



MC Meeting

Date: Monday 8th of January 2018

The meeting was held electronically via Skype.

MINUTES

1. Attendance & Apologies

In attendance:

- Graeme Ireland, Tearoa Iorangi, Paul Langley, Carolyn Li, Paul Kyle, Tearo Le Caill, and Christian Holtz.

Invited:

- Scott Houston (CEO of Table Tennis Australia).

Apologies:

- Anthony Ho & Cathy Gautier.

Absent:

- Choy Freddy, Alan Resture, Reagan Moses & George Shao.

2. Australian Open

The main purpose of the call was to discuss the Australian Open and Scott Houston was invited to provide information regarding the 2017 Australian Open and the current position of Table Tennis Australia (TTA):

- Scott provided a detailed summary of the current financial position of TTA. A similar summary was sent to the MC, via email, on the 29th of December by Christian Holtz.
- Scott explained that the Australian Open was not the sole cause of TTA's current financial difficulties, which amount to AU\$649,000. In fact, a number of poor managerial decisions were made over the last few years which led to TTA's current position.
- Scott also explained that TTA has secured loans and prepayments from states and private individuals amounting to AU\$576,000. Subsequently, TTA has cleared all debts and has no external creditors.
 - Accepting prepayments from state bodies means that TTA will be operating under financial constraints for a period of 3 years (as estimated by Scott). Therefore, TTA requests to cancel the AU\$10,000 contribution to the WJTTC. This discussion was deferred to meetings during the Oceania Championships on the Gold Coast in March 2018.
- In relation to the Australian Open, all suppliers have been paid and there are no outstanding liabilities, other than a remaining tax bill (arising from prize money).
- Finally, Scott confirmed that neither TTA or ASM (both members of the 2017 Australian Open Local Organising Committee) hold any rights to future Australian Opens.

After Scott left the meeting, the MC discussed multiple aspects of the proposed budgets for the 2018 – 2020 Australian Open, including items that could be removed (like AU\$30,000 in Fan Engagement), to make the budget more financially viable.



Paul Langley asked why we're embarking on such a major project to (maybe) make a modest profit and why do we aim to have US\$300,000 in prize money. These are very valid questions and there are various reasons to consider in support of hosting the Australian Open:

- A high prize money is necessary to retain the status of a Platinum Event, which guarantees the participation of all the top players in 2018 due to the new World Ranking system. Having the top players at the event will significantly boost our TV exposure and attract more sponsors.
 - The ITTF is pushing all hosts to increase their prize money. We're the only event that successfully negotiated a reduction in prize money for 2018. However, the ITTF would like us to increase the prize money significantly in future years. My response to ITTF was that if they produce a cash sponsor, we'd be willing to allocate a large portion of it toward prize money. The MC agreed this was a reasonable course of action.
- The current budget does not assume any further sponsors. ITTF-Oceania retains the rights to the Event Title Sponsor and 2 Official Sponsors.
 - The objective is to find 2-3 sponsors and the funds raised will basically become the gross profit of the event.
 - Note that ITTF-Oceania has an offer from SeaMaster to purchase the rights of Major Sponsor for US\$150,000.
- The objective should be to build the Australian Open over time, in order to maximise profits in the future. These profits will be reinvested into ITTF-Oceania and development in the region.
 - I encourage the MC to come up with a rule/formula on how profits should be reinvested back into ITTF-Oceania. For example, initially we could re-invest 50% into the Australian Open itself, 30% into Development, and 20% into ITTF-Oceania (incl. reserves). In time, the percentages should fluctuate as we reduce the need to build the event.
- In 2017, ITTF-Oceania and ITTF entered into a commercial agreement (please see attached). This commercial agreement means that ITTF will invest US\$800,000 into ITTF-Oceania to increase our capacity to run Development and High Performance Programs and deliver Events. With this in mind, ITTF-Oceania has taken the rights of the Australian Open and we're hosting the 2018 WJTTC. Furthermore, it is expected that we will deliver more events in the future.

Finally, the ITTF has issued a draft contract for the rights of the Australian Open. An updated version will be circulated by ITTF in the coming days with the expectation that ITTF-Oceania signs the agreement by the end of January.

- During the call, Scott Houston mentioned that TTA's audit will be released on the 2nd of February and the MC is inclined to wait until the audit is finalised to ensure there are no liabilities that could be inherited by ITTF-Oceania.
 - I would suggest a different course of action. Perhaps, the MC could ask Scott to provide a formal letter confirming that there are no creditors or liabilities outstanding from the 2017 Australian Open?

3. Meeting Closed