



**MINUTES OF THE 44TH ANNUAL GENERAL MEETING OF MEMBERS OF THE
SOUTH AUSTRALIAN JOCKEY CLUB INC HELD ON
SATURDAY 30 NOVEMBER 2019 IN THE GERARD PAVILION,
MORPHETTVILLE RACECOURSE, MORPHETT ROAD, MORPHETTVILLE**

DIRECTORS PRESENT:

Mr Bob Holton (Chair), Mr Tony Newman (Vice-Chairman), Mr Paul Kristoris (Deputy Vice-Chairman), Mr John Caruso, Ms Bodelle Francis Mr Adam Glenn, Mr Chris Sargent, Ms Christine Simpson

IN ATTENDANCE:

Mr Grant Mayer (CEO)
Mr Andrew Tickle (Partner, Audit and Assurance – BDO Australia)

1. OPEN AND WELCOME

Chief Executive Officer (CEO), Mr Grant Mayer welcomed members and guests to the meeting at 9.10am. Mr Mayer referenced the unusual time for the Annual General Meeting (AGM) and advised that the Board at its previous meeting resolved that subject to function room and Board member availability, the Club will hold the AGM on a week day after 6.00pm and advised the date for the 2020 AGM is confirmed as Wednesday 25th November at 6.00pm.

Mr Mayer then mentioned the challenges the industry has faced during the previous 12 months with a diminishing horse population, declining horse ownership, reallocation of trainers, small field sizes, low wagering turnover, a shift in government funding and the effects of the Point of Consumption tax. More than ever before it is important for all industry representatives to work together to improve the situation for the entire industry.

Mr Mayer commended Jim Watters and his team at Thoroughbred Racing SA (TRSA) for their efforts and strategies they had commenced to address these issues.

Mr Mayer thanked former Chair Bodelle Francis for her dedication as Chair of the Board for over two years and Chris Sargent and Tony Newman who retire from the SAJC Board after 10 years of service.

Mr Mayer acknowledged his staff for their continued support during a challenging year and thanked those Club members who attended CEO Focus Groups throughout the year for their contribution advising that these sessions will continue next year.

Mr Mayer then advised the process and rules of this morning's meeting before handing to Chairman Bob Holton.

The Chairman declared the 44th Annual General Meeting of the SAJC open at 9.13pm presiding over an attendance of 76 members.

2. APOLOGIES

The following apologies were noted:

Graham Burns, John Frankhuisen, John Girvan, Simon Howe, Cherrie Mangos, Kerry Nelligan, Wendy Nelligan, Giulietta Rosina and Allie Umoff.

3. CONFIRMATION OF MINUTES OF PREVIOUS ANNUAL GENERAL MEETING

Chairman Mr Bob Holton sought confirmation of the Minutes of the 43rd Annual General Meeting held on 29 November 2018.

Mr Joe Cannizzaro requested a correction to a comment attributed to him on page three of the minutes to change from “the operating result should include investment income and depreciation” to read “the operating result should include depreciation and should not include the investment income.”

Mr Holton advised this will be amended accordingly.

MOVED: TONY NEWMAN

SECONDED: BLAIR KEYS

MOTION CARRIED

4. CONFIRMATION OF MINUTES OF THE SPECIAL GENERAL MEETING HELD ON 29 JULY 2019

Chairman Mr Bob Holton sought confirmation of the Minutes of the Special General Meeting held on 29 July 2019.

MOVED: BODELLE FRANCIS

SECONDED: PAUL KRISTORIS

MOTION CARRIED

Mr Holton explained to members that Bodelle Francis resigned her position as Chair of the SAJC at the October Board meeting. A subsequent vote resulted in Bob Holton being elected as Chairman, Tony Newman as Vice Chairman and Paul Kristoris as Deputy Vice Chairman. As Ms Francis was Chair for the 2018/19 financial year, Mr Holton invited Ms Francis to present the Chair's Address.

5. CHAIR'S ADDRESS

Ms Bodelle Francis formally welcomed fellow Board members, staff and members and acknowledged the traditional owners of the land.

Ms Francis reflected on the challenging year for racing outlining the following achievements and challenges that the Club has faced during the 2018-19 financial year:

- significant effort from industry lobbying the State Government around its Point of Consumption Tax and the negative impact on racing families and businesses;
- the Government announcement in June of a four-year, 24-million-dollar stimulus package enabling a boost to prizemoney and as announced earlier this week, infrastructure funding grants;
- continued nationwide downward trend in racing revenues impacting the financial results in 2018/19 with racing related revenue down by just over \$700k:
 - on-course tote turnover fell by almost 12 per-cent on previous year;
 - field sizes decreased by more than four per-cent with ramifications for Nominations, Acceptances and Scratching income;
 - significant drop in industry contributions from TRSA.
- the importance of diversifying revenue streams focusing on hospitality with a growth in race day and non-race day events as well as increased sponsorship income;
- investment in facilities with a new \$1.2 million-dollar super screen, a new \$1.3 million-dollar fibre-sand training track and, this week, confirmation of a \$500,000 dollar infrastructure grant from the State Government's stimulus package towards the development of new on-course stabling facilities at Morphettville;
- a Board governance issue involving a Club Director and the vow to not tolerate any action that undermines the good governance of the SAJC.

Ms Francis closed by thanking the CEO Grant Mayer and his team and fellow Board members with a special mention to retiring Board members Tony Newman and Chris Sargent.

Ms Francis paid respects to those life members and members who have passed away during the year before introducing Deputy Vice Chairman / Chairman of the Finance, Investment and Audit Committee (FIAC) Mr Paul Kristoris to address agenda item six being the financial report and agenda item seven being the appointment of the auditor.

6. TO RECEIVE THE ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2019

Mr Paul Kristoris advised of a change to the financial reporting this year with racing contribution segregated from non-racing to assist with management reporting and show a clear financial picture to members.

Mr Kristoris focused on the challenging year for racing nationally and the decline in racing related revenue resulting in a \$713k net operational loss for the financial year, a deficit of \$1.589 million after investment earnings and depreciation and a net comprehensive loss of \$3.26 million following revaluation of assets.

This result is unsatisfactory and of great concern however as outlined previously, the major declines in racing related activity are significant contributing factors with a decline in racing revenue of over \$700k on the previous year.

The other significant factor to note was the downturn of the investment fund return however this has improved since the end of the financial year.

Mr Kristoris thanked Minister Wingard, Minister for Racing for the contribution committed from government however commented that this is not enough to make a significant difference. A change to the Point of Consumption (POC) tax is required to stabilise the industry.

Mr Kristoris advised that whilst the Club is a racing club, it will continue to work to improve the profitability of non-racing events and explore other revenue generating opportunities which is a trend at racing clubs nationally.

Mr Kristoris updated members on the Master Plan advising that options are being explored to develop the under-utilised land at Morphettville which has the potential to provide the Club with an ongoing revenue stream outside of racing into the future.

In closing, **Mr Kristoris** stressed the importance of the Constitutional review which is due to take place in the coming year. This will modernise the constitution in line with current governance principles and enable skilled independents to be appointed to the Board to assist with projects such as the Master Plan. Mr Kristoris thanked those candidates who have nominated for this year's Board election.

OPEN DISCUSSION

Mr Joe Cannizzaro criticized the change in reporting used and specifically the non-inclusion of specific criteria that has previously been included. Mr Kristoris advised that the reporting had been simplified for the majority of members who want an overall picture and for those members that require more detail, the Club is happy to provide this.

Mr Bill Spear questioned the allocation of revenue between hospitality and racing and in particular the lack of a venue hire charge. Mr Kristoris advised we own the facility but could make an arbitrary charge however this would not impact the bottom line.

Mr Ron Pratt commended management on the clear format of the Annual Report and future capital expenditure forecast to 2021/22. Mr Pratt also suggested, to assist those members that do require more detailed financial information, the FIAC hold a member's question and answer session prior to the AGM. This suggestion was met with applause.

Proposed by Deputy Vice Chairman Mr Paul Kristoris that the 2018/19 Annual Report and Statements of Accounts for the year ended 31 July 2019 be received.

MOVED: PAUL KRIOTSRS

SECONDED: RON PRATT

MOTION CARRIED

7. APPOINTMENT OF AN AUDITOR

Mr Paul Kristoris thanked BDO Australia for their diligence and competence during the audit process in the 2018/19 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 2020.

MOVED: DAVID PEACOCK

SECONDED: JOHN CARUSO

MOTION CARRIED

Mr Joe Cannizzaro questioned why the report takes four months to complete and requested that the audit is completed earlier. Mr Kristoris advised that management and auditors work to very tight timelines but if there is any scope to finalise the process sooner, it will be investigated.

*Chairman Mr Bob Holton introduced Board Member **Mr Chris Sargent** to address the Life Member nomination.*

8. 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 Brian Thompson for Life Membership under this category.

Mr Sargent spoke in support of the nomination of Brian 'Bluey' Thompson and put forward the motion that Mr Brian Thompson be approved as a Life Member of the SAJC.

MOVED: CHRIS SARGENT

SECONDED: PAUL SMITH

MOTION CARRIED

The Chair presented a badge and plaque to Mr Thompson and Mr Thompson thanked the Board and members for the honour of Life Membership.

9. OTHER BUSINESS

FORMATION OF A CONSTITUTIONAL WORKING PARTY

Mr Bob Holton informed members of the proposed review of the SAJC Constitution and the formation of a working party to assist consisting of representatives from government, industry, sporting association, independent lawyer, SAJC Board /member and the SAJC CEO. The process is to commence in early 2020.

MASTER PLAN

Mr Bob Holton acknowledged member Greg Stewart who was the former Chairman of the Working Party for his contribution to the project to date. The project has moved forward recently with assistance from consultant David Sinclair and it is hoped that the government will soon approve the Development Plan Amendment. Mr Holton assured members that any funds raised from the project are for racing and no member will gain any benefit from the project.

DIRECTORS RIGHT TO SEEK INDEPENDENT PROFESSIONAL ADVICE

Mr Bob Holton advised that following discussion at the Special General Meeting held on 29 July 2019, the Board policy EX17 Director's Right to seek External Professional Advice has been updated to mirror exactly AICD Statement of Policy on Independent Professional advice. This was approved by the Board and reference to and adherence of this Policy is included within the revised SAJC Board Member Code of Conduct.

Chairman Mr Bob Holton invited Life Member Mr Bill Spear to speak to the motion he put forward.

WRITTEN REQUEST FROM MEMBER BILL SPEAR - DISCUSSION REGARDING THE SCHEDULING OF THE AGM

Mr Bill Spear expressed his satisfaction with the Board decision to schedule the 2020 AGM on a Wednesday evening and stated that members should approve that future meetings do not encroach on a race day and associated gambling activities.

Proposed by Mr Bill Spear that the Board is required to hold the AGM no earlier than 6.00pm on a weekday and the AGM must not be scheduled on a SAJC race day.

MOVED: BILL SPEAR

SECONDED: DAVID SPEAR

MOTION CARRIED

Chairman Mr Bob Holton introduced Mr John Sawley to announce the results of the election.

10. ELECTION RESULTS

Mr John Sawley advised that there were nine nominations for two vacancies and advised the votes were counted following close of receipt of ballot papers at 4pm on Friday 29 November by himself and fellow Returning Officers Mr Graham Burns and Mr Paul Smith with assistance from the CEO Mr Grant Mayer.

Mr Sawley advised there were 519 ballot papers received. Two votes were declared invalid. The results in order of ballot paper were read as follows:

John Keen	189 votes
Peta Southern-Ninnis	137 votes
Andrew Mooney	62 votes
David Spear	117 votes
Steve Kelton	186 votes
Michelle Ovenstone	72 votes
Christine Simpson	169 votes
Chris Jenner	33 votes
Lauren Talifero	69 votes

Mr Sawley declared, subject to regulatory approvals, that Mr John Keen and Mr Steve Kelton were elected to the Board of the SAJC.

Mr Holton thanked the scrutineers for their assistance with this important process and thanked Christine Simpson who has served on the Board for the past three years. Mr Holton congratulated the successful candidates and invited them to address the meeting which they did, thanking Members for their support in voting for them.

Mr Holton took the opportunity to thank retiring Board members Tony Newman and Chris Sargent after ten years valuable contribution on the SAJC Board.

Mr David Peacock as a former Chairman congratulated Mr Keen and Mr Kelton and thanked Mr Newman and Mr Sargent for their service on the Board as well as Ms Francis as the first female Chair of the SAJC.

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

AGM CLOSED: 10.14am