Anne Tucker

From: Dick McIlwain [Dick.McIlwain@tattsgroup.com]

Sent: Wednesday, 30 July 2008 8:57 AM

To: Barrie Fletton

Cc: Bruce Houston; Anne Tucker; Penny Grau

Subject: RACE FIELDS CHARGES

CONFIDENTIAL EMAIL

BF,

I received a call from Bob Bentley about the race fields' legislation. He now has our letter and is contacting RVL to establish what they are going to do. He thinks that RVL will renege on the revenue and offset combination and go to the NSW method of turnover no offset. This will bring down the wrath of the protected, including Betfair and the corporate bookies who get the 8 to 10% of revenue deal which is offset against what they pay to another jurisdiction for using racing information...

We need to get ourselves ready for some enquiry. I don't want to be left in the position where QR (is that still their abbreviation?) is talking about a 9 to 10% reduction in product fee. Consequently, can you have a look at last year's turnover on NSW and Victorian racing and calculate what would have been the reduction in FY2008 in total dollars and as a percentage for each of our three jurisdictions.

Try and avoid being too specific with any newspaper enquiry by saying that it only applies to NSW at the moment and that our jurisdictions could mirror the NSW practice and that the betting around Australia suggests that Q and SA will benefit. This last claim needs to be verified by taking the stats prepared in the most recent edition of the ARB's racing stats – the old equation of other States' betting on Queensland being more than Queensland betting by all of them.

You may also need to raise this issue with APT and NII You might warn them of the consequences of the NSW legislation. We shouldn't have an exposure because we don't hold tote licences there. I cannot imagine that the NSW legislation covers pooling fees as distinct from revenue from betting. Better get AT to check.

Dick McIlwain.