



op/ed

by Danny Power

AUSTRALIA'S RACING MEDIA IN A RIGHT MESS

Anyone who has studied Australian history shouldn't be surprised that the premier states of New South Wales (NSW) and Victoria are at loggerheads over the future of the media rights to Australia's racing vision.

For nearly 200 years, NSW and Victoria-particularly their respective capital cities, Sydney and Melbourne-have been bickering. This is the Hatfields and McCoys without the buckshot.

Perhaps the best example of the obstinate attitude of the states is the fact that until relatively recently, you couldn't catch a train from Melbourne to Sydney without changing locomotives at the border because the boffins in charge, in their wisdom, set down different rail gauges.

Even in horse racing terms the difference is profound. In NSW, all its more than 100 racetracks are set for clockwise racing, while 70 Victoria's racetracks "go the correct way", left-handed. Life can be a muddle for people living in twin cities, split by the Murray River, each side of the border.

All of which sets the scene for what seemed to be the inevitable when the Racing NSW broke away from heavy negotiations over the value of the rights to racing vision and set itself on a course to do its own thing. In doing so, Racing NSW virtually has set the industry's media unit, ThoroughVision (TVN), on a course of destruction.

In simple terms, Racing NSW want to support its close ally Tabcorp (Australia's major wagering agency), which controls Sky Racing, whereas Victoria wants a broader media platform.

To go further in this complex issue, the cast needs some profile. Here are the players:

TVN (ThoroughVision): developed in 2005 by a partnership between Victoria's three metropolitan and 66 country clubs (Country Racing Victoria) and the Sydney two metropolitan clubs (since merged). The idea was to put Thoroughbred racing's media, especially the vision, under one banner as a bargaining force. Started showing vision on pay TV from 2005, separate from established Sky Racing. Eventually an agreement was reached with Sky in May 2006 for the Victorian and Sydney vision to return to Sky as well as being shown on TVN. TVN owns extensive outside broadcasting equipment as well as the printed weekly publications Best Bets and Winning Post.

Tabcorp: Australia's pari-mutuel wagering arm and major financier of Australian racing. Took control of Sky Channel (now Sky Racing), which produced racing vision for three codes (Thoroughbred, harness and greyhounds) for Pay TV and 2800 betting outlets and hotels and clubs. In the 2013-14 financial year Tabcorp returned \$714 million to the racing industry and it feeds \$250 million per year into the coffers of the respective state governments of Victoria and NSW.

Sky Racing: formerly Sky Channel. Wholly owned by Tabcorp from 2004. Provides vision of 90,000 races across all codes and feeds into Tabcorp's off-course betting outlets as well as on pay TV on three channels.

Racing NSW: gained a place on the TVN board when the NSW Government gave it the right of veto over decisions made by NSW's race clubs. Has a wagering agreement with Tabcorp.

Racing Victoria: has a stronger funding model behind it than Racing NSW. Its aim is to develop an in-house media arm that controls vision, data and general racing coverage. Has a softer policy on bookmakers than Racing NSW and a shorter and less binding agreement with Tabcorp. RV doesn't have a place on the TVN board, has influence as the umbrella body over its clubs on the board.

Sky Racing has been clever in the past by splitting the rights between all Australia's states and setting the agreements to expire at different times, which didn't allow Australian racing's jurisdictions to bargain as one powerful voice.

The result was an almost farcical situation in which racing was covered on pay TV by four channels-TVN (which boasted a premier product showing pre-race parades and pre- and post-race interviews of Victorian and Sydney thoroughbred racing) and Sky's channels sharing the coverage of all codes from all states and overseas.

The crux of the current dispute stems from the fact that two years ago, the NSW Government legislated that Racing NSW has the right of veto over decisions made by the ATC and the NSW country clubs. This gave Racing NSW a place on the TVN board and stymied attempts by the board to get Tabcorp to fork out \$40 million (a 25 per cent increase) for the rights to the vision.

The fact that Racing NSW has signed a quite incredible 100-year agreement with Tabcorp (there is still 80 years to run) puts it firmly on the side of the betting agency and against competition, especially corporate betting agencies that have grown significantly in the past 10 years to almost match the \$11 billion annual turnover of Tabcorp.

Racing Victoria (RV) has no such agreement and has embraced corporate bookmakers as part of its funding model, especially in the area of sponsorship. There is no corporate bookmaker-based sponsorship of races or race clubs in NSW.

RV is adamant that thoroughbred racing needs to spread its base to combat the increasing world-wide threat of sports betting which is sapping the growth out of wagering on Thoroughbred racing.

This was a battle in which neither side was going to take a backward step. Supporters of the NSW decision agree it is best not to cook the "golden goose"--Tabcorp--which has been racing's cash-cow since the 1960s, although racing is no longer its main source of income after branching in sports betting and casinos.

Critics say that this is a goose that sits on its same nest in the same pond and has no vision for the future, and that the Victorian model, while not deserting Tabcorp, will put it under pressure to innovate and at the same time reach a wide market.

Racing NSW will negotiate its own agreement on vision with Tabcorp, while Victoria is now in a position to do likewise. However, RV and its race clubs are seriously looking at the prospect of funding TVN--reported to be about \$20 million a year--to continue a premier Victorian product on Pay TV and at the same time to give it leverage for a better deal from Tabcorp for the vision to be shown on Sky.

Racing NSW's chairman John Messara and chief executive Peter V'Landys have stayed silent throughout the dispute.

On the other hand, Racing Victoria's chairman Rob Roulston and chief executive Bernard Saundry have been hitting the airwaves and pumping out the press releases--both men scathing at the breakaway of Racing NSW and the resultant disaggregation of TVN.

It was a Boxing Day gift that RV and the Victorian clubs were expecting, but didn't want to open. Saundry was quickly on the front foot in the media.

"It is a great disappointment to RV that due to the increasing misalignment between how Victoria wants to grow our sport and the differing views of Racing NSW, that there is no other option but to accept the proposal to disaggregate our state's rights from TVN," he said.

"The long-term goal is to get vision to as many punters as possible by utilizing multiple broadcasting options. Our priority will be working with media partners who will help us grow engagement in, and the audience for, our sport; to maximize returns for reinvestment back into our sport; and to fairly reward all of our participants."

The wash-up? Anyone's guess.

TVN will survive only if Victoria settles some of its debts (reported to be \$20 million, but believed to be a lot less) and supports it--Victoria is working hard at crunching the numbers. However, the general opinion is that the cost of running its own TV channel may be too high and TVN's assets will be sold up.

Racing coverage of all states will return to Sky Racing--individual agreements will be made--and it is likely Sky will include in its package a designated Thoroughbred channel offering a premium product similar to what was offered on TVN.

Victoria is in the enviable bargaining position of having the best racing product. Its overall racing scene is strong and popular with punters from all states who appreciate big fields and a strong and varied strength of participants.

And its Spring Racing (Melbourne Cup) Carnival is the envy of many racing fans around the world--particularly those across the border.

Danny Power has been a journalist in the racing industry for more than 40 years, including stints at The Sporting Globe, The Herald, Herald Sun, Truth and The Australian. He also has worked as a racing manager for leading trainer Lee Freedman and a bloodstock consultant. Danny has been with The Slattery Media Group for eight years, during which time his credits include the books The Modern Melbourne Cup (author), Racing In Australia (editor) and The Story of the Melbourne Cup (writer). He is a contributing editor and writer for Inside Racing magazine, and editor of Inside Breeding.

  [CLICK HERE TO SHARE THIS STORY](#) 