

Queensland Race Product Co Ltd

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Minutes of Queensland Race Product Co Ltd

Board Room
Queensland Racing
Racecourse Road, Deagon

Thursday, 5 March 2009

Present: Tony Hanmer- Queensland Racing Limited (Chairman)
Bill Ludwig - Queensland Racing Limited
Bill Andrews - Queensland Racing Limited
Kerry Watson - Greyhounds Queensland Limited
Michael Lambert - Queensland Racing Limited (by telephone)
Michael Godber - Queensland Harness Racing Limited

Other Attendees: Malcolm Tuttle - Queensland Racing Limited
Adam Carter - Queensland Racing Limited
Paul Brennan - Queensland Racing Limited
David Grace - Cooper Grace Ward Lawyers

Minutes: Shara Murray - Queensland Racing Limited

The Chairman commenced the meeting at 11:30 am.

1. Apologies

No apologies were noted.

1.2 Declarations of Conflict of Interest

Directors are required by the *Corporations Act 2001* to disclose any material personal interest in a matter relating to the affairs of the Company.

There were no other additional Declarations of Conflicts of Interest.

1.3 Confirmation of Minutes - 4 December 2008

The Directors **NOTED** the minutes of the previous meeting 4 December 2008.

MOVED by Mr Andrews **SECONDED** by Mr Godber

2.1. Constitution/Issues (David Grace – Presentation)

2.1.1 Constitution

Mr David Grace provided the Board with the following advice:

A review of the constitution and the 2008 amendments to the *Racing Act 2002* contained in the Revenue Law Amendment Act 2008 indicates a need for one amendment to the objects of the Company so that the company can carry out collection of control body fees in accordance with the objects contained in its constitution.

The only amendment required is to object clause 3.1, which currently states:

"The Company is established to encourage animal racing by acting as agent for the Queensland Racing Industry in its relationship with TABQ."

That clause should be amended by the addition of the words:

"and other persons for the purpose of the Racing Act 2002 as amended by section 13 of the Revenue Law Amendment Act 2008."

The effect of the amendment is to ensure the objects go beyond a relationship with TABQ as intended in the original object and to extend to other stakeholders such as licensed wagering operators as necessary under the amending legislation.

The Board **NOTED** Mr Grace's advice.

The Chairman advised Mr Grace that the Constitution of the Company also needed modification in relation to the following:

- (a) revolving of directors
- (b) reflection of the 3-Codes now being corporate entities, and
- (c) general drafting and cross referencing.

The Board **RESOLVED** that David Grace of Cooper Grace Ward Lawyers update/modify the Constitution of the Company.

The Board **APPROVED** the delegation of \$10,000.00 for professional services provided to the Company in relation to the update/modification of the Constitution. The Chairman will be signatory for these costs. These costs will be presented to the Board.

MOVED by Mr Godber **SECONDED** by Mr Andrews

2.1.2 Cooper Grace Ward Tax Invoice

At its 4 December 2008 Board Meeting, the Board approved the delegation of \$15,000.00 for professional services provided to the Company in relation to the Race Fields Legislation Issues.

Due to unforeseen circumstances, additional work was required to be carried out by Cooper Grace Ward in relation to race information, and as such, the tax invoice received in relation to this matter was greater than first approved - \$18,325.45.

Mr Grace also advised the Board that additional work carried out by his firm is yet to be billed, this amount being in the vicinity of \$5,000.00.

The Board **RESOLVED** the following:

- (a) the current tax invoice received from Cooper Grace Ward for the amount of \$18,325.45 be approved, and
- (b) an additional \$5,000.00 be approved for professional services to Cooper Grace Ward in relation to Race Information Legislation. The Chairman will be signatory for this cost and such cost will be presented to the Board.

2.1.3 Product and Program Agreement

The Board **NOTED** Mr Grace's letter to Malcolm Tuttle of Queensland Racing Limited dated 18 November 2008.

Mr Lambert and Mr Andrews noted advice from Mr Grace, if correct, raised fundamental issues that needed to be formally resolved either by Senior Counsel advice or by obtaining advice from Government of the original intent of the Product and Program Agreement (Agreement).

The Chairman expressed his concerns and noted that the Company should meet with UNITAB to seek a variation of the Agreement in order to reflect the legal position at hand and the commercial intention of 'supply' and 'use' when the Agreement was first drafted.

The Chairman also stated that the Office of Racing was of the similar view; the commercial intention of the Agreement differs to that of the legal position at hand. Mr Godber and Ms Watson concurred with the Chairman.

The Board **RESOLVED** that the Chairman correspond with Mr Mike Kelly of the Office of Racing in relation to this matter. The Chairman is to seek the view of Government in relation to the commercial intent of the Agreement when first drafted and the current legal views in relation to Race Fields Legislation and its impact on the Agreement.

MOVED by Mr Godber **SECONDED** by Ms Watson

2.2 Product and Strategy Committee meeting - update

The Chairman updated the Board in relation to the Product & Strategy Committee Meeting held on Tuesday, 17 February 2009.

The Board **NOTED** the update.

2.3 Race Information Legislation - update

Mr Adam Carter updated the Board in relation to the implementation of Queensland Race Information Legislation.

The Board **NOTED** the update.

2.4 Expansion of fixed Betting by UNITAB

The Chairman updated the Board after meeting with the Directors of UNITAB and was able to report that following a question from Mr. Brennan, UNITAB would be updating and expanding their

fixed betting product. Currently, UNITAB do not control the book of fixed betting product, this is held by TABCorp. It is UNITAB's intention that during the year their own product will be introduced which will expand into secondary TAB products as well as soccer, AFL and other sports. UNITAB have promised to keep Product Co updated as this new product comes on-line.

2.5 Draft Racing Programme

Mr Paul Brennan updated the Board in relation to the Thoroughbred TAB, Non-TAB and Betting Meeting Schedule for the 2009/2010 financial year.

The Board **NOTED** the update.

The Board further **NOTED** that the final 3 – Code Race Date Schedule will be provided to the Board for consideration by the end of March 2009.

The Board **RESOLVED** to consider this Race Date Schedule via Flying Minute.

MOVED by Mr Ludwig **SECONDED** by Ms Watson

2.6 Results for Codes

Mr Carter updated the Board in relation to the total wagering growth on a YTD basis compared to last year.

The Board raised its concerns in relation to the Queensland v National figures.

The Board requested that Mr Carter continue to monitor these figures.

The Board **NOTED** the update.

3. Items for Noting

Date of Letter	From / To	Subject
16 February 2009	Mr Andrew Twalts Chief Executive Officer Betfair	Queensland Race Fields
18 February 2009	Mr Brad Tamer Divisional General Manager Wagering UNITAB	Cushion Track – Corbould Park - Caloundra
5 March 2009	Mr Andrew Twalts Chief Executive Officer Betfair	Queensland Race Fields


The Board **NOTED** the correspondence sent and received.

4. General Business

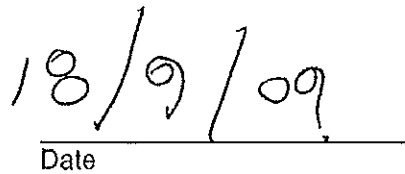
4.1 Board dates for 2009 will be circulated in due course.

The meeting concluded at 1:45pm.

Confirmed as a true record.



Chairman



Date

