

GOTBA SUBMISSION
GRV PROPOSED PRIZEMONEY & BREEDING INCENTIVE CHANGES
5 September 2017

INTRODUCTION

1. The GOTBA supports initiatives that improve the spread of returns to a broad base of participants, but do not believe that the proposed package of prizemoney changes and breeding incentives, which also includes starters' and travel fee changes, will achieve this outcome. In fact the changes proposed, which are really starter fee increases, with consequential reductions to prizemoney, will not benefit the majority of trainers who take one dog to the track and owners are significantly worse off under the GRV proposal.
2. We understand that a prime objective of the proposed changes may well be to address the general model in the greyhound racing industry where trainers generally don't receive payments from owners and so the majority of the cost of care week to week is borne by the trainer out of prizemoney. Accordingly any increase in starters' fees is welcomed on this basis, however it should not be at the expense of prizemoney cuts which affect owners and trainers.
3. The GRV proposal lowers prizemoney and trainers alone (whether they train for others or themselves) will lose money, not to mention owners. This is most stark at the lower grades of the lower levels, the exact opposite of the key outcome to improve returns at lower levels. GRV states that this will be achieved by increasing prizemoney available at lower levels of racing; however, as demonstrated by the tables produced by GRV (and reproduced below), GRV will be reducing prizemoney in 18 of 24 possible Level 2 & 3 placings. Accordingly this will reduce the overall return to the trainer, thus wiping out any proposed benefit unless a trainer has a large number of dogs entered and they run unplaced. It will also reduce the returns to owners.
4. GRV intends to raise starters' fees and at the same time reduce prizemoney in 27 out of the current 33 possible placings across Levels 1, 2 and 3 and flatten prizemoney across Levels 2 and 3.
5. Whilst GRV intends to raise prizemoney for 1st & 2nd in maidens and 1st in grades 7, 6, 5, 4, mixed 4/5 and restricted wins in Level 3 and maidens in Level 2, by flattening the prizemoney structure in every other placing in Levels 2 & 3 and in all placings in Level 1, the reduction in prizemoney will result in a net loss to trainers, whether or not they train for others.
6. The only way a trainer can ensure they do not suffer a loss of money is by starting as many dogs as possible, irrespective of their suitability to race at that time or that venue, and the dogs not placing in a race.
7. The distinction between Level 1 starters fees and Level 2 and 3 - \$120 v \$80 is unnecessary as the incentive to race for the higher prize money at Level 1 is a big motivation anyway to enter at city meetings.
8. The GRV proposal does not address the relatively low prize money for second and third placegetters at all levels, which has an impact for owners and trainers, particularly those participating mainly at Level 2 and 3 meetings.

9. The stated aim by GRV of “improving the spread of returns amongst trainers and owners” is not achieved by the proposal. Large trainers will receive the majority of the increased starters fees and a trainer with one greyhound entered is no better off and potentially worse off given the lower prize money at most levels. An owner winning at Level 3 in lower grades or in a Maiden at Level 2 is better off, however these are the only positive impacts in the proposed redistribution of prize money.
10. We are not sure how the changes will ensure a greater number of greyhounds can have a viable racing career and stay racing for longer as there isn’t anything in the Proposal that explains how this will be achieved by the proposed changes. Perhaps a trainer who has multiple entries each meeting may retain a dog for longer in their kennels, however this cannot be assured.
11. There is a crisis of confidence in the Greyhound Industry due to the impacts of the abolition of the GOBIS and the recent releases by Government of the Code of Practice for Keeping of Racing Greyhounds and the Planning Code. We contend that both Codes threaten the viability and enjoyment of participation in greyhound racing for the overwhelming majority of participants. Accordingly, we ask that GRV provide an increased level of financial support beyond the amount proposed as a net increase to address the needs of trainers, owners and breeders.
12. As we understand that the market share for greyhound racing has increased significantly, delivering additional revenue we request that a far greater increase is made to support the stated GRV objectives to ensure that participants remain in the Industry.
13. We do not support taking from one participant group to give to another, which has been proposed by GRV and we would like to see that no one is worse off under any proposal for changed distributions to owners, trainers and breeders.
14. Given that much infrastructure spending on tracks has been on hold over the last two years and as GRV has significant reserves to use for required track upgrades in the future, along with increased recurrent revenues from wagering, we contend that GRV has a greater capacity to support participants through a larger financial package of incentives.
15. We note that there is now a growing gap between New South Wales and Victorian prizemoney, which is affecting the supply of dogs from interstate. NSW prizemoney for a grade 5 Level 1 is \$7380 compared to Victorian grade 5 Level 1, which is \$7150. NSW grade 4 Level 1 is \$8166 and Victorian grade 4 Level 1 is \$7600.
16. We request that GRV complete further modelling that shows the impact of various alternatives and involve the GOTBA in discussions to reach the best outcome for all participants.

COMMENTS ON GRV PROPOSED CHANGES

A. Changes to Starters’ fees

17. We are supportive of an increase to the current structure relating to travel and starters’ fees. Feedback we have received from members supports the need to provide additional funds to assist trainers, given the current model of training operations, particularly those operating mainly at Level 2 and 3. It would be more reasonable and a fairer distribution of funds to increase the travel payment per trainer, to support the majority of trainers who attend race meetings with only one dog and pay an increased amount as a starter’s fee per dog.

18. Any change should not compromise the level of prizemoney and should only be on the basis that savings in starters' money under the GRV proposal would be applied to increasing prize money at Levels 2 and 3, particularly for second and third placings.
19. The GRV proposal may actually result in greyhounds being entered more often in order to gain more starters' fees when those greyhounds may not be ready to race and a trainer entering one dog actually receives no benefit under the GRV proposal
20. There is no justification for the proposed different amounts of \$80 and \$120. Trainers don't need to be encouraged to participate at the top level. If they have a suitable dog, they will enter. The incentives are already high to race at Level 1, due to prizemoney.
21. Using a 'one dog' scenario, paying \$80 is the same as paying \$70 travel payment and \$10 – the current system. There is no increase to the trainer or owner/trainer if they only enter one dog at a Level 2 or 3 meeting.
22. They will stand to lose money, depending on where they place, because of the concomitant reduction in prizemoney in 18 of 24 placings across the grades at Levels 2 & 3.

Owner/Trainer:

Example: Win Level 2, Mix 3/4 Current: $\$1650 + \$80 = \$1730$

Win Level 2, Mix 3/4 New: $\$1320 + \$80 = \$1400$

Trainer:

Example: Win Level 2, Mix 3/4 Current: \$1650 – 50/50 split:

Trainer: $\$1650/2 = \$825 + \$80 = \905 / Owner: \$825

Win Level 2, Mix 3/4 New: $\$1320 – 50/50$ split:

Trainer: $\$1320/2 = \$660 + \$80 = \740 / Owner: \$660

23. Using a 'one dog' scenario, paying \$120 at Level 1 is only an increase if the one dog doesn't place in their race.
24. If the dog places the owner/trainer actually loses \$80 because of the concomitant reduction in prizemoney.

Example: Win Current: $\$5000 + \$80 = \$5080$

Win New: $\$4880 + \$120 = \$5000$

25. If the trainer trains another person's dog and that dog places in a Level 1 race, the trainer will lose \$20 and the owner will lose \$60.

Example: Current: \$5000 – 50/50 split: trainer $\$2500 + 80 = \2580 /owner \$2500

New: \$4880: trainer $\$2440 + \$120 = \$2560$ /owner \$2440

26. The proposed changes with prizemoney decreases at most levels are grossly unfair to trainers and owners. In just one scenario, no-one is rewarded or incentivised for actively participating. There are too many other scenarios to list here.
27. **We suggest consideration of alternative proposals, such as payment of \$100 to the trainer for travel fees and a starter fee of \$40 per dog, in order to improve trainer returns and maximise the available funds for prizemoney increases for placegetters at Levels 2 and 3.**

B. Reducing Prizemoney

- 28. There are currently 9 possible placings to which prizemoney is attached at Level 1. There are currently 24 possible placings to which prizemoney is attached at Levels 2 and 3.
- 29. GRV propose to reduce prizemoney in all 9 of the possible places in Level 1 and introduce the payment of \$120 as a starter’s fee for each dog starting.
- 30. GRV also propose to flatten prizemoney for all grades at Levels 2 and 3, meaning a reduction in prizemoney in 18 of the possible 24 places, and introduce a payment of \$80 as a starter’s fee for each dog starting.
- 31. The details of the proposed prizemoney redistribution are reproduced below with added columns showing at which places the prizemoney has been reduced.

Level 1 (Metro) Prizemoney only		1st		2nd		3rd		TOTAL
Grade 5,6,7 & Restricted Win	Old	5000		1430		720		7150
	New	4880	∨	1310	∨	600	∨	6790
Grade 4, Mixed 4/5	Old	5320		1520		760		7600
	New	5200	∨	1400	∨	640	∨	7240
Rest. Win Final, FFA, Special Event, Grade 5 Final, Mix ¾	Old	6260		1790		890		8940
	New	6140	∨	1670	∨	770	∨	8580

Level 2 (Prov. Full Stakes) Prizemoney only	1st		2nd		3rd		4th		TOTAL
Proposed New Minimum for all races	1320		320		120		70		1830
Current Prizemoney									
Maidens	990	^	285	^	140	∨		^	1415
Grade 5,6,7 & Restricted Win	1325	∨	375	∨	190	∨		^	1890
Grade 4, Mixed 4/5	1405	∨	400	∨	200	∨		^	2005
Rest. Win Final, FFA, Special Event, Grade 5 Final, Mix ¾	1650	∨	475	∨	235	∨		^	2360

Level 3 (Tier 3/Half Stakes) Prizemoney only	1st		2nd		3rd		4th		TOTAL
Proposed New Minimum for all races	745		145		45		20		955
Current Prizemoney									
Maidens	500	^	140	^	70	∨		^	710
Grade 5,6,7 & Restricted Win	660	^	190		95	∨		^	945
Grade 4, Mixed 4/5	700	^	200		100	∨		^	1000
Rest. Win Final, FFA, Special Event, Grade 5 Final, Mix ¾	825	∨	235		120	∨		^	1180

32. Reducing prizemoney in all placings at Level 1 meetings will not encourage participation at the highest level. Reducing prizemoney in 18 of 24 placings currently possible (substantially in most placings) in Levels 2 & 3 will not improve returns at lower levels.
33. In 27 of the current 33 possible placings the spread of returns amongst trainers and owners will not be improved. Perhaps, in some scenarios, a trainer will make slightly more money, but in most scenarios they won't. If an owner does not train their own dogs, in 27 out of 33 placings, they will lose money.
34. The promotion of increased prizemoney for 1st place at some grades in Level 2 and Level 3 is counterbalanced by the reduction in prizemoney for other placings in Level 3 and in 10 of the 12 placings in Level 2.
35. **We suggest that prizemoney be increased for all lower grades races at Levels 2 and 3 instead of being reduced and prizemoney be maintained at Level 1 instead of being reduced.**
36. There are better ways to redistribute income rather than taking from one area / participant group to fund another.

C. Flattening prizemoney and paying 4th place

37. Flattening prizemoney across all grades in Levels 2 & 3, resulting in less prizemoney for 18 out of 24 possible placings, is not an incentive to maximise participation at all levels. It simply takes money away from both the trainer and the owner.
38. **We suggest that prizemoney not be flattened across Levels 2 and 3, but that the current prizemoney be increased at least for lower grades.**
39. **Priority should be given initially to lifting 2nd and 3rd prizemoney ahead of any move to introduce 4th place money, whilst long term this would be helpful for owners and trainers.**

D. Breeders' payments for Vic Bred Series Finals (GOBIS)

40. The re-introduction of breeders' payment, akin to the previously scrapped incentive program, GOBIS, is a worthwhile initiative; however, it should be paid on more races than just a Vic Bred Series Final in order to encourage participation and encourage quality Victorian breeding.
41. We agree with the proposal to encourage broader investment in Victorian racing by altering the eligibility criteria in Vic Bred races to include Vic Bred pups owned by interstate participants. Victorian bred pups sold interstate, would attract the breeding incentive payment if they raced in Victoria in a designated race.
42. **We suggest that the Breeders incentives be increased by being paid over a greater number of races, not just the Vic Bred Finals.**

E. Breeder registration

43. This change is buried deep in the Proposal.
44. Breeder registration categories will be established based on historical performance. The breeder is going to be categorised in order to determine future breeding rights. This is a very worrying prospect.

45. We are most concerned that such a major change is proposed without any detail whatsoever. A lot of detail has been provided about prizemoney payments and graphs and pie charts have been used to show changes in distribution by race types and the expected types of races in 2017/18 but no detail has been provided about A, B and C groupings of breeders, not greyhounds but breeders, which will determine their future breeding rights
46. Pups can be very well bred but issues can arise during whelping, rearing, breaking-in, pre-training and racing that the breeder clearly may either have no control of or no awareness of, so to assess and 'categorise breeders into A, B and C groupings which will determine future breeding rights (ie. no. of litters able to be bred per year) based on a rolling 10 year points-based performance measure system' for reasons beyond their control is grossly unfair and of great concern for the future of the industry.
47. Breeding is already suffering. Few people want to breed because of the difficulty of selling pups due to the uncertainty of the future of the industry and the abolition of the GOBIS.
48. **We suggest that GRV do not classify breeders for the purpose of the right to breed and provide more detail before considering any change to breeding.**

SUMMARY

49. It is our view that no-one should be worse off or disadvantaged because of any changes to be introduced. The proposed GRV changes to increase starters fees only benefit a small percentage of trainers and actually penalises owners overall due to decreased prizemoney.
50. Any increases to support those operating mainly at Level 2 and Level 3 should not be at the expense of the current base mix of returns available for owners and trainers at Level 1, so Level 1 prize money should be retained at current levels.
51. The increases at lower levels, particularly to increase the returns for second and third place, can be supported on the basis of improving returns at lower levels, without by default, penalizing owners and trainers operating at Level 1.
52. An increase in the travel fee to \$100 at all Levels and \$40 per dog as a starter fee will allow for prize money increases at Levels 2 and 3 and support the stated GRV aim of improving the spread of returns to trainers and owners.
53. Given the crisis for participants at present with a significant lack of confidence and collapse of breeding, exacerbated by the release of the two codes recently, and as GRV recurrent revenues have grown due to increased market share, we request the total of any financial package is significantly increased.
54. Introducing Victorian Breeder classifications will go a long way to regulating Victorian breeders out of the industry, at a time when the breeding industry has collapsed anyway. Breeding incentives must be returned and at higher levels than proposed by GRV.

We invite GRV to discuss with us the proposed changes and our suggested modifications, along with the feedback and various proposals submitted individually by our members and other participants.

GOTBA Victoria Committee
5 September 2017