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## 1. Purpose

The [Racing Act 2002 \(Qld\)](#) (the Act) requires Racing Queensland (RQ) 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 licensed clubs' assets for section 129(1)(c)(i) of the Act.

The purpose of this policy is to:

- assist licensed clubs to manage and administer their assets and spending, as required under the Act;
- assist licensed clubs to understand when a licensed club may spend, deal with its assets, and dispose of its assets without the need to seek written approval from RQ;
- assist licensed clubs to understand when it is necessary for licensed clubs to seek and obtain written approval from RQ to permit spending, the dealing with club assets, or to dispose of club assets;
- 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 provide the Queensland racing industry, stakeholders and clubs, with the best possible economic benefit; and
- ensure that Queensland race clubs, whether they are proprietary or non-proprietary, are soundly managed in the best interests of the Queensland racing industry.

## 2. Scope

This policy applies to all race clubs in Queensland licensed by RQ, including those clubs' management committees and officers.

## 3. Policy Statement

All Queensland race clubs, whether proprietary or non-proprietary, must manage the clubs and its finances in accordance with applicable legislation, 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 racing venue (by section 82(3) of the Act).

RQ requires race clubs to take all reasonable steps to provide a safe working environment for its officials, staff and licensees by fostering a culture of high ethical standards and support for whistle-blowers and by not tolerating unlawful discrimination, harassment, bullying or unsafe work practices.

### 3.1. Club Formation

RQ will ensure that race clubs are properly constituted under either the [Associations Incorporations Act 1981 \(Qld\)](#) (for clubs formed as incorporated associations), or, the [Corporations Act 2001 \(Cth\)](#) (for clubs formed as corporations) before it licenses these clubs.

### 3.2. Financial Management

RQ will monitor race clubs' financial management and financial performance. Should RQ find a race club is not complying with relevant legislation or this policy, RQ will direct the club to take action to rectify the situation. Should a club refuse to comply with such a direction, RQ will take appropriate action under section 115(1) of the Act, which could include suspending or cancelling the club's licence.

Licensed race clubs must take particular note of the following:

- Appropriate internal control systems should be established to minimise the risk of misappropriation of assets, race club revenues or fraudulent expenditure, and to ensure that financial disclosure of expenditure is not compromised.
- Internal control systems should include clearly documented authorities for the approval of expenditure and dealing with assets by race club officers.
- All dealings with assets should be supported by appropriate documentation.

#### 3.2.1. Spending Prohibited

Under section 128(1) of the Act, a non-proprietary (not-for-profit) 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. This provision does not apply to proprietary clubs.

### 3.3. Seeking Approval from Racing Queensland

#### 3.3.1. Capital Expenditure on Racing Infrastructure

For RQ to effectively perform its function of managing the Queensland racing industry, RQ must have oversight of club spending particularly when it relates to new or improved racing infrastructure.

Clubs planning to spend over \$50,000 on any capital works must notify RQ prior to commencement of any capital works. The club will be required to provide RQ a capital business plan. RQ will assess the club's financial viability and approve the capital works or appropriate investment for the club.

Clubs undertaking Master Planning that may affect a licensed venue must notify RQ of their intent to undertake such planning to enable RQ to assess any proposed works against Minimum Standards and requirements of the Act.

### 3.3.2. Approval Required to Undertake Works

Licensed clubs must notify RQ prior to undertaking any works that may affect a licensed venue's track, racing infrastructure or the conduct of a race meeting. Examples of such works include:

- Interference with a track such as digging trenches or replacing sections of turf;
- Erection of temporary structures such as marquees, flags, banners, or screens near barriers or rails;
- Relocation of infrastructure such as buildings;
- Modification of a winning post;
- Erection of a sign board infield;
- Modifications to mounting yard fences, or a camera tower.

Notifying RQ will enable RQ to determine if the proposed works comply with Minimum Standards.

### 3.3.3. When Written Approval from RQ is Not Required

Under section 128(2)(a) of the Act and by this policy, clubs may spend amounts comprising revenues and profits for encouraging racing in Queensland, without the need for RQs written approval, except if it is capital expenditure as described in section 3.3.1. of this policy.

By section 128(3)(a)(i) of the Act, a club may pay a member amounts as 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.

Under section 128(3)(a)(iii) of the Act and by this policy, a club may pay a member reimbursement for reasonable expenses incurred by the member under this policy or another RQ policy, which provides that reasonable expenses may be incurred. In such cases, appropriate documentation (records) should be retained.

Under section 128(3)(b) of the Act, a payment may be made to a member of a club as an expenditure by the club for:

- providing reasonable entertainment for the club's members in common with other persons;
- for defraying a member's expenses for attending, with the approval of the club before attending:
  - a conference or meeting of persons interested or concerned in racing or in the control, holding or supervision of race meetings;
  - a conference or meeting with RQ or with the Minister responsible for racing;
  - a place to promote the club's interests.

Under section 128(3)(c) of the Act, a club may make a payment to one of the club's members of prize money, or for the award of a trophy, won by a licensed animal at a race meeting held by the club.

Under section 128(3)(d) of the Act, a club may pay a reasonable amount to a person, whether or not a member of the club, for legal, accounting, secretarial or other professional services requested by or given to the club.

Under sections 129(1)(a) and 129(1)(c)(i) of the Act, and by this policy, a club may deal with or dispose of an asset without prior written approval from RQ, except where:

- the amount is to be applied for a reason other than for one of those listed above in section 3.2 of this policy, or
- the asset is of a type addressed elsewhere in this policy, or
- the asset is considered “racing infrastructure”;

In which case, written approval from RQ must be sought prior to the club disposing of, or dealing with, the asset.

#### 3.3.4. When Written Approval from RQ is Required

By this policy, a club must first obtain written approval from RQ before undertaking any expenditure on activities not directly related to the conduct or encouragement of racing, for example, investing in property or shares, the establishment of gaming facilities or sponsoring non-racing related events.

By this policy, a club wishing to deal with its intangible assets or a club asset that is considered racing infrastructure, or related to racing, written approval from RQ must be sought prior to disposing of or dealing with the asset.

By this policy, a club wishing to enter into a loan/financing arrangement is required to seek written approval from RQ prior to entering into the loan/financing arrangement.

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

Under section 128(3)(a)(ii) of the Act, a club may make payment to a club member as rent for a lease of a licensed venue that is the property of the member, only if the lease was approved in writing by RQ and the Minister before its execution.

Under section 129(2, 4 & 5) of the Act, clubs must not dispose of real property (land) that is 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. obtain written approval of RQ; and then
3. obtain written approval of the Minister responsible for racing (to be arranged by RQ).

### 3.4. Dissolution of a Club

Before the dissolution of a club that results in the disposal of the club’s assets can occur, the following is required:

1. 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.
2. 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.
3. The club must comply with its governing document, the Act, relevant RQ policy, and any legislation applying to the club, including the [Associations Incorporations Act 1981 \(Qld\)](#) and [Corporations Act 2001 \(Cth\)](#) in all regards and particularly in relation to:
  - (a) The dissolution of the club;

- (b) The disposal of its assets upon dissolution;
- (c) The calling and holding of a general meeting of its members to approve the dissolution of the club and disposal of club assets;
- (d) The decision of members at the general meeting called to approve the dissolution of the club and disposal of club assets; and
- (e) Notification to the relevant government departments or other bodies (as required by relevant legislation) in relation to the outcome of the general meeting and dealings with the club’s assets.

## 4. Roles & Responsibilities

RQ provides guidance to race clubs, monitors clubs’ financial management 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 is responsible for the sound management of the Queensland racing industry and may make and enforce policies for the sound management of the industry. RQ may:

- Develop and implement Minimum Standards for licensed venues, and audit licensed clubs to ensure venues licensed to those clubs comply with the Minimum Standards;
- Assess race clubs’ licence applications to ensure all the required information is provided and that the club is properly constituted;
- Conduct investigations to ensure that club committee members, executive officers and other people associated with the ownership or management of race clubs are of good character and suitable to hold such positions;
- Analyse race clubs’ financial statements, annual reports and strategic and business plans to ensure the clubs are properly and soundly managed;
- Regularly review the operations of race clubs to ensure their continued suitability to be licensed.

**Licensed race clubs** are responsible for the sound management of the club in accordance with legislative requirements, RQ Policy, and any direction given to the club by an RQ official.

**Licensed race clubs** are expected to:

- ensure that all committee members and club officials comply with the policies and practices the committee establishes for the financial operations of the club;
- ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation;
- oversee the internal accounting, stock controls and procedures of the club and ensure that appropriate standards in that regard are being met and that the risk of misappropriation or fraudulent use of race club monies is minimised;
- ensure the club notifies RQ prior to undertaking any Master Planning that may affect racing infrastructure at a licensed venue; and
- ensure the club provides its annual report, properly audited balance sheet and profit and loss statement and copies of any corporate, strategic, business or other plan the club may have adopted during the financial year to RQ in accordance with the club licence conditions.

## 5. References & Related Documents

Rules of racing will not be made for this policy.

Document	Document
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<a href="#">Racing Act 2002 (Qld)</a>	<a href="#">Associations Incorporations Act 1981 (Qld)</a>
<a href="#">Rules of Racing</a>	<a href="#">Corporations Act 2001 (Cth)</a>

## 6. Version History

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1	01/05/2013	-	Made as "POLICY ON THE FORMATION, MANAGEMENT AND LICENSING OF CLUBS"
2	27/04/2017	Chief Financial Officer	Policy reviewed and updated.
3	01/08/2017	Chief Financial Officer	Policy reviewed and updated.

## 7. Definitions

<b>Asset</b>	means <b>tangible assets</b> (such as plant and equipment, machinery, stock, stationery, furniture, fittings and fixtures, computers, electrical equipment and vehicles) and <b>intangible assets</b> (such as, without limitation, intellectual property rights, including, intellectual property rights in any event held, hosted, run or organised by a club or held at premises owned or occupied by a club. It includes, but is not limited to broadcast rights).
<b>Business Plan</b>	a documented set of business goals, objectives, target market information and financial forecasts the club is aiming to achieve over a period of time.
<b>Capital Expenditure</b>	money spent on acquiring or maintaining fixed assets, such as land, buildings, and equipment.
<b>Deal with</b>	an asset, includes grant a right in relation to the asset, mortgage, lend, lease or register a charge over the asset, but does not include disposal of the asset.
<b>Discrimination</b>	occurs when a person is treated more or less favourably than another person would be under similar circumstances. Discrimination is unlawful when it is on the basis of a stated attribute in the <a href="#">Anti-Discrimination Act 1991 (Qld)</a> .
<b>Disposal / Dispose</b>	of an asset, includes distribute, forfeit, relinquish possession of, sell or otherwise give up, the asset.
<b>Encouragement of Racing</b>	refers to the application of monies by a race club to the core business and business objectives of the race club – the conduct of thoroughbred, harness or greyhound racing.
<b>Internal control systems</b>	refer 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.
<b>Non-proprietary race club</b>	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 members of the club.
<b>Plant and equipment</b>	Plant has a broad definition and includes physical plant, mechanical plant, and industrial plant such as: machinery, equipment, appliances, containers, implements and tools.
<b>Proprietary race club</b>	race clubs that provide facilities at which races are run for a profit. They are businesses, as opposed to not-for-profit race clubs, which exist to provide facilities at which race

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	meetings are held for the benefit of members.
<b>Protective action</b>	(by RQ against a licensed club) may include cancelling, suspending or varying the club's licence or imposing a monetary penalty.
<b>Racing Infrastructure</b>	The physical structures, facilities, plant and equipment needed for the conducting of racing at a licensed venue, and the ongoing maintenance of a licensed venue.
<b>Whistleblower</b>	a person who discloses information about official misconduct, maladministration, negligent or improper management of public funds, reprisal, or danger to persons of the environment in the public interest to an authority that is able to investigate and remedy the matter.

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