

13 February 2014

RIALTO TOWERS 525 COLLINS STREET MELBOURNE
GPO BOX 769 MELBOURNE VIC 3001 AUSTRALIA
DX 204 MELBOURNE www.minterellison.com
TELEPHONE +61 3 8608 2000 FACSIMILE +61 3 8608 1000

BY HAND

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
GPO Box 520
MELBOURNE VIC 3001

Dear Sir/Madam

Notification of collective bargaining

We act on behalf of Australian Wagering Council Limited (AWC).

We enclose:

- two notifications under section 93AB of the *Competition and Consumer Act 2010* (Cth) (CCA), which relate to the same market;
- two supporting submissions;
- proof of consent of each participant in the collective bargaining arrangements enabling AWC to lodge the notifications on their behalf; and
- one cheque in the amount of \$1000.00 as payment of the required fees.

If you have any questions in relation to AWC's notifications or require any further information, please do not hesitate to contact Geoff Carter of our office.

Yours faithfully
MINTER ELLISON

Contact: Geoff Carter Direct phone: +61 3 8608 2090 Direct fax: +61 3 8608 1096
Email: geoff.carter@minterellison.com
Our reference: 1070616

Enclosures

FILE No:

DOC:

MARS/PRISM:

MINTER ELLISON GROUP AND ASSOCIATED OFFICES

ADELAIDE AUCKLAND BEIJING BRISBANE CANBERRA DARWIN GOLD COAST HONG KONG
LONDON MELBOURNE PERTH SHANGHAI SYDNEY ULAANBAATAR WELLINGTON

Form GA

Commonwealth of Australia

Competition and Consumer Act 2010 — section 93AB

NOTIFICATION OF COLLECTIVE BARGAINING

This form is to be completed by applicants proposing to engage in collective bargaining arrangements.

In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

Protection provided by the notification extends only to the collective bargaining arrangements described in the form.

To the Australian Competition and Consumer Commission:

Notice is hereby given under section 93AB of the *Competition and Consumer Act 2010* of intention:

- to make, or to propose to make, a contract containing a provision of the kind referred to in subsection 44ZZRD (2) or paragraph 44ZZRD (3) (a) or (b) of that Act.
- to give effect to a provision of a contract where the provision is of the kind referred to in subsection 44ZZRD (2) or paragraph 44ZZRD (3) (a) or (b) of that Act.
- to make, or to propose to make, a contract containing a provision of the kind referred to in paragraph 45 (2) (a) of that Act.
- to give effect to a provision of a contract where the provision is of the kind referred to in paragraph 45 (2) (b) of that Act.
(Strike out if not applicable)

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

Section A – general information

1. Applicant

- (a) Name of the applicant:
(refer to Direction 1)

CB00284

Australian Wagering Council Limited (ABN 84 160 199 566) ('AWC').

- (b) Description of business carried on by the applicant:
(refer to Direction 2)

AWC is the peak industry body representing the interests of the online wagering and sports betting industry (including the betting exchange) in Australia.

See the Submission in support of the Notification for more details.

- (c) Is the representative of the applicant lodging the notice a trade union, an officer of a trade union or a person acting on the direction of a trade union?
(refer to Direction 3)

No.

- (d) Address in Australia for service of documents on the applicant:

**C/- Mr Geoff Carter
Minter Ellison Lawyers
Level 23
525 Collins Street
MELBOURNE VIC 3000**

2. Lodged on behalf of

- (a) Provide names and addresses of all persons on whose behalf the notification is lodged and who propose to participate in the collective bargaining arrangements:
(refer to Direction 4)

This Notification is lodged on behalf of:

	TRADING NAME	COMPANY NAME	ACN	REGISTERED ADDRESS
1.	Bet365	Hillside (Australia New Media) Pty Limited	148 920 665	Level 4, Arthur Street North Sydney, NSW 2060
2.	Centrebet	Centrebet Pty Limited	106 487 736	Level 30, 2-26 Park Street Sydney NSW 2000
3.	Betstar	Eskander's Betstar Pty Limited	118 422 183	Level 7, 616 St Kilda Road Melbourne VIC 3004
4.	IASBet.com	Iasbet.com Pty Ltd	070 479 720	Level 17, 367 Collins Street Melbourne VIC 3000
5.	Sportingbet	Sportingbet Australia Pty Limited	092 468 883	Level 30, 2-26 Park Street Sydney NSW 2000
6.	Sportsbet	Sportsbet Pty Ltd	088 326 612	Level 17, 367 Collins Street Melbourne VIC

				3000
7.	Tomwaterhouse.com	Tom Waterhouse N.T. Pty Limited	142 687 876	Level 30, 2-26 Park Street Sydney NSW 2000
8.	UNIBet	Betchoice Corporation Pty Limited	121 382 607	320/4 Columbia Court Baulkham Hills, NSW 2153
9.	Betfair	Betfair Pty Limited	110 084 985	Level 13, South Tower 459 Collins Street Melbourne VIC 3000
10.	Ladbrokes	Ladbrokes Digital Australia Pty Ltd	151 956 768	Level 19, 144 Edward Street Brisbane QLD 4000

(each a 'Participant', and together the 'Participants')

- (b) Provide proof of the consent of each of the persons listed at 2 (a) above agreeing to the lodgement of the notification on their behalf:
(refer to Direction 5)

Proof of consent of each person listed at 2(a) above agreeing to the lodgement of the notification on their behalf are attached at Schedule 1.

- (c) Provide the following information relating to a notification:
- (i) Does this notification relate to a notification previously lodged with the Australian Competition and Consumer Commission and for which a concessional fee is claimed?

No.

- (ii) details of the first-mentioned notification, including but not limited to:
- (A) the name of the applicant; and
- (B) the date the notification was said to be lodged; and
- (C) if known or applicable — the registration number allocated to that collective bargaining notification.

Not applicable.

Section B – collective bargaining arrangements

3. Proposed collective bargaining arrangements

- (a) Provide: the name and address of the target; the name, position and telephone contact details of an appropriate contact at the target; and a description of the business carried on by the target:
(refer to direction 6)

National Rugby League Limited (ACN 082 088 962) ('NRL')

Rugby League Central, Driver Avenue, Moore Park NSW 2021

Mr Peter Brown Chief Financial Officer, National Rugby League
Telephone: (02) 9359 8600
Facsimile: (02) 9359 8575
Email: pbrown@nrl.com.au

See the Submission in support of the Notification for more details.

- (b) Provide a description of the goods or services which the participants of the collective bargaining arrangements (listed at 2 (a) above) propose to supply to or acquire from the target:

The Participants propose to acquire from NRL rights pertaining to the provision of wagering services on NRL Events (as defined in 3.1 of the Submission in support of the Notification).

See the Submission in support of the Notification for more details.

- (c) Do the participants of the proposed collective bargaining arrangements (see 2 (a) above) reasonably expect to make one or more contracts with the target about the supply to or acquisition from the target of one or more of the goods or services (listed at 3 (b) above)?
(refer to direction 7)

Yes, see the Submission in support of the Notification.

- (d) In relation to (c) above, provide details of the basis upon which that expectation is held including details of past contracts with the target:

See the Submission in support of the Notification.

- (e) Do the participants of the collective bargaining arrangements (listed at 2 (a) above) reasonably expect that contractual payments between the target and each participant will not exceed \$3 million (or any other amount prescribed by regulation) in any 12 month period, and on what basis?
(refer to direction 8)

Yes, on the basis that payments can be expected to be broadly consistent with the Product Fee (as defined in 3.1 of the Submission in support of the Notification) paid to NRL by Participants under the 2013 arrangements, each Participant has confirmed to AWC that they reasonably expect that contractual payments will not exceed \$3 million in any 12 month period.

- (f) In relation to (e) above provide an estimation of the contractual payments expected between the target and each participant in relation to the goods and services (listed at 2 (a) above):

The contractual payments sought are likely to be based on a percentage fee of gross revenue accrued by Participants through wagering on NRL Events. Based on the historical payments made by Participants to NRL, it is estimated that the contractual payments will be significantly below \$3 million per annum per Participant.

- (g) Provide a description of the collective bargaining arrangements proposed including, but not limited to:
- (i) the process by which participants propose to undertake collective bargaining with the target; and
 - (ii) the type of terms and conditions expected to be negotiated in collective bargaining arrangements (for example: price; non-price conditions of supply such as contract periods etc); and
 - (iii) details of any dispute resolution procedure (if any) proposed between participants throughout the collective bargaining process; and
 - (iv) details of any dispute resolution procedure (if any) proposed between participants and the target throughout the collective bargaining process; and
 - (v) details of any dispute resolution procedure (if any) proposed to deal with disputes throughout the term of contracts entered into with the target; and
 - (vi) details of proposed commencement and duration of contracts to be negotiated with the target:
(refer to direction 9)

See the Submission in support of the Notification.

- (h) Identify any parts of the proposed collective arrangements described in 3 (g) which relate to possible price agreements:

Negotiation and agreement on a Product Fee to be paid by Participants to NRL in consideration for the Participants being granted the rights to provide wagering services on NRL Events.

- (i) Identify any parts of the proposed collective arrangements described in 3 (g) which relate to a possible or proposed exclusionary provision(s), including but not limited to:
- (i) the nature of the proposed or possible exclusionary provision(s) (for example an agreement to withhold supply of the relevant goods or services to the target); and
 - (ii) the circumstances in which the collective bargaining participants would engage in the exclusionary provision(s), including but not limited to:
 - (A) details of the events that would trigger any such activity; and
 - (B) details of the process that would be followed in undertaking any such activity; and
 - (C) details of any proposed period of notice to be given to the target prior to the commencement of such activity; and
 - (D) details of any dispute resolution procedure to be applied or offered to the target prior to the commencement of such activity:
- (refer to direction 10)

See the Submission in support of the Notification for further details.

Section C – public detriments

4. Market definition

Provide a description of the market(s) in which the goods or services described at 3 (b) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(refer to direction 11)

See the Submission in support of the Notification.

5. Public detriments

- (a) What will be the likely effect of the notified conduct on the prices of the goods or services described at 3 (b) above and the prices of goods or services in other affected markets? In answering this question please provide facts and information to support the claims made:

See the Submission in support of the Notification.

- (b) What other detriments may result from the notified conduct? In answering this question please provide facts and information to support the claims made:

See the Submission in support of the Notification.

Section D – public benefits

6. Public benefit claims

- (a) Provide details of the public benefits resulting or likely to result from the proposed arrangement. In answering this question please provide facts and information to support the claims made:

See the Submission in support of the Notification.

Section E - authority

7. Contact details

- (a) Name, contact telephone number and address of person authorised by the notifying parties to provide additional information in relation to this application:
(refer to direction 12)

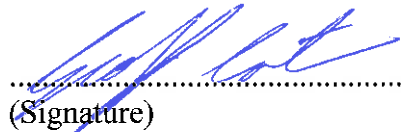
**Mr Geoff Carter
Minter Ellison Lawyers
Level 23
525 Collins Street
MELBOURNE VIC 3000**

Telephone: (03) 8608 2090

Email: geoff.carter@minterellison.com

Dated: 13 February 2014

Signed by/on behalf of the applicant


.....
(Signature)

Geoffrey Carter
.....
(Full Name)

Minter Ellison
.....
(Organisation)

Partner
.....
(Position in Organisation)

DIRECTIONS

1. Where the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the application and the application is to be signed by a person authorised by the corporation to do so.
2. Describe that part of the applicant's business relating to the subject matter of the contract, arrangement or understanding in respect of which notification is given.
3. A collective bargaining notification can not be lodged by a trade union or a trade union representative.
4. Where the applicant will be a participant in the collective bargaining arrangements (rather than a representative of participants) the name of the applicant must also be included. Where those persons are corporations, list the corporation's name and address.
5. The applicant, in lodging a notification on behalf of others, must obtain their consent to do so and provide proof of that consent.
6. Where the target is a corporation, provide the corporate name.
7. The collective bargaining notification process is only available to parties that reasonably expect to make one or more contracts with the target about the supply or acquisition of goods or services the subject of the notification.
8. The value of the contract to be collectively negotiated between the target and each participant is not to exceed \$3 million (or such other amount as is prescribed by the regulations) per participant in any twelve month period.
9. To the extent that the collective bargaining arrangements have been reduced to writing, provide a true copy of the arrangement. To the extent that the collective bargaining arrangements have not been reduced to writing, provide a full and correct description of the key terms that have not been reduced to writing.
10. In simple terms an exclusionary provision exists where the proposed contract, arrangement or understanding is made by businesses (at least two of whom are competitors) for the purpose of preventing, restricting or limiting the supply of services to particular persons or classes of persons by all or any of the parties to the contract, arrangement or understanding.

In the context of collective bargaining, an exclusionary provision(s) may include contracts, arrangements or understandings (whether currently in existence or to be made or arrived at during the term of the notification) between collective bargaining participants to limit or restrict their dealings with the target including contracts arrangements or understandings to:

- (a) withhold the supply of goods or services from the target; or
- (b) refuse or decline to acquire the goods or services of the target;

whether such conduct was absolute, limited or subject to certain terms or conditions. This is sometimes referred to as a collective boycott.

11. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
12. The notification must be signed by a person authorised by the applicant to do so.

Australian Wagering Council Limited

Notification of Collective Bargaining

Submission to the ACCC

13 February 2014

1. Introduction

This submission is provided in relation to two notifications of collective bargaining lodged contemporaneously by AWC on 13 February 2014, on behalf of the Participants.

The first notification relates to each Participant agreeing to appoint AWC for the purposes of negotiating the Product Fee and Integrity Agreement with NRL and Australian Rugby League Commission Limited (ACN 003 107 209) (**ARLC**) (**Product Fee and Integrity Agreement**), which will set out the terms on which Participants acquire from NRL rights pertaining to providing wagering services on NRL Events (**Notification 1**). The proposed conduct notified in Notification 1 will not include any exclusionary provisions.

The second notification relates to potential conduct that may include exclusionary provisions, in that one or more Participants may agree to only negotiate with NRL via the AWC, or agree not to negotiate with or acquire certain goods or services from NRL (**Notification 2**).

Where no indication is given otherwise, this Submission applies to both Notification 1 and Notification 2.

2. Background

2.1 AWC

AWC is the peak industry body representing the interests of the online wagering and sports betting industry (including Betfair, the betting exchange) in Australia. Current membership of the AWC includes many of Australia's most prominent and respected online wagering and sports betting companies, but does not include the totalisators operating in any Australian jurisdiction.

Among other things, the AWC:

- provides a collective industry voice, through policy leadership and advocacy, to raise awareness amongst key stakeholders of the benefits of account-based online wagering and the contribution of the industry to Australia and the Australian community;
- represents the interests of the Australian online wagering and sports betting operators and promotes the standing of the industry;
- monitors public policy development processes including legislative and regulatory changes and engages actively with regulators and stakeholders to advocate and promote the key policy positions of the industry;
- ensures members are kept informed of key developments on a broad range of issues that are strategically important to the wagering and sports betting industry; and
- encourages high standards of probity, integrity and corporate social responsibility within the wagering and sports betting industry through various means including the provision of consumer protection, responsible gambling and harm minimisation measures.

Further information about AWC may be found at <http://australianwageringcouncil.com/about>.

2.2 NRL

NRL conducts the National Rugby League, which is the top league of professional rugby league football clubs in Australasia.

The ARLC owns inter alia the NRL, and is the single controlling body and administrator of the NRL game.

Further information about NRL and ARLC may be found at <http://www.nrl.com/> and <http://www.nrl.com/About/ARLCcommission/tabid/10891/Default.aspx> respectively.

2.3 Rationale for the Notifications

As responsible betting operators, the Participants have a strong preference to have in place agreed product information and integrity measures with the NRL in respect of NRL Events and for the payment of Product Fees to the NRL. The participants consider such arrangements to be in the best interests of the NRL code, consumers of gambling services and the wagering industry generally.

In Victoria, in addition to the general commercial imperative to reach an agreement with the NRL, as sports betting providers (being persons who provide a service that allows a person to place a bet on a sports betting event), the Participants are required by legislation to:

- enter commercial arrangements with the relevant sports controlling bodies (ie. NRL) in order to offer wagering services on sporting events or contingencies in Victoria offered by that sports controlling body; or
- if they cannot reach agreement with the sports controlling body, obtain a determination from the Victorian Commission for Gambling and Liquor regulation to allow them to offer a betting service on particular sporting events.

(See sections 4.5.21-4.5.25 of the *Gambling Regulation Act 2003* (Vic)).

In order to efficiently procure the necessary rights from NRL, the Participants wish to authorise AWC to negotiate on their behalf the terms of the Product Fee and Integrity Agreement with NRL.

The two notifications are therefore necessary to enable:

- (*Notification 1*) AWC to negotiate on the Participants' behalf the terms of the Product Fee and Integrity Agreement with NRL in relation to matters of common commercial concern to Participants; and/or
- (*Notification 2*) Participants to agree to only negotiate with NRL via the AWC, or agree not to negotiate with or acquire certain services from NRL.

3. Proposed collective bargaining

3.1 Description of the goods or services which the participants of the collective bargaining arrangements propose to supply to or acquire from NRL

The Participants propose to acquire from NRL rights to providing wagering services on:

- matches sanctioned and/or conducted under the auspices of the NRL, ARL Commission, New South Rugby League Limited (**NSWRL**), Queensland Rugby League Limited (**QRL**), Country Rugby League of New South Wales Incorporated (**CRL**) or an NRL Club; and
- other events conducted by, or under the auspices of NRL, ARL Commission, NSWRL, QRL, CRL or an NRL Club from time to time,

(together, **NRL Events**)

In return for being granted these rights, Participants will agree to pay NRL a Product Fee. This fee is currently calculated as a percentage of gross revenue accrued through wagering on NRL Events (**Product Fee**).

3.2 Collective bargaining process

The Participants propose to appoint AWC for the purposes of collectively negotiating common terms for the Product Fee and Integrity Agreements with NRL and ALRC, pursuant to which each Participant will subsequently be supplied with the right to provide wagering services on NRL Events.

Despite the collective bargaining arrangement, it will remain open at any time for any Participant to negotiate and reach their own separate Product Fee and Integrity Agreement with NRL and ALRC on terms that are acceptable to that particular Participant.

Types of terms and conditions

It is expected that the terms and conditions of the Product Fee and Integrity Agreement will include terms in respect of price and conditions of supply.

It is anticipated that the principal obligations of each Participant will be to:

- pay NRL a Product Fee, which will be determined under the Product Fee and Integrity Agreement; and
- work with NRL to help ensure the ongoing integrity of the NRL and the competitions and events played under the auspices of the NRL, through information sharing.

It is anticipated that the principal obligations of NRL will be to:

- supply Participants with the rights to provide wagering services on NRL Events;
- grant the Participants with the right to use certain intellectual property rights of the NRL, in order to conduct wagering on NRL Events; and

- establish a list of permitted bet types, for which Participants are entitled to offer wagering markets.

Dispute Resolution

There is no formal dispute resolution process proposed as part of the collective bargaining process. There are two main reasons for this:

- (a) first, participation in the collective bargaining process is and will remain voluntary at all times; and
- (b) secondly, the supply and acquisition of the relevant rights in respect of Victorian NRL Events is already subject to a statutory dispute resolution process pursuant to which a betting operator can apply to the relevant regulator for a determination with respect to product fees payable in the absence of a commercial agreement being reached.

Term

It is expected that any Product Fee and Integrity Agreement entered into by a Participant with NRL and ALRC will be operative for up to a three year term.

Proposed collective arrangements which relate to possible price agreements

AWC intends to negotiate a Product Fee to be paid by Participants to NRL in consideration for being granted the rights to provide wagering services on NRL Events. Based on the existing arrangements, it is expected that the Product Fee for each Participant will be calculated as a percentage of gross revenue accrued by that Participant through wagering on NRL Events during the term of the Product Fee and Integrity Agreement.

This aspect of the collective arrangements relates to a possible price agreement. Notably however, because this is a collective bargaining notification in respect of the collective acquisition of services, the *Competition and Consumer Act 2010* already contains an exception to price fixing in respect of this aspect of the proposed process (see section 44ZZRV). In this respect, Notification 1 will simply clarify and confirm the usual application of the *Competition and Consumer Act 2010* as it relates to collective acquisitions.

Proposed collective arrangements which relate to a possible or proposed exclusionary provision(s)

The process outlined in Notification 1 does not include any exclusionary provision.

Notification 2 additionally seeks notification for a potential agreement (which will remain a voluntary decision for each Participant at all times). The relevant conduct set out in Notification 2 is that two or more Participants may agree with each other to appoint AWC to exclusively negotiate and agree the terms of the Product Fee and Integrity Agreement. It is possible that if two or more Participants collectively refuse to negotiate with or acquire rights from NRL other than through the AWC or at all (or refuse to do so for a period of time) it could be considered an exclusionary provision.

Participants' expectation to enter into the Product Fee and Integrity Agreement

It is expected that each Participant of the proposed collective bargaining arrangements will, following collective negotiations, separately enter into a Product Fee and Integrity Agreement with the NRL and ALRC, which will set out the terms on which that Participant will acquire from the NRL rights pertaining to providing wagering services on NRL Events.

In any event, as explained above, Participants have a commercial imperative and desire to enter commercial arrangements with NRL on NRL Events in order to confirm their rights to do so, obtain product information, implement appropriate integrity measures and satisfy regulatory obligations in respect of Victorian NRL Events.

4. Markets

4.1 Markets

For present purposes, relevant markets include:

- the national market for the supply of rights to provide wagering services on NRL Events; and
- the national market for wagering, including on NRL Events.

4.2 Suppliers and acquirers

Supplier

The NRL is the only possible supplier of rights to provide wagering services on NRL Events.

Acquirers

In addition to the Participants, the totalisators in each State and Territory typically also acquire rights to, and do provide, wagering services on NRL Events. We are instructed that the totalisators account for a significant majority of total wagering by profit.

4.3 Substitutable goods or services

The right to provide wagering services on NRL Events cannot be substituted.

5. Public benefits and detriments

AWC submits that the benefits to the public likely to result from the proposed arrangements in both Notification 1 and Notification 2 would outweigh any possible detriment to the public.

5.1 Benefits to the public

There are a number of public benefits which will, or are likely to, result from the notified conduct, including that the proposed collective bargaining arrangement will likely:

- reduce transaction costs, leading to a more efficient allocation of resources;
- provide the Participants with an appropriate degree of competitive parity in their negotiations with NRL (the sole supplier), and therefore greater input into contract terms to achieve more efficient commercial outcomes;

- enable Participants to have input into and support the integrity of competitions under NRL through anticipated common obligations to provide NRL certain information relevant to integrity measures;
- facilitate the Participants paying a Product Fee – negotiated on fair and reasonable terms – which will support the NRL code (which puts on the NRL Events on which wagering is conducted); and
- enhance the Participants' ability to compete with the large totalisators in acquiring wagering rights for NRL Events from NRL, which in turn will allow Participants to better compete with the totalisators in respect of the type and value of NRL wagering products that they offer to consumers.

5.2 Detriment

AWC submits that there is no public detriment that flows from the notified conduct, and if any detriment does arise, it is outweighed by the public benefits outlined above.

The following features of the proposed collective bargaining arrangements limit any potentially anti-competitive effects of the arrangements:

- entry into and continued participation in the collective bargaining group is and will remain voluntary, and it will remain open for each Participant and/or NRL to elect not to participate in the collective negotiations at any stage if they prefer to negotiate a Product Fee and Integrity Agreement individually;
- if a Participant wishes to acquire the relevant rights it must acquire the relevant rights from NRL – hence, in so far as Notification 2 proposes the option to enter into a exclusionary provision, the practical effect of this is strictly limited as the Participants cannot 'boycott' NRL and obtain a substitutable service from another supplier;
- in so far as Notification 1 may constitute price fixing, the *Competition and Consumer Act 2010* already contemplates that such arrangements are lawful (unless they substantially lessen competition) pursuant to section 44ZZRV which exempts collective acquisitions from the price fixing prohibitions; and
- the proposed arrangement will not in any way restrict the ability of Participants or reduce their incentives to compete in other ways in the downstream market for the provision of wagering services, including in respect of product offer, service and price.

Schedule 1 – Letters of Consent

Sportsbet Pty Ltd
GPO Box 4755, Melbourne VIC 3001

ABN 87 088 326 612
Tel +61 3 8631 6000 • Fax +61 3 9654 1999

11 February 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Chris

I, Ben Sleep, Director, a duly authorised officer of IASbet.com Pty Ltd, ACN 070 479 720, (trading as IASbet.com) Level 17, 367 Collins Street, Melbourne VIC 3000, consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of IASbet.com

Yours sincerely



Ben Sleep
Director



Betchoice Corporation Pty Ltd t/a Unibet

Suite 320/4 Columbia Court
Baulkham Hills NSW 2153

11th February 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Mark Morrissey, a duly authorised officer of Betchoice Corporation Pty Ltd (ABN 71 121 382 607) Fannie Bay Racecourse, Playford St, Fannie Bay, NT 0820, consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Betchoice Corporation Pty Ltd.

Yours sincerely

Mark Morrissey
(Executive Director)

February 11, 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Anthony Waller, Chief Operating Officer and Legal Counsel, a duly authorised officer of parent company William Hill Australia Pty Limited, Level 30, 2 Park Street, Sydney NSW 2000 (ABN 58 161 652 973), which operates


Sportingbet Australia Pty Limited
(ABN 55 092 486 883)

Centrebet
(ABN 14 106 487 736)

Tom Waterhouse NT Pty Limited
Level 6, 73 Walker Street
North Sydney NSW 2059
(ABN 99 142 687 876)

consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of William Hill Australia Pty Limited.

Yours sincerely

A handwritten signature in dark ink, appearing to be "AW", with a long horizontal line extending to the right.

Anthony Waller
Chief Operating Officer and Legal Counsel
William Hill Australia Pty Limited



bet365

11/02/2014


Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Aaron Holst, Director, a duly authorised officer of Hillside (Australia New Media) Level 4, 90 Arthur Street, North Sydney 2060 NSW, ABN 75148920665, consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Hillside (Australia New Media).

Yours sincerely



Aaron Holst
Director

11 February 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, James Versace, a duly authorised officer of Ladbrokes Digital Australia Pty Ltd, consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Ladbrokes Digital Australia Pty Ltd.

Yours sincerely



James Versace | CFO

E: james.versace@ladbrokes.com.au

Josh Blanksby
Director, Legal & Corporate Affairs

Direct line:
+61 3 9947 5922

Email:
josh.blanksby@betfair.com

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Josh Blanksby, a duly authorised officer of Betfair Pty Ltd (ACN 110 084 985) of Level 13, South Tower, 459 Collins Street, Melbourne VIC 3000 (**Betfair**), consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Betfair.

Yours sincerely



Josh Blanksby
Director, Legal & Corporate Affairs



11 February 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Alan Eskander, a duly authorised officer of Eskander's Betstar Pty Ltd (ABN 74 069 665 935, Level 7, 616 St Kilda Road, Melbourne VIC 3004) consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Eskander's Betstar Pty Ltd.

Yours sincerely

A handwritten signature in dark ink, appearing to read "A. Eskander", with a stylized flourish at the end.

Alan Eskander
Director
ESKANDER'S BETSTAR PTY LTD

Sportsbet Pty Ltd
GPO Box 4755, Melbourne VIC 3001

ABN 87 088 326 612
Tel +61 3 8631 6000 • Fax +61 3 9654 1999

11 February 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Cormac Barry, Chief Executive Officer, a duly authorised officer of Sportsbet.com.au, ABN 87 088 326 612, Level 17, 367 Collins Street, Melbourne VIC 3000, consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Sportsbet.com.au.

Yours sincerely


Cormac Barry
CEO – Sportsbet.com.au

Form GA

Commonwealth of Australia

Competition and Consumer Act 2010 — section 93AB

NOTIFICATION OF COLLECTIVE BARGAINING

This form is to be completed by applicants proposing to engage in collective bargaining arrangements.

In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

Protection provided by the notification extends only to the collective bargaining arrangements described in the form.

To the Australian Competition and Consumer Commission:

Notice is hereby given under section 93AB of the *Competition and Consumer Act 2010* of intention:

- to make, or to propose to make, a contract containing a provision of the kind referred to in subsection 44ZZRD (2) or paragraph 44ZZRD (3) (a) or (b) of that Act.
- to give effect to a provision of a contract where the provision is of the kind referred to in subsection 44ZZRD (2) or paragraph 44ZZRD (3) (a) or (b) of that Act.
- to make, or to propose to make, a contract containing a provision of the kind referred to in paragraph 45 (2) (a) of that Act.
- to give effect to a provision of a contract where the provision is of the kind referred to in paragraph 45 (2) (b) of that Act.
(Strike out if not applicable)

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

Section A – general information

1. Applicant

- (a) Name of the applicant:
(refer to Direction 1)

CB00285

Australian Wagering Council Limited (ABN 84 160 199 566) ('AWC').

- (b) Description of business carried on by the applicant:
(refer to Direction 2)

AWC is the peak industry body representing the interests of the online wagering and sports betting industry (including the betting exchange) in Australia.

See the Submission in support of the Notification for more details.

- (c) Is the representative of the applicant lodging the notice a trade union, an officer of a trade union or a person acting on the direction of a trade union?
(refer to Direction 3)

No.

- (d) Address in Australia for service of documents on the applicant:

**C/- Mr Geoff Carter
Minter Ellison Lawyers
Level 23
525 Collins Street
MELBOURNE VIC 3000**

2. Lodged on behalf of

- (a) Provide names and addresses of all persons on whose behalf the notification is lodged and who propose to participate in the collective bargaining arrangements:
(refer to Direction 4)

This Notification is lodged on behalf of:

	TRADING NAME	COMPANY NAME	ACN	REGISTERED ADDRESS
1.	Bet365	Hillside (Australia New Media) Pty Limited	148 920 665	Level 4, Arthur Street North Sydney, NSW 2060
2.	Centrebet	Centrebet Pty Limited	106 487 736	Level 30, 2-26 Park Street Sydney NSW 2000
3.	Betstar	Eskander's Betstar Pty Limited	118 422 183	Level 7, 616 St Kilda Road Melbourne VIC 3004
4.	IASBet.com	Iasbet.com Pty Ltd	070 479 720	Level 17, 367 Collins Street Melbourne VIC 3000
5.	Sportingbet	Sportingbet Australia Pty Limited	092 468 883	Level 30, 2-26 Park Street Sydney NSW 2000
6.	Sportsbet	Sportsbet Pty Ltd	088 326 612	Level 17, 367 Collins Street Melbourne VIC

				3000
7.	Tomwaterhouse.com	Tom Waterhouse N.T. Pty Limited	142 687 876	Level 30, 2-26 Park Street Sydney NSW 2000
8.	UNIBet	Betchoice Corporation Pty Limited	121 382 607	320/4 Columbia Court Baulkham Hills, NSW 2153
9.	Betfair	Betfair Pty Limited	110 084 985	Level 13, South Tower 459 Collins Street Melbourne VIC 3000
10.	Ladbrokes	Ladbrokes Digital Australia Pty Ltd	151 956 768	Level 19, 144 Edward Street Brisbane QLD 4000

(each a 'Participant', and together the 'Participants')

- (b) Provide proof of the consent of each of the persons listed at 2 (a) above agreeing to the lodgement of the notification on their behalf:
(refer to Direction 5)

Proof of consent of each person listed at 2(a) above agreeing to the lodgement of the notification on their behalf are attached at Schedule 1.

- (c) Provide the following information relating to a notification:
- (i) Does this notification relate to a notification previously lodged with the Australian Competition and Consumer Commission and for which a concessional fee is claimed?

Yes.

- (ii) details of the first-mentioned notification, including but not limited to:
- (A) the name of the applicant; and

AWC

- (B) the date the notification was said to be lodged; and

The same date as this notification.

- (C) if known or applicable — the registration number allocated to that collective bargaining notification.

Not known.

Section B – collective bargaining arrangements

3. Proposed collective bargaining arrangements

- (a) Provide: the name and address of the target; the name, position and telephone contact details of an appropriate contact at the target; and a description of the business carried on by the target:
(refer to direction 6)

National Rugby League Limited (ACN 082 088 962) ('NRL')

Rugby League Central, Driver Avenue, Moore Park NSW 2021

Mr Peter Brown Chief Financial Officer, National Rugby League
Telephone: (02) 9359 8600
Facsimile: (02) 9359 8575
Email: pbrown@nrl.com.au

See the Submission in support of the Notification for more details.

- (b) Provide a description of the goods or services which the participants of the collective bargaining arrangements (listed at 2 (a) above) propose to supply to or acquire from the target:

The Participants propose to acquire from NRL rights pertaining to the provision of wagering services on NRL Events (as defined in 3.1 of the Submission in support of the Notification).

See the Submission in support of the Notification for more details.

- (c) Do the participants of the proposed collective bargaining arrangements (see 2 (a) above) reasonably expect to make one or more contracts with the target about the supply to or acquisition from the target of one or more of the goods or services (listed at 3 (b) above)?
(refer to direction 7)

Yes, see the Submission in support of the Notification.

- (d) In relation to (c) above, provide details of the basis upon which that expectation is held including details of past contracts with the target:

See the Submission in support of the Notification.

- (e) Do the participants of the collective bargaining arrangements (listed at 2 (a) above) reasonably expect that contractual payments between the target and each participant will not exceed \$3 million (or any other amount prescribed by regulation) in any 12 month period, and on what basis?
(refer to direction 8)

Yes, on the basis that payments can be expected to be broadly consistent with the Product Fee (as defined in 3.1 of the Submission in support of the Notification) paid to NRL by Participants under the 2013 arrangements, each Participant has confirmed to AWC that they reasonably expect that contractual payments will not exceed \$3 million in any 12 month period.

- (f) In relation to (e) above provide an estimation of the contractual payments expected between the target and each participant in relation to the goods and services (listed at 2 (a) above):

The contractual payments sought are likely to be based on a percentage fee of gross revenue accrued by Participants through wagering on NRL Events. Based on the historical payments made by Participants to NRL, it is estimated that the contractual payments will be significantly below \$3 million per annum per Participant.

- (g) Provide a description of the collective bargaining arrangements proposed including, but not limited to:
- (i) the process by which participants propose to undertake collective bargaining with the target; and
 - (ii) the type of terms and conditions expected to be negotiated in collective bargaining arrangements (for example: price; non-price conditions of supply such as contract periods etc); and
 - (iii) details of any dispute resolution procedure (if any) proposed between participants throughout the collective bargaining process; and
 - (iv) details of any dispute resolution procedure (if any) proposed between participants and the target throughout the collective bargaining process; and
 - (v) details of any dispute resolution procedure (if any) proposed to deal with disputes throughout the term of contracts entered into with the target; and
 - (vi) details of proposed commencement and duration of contracts to be negotiated with the target:
(refer to direction 9)

See the Submission in support of the Notification.

- (h) Identify any parts of the proposed collective arrangements described in 3 (g) which relate to possible price agreements:

Negotiation and agreement on a Product Fee to be paid by Participants to NRL in consideration for the Participants being granted the rights to provide wagering services on NRL Events.

- (i) Identify any parts of the proposed collective arrangements described in 3 (g) which relate to a possible or proposed exclusionary provision(s), including but not limited to:
- (i) the nature of the proposed or possible exclusionary provision(s) (for example an agreement to withhold supply of the relevant goods or services to the target); and
 - (ii) the circumstances in which the collective bargaining participants would engage in the exclusionary provision(s), including but not limited to:
 - (A) details of the events that would trigger any such activity; and
 - (B) details of the process that would be followed in undertaking any such activity; and
 - (C) details of any proposed period of notice to be given to the target prior to the commencement of such activity; and

- (D) details of any dispute resolution procedure to be applied or offered to the target prior to the commencement of such activity:
(refer to direction 10)

Two or more Participants may, but are not obliged, to appoint AWC exclusively for the purposes of negotiating a Product Fee and Integrity Agreement with NRL and Australian Rugby League Commission Limited (ACN 003 107 209) ('ARLC'), which will set out the terms on which Participants acquire from NRL rights pertaining to providing wagering services on NRL Events ('Product Fee and Integrity Agreement').

Two or more Participants may, but are not obliged, to potentially also agree to not acquire services from NRL either at all, or other than by collective acquisition through AWC, or by seeking a determination from a regulator as an alternative to entering into a commercial arrangement.

The above conduct would potentially amount to a exclusionary provision, notwithstanding that any Participant may withdraw its appointment of AWC at any time and negotiate individually with NRL.

See the Submission in support of the Notification for further details.

Section C – public detriments

4. Market definition

Provide a description of the market(s) in which the goods or services described at 3 (b) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(refer to direction 11)

See the Submission in support of the Notification.

5. Public detriments

- (a) What will be the likely effect of the notified conduct on the prices of the goods or services described at 3 (b) above and the prices of goods or services in other affected markets? In answering this question please provide facts and information to support the claims made:

See the Submission in support of the Notification.

- (b) What other detriments may result from the notified conduct? In answering this question please provide facts and information to support the claims made:

See the Submission in support of the Notification.

Section D – public benefits

6. Public benefit claims

- (a) Provide details of the public benefits resulting or likely to result from the proposed arrangement. In answering this question please provide facts and information to support the claims made:

See the Submission in support of the Notification.

Section E - authority

7. Contact details

- (a) Name, contact telephone number and address of person authorised by the notifying parties to provide additional information in relation to this application:
(refer to direction 12)

Mr Geoff Carter
Minter Ellison Lawyers
Level 23
525 Collins Street
MELBOURNE VIC 3000

Telephone: (03) 8608 2090

Email: geoff.carter@minterellison.com

Dated: 13 February 2014

Signed by/on behalf of the applicant




 (Signature)



 (Full Name)



 (Organisation)



 (Position in Organisation)

DIRECTIONS

1. Where the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the application and the application is to be signed by a person authorised by the corporation to do so.
2. Describe that part of the applicant's business relating to the subject matter of the contract, arrangement or understanding in respect of which notification is given.
3. A collective bargaining notification can not be lodged by a trade union or a trade union representative.
4. Where the applicant will be a participant in the collective bargaining arrangements (rather than a representative of participants) the name of the applicant must also be included. Where those persons are corporations, list the corporation's name and address.
5. The applicant, in lodging a notification on behalf of others, must obtain their consent to do so and provide proof of that consent.
6. Where the target is a corporation, provide the corporate name.
7. The collective bargaining notification process is only available to parties that reasonably expect to make one or more contracts with the target about the supply or acquisition of goods or services the subject of the notification.
8. The value of the contract to be collectively negotiated between the target and each participant is not to exceed \$3 million (or such other amount as is prescribed by the regulations) per participant in any twelve month period.
9. To the extent that the collective bargaining arrangements have been reduced to writing, provide a true copy of the arrangement. To the extent that the collective bargaining arrangements have not been reduced to writing, provide a full and correct description of the key terms that have not been reduced to writing.
10. In simple terms an exclusionary provision exists where the proposed contract, arrangement or understanding is made by businesses (at least two of whom are competitors) for the purpose of preventing, restricting or limiting the supply of services to particular persons or classes of persons by all or any of the parties to the contract, arrangement or understanding.

In the context of collective bargaining, an exclusionary provision(s) may include contracts, arrangements or understandings (whether currently in existence or to be made or arrived at during the term of the notification) between collective bargaining participants to limit or restrict their dealings with the target including contracts arrangements or understandings to:

- (a) withhold the supply of goods or services from the target; or
- (b) refuse or decline to acquire the goods or services of the target;

whether such conduct was absolute, limited or subject to certain terms or conditions. This is sometimes referred to as a collective boycott.

11. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
12. The notification must be signed by a person authorised by the applicant to do so.

Australian Wagering Council Limited

Notification of Collective Bargaining

Submission to the ACCC

13 February 2014

1. Introduction

This submission is provided in relation to two notifications of collective bargaining lodged contemporaneously by AWC on 13 February 2014, on behalf of the Participants.

The first notification relates to each Participant agreeing to appoint AWC for the purposes of negotiating the Product Fee and Integrity Agreement with NRL and ALRC, which will set out the terms on which Participants acquire from NRL rights pertaining to providing wagering services on NRL Events (**Notification 1**). The proposed conduct notified in Notification 1 will not include any exclusionary provisions.

The second notification relates to potential conduct that may include exclusionary provisions, in that one or more Participants may agree to only negotiate with NRL via the AWC, or agree not to negotiate with or acquire certain goods or services from NRL (**Notification 2**).

Where no indication is given otherwise, this Submission applies to both Notification 1 and Notification 2.

2. Background

2.1 AWC

AWC is the peak industry body representing the interests of the online wagering and sports betting industry (including Betfair, the betting exchange) in Australia. Current membership of the AWC includes many of Australia's most prominent and respected online wagering and sports betting companies, but does not include the totalisators operating in any Australian jurisdiction.

Among other things, the AWC:

- provides a collective industry voice, through policy leadership and advocacy, to raise awareness amongst key stakeholders of the benefits of account-based online wagering and the contribution of the industry to Australia and the Australian community;
- represents the interests of the Australian online wagering and sports betting operators and promotes the standing of the industry;
- monitors public policy development processes including legislative and regulatory changes and engages actively with regulators and stakeholders to advocate and promote the key policy positions of the industry;
- ensures members are kept informed of key developments on a broad range of issues that are strategically important to the wagering and sports betting industry; and
- encourages high standards of probity, integrity and corporate social responsibility within the wagering and sports betting industry through various means including the provision of consumer protection, responsible gambling and harm minimisation measures.

Further information about AWC may be found at <http://australianwageringcouncil.com/about>.

2.2 NRL

NRL conducts the National Rugby League, which is the top league of professional rugby league football clubs in Australasia.

The ARLC owns inter alia the NRL, and is the single controlling body and administrator of the NRL game.

Further information about NRL and ARLC may be found at <http://www.nrl.com/> and <http://www.nrl.com/About/ARLCcommission/tabid/10891/Default.aspx> respectively.

2.3 Rationale for the Notifications

As responsible betting operators, the Participants have a strong preference to have in place agreed product information and integrity measures with the NRL in respect of NRL Events and for the payment of Product Fees to the NRL. The participants consider such arrangements to be in the best interests of the NRL code, consumers of gambling services and the wagering industry generally.

In Victoria, in addition to the general commercial imperative to reach an agreement with the NRL, as sports betting providers (being persons who provide a service that allows a person to place a bet on a sports betting event), the Participants are required by legislation to:

- enter commercial arrangements with the relevant sports controlling bodies (ie. NRL) in order to offer wagering services on sporting events or contingencies in Victoria offered by that sports controlling body; or
- if they cannot reach agreement with the sports controlling body, obtain a determination from the Victorian Commission for Gambling and Liquor regulation to allow them to offer a betting service on particular sporting events.

(See sections 4.5.21-4.5.25 of the *Gambling Regulation Act 2003* (Vic)).

In order to efficiently procure the necessary rights from NRL, the Participants wish to authorise AWC to negotiate on their behalf the terms of the Product Fee and Integrity Agreement with NRL.

The two notifications are therefore necessary to enable:

- (*Notification 1*) AWC to negotiate on the Participants' behalf the terms of the Product Fee and Integrity Agreement with NRL in relation to matters of common commercial concern to Participants; and/or
- (*Notification 2*) Participants to agree to only negotiate with NRL via the AWC, or agree not to negotiate with or acquire certain services from NRL.

3. Proposed collective bargaining

3.1 Description of the goods or services which the participants of the collective bargaining arrangements propose to supply to or acquire from NRL

The Participants propose to acquire from NRL rights to providing wagering services on:

- matches sanctioned and/or conducted under the auspices of the NRL, ARL Commission, New South Rugby League Limited (**NSWRL**), Queensland Rugby League Limited (**QRL**), Country Rugby League of New South Wales Incorporated (**CRL**) or an NRL Club; and
- other events conducted by, or under the auspices of NRL, ARL Commission, NSWRL, QRL, CRL or an NRL Club from time to time,

(together, **NRL Events**)

In return for being granted these rights, Participants will agree to pay NRL a Product Fee. This fee is currently calculated as a percentage of gross revenue accrued through wagering on NRL Events (**Product Fee**).

3.2 Collective bargaining process

The Participants propose to appoint AWC for the purposes of collectively negotiating common terms for the Product Fee and Integrity Agreements with NRL and ALRC, pursuant to which each Participant will subsequently be supplied with the right to provide wagering services on NRL Events.

Despite the collective bargaining arrangement, it will remain open at any time for any Participant to negotiate and reach their own separate Product Fee and Integrity Agreement with NRL and ALRC on terms that are acceptable to that particular Participant.

Types of terms and conditions

It is expected that the terms and conditions of the Product Fee and Integrity Agreement will include terms in respect of price and conditions of supply.

It is anticipated that the principal obligations of each Participant will be to:

- pay NRL a Product Fee, which will be determined under the Product Fee and Integrity Agreement; and
- work with NRL to help ensure the ongoing integrity of the NRL and the competitions and events played under the auspices of the NRL, through information sharing.

It is anticipated that the principal obligations of NRL will be to:

- supply Participants with the rights to provide wagering services on NRL Events;
- grant the Participants with the right to use certain intellectual property rights of the NRL, in order to conduct wagering on NRL Events; and

- establish a list of permitted bet types, for which Participants are entitled to offer wagering markets.

Dispute Resolution

There is no formal dispute resolution process proposed as part of the collective bargaining process. There are two main reasons for this:

- (a) first, participation in the collective bargaining process is and will remain voluntary at all times; and
- (b) secondly, the supply and acquisition of the relevant rights in respect of Victorian NRL Events is already subject to a statutory dispute resolution process pursuant to which a betting operator can apply to the relevant regulator for a determination with respect to product fees payable in the absence of a commercial agreement being reached.

Term

It is expected that any Product Fee and Integrity Agreement entered into by a Participant with NRL and ALRC will be operative for up to a three year term.

Proposed collective arrangements which relate to possible price agreements

AWC intends to negotiate a Product Fee to be paid by Participants to NRL in consideration for being granted the rights to provide wagering services on NRL Events. Based on the existing arrangements, it is expected that the Product Fee for each Participant will be calculated as a percentage of gross revenue accrued by that Participant through wagering on NRL Events during the term of the Product Fee and Integrity Agreement.

This aspect of the collective arrangements relates to a possible price agreement. Notably however, because this is a collective bargaining notification in respect of the collective acquisition of services, the *Competition and Consumer Act 2010* already contains an exception to price fixing in respect of this aspect of the proposed process (see section 44ZZRV). In this respect, Notification 1 will simply clarify and confirm the usual application of the *Competition and Consumer Act 2010* as it relates to collective acquisitions.

Proposed collective arrangements which relate to a possible or proposed exclusionary provision(s)

The process outlined in Notification 1 does not include any exclusionary provision.

Notification 2 additionally seeks notification for a potential agreement (which will remain a voluntary decision for each Participant at all times). The relevant conduct set out in Notification 2 is that two or more Participants may agree with each other to appoint AWC to exclusively negotiate and agree the terms of the Product Fee and Integrity Agreement. It is possible that if two or more Participants collectively refuse to negotiate with or acquire rights from NRL other than through the AWC or at all (or refuse to do so for a period of time) it could be considered an exclusionary provision.

Participants' expectation to enter into the Product Fee and Integrity Agreement

It is expected that each Participant of the proposed collective bargaining arrangements will, following collective negotiations, separately enter into a Product Fee and Integrity Agreement with the NRL and ALRC, which will set out the terms on which that Participant will acquire from the NRL rights pertaining to providing wagering services on NRL Events.

In any event, as explained above, Participants have a commercial imperative and desire to enter commercial arrangements with NRL on NRL Events in order to confirm their rights to do so, obtain product information, implement appropriate integrity measures and satisfy regulatory obligations in respect of Victorian NRL Events.

4. Markets

4.1 Markets

For present purposes, relevant markets include:

- the national market for the supply of rights to provide wagering services on NRL Events; and
- the national market for wagering, including on NRL Events.

4.2 Suppliers and acquirers

Supplier

The NRL is the only possible supplier of rights to provide wagering services on NRL Events.

Acquirers

In addition to the Participants, the totalisators in each State and Territory typically also acquire rights to, and do provide, wagering services on NRL Events. We are instructed that the totalisators account for a significant majority of total wagering by profit.

4.3 Substitutable goods or services

The right to provide wagering services on NRL Events cannot be substituted.

5. Public benefits and detriments

AWC submits that the benefits to the public likely to result from the proposed arrangements in both Notification 1 and Notification 2 would outweigh any possible detriment to the public.

5.1 Benefits to the public

There are a number of public benefits which will, or are likely to, result from the notified conduct, including that the proposed collective bargaining arrangement will likely:

- reduce transaction costs, leading to a more efficient allocation of resources;
- provide the Participants with an appropriate degree of competitive parity in their negotiations with NRL (the sole supplier), and therefore greater input into contract terms to achieve more efficient commercial outcomes;

- enable Participants to have input into and support the integrity of competitions under NRL through anticipated common obligations to provide NRL certain information relevant to integrity measures;
- facilitate the Participants paying a Product Fee – negotiated on fair and reasonable terms – which will support the NRL code (which puts on the NRL Events on which wagering is conducted); and
- enhance the Participants' ability to compete with the large totalisators in acquiring wagering rights for NRL Events from NRL, which in turn will allow Participants to better compete with the totalisators in respect of the type and value of NRL wagering products that they offer to consumers.

5.2 Detriment

AWC submits that there is no public detriment that flows from the notified conduct, and if any detriment does arise, it is outweighed by the public benefits outlined above.

The following features of the proposed collective bargaining arrangements limit any potentially anti-competitive effects of the arrangements:

- entry into and continued participation in the collective bargaining group is and will remain voluntary, and it will remain open for each Participant and/or NRL to elect not to participate in the collective negotiations at any stage if they prefer to negotiate a Product Fee and Integrity Agreement individually;
- if a Participant wishes to acquire the relevant rights it must acquire the relevant rights from NRL – hence, in so far as Notification 2 proposes the option to enter into a exclusionary provision, the practical effect of this is strictly limited as the Participants cannot 'boycott' NRL and obtain a substitutable service from another supplier;
- in so far as Notification 1 may constitute price fixing, the *Competition and Consumer Act 2010* already contemplates that such arrangements are lawful (unless they substantially lessen competition) pursuant to section 44ZZRV which exempts collective acquisitions from the price fixing prohibitions; and
- the proposed arrangement will not in any way restrict the ability of Participants or reduce their incentives to compete in other ways in the downstream market for the provision of wagering services, including in respect of product offer, service and price.

Schedule 1 – Letters of Consent

Sportsbet Pty Ltd

GPO Box 4755, Melbourne VIC 3001

ABN 87 088 326 612

Tel +61 3 8631 6000 • Fax +61 3 9654 1999

11 February 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Chris

I, Ben Sleep, Director, a duly authorised officer of IASbet.com Pty Ltd, ACN 070 479 720, (trading as IASbet.com) Level 17, 367 Collins Street, Melbourne VIC 3000, consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of IASbet.com

Yours sincerely



Ben Sleep
Director



Betchoice Corporation Pty Ltd t/a Unibet

Suite 320/4 Columbia Court
Baulkham Hills NSW 2153

11th February 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Mark Morrissey, a duly authorised officer of Betchoice Corporation Pty Ltd (ABN 71 121 382 607) Fannie Bay Racecourse, Playford St, Fannie Bay, NT 0820, consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Betchoice Corporation Pty Ltd.

Yours sincerely

Mark Morrissey
(Executive Director)

February 11, 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Anthony Waller, Chief Operating Officer and Legal Counsel, a duly authorised officer of parent company William Hill Australia Pty Limited, Level 30, 2 Park Street, Sydney NSW 2000 (ABN 58 161 652 973), which operates

Sportingbet Australia Pty Limited
(ABN 55 092 486 883)

Centrebet
(ABN 14 106 487 736)

Tom Waterhouse NT Pty Limited
Level 6, 73 Walker Street
North Sydney NSW 2059
(ABN 99 142 687 876)

consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of William Hill Australia Pty Limited.

Yours sincerely

A handwritten signature in dark ink, appearing to be "AW", with a long horizontal line extending to the right.

Anthony Waller
Chief Operating Officer and Legal Counsel
William Hill Australia Pty Limited

bet365

11/02/2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Aaron Holst, Director, a duly authorised officer of Hillside (Australia New Media) Level 4, 90 Arthur Street, North Sydney 2060 NSW, ABN 75148920665, consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Hillside (Australia New Media).

Yours sincerely



Aaron Holst
Director

11 February 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, James Versace, a duly authorised officer of Ladbrokes Digital Australia Pty Ltd, consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Ladbrokes Digital Australia Pty Ltd.

Yours sincerely



James Versace | CFO

E: james.versace@ladbrokes.com.au

Josh Blanksby
Director, Legal & Corporate Affairs

Direct line:
+61 3 9947 5922

Email:
josh.blanksby@betfair.com

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Josh Blanksby, a duly authorised officer of Betfair Pty Ltd (ACN 110 084 985) of Level 13, South Tower, 459 Collins Street, Melbourne VIC 3000 (**Betfair**), consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Betfair.

Yours sincerely



Josh Blanksby
Director, Legal & Corporate Affairs



11 February 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Alan Eskander, a duly authorised officer of Eskander's Betstar Pty Ltd (ABN 74 069 665 935, Level 7, 616 St Kilda Road, Melbourne VIC 3004) consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Eskander's Betstar Pty Ltd.

Yours sincerely

A handwritten signature in dark ink, appearing to read "A. Eskander", with a stylized flourish at the end.

Alan Eskander
Director
ESKANDER'S BETSTAR PTY LTD

Sportsbet Pty Ltd
GPO Box 4705, Melbourne VIC 3001

ABN 87 088 326 612
Tel +61 3 8631 6000 • Fax +61 3 9654 1999

11 February 2014

Private & Confidential

Mr Chris Downy
Chief Executive Officer
Australian Wagering Council Limited
Level 12, 95 Pitt Street
SYDNEY NSW 2000

Dear Mr Downy

I, Cormac Barry, Chief Executive Officer, a duly authorised officer of Sportsbet.com.au, ABN 87 088 326 612, Level 17, 367 Collins Street, Melbourne VIC 3000, consent to the Australian Wagering Council Limited (ABN 84 160 199 566) lodging a Notification of Collective Bargaining with the Australian Competition and Consumer Commission on behalf of Sportsbet.com.au.

Yours sincerely


Cormac Barry
CEO – Sportsbet.com.au