



URGENT

To all NSW Hotels

The Association needs your **urgent assistance** for information that will allow a better deal to be negotiated with TAB and Skychannel on your behalf.

Please answer these questions and **fax back to 9281 1857, or 9281 6465, or 9281 9757, or 9281 7691** by Friday, 23 March.

Your hotel or sub-branch is (optional):.....

If you have a PubTAB

SKYCHANNEL FEES

(circle one)

- Are you satisfied with your current Skychannel fee? **Yes No**
- If Skychannel fees go up in July, would you consider withdrawing? **Yes No**
- Do you approve giving Skychannel access to your bulk barrel literage to determine your Skychannel fee? **Yes No**

COMMISSION

- Has your commission **increased** compared to the same time last year? **Yes No**
- Is TAB currently worthwhile at your hotel? **Yes No**
- Has there been closure of a TAB street agency in your area? **Yes No**
- If there has been a closure, has there been an **increase** in your sales? **Yes No**
- With the expansion of ClubTABS and PubTABs, do you consider this will impact on your sales? **Yes No**

CONSUMABLES

- Do you agree to pay for the toner and paper? **Yes No**
- Do you consider there is any cost saving with DFS, compared to the traditional race parcels? **Yes No**
- Do your patrons like the new system? **Yes No**

STAFF COSTS

- Do you consider there is any labour saving with DFS? **Yes No**

If you don't have a PubTAB yet

- Do you have Skychannel already? **Yes No**
- Are there too many TAB outlets already in your area? **Yes No**
- Is there inadequate wagering in your area to consider a PubTAB? **Yes No**

AHA SURVEY RESULTS – 652 RESPONSES

If you have a PubTAB

SKYCHANNEL FEES

- | | | | |
|--|-----|------|--------|
| • Are you satisfied with your current Skychannel fee? | Yes | No | Unsure |
| | 0% | 100% | 0% |
| • If Skychannel fees go up in July, would you consider withdrawing? | Yes | No | Unsure |
| | 45% | 12% | 43% |
| • Do you approve giving Skychannel access to your literage to determine your Skychannel fee? | Yes | No | Unsure |
| | 6% | 90% | 4% |

COMMISSION

- | | | | |
|--|-----|-----|--------|
| • Has your commission increased compared to last year? | Yes | No | N/A* |
| | 5% | 92% | 3% |
| (*N/A - pubs with new TABs cannot compare with last year) | | | |
| • Is TAB currently worthwhile at your hotel? | Yes | No | Unsure |
| | 38% | 44% | 18% |
| • Has there been closure of a TAB street agency in your area?
Response: not enough answers given to accurately give percentage answers. | | | |
| • If there has been a closure, has there been an increase in your sales?
Response: as with previous question, most hotels did not answer. | | | |
| • With the expansion of ClubTABS and PubTABs, do you consider this will impact on your sales? | Yes | No | Unsure |
| | 73% | 2% | 25% |

CONSUMABLES

- | | | | |
|--|-----|-----|--------|
| • Do you agree to pay for the toner and paper? | Yes | No | Unsure |
| | 0% | 78% | 22% |
| • Do you consider there is any cost saving with DFS, compared to the traditional race parcels? | Yes | No | Unsure |
| | 6% | 70% | 24% |
| • Do your patrons like the new system? | Yes | No | Unsure |
| | 23% | 34% | 43% |

STAFF COSTS

- | | | | |
|--|-----|-----|--------|
| • Do you consider there is any labour saving with DFS? | Yes | No | Unsure |
| | 5% | 74% | 21% |

AHA (NSW) APPLICATION FOR AUTHORISATION FOR COLLECTIVE
NEGOTIATION – A90837

PART 4 of letter dated 13 December 2002.

MATERIAL ON ON-GOING DISPUTES WITH NSW HOTELIERS



Sky Channel Pty Ltd
ABN 77 009 136 010
79 Frenchs Forest Road
Frenchs Forest NSW Australia 2086

allalor

28th November 2002

Mr Bevan Douglas
Proprietor
Family Hotel
Box 7068 MSC
TAMWORTH NSW 2340

Dear Bevan,

Thank you for your letter dated 23rd November 2002.

I am concerned by your statement that "the circumstances are one of duress and you give me no alternative." SKY Channel Pty Limited does not operate in that way.

In order to make it clear that the Family Hotel has complete freedom in this matter, SKY is willing to offer you the opportunity to terminate your SKY Channel service at any time within the next month. If you do not wish to take advantage of this opportunity to terminate the service, please remember that you can terminate it at any time afterwards, by serving reasonable notice (six months).

I note that you do not dispute the fee, which SKY was forced to estimate because you would not supply us with the figures that are necessary to allow us to quote an accurate fee. If you are not satisfied with the fee, then please provide us with an opportunity to re-assess it, by supplying your bulk beer sales and wagering turnover figures.

SKY considers that in fact we have shown considerable patience and have been more than reasonable in our dealings with you.

We first wrote to your hotels Manager Mr Craig Power on the 19th August 2002 to inform the Family Hotel that your previous Licence Agreement would expire on the 30th October 2002.

- On the 30th October 2002 we briefly discussed your contract at the National Australian Hotels Association Convention/Trade Show.
- On the 4th November 2002 we wrote to you asking for your hotels "proof of trade" figures, this information to be used to enable us to properly review your fee and to ensure that we could quote an accurate fee.

1



- On the 9th November 2002 you wrote to us detailing some historical facts on the Family Hotel, your correspondence also had an attached Sky Channel Licence Agreement with the licence period altered to one (1) year, from our standard five (5) year term.
- On the 15th November 2002 we wrote to you detailing our non-acceptance of your altered Licence Agreement and a subscription fee quote based on our knowledge of the hotel and similar properties. This assessment of this hotels trading figures were based on annual bulk beer sales of 67,000 litres and an average weekly TAB turnover of \$15,000.
- On the 23rd November 2002 your correspondence included the unaltered SKY Channel Licence Agreement.

In summary on the expiry date of the contract you briefly and casually discussed the situation at the AHA Convention, (I say casually because there was other SKY customers included in the conversation), and if there was an issue of major concern, one would have thought you would ask for a private discussion on this subject.

Despite the fact the previous Licence Agreement had expired, and SKY did not have any new agreement, or any commitment from the Hotel to sign an agreement, SKY continued to supply the service.

I am puzzled by your claim that "SKY Channel has been an essential part of my business, as being a facility required by my TAB and gambling patrons." No hotelier "requires" our service – which is why only half of the hotels in New South Wales (and even less in other States) has decided to take it. Clearly each hotel is making an independent assessment of what mix of products and services it needs to offer in order to satisfy its patrons. That is the normal operation of a competitive market.

SKY Channel is not an essential service. Hotels who take it, such as yours, obviously feel that it gives them a competitive advantage over other hotels. You are able to terminate the supply of the service at any time if you feel it is no longer worthwhile. We hope that you continue to find the service valuable in increasing patronage, thus resulting in higher liquor and food sales, and stimulating wagering turnover (which means higher commissions to you).



I note that you have conceded that the SKY Channel service does provide considerable value to your hotel, by attracting patrons that otherwise would not attend your premises.

Please feel free to call me at any time to discuss any aspect of your SKY Channel service.

Yours sincerely

A handwritten signature in black ink, appearing to read "J. Angel".

John S Angel
National Sales Manager
Site Number 21381.

Cc P Brown, J Johnston, B Reichel, J Banwell.



Sky Channel Pty Ltd
ABN 77 009 136 010
79 Frenchs Forest Road
Frenchs Forest NSW Australia 2086

4th November 2002

Mr Bevan Douglas
Proprietor
Family Hotel
Box 7068 MSC
TAMWORTH MC 2348

Dear Bevan,

Further our letter dated the 19th August 2002 to your hotel's Manager Mr Craig Power, and subsequent conversation with me at the National Australian Hotels Association Convention at the Gold Coast, regarding the renewal of your Sky Channel Licence Agreement.

As you may be aware, Sky Channel fees are based on Annual Bulk Beer Litres as well as Weekly TAB Turnover (when applicable). In order to allow us the opportunity to quote your subscription fee, further details will be required.

Please forward a copy of your official "Proof of Trade" figures from all supplying breweries detailing bulk beer litres purchased over the last twelve-month period and a document from the TAB detailing your average weekly TAB turnover, covering the same period. This will enable us to properly review your fee and to ensure that we can quote you an accurate fee.

We have enclosed a copy of our latest Subscription Fee/Price List effective 1 July 2002. This document contains the recent five (5) percent reduction in subscription charges. Along with this initiative is a Company promise of no increase in subscription fees greater than 15% in any year (should this be applicable).

As your Licence Agreement was due for renewal on the 30th October 2002 could you please forward this information at your earliest convenience. However, should you have any further questions please contact me on 02 0451 0888 or speak to our NSW Sales Manager Mr Jamie Johnston on 0419 561 262.

Yours faithfully,

A handwritten signature in black ink, appearing to read "John S. Angel".

John S Angel
National Sales Manager
[Price List] [Licence Agreement]
Site Number: 21381
cc: J Johnston, B Reichel, J Bunwell, P Brown.

**DOUGLAS CONSOLIDATED
ENTERPRISES PTY LTD**
ABN 61 267 938 136

Box 7068 NEMSC
TAMWORTH NSW 2348

PH: 0267 661661

Fx: 0267 669300

0417 774377

9th November 2002

Mr. John S Angel
National Sales Manager
Sky Channel Pty Ltd
79 Frenchs Forest Road
FRENCHS FOREST NSW 2086

Dear John,

RE: Sky Channel Licence Agreement
Family Hotel Site 21381

Further to your letter of 19th August 2002 addressed to Craig Power and the subsequent phone call from your Area Representative, Jon Banwell and your letter of 4th November addressed to me.

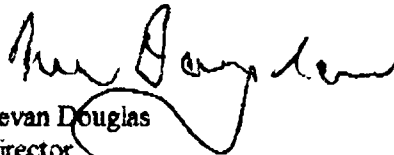
Historically, the Family Hotel was *appointed* a PubTAB agency on 24th October 2000 following the closure of the West Tamworth TAB agency and at that time the previous owners gave the bulk beer literage at 65000 litres and TAB weekly turnover of \$15000.00 with Sky Channel quarterly subscription fee of \$3322.00.

On our purchase of the Family Hotel on the 31st October 2001, the bulk beer literage had actually dropped from the previous year (contrary to TAB/ Sky Channel continued claims that the TAB and Sky Channel attract increased sales of food and beverages), however, each category remained within the of the scale used to calculate Sky Channel subscription fees and on your insistence, a new Sky Channel Licence Agreement had to be signed and on the 3rd December 2001 you agreed to accept a one year agreement with a new Sky Channel quarterly subscription fee of \$4607.90.

In the phone call from your Area Representative, Jon Banwell, he requested a meeting to sign the new agreement, he was advised I was not in Tamworth, however, I was quite happy for him to post the agreement which I would sign on the same terms and conditions as the existing agreement and forward the agreement on. Mr. Banwell asked if I would accept *his* estimation of *my* bulk beer literage and TAB turnover. Mr. Banwell was advised, as you very well know from our previous conversations, that my TAB turnover and bulk beer literages are confidential between my company and the supplier of those goods/services. Mr. Banwell stated this was outside his position and would have to refer this on to you and/or Jamie Johnston. I had no further contact from Sky Channel until I approached you at the Sky Channel stand at the AHA National Convention on the Gold Coast on 30th October 2002.

As you will recall from our conversation at the AHA National Convention, I stated clearly to you I would sign a new agreement on the same terms and conditions as the current agreement. I hereby enclose the new Licence Agreement duly signed, retrospective from 31st October 2002.

Yours faithfully



Bevan Douglas
Director

Douglas Consolidated Enterprises Pty Ltd
T/A Family Hotel



Sky Channel Pty Ltd
ABN 77 009 136 010
79 Frenchs Forest Road
Frenchs Forest NSW Australia 2086

19 August 2002

Mr Craig Power
Family Hotel
Box 7068 MSC
TAMWORTH MC NSW 2348

26/8

Dear Mr Power,

Re: SKY CHANNEL LICENCE AGREEMENT
Family Hotel Site ID:21381

We wish to advise your current Sky Channel Licence Agreement is due for renewal on 30 October 2002. Accordingly, our Representative will be making contact with you, in the near future, in order to make arrangements for the ongoing supply of Sky Channel.

As you may also be aware, Sky Channel has a strong commitment to service excellence. Since our inception we have been constantly striving to provide the best live coverage of Thoroughbred, Harness and Greyhound racing, the result of which has seen Sky Channel become Australia's first and foremost satellite telecaster.

Furthermore, Sky Channel is now an integral business partner of the Australian Racing Industry, enabling us to bring you the best coverage available. Additionally, we have greatly increased our telecasts of quality International Sporting Events. It is our intention to build even further on this already extensive coverage and to bring to you, the best live television and racing coverage in Australia.

We would also like to thank you for your support over the years and we welcome the opportunity to be of service to you in the future.

Yours sincerely
SKY CHANNEL

A handwritten signature in black ink, appearing to read "John S Angel".

JOHN S ANGEL
National Sales Manager



(11) "We have asked on several occasions for a second machine".

Terminals represent a substantial capital investment. TAB does not believe that the likely incremental turnover warrants TAB making that investment in relation to your hotel.

You may be aware that TAB recently introduced arrangements which provide you with the opportunity to have a spare terminal exists based on a rental arrangement. I enclose the details for renting a terminal.

Your letter attempts to set out the events leading up to the rectification of the terminal issue however pertinent details are omitted, possibly as a result of you not being aware of the relevant facts.

The most critical detail omitted is that when the technician arrived at your hotel, he discovered the power supply had blown up. The operator of the terminal notified the technician that "they shorted something out and there were sparks". This of course would have been the reason why the terminal was no longer useful and why it took some time to restore the terminal to operation.

The technician sourced the power supply and the terminal was fully functional at 4.45pm.

The cost of the power supply is substantial and as it's destruction was caused by your staff, TAB would be within its rights to recover the cost from you however as a sign of good faith has elected not to do so.

TAB has acted in a thoroughly proper and professional manner and has not as you suggest breached the License Agreement. Neither you, your customers nor anyone else has any entitlement to any compensation.

It would appear that you are not satisfied with your TAB service. If you do not wish to maintain the service, in the current circumstances I would be happy to waive the standard one month notice period. Please advise me whether you wish to maintain your TAB service.

Yours sincerely,

PETER KADAR
Chief Executive Wagering

Email: pkadar@tablimited.com.au

cc: Mr Bevan Douglas
Chairman
AHA TAB Committee
Level 5
8 Quay Street
SYDNEY NSW 2001

To the manager



JOIN THE Winner's Circle

Earlier this year TAB introduced a scratch lottery product known as "Winner's Circle" in its Agency Channel. The product is simple and fun, and has proven extremely popular with customers.

Given this success in Agencies, and a successful trial of Winner's Circle in 8 Licensed Venues, TAB is now able to offer this product to all Licensed Venues.

About Scratchies

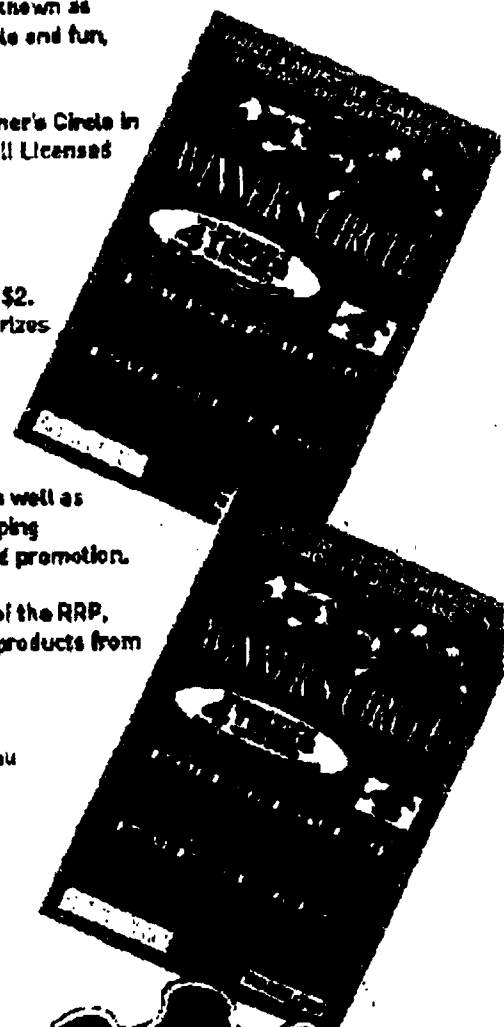
"Winner's Circle" has a Recommended Retail Price (RRP) of \$2. Prizes offered are free scratchies, free TAB bets, and cash prizes with a maximum prize of \$1000.

By limiting the maximum prize to \$1000 customers have a 1 in 5 chance of winning a prize.

TAB Scratchies can be used as a direct sale to customers, as well as prizes in membership promotions, in-house promotions, tipping competitions, losing ticket draws, and any other venue based promotion.

Your commission on the sale of TAB scratch lotteries is 4% of the RRP, with the opportunity to gain extra commission on wagering products from the reinvestment of free bets.

For more details regarding Winner's Circle please call Frank Vittoria on (02) 9218 1033 or fvittoria@tablimited.com.au or speak to your TAB Wagering Account Representative. To place an order simply complete the attached form and fax back to (02) 9218 1273.



ORDER FORM - TAB Winner's Circle

ATTENTION: Frank Vittoria, Wagering Sales & Marketing
FAX Number: 9210 1273

Scratchies can be ordered in books of 100. The table below shows the cost for various levels of scratchie purchases. Payment is made through your weekly settlement.

Number of Scratchies	Cost	RRP	Commission
100	\$200	\$2	4%
200	\$400	\$2	4%
500	\$1000	\$2	4%
1000	\$2000	\$2	4%
1500	\$3,200	\$2	4%
2000	\$4,000	\$2	4%

Promotional Items



8 November 2002

Mr Peter Kadar
Chief Executive - Wagering
TAB Limited
495 Harris St
Ultimo
NSW 2007

Dear Mr Kadar,

Inadequacy of Eureka self-service seminars

The Australian Hotels Association (NSW) is concerned about the upcoming training series for self-service use of the Eureka terminals (see attached copy).

The Association's concern is that the number and capacity of seminars seems vastly inadequate for the expected number of people who would expect to participate.

The plan seems to be skewed towards the TAB's convenience by having most seminars in Sydney; however, on behalf of Senior Vice-President Bevan Douglas (Tamworth) I would strongly remind the TAB that it is extremely inconvenient for country hoteliers and staff to bear significant time and cost to travel to Sydney.

It is especially difficult for country hoteliers at present to afford extra expense because of the economic conditions they are experiencing under the drought.

Handwritten: a
NSW FILES

The Association urgently seeks an increased number of seminars in regional areas, particularly the districts that appear to have missed out altogether in the first schedule.

Yours sincerely,

JOHN THORPE
President

ATTENTION: GREG McFARLANE

Invitation to Participate in Self-Service Betting

You are invited to participate in the next phase of
the Eureka rollout - Self-Service Betting.

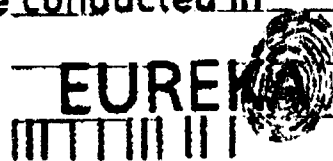
**Self-Service Betting will be
enabled after Melbourne Cup.**

To prepare for this next phase of the Eureka rollout, two staff
from each venue are invited to participate in a detailed
Information Session that will help you use this new style of 'Do
it Yourself' betting at your venue.

Session dates, times and locations are listed overleaf. **Please
phone the Sales Training Centre on 9218-1714 between 9am
and 4pm Monday to Friday to book a place at your preferred
session.**

It is critical to attend one of these sessions if you want to
successfully introduce self-service betting at your venue in
November/December.

**Numbers are limited to 12 people per session so
book early! Further sessions will be conducted in
late January 2003.**



Self-Service Betting Information Sessions

Sydney Sessions (Location - Fishmarkets, Pyrmont)

Session Number	Date	Time
1	Monday 11 November 2002	9.00am - 12 noon
2	Monday 11 November 2002	1.00pm - 4.00pm
3	Tuesday 12 November 2002	9.00am - 12 noon
4	Tuesday 12 November 2002	1.00pm - 4.00pm
5	Wednesday 13 November 2002	9.00am - 12 noon
6	Wednesday 13 November 2002	1.00pm - 4.00pm
7	Thursday 14 November 2002	9.00am - 12 noon
8	Friday 15 November 2002	9.00am - 12 noon
9	Friday 15 November 2002	1.00pm - 4.00pm
10	Monday 18 November 2002	9.00am - 12 noon
11	Monday 18 November 2002	1.00pm - 4.00pm
12	Tuesday 19 November 2002	9.00am - 12 noon
13	Tuesday 19 November 2002	1.00pm - 4.00pm
14	Wednesday 20 November 2002	9.00am - 12 noon
15	Wednesday 20 November 2002	1.00pm - 4.00pm
16	Thursday 21 November 2002	9.00am - 12 noon
17	Thursday 21 November 2002	1.00pm - 4.00pm
18	Friday 22 November 2002	9.00am - 12 noon
19	Friday 22 November 2002	1.00pm - 4.00pm
20	Monday 25 November 2002	9.00am - 12 noon
21	Monday 25 November 2002	1.00pm - 4.00pm
22	Tuesday 26 November 2002	9.00am - 12 noon
23	Tuesday 26 November 2002	1.00pm - 4.00pm
24	Wednesday 27 November 2002	9.00am - 12 noon
25	Wednesday 27 November 2002	1.00pm - 4.00pm
26	Thursday 28 November 2002	9.00am - 12 noon
27	Thursday 28 November 2002	1.00pm - 4.00pm
28	Friday 29 November 2002	9.00am - 12 noon
29	Friday 29 November 2002	1.00pm - 4.00pm

Regional Sessions

Session Number	Date	Time	Location
31	Monday 18 November 2002	7.00pm	Newcastle
32	Tuesday 19 November 2002	7.30am	Newcastle
33	Tuesday 19 November 2002	7.00pm	Port Macquarie
34	Wednesday 20 November 2002	7.00pm	Lismore
35	Thursday 21 November 2002	7.00pm	Armidale
36	Monday 18 November 2002	7.00pm	Wollongong
37	Tuesday 19 November 2002	7.30am	Wollongong
38	Tuesday 19 November 2002	7.00pm	Ulladulla
39	Wednesday 20 November 2002	7.00pm	Queanbeyan
40	Monday 25 November 2002	7.00pm	Bathurst
41	Tuesday 26 November 2002	7.30am	Bathurst
42	Tuesday 26 November 2002	7.00pm	Dubbo
43	Wednesday 27 November 2002	7.30am	Dubbo
44	Monday 25 November 2002	7.00pm	Goulburn
45	Tuesday 26 November 2002	7.30am	Goulburn
46	Tuesday 26 November 2002	7.00pm	Wagga Wagga
47	Wednesday 27 November 2002	7.00pm	Albury

Please phone the Sales Training Centre on 02 9218-1714 between 9am and 5pm Monday to Friday to book a place at your preferred session. There is a limit of 2 people from each venue. Further sessions will be conducted in late January 2003.

8th November 2002

Newmarket Hotel
200 Borella Road
ALBURY NSW 2640
Ph: (02) 6021 3332

Mr Warren Wilson
Managing Director
TAB Limited
495 Harris Street
ULTIMO NSW 2007

Dear Mr Wilson,

Enclosed is a copy of the letter I sent to our TAB Sales Manager Russell Bourne on Wednesday 6th November 2002. It describes clearly the sequence of events on Tuesday when our TAB went down and the TAB's subsequent action, or lack thereof.

I am writing to you because it is a matter that is relevant to not only me, but also every other 'single machine' outlet in NSW.

The matter that concerns me the most is that there is no spare machine in an area the size of Albury and its surrounding districts. If the TAB will not give us a second machine, there must be a spare machine available. The replacement machine which we eventually received two hours after the problem occurred will not be available once the SS&A Club opens its new larger TAB outlet later this year.

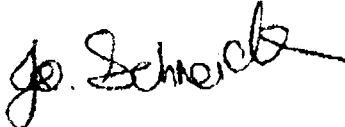
As stated to Russell, the revenue we lost on the day runs to the thousands. In addition, we had also spent considerable money advertising our newly refurbished TAB area as the 'place to be on Melbourne Cup Day'. To add further insult to injury, the local paper arrived to take pictures of how successful our refurbished TAB was. I sent them away because the hotel was empty. Chances for free publicity such as this don't happen very often.

The TAB is currently trying to sell its STASH cash jackpot system for poker machines to hotels. Your records will show that we had met with a representative for the TAB in relation to this. We are currently renovating our hotel and were going to include this system as part of our refurbished gaming room. Due to the way the situation was handled on Tuesday, we will no longer consider this an option, as we doubt the TAB's ability to service it.

It should be noted that I have also sent a copy of the enclosed letter to the AHA and to the local newspaper.

I have now lost all faith in the TAB and its ability to service its customers. Your sales representatives continually ask us to promote and spend money on improving the TAB facilities in our hotels, yet this is what we receive in return. If your business received the same level of service as we did on Tuesday from a supplier, and the resulting loss in revenue, I am sure you would want some answers too.

Yours sincerely,



Jo Schneider
Licensee

BERRY HOTEL

C. Waller & Associates Pty. Limited
Trading as Berry Hotel
A.B.N. 21 516 303 779

Old Princes Highway,
Berry NSW 2535
Phone: (02) 4464 1011
Fax: (02) 4468 6273
Email: berrypub@ahod.net.au

Mr Warren Wilson,
Managing Director
TAB Limited
495 Harris Street
Ultimo NSW 2007
Dear Mr Wilson

November 5, 2002

We wish to record our disgust, and the lack of support and economic wisdom by TAB Limited in the servicing and maintenance of our Eureka machine. Our TAB agency is in a town of two agencies and with only a population of 2,500 people. However we regularly rank in the top 500 TAB outlets.

We have done a lot to promote the TAB product and in particular the Melbourne Cup Day with live coverage on ABC radio scheduled at 11am, 2pm and 3.30pm. One hundred and twenty patrons were booked for lunch, plus we traditionally have a full bar, TAB room and cafe. All looked well for our Melbourne Cup day until approximately 12.45pm when the 'n-ever-reliable' TAB Eureka machine simply couldn't process our tickets and the customer ticket dispenser refused to close. Tickets could be processed without receipts.

Desperate phone calls were made to service maintenance and to the TAB head office and the lengthy process of maintenance by phone began. One and a half hours later the machine was still not operating and patrons began leaving our premise. The technician arrived at approximately 2.30pm and at the time of writing this letter, ie 4.30pm, the machine was still not operating. Consequently the day's TAB turnover, bar turnover, patron satisfaction was an absolute disaster.

The TAB support and maintenance program can only be described as appalling. We have asked on several occasions for a second machine or at least have a back up machine available within twenty kilometres. The writer firmly believes such a machine could have been installed within forty minutes of the initial phone call and 95% of our mutual patrons would have been satisfied.

These questions must be asked and require an answer!
"Why doesn't the TAB supply a back up facility as noted?"
What service back-up facilities or procedures were in place for the (BIGGEST) day?
What compensation is payable to our mutual patrons?
What compensation is payable to the TAB outlet?"
Unless satisfactory answers are obtainable to the above a case for negligence and damages will exist refer TAB Limited Agreement obligations paragraphs 2.1, 2.2.

Your urgent response would be appreciated.
Yours faithfully

C. Waller
Colin Waller

cc Bevan Douglas, Chairman, AHA TAB Committee



Newmarket Hotel
200 Borella Road
ALBURY NSW 2640

6th November 2002

Dear Russell,

RE: TAB BREAKDOWN ON TUESDAY 5TH NOVEMBER 2002.

At approximately 1.15 pm yesterday, our TAB Eureka machine died. After numerous attempts by us and with the help of the Faults Operator, we were finally told that they would have to send a technician to fix it. We asked if there was a spare machine and were told that there were none available.

I then proceeded to ring Aristocrat myself to try and get them here as soon as possible. Hence, I had the technician here before he was paged by you at 1.55 pm with the problem. I understand the TAB was busy, but surely as in my business, you employ extra staff to cope with such occasions. Needless to say, all our customers had left to go 'bet, drink and celebrate' somewhere else.

Finally after numerous failed attempts, various spare parts and three technicians, the TAB was convinced by Aristocrat to let them get a machine they knew was at the SS&A Club. It should be noted that we had previously asked for a spare machine and were told that there was none. It was by now 3.00 pm. It then took a further 40 minutes to retrieve the machine and for it to download. We were back 'on' by 3.40 pm. It was all over!!!

The matter that astounds and angers me the most is not necessarily that the machine went down, but the way in which it was subsequently handled by the TAB. In particular:

- That I was able to get the technician here quicker than the TAB.
- That there was a machine in a box at the SS&A Club (five minutes away), and it took 1 ¼ hours before we were authorised to use it. This I understand, was only after it was suggested and pleaded for by the Aristocrat Technicians. At 3.00 pm on Melbourne Cup Day, it is too little, too late. Everyone had left.
- That there is no spare machine in the area for instances such as this. This is a concern for both me and every other single machine outlet in the area.

Our loss in revenue for the day runs to the thousands. This is in the form of lost bar sales, poker machine trade and TAB commission. In addition, we also had extra staff for the

BERRY HOTEL

C. Waller & Associates Pty. Limited
Trading as Berry Hotel

A.B.N. 21 516 303 779

Old Princes Highway,
Berry NSW 2536

Phone: (02) 4464 1011

Fax: (02) 4468 6273

Email: berrypub@ahol.net.au

Mr Warren Wilson,
Managing Director
TAB Limited
495 Harris Street
Ultimo NSW 2007
Dear Mr Wilson

November 5, 2002

We wish to record our disgust, and the lack of support and economic wisdom by TAB Limited in the servicing and maintenance of our Eureka machine.

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We have done a lot to promote the TAB product and in particular the Melbourne Cup Day with live coverage on ABC radio scheduled at 11am, 2pm and 3.30pm.

One hundred and twenty patrons were booked for lunch, plus we traditionally have a full bar, TAB room and café.

All looked well for our Melbourne Cup day until approximately 12.45pm when the 'n-ever-reliable' TAB Eureka machine simply couldn't process our tickets and the customer ticket dispenser refused to close. Tickets could be processed without receipts.

Desperate phone calls were made to service maintenance and to the TAB head office. and the lengthy process of maintenance by phone began. One and a half hours later the machine was still not operating and patrons began leaving our premise.

The technician arrived at approximately 2.30pm and at the time of writing this letter, ie 4.30pm, the machine was still not operating. Consequently the day's TAB turnover, bar turnover, patron satisfaction was an absolute disaster.

The TAB support and maintenance program can only be described as appalling. We have asked on several occasions for a second machine or at least have a back up machine available within twenty kilometres.

The writer firmly believes such a machine could have been installed within forty minutes of the initial phone call and 95% of our mutual patrons would have been satisfied.

These questions must be asked and require an answer!

"Why doesn't the TAB supply a back up facility as noted?"

What service back-up facilities or procedures were in place for the (BIGGEST) day?

What compensation is payable to our mutual patrons?

What compensation is payable to the TAB outlet?"

Unless satisfactory answers are obtainable to the above a case for negligence and damages will exist refer TAB Limited Agreement obligations paragraphs 2.1, 2.2.

Your urgent response would be appreciated.

Yours faithfully



Colin Waller

cc Bevan Douglas, Chairman, AHA TAB Committee

An Award Winning Country Style Pub
- Proud to be Part of the Community -

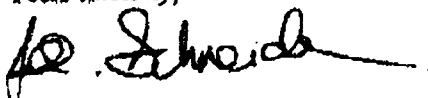
day including a person specifically to help punters with their tickets. The loss in revenue is indicated by the fact that:

- The large crowd we had at this time vanished within 20 minutes of the machine crashing. Coincidentally, this did not effect the TAB in any way as they simply went somewhere else to place their bets and spend the afternoon.
- The further 100 - 150 people that walked in during this time and walked back out again once told the machine was down.
- The fact that our TAB sales on Melbourne Cup Day (the biggest day of the year for the TAB), were 20% less than the previous three Saturdays.

After spending upwards of \$12,000 on the TAB area in the last month and plans to spend more, bitterly disappointed and angered is an understatement. I just hope that bad publicity doesn't cost us even further trade. For some strange reason the customers always blame us personally for breaking the TAB, comments such as "we won't go there because their TAB is always down" come to mind.

In closing, I would just like to say that what happened to us yesterday, should not have happened, but could have happened to any other 'single machine outlet'. The issue is the way the situation was handled afterwards (or not handled), and the fact that an area the size of Albury does not have a spare machine. This needs to be dealt with so that it does not happen again or to anyone else.

Yours sincerely,



Jo Schneider

Col and Jo Schneider

BERRY HOTEL

C. Waller & Associates Pty. Limited
Trading as Berry Hotel
A.B.N. 21 916 303 779

Old Princes Highway,
Berry NSW 2535
Phone: (02) 4464 1011
Fax: (02) 4464 6273
Email: berrypub@ahatam.net.au

Mr Warren Wilson,
Managing Director
TAB Limited
495 Harris Street
Ultimo NSW 2007
Dear Mr Wilson

November 5, 2002

We wish to record our disgust, and the lack of support and economic wisdom by TAB Limited in the servicing and maintenance of our Eureka machine. Our TAB agency is in a town of two agencies and with only a population of 2,500 people. However we regularly rank in the top 500 TAB outlets.

We have done a lot to promote the TAB product and in particular the Melbourne Cup Day with live coverage on ABC radio scheduled at 11am, 2pm and 3.30pm. One hundred and twenty patrons were booked for lunch, plus we traditionally have a full bar, TAB room and café. All looked well for our Melbourne Cup day until approximately 12.45pm when the 'n-ever-reliable' TAB Eureka machine simply couldn't process our tickets and the customer ticket dispenser refused to close. Tickets could be processed without receipts.

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Your urgent response would be appreciated.
Yours faithfully

C. Waller
Colin Waller cc Bevan Douglas, Chairman, AHA TAB Committee



An Award Winning Country Style Pub
- Proud to be Part of the Community -

ATTACHMENT A.

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TAB

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AUSTRALIA
DX 949 SYDNEY
TELEPHONE +61 2 92110188
FACSIMILE +61 2 92115010
<http://www.nswtab.com.au>
TAB Limited ACN 081 785 308

FAXED 15/1/01

8 January 2001

Mr Brian Ross
Chief Executive
Australian Hotels Association NSW
Level 5, Prince Centre
8 Quay Street
SYDNEY NSW 2000

Dear Brian

Thank you for your letter of 13 December 2000 and also the opportunity to address your Delegates.

As a final proposal we would offer to 1% commission to sites whose turnover is less than \$7,500 pa. ~~The sites whose turnover is between \$7,500 and \$12,500 and above \$12,500 will remain as proposed earlier.~~

The final offer is on the basis that all hoteliers pay for consumables and that it is a one in/all in deal.

~~The agreement will be forwarded in the next few days.~~

I look forward to your reply.

Yours sincerely


WARREN WILSON
Managing Director

Email: wwilson@tablimited.com.au