



AMENDMENTS TO AUSTRALIAN RULES OF RACING

TOR Rules – Appendix 1 and Rule 6(5)

Summary:

A key feature of the Trainer and Owner Reforms (TOR) is that an owner of a horse who has failed to pay their training fees can have certain prizemoney frozen and redirected to the horse's trainer.

However, the term in the TOR Rules that allows this to occur ("prizemoney to which an Owner would otherwise be entitled") may inadvertently restrict a trainer from obtaining prizemoney from a defaulting owner in circumstances where:

- the owner transferred the horse to another trainer before the first trainer became entitled to restrict such a transfer; or
- a majority part owner (who is not in default) transferred the horse to another trainer before the first trainer sought the freezing and redirection of prizemoney.

Accordingly, Racing Australia has determined to amend the definition of "prizemoney to which an Owner would otherwise be entitled" to ensure the first trainer can still obtain the relevant prizemoney after the horse has been transferred to another trainer.

A consequence of the amendment is that both trainers may have competing claims for prizemoney if the owner accrues debts with both. To address this potential issue, Racing Australia has determined to insert a new rule to provide that the claims of the trainer who first seeks freezing and redirection of prizemoney will take precedence over the other trainer's claims. If both trainers enforce their rights under the TOR Rules when they arise, precedence will sit with the first trainer.

1. Amend Appendix 1 of the TOR Rules as follows:

"DEFINITIONS

...

Prizemoney to which an Owner would otherwise be entitled means, for the purpose of these *TOR Rules*, any prizemoney which, but for these *TOR Rules*, an *Owner* would be entitled to receive from *Racing Australia* or a *PRA* in relation to the results in a *race* of a *horse* or *horses* owned or part owned by the *Owner* which is trained by the *Trainer* (or that received the *Training Services*). Such prizemoney therefore includes prizemoney earned through results of a *horse/s* other than the *horse/s* that received the relevant *Training Services* the subject of action under these *TOR Rules* and prizemoney of the *horse/s* that received the relevant *Training Services* (even if the *Trainer* no longer provides *Training Services* in respect of such *horse/s*).

..."

Date of effect: 7 January 2019

2. Insert a new TOR Rule 6(5) as follows:

“TOR Rule 6 – Consequences for a *Trainer* and *Owner* if the *Presumption of a Training Debt* arises

...

- (5) If, in respect of a *horse* owned or part owned by an *Owner*:
- (a) the *horse* is transferred from one *Trainer* to another *Trainer*;
 - (b) the *Owner* owes *Training Fees* and/or *Training Disbursements* to both *Trainers*;
and
 - (c) both *Trainers* have filed an *EAA/s* pursuant to TOR Rule 6(1)(c),
the earlier of the *EAA/s* filed will take precedence in respect of *freezing* the payment of *prizemoney to which the Owner would otherwise be entitled* and directing payment of that prizemoney to the *Trainers*.”

Date of effect: 7 January 2019