

> Subject: Draft Response  
> To: tonyhanmer@hotmail.com  
> CC: carol.perrett@racing.qld.gov.au  
> From: michael.kelly@racing.qld.gov.au  
> Date: Wed, 1 Apr 2009 14:40:46 +1000

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>  
> Tony,

>  
> Draft of my response to your fax is below. Just wanted to make sure it  
> answers the question asked?:

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>  
> "I refer to your letter received by facsimile on 31 March 2009 regarding  
> the Product and Program Agreement and race information legislation. The  
> following comments are provided for your assistance and should not be  
> construed as legal advice. I would recommend that Queensland Race Product  
> Co Ltd obtains its own legal advice on the issues you have raised.

>  
> The general intent of the Product and Program Agreement is well known. As  
> the control bodies major partner, UNITAB provides the principal source of  
> funding for the Queensland racing industry under the Product and Program  
> Agreement.

>  
> With respect to the race information legislation, I make the following  
> comments.

>  
> As a licensed wagering operator, under the Racing Act, UNITAB is required  
> to apply to each control body for an authorisation to use Queensland race  
> information.

>  
> Pursuant to section 113E(6) of the Racing Act, in deciding whether to  
> impose a condition to pay a fee or the amount of the fee, a control body  
> must take into account the fees paid by UNITAB to it under the Product and  
> Program Agreement. This means that the amount of the race information fee  
> can be deducted from the fee paid by UNITAB under the Product and Program  
> Agreement. If the amount paid by UNITAB under the Product and Program  
> Agreement is greater than the amount payable under a race information

> authority, then no additional amount would be payable by UNITAB.  
>  
> I would refer you to the Explanatory Notes that accompanied the Revenue and  
> Other Legislation Amendment Bill (No.2) 2008 at pages 51 - 52 where it is  
> stated:

>  
> "Subsection 6 of section 113E provides that when determining the amount of  
> fees that a licensed wagering operator is required to pay for the use of  
> Queensland race information, a control body must take into consideration  
> the monies that are paid to it by that licensed wagering operator under any  
> other agreement. This supports the purpose of the proposed amendments,  
> which is to ensure that those whose revenue is derived from wagering on  
> Queensland racing make a contribution to the cost of conducting racing in  
> Queensland. For example, UNITAB Limited currently pays the control bodies  
> monies under an agreement referred to as the 'Product and Program  
> Agreement'. Having considered this, the control bodies could decide the  
> fee payable by UNITAB Limited under subsection 3 of clause 113E is  
> calculated by deducting the monies already payable by UNITAB Limited under  
> the 'Product and Program Agreement' from the fees which would otherwise be  
> imposed under subsection 3. "

>  
> It would be inappropriate for me to comment on the issue of whether it is  
> sound commercial practice or a long-term business strategy for an  
> organisation to disregard the significant revenue provided under the  
> Product and Program Agreement by charging an additional fee that may impact  
> on its long term relationship with UNITAB.

> I trust this is of assistance."

> MK

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