



DRAFT MINUTES OF THE 45TH ANNUAL GENERAL MEETING OF MEMBERS OF THE SOUTH AUSTRALIAN JOCKEY CLUB INC HELD ON TUESDAY 15 DECEMBER 2020 IN PHAR LAP EAST, LEVEL 2 GRANDSTAND, MORPHETTVILLE RACECOURSE, MORPHETT ROAD, MORPHETTVILLE

DIRECTORS PRESENT:

Mr Bob Holton (Chairman), Mr Steve Kelton (Vice-Chairman), Mr John Keen (Deputy Vice-Chairman), Mr John Girvan, Mr Adam Glenn, Ms Judith Jones, Mr Paul Kristoris.

IN ATTENDANCE:

Mr Grant Mayer (CEO), Mr Mike Cox (CFO), Ms Helen Todd (Minute Secretary)
Mr Andrew Tickle (Partner, Audit and Assurance – BDO Australia)
Members: As per the attendance sheet attached to these minutes

1. OPEN AND WELCOME

Chairman, Mr Bob Holton declared the 45th Annual General Meeting of the South Australian Jockey Club (SAJC) open at 5.05pm presiding over an attendance of 84 members. Mr Holton welcomed members and guests to the meeting and stated the rules of the meeting.

2. APOLOGIES

The following apologies were noted:

John Sawley, David Brook, Brenton Webber, Kevin Taylor, Andrew Lepley, Stuart Hillman, John Frankhuisen, Trevor Brook, Terry Hodgson, Brian Moore, Bodelle Francis, Rory Mooney, Patricia Powell, Bill Shaw, Ken Smith and Helen Smith.

3. CONFIRMATION OF MINUTES OF PREVIOUS ANNUAL GENERAL MEETING

Mr Bill Spear questioned the meeting time of 5.00pm when the minutes from the previous year state that future meetings would be held no earlier than 6.00pm.

Chairman Mr Bob Holton explained that with the change in circumstances and deferral of the meeting it was considered that the earlier start time of 5.00pm would be better suited. Mr Holton admitted this could have been communicated better and confirmed the start time of 6.00pm for future meetings.

Mr Holton sought confirmation of the Minutes of the 44th Annual General Meeting held on 30 November 2019.

Mr Joe Cannizzaro requested a correction to a comment attributed to him on page three of the minutes to read “**Mr Joe Cannizzaro** criticized the change in reporting used and specifically the non-inclusion of membership fees and admission fees in revenue and the exclusion of general maintenance fees as has previously been included.”

Mr Holton advised this will be amended accordingly and requested a member move the motion.

MOVED: BLAIR KEYS

That the Minutes of the 44th Annual General Meeting held on 30th November 2019 be taken as a true and correct record of the proceedings of that meeting with the following amendment on page 3 “Mr Joe Cannizzaro criticized the change in reporting used and specifically the non-inclusion of membership fees and admission fees in revenue and the exclusion of general maintenance fees as has previously been included.”

SECONDED: LEIGH HOEY

MOTION CARRIED

4. CHAIR'S ADDRESS

Mr Bob Holton formally welcomed fellow Board members, staff and members and acknowledged the traditional owners of the land.

Mr Holton mentioned the unprecedented year that it has been with the COVID-19 pandemic affecting South Australia from March 2020 onwards. Mr Holton referred to the following points:

- Initial calculations from management following State Government restrictions to combat COVID-19 projected a \$1.8 million operational deficit however changes to operational set up and the conduct of strictly controlled events led to a \$450,000 operational loss as reported in the financial report.
- The Federal Government Job Keeper scheme was of considerable benefit, however, of the \$1.4 million received by the Club \$452,000 subsidised wages with the balance going to staff that had to be stood down. Budgeted revenue was reduced by 30% which led to the heart wrenching necessity to cut our workforce from 70 to 50 employees.
- Current financial year results have been exceptional with a surplus reported for the period 1 August 2020 to 30 November 2020.
- Member volunteers Neville Ortmann, Phil Bentley, Kym Hume, Allie Umoff, Ron Pratt, Tony Newman, Bob Boorman and Michael Evans were recognised for their valuable input into various committees and working parties.
- Demolition of Gerard Pavilion took place due to the high levels of combustible expanded polystyrene panels (EPS) in the structure. Unfortunately, the Derby Pavilion faces the same issues and must also be demolished leaving a large gap in our hospitality offering.
- An insurance audit of the facilities will see an increase of \$400,000 over budget for the financial year, and \$600,000 for the full 12 months occurring as a result of the many fire and safety upgrades required.
- A replacement for the building on the old Gerard Pavilion site is under consideration.
- The on-course stables are in the final stages of council approvals with a tendering process to commence early next year.
- The 2020/21 Board will meet with management on 21 December to identify and prioritise the urgency of some of the challenging projects.
- The Masterplan is proceeding well with recruitment for a Development Manager underway and Minter Ellison the successful tenderer to be the project legal consultants.
- The re-write of the SAJC constitution together with accompanied by-laws is nearing conclusion and extensive consultation with members will precede its adoption next year.
- Racing Minister Corey Wingard recently announced that \$5 million was included in the State budget for the purpose of building 150 stables and providing an equine swimming pool at the Murray Bridge course. TRSA will provide a further \$1 million loan. These stables will add to the 90 at Morphettville and 20 at Gawler in the hope that they will encourage a greater horse population in South Australia. TRSA also recently revised the SABOIS scheme with a similar view of increasing horse numbers.
- A proposal was presented to the Treasurer by TRSA for an increased share of the revenue raised by the Point of Consumption tax however was unfortunately not granted.
- The litigation involving the SAJC, a previous board member and two members concluded in August with a settlement being agreed. The public statement and acknowledgement by respondents was supplied to members but the remainder of the deed is confidential. The Board has an obligation to members to uphold the contents of our constitution and code of conduct and Mr Holton assured members that we will always protect the integrity of this organisation at all levels.

Mr Holton closed by thanking former Chair Bodelle Francis and former Board member John Caruso who resigned during the year as well as retiring Directors Paul Kristoris and Adam Glenn for their contributions.

Mr Holton paid respects to those life members and members who have passed away during the year before introducing Vice Chairman / Chairman of the Finance, Investment and Audit Committee (FIAC) Mr Steve Kelton to address agenda item five being the financial report and agenda item six being the appointment of the auditor.

Mr Joe Cannizzaro stated he does not accept the CEO's report because of inconsistencies in figures quoted not corresponding with previous year's figures and in particular changing audited figures internally to create greater turnover for some sections of the business.

Mr Holton thanked Mr Cannizzaro saying he will take his concerns on notice and follow up with the CEO and CFO, also offering again an opportunity to speak to whoever he would like from the Club to clear up any questions he has.

Mr John Caruso queried the appointment of Minter Ellison as legal advisors on the Masterplan project stating he is a lawyer at Tindall Gask Bentley and he was not aware of any tender process and requested further details of the tender process.

Mr Holton advised there was a full tender process with four firms submitting proposals and he is happy to provide further details.

5. TO RECEIVE THE ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2020

Mr Steve Kelton opened by acknowledging the excellent work of former Chair of FIAC Paul Kristoris.

Mr Kelton advised that the board has gone out of its way to provide a wide range of detailed information on finances to members to be open and transparent presenting information in such a way that it was able to be compared to facts and figures from previous years. Members were also invited to a member's finance briefing as a direct result of a motion from last year's AGM however unfortunately only seven members attended. It has also been made clear to members on a number of occasions that the Board was prepared to meet with any member at any time to discuss any issues in respect to finance.

Mr Kelton presented the financial summary for the year highlighting the investment return that saw a significant decline from a net return of \$1.8 million in 2018/19 to a negative return of \$(429,000) for 2019/20. The balance within the investment portfolio has recently been reviewed and on a positive note the net return in the first five months of this current financial year to end of November has seen a significant increase with current net return of \$4.2 million.

Mr Kelton reported a \$445,000 net operational loss for the financial year, a deficit of \$874,000 after investments and a net comprehensive loss of \$4.59 million following revaluation of assets adding that he is not happy with the Club reporting a loss however he is happy with the output and commended the CEO and staff for the extra hours they have worked ensuring the Club survives through this pandemic and uncertain period.

Mr Kelton addressed the question of the performance management of the Chief Executive Officer and the pay level of Executives stating that our Executives are all on commercial contracts which contain a non-disclosure clause. A performance review working party works with the Board to review Executive performance and set Key Performance Indicators for the year.

No salary increases have been made this year and in fact staff are working longer hours since the introduction of COVID restrictions so that the organisation can stay in business meaning a lower hourly rate if anything.

OPEN DISCUSSION

Mr Tom Ditchburn asked why members are not advised of the CEO's salary.

Mr Kelton repeated that Executive contracts do have a non-disclosure clause however if members do think this is an acutely important issue, they can bring it to the Board's attention to look into amending future contracts.

Mr Kelton outlined the significant effects of COVID-19 on the finances of the Club with no revenue for a 19-week period. The JobKeeper subsidy did help in subsidising payments to staff.

A breakdown of the \$1.7 million capital spend for 2019/20 was displayed showing expenditure on the Masterplan, big screen and ongoing major safety compliance works amongst other things.

Mr Mark Thomas asked for a breakdown of where the staff cuts were made and was informed that the cuts have come from right across the business to ensure the functionality of the SAJC continued.

Mr Bill Spear asked for an explanation on what is the Master Plan, what is the goal and what does the Club expect to make out of it.

Mr Kelton responded stating that the objective of the Master Plan is to realise the full potential of the underutilised land at Morphetville and invest returns in improving facilities for the enjoyment of thoroughbred racing. The Board will meet next week to have an in-depth discussion about how we can take this project to the next stage. The Board is also considering options for the land at Cheltenham.

Vice Chairman Mr Steve Kelton asked for a motion for the acceptance of the Annual Report for 2019/20 which includes the Audited Financial Report and the Auditors' report. .

MOVED: PAUL SMITH

That the 2019/20 Annual Report and Statements of Accounts for the year ended 31 July 2020 be received.

SECONDED: MICHAEL EVANS

MOTION CARRIED

6. APPOINTMENT OF AN AUDITOR

Mr Steve Kelton thanked BDO Australia for their diligence and competence during the audit process in the 2019/20 year and moved that the Board recommends to SAJC Members that BDO Australia be re-appointed as auditors of the SAJC for the year ending 31 July 2021.

MOVED: STEVE KELTON

That BDO Australia be re-appointed as auditors of the SAJC for the year ending 31 July 2021.

SECONDED: TONY NEWMAN

MOTION CARRIED

Chairman Mr Bob Holton introduced Chair of Risk and Governance **Mr John Keen** to address the first Life Member nomination.

7. LIFE MEMBERSHIP

In accordance with the Club's Constitution, Section 6.2 allows induction of a member to Life Membership "if the person has been a member of the Club for more than 50 years." The Board recommends Mr David Brook for Life Membership under this category.

Mr Keen spoke in support of the nomination of David Brook and advised that he is unable to be present tonight due to residing in Queensland.

MOVED: JOHN KEEN

That Mr David Brook be approved as a Life Member of the SAJC.

SECONDED: JOHN GIRVAN

MOTION CARRIED

A Life Member pin and plaque will be sent to Mr David Brook.

Chairman Mr Bob Holton introduced Vice Chairman **Mr Steve Kelton** to address the second Life Member nomination.

In accordance with the Club's Constitution, Section 6.2 allows induction of a member to Life Membership "if the person has been a member of the Club and been involved in thoroughbred racing for more than 40 years." The Board received a written nomination for Mr Harry Perks. Mr Kelton spoke in favour of the nomination and recommended Mr Perks for Life Membership.

David Peacock also spoke in favour of the nomination for Mr Perks.

MOVED: STEVE KELTON

That Mr Harry Perks be appointed as a Life Member of the SAJC.

SECONDED: DAVID PEACOCK

MOTION CARRIED

The Chairman presented a Life Member pin and plaque to Mr Perks Mr Perks thanked the Board and the members for bestowing this honour upon him.

Chairman Mr Bob Holton addressed the final Life Member nomination for Mr Paul O'Leary in accordance with Section 6.2 of the Constitution for being a member of the Club and been involved in thoroughbred racing for more than 40 years. The Board received a written nomination for Mr Paul O'Leary and Mr Holton spoke in favour of the nomination and recommend Mr O'Leary for Life Membership.

MOVED: BOB HOLTON

That Mr Paul O'Leary be appointed as a Life Member of the SAJC.

SECONDED: DAVID PEACOCK

MOTION CARRIED

The Chairman presented a Life Member pin and plaque to Mr O'Leary who thanked the Board and Mr Robert Hill-Smith for the nomination.

8. OTHER BUSINESS

The Chairman Bob Holton advised that the Board provided Members with some background information and answered the questions submitted by members as listed on the agenda under 'Other Business' by email on 10 December and by post to those members without an email address.

Mr Holton encouraged all members to place any further questions on notice with the Executive Assistant and these questions and comprehensive answers will be sent to all members for transparency as per the format used on 10 December.

Chairman Mr Bob Holton introduced Mr Graham Burns to announce the results of the election.

9. ELECTION RESULTS

Mr Graham Burns advised that there were seven nominations for four vacancies and advised the votes were counted following close of receipt of ballot papers at 4pm on Monday 14 December by himself

and fellow Returning Officers Mr John Sawley and Mr Paul Smith with assistance from the CEO Mr Grant Mayer.

Mr Burns advised there were 444 ballot papers received. Of these, five were declared invalid. The results in order of ballot paper were read as follows:

Christine Simpson	318
Ron Pratt	259
David Spear	235
John Girvan	278
Judith Jones	302
Shannen Graham	256
Geoff Higgins	108

Mr Burns declared, subject to regulatory approvals, that Ms Christine Simpson, Ms Judith Jones, Mr John Girvan and Mr Ron Pratt were elected to the Board of the SAJC.

Mr Holton thanked the Returning Officers for their assistance with this important process, thanked the unsuccessful candidates and congratulated the successful candidates inviting them to address the meeting which they did in turn.

Mr Holton announced the date of the 2021 Annual General Meeting as Thursday 25 November at 6.00pm and thanked Members for their attendance this evening.

Ms June Phillips attempted to ask a further question relating to her questions submitted under other business however Mr Holton advised this had been addressed in writing to all members and should she wish to submit other questions she could do so in writing.

Mr Tom Ditchburn spoke to recognise the work undertaken by Louise Smith. Membership Services Officer during the year.

Mr Joe Cannizzaro questioned why Mr Holton was not allowing further discussion of the questions that were put in writing under Other Business as per the Constitution and Mr Holton responded saying that the questions have already been answered and any further questions can be put on notice with the Executive Assistant.

Mr David Spear expressed disappointment with further questions not being allowed suggesting that members deserve the right to ask questions.

Mr Holton noted Mr Spear's point and advised that the board will re-examine the format and period for questions for next year's AGM.

Mr Holton thanked Members for their attendance and closed the meeting.

AGM CLOSED: 6.32pm

Confirmed as a true and correct record

/ / 2021

Bob Holton
Chairman

Members in Attendance:

Maxine	Bowles	Steve	Kelton
Neil	Bradley	Blair	Keys
Keith	Bradshaw	Paul	Kristoris
Allan	Burchard	Suzanne	Kristoris
Graham	Burns	Terry	Lillis
John	Burrow	Dennis	Markham
Joe	Cannizzaro	Ros	Markham
John	Caruso	Grant	Mayer
John	Conigrave	Lisa	Michalanney
John	Cross	Tony	Newman
Richard	Dahl	Paul	O'Leary
Gil	Della	Anna	Olijnyk
Tom	Ditchburn	Neville	Ortmann
Joy	Engelhardt	Torrie	Osborn
Jeffrey	Evans	David	Peacock
Michael	Evans	Brenton	Perks
Julie	Gifford	June	Phillips
Gary	Gifford	Ashley	Phin
Jim	Girvan	Mary	Phin
John	Girvan	Mark	Powell
Scott	Glenn	Ronald	Pratt
Adam	Glenn	David	Rasheed
Shannen	Graham	daphne	Read
Ashley	Graham	reg	Read
Dennis	Grassam	Jean	Routledge
Colin	Graves	Peter	Routledge
John	Harris	Pamela	Satchell
Kevin	Harrison	Jasmyn	Scott
Wayne	Henson	Marilyn	Shephard
Geoff	Higgins	Lillian Anne	Simpson
Trevor	Higham	Christine	Simpson
Brian	Hoey	Paul	Smith
Leigh	Hoey	David	Spear
Bob	Holton	William	Spear
Simon	Howe	Greg	Talbot
Kym	Hume	Brian	Terry
Helen	Jolly	Mark	Thomas
Joanne	Jones	Helen	Todd
Peter	Jones	Gregory	Venn
Judith	Jones	Maxine	Whitford
Christopher	Kay	John	Young
John	Keen		