



# AUSTRALIAN HOTELS ASSOCIATION

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## **MEDIA RELEASE**

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### **Capacity of hotels to pay existing level of broadcast rights fees**

Stephen Ferguson, National CEO of the Australian Hotels Association, said today that the push by the racing industry to diversify into other broadcast channels will adversely impact the capacity of the hotel industry to continue paying the current levels of broadcast rights fees.

“We understand the desire of the racing industry to expand the coverage of racing and to use new digital platforms and free-to-air television to do so.

A few years ago, with minor exceptions, the only way to watch racing in a pub was via Sky Channel and the only way to have a punt was with a PUB TAB, or perhaps an on course bookmaker via the telephone.

However today there are vastly more opportunities to watch racing and have a bet, including many on-line options.

New deals are being done by the racing industry on a wide range of platforms including hand held devices and free to air television.

The AHA understands that the racing industry wants to sell its vision as widely as possible, including to corporate bookmakers.

Obviously, the corporate bookmakers will use the vision to attract more punters away from the pub TAB network, thereby diluting the wagering revenue streams to retail wagering outlets, including PUB TABs.

Unless the racing industry can find new punters using these new platforms, there is a finite amount of money from existing punters to pay race vision fees.

Race vision and wagering are inextricably linked – so as punters switch away from the pub TAB to corporate bookmakers, the value of race vision to hotels will decrease and so will hotels capacity to pay the current level of fees.

In summary, the greater the reduction in wagering revenue to PUB TAB Operators, the weaker is their capacity to pay current rates of racing broadcast fees.”

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