

David Grace

From: Malcolm Tuttle [mtuttle@queenslandracing.com.au]  
Sent: Wednesday, 29 October 2008 3:47 PM  
To: David Grace  
Subject: FW:  
Attachments: Scanned from RacingCopier 23/10/2008 14:44; Scanned from RacingCopier 23/10/2008 14:45

David

Following our discussion today pls find attached the draft Bill and Regulations. Below is an email that has been sent to the Board with the attachments. The Board did have a teleconference meeting and the main points raised were,

1. Ensure that the draft Bill enables QRL to appoint an agent for the purpose of collecting wagering information
2. The legislation should provide an option to have mutual agreements with interstate parties in terms of the exchange of Racing information (It is understood that this exists in the SA and VIC legislation but not NSW)

You will see by the briefing to the Board below that the Government requests feedback on the Draft Bill. QRL has put together an internal working party that has started to discuss issues regarding advertising, application forms, financial implications, the practical role of Product Co (if any), Policy and Procedures. A lot of this can be drafted but not finalized as it needs to follow the Leg and Regs once enacted.

We require CGW to advise on the draft Bill and Regs and in particular the implementation framework that we will put in place. The advice from you on these matters will follow in time after we have completed more work.

In the meantime it is important that we understand the implications that exist as a result of existing agreements in particular the Product and Program agreement and also agreements with RISA (Racing Information Services Australia).

#### Background

The various forms of this legislation in Australia seeks to charge a percentage of wagering turnover on the wagering that occurs on a state's racing. Generally this will be 1.5%.

Victoria has race fields Leg in place however does not charge UNITAB as it provides funding to the Qld Industry. SA has legislation in place but is yet to implement it. NSW has legislation from September 1 and in charging UNITAB. UNITAB as a result of Product and Program (PP) agreement passes these costs onto Product Co and in turn the codes of racing including QRL. Refer to PP agreement 10.2 (c). We need to confirm that UNITAB is entitled to do this. I suspect that 7.4 (f) confirms this without doubt but would like to be certain.

The intention of the draft Qld bill is to lead to legislation that enables QRL or agent to levy for example a fee based on a % of turnover on Tabcorp for the use of Qld racing information. QRL's bill for September that UNITAB passed on from Racing NSW was just under \$500,000. If Racing Victoria changed its view on the concession it currently provides to UNITAB and started charging at the same rate our monthly costs would be over \$1.1 million per month for Vic and NSW alone. As you can see we need to be able to levy our own charges in return on Tabcorp for example, to remain viable. My concern in this regard is with PP agreement 7.5(c) which seems to indicate that we can provide the Qld Racing Program but if we receive payment it is also deducted off the Product fee payable by UNITAB. If required the draft Bill will need to override this provision of the PP agreement.

In addition we need to discuss and consider the relationship between UNITAB, Product Co and RISA and the requirement/agreement to provide racing information etc. (On this I will need to research some docs and will forward this material tomorrow) In essence UNITAB has an agreement with RISA that expires on Nov 19 2008 through which RISA provides information to UNITAB. This information is likely to be Australian Racing Information and not just Qld info. Product Co has an obligation to provide to UNITAB various info (refer PP agreement sections 7 and 9) UNITAB has provided agreement to QRL to provide Qld racing info to RISA for exploitation.

I have highlighted the main areas for discussion and I will talk through these areas on Friday. My main

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concern at the moment is ensuring that we can charge a fee based on turnover and that the revenue we would be due to receive is not deducted by UNITAB from the Product Fee.

I will send through the relevant RISA Info. I am assuming that you have a copy of the Product and Program Agreement so if you don't, advise as soon as possible and I will get one to you. If more info is required prior to Friday pls let me know.

Regards Malcolm.