

Prizemoney & Breeding Incentives Changes

DRAFT for Consultation
July 2017

Purpose & Background

Purpose

GRV has completed an extensive Review of Prizemoney and Breeding Incentives which examined the suitability of the current structure of prizemoney, starters' & travel fees and breeding incentives for greyhound racing in Victoria.

The Review has looked at options to improve returns to participants (owners, trainers, breeders), including changes aimed at improving the spread of returns across the various sectors of greyhound racing in Victoria.

This document sets out the details of a proposed package of changes.

GRV is now seeking feedback from industry participants, clubs and stakeholders on a proposed package of Prizemoney and incentives, which it is intended would be implemented in late 2017.

Background

- **In 2016/17** approx. **\$36.4M** was paid in Prizemoney in Victoria. A further **\$6.1m was paid in travel and starters' fees** to trainers for their participation in the racing program.
- The proposed prizemoney package has been developed following feedback from the industry at **Stakeholder Engagement Workshops** conducted throughout 2016/17.
- The proposed package represents an **annual increase of approximately \$3.1M** in returns to participants..
- The proposed restructure **directs more money to the bottom grades of racing and to trainers** preparing, caring for and producing greyhounds for racing.

The key outcomes of the proposed package are aimed at improving the spread of returns to a broad base of participants...

Key Outcomes

Stable Greyhound Racing Population	<ul style="list-style-type: none">ensuring a greater number of greyhounds can have a viable racing career and stay racing for longer.
Spread Returns	<ul style="list-style-type: none">improving the spread of returns amongst trainers and owners to improve greyhound welfare outcomes.
Reward Participation	<ul style="list-style-type: none">better rewarding and incentivising owners and trainers for actively participating in the racing program.
Improve Returns at lower levels	<ul style="list-style-type: none">increasing prizemoney available at lower levels of racing (eg Maidens, Grade 7,6,5 at all Level 2 & Level 3/Half Stakes meetings).
Increase Minimum Prizemoney	<ul style="list-style-type: none">increasing base minimum prizemoney at lower levels, with no increases to feature race prizemoney.
Participation at all levels	<ul style="list-style-type: none">maintaining incentives to maximise participation at all levels of racing.
Quality breeding	<ul style="list-style-type: none">providing improved incentives for breeders of Vic Bred greyhounds to encourage investment and responsible breeding, rearing and education practices.

Vic greyhound prizemoney is the highest in the nation, but average prizemoney per race hasn't increased for 3 years...

Current Situation

- **\$42.5M** in Prizemoney, Travel & Starters' Fees was paid in Victoria in the 2016/17 racing year.
- Total returns to participants have increased by around **\$2.6M since 2013/14** despite an increasing program over that time.
- Although the total money paid has increased and the program has been expanded, average total money paid per race has declined from **\$2,733 in 2013/14** to **\$2,605 in 2016/17** because the additional meetings and races have been added at Level 3 at half stakes.
- Of the **1,658** trainers who had a runner in Vic during 2016/17, **\$23M (54%)** of total Prizemoney, Travel and Starters' Fees went to owners & trainers of greyhounds trained by the **top 100 trainers (6% of all trainers)**.
- Greyhounds trained by the **top 300 trainers** earned **\$31.6M (75%) of all money**.
- This **spread of money is disproportionate** to the number of **starters they produce (53%)**.

Average prizemoney per race has declined in recent years, because additional meetings and races have been added at Tier 3.

Victorian Greyhound Racing Annual Prizemoney Distribution (FY14 to FY17)

Key Measures	2013/14	2014/15	2015/16	2016/17	Var (\$000)	Var (%)
Total Money (\$000)	39,928	40,792	42,694	42,497	-196	-0.5%
Prizemoney (\$000)	34,376	35,240	36,882	36,369	-513	-1.4%
Travel Fees (\$000)	4,566	4,540	4,765	5,035	270	5.4%
Starters Fees (\$000)	986	1,011	1,047	1,094	47	4.3%
Total Meetings	1,059	1,089	1,127	1,170	43	3.7%
Total Races	12,578	12,951	13,400	13,961	561	4.0%
Total Starters	97,640	100,194	103,460	107,732	4,272	3.9%
Average total prizemoney per race (\$)	2,733	2,721	2,752	2,605	-147	-5.6%
Avg Travel & Starter Fees per Meeting (\$)	5,243	5,097	5,157	5,237	80	1.5%
Avg Trainers per Meeting	61.6	59.6	60.4	61.5	1.1	1.8%
Avg Starters per Meeting	93.1	92.9	92.9	92.9	-0.8	0.1%

A package of Prizemoney changes is proposed to take effect from late 2017, providing an annual increase in returns to participants of \$3.1M.

Proposed Changes – Prizemoney & Starters Fees

- Increase **Level 3** (Tier 3, HLV, All Maiden, Rankings) **minimum prizemoney to \$955 per race**;
- Add **4th prizemoney** for all races run at Level 2 & 3 meetings; and
- **Flatten base minimum** prizemoney to be the same for all races conducted at Level 2 & 3 meetings
- Travel & Starters Fees replaced by **Trainers Starters' Fees** paid to trainers for all starters competing at a meeting
 - All Level 2 & Level 3 Meetings - **\$80 per starter**; and
 - Metro Level 1 Meetings - **\$120 per starter**

Proposed Vic Bred Series Finals Breeders' Payments

- In addition, the proposal includes Breeders' payments of **\$2,300 per race for all VIC Bred Series Finals (\$0.28M pa)**.

The Proposed changes will have the most impact at lower levels of racing.

Impact Summary – Prizemoney & Starters Fees

This proposed structure will result in an **additional \$2.83M (+6.5%)** pa, in prizemoney and Starters' Fees when comparing the 2017/18 expected racing program of 14,293 races being run under the current structure with the proposed structure.

This additional money will be distributed by meeting type as follows:

- Level 1 (Metro) **+\$0.30M (+2%)**
- Level 2 (Provincial Full Stakes) **+\$1.41M (+6%)**
- Level 3 (Tier 3, Healesville, All Maiden, Rankings Meetings) **+\$1.12M (+17%)**

Meeting Types	Expected Races 2017/18	<u>CURRENT MODEL</u>	<u>PROPOSED MODEL</u>	TOTAL Annual Variance ALL RACES (incl. Features) (\$M)	TOTAL Annual Variance ALL RACES (incl. Features) (%)
		Total Annual Prizemoney, Travel & Starters Fees (\$M)	Total Annual Prizemoney & Starters Fees (\$M)		
Level 1	1,260	14.78	15.07	0.30	2.0%
Level 2	8,353	22.13	23.54	1.41	6.4%
Level 3	4,680	6.55	7.68	1.12	17.3%
All Races	14,293	43.46	46.28	2.83	6.5%

Proposed Changes – Flattening Minimum Prizemoney and adding 4th Prize

Minimum Prizemoney for Level 2 & 3 Races

- Prizemoney is currently allocated within a race meeting based on the types of races conducted from nominations received. Higher graded races are allocated proportionally higher levels of prizemoney.
- It is proposed that for **Level 2 and Level 3 Meetings** the **minimum prizemoney** should be the **same for all races, after increasing Level 3 minimum prizemoney and adding 4th prizemoney** at these meetings.
- The **15% payment for distance races is to be retained**, as will prizemoney top-ups for feature races.
- This results in minimum prizemoney per race of **\$1,830 for Level 2 and \$955 for Level 3 races**.
- The **\$80 Starters' Fee (\$640 per race)** will mean more total money will be paid out for these meetings.

Level 2 (Prov. Full Stake) Prizemoney only	1st	2nd	3rd	4th	TOTAL	Starters
Proposed New Minimum for all races	1,320	320	120	70	1,830	640
<u>Current Prizemoney</u>						
Maidens	990	285	140		1,415	Current avg. travel & starters per race 420
Grade 5,6,7 & Restricted Win	1,325	375	190		1,890	
Grade 4, Mixed 4/5	1,405	400	200		2,005	
Rest Win Final, FFA, Special Event, Grade 5 Final, Mix 3/4	1,650	475	235		2,360	

Level 3 (Tier 3/Half Stakes) Prizemoney only	1st	2nd	3rd	4th	TOTAL	Starters
Proposed New Minimum for all races	745	145	45	20	955	640
<u>Current Prizemoney</u>						
Maidens	500	140	70		710	Current avg. travel & starters per race 468
Grade 5,6,7 & Restricted Win	660	190	95		945	
Grade 4, Mixed 4/5	700	200	100		1,000	
Rest Win Final, FFA, Special Event, Grade 5 Final, Mix 3/4	825	235	120		1,180	

Proposed Changes – Metro Level 1 Racing

Minimum Prizemoney for Level 1 (Metro) Races

- The current prizemoney structure for Level 1 Metro meetings (Sandown–Thu & Meadows–Sat) is retained, apart from changes to Starters Fess, as these meetings need to continue to attract the best greyhounds and trainers.
- The higher Starters’ Fees of **\$120** per runner is designed to encourage participation at the top level.
- **\$960** per race will be distributed in Trainers Starters’ fees for 8 runners, compared to **\$392** on average per race (**\$49 per starter**) now paid for Metro Races.
- This will mean **on average an additional \$208** per race will paid in returns to trainers at these meetings.
- For Metro Level 1 races, 1st to 3rd will receive slightly less prizemoney to pay for the Starters’ Fees for all runners.

Level 1 (Metro) prizemoney only		1st	2nd	3rd	TOTAL P’MONEY	Starters’ Fees	TOTAL MONEY
Grade 5,6,7 & Restricted Win	Old	5,000	1,430	720	7,150	392	7,542
	New	4,880	1,310	600	6,790	960	7,750
Grade 4, Mixed 4/5	Old	5,320	1,520	760	7,600	392	7,992
	New	5,200	1,400	640	7,240	960	8,200
Rest Win Final, FFA, Special Event, Grade 5 Final, Mix 3/4	Old	6,260	1,790	890	8,940	392	9,332
	New	6,140	1,670	770	8,580	960	9,540

Proposed Changes are targeted at the broadest group of participants...

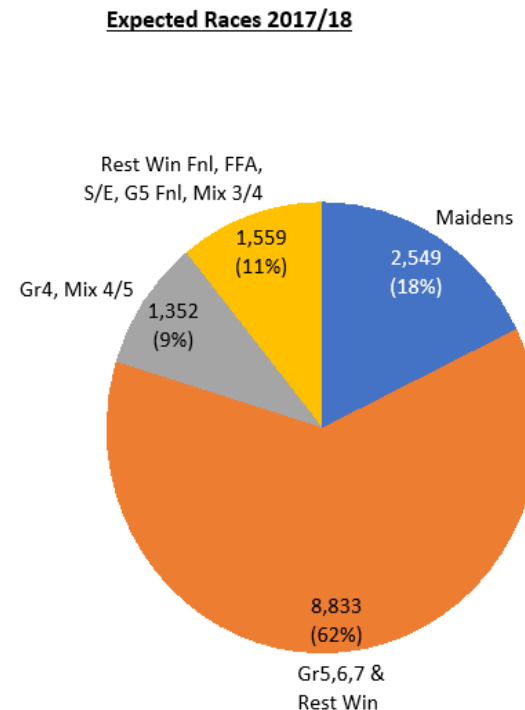
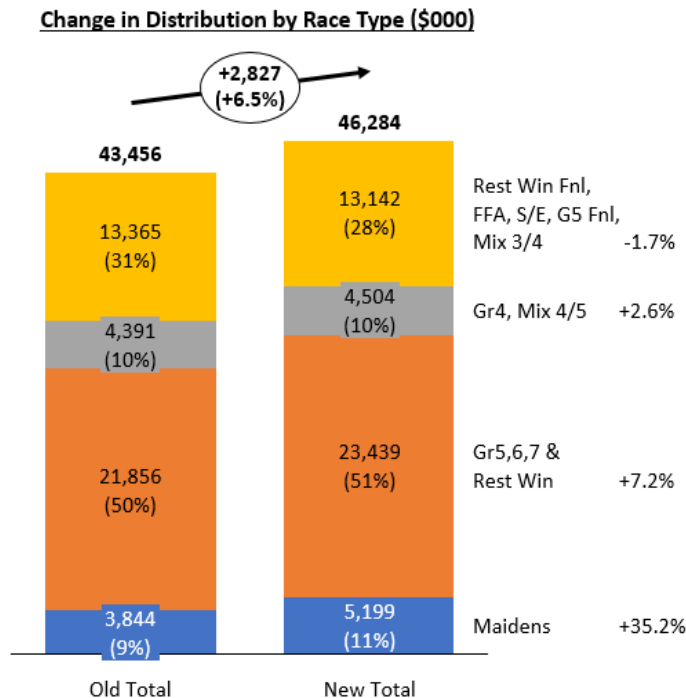
Participation by Trainers & Greyhounds

- Over the past 12 months, **1,671 trainers participated** in the racing program in Victoria. Of those 1,291 (77%) trainers had at least one winner.
- There were **7,906 individual greyhounds** with at least one start and 4,659 (59%) had at least one win in that period.
- The largest proportion of trainers (93%) compete at some stage in Level 2** racing and 85% of trainers compete in Level 3 races.
- Similarly, 90% of the greyhounds racing competed at some stage during the year at Level 2** meetings, while 22% of greyhounds raced at Level 1 and 68% at Level 3.
- A number of trainers and greyhounds will have competed at all three levels during the year.

Trainers & Greyhounds Competing in Victoria June 16 to May 17 (Grouped by Prizemoney Level)								
MEETING LEVEL	Total Trainers with starters	% of Total Trainers	Trainers with at least 1 Win	% of Trainers With at least 1 Win	Total Greyhounds competing	% of total greyhounds	Greyhounds with at least 1 Win	% of greyhounds with at least 1 Win
Level 1	602	36%	238	40%	1,741	22%	583	33%
Level 2	1,560	93%	988	63%	7,106	90%	3,151	44%
Level 3	1,426	85%	1,021	72%	5,369	68%	2,575	48%

Proposed Changes are targeted at the lowest grades of racing...

- Under the proposed model prizemoney and Starters' Fees are being increased at the **lowest levels of races by \$2.93M** in total, through a redistribution from higher class races.
- Prizemoney and Starters' Fees for Maiden races will increase by a total of \$1.35M (+35%);**
- Grade 5,6,7 and Restricted Win races will increase by a total of \$1.58M (+7%)**
- These races represent 80% of all races run in Victoria.** Because all greyhounds start their careers in these races, all greyhounds (and therefore trainers) share in the benefits of this approach.
- Although prizemoney for higher level races has been reduced slightly, by the time a greyhound makes its way to the higher classes it will have earned more money under this system than the current model, providing **improved returns for owners and trainers at the earlier stages of a greyhound's career.**



Proposed Changes - Trainers Starters' Fees

Trainers Starters' Fees

The key change in the proposed prizemoney model is the introduction of **Trainer Starters' Fees** to be paid to the trainer for each individual starter at a race meeting; **\$80 per starter** at Level 2 (Prov) & Level 3 (Tier 3 & Half Stake); and **\$120 per starter** at Level 1 (Metro Sandown-Thu & Meadows-Sat) meetings.

- This **replaces the current Travel Fee (\$70 per trainer) and Starters' Fees (\$10 per runner)** which has been in place for several years.
- The **trainer is paid for greyhounds they produce for racing**, which encourages participation at all levels and assists in maintaining the welfare of greyhounds and the pool of available greyhounds for racing.
- The higher Metro rate recognises the need to encourage participation at the highest level.
- Most trainers do not receive training fees from owners, either because they or their family members are the owner of the greyhound, or because they are training on a 50/50 split of prizemoney arrangement with the owner(s) in lieu of training fees.

Proposed method for paying Starters' Fees to Trainers

- The new Starters' Fees will be **paid direct to the trainer** at the race meeting on the day of the race, in the same way as Travel & Starters' Fees are paid now.
- These payments are **not included in official prizemoney**, and therefore not shared with the owner, but go to the trainer to cover the costs of travel and the care and up-keep of the greyhound(s).
- The proposal will mean Starters' Fees will increase to around **\$9.67M** (from \$6.2M), which means that **trainers will receive the direct benefit of an additional \$3.47M pa in Starters' Fees**.
- Prizemoney & Starters Fees will be advertised in the following way for a Level 2 race as an example: **Of \$1,830; 1st - \$1,320, 2nd - \$320, 3rd - \$120, 4th - \$70 and \$80 Trainer's Starters Fee** for all runners.

Proposed Changes - \$283K in Breeders' Payments for VIC Bred Series Finals

Proposed Vic Bred Series Final Breeders Payment

- **Add \$283K** in new annual **breeders payments** on **VIC Bred Series Finals**.
- **In 2017/18 there will be 123 VIC Bred Series Finals** programmed for various types of races across all Victorian tracks including maidens, restricted wins and distance series.
- **Breeders Payments of up to \$2,300 per race** for all finals will be paid at the same rate regardless of total prizemoney or where they are conducted (Provincial and Metro Finals).
- This program provides a clear and immediate reward for successful Breeders that should encourage re-investment in responsible breeding and rearing.
- Breeders of all finalists will receive a **payment from 1st to last**.

\$2,300 BREEDERS' PAYMENT ON ALL VIC BRED SERIES FINALS	
Finish Position	Proposed Breeder Payment
1 st	\$600
2 nd	\$400
3 rd	\$300
4 th	\$200
5 th	\$200
6 th	\$200
7 th	\$200
8 th	\$200
Total	\$2,300

VIC BRED SERIES FINALS PROGRAMMED 2017-18	
Event Type	Finals
Maiden Series	26
Mixed 6/7	13
Restricted Win	13
Grade 5	53
Distance	8
Restricted Distance	10
Total	123

Proposed - Other Breeding Controls & Incentives

Other Breeding Controls and Incentives Recommendations:

1. Establish Breeder Registration Categories based on historical performance

- Categorise breeders into A, B, C groupings which will determine future breeding rights (ie no. of litters able to be bred pa) based on a rolling 10 year points-based performance measure system.

2. Revised Vic Bred eligibility conditions to remove Vic registered persons restriction

- Encourage broader investment in Victorian greyhound racing by removing the restrictions in eligibility criteria for Vic Bred races, which requires that only Vic Bred pups **owned by Vic registered persons** (i.e. Vic residents) are eligible. Effective from late 2017.

3. Improved recognition of quality breeders

- a) Publication of successful Breeder tables** - publish on-line and in Greyhound Monthly tables of successful breeders and articles based on the performance of their pups, broodbitches, sires etc. over the previous 12 month period.
- b) Breeder Names in form-guides** - provide acknowledgement for the breeders in on-line and printed form-guides
- c) Annual Awards to recognise successful Breeders** – Breeders currently receive no recognition at Annual Awards functions. A series of awards will be established to acknowledge the best breeders in various categories across the year.

Next Steps – How do I respond to the proposal?

Consultation Process

- GRV encourages participants, clubs and stakeholder bodies to provide feedback on the proposed changes in writing.
- GRV will also be consulting directly with clubs and GOTBA during this process
- Feedback can be submitted to feedback@grv.org.au
- Feedback should be submitted by not later than 31 August 2017