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The Chairman,
Agriculture and Environment Committee.
Parliament House,
George Street,
Brisbane, Qld., 4000.

Dear Madam or Sir,

Please receive this communication as a submission on the Racing Integrity Bill. There are two issues which I believe your Committee might consider:

1. Every racing animal must have the protection from cruelty and the benefit of welfare afforded by the Animal Care and Protection Act (ACPA). To implement such a policy the amendment to Clause 7 of the ACPA should be re-examined.
2. It is clear that a restructured Racing Queensland must increase the value of the racing and associated industries, with safe products and services, as well as ensuring that all participants receive an equitable share. At the same time, the integrity of these industries is to be assured by the proposed Queensland Racing Integrity Commission (QRIC). The coordination of these functions will be essential to success. A consideration of how an effective board should function suggests that the structure of the QRIC might be amended to facilitate this coordination.

More detailed arguments, to support these two proposals, are offered for consideration.

- *Clause 7 of the Animal Care and Protection Act (ACPA) seems to provide for racing animal welfare and the prevention of cruelty to racing animals to be regulated by the Racing Act and the proposed Racing Integrity Act, rather than the ACPA. Does the continuation of this provision create a potential conflict between the Rules Of Racing and the definitions in the ACPA concerning animal welfare and cruelty? Should Sub-sections 1 and 2 of Clause 7 of the ACPA be amended to ensure that these Sub-sections cannot be used in a defence of acts or omissions proscribed by sections 17 through 22 of the ACPA? Such a change could ensure that offences proscribed by these sections, committed against racing animals, must be prosecuted under the ACPA. Any perceived conflict between the Rules Of Racing and the ACPA might be adjudicated, initially, by the Queensland Civil and Administrative Tribunal (QCAT)? It may also be necessary to ensure that such proceedings, under the ACPA, are to be initiated by officers of the proposed Queensland Racing Integrity Commission.*

The reason for this suggestion is the manifest failure, last year, of those responsible for investigating and enforcing animal welfare standards and preventing cruelty to racing and other animals. Chapter 3 of the ACPA defines 'General Animal Offences'. In principle, these provisions should be enforced to provide the minimum standards for the care of all animals, including racing animals. It may be argued that an act, allowed by the 'Rules Of

Racing', might be in conflict with a provision in Chapter 3. If such a conflict were to arise, a provision could be included in the Bill for the parties to appeal, initially, to the QCAT, for a ruling on the application of the law.

- *While the proposed statutory requirements for strategic and operational plans should result in improvements in the performance of the re-structured Racing Queensland Board, your Committee might also consider the performance and conformance aspects of the Board's functions. The performance aspects should include policy formulation as well as strategic thinking, both being needed for organisational effectiveness. The conformance aspects, which provide organisational efficiency, should include both supervision of management and accountability to all stake holders. These performance and conformance functions should also be adopted by the proposed Queensland Racing Integrity Commission.*
- *Would it be wise to consider making provision for three deputy (or assistant) commissioners - one for each of the three codes? Such a structure could facilitate communication with each code and contribute a degree of specialisation in operational matters. Moreover, such a structure could allow for the Commissioner to exercise functions akin to the performance and conformance aspects of a board's functions, outlined above.*

These two suggestions are based upon the work of Professor Bob Garratt*, which sets out practical methods for applying modern concepts of strategic direction, operational management and corporate governance at board level. In this work he identifies the separate, but complementary, roles of the chairman, the directors and the chief executive officer in guiding the corporation. His ideas can also be usefully applied to public administration. His methods are relevant to the structure of the proposed Commission, as well as the functions of the Commissioners. An outline of his approach to developing an effective board is to be found in the Attachment (p 3)


I shall be available to attend the Committee's Hearing, to answer any questions.

Yours truly,



Anthony Thomas

Copies to:



* Professor Bob Garratt
International Corporate Governance and Board Development Consultant
Honorary Visiting Professor, Cass Business School, University of London.

ATTACHMENT

AN APPROACH TO DEVELOPING AN EFFECTIVE BOARD

The goal of Racing Queensland (RQ) is to develop the value of the racing and associated industries and to influence the equitable capture of this value by the participants so that, in an overall sense, the activities are sustainable. The newly appointed board of RQ will need to consider its own objectives and processes by which it can achieve this goal, working within the complex circumstances and emerging challenges facing the racing and wagering industries. Public administration has benefited from using the conceptual framework, which has been developed in the strategic management literature. (For example, the the importance of strategic and operational plans has been recognised in the Racing Integrity Bill.)

Professor Bob Garrett's work, which has provided practical guidance for directors, suggests that a key task of the RQ board, under the ultimate responsibility of its chairman, will be to create sufficient space to maintain a continuous overview of four potentially conflicting objectives:

1. *Organisational Effectiveness*: based upon long-term externally orientated thinking about the racing patrons' and other participants' perceptions of services and experiences which are both desirable and good value for money,
2. *Organisational Efficiency*: internal, short-term focus on cost reduction and efficiency gain, implemented in such a way as not to adversely affect the patrons' and other participants' perceptions of organisational effectiveness,
3. *Board Performance*: external focus on policy formulation to respond to the external environment*, to competitively position RQ and ensure that its broad resource allocations support its policies, and
4. *Board Conformance*: the board's internal focus on its own performance with respect to accountability to stakeholders and business performance through the Chief Executive Officer and staff of RQ.

None of these objectives is inconsistent with the functions of the board of RQ, as set out in the revised Section 9AD - Functions of the Board. The adoption of these, or similar procedures, should support the effective discharge by the board of its functions and powers.

Moreover, an effective board should embrace the processes of 'continuous improvement' and 'double loop learning'. By these means, the board can promote a culture which supports mentoring at all levels. RQ will be facing significant challenges from developments in gambling technology, and the wagering markets. These will require superior performance by both directors and staff.

While the functions of the proposed Queensland Racing Integrity Commission, set out in Section 10 of the Bill, provide detail for the Commission's goals, the Commissioner and the Deputy Commissioners will need to develop their own objectives and processes. Professor Garratt's four point schema should be applied to this task. In a similar way, the principles of 'continuous improvement' and 'double loop learning' are relevant to the commission's work programme.

* the external environment includes political, physical, environmental, social, technological and trade aspects.