

26 July 2006

Ms Susan Philp
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Dear Ms Philp

Application for Authorisation lodged by COMPS

I refer to your letter dated 14 July 2006 addressed to Michael Piggott which sought comments from interested parties regarding COMPS application for interim authorisation.

As noted in your letter, unless there are special circumstances interim authorisation is not normally granted. Tabcorp believes that for the reasons explained below, at the present time it is not possible to determine whether special circumstances exist.

Other than the assertion in paragraph 5.1 of the submission by COMPS in support of the application for authorisation ("COMPS Submission") that interim authorisation will allow a smooth transition to any legislative or regulatory regime (which may or may not come to fruition) and facilitate agreement being reached in advance of any such regime, there is no apparent urgency to the application for interim authorisation.

Various submissions were made by Tabcorp and others in response to the discussion paper released by the Victorian Government in March 2006, and these submissions are currently being considered by the Victorian Government.

Given that as stated in paragraphs 2.5 to 2.7 of the COMPS Submission the Victorian and other State and Territory Governments are currently considering COMPS request for the implementation of a legislative or regulatory regime, it would seem premature that interim authorisation be granted as it is unlikely that this will allow any meaningful commercial negotiations to be concluded until the Victorian Government's position after having considered the various submissions in response to the discussion paper is known.



Even if interim authorisation were to be granted, assuming that meaningful commercial negotiations can be concluded, the Victorian Government's position after having considered the various submissions in response to the discussion paper will have a significant bearing on whether or not the parties are able to return to the current status quo if the ACCC subsequently declines to grant the authorisation.

It follows from the above comments that the appropriate point at which to assess the application for interim authorisation (and the primary application for authorisation) is when the Victorian Government's position after having considered the various submissions in response to the discussion paper is known.

I should emphasise that no inference should be drawn from the above comments as to Tabcorp's substantive position in relation to COMPS application for authorisation.

If you require any further information do not hesitate to call me on (03) 9868 2220.

Yours faithfully



Craig Launder
General Manager Legal - Wagering

