

## 1. Background

This policy is made under s.102(1)(a) of the [Racing Act 2002](#) (Qld) (“**the Act**”) and s.6A and s.6H of the [Racing Regulation 2023](#) (Qld). Those provisions require Racing Queensland (“**RQ**”), as the control body for the thoroughbred, harness and greyhound codes of racing in Queensland, to make a policy for the management of Clubs licensed by RQ to hold race meetings, and to make a policy for the disposal of Clubs’ assets for section 129(1)(c)(i) of the Act.

## 2. Policy Name

This policy is named the *Management of Licensed Clubs Policy* (“**Policy**”).

## 3. Date Made & Date Of Effect

This Policy is made on **1 April 2024** and takes effect on the same day.

## 4. Purpose

The purpose of this Policy is to:

- (a) assist Clubs to manage and administer their assets and expenditure, as required under the Act;
- (b) assist non-proprietary (not-for-profit) Clubs to understand when it is necessary to seek and obtain written approval from RQ to permit expenditure, the dealing with Club assets, or to dispose of Club assets under Chapter 3, Part 4, Division 4 of the Act;
- (c) enable RQ to ensure that Club finances are soundly managed, and the proceeds of any disposal of club assets are expended in accordance with this Policy to maximise the benefit to Clubs and the Queensland racing industry; and
- (d) ensure that Clubs are soundly managed in the best interests of the Queensland racing industry.

## 5. Who Is Affected By The Policy?

This Policy is a policy for the thoroughbred, harness and greyhound codes of racing.

This Policy applies to all Clubs licensed by RQ, whether proprietary or non-proprietary.

## 6. Policy Application

### 6.1. How Decisions Are to be Made

RQ will make decisions in relation to the management of Clubs consistently with this Policy, associated RQ documentation and the Act.

### 6.2. Policy Statement

All Clubs must manage their operations in accordance with applicable Laws, RQ’s Policies (as statutory instruments under section 101 of the Act) and any direction from RQ in relation to (for example) the Club’s finances, operations, assets, or Licensed Venue (by section 82(3) of the Act).

### 6.3. Roles & Responsibilities

RQ is responsible for the management of the Queensland racing industry and may make and enforce Policies for the good management of the industry.

RQ provides guidance to Clubs, monitors Clubs’ financial management practices and financial performance and, if necessary, intervenes to ensure Clubs manage their finances appropriately. RQ assesses proposed major capital expenditure by Clubs and any proposed expenditure by Clubs not directly related to the conduct or encouragement of racing.

RQ may review and audit Clubs' financial management practices and financial performance. Should RQ find a Club is not complying with applicable Laws or this Policy, RQ may (without limitation) direct the Club to take, or refrain from taking, an action to rectify the situation pursuant to s.82(3) of the Act.

Clubs are responsible for the sound management of the Club in accordance with applicable Laws, RQ Policies, and any direction from RQ, and must ensure:

- (a) the Club is appropriately resourced, and all Club officers comply with the policies and practices established by the board or management committee relating to the financial operations of the Club;
- (b) Club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation;
- (c) the Club's decision-making processes are defensible, and decisions are appropriately documented;
- (d) appropriate internal control systems are in place to minimise the risk of misappropriation of assets, revenues or fraudulent expenditure, and to ensure that financial disclosure of expenditure is not compromised;
- (e) internal control systems include clearly documented authorities for the approval of expenditure and dealing with assets by Club officers;
- (f) transparent decision-making in relation to procurement activities, including that any actual or perceived conflicts of interest (whether in relation to a Club or any of its officers) are appropriately managed;
- (g) all dealings with, and disposals of, Club assets are conducted at arm's length and for fair market value and supported by appropriate documentation;
- (h) appropriate controls are implemented to ensure compliance with this Policy;
- (i) all relevant accounting standards and generally accepted accounting principles are met; and
- (j) the Club provides its audited financial statements for the financial year to RQ in accordance with s.125 of the Act.

## 7. Club Expenditure

Under section 128(1) of the Act, a non-proprietary Club must not divide, directly or indirectly, money comprising the Club's revenues, profits or other assets, however derived, among the individual members of the Club or any of them.

### 7.1. Authorised Expenditure by a Club

Section 128(1) of the Act does not prevent:

- (a) a payment to a member of a non-proprietary Club, under section 128(3)(a) of the Act, as:
  - (i) principal and interest payable for amounts lent to the Club by that member, calculated at a rate not exceeding the rate for the time being approved by the Reserve Bank of Australia as the maximum rate of interest chargeable by banks for overdraft accommodation. An amount lent must not be secured against a Venue licensed by RQ without prior written permission from RQ; or
  - (ii) rent for a lease of a Licensed Venue that is the property of the member, if the lease was approved in writing by the Minister before its execution; or
  - (iii) reimbursement for reasonable expenses incurred by the member under this Policy or another one of RQ's Policies, which provides that reasonable expenses may be incurred. In such cases, appropriate documentation (records) must be retained; or
- (b) an expenditure by the non-proprietary Club, under section 128(3)(b) of the Act, for:
  - (i) providing reasonable entertainment for the Club's members in common with other persons;
  - (ii) defraying a member's expenses for attending, with the approval of the Club before attending:
    - (A) a conference or meeting of persons interested or concerned in racing or in the control, holding or supervision of race meetings; or

- (B) a conference or meeting with RQ or with the Minister responsible for racing; or
- (C) a place to promote the Club's interests; or
- (c) a payment to one of the Club's members, under section 128(3)(c) of the Act, of prize money or for the award of a trophy won by a licensed animal at a race meeting held by the Club; or
- (d) a payment by the Club of a reasonable amount to a person, whether or not a member of the Club, under section 128(3)(d) of the Act, for legal, accounting, secretarial or other professional services requested by or given to the Club.

For the avoidance of doubt, a Club proposing to enter into a lease of a Licensed Venue that is the property of a member (as contemplated by section 7.1(a)(ii) above) must obtain the prior written approval of RQ under section 7.2B(b), and RQ will arrange any approval to be given by the Minister in writing before the lease may be executed.

## 7.2. Expenditure by a Club for encouraging racing in Queensland

Under section 128(2)(a) of the Act, a non-proprietary Club may apply amounts comprising its revenues and profits for encouraging racing in Queensland under one of RQ's Policies. By this Policy, Clubs may apply such amounts for that purpose without the need for RQ's written approval, except as specified below:

### A. Capital Expenditure over Threshold

Clubs must obtain RQ's written approval prior to incurring, or committing to incur, expenditure totalling more than the Capital Expenditure Threshold on any project of a capital nature. This includes (without limitation):

- (a) the construction, acquisition, refurbishment or improvement of assets (such as land, buildings and equipment), other than intangible property; and
- (b) all capital works.

For the purposes of this provision, all works necessary or desirable for a project must be included in the calculation of total expenditure (e.g. electrical upgrades necessary for new infrastructure or equipment).

The Club will be required to provide RQ written notice of the proposed expenditure. RQ will assess the proposal, the Club's financial position and the condition of any critical racing assets before deciding whether to approve the proposed expenditure. If RQ does not approve the proposed expenditure, the Club must not proceed with the project.

The Capital Expenditure Threshold for a Club is as follows:

Tier 1 Clubs	\$200,000
Tier 2 Clubs	\$150,000
Tier 3 Clubs	\$100,000
Tier 4 Clubs and any other Club	\$50,000

### B. Other Matters Requiring Written Approval

Further, Clubs must first obtain written approval from RQ before:

- (a) undertaking any expenditure on activities not directly related to the conduct or encouragement of the Club's racing activities, for example, investing in property or shares, the establishment of gaming facilities or sponsoring non-racing related events, and RQ confirms pre-approval (and no further approval required) for Tier 1 Club expenditure on any single activity under this clause up to \$200,000;
- (b) entering into or amending any lease of real property (as lessee);
- (c) entering into or amending any loan/financing arrangement;
- (d) applying amounts comprising of its revenues and profits towards value adding prizemoney (such approvals must be obtained no later than 10 weeks prior to the scheduled race meeting).

### 7.3. Expenditure by a Club for Charitable, Benevolent, Patriotic or Special Purpose

Under section 128(2)(b) of the Act, a non-proprietary Club must obtain written approval from RQ before it may make payments for a charitable, benevolent, patriotic or special purpose.

For this purpose of this requirement, payments by a Club up to and including \$5,000 in any financial year for the benefit of any one entity are pre-approved by RQ and no application is required. Written approval must be obtained for payments of \$5,001 or more for the benefit of any single entity in a financial year.

## 8. Dealing With & Disposing Of Assets

### 8.1. Disposal of Assets

Under section 129(1) of the Act, a non-proprietary Club may not dispose of an asset unless:

- (a) if the asset is an amount comprising the Club's revenues and profits, the amount is applied in accordance with section 7 of this Policy; or
- (b) if the asset is an interest in real property (land) that is used as a Licensed Venue or a place for exercising, conditioning or training licensed animals, it is disposed of in accordance with section 129(2) of the Act (as set out in section A below); or
- (c) otherwise, if the asset is disposed of under one of RQ's Policies or a prior written approval of RQ.

By this Policy, a Club may dispose of an asset of the type mentioned in section (c) above without the prior written approval of RQ, except where:

- (i) the asset is an intangible asset;
- (ii) the asset is considered a 'critical racing asset', or is otherwise related to the Club's racing activities; or
- (iii) the disposal is to be made upon the dissolution of the Club (in accordance with section B below),

in which case written approval from RQ must be obtained prior to disposing of the asset.

#### A. When Ministerial Approval is required

Under section 129(2, 4 & 5) of the Act, a Club must not dispose of real property (land) that is used as a Licensed Venue or a place for exercising, conditioning or training licensed animals without first:

1. obtaining the approval of a majority of the Club's members present at a meeting where the matter was considered; and then
2. obtaining written approval of RQ; and then
3. obtaining written approval of the Minister responsible for racing (to be arranged by RQ).

#### B. Dissolution Of A Club

Further, before the dissolution of a non-proprietary Club that results in the disposal of the Club's assets can occur, the following is required:

- (a) the Club is to provide a list of all the Club's assets and the Club's proposed disposal of such assets in writing to RQ for its consideration and approval;
- (b) once RQ has considered and approved the Club's proposal, the Club will be required to call a general meeting of all members to agree to the disposal; and
- (c) the Club must comply with its governing document, the Act, relevant RQ Policies, and all applicable Laws, including the [Associations Incorporations Act 1981 \(Qld\)](#) and [Corporations Act 2001 \(Cth\)](#) in all regards and particularly in relation to:
  - (i) the dissolution of the Club;
  - (ii) the disposal of its assets upon dissolution;
  - (iii) the calling and holding of a general meeting of its members to approve the dissolution of the Club and disposal of Club assets;

- (iv) the decision of members at the general meeting called to approve the dissolution of the Club and disposal of Club assets; and
- (v) notification to the relevant government departments or other bodies (as required by relevant Laws) in relation to the outcome of the general meeting and disposal of the Club's assets.

The provisions of section 8.1(c) and this section providing for the disposal of a Club's assets upon dissolution shall apply to the disposal of a Club's assets upon amalgamation with all the necessary changes.

## 8.2. Dealing with Club Assets

Under section 130 of the Act, a non-proprietary Club must not deal with an asset of the Club unless the dealing is authorised under one of RQ's Policies or with the prior written approval of RQ.

By this Policy, a Club may deal with any asset without the prior written approval of RQ, except where:

- (a) the asset is an intangible asset;
- (b) the asset is considered a 'critical racing asset', or is otherwise related to the Club's racing activities,

in which case written approval from RQ must be obtained prior to dealing with the asset.

## 9. Other Non-Proprietary Entities

For the purposes of Chapter 3, Part 5, Division 4 of the Act, a corporation that was licensed by RQ and, when it was licensed, was a non-proprietary Club, must seek and obtain RQ's approval before applying amounts comprising their revenues and profits, or dealing with or disposing of its assets, unless otherwise specified in the Act.

## 10. Rules Of Racing

Rules of Racing will not be made for this Policy.

## 11. Related Documents

[All Racing Queensland Policies](#)

[General Conditions](#)

[Licensed Venue Standards](#)

[Racing Act 2002](#)

[Racing Integrity Act 2016](#)

[Racing Regulation 2023](#)

[Rules of Racing \(Thoroughbred\)](#)

[Rules of Racing \(Harness\)](#)

[Rules of Racing \(Greyhound\)](#)

## 12. References

In this Policy:

- (a) the **Act** means the [Racing Act 2002](#) (Qld);
- (b) **asset** has the meaning given in the [Acts Interpretation Act 1954](#) (Qld) including both tangible and intangible property and, for the avoidance of doubt, includes intellectual property rights in any event held, hosted, run or organised by a Club or held at premises owned or occupied by a Club (including media/broadcast rights);
- (c) **Club** means a Club licensed by RQ under the Licensing Scheme Policy;
- (d) **critical racing assets** means any assets the failure of which would render a Licensed Venue unsuitable for racing, including (but not limited to) race tracks, running rails, lure/lure rail, barrier stalls and starting boxes;

- (e) **deal with** has the meaning given in s.127 of the Act;
- (f) **dispose** has the meaning given in s.127 of the Act;
- (g) **internal control systems** includes but is not limited to the practices and processes established by race clubs to ensure standards of corporate governance and financial accountability are in place, and to minimise the risk to race clubs of fraudulent activity or theft;
- (h) **Laws** means:
  - (i) principles of law or equity established by decisions of courts;
  - (ii) statutes, regulations or by-laws of the Commonwealth of Australia, or any State or Territory of the Commonwealth of Australia or a government agency; and
  - (iii) requirements and approvals (including conditions) of the Commonwealth of Australia or any State or Territory of the Commonwealth of Australia or a government agency that have the force of law;
- (i) **Licensed Venue** means a place licensed by RQ under the Licensing Scheme Policy as a place at which a race meeting may be held for its code of racing;
- (j) **Licensed Venue Standards** means the current standards for Licensed Venues applicable to a Club's code of racing, as published by RQ on its website or otherwise made available to Clubs from time to time;
- (k) **non-proprietary** means a not-for-profit Club with a constitution that provides for the application of all of the Club's profits and other income to the promotion of the Club's objects and prohibits the payment of dividends to the Club's members;
- (l) **Policies** means any policies made by RQ from time to time under Chapter 3, Part 2, Division 1 of the Act;
- (m) **proprietary** means a Club that provides facilities at which races are run for a profit. They are businesses, as opposed to not-for-profit Clubs, which exist to provide facilities at which race meetings are held for the benefit of members;
- (n) **racing activities** means the activities for which a Club is licensed and includes ancillary racing activities such as training, stabling and kennelling (as applicable); and
- (o) terms defined in the Act have the same meaning as set out therein, except as otherwise stated in this Policy.

### 13. Version History

<b>Current Version:</b>	2024.04	<b>Approved:</b>	1 April 2024
<b>Document Owner:</b>	EGM Club Partnerships and Assets	<b>Due for Review:</b>	1 April 2027
<b>Enquiries to:</b>	<a href="mailto:clubcompliance@racingqueensland.com.au">clubcompliance@racingqueensland.com.au</a>		

VERSION	EFFECTIVE	DEPARTMENT	CHANGES MADE
2024.04	1 April 2024	EGM Clubs Partnerships & Assets	Policy reviewed and updated.
2021.11	3 November 2021	EGM Clubs Partnerships & Assets	Policy reviewed and updated.
3	01 August 2017	Chief Financial Officer	Policy reviewed and updated.
2	27 April 2017	Chief Financial Officer	Policy reviewed and updated.
1	01 May 2013	-	Made as "Policy On The Formation, Management And Licensing Of Clubs"