

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

NOTE FOR FILE

MATTER	Applications for authorisation A91031 & A91032 lodged by Sky Channel Pty Ltd (Sky), Tabcorp Holdings Limited (Tabcorp) and ThoroughVision Pty Ltd (TVN)
Participants	TVN - Joanne Daniels, Partner, Clayton Utz and Peter Sweeney, Chief Executive, TVN ACCC - Scott Gregson, Joanne Palisi, Danielle Staltari, Monica Bourke.
DATE:	8 March 2007
OFFICER:	Monica Bourke
FILE:	C2007/556
VENUE:	ACCC Office Canberra

PURPOSE:

The purpose of the meeting was to discuss the confidential submission provided by TVN on the counterfactual and commercial rationale for entering into the Memorandum of Understanding (MOU) with Sky. In addition to the confidential submission the following issues were discussed.

Foxtel agreement

On Tuesday 13 March 2007 TVN will announce that it has entered into an agreement with Foxtel for the TVN Channel to be included as part of the basic Foxtel package. The agreement with Foxtel is subject to authorisation being granted by the ACCC. TVN noted that the agreement with Foxtel was important in terms of attracting advertising revenue.

Incentives to acquire future rights

TVN stated that its objective is to acquire future thoroughbred racing rights.

- TVN stated that it would be beneficial for it to be the 'owner' of thoroughbred racing rights rather than the 'renter' of such rights. Holding the licence for thoroughbred racing rights after December 2012 would allow TVN to move towards a stand alone thoroughbred racing channel with premium quality races.

- TVN agreed to provide the ACCC with a copy of board papers which highlight TVN's commitment to acquiring future rights and further information which outlines the contact TVN has had with clubs about the future acquisition of their rights.

Distribution rights

The agreement between TVN and AHA for the distribution of the TVN channel will not continue.

Pubs and clubs which have wagering facilities are likely to subscribe to both the TVN and Sky channels.

- Pubs / clubs without wagering facilities are likely to only subscribe to the TVN channel.
- Under the MOU, Sky has a non-exclusive right to distribute TVN. TVN remains able to distribute its channel. TVN will determine the price at which Sky distributes the TVN Channel.

TVN has made a public commitment to pubs and clubs with wagering facilities that no pub or club will pay more than what they currently pay for Sky Channel, should pubs / clubs wish to show both the Sky and TVN channels.

New media rights

- TVN stated that the acquisition of new media rights is important in expanding the uptake of the TVN channel on new technology platforms such as mobile phones and the internet. The use of new technology was important in attracting the interest of younger people in horses and horse racing.