt with them on reporting formats and bet type rates for analysis.

I can not comment on the Company Secretary and her dealings as she dealt with integrity matters and in board room on matters that were not in my area of responsibility or concern.

In Response to Schedule 3.

Is hard to reconcile the gap of 'acting in best interests of company' whilst also 'acting in best interests of racing industry' as varying degrees of interest depending on whether short, medium or long term. I can say most decisions were of the positive, futuristic and economic in nature i.e. protection of revenue with intro of synthetic track, control of setting racing calendar, club benchmarking and amalgamation of BTC and QTC etc.... There was definitely a vision of commercialisation in the way QR approached issues, as stated above some issues were big and whilst not agreeable to all maintained integrity and independence via use of consultants and lawyers to ensure adherence.

The Harness and Greyhound boards were continually questioning the split (more so greyhounds/Phil Bennett) of wagering revenue from Product Co and also share of TV coverage. As majority of Product Co directors were QR aligned was always proved net wagering revenue position more beneficial when covered Gallops over dogs and trots. Product Co. meetings were not held every month, usually only 2 times a year. The Chairman never attended these meetings, they were chaired by Tony Hamner.

In relation to 'Conflicts of Interest', this was mentioned at start of meetings and any decisions re: Unitab issues which required discussion or decision saw the Chairman leave the room. The Executive team or other Directors that stayed were certainly aware of the Chairman's view though.

Point 3.4 re: restraints in contracts, I cannot comment on as I was not privy to employee files.

In Response to Schedule 4.

In my time at QR I had rare contact with Racing dept. (Mike Kelly) or the Racing Minister. Most avenues of communication seemed to be through the Chairman, CEO or Director Bill Ludwig, who had great insight into the racing industry, contacts and history on issues.

The CEO and Chairman worked very closely and CEO was a conduit for Chairman (as opposed to previous dealing with previous CEO Jeremy Turner and Finance Manager Ken Gibson) and his way of doing things. The Chairman was very hands on compared with other businesses I've been involved in, but enjoyed dealing one on one with the leader so to speak.

The CEO had a good feel for operations of business having previously been a chief steward and with many years industry experience. He was well briefed by Finance Manager and financially major outgoings were prize monies and more recently before I left legal and consulting fees post Shannahan and Daubney Rafter inquiries, BTC/QTC amalgamation and introduction of Synthetic tracks. Given financials were audited each year for correct process, appropriate approvals and ultimately recording to accounts integrity of process and recording I believe is accurate. If there were any concerns auditors QAO, BDO Kendall and Deloitte were not backwards in asking questions.

In Response to Schedule 5.

During my time at QR, I analysed gross wagering across Australian states, including other which relating to overseas wagering across the 3 codes. When the Horse flu was on and no racing in Queensland we knew and were advised net fee for broadcasting would increase (o/s component). Unitab's marketing team also delivered revenue through different types of bet types to increase yield. The split of wagering revenue to Qld codes was based on net fee banked with Product Co.

Before I left there were a few meetings where the suspicions of what Peter Vlandys and Racing NSW were endeavouring to bring into play including "race fields" legislation: Michael Lambert who was a QR Director and I think an ABM Ambro Capital Funding expert was in best position to know how this was progressing and potential impact to QR. When I left I don't believe there was any certainty legally as to the success / financial impact that would follow should the court case get up, hence at end of FY2007 no accruals were raised but I believe there may have been a note in the accounts what 'legislation' was about. I know the Chairman was also Chair of the ARB for some period and readily cited the gentleman's agreement even though there was evidence of other states following course to benefit their own states i.e., Victoria signed up with an internet betting company to receive a percentage of turnover and always contention over broadcasting between TVN (Tatts) and SKY (Unitab).

So for Point 5.1 and 5.2: I cannot comment on fees paid by Tatts Group for Queensland wagering on interstate races, nor how Product Co. responded to introduction of race information fees as I do not know.

For Point 5.3 and 5.4: Was any legal / expert advice obtained, except from what I wrote above I cannot add anything further.

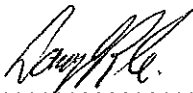
For Point 5.5 and 5.6: I cannot comment on actions of directors or senior management (whether for personal advantage or not) as race fees were introduced after I had left the employ of QR.

In Response to Schedule 6.

Other:

I suppose if anything I found the integrity / consistency of the Directors / CEO with regard to remuneration questionable and one of the reasons I left. Consistently put in the effort, worked long and hard and sometime excessive hours to do work to passed on to Executive Management and at end of each year got little recognition whilst if heard correctly Executive Management team got large increases in comparison. I was told by one director they review market rates and compare each year. I asked which benchmark as when I resigned as I got 2 offers on substantially more doing reasonable similar work. I put this down to not being in the inner sanctum and often raising scenarios or questions from the opposing view (playing devil's advocate). I had heard loose talk re: golden parachutes for a select group of staff and when approving bank files did note increases in amounts. I was a little surprised as these staff would have had ability to take their professional skill set to other industries and attain decent if not similar wage. Employee files were kept under lock and key in Finance Managers office when I was at QR. (per Response 3.4)

Lastly I was sad to hear when Bill Andrews left the QR board, I had a lot of time for Bill as he considered matters from many angles and asked questions before voting and was not afraid to argue the point.



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[Deponent's signature appears here]

Signed and sworn by the said deponent at Redcliffe, signed] this . 8th . day of .August 2013 , before me.


Justice of the Peace (Qualified).

