



Your Ref: A91007  
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Office of the  
**Director-General**

Department of  
**Local Government, Planning,  
Sport and Recreation**

- 1 AUG 2006

Mr Liam Stewart  
General Manager, Adjudication Branch  
Australian Competition and Consumer Commission  
PO Box 1199  
DICKSON ACT 2602

FILE No:
DOC:
MARS/PRISM:

Dear Mr Stewart

Thank you for your letter dated 14 July 2006 inviting the Department to comment on the Coalition of Major Professional Sports (COMPS) proposal to collectively bargain with sports betting operators.

In reviewing COMPS' application, the Department seeks to draw the attention of the Australian Competition and Consumer Commission (ACCC) to the rationale for COMPS' objectives. COMPS identifies that its objectives are to:

1. obtain a fair share of revenue wagered on their respective sports; and
2. implement a more effective regulatory regime for the sports betting market.

Section 2.4 of the submission to the ACCC states the rationale for this approach is that the creator or author of a product should be fairly remunerated for its usage.

Based on the rationale given by COMPS, State sporting organisations related to COMPS may also be entitled to a share of revenue on the basis that State sporting organisations are also creators of a product (e.g. a State team) and State participation allows national competition and sports betting to occur.

This rationale may also provide an argument for individual competitors that they are entitled to a percentage of sports betting profits on the basis that their participation allows State participation and national competition to occur. This would potentially be the case for individual based sports such as golf and tennis as opposed to individuals in team sports.

AUST. COMPETITION &  
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The Department seeks clarification from the ACCC in relation to whether COMPS has considered measures to fairly assess claims of revenue entitlement by its related State organisations and athletes; and further implications such as equity in distribution of sports betting revenue, complexity of administrative and accountability processes, and potential for match-fixing.

Please contact Paige Ridgewell of the Department on telephone number (07) 3235 9590 should you wish to discuss the submission further.

Thank you for the opportunity to comment. I would appreciate if the Department could be informed of further progress.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Kinnane', written over a horizontal line.

Michael Kinnane ESM FAIM  
**Director-General**