



**Australian
Competition &
Consumer
Commission**

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14 July 2006

Dear Sir/Madam

**Application for authorisation A91007 lodged by the
Coalition of Major Professional Sports**

The Australian Competition and Consumer Commission (the ACCC) has received an application for authorisation from: PGA Tour of Australasia Limited, Australian Rugby Union Limited, Lawn Tennis Association of Australia Limited, National Rugby League Limited, Football Federation Australia Limited and Cricket Australia, collectively known as the Coalition of Major Professional Sports (COMPS).

The purpose of this letter is to seek your comments in relation to COMPS'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 COMPS's application for authorisation

COMPS have sought authorisation to collectively bargain with sports betting operators who offer and accept wagers on events played under the auspices of COMPS members. The negotiations would include the terms upon which COMPS members are prepared to approve the publication and use by such licensed operators of information relating to their sports and subsequently approve wagering on their sports.

The sports betting operators with whom COMPS intend collectively bargaining include companies such as: ACTTAB, Betfair, Centrebet, Sportsbet and Tabcorp.

COMPS has sought authorisation for a period of 5 years.

A copy of COMPS application and supporting submission has been enclosed for your information. These documents are also available on the ACCC's website: www.accc.gov.au.

Request for substantive submissions

To assist the ACCC in assessing COMPS's application you are invited to provide comments responding to COMPS'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 COMPS' has submitted that a number of public benefits are likely to flow from the proposed arrangements, including:

1. Improved bargaining power of COMPS members leading to more equitable distribution to sports of the amounts wagered on their products.
2. Transaction cost and efficiency savings.
3. Maintenance of a sound working relationship between the COMPS members and appropriate sports betting operators.
4. Promotion of competition stemming from the continued viability of sports betting operators through consistent commercial terms and arrangements with the sports.
5. The establishment of a common and central dispute resolution mechanism, leading to greater efficiency and consistency.
6. Benefits for the wider community, in recognition of the valuable community identity, health and lifestyle, and domestic and international media coverage benefits which stem from successfully and efficiently administering sports.

If you intend to provide a submission in relation to COMPS's application, I would be grateful if you could do so by close of business **Friday 4 August 2006**.

Interim authorisation

COMP's has also requested that the ACCC grant 'interim' authorisation to permit them to commence collective negotiations with sports betting operators. 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 doing 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 COMPS request for interim authorisation. I note that the 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 **Wednesday 26 July 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@accc.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 Liam Stewart on (02) 6243 1275.

Yours sincerely

Susan Philp
Director
Adjudication Branch

Basketball Australia

Australian Football League

Gaming and Wagering Commission

Northern Territory Licensing Commission

Victorian Commission for Gambling Regulation

Office of Gaming and Racing

Sport and Recreation Victoria

Queensland Office of Gaming Regulation

Department of Local Government, Planning, Sport and Recreation (QLD)

Office for Sport and Recreation (SA)

WA Office of Racing, Gaming and Liquor

Department of Sport and Recreation (WA)

Sport and Recreation Tasmania

ACT Racing and Gambling Commission

ACT Sport and Recreation

NT Department of Racing Gaming & Licensing

NSW Department of Gaming & Racing

Australian Gaming Council

Australian Sports Commission

Australian Gambling Research

TOTE Tasmania Pty Ltd

Unitab Ltd

Clubs ACT

Clubs NSW

Clubs NT

Clubs QLD

Clubs SA

Clubs TAS

Clubs Victoria Inc.

Clubs WA

Betfair Pty Ltd

NSW Bookmakers Co-operative Ltd

Queensland Bookmakers Association

Victorian Bookmakers Association Ltd

South Australia Bookmakers League Inc

WA Bookmakers Association Inc

Tasmanian Bookmakers Association

ACTTAB

Centrebet

CentreRacing

Colin Tidy's Betchoice.com

International All Sports – Australia/AusTOTE

Racing and Wagering Western Australia

Sportingbet Australia Pty Ltd

Sports Acumen Pty Ltd

Sportsbet Pty Ltd

Tab Limited