

## Commercial interests at odds

*Change has a considerable psychological impact on the human mind. To the fearful it is threatening because it means that things may get worse. To the hopeful it is encouraging because things may get better. To the confident it is inspiring because the challenge exists to make things better.*

King Whitney Jr.

Various sections of the thoroughbred industry have been involved in some heated discussion of late. Recommendations by the Australian Pattern Committee ("the Committee") have seen black type races brought more in line with the Australian metropolitan racing pattern in each of the four Age/Sex categories (2YO's, 3YO's, Fillies and Mares and Open Age/Sex). It would seem that history (courtesy of some detailed analysis of metropolitan race programming) has finally caught up with Black Type listings. The disparity between two year old and extended distance races compared to 3 year old, open, fillies and mares distaff races and races over shorter distances has seen (inter alia) the Committee downgrade or de-list a total of 24 stakes races for two year olds. The changes are not new – they were announced more than a year ago - but with them now in place, those who stand to be affected, have suddenly become vocal.

The 2004 Committee Report sought a number and classification of Black Type races that was more representative of the standard of Australian racing (which, as logic suggests, should ideally "lead to a more accurate classification of Australian races and attempts to alleviate any concerns that may have been held in the past regarding an inequitable balance between age, distance and sex categories"). Opponents, meanwhile, state that the 44 nominations received for Victoria's first city two-year old race for the season - the \$100,000 Maribyrnong Trial Stakes (1000m) – make a mockery of the Committee's findings. Whilst the number of starters in 2004 (8) was considerably lower than the 2005 nominations (44) and starters (16), an additional factor may well have been the timing of the Cranbourne 2yo barrier trials this year, which coincided with the closing of nominations for the race.

Others claim (although Report statistics don't support this) that the reasoning behind the re-grading of races has to do with politics i.e. the re-allocation of black type between the States. Still others say that delisting a race because it happens to fall in the early stage of the season is out of touch with reality. If a race like the San Domenico is downgraded from G2 to G3 because in the opinion of the committee, even though many (perhaps most) of the best 3yos line up, they are really using it as a preparatory/warm up race by most participants, then the reasoning would follow that many G1s in the Melbourne Spring would need to be downgraded, as, ultimately, they are mere preps for the Caulfield Cup, the Cox Plate and the Melbourne Cup. The converse argument is that to downgrade a race like the Debutante discriminates against the early/precocious Spring 2yos. Should early 2yos be denied their chance in the sun, just because certain people don't like early 2yo races? Some would say that early 2yo races are a lot more competitive than many of the staying races which carry black type, but essentially attract a field of older (and/or slower horses) each year. Why is an older, slower horse more worthy of an opportunity to earn black type than an early 2yo?

One could argue the relative merits indefinitely but the debate over the relative "value" of early two year old races versus latter season (or 3 year old) races is not new. Whilst many focus the argument on the physiology of the horse, crop size, and/or competing desires to produce more sprinters/middle distance/stayers, the fact remains that the modern thoroughbred has been built around the industry - not vice versa. People often forget that the advent of racing pre-dates the breed of horse developed for it (chariot races go back to Ancient Greek times and the first races held in England contained horses very different to the ones we see today). It has always been mankind's desire to create a faster or a superior horse. Millions of dollars a day

change hands on that premise.

As Dennis McKeon states in an article titled "[They Don't Make 'Em Like They Used To](http://www.chef-de-race.com/articles/mckeon.htm)" *"Whenever men have undertaken the selective breeding of animals for utilitarian or sporting purposes, type has always adjusted toward purpose ... Has the breed fashioned the marketplace, or has the marketplace genotyped the breed?"*

No matter what country (or platform) you speak from there is one universal truth: today's racing industry is driven by commercial interests. The amount of money that is invested in sport and its related media show not only the perceived value of sport and the returns it can bring but also reveal the many vested interests protecting whatever it is they are buying, selling, funding, and/or managing.

It has been speed that has driven the industry's evolution as an article in *The Racing Museum* explains:

*"For breeders, the change from long distance racing to sprints meant focusing on new genetic characteristics. The champion racehorse of 1750 had stamina and power to endure through the grueling match races. But by the end of the century, it was quick speed and agility that would mark a successful Thoroughbred. Breeders, as they developed the fast sprinter, were also being faced with an economically driven demand. Owners had traditionally raced their Thoroughbreds at five and six years old, but were realizing that financial resources were stretched too tight before they saw any return on their investment. By training horses to race at two and three years old, stables could see a profit earlier. For breeders, the end result was a horse that was not only fast, but also matured early.*

*"This precocious horse rocketed into the nineteenth century with a longer stride and more height (approximately six inches) than its eighteenth century Arabian and English ancestors. During the first half of the century, the number of Thoroughbreds tripled and the number of racehorses doubled. Young horses captured more and more of the spotlight at these tracks as the century wore on. Newmarket alone held over a hundred races a year for two year olds, and fifty percent of all horses actively racing were two and three years old."*

But let's be clear about one thing: Breeders supply horses that the market demands. They do not work in a vacuum.

Australian thoroughbreds have taken this propensity for early speed to a new level. In many ways it now defines the 'type' of horse the country is renowned for. As Byron Rogers states in a recent blog post<<http://thepedigreeguru.blogspot.com/>> on the subject:

*"Australian racing has been shaped in modern history by the advent of a race called the Golden Slipper. Rightly or wrongly the Slipper, and subsequently the Blue Diamond and Magic Millions, have reshaped the Australian thoroughbred into an early maturing, speed oriented horse. They are among the best two year olds in the world. A by product of this racing environment is the fact that Australia consistently produces the best turf sprinters in the world."*

The prices for yearlings with speed-focused pedigrees and mature physiques are therefore, perhaps unsurprisingly, generally higher (on average) at the Australian yearling sales than the classic slower-maturing types.

Whilst the Committee certainly recognize the impact of sprint racing on the Australian landscape their statistics also demonstrate that apart from the appeal of the signature 2yo sprint races, there have actually been fewer early 2 year olds appearing on tracks in recent years. Whether this is owner preference, the nuances of breeding, or simply

equine physiology, the fact remains that there has been a distinct anomaly between the level of 2yo black type races (14.4% of the total) compared to the number of programmed metropolitan 2yo races (8.47%).

As the Committee state: *"It has been recognized that there has been a shift away from the programming of two year old races in Australia. There has also been a reduction in two year old starters by nearly 20% in the last decade in Australia and the average field size has reduced from 10.13 in 1993/4 to 8.31 in 2003/4"*.

So is the pressure for upholding black type for early 2 year racing generated by certain owners? The industry has long since shifted from the days when only royalty and those with significant personal/family wealth owned thoroughbreds. But whilst the ownership base may have shifted, the cost of investing has not decreased so there is arguably more pressure on horses to get to the track early to repay investors. Many modern-day owners do not have the financial freedom (or patience) to enjoy a magnanimous approach to owning horses that graze in a paddock until their classic year (or later), unless they exhibit special characteristics that require the additional time. The clock is ticking on monthly expenses and there is also the (difficult to overlook) incentive of bonus schemes that favour the early maturers. Despite this, it would appear that many owners are indeed following this path (whether by circumstance or choice is less apparent). There also appears to be a developing trend for trainers to make greater use of barrier trials for 2yos. A number of young horses now have 2 or more trials before they race, which certainly wasn't the case in years gone by.

Breeders have long been advocates of early 2yo racing as black type upgrades catalogue pages which in turn enhance the value of stock (and their immediate family). For stallion owners, early 2yo performances boost marketing efforts for fourth season stallion books, increase average prices at future yearling sales, and can assist in increasing service fees (Redoute's Choice a case in point).

Proprietor of Yallabee Stud - Peter Woodard – is someone who feels very strongly about this issue. In a letter to members of the Pattern Committee last month concerning the de-listing of the Debutante Stakes he writes:

*"The downgrading is, quite frankly, a body blow to the breeding fraternity – commercially, the Debutante had offered black type opportunity to stallion and broodmare owners and, a timely boost for those who put heart and soul into an industry which, more often than not, is short on rewards."*

Next we have the syndicators who have marketed and (typically) sold a large number of horses. Whilst most make their money upfront and are not reliant on race results for additional income they do remain reliant on early results to guarantee marketing/PR fuel to attract new owners (or repeat business) prior to the following year's sales as well as keep existing clients happy. It was of little surprise then to see a commercial syndicator wade into the debate earlier this week. Her comments that appear on an internet forum have also been paraphrased on Byron's site.

Others with a vested interest include those who make a living out of the industry - from auction companies to trainers to service/product suppliers. The media also play a role - their relationship with the industry a subject worthy of an article in its own right but suffice it to say they remain a powerful agent in the creation of public opinion (in many cases merely acting as the voice box of the commercial interests that support their publications/portals).

So what then are the vested interests, if any, of the Pattern Committee? When the Report was released in September 2004 the Committee - which represents a broad range of Industry interest groups - consisted of the following members:

- Mr Richard Turnley (Chairman Thoroughbred Breeders Australia)
- Mr James Ross (Secretary Australian Racing Board)
- Mr Stephen Allanson (Racing Victoria)
- Mr Mark Webbey (Racing New South Wales)
- Mr Vin Cox (Selling Agents Representative)
- Mr Mike Wisby (Tasmanian Racing Club)
- Mr Malcolm Tuttle (Queensland Racing)
- Mr Greg Carpenter (Racing & Wagering Western Australia)
- Mr Ian Hart Thoroughbred Racing (South Australia)
- Mr Trevor Lobb (Thoroughbred Breeders Australia)

The Review implemented 127 changes to current Black Type Listings with the aim to bring black type races more in line with the Australian metropolitan racing pattern in each of the four Age/Sex categories (2YO's, 3YO's, Fillies and Mares and Open Age/Sex). The Review openly acknowledges the role of the sprinting horse in the Australian culture. As a result of the changes to the black type listings there are now also genuine incentives for the owner of the later maturing horse (and filly/mare).

Whilst some will scoff, the Committee perhaps has loftier aspirations for the Industry than we give it credit for. As the Dennis McKeon article states:

*"Should the racing industry have the ethics and foresight to adopt a pro-forma geared toward re-establishing a more comprehensive and results-oriented program of stamina-based venues, Thoroughbred type would be impelled to emerge toward it ... Either way, it won't happen overnight or by serendipity. It will require a highly evolved sense of husbandry, horsemanship, sportsmanship, and fair play, and for some of the "prime movers" to dismiss their notions that "it's all about the money."*

It's a huge ask to shift an entire industry from one perspective to another – particularly if the reasoning behind the change are not made transparently clear (always helpful to know what goal it is you are working towards). Like anything that involves change it is also never an easy road or one without its detractors as reforms will never suit everyone. Meanwhile, whilst commercial interests stay in play and ultimately, the primary marketing vehicle for a number of industry sectors remain reliant on racetrack results, it's of little surprise to see heated debate about the delisting of certain races unfolding. But as Henry Wadsworth Longfellow said *"All things must change to something new, to something strange."*

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