



**Australian
Competition &
Consumer
Commission**

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Our Ref: N93059
Contact Officer: Danielle Staltari
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25 July 2007

Dear

Re: Exclusive Dealing Notification lodged by Harness Racing Victoria

The Australian Competition and Consumer Commission (the ACCC) has received an exclusive dealing notification from Harness Racing Victoria (HRV). The ACCC invites your comment on the notification lodged by HRV. Information about the exclusive dealing notification process is attached.

HRV is proposing to enter into an agreement with a number of bookmakers who wish to use race field information for Victorian harness racing and to accept bets on Victorian harness racing. Under this agreement HRV proposes to offer a rebate to bookmakers on the condition that:

- they use the services of the Victorian TAB for bet-backs and layoffs and
bookmakers hold an interstate or international wagering or bookmaking licence.

The bookmakers who have currently entered into agreements with HRV are Centrebet Racing Pty Ltd, CentreRacing, International All Sports Limited, Sportingbet Australia Pty Ltd, Sportsbet Pty Ltd and Sports Acumen Pty Ltd.

The rebate proposed to be offered by HRV is 1% of the value of all bet backs or layoffs placed with the Victorian TAB in a calendar month by these individual bookmakers.

Further information about the conduct HRV has notified is provided in the attached supporting submission.

Request for submissions

The ACCC invites you to make a submission on the likely public benefits and effect on competition, or any other public detriment, from the proposed arrangements.

If you intend to provide a submission in relation to HRV's exclusive dealing notification, please do so by **8 August 2007**.

Alternatively, if you would like to provide comments orally, please contact Danielle Staltari on 02 6243 1362 to organise a suitable time.

Submissions, including oral submissions, will be placed on the ACCC's public register subject to any request for exclusion (guidelines are attached).

You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding this notification.

If you wish to discuss any aspect of this matter, please do not hesitate to contact Danielle Staltari on 02 6243 1362.

This letter has been placed on the ACCC's public register.

Yours sincerely

Scott Gregson
General Manager
Adjudication Branch

The Exclusive Dealing Notification Process

The ACCC is the independent Australian government agency responsible for administering the Trade Practices Act 1974 (the Act). A key objective of the Act is to prevent anti-competitive arrangements or conduct, thereby encouraging competition and efficiency in business resulting in a greater choice for consumers in price, quality and service.

Exclusive dealing involves one trader imposing restrictions on another trader's freedom to choose with whom, in what or where they deal. Exclusive dealing is prohibited under the Act in certain circumstances.

A common form of exclusive dealing is third line forcing. Third line forcing involves the supply of goods or services on condition that the purchaser also acquires goods or services from a third party. Another form of exclusive dealing is the supply of goods or services on condition that the buyer will not acquire, or will limit the acquisition of, goods or services from a competitor of the supplier. This form of exclusive dealing will only breach the Act where it has the purpose or effect of substantially lessening competition.

Businesses may obtain immunity for conduct that might risk breaching the exclusive dealing provisions of the Act by lodging a 'notification' with the ACCC.

The ACCC may revoke a third line forcing notification if it is satisfied that the likely benefit to the public from the proposed conduct will not outweigh the likely detriment to the public from the conduct.

The ACCC may revoke a notification for exclusive dealing other than third line forcing if it is satisfied that the conduct has the purpose, effect or likely effect of substantially lessening competition and the likely benefit to the public will not outweigh the detriment to the public from the lessening competition.

Before revoking a notification the ACCC will issue a draft of its reasons and provide an opportunity to call a conference.

The Act sets out a public process for assessing exclusive dealing notifications with notifications and related documents placed on a public register. In some cases the ACCC will contact interested parties inviting submissions on the proposed exclusive dealing conduct.

Making a submission

When preparing your submission, please remember to provide details of the reasons for your particular views and any supporting materials you may have.

The ACCC encourages submissions in writing, however oral submissions can also be made. Both written and oral submissions are placed on a public register.

You may request that information included in the submission be excluded from the public register. Submissions which are excluded from the public register may still be taken into account by the ACCC when conducting its assessment of a exclusive dealing notification. The ACCC has prepared guidelines for seeking exclusion from the public register which are available on its website.

Submissions should be addressed to:

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

They can also be lodged by email to adjudication@acc.gov.au or by facsimile on 02 6243 1211.

Centrebet Racing Pty Ltd
CentreRacing
International All Sports Limited
Sportingbet Australia Pty Ltd
Sportsbet Pty Ltd
Sports Acumen Pty Ltd
Betfair Pty Ltd
Australian Association of Bookmaking Companies
Victorian Bookmakers Association
Unitab
TOTE Tasmania Pty Ltd
Racing and Wagering WA
ACTTAB Limited