

> 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

>
>

> Tony,

>

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

>
>

> "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

>

>

>
> Only an individual or entity who is intended to be a recipient of this e-mail
> may access or use the information contained in this e-mail or any of its
> attachments. Opinions contained in this e-mail or any of its attachments do not
> necessarily reflect the opinions of Queensland Treasury.

>

> The contents of this e-mail and any attachments are confidential and may be
> legally privileged and the subject of copyright. If you have received this
> e-mail in error, please notify Queensland Treasury immediately and erase all
> copies of the e-mail and the attachments. Queensland Treasury uses virus
> scanning software. However, it is not liable for viruses present in this e-mail
> or in any attachment.

>

>

>