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Racing Australia Reforms

The Racing Australia Board met last Friday (8 April) and resolved to introduce further reforms to the integrity, animal welfare and business practices of the Australian Thoroughbred Industry.

1. Introduction of a Standard Training Agreement and a Joint Owners Agreement

Racing Australia is bringing in a new system to formalize arrangements between owners and trainers and also between owners where a horse is owned by more than one owner. Accordingly a Standard Training Agreement will be compulsory for all racehorses.

- (i) The Standard Training Agreement will impose some defined requirements on trainers. Those requirements are already undertaken by many trainers. For example, trainers will be required to set out the training fees and disbursements the trainer plans to charge up front. Trainers will be required to meet certain standards for caring and training of the horse, and to report on the welfare and progress of a horse to owners appropriately.

There has long been a need to address the issue of late payment of training fees to trainers. The new rules will compel an owner to pay outstanding training fees in a timely manner. In the event an owner disputes the trainer's invoice, an independent arbitration hearing will be conducted by the relevant Principal Racing Authority. This matter has been the subject of discussion and consultation with Trainers' and Owners' Associations over a long period of time given the significant legal and policy issues involved.

Racing Australia has decided to defer and further review the proposal for owners to give credit/debit card details as a condition of the Standard Training Agreement. The introduction and enforcement of the Standard Training Agreement will be tried before assessing at a later date whether a credit/debit card scheme is necessary.

- (ii) Further, there is a need to give Joint Owners of a horse a set of standard terms to help regulate their horse ownership ventures. The Joint Owners Agreement is intended to clearly provide for the rights and obligations of Joint Owners (defined as persons who own a horse with at least one other person, whether in a syndicate or otherwise). Although compulsory, the Joint Owners Agreement can be varied by the votes of at least 75% of the total ownership of the horse who must be in favour of the change.

The Joint Owners Agreement does not apply to licensed syndicates pursuant to ASIC Class Order (CO 02/319). The terms of the Agreement address issues such as engaging a new trainer, selling/transferring a horse, retiring a horse, etc.

Some groups of owners already have protocols or rules in place for how their horses are to be managed, but the majority of groups of owners come together informally and do not have the time or resources to put together a set of written arrangements. An existing arrangement between Joint Owners can continue, but if there is an inconsistency between those arrangements and the Joint Owners Agreement, the relevant terms of the Joint Owners Agreement will apply.

Full details of the Standard Training Agreement and the Joint Owners Agreement will be released after final review by Principal Racing Authorities.

2. Foals to be registered earlier and subject to the Australian Rules of Racing

In future all Thoroughbreds will be registered with Racing Australia 30 days after birth. It is necessary in the interests of integrity and animal welfare for unregistered horses and their owners to be identified and subject to the relevant rules of racing. Traceability is the cornerstone of integrity and will also underpin the industry's drive on animal welfare standards. The fact that a significant number of Thoroughbreds are not regulated by any authority is unacceptable in the modern era where community values and expectations have evolved from the past. It is the view of Racing Australia that this initiative is a paramount obligation of racing authorities and that regulation is essential to ensure best practices in animal welfare across all Thoroughbreds in the industry.

Racing Australia has engaged in 2 years of discussions with Thoroughbred Breeders Australia (TBA) along with individual breeders and the sales companies on these issues. Importantly, we have agreed on a number of issues especially the introduction of a register at auctions of the names of all beneficial owners of horses offered for sale. Racing Australia has made compromises on other issues.

It should be noted that fewer than a dozen Rules of Racing apply to horses prior to them being registered as racehorses. The vast majority of the rules relate to racehorses in competition and licenced persons. However, key integrity rules relating to anabolic steroids and gene doping would apply from birth as well as a requirement to account for the fate and destination of horses never registered as racehorses.

Protocols for the enforcement of the rules will be developed with TBA input given the commercial and reputational concerns held by breeders in the event of any action by stewards. Racing Australia considered at length TBA's submission that these reforms be enacted under the rules of the Stud Book, but enforcement of the rules of racing is the responsibility of the PRAs.

Racing Australia stresses that Australia's breeding industry is highly regarded as evidenced by the large number of international investors here and buyers attending from all parts of the world. However, Racing Australia aims to strengthen even further breeding and racing's transparency and accountability as demanded by the community and as expected by government.

The reforms will be enacted by way of a clause being added to the Stallion Return, Mare Return and New Breeder Registration Form of the Stud Book wherein owners acknowledge that they will come under the rules of racing if they have an ownership interest in a foal or Thoroughbred.

Full details of the proposed rules will be made available after the standard process of review by Principal Racing Authorities has been completed.

3. New rule on secret commissions

Recent cases involving secret commissions have served to bring racing into disrepute. Although Australian Rule of Racing AR.175(a) makes it an offence to engage in a “dishonest, corrupt, fraudulent, improper or dishonourable action or practice in connection with racing”, Racing Australia believes that a specific rule outlawing secret commissions is required to maintain public confidence in the industry.

Accordingly, the Board of Racing Australia will consider the introduction of a new rule that will apply to the selling and trading of all Thoroughbreds. The new rule will be in line with proposed measures to bring forward transparency of ownership from birth of a foal to capture all those involved in the dealing of Thoroughbreds.

4. Re-Write of the Australian Rules of Racing

The Australian Rules of Racing (ARR) have been extensively amended and changed over the decades. Racing Australia commissioned internal and external legal counsel to re-write the ARR to fashion a more contemporary document which is structured in an orderly and coherent fashion. The re-write goes beyond mere restructure and layout of the document and instead modernizes the language of the rules to make them easier to navigate for all participants.

The re-write has proved to be a long and legally complex exercise principally due to the need to ensure the exact meaning of individual rules is preserved in the re-write to plain English. In a first, all rules relating to medications and prohibited substances will be listed together in a schedule to the ARR titled “Equine Anti-Doping Rules” for completeness and preciseness.

An exposure draft of the re-write has been approved by the Racing Australia Board and will be considered by Principal Racing Authorities before a final draft is settled.

For further information:

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