



**Australian
Competition &
Consumer
Commission**

Our Ref: A 30243
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31 March 2006

Dear Sir/Madam

Application for Authorisation A30243 lodged by the Association of Australian Bookmaking Companies Inc.

The Australian Competition and Consumer Commission (the ACCC) has received an application for authorisation from the Association of Australian Bookmaking Companies Inc. (AABC)

The purpose of this letter is to seek your comments in relation to AABC's proposal as a potentially interested party.

The authorisation process

By way of background, the ACCC is the Australian Government agency responsible for administering the *Trade Practices Act 1974* (the TPA). A key objective of the TPA is to prevent anti-competitive conduct, thereby encouraging competition and efficiency in business, resulting in a greater choice for consumers in price, quality and service.

The TPA, however, allows the ACCC to grant immunity from the TPA for anti-competitive conduct in certain circumstances.

One way businesses may obtain immunity is to apply for what is known as an 'authorisation' from the ACCC. Broadly, the ACCC may 'authorise' businesses to engage in anti-competitive conduct where it is satisfied that the public benefit from the conduct outweighs any detriment to the public including that constituted by any lessening of competition. The ACCC conducts a comprehensive public consultation process before making a decision to grant or deny authorisation.



Overview of the AABC's application for authorisation

AABC is seeking authorisation to collectively bargain with

- Australian State and Territory racing control bodies and/or other rights owners with a view to obtaining approval for the members of the AABC to publish and use race field information and similar rights and
- National, State and Territory sporting organisations and/or other right owners to obtain approval to publish and use information relating to that sport.

AABC has also sought authorisation to permit it to participate in the resolution of disputes which may arise between its members and the racing control bodies/sporting organisations.

Authorisation has sought by the AABC for the proposed arrangements for a period of 7 years.

A copy of AABC's supporting submission has been enclosed for your information. I note that

- Annexure D (*Sports Betting: A new regulatory framework?*, Department of Justice, Victoria)
- Annexure E (*Racing and Gambling Act (Amendment) Act 2005*)
- Annexure F (*Lottery and Gaming (Betting Exchange and Race Fields) Amendment Bill 2005* and various media reports) and
- Annexure G (*Australian Gambling Statistics 2005*)

have not been included with this correspondence but are available for viewing by following the 'Authorisations' link on the ACCC website: www.accc.gov.au.

Request for substantive submissions

To assist the ACCC in assessing AABC's application you are invited to provide comments responding to AABC's application and supporting submissions. In particular, your view is sought as to the likely benefits to the public and the potential effect on competition of the proposed arrangement.

In this respect I note that AABC has submitted that a number of public benefits are likely to flow from the proposed arrangements, including:

1. efficiency gains through having a single point of contact for the racing and sports wagering industry sectors, enabling more meaningful and efficient discussions of the issues that arise;
2. maintenance of a sound working relationship between AABC, its members, Australian State and Territory Racing controlling bodies, National, and State and Territory sports organisations;
3. improved bargaining power;
4. participation in any dispute resolution mechanism in relation to disputes between controlling bodies of race fields and the members of AABC with regards to the use of race field information;
5. lower transaction costs for customers of the members of AABC; and

6. continued viability of corporate bookmakers, without which the level of competition in the national wagering market would diminish.

If you intend to provide a submission in relation to AABC's application for authorisation, I would be grateful if you could do so by close of business **24 April 2006**.

Interim authorisation

AABC has also requested that the ACCC grant 'interim' authorisation to the proposed arrangements. In simple terms, interim authorisation allows parties to engage in the proposed conduct while the ACCC considers the substantive merits of the application.

The ACCC has previously stated that it is unlikely to grant interim authorisation where to do so would permanently alter the competitive dynamics of the market or inhibit the market from returning to its pre-interim state if authorisation is later denied, unless there are special circumstances.

The ACCC is also seeking comments from interested parties regarding the AABC's request for interim authorisation. I note that ACCC generally seeks to complete its assessment of an application for interim authorisation within one month of receiving the application. With this in mind, should you plan to make comment on the application for interim authorisation, I would appreciate if you could do so by close of business **18 April 2006**.

General information

The ACCC asks for submissions to be in writing so that they can be made publicly available. Submissions are placed on a public register and may also be placed on the ACCC's website. The ACCC may, where appropriate, supplement written submissions with discussions with relevant parties on a mutually convenient basis.

Should you lodge a submission with the ACCC you may request that information included in the submission be treated as confidential and not placed on the public register or the ACCC's website. The ACCC may take confidential information into account during its assessment of an authorisation application. Guidelines for seeking confidentiality are attached to this letter for your information.

Should you wish to lodge a submission, please address it to:

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

Submissions can also be lodged by email to adjudication@acc.gov.au, or by facsimile on 02 6243 1211.

Should you have any queries or if you wish to discuss any aspect of this matter please do not hesitate to contact Ilona Balint on (02) 6243 1113.

Yours sincerely

Susan Philp
Director
Adjudication Branch

Chief Executive Officer
Cricket Australia

Mr John O'Neill AO
Chief Executive Officer
Football Federation Australia (Soccer)

Chief Executive Officer
National Rugby League

Mr Gary Flowers
Chief Executive Officer
Australian Rugby Union

Mr Steve Wood
Chief Executive Officer
Tennis Australia

Mr Ben Sellenger
PGA Australasian Tour

Mr Scott Derwin
Chief Executive Officer
Basketball Australia

Mr Andrew Demetriou
Chief Executive Officer
Australian Football League

Mr Robert Nason
Chief Executive Officer
Racing Victoria Limited

Mr John Anderson
Chief Executive
Harness Racing Victoria Ltd

Mr John Stephens
Chief Executive Officer
Greyhound Racing Victoria

Mr Malcolm Tuttle
COO
Queensland Racing

Mr Brett Schimming
Chief Executive Officer
Queensland Harness Racing Board

Mr Darren Beavis
General Manager
Queensland Greyhound Racing Authority

Mr Ian Hart
Chief Executive Officer
Thoroughbred Racing SA Ltd

Mr Peter Ali
Chief Executive Officer
Greyhound Racing South Australia Limited

Mr Mark Carey
Chief Executive
Harness Racing SA

Mr Ray Bennett
Racing and Wagering Western Australia

Mr Barry Seargent
Gaming and Wagering Commission

President
ACT Racing Club Inc

Ms Cynthia O'Brien
Canberra Greyhound Racing Club Inc

Mr Ray Redman
President
Canberra Harness Racing Club Inc

Ms Elizabeth Morris
Northern Territory Licensing Commission

Mr Jake Howard
Racing Executive
Australian Racing Board

Mr Brian Masters
Chief Executive Officer
Racing Information Services Australia Pty Ltd

Mr Peter Cohen
Executive Commissioner
Victorian Commission for Gambling Regulation

Mr Ross Kennedy
Executive Director
Office of Gaming and Racing

Dr Peter Hertan
Executive Director
Sport and Recreation Victoria

Mr Michael Sarquis
Executive Director
Queensland Office of Gaming Regulation

Mr Michael Kinnane
Director General
Department of Local Government, Planning, Sport and
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Mr Denis Harvey
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Dr Phil Hamdorf
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Ms Janine Belling
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WA Office of Racing, Gaming and Liquor

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Mr Phil Collins
Ag Chief Executive
ACT Racing and Gambling Commission

Ms Jan Wyatt
Executive Officer
ACT Sport and Recreation

Mr Max Pool
Chief Executive
Harness Racing NSW

Ms Kathy Reece
Racing NSW

Mr John Coughlan
Chief Executive
Greyhound and Harness Racing Regulatory Authority

Mr Malcolm Richardson
Manager of Racing
NT Department of Racing Gaming & Licensing

Sir/Madam
President
Darwin Greyhound Association

Mr Ted Bailey
Chairman
Darwin Turf Club

Mr Rod Pollock
Chief Executive
Australian Harness Racing Council

Mr Ken Brown AM
Director General
NSW Department of Gaming & Racing

Mr Rowen Craigie
Chief Executive Officer
Australian Gaming Council

Mr Mark Peters
Executive Director
Australian Sports Commission

President
Australian Jockey Club

The Secretariat
Australian Gambling Research

Professor Jan McMillen
Director
Centre for Gambling Research

Gamblers Anonymous

Mr David Montieth
Chief Executive Officer
Victoria Racing Club

Mr Terry Clarke
Chief Executive Officer
TOTE Tasmania Pty Ltd

Mr R D Mellwain
Chief Executive Officer
Unitab Ltd

Mr Warren Brown
Chief Executive Officer
Melbourne Racing Club

Mr Bob Sumarcq
Chief Executive Officer
Clubs ACT

Mr David Costello
Chief Executive Officer
Clubs NSW

Mr Anthony Hay
Chief Executive Officer
Clubs NT

Ms Penny Wilson
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Clubs QLD

Mr Michael Keenan
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Mr John Koo
Betfair Australia Pty Ltd

Dr CJ Ashman
NSW Bookmakers Co-operative Ltd

Mr Fred Casey
Queensland Bookmakers Association

Mr John Clancy
Executive Officer
Victorian Bookmakers Association Ltd

Mr John McBain
Executive Officer
South Australia Bookmakers League Inc

Mr Brian Brown
Secretary
WA Bookmakers Association Inc

Mr Barry Heawood
President
Tasmanian Bookmakers Association