

## **NEWS RELEASE**

### **TURF CLUB PROPOSES SOLUTION TO EQUITY ISSUES, MAGIC MILLIONS AND PRIZEMONEY**

**DATE RELEASED: MONDAY 29<sup>th</sup> MARCH 2010**

THE Gold Coast Turf Club today formally wrote to Queensland Racing Limited Chairman Bob Bentley with a "new and exciting proposal" that would see the proposed Club upgrade fully funded by the Gold Coast Turf Club and the Queensland State Government.

The Club and Queensland Racing are in disagreement over equity arrangements proposed this month by the racing governing body, but Turf Club Chairman Andrew Eggleston says while his Board have always been in favour of an upgrade, they have been "treading lightly as no formal offer had been put to the Club in writing".

He says the proposal would be a win- win for both parties and the Queensland thoroughbred racing community.

"Our proposal sees Queensland Racing leasing the racing and training areas of the racecourse from the Club on a long-term basis for a nominal amount, with Queensland Racing taking control of those functions of the racecourse during the lease period," Mr Eggleston said.

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The proposal in summary would involve;

1. The Gold Coast Turf Club (GCTC) leases its racetrack, training facilities and stabling area to Queensland Racing (QR) on a fifty (50) year lease for a nominal sum of \$1.00 per annum;
2. The Queensland State Government's current \$40 million commitment to the GCTC upgrade funds renovations to the course proper, a new synthetic track, lighting and training track infrastructure;
3. The GCTC funds and upgrades grandstands, member facilities and corporate entertainment areas to the sum of \$20 – \$25 million (funded by savings from racetrack and training costs).

With Queensland Racing's original proposal for a \$72 million injection of funds, this would then leave the Queensland racing industry with a saving of \$32 million, which had been budgeted towards the current upgrade.

This \$32 million saving could then be directed towards prizemoney for not only the Gold Coast Turf Club, but all thoroughbred racing clubs in Queensland. A contribution along these lines would be a timely boost for owners who have incurred increasing costs over the last three (3) years with little improvement to prizemoney levels on the Gold Coast.

The Club would retain control of the patron facilities, associated infrastructure and land.

"At the moment, the proposed redevelopment funding is being sourced from the Queensland State Government and Queensland Racing reserves and borrowings," Mr Eggleston said.

"With our model, Queensland Racing would be able to invest the State Government contribution into the leased racing and training facilities and we would invest our own money into improving our member's facilities entertainment and corporate venues," he said.

Mr Eggleston said another major industry concern that could be solved is local prize money.

"Disappointingly, there has not been an increase in standard meeting prize money at the Gold Coast Turf Club since 2007 and, with no increases on the horizon, this proposal could at least give owners a glimmer of hope toward prizemoney increases.

"Our suggestion is that funding earmarked for the Gold Coast Turf Club facility, that was to be sourced from Queensland Racing reserves – money that would have been put by Queensland Racing into development of the assets that we will now retain - be immediately invested in prizemoney across Queensland," he said.

The Equity and the sale of the Gold Coast Turf Club freehold land has been an issue of contention so far in discussions regarding the proposed upgrade. The new proposal would safeguard the GCTC as a racing and training facility for the next fifty (50) years, and the argument of a sale further down the track is taken out of the equation.

The Board of the GCTC believes that the Club should have a financial input into the project as can be clearly seen by its commitment to fund \$20 – \$25 million towards the upgrade. The GCTC is serious in securing a much-needed upgrade for the retention of the Magic Millions carnival, sales and raceday which are vital to not only the racing industry but the tourism industry as well.

The GCTC has written to the Minister for Tourism and Fair Trading, Hon. Peter Lawlor MP, seeking his input and support in playing a hands-on role in facilitating discussions and negotiations between the relevant parties. As this proposal will be fully funded by the Queensland State Government and the GCTC it is a necessity that the government take an active role in the project.

Alternatively the government could seek an independent consultant experienced in the coordination of a project of this magnitude and significance.

"The Board is eagerly awaiting a reply from Mr. Bentley on this exciting proposal and will be available to meet with QR at their earliest convenience," Mr Eggleston said.

## **ENDS**

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