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14 March 2007

Mr Scott Gregson
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Mr Gregson,

**Sky Channel Pty Ltd, Tabcorp Holdings Ltd & ThoroughVision Pty Ltd
Application for authorisation A91031 & A91032 – interested party
consultation**

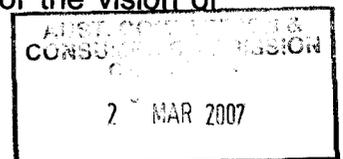
This letter is in response to your letter of 20 February 2007 seeking comments in relation to the above application. These comments are made on behalf of the Queensland Harness Racing Board (QHRB) although having no contractual arrangements with the parties, but a clearly defined and concentrated interest in their business dealings due to the potential impact on our stakeholders.

In answer to the specific questions:

- *How the MOU affects the ability of thoroughbred, harness, greyhounds clubs to license their broadcasting rights:*

Specific to harness racing in Queensland, it is the Clubs who hold the exclusive agreements with Sky Channel that it will broadcast harness racing in Queensland on its commercial channel.

These agreements specify a guaranteed level of coverage, however there are only limited assurances in respect of the timeslots provided for the vision of harness racing throughout Australia.



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- *How the MOU affects the supply of racing broadcasting services to pay TV and free to air TV operators.*

QHRB believes that the proposed arrangement between Sky Channel and TVN will mean that the Sky commercial channel will be duplicated as the pay TV channel. In other words the 'wall to wall' wagering channel will be available on the home pay TV package.

This is a critical component to the QHRB view on the MOU. The exclusive arrangement Clubs currently have with Sky Channel relates to the commercial channel only.

Should the MOU result in only thoroughbred racing being shown on the pay TV networks, then this would have a severe financial impact on harness racing in Queensland.

The QHRB and each Harness Racing Club in Queensland experienced a negative effect of the dispute between Sky Channel and TVN over the thoroughbred broadcast rights and a return to that situation could have a disastrous effect on our industry.

Sky Channel have stated that this will not be the case however; there is no guarantee of pay TV coverage in the Club agreements.

There is little exposure for harness racing on free to air TV at present.

- *How the MOU affects the supply of racing broadcasting services to pubs and clubs.*

It is imperative for the survival of harness racing in Queensland that the supply of the Sky Channel broadcasting to pubs and clubs remains.

Pricing of the commercial 'wall to wall' wagering channel needs to remain reasonable as any upward pressure on the pricing of the services to pubs and clubs as a result of the MOU, would likely result in pub and club operators either cancelling the service or reducing operating hours for their TAB service. This would certainly be detrimental to harness racing throughout Australia.

- *It would be helpful to obtain your comments on the likely situation if the MOU did not come to effect.*

A consequence of the MOU not being approved is likely to be a return to the 'split vision' situation between Sky Channel and TVN as witnessed in 2005/06.

As previously stated, QHRB would be very concerned about this based on the impact it had on harness racing turnover and the negative affect on revenue streams for harness racing across Australia. The impact of a return to that situation could be even greater.

It is essential that for the continued growth of harness racing (and racing in general we believe) that the 'wall to wall' wagering channel be retained.

Other Comments

QHRB would not like to see the agreement have a detrimental effect on the existing harness racing television coverage. Reference is made particularly to international racing coverage.

Given the existing volume of racing product we would not like to see international product intrude on traditional time slots for domestic content harness racing (or any code for that matter) and we seek undertakings from Tabcorp/Sky Channel that the viewing of local racing product is not compromised by the importation of international racing product.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bob Lette', written in a cursive style.

**Bob Lette
Chairman**