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Reference: CB00288
Contact Officer: Gina D'Ettorre
Contact Number: 03 9290 483

29 July 2015

Mr Cameron Groppi Baker Jones Lawyers

By email: cgroppi@bakerjones.com.au

Dear Mr Groppi

Collective bargaining notification CB00288 lodged by the Victorian-Off-Course Agents Association Inc

I refer to the above collective bargaining notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 15 July 2015.

I am writing to inform you of the outcome of the ACCC's assessment of this notification.

The notified conduct

The Victorian Off-Course Agents Association Inc (the Association) represents 81 agents who have been appointed by Tabcorp Wagering (Vic) Pty Ltd (Tabcorp) to provide off-course wagering services as Tabcorp Agents at 92 agencies throughout Victoria (TAB Agents). The Association proposes to negotiate the terms of a Distribution Services Agreement (Agreement) with Tabcorp on behalf of TAB Agents. It is expected that each participant of the collective bargaining arrangement will enter into a separate Agreement with Tabcorp.

Collective bargaining may include the fees paid for services provided by TAB Agents but will not include the price of wagering services provided to the public, as these are regulated by government legislation.

The ACCC notes the Association lodged a collective bargaining notification for the same arrangements on 19 November 2012 which the ACCC allowed to stand on 14 December 2012 (CB00280).

ACCC consideration

The ACCC may remove the statutory protection provided by a collective bargaining notification if the ACCC considers the public benefits likely to result from the collective bargaining arrangement will not outweigh the anti-competitive detriments to the public.

The ACCC considers this collective bargaining arrangement is likely to result in public benefits in the form of transaction cost savings and greater input by TAB Agents into contracts which is likely to result in more efficient outcomes.

Further, the ACCC considers that the potential for anti-competitive detriment is limited due to the size of the collective bargaining group and because the arrangements are voluntary for both Tabcorp and participants of the bargaining group. The ACCC notes that Tabcorp does not object to the notification in principle.

On the basis of the information available, the ACCC considers that the likely benefit to the public from the collective bargaining arrangement will outweigh the likely anti-competitive detriment to the public. The ACCC therefore does not object to the proposed collective bargaining arrangements.

As with any notification, the ACCC may act to remove the statutory protection afforded by the notification at a later stage, if it is satisfied that the likely benefit to the public from the collective bargaining arrangement no longer outweighs the likely detriment to the public from the arrangement.

A copy of 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 Gina D'Ettorre on 03 9290 1483 or at gina.dettorre@accc.gov.au.

Yours sincerely

Dr Richard Chadwick General Manager

Adjudication Branch