



**Australian
Competition &
Consumer
Commission**

Our Ref: C2006/1314
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21 September 2006

«Name»
«Company»
«Address»

Dear «Salutation»

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

The Australian Competition and Consumer Commission (the ACCC) has issued a draft determination in respect of an application for authorisation lodged by the Coalition of Major Professional Sports (COMPS) on 12 July 2006.

A copy of the ACCC's draft determination is attached. For the reasons set out in its draft determination, the ACCC proposes denying authorisation to the proposed arrangements. A summary of the ACCC's reasons, as well as directions on how further submissions may be lodged, is provided below.

Summary of reasons

In relation to the potential public benefits of the arrangements, the ACCC is of the view that the proposed arrangements may generate some public benefits from allowing COMPS members to have greater input in contract negotiations. However, the ACCC considers that any such benefits would be diminished by the diverse nature of the parties and the proposed method by which they intend to conduct the collective negotiations.

In relation to potential anticompetitive detriments, the ACCC is of the view that the voluntary nature of the arrangements and the absence of boycott activity are likely to lessen any anticompetitive detriment which may result from the proposed arrangements.

However, the ACCC does consider that those arrangements may, to some extent, inhibit an apparent growing level of competition between COMPS members to supply information to sports betting operators. In addition, the ACCC considers that the proposed arrangements may result in increased costs for sports betting operators which they are likely to pass on to consumers.

Overall, the ACCC cannot be satisfied that the public benefits likely to result from COMPS collective bargaining arrangements would outweigh the potential anticompetitive detriments of those arrangements.



Next steps

Once the ACCC issues a draft determination, the Applicant or any interested party may request that the ACCC convene a 'pre-decision conference'. A pre-decision conference provides the opportunity for interested parties to make oral submissions in relation to the draft determination. Under the *Trade Practices Act 1974*, the ACCC must set a date within 14 days of which any pre-decision conference must be requested.

Accordingly, if you wish the ACCC to hold a pre-decision conference in relation to the draft determination, you must notify the ACCC in writing by close of business **Thursday, 5 October 2006**. Conferences are conducted informally, without the participation of legal or other professional advisers.

Alternatively, you are also invited to make a written submission in response to the ACCC's draft determination. Written submissions should be lodged by close of business **Friday, 13 October 2006** at the following address:

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

Submissions can also be lodged by e-mail to adjudication@acc.gov.au or by facsimile on 02 6243 1211.

Any submission you make will be placed on the ACCC's Public Register. You may request that information you provide in a submission to the ACCC be treated as confidential and not placed on the Public Register. Information excluded from the Public Register for reasons of confidentiality will still be considered by the ACCC when reaching its decision. Guidelines for seeking confidentiality are attached for your information.

The ACCC will consider any submissions it receives, including any oral submissions made should a pre-decision conference be called, and will then release a final determination in relation to COMP's application.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Cameron Martin on 02 6243 1107.

Yours sincerely

Susan Philp
Director
Adjudication Branch

Australian Football League

Gaming and Wagering Commission

Northern Territory Licensing Commission

Victorian Commission for Gambling Regulation

Office of Gaming and Racing

Queensland Office of Gaming Regulation

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

Department of Treasury and Finance

Office of the Independent Gambling Authority

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

Australian Sports Commission

TOTE Tasmania Pty Ltd

Unitab Ltd

Betfair Pty Ltd

ACTTAB

Centrebet

Racing and Wagering Western Australia

Assoc of Australian Bookmaking Companies