



*Tabbed 17/7/14 by Minister for Natural
Parks, Recreation, Sport & Racing.*

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GOLDEN AMBITION

\$4.5b agreement puts growth back in racing's stable



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COMMENT

MUCH has been said of the Product Agreement deal since its announcement late last month.

The immediate reaction from the vast majority in the industry was that the \$4.5 billion 30-year agreement was a good one for racing.

There have been others who have hammered the deal and with details of how the money will be spent yet to be released, speculation and angst has gone into overdrive.

The likelihood is that some sectors will receive a windfall and others less than they had hoped.

My take is that it provides racing in Queensland with a platform to build a future.

Will it deliver immediate rivers of gold? No. Will every-

one be happy? This is racing. Of course not.

Does it give the industry the opportunity to grow and prosper? Absolutely.

Racing NSW Chief Executive Peter V'landys, who is lobbying the NSW Government to secure a similar tax deal to the one Queensland was gifted, said negotiators did "an extraordinarily good job".

"They exceeded what I thought they would get," V'landys said. "You have to remember, you have very little to

bargain with. There's not much competition in the market-

place.

"It's easy to sit on the sidelines taking cheap shots, but until you sit down at the table you don't realise how difficult it is. Queensland racing was absolutely gone and this deal changes that.

"They have secured Queensland racing's future and anyone who can't see that is very unreasonable."

At a time when the TAB has lost market share to corporate bookmakers, a deal has been secured that encompasses the previous agreement, plus a \$15 million annual fixed fee, a \$97.4 million licence payment, real dollars spent on marketing, potentially lucrative joint ventures and a genuine part-

nership between the industry and Tatts Group.

That's a long way from the day incoming Minister Steve Dickson was told categorically by insiders that "if you get a deal \$5 million less than the existing one, you've done well".

There's upwards of \$20 million in additional annual funds available immediately and

speculation on the proposed joint ventures has them, in time, returning eight-figure sums to racing annually.

The other key is a commitment to pour in \$4 million each year for the promotion of racing. Marketing the sport, outside feature carnival days,

has been sadly lacking.

The real success though will come down to growing the revenue from wagering, of which racing gets 39 per cent.

Tatts boss Robbie Cooke has outlined ambitions of achieving 7 per cent growth within three years.

Grow the wagering revenue pie and grow returns to racing.

Working in unison with the wagering giant, as this deal facilitates, is surely the best way to achieve that goal.



TOP DEAL: Peter V'landys.