

## 1. BACKGROUND

This policy is made under s.102(1)(a) of the [Racing Act 2002](#) (Qld) (“**the Act**”) and s.2B(a) and s.2B(h) of the [Racing Regulation 2013](#) (Qld). Those provisions require Racing Queensland (“**RQ**”), as the control body for all 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 licensed 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 **3 November 2021** and takes effect on the same day.

## 4. PURPOSE

The purpose of this Policy is to:

- (a) assist licensed Clubs to manage and administer their Assets and spending, as required under the Act;
- (b) 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;
- (c) 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;
- (d) 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
- (e) ensure that Queensland race Clubs, whether they are proprietary or non-proprietary, 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 all codes of racing.

This Policy applies to all race clubs in Queensland licensed by RQ, including those Clubs’ management committees and officers.

## 6. HOW DECISIONS ARE TO BE MADE

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

### 6.1. Policy Statement

All Queensland race clubs, whether proprietary or non-proprietary, must manage their operations 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).

Clubs must take all reasonable steps to provide a safe working environment for their 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.

### 6.2. 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; and
- Review and audit race clubs' operations, financial statements, annual reports and strategic and business plans to ensure the clubs are suitable to be licensed and in compliance with this Policy.

**Licensed 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 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's licence conditions.

### **6.3. Club Formation**

Clubs must be 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).

### **6.4. Financial Management**

RQ may review and audit race clubs' financial management and financial performance. Should RQ find a race Club is not complying with relevant legislation or this policy, RQ may direct the club to take action to rectify the situation. Should a Club refuse to comply with such a direction, RQ may take appropriate action under Chapter 3, Part 4 of the Act, which could include suspending or cancelling the Club's licence.

Licensed clubs must take particular note of the following:

- (a) 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.
- (b) Internal control systems should include clearly documented authorities for the approval of expenditure and dealing with assets by race club officers.
- (c) All dealings with assets should be supported by appropriate documentation.
- (d) Transparent decision making is required in relation to procurement activities. Clubs must ensure any actual or perceived conflicts of interest (whether in relation to a club or its executive officers) are appropriately managed.
- (e) Clubs must implement controls to ensure compliance with this policy.
- (f) Clubs must comply with all relevant accounting standards and generally accepted accounting principles.

### **6.5. Clubs Transactions**

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.

#### **6.4.1 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 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 RQ policy, which provides that reasonable expenses may be incurred. In such cases, appropriate documentation (records) must be retained,

under section 128(3)(a) of the Act; or

(b) an expenditure by the non-proprietary Club 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,

under section 128(3)(b) of the Act; or

- (c) 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)(c) of the Act; or
- (d) a payment by the Club of 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 section 128(3)(d) of the Act.

By this policy, a club must obtain the approval of RQ in writing before entering into a lease of a licensed venue that is the property of a member.

#### **6.4.2 Expenditure by a Club for encouraging racing in Queensland**

Further, under section 128(2)(a) of the Act, clubs may spend amounts comprising revenues and profits for encouraging racing in Queensland under one of RQ's policies. By this policy, clubs may spend such amounts for that purpose without the need for RQ's written approval, except as specified below:

##### **A. Capital Expenditure over Threshold**

Clubs planning to spend over the Capital Threshold on **any** capital works must obtain RQ's written approval to such works before commencement of any works. The Club will be required to provide RQ written notice of the intended expenditure. RQ will assess the proposal, the Club's financial position and the condition of any key racing assets before deciding whether to approve the proposed capital works expenditure. If RQ does not approve the proposed expenditure, the Club must not proceed with the capital works.

The Capital Threshold for a Club is as follows:

Tier 1 clubs	\$200,000
Tier 2 clubs	\$100,000
Tier 3 clubs	\$50,000
Tier 4 clubs and any other club	\$50,000

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.

##### **B. Approval Required to Undertake Certain Works Affecting Racing**

Licensed Clubs must obtain RQ's written approval 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:

- (a) interference with a track such as reconstructions, refurbishments, renovations, irrigation, draining or turfing works;
- (b) erection of temporary structures such as marquees, flags, banners, or screens near barriers or rails;
- (c) relocation of infrastructure such as buildings;
- (d) modification of a winning post;
- (e) erection of a sign board infield;
- (f) modifications to mounting yard fences, or a camera tower.

In considering whether to give its approval, RQ will consider if the proposed works comply with Minimum Standards.

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

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. 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.

#### **D. Other Matters Requiring Written Approval**

By this policy, a Club must first obtain written approval from RQ before:

- (a) 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, 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 loan/financing arrangement;
- (c) applying amounts comprising of its own revenues and profits towards value adding prizemoney (such approvals must be obtained no later than 10 weeks prior to the scheduled Race Meeting).

#### **E. Dealing with and Disposing of Assets**

Under section 129(1) of the Act, a 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 for a reason listed above in section 1 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 F of this Policy); or
- (c) otherwise, if the Asset is disposed of under one of RQ's policies or a prior written approval of RQ.

Further, under section 130 of the Act, a 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 dispose of an asset of the type mentioned in section E7.3(c), or deal with any asset, without the prior written approval of RQ, except where:

- (a) the asset is an intangible asset; or
- (b) the asset is considered 'racing infrastructure', or related to racing,

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

#### **F. 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. obtain written approval of RQ; and then
3. obtain written approval of the Minister responsible for racing (to be arranged by RQ).

### **6.6. 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:

- (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.
- (c) 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:
  - (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 legislation) in relation to the outcome of the general meeting and dealings with the Club's assets.

## 7. RULES OF RACING

Rules of Racing will not be made for and do not apply to this Policy.

## 8. RELATED DOCUMENTS

[All Racing Queensland Policies](#)

[Licence General Terms - TAB Clubs](#)

[Licence General Terms - Non-TAB Clubs](#)

[Minimum Venue Standards](#)

[Racing Act 2002](#)

[Racing Integrity Act 2016](#)

[Racing Regulation 2013](#)

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

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

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

## 9. REFERENCES

In this Policy:

- (a) the **Act** means the [Racing Act 2002](#) (Qld);
- (b) **Asset** means **tangible assets** (such as plant and equipment, machinery, stock, stationery, furniture, fittings and fixtures, computers, electrical equipment and vehicles) and **intangible assets** (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 media/broadcast rights);
- (c) **Capital expenditure** means money spent on acquiring or maintaining fixed assets, such as land, buildings, and equipment;
- (d) **Club** means a licenced club or venue for any code of racing in Queensland;
- (e) **Dealing (in relation to an asset)** means 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;
- (f) **Discrimination** means or 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 [Anti-Discrimination Act 1991](#) (Qld);
- (g) **Dispose (in relation to an asset)** includes but is not limited to the distribution, forfeiture, relinquishing possession of, selling or otherwise giving up, the Asset;
- (h) **Encouragement of racing** includes but is not limited 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;
- (i) **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;
- (j) **Licensed premises** means premises which are the subject of any licence, approval or authority of any kind under the Act or the [Racing Integrity Act 2016](#) (Qld);
- (k) **Minimum standards** means the current standards for Racing Clubs, premises and venues published by RQ on its website or otherwise from time to time;
- (l) **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 members of the Club;
- (m) **Plant and equipment** has a broad definition and includes physical plant, mechanical plant, and industrial plant such as: machinery, equipment, appliances, containers, implements and tools;
- (n) **Proprietary** means 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 meetings are held for the benefit of members;
- (o) **Racing infrastructure** means 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;

- (p) **Whistle-blower** means 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; and
- (q) any capitalised terms defined in the Act, the [Racing Integrity Act 2016](#), or an instrument made under either of them, has the same meaning as set out in that legislation or instrument, except as otherwise stated in this Policy.

## 10. VERSION HISTORY

<b>Current Version:</b>	2021.11	<b>Approved:</b>	3 November 2021
<b>Document Owner:</b>	EGM Club Partnerships and Assets	<b>Due for Review:</b>	3 November 2024
<b>Enquiries to:</b>	<a href="mailto:clubcompliance@racingqueensland.com.au">clubcompliance@racingqueensland.com.au</a>		

VERSION	EFFECTIVE	DEPARTMENT	CHANGES MADE
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"