



By Bob Bentley – Chairman

ROCKHAMPTON PROPOSAL

Queensland Racing Limited (QRL) recently entered into discussions with the Rockhampton Jockey Club (RJC) regarding the future ownership and management of Callaghan Park, Rockhampton.

The proposal is that QRL and the RJC will be the shareholders in a company that will own Callaghan Park and the existing infrastructure.

The offer to the RJC flows from the philosophy that the industry, through QRL, establishes equity from significant investments where industry funding is utilised.

Further, QRL holds the view that the racing industry should be responsible for providing quality racing and training facilities and that race clubs need to focus their resources to improve racing's diminishing market share within the competitive leisure and wagering sectors.

At present race clubs are provided a subsidy by QRL to fund the costs associated with providing racing and training facilities, unfortunately race clubs have competing interests for this expenditure and often the

racing and training areas of facilities play second fiddle to member and public facilities.

In addition to QRL employing experienced dedicated staff to oversee TAB racing and training facilities throughout the State, this strategy also delivers significant economies of scale through a consolidated approach in this area.

On-course facilities need to be dramatically improved if racing is to regain lost market share in areas mentioned above, as well as enabling facilities to be exploited for non-racing relating activities. Under the current model, there is very little opportunity for the RJC to improve its on-course facilities.

QRL has incurred costs of \$6.5m in renovating racing and training facilities at Callaghan Park. Subsequent to the commencement of the works at Callaghan Park, the board of QRL took the decision to no longer provide grants to clubs, but to use industry funds to partner with clubs on initiatives that provide increased benefits to the racing industry.

This model is already in place at Corbould Park, Caloundra and QRL is in discussions with the committees in Toowoomba, Mackay and Beaudesert.

The proposed company will be responsible for depreciating existing infrastructure with four directors, two from the RJC and two from QRL.

The RJC is to be given a 99 year lease over the public and members facilities, with the following key principles:

- RJC responsible for all repairs and maintenance within the leased area
- RJC able to undertake capital investment within the leased area
- RJC to control all activities within the leased area

QRL to be given a 99 year lease over the remainder of the facility, with the following key principles:

BELOW:

QRL and the RJC have recently discussed future ownership options for Callaghan Park
Darcy Digby photo



- » • QRL responsible for all repairs and maintenance within the leased area
- QRL able to undertake capital investment within the leased area
- QRL to control all activities within the leased area

RJC responsibilities:

- Maintain public and member facilities
- Maintain and clean grounds and gardens within RJC leased area
- Conduct the race meetings
- Sponsorship
- Marketing and promotion
- Sky Channel revenue
- Bar, catering, bookmakers, totalisators
- Membership
- Agreements with tenant clubs
- Racebooks
- On-course patrons
- Signage inside leased area
- Pay and provide the following services on racedays
- Horse gate and mounting yard attendants
- Assistant judge
- Racecaller
- Fluctuation room staff

QRL responsibilities:

- Maintain course proper, training tracks, tie-up stalls and swab stalls
- Maintain and clean grounds and car parks within QRL leased area
- Manage trackwork sessions, jumpouts, barrier trials
- Manage training approvals, setting and collection of training fees
- Maintain stables, horse walker, equine pool, and set and collect fees
- Pay and provide the following services on racedays previously provided by the RJC – starter, assistant starter and barrier staff – clerk of course, veterinarian, farrier and ambulance – jockey room attendant, price assessor and judge
- Signage within leased area – existing RJC agreements to be honoured, all new agreements split 50/50 between QRL and RJC

Areas of additional QRL expenditure if agreement reached with RJC:

- Undertake a review of the necessity for additional on-course stabling, should there be a need for additional stabling QRL will fund the new stables
- Purchase of a new tractor
- Installation of a new barrier shed
- Purchase of a new set of barrier stalls
- Purchase of a horse ambulance

This concept is a significant change from the previous model, but it will ensure that industry funds are appropriately allocated to enable racing and training facilities to be provided and maintained at the highest possible standard.

Listed below are a series of frequently

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asked questions relating to the proposal for Callaghan Park, these questions were provided to QRL by the RJC.

QUESTION: What action does QRL propose to take to restore the important sand training track to a suitable state?

ANSWER: Warren Williams will be spending one day per week in Rockhampton for six weeks and a priority will be to work with Richard Harris on remedial work to the sand track.

Warren is proposing that it may be possible to utilise some of the existing profile to be compacted to increase the base and then to introduce some new material that will be more suitable for the training of horses.

QUESTION: 'CQ Amateurs and Rockhampton St Patricks Club would be required to enter into an agreement with the RJC for use of your facility' – wouldn't they also need to enter into an agreement with QRL for use of your facility (the track)? Does it change the rental payments from the tenant clubs?

ANSWER: QRL would be providing the track and facilities to the RJC for the conduct of each race meeting scheduled at the complex.

The RJC would continue to negotiate a commercial arrangement with the two above mentioned tenant race clubs for the lease of the facility.

QUESTION: What is the future of RJC betting meetings?

ANSWER: QRL will continue to allocate betting meetings to the RJC on free Saturday dates.

QRL has 200 betting meetings to allocate throughout the year and the continued allocation of the current number of betting meetings to the RJC will proceed should the RJC deem these profitable.

The RJC will need to evaluate the benefits of the betting meetings and what, if any, impact they may have on future non-racing related revenue streams.

QUESTION: Does the proposed change impact on Yeppoon TC?

ANSWER: There will be no direct impact on the Yeppoon TC, although QRL would like to establish and maintain a strong working relationship with the club to enable the future use of Keppel Park as a training aid to Capricornia stakeholders and a non-TAB racing venue.

QUESTION: The RJC would like to include the members carpark in our leased area as it will be a future area for hospitality on racedays – is this possible?

ANSWER: QRL has no objection to the inclusion of the members carpark in the RJC leased area. It had originally been included within the QRL leased area as we were trying to reduce the costs associated with repairs and maintenance for the RJC.

Should it be determined to leave the member's car park in the QRL leased area, QRL will provide this area under license to the RJC for use on race meetings and for functions.

QUESTION: Could you please confirm that QRL would be responsible for the future water management – e.g. recycled water, storage, pumps, etc?

ANSWER: Yes, QRL has already commissioned a water study throughout the facility, with a view to having the ability to utilise effluent water from the sewerage treatment plant adjacent to the site, in addition to the barrage water.

Preliminary discussions with Fitzroy Water have been extremely positive and have indicated that an existing holding tank may be available to be utilised for Callaghan Park. It is expected that this initiative would cost in the vicinity of \$150k to \$200k to implement.

QUESTION: Can QRL please confirm its position on pursuing a 1000m starting point at Callaghan Park?

ANSWER: As this land was not available prior to the completion of the current track it is now not practical to contemplate reclaiming this land and installing a further 30 metres of track.

It is estimated that this would cost in excess of \$100k and it is difficult to justify this expenditure when considering that we have now introduced a 1050m starting position at the facility that is far superior to the 970m chute. From April 2010 we will program a greater number of races from the 1050m starting position on the course proper.

QUESTION: We need assurance from QRL that our current ground staff will be retained.

ANSWER: QRL will be offering employment to all RJC ground staff and as discussed during our recent meeting it is likely that an additional two staff will be required to appropriately maintain the tracks and facilities. «