

RACING LEGISLATION AMENDMENT (RACING INTEGRITY ASSURANCE) BILL 2009

HANSARD

Title **Racing Legislation Amendment (Racing Integrity Assurance) Bill**
House **Assembly**
Activity **First Reading**
Members **Hulls**
Date **28 July 2009**
Page **2251**

Read first time.

Mr HULLS (Minister for Racing): I move:

That I have leave to introduce a bill for an act to amend the *Racing Act 1958* and the *Gambling Regulation Act 2003* and for other purposes.

Mr BAILLIEU (Leader of the Opposition): I would just like a brief explanation of the bill.

Mr HULLS (Minister for Racing): This bill is all about bolstering the integrity assurance of the Victorian racing industry. It establishes a racing industry commissioner pursuant to the Gordon Lewis recommendations.

It establishes a new appeals and disciplinary structure for the racing industry, including greyhounds, and also repeals the ban on the transmission of betting odds from racecourses.

Motion agreed to.

Title **Racing Legislation Amendment (Racing Integrity Assurance) Bill**
House **Assembly**
Activity **Statement of Compatibility**
Members **Hulls**
Date **29 July 2009**
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Mr HULLS (Minister for Racing) tabled following statement in accordance with *Charter of Human Rights and Responsibilities Act 2006*:

In accordance with section 28 of the Charter of Human Rights and Responsibilities (the Charter), I make this statement of compatibility with respect to the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009.

In my opinion, the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009, as introduced to the Legislative Assembly, is compatible with the human rights protected by the Charter.

I base my opinion on the reasons outlined in this statement.

Overview of Bill

The main objectives of the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009 are:

- (a) to amend the *Racing Act 1958*:
 - (i) to establish the position of Racing Integrity Commissioner to oversee integrity procedures and act in a quasi ombudsman role for the Victorian racing industry.
 - (ii) to establish new racing appeals and disciplinary boards for Greyhound Racing Victoria and Harness Racing Victoria based on the current model in place for thoroughbred racing.
- (b) to amend the *Gambling Regulation Act 2003* to repeal the ban on the transmission of betting odds from racecourses.

The bill will also amend the *Racing Act 1958* to abolish the Racing Appeals Tribunal and confer its jurisdiction for hearing appeals against decisions of the racing appeals and disciplinary boards on the Victorian Civil and Administrative Tribunal.

Context

Early last year the government appointed Judge Gordon Lewis AM to review integrity assurance in the Victorian racing industry. In August 2008 Judge Lewis released the report of his review, containing 63 recommendations to strengthen integrity assurance in the industry. This bill provides for the implementation of specific recommendations in the report.

Human Rights Protected by the Charter that are relevant to this Bill

Privacy

Section 13 Privacy and Reputation

A person has the right:

- (1) not to have his or her privacy, family, home or correspondence unlawfully or arbitrarily interfered with; and
- (2) not to have his or her reputation unlawfully attacked.

Power of the Racing Integrity Commissioner to Disclose Information

Section 37E of this bill will give the Racing Integrity Commissioner the power to disclose integrity related information to a number of bodies and persons as listed in

the section. This power will involve the disclosure of information that may include personal information.

This provision engages but does not limit section 13 of the Charter.

Judge Lewis, AM, in his report cited ‘the difficulty in dealing with unlicensed persons, and particularly ... matters drawn to [Judge Lewis’s] attention by Victoria Police’ as highlighting the need for this provision. The power of the Racing Integrity Commissioner to disclose information to Victoria Police and other law enforcement agencies and persons is an integral part of this bill and the government’s strategic approach to bolstering integrity assurance in the Victorian racing industry.

While this provision engages the right to privacy, it does so in a manner that is neither arbitrary nor unlawful. The interference is not arbitrary because in performing his or her functions to disclose information the Racing Integrity Commissioner will be subject to the *Victorian Information Privacy Act 2000*. Furthermore, in accordance with Judge Lewis’s report, the Racing Integrity Commissioner will decide in each particular case what information should be disclosed and to whom.

The Racing Integrity Commissioner will be able to disclose only integrity related information, for example, the relevant rules of racing or laws the information relates to, the nature of the alleged breach of these rules or laws, and, as appropriate, the identities of the persons alleged to be in breach of these rules or laws, and to a limited number of bodies and persons as listed in section 37E.

This function of the Racing Integrity Commissioner is necessary in instances where information is forthcoming that relates to alleged breaches of the rules of racing, the potential committal of criminal offences, or other general matters concerning possible breaches of integrity in the racing industry. It is essential to any subsequent investigation that ‘integrity related information’ is disclosed to enable a full and proper investigation by the appropriate agency.

The meaning of ‘integrity related information’ is broad and not limited to the matters enumerated in section 37E(2).

An overly prescriptive definition may exclude the type of

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circumstances which led to the review by Judge Lewis, that is, an incident that did not technically involve a breach of the rules but rather a breach of integrity principles. The broader meaning of ‘integrity related information’ would take in such information and allow the Racing Integrity Commissioner to act on it where appropriate. It is not practicable to provide an exhaustive definition of the wide range of circumstances which may be considered to involve integrity related information, without potentially impeding the effective functioning of the Racing Integrity Commissioner.

The Racing Integrity Commissioner will only disclose information ‘as appropriate’. In addition, the Racing Integrity Commissioner will be accountable for the manner in which he or she exercises the functions of office, including the disclosure of information. Pursuant to section 37F the Racing Integrity Commissioner will deliver to the minister an annual report on the performance of his or her functions or the exercise of his or her powers, and integrity related issues he or she determines are in the public interest, which will be tabled in Parliament.

The exercise of this function will serve to strengthen the public perception that the utmost is being done to ensure the integrity of the industry is upheld and to protect all its participants.

Fair Hearing

Section 24 Fair Hearing

- (1) A person charged with a criminal offence or a party to a civil proceeding has the right to have the charge or proceeding decided by a competent, independent and impartial court or tribunal after a fair and public hearing.

This bill contains a number of provisions which engage section 24 of the Charter.

Racing Appeals and Disciplinary Boards

Part IIA of the bill establishes a new Racing Appeals and Disciplinary Board (RADB) which will hear and determine appeals and disciplinary matters in relation to Harness Racing Victoria.

Part IIIA of the bill establishes a new RADB which will hear and determine appeals and disciplinary matters in relation to Greyhound Racing Victoria.

Both RADBs will be established and operate in a manner that is compatible with the requirements of section 24 of the Charter, namely they will be established in a manner that ensures they are independent, impartial and competent; and they will conduct hearings fairly and in public.

Competent, Independent and Impartial

In accordance with the recommendations of the Lewis report the RADBs will be constituted in a way that guarantees their competence, independence and impartiality.

Sections 50E-50F and 83E-83F prescribe that for a person to be appointed to the position of chairperson and deputy chairperson of the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively he or she must be an Australian lawyer of no less than seven years standing.

In addition, pursuant to sections 50H and 83H the Minister for Racing will be able to remove from office any member of the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively, who is not acting in his or her office responsibly or is not capable of satisfactorily performing the functions of the office.

Sections 50E-50F and 83E-83F impose strict qualification and conflict of interest requirements in relation to the chairperson and deputy chairperson of the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively. In addition, sections 50H and 83H will give the Minister for Racing the power to remove any member of the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively for a failure to avoid any conflict of interest.

Fair and Public Hearing

Sections 50N(1)(k) and 83(1)(k) provide that the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively will be bound by the rules of natural justice.

Sections 50N(1)(g) and 83N(1)(g) provide that the Harness Racing Victoria and Greyhound Racing Victoria RADBs respectively will conduct their hearings in public, unless it is in the public interest or in the interests of justice to hold proceedings in private.

Sections 50N(1)(j) and 83(1)(j) stipulate that the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively must give reasons for decisions. Sections 50P(3) and 83P(3) impose an obligation on the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively to provide written reasons for their decisions upon request by a party to the proceeding.

Penalties under \$250

Sections 50J(1) and 83J(1) provide that where a person is fined an amount under \$250 he or she does not have an automatic right of appeal against the decision.

These provisions do not engage the right to fair trial for the following reasons.

Section 24(1) of the Charter guarantees the right to a fair and public hearing in relation to 'civil proceedings'. In the case of *Kracke v Mental Health Review Board* [2009] VCAT 646 ('*Kracke*') Justice Bell held that the expression 'civil proceeding' covers some administrative as well as judicial proceedings.

However, Justice Bell recognised in *Kracke* that not all administrative decision making processes are afforded the full protection of the right to fair trial. His Honour held that '[w]hether a person or body exercising an administrative jurisdiction is doing so in a civil proceeding must be assessed on a case by case basis.' This conclusion was based on the case law in relation to the right to a fair trial in other jurisdictions.

In Communication No.83/1998 (*Kolanowski v Poland*) the United Nations Human Rights Committee ('the Committee') concluded that not every administrative decision is subject to the full rights guaranteed by the right to a fair trial, article 14 of the *International Covenant on Civil and Political Rights*. In general comment 32 on article 14 (23 August 2007), the committee expressed the view that the right would not apply where domestic law does not grant any entitlement to the person concerned. In the context of the present bill participants in the racing industry engage voluntarily in strictly regulated activities and thus agree to be subject to the imposition of penalties, some of which cannot be automatically appealed.

The European Court of Human Rights has said that the right to a fair trial, article 6 of the *European Convention on Human*

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Rights, only applies where there is a 'genuine and serious dispute' (*Bentham v The Netherlands* judgement of 23 October 1985, series A no. 97, p. 14, para 32). The imposition of a fine of a small amount, that is, under \$250, cannot be described as being sufficiently serious where the legislation allows for the imposition of fines of up to \$75000.

The imposition of a threshold of \$250 is necessary in the interest of the economic and efficient operation of the racing industry. Applied consistently across the racing codes, the new provisions will ensure that appeals are not lodged for all minor financial penalties, which could present an unreasonable burden on the appeals and disciplinary bodies. It is worth noting that in the case of greyhound racing, this bill will provide for a reduction in the threshold, that is, an amount that is half the \$500 threshold that currently exists.

This legislation addresses inconsistencies in the present system and provides an avenue for appeal where no such right exists. Currently, Harness Racing Victoria does not allow an appeal for monetary penalties of not more than \$250, while Greyhound Racing Victoria provides those fined not more than \$500 with the option to apply in writing to the Chief Executive Officer to be granted the right to appeal to the Greyhound Racing Victoria domestic appeals board. This bill provides an independent arbiter, the Racing Integrity Commissioner, who has the power under sections 50K and 83K to consider appeal requests from licensed persons across the codes who have been fined not more than \$250. At the Racing Integrity Commissioner's discretion, he or she may direct a RADB to hear the appeal if the Racing Integrity Commissioner believes it is in the public interest.

Where the Racing Integrity Commissioner determines there are insufficient grounds to allow an appeal, the aggrieved person will still have the right of appeal against the

Racing Integrity Commissioner's decision on points of law to the Supreme Court of Victoria.

Conclusion

I consider that the bill is compatible with the Charter of Human Rights and Responsibilities because, to the extent that any provisions of the bill engage human rights, those provisions do not limit any human rights.

Hon. Rob Hulls, MP Minister for Racing.

Title **Racing Legislation Amendment (Racing Integrity Assurance) Bill**
House **Assembly**
Activity **Second Reading**
Members **Hulls**
Date **29 July 2009**
Page **2384**

Mr HULLS (Minister for Racing): I move:

That this bill be now read a second time.

The main objective of this bill is to provide for the implementation of a number of key measures aimed at strengthening the provision of integrity assurance in the Victorian racing industry.

Early last year the government appointed Judge Gordon Lewis, AM, to lead discussions with racing industry stakeholders and report to the government on the most appropriate structure for Victorian racing integrity services. In August 2008 Judge Lewis released the report of his review, containing 63 recommendations to strengthen integrity assurance in the industry.

The report indicated that while the Victorian racing industry does things very well, in some areas it can do better.

Following the report's release the government established a joint government-industry implementation working party, chaired by the Department of Justice and involving representatives from Victoria Police and the three racing codes, to consider the recommendations and report on their implementation.

I was delighted that these 63 recommendations have been strongly supported, with the vast majority to be implemented in full and alternative solutions agreed in some other areas, in consultation with Judge Lewis. The balance of the report's recommendations do not require legislative change and have already been implemented, or are in the process of being implemented.

This bill provides the necessary legislation to implement three of Judge Lewis's key recommendations.

First, the bill contains key amendments to the *Racing Act 1958* to:

- establish the position of Racing Integrity Commissioner; and
- establish new appeals and disciplinary structures for Greyhound Racing Victoria and Harness Racing Victoria.

Secondly, the bill amends the *Gambling Regulation Act 2003* to repeal the ban on the transmission of betting odds from racecourses.

Implementing these measures will enhance integrity assurance provisions in Victorian racing. This will have the effect of bolstering the perception of integrity among all industry participants, and will increase the value of the Victorian racing product.

It will also demonstrate to any potential bidders for the post-2012 wagering licence that integrity assurance is top of the list for both the racing industry and the government.

I now turn to the provisions of this bill.

Racing Integrity Commissioner

During his investigations Judge Lewis expressed his concern that there was insufficient cooperation by the codes to deal with common integrity issues and no formal system to provide for the discussion and sharing of integrity procedures and information.

Judge Lewis recommended that in order to protect the integrity of the racing industry as a whole, and so the public, there needed to be independent oversight of integrity issues across the codes. To this end Judge Lewis recommended the establishment of a Racing Integrity Commissioner to facilitate the exchange of integrity-related information between the relevant bodies and agencies.

The Racing Integrity Commissioner will be located within the Department of Justice.

The role of the Racing Integrity Commissioner will be crucial to strengthening integrity assurance in the Victorian racing industry as it will involve:

- the provision of advice on integrity across the three codes and the industry;
- liaising with the racing industry concerning policies and practices relating to integrity; and
- facilitating the exchange of strategic information between the controlling bodies, Victoria Police, Victorian Commission for Gambling Regulation and other agencies as appropriate.

The Racing Integrity Commissioner will also:

- receive quarterly reports detailing hearings before the racing appeals and disciplinary boards of the controlling bodies;
- provide an annual report on his or her activities to the Minister for Racing, to be tabled in Parliament; and
- have power to direct a racing appeals and disciplinary board to hear an appeal by a licensed person who has received a penalty below the appeal threshold amount if the Racing Integrity Commissioner determines it is in the public interest that it be heard.

The Racing Integrity Commissioner will work closely with the racing industry and Victoria Police to strengthen relations between all parties and improve the intelligence sharing between the relevant enforcement agencies on integrity-related matters.

New Appeals and Disciplinary Structure for the Racing Industry

In his review, Judge Lewis identified discrepancies between the disciplinary and appeal processes across the three codes. To address this situation, Judge Lewis recommended simplification and greater consistency of these processes.

Judge Lewis recommended the establishment of a single appeals and disciplinary board for all three codes, modelled on the current Racing Victoria Limited model.

The racing industry controlling bodies were unanimous in their view that this proposal would inappropriately distance the disciplinary process from their respective governance responsibilities. After further discussions taking into account the views of all parties it was agreed to adopt an alternative model for racing appeals and disciplinary matters that would improve the consistency of the appeals and disciplinary structure while addressing the key areas of concern identified by Judge Lewis.

This bill will therefore establish separate appeals and disciplinary boards for Greyhound Racing Victoria (GRV) and Harness Racing Victoria (HRV).

These new boards will be based on the Racing Appeals and Disciplinary Board of Racing Victoria Limited, which will be retained and which Judge Lewis cited as an ideal model for adoption across the codes.

All three boards will be administered by a common registrar to ensure consistency in the operation and processes of the three boards.

This structure will be the subject of review by the Racing Integrity Commissioner after 12 months to assess the efficacy of this structure and, based on the outcome, determine whether a single appeals and disciplinary body should be progressed.

The bill also provides for the abolition of the Racing Appeals Tribunal, which currently hears appeals of decisions from the existing disciplinary bodies.

Its jurisdiction will be transferred to the Victorian Civil and Administrative Tribunal, which has provided confirmation of its willingness to accept this responsibility.

The Racing Appeals Tribunal has served the industry well since its inception in 1994. However, Judge Lewis expressed his concern that the constant demands on the resources of the County Court have, on occasion, been detrimental to both the operation of the courts and the efficiency of the Racing Appeals Tribunal.

Repealing the Ban on the Transmission of Betting Odds from Racecourses

This ban was put in place as part of the measures to combat illegal 'Starting Price' bookmakers. Modern technology, which allows up-to-date odds and betting information to be accessed via laptop computers,

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mobile telephones and pay TV, has rendered the ban obsolete.

The ban on the transmission of betting odds from racecourses is therefore being repealed from the *Gambling Regulation Act 2003*.

Conclusion

I am confident that the industry's response to Judge Lewis's recommendations, and integrity assurance provisions in general, will ensure that Victorian racing continues to lead the field not just in integrity assurance but in all areas of racing. Judge Lewis has written to me expressing his satisfaction with the support given to his recommendations.

Should this bill not be supported, a valuable opportunity to bolster integrity assurance provisions in Victorian racing will be lost.

This in turn has the potential to affect the confidence of industry participants and the public that Victorian racing continues to maintain the highest possible standards of integrity.

The Brumby government is once again taking decisive action to improve Victoria's world-class racing industry. This government should be congratulated for introducing such important legislation that will ensure we can make Australia's best racing industry even better.

I commend the bill to the house.

Title **Racing Legislation Amendment (Racing Integrity Assurance) Bill**
House **Assembly**
Activity **Second Reading**
Members **Naphine**
Date **12 August 2009**
Page **2675**

Debate resumed from 29 July; motion of Mr HULLS (Minister for Racing).

Government amendments circulated by Mr HULLS (Minister for Racing) pursuant to standing orders.

Dr NAPHTHINE (South-West Coast): I rise to speak on the Racing Legislation Amendment (Racing Integrity Assurance) Bill.

The purpose of the bill is to create the position of Racing Integrity Commissioner, to establish the racing appeals and disciplinary boards for Greyhound Racing Victoria and Harness Racing Victoria, which will be similar to the racing appeals and disciplinary board already in existence for thoroughbred racing within the rules of racing, and to abolish the Racing Appeals Tribunal and establish that in future appeals will be to the Victorian Civil and Administrative Tribunal (VCAT). The fourth purpose is to repeal provisions that currently ban the transmission of betting odds from racecourses during race meetings.

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The Liberal-Nationals coalition will not oppose the legislation but raises a number of important issues and concerns with it, some of which were raised in the briefing. I see in the amendments to be moved by the minister that the government has picked up on some of those concerns.

In my contribution today I will outline the background to the bill, raise concerns about areas within the bill and discuss some of the challenges facing the Victorian racing industries which are raised directly in part 5 of the bill.

By way of background I point out that in February 2008 the then Chief Executive Officer of Racing Victoria, Stephen Allanson, was exposed for making a series of bets under a false name. Further revelations showed that the chairman of Racing Victoria, prominent Labor mate Michael Duffy, was involved in attempting to cover up this situation and sweep this serious integrity issue under the carpet. He was aided and abetted in this by his mate the Minister for Racing, Rob Hulls.

To this day there has been no proper independent inquiry into the Allanson betting scandal and no proper independent inquiry into the cover-up by Michael Duffy, Racing Victoria and the Minister for Racing in Victoria. On 8 March, after enormous pressure from the opposition, the media and the racing fraternity, the minister was forced to call on His Honour Judge Gordon Lewis to prepare a report on integrity assurance into the Victorian racing industry. This was to be a broad review. Judge Lewis's report is the basis for this legislation, but Judge Lewis makes it very clear that while the activities of Stephen Allanson were a catalyst for his report, they were not the subject of his report.

Let me make it clear again: this minister has failed in his responsibilities.

The minister has failed to have a proper independent judicial inquiry into the activities of Stephen Allanson and into the cover-up and the attempt at sweeping those activities under the carpet by his mate, Michael Duffy, as chair of Racing Victoria Limited and himself as Minister for Racing.

I refer to what Judge Lewis said in his report dated 1 August 2008. It is interesting that his report, whilst it is dated 1 August, was actually not produced publicly until the day of a major event during the Beijing Olympics; it was under the cover of that major event during the Olympics that we finally got the report on the table. At page 7 the report states:

... I saw my prime task to be a review of the internal systems the three codes have in place to monitor and manage perceived threats to the integrity of racing as a whole.

It was not to look into the Stephen Allanson matter. It is of note that around the time of these issues, on 20 February 2008 the racing minister was reported in the Herald Sun as having said:

I think that we've always been credited in Victoria as having a squeaky-clean industry.

That is what the minister said, but in contrast to that comment, Judge Lewis said in his report:

Access to an anonymised Australian Crime Commission ... report, sourced to me by Victoria Police, convinced me that criminal activity in the industry was rampant.

Judge Lewis said that criminal activity was rampant in the Victorian racing industry, while at the same time the minister was saying it was squeaky clean. He said there were no problems and that there would be no inquiry into the Allanson betting scandal and no independent assessment of the cover-up perpetrated by senior racing people.

However, 12 months later the government is implementing one and a bit of the 63 recommendations put forward by Judge Lewis. It is important to note some of the major recommendations that 12 months later have not been implemented by this government and this minister. The first among those is the re-establishment of the racing squad within Victoria Police. That was a primary recommendation by Judge Lewis that has not been implemented by this minister and this government. Another primary recommendation that Judge Lewis said was absolutely vital for dealing with integrity issues and cleaning up racing was licensing of commission agents and making them subject to the rules of racing.

It has still not been done. Another recommendation was that all winners and beaten favourites be swabbed. That is still not being done. A range of recommendations were made by Judge Lewis that are significant to improving integrity systems in Victorian racing that have not been implemented by this government and this minister.

I urge the minister to re-examine the report from Judge Lewis and commit to implementing all of the recommendations he made to make sure our racing industries are clean, because integrity is the basis of a good racing industry. People must have confidence. Whether they be a punter having a bet, a horse owner, a horse trainer, a stable hand, a jockey or an official in the industry, people must have confidence in the integrity of the industry and the integrity of the systems in the industry. When you have an industry that involves the employment of 75000 people and billions of dollars turnover in terms of betting, prize money and

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investment, then it is absolutely vital to have sound integrity systems. I go to what is in the legislation itself, and part 2 of the legislation

Ms Pike interjected.

Dr NAPTHINE: It is all right for the member for Melbourne, who is departing to go to Thomastown, I understand to look for a safer seat

Ms Pike interjected.

Dr NAPTHINE: That was a secret, was it, and I let the cat out of the bag? Part 2 of the bill establishes the Racing Integrity Commissioner. This was a recommendation of His Honour Judge Lewis, and it is supported by the coalition.

We got some advice from the Office of Racing and the ministerial adviser at the briefing — and I appreciate that — and I seek assurance from the minister on whether this will be a full-time or part-time position. It was suggested that it may be a full-time position for a couple of years and then move to a part-time position. I want some assurance about what the future of that position is, and I ask whether the minister will confirm in his response that the costs of the racing integrity commissioner and its staff will come from consolidated revenue — from the government — and not be an impost on the racing industries.

The next area I will talk about relates to the boards themselves, and that is contained in part 3 of the bill entitled 'Racing appeals and disciplinary boards'. These are established in legislation under part 3 for the harness racing industry and the greyhound racing industry, establishing two separate boards under two components of the legislation.

However, they are parallel because the provisions are the same for both harness racing and greyhound racing, so some of the comments I make will relate to both harness racing and greyhound racing.

It is important to recognise that when looking at this we have a different situation to what was recommended by Judge Lewis, and it is a different situation that applies in thoroughbred racing. Judge Lewis recommended that there be one single racing appeals and disciplinary board across all three codes. The working party suggested there be three separate disciplinary boards, one for each code, so that they would have the special expertise that each code requires. I am happy with the outcome of the three separate boards. The industry is happy with that outcome. In a letter to the minister, Judge Gordon Lewis said he supports the outcome pending further examination by the racing integrity commissioner who will see how it operates.

There are interesting issues which need to be discussed in the context of the bill, because while the racing appeals and disciplinary boards for harness racing and greyhound racing are based on the model established for thoroughbred racing, there are some significant differences. The thoroughbred racing model is within the rules of racing rather than in legislation, and that is a significant difference. With harness racing and greyhound racing the minister appoints the chair and the deputy chair, whereas Racing Victoria appoints the chair and the deputy chair of thoroughbred racing.

One of the issues I raised in the departmental briefing was about harness racing and greyhound racing. Clauses 50J and 83J state that an appeal must be lodged by 5.00 p.m. on the day after a penalty is given by the stewards, whereas in thoroughbred

racing they have an extra day — it is 5.00 p.m. on the second day after the penalty is given.

In the briefing I argued that providing greater time to assess a situation and for the people involved to seek advice before appealing would be in the interests of the industry and in the interests of all parties. Given that many harness racing and greyhound racing meetings are held at night and that a penalty may be imposed by the stewards at 9.00 p.m., 10.00 p.m. or 11.00 p.m., and people have to travel home or to their stables, arriving at 2.00 a.m. or 3.00 a.m., the wording in the legislation means they have until 5.00 p.m. on the next day to lodge an appeal, which could be quite difficult.

It is interesting to note from what I have seen of the amendments proposed by the minister that the first two will amend the bill to read 'on the third day'. I appreciate the minister has listened to my sound advice and put forward the amendments. It is a logical and sensible thing to do. I am always pleased to cooperate with the minister in the best interests of developing racing in this state.

Mr Delahunty interjected.

Dr NAPHTHINE: The minister does need a bit of help, and I am happy to help on this occasion.

Clauses 50M and 83M refer to persons charged with a serious offence. When people are charged with a serious offence it is dealt with differently. If it is, shall we say, a minor offence, the stewards may impose a penalty on the day of the meeting or that evening, and if a person is dissatisfied with that, they can appeal to the Racing Appeals and Disciplinary Board. But under the rules of racing, if it is a serious offence — and serious

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offences include fraudulent behaviour, not letting a horse run on its merits and drug offences: the stewards act as the prosecutor and the person who is charged acts as the defendant. The stewards do not impose a penalty per se, they present the evidence directly to the board.

Clauses 50M and 83M outline the same situation for harness racing and greyhound racing respectively, but the difference is that in the rules of racing and in thoroughbred racing serious offences are well defined. In greyhound racing and harness racing those boards are yet to define what is a serious offence. It is important we have some clarification of what will be considered a serious offence.

Clause 9 substitutes new part IIIB and inserts a new part IIIBA into the *Racing Act 1958* to abolish the Racing Appeals Tribunal.

Proposed clause 83OH provides that persons affected by decisions of any of the three racing appeals and disciplinary boards may apply to VCAT for a review of that decision. Proposed clause 83OH(2) states:

A steward may apply to VCAT for review of a decision made by a Racing Appeals and Disciplinary Board if that decision was in respect of a penalty originally imposed by the steward.

That is all well and good, but it neglects a significant part of the whole process, because where a serious matter goes directly to the board, there is no penalty imposed directly by the steward. The stewards present their evidence, and the decision is imposed by the board. Therefore, if the bill was passed unamended, then the stewards would not be allowed to appeal against the severity of a sentence or anything like that when it is a serious matter. That is a great deficiency in the legislation.

But lo and behold, we see the third amendment proposed by the Minister for Racing. I am pleased to see that obviously the officers from the Office of Racing, who are earnest and diligent people, have taken back to the minister the concrete proposals I put on the table, and the minister has seen the wisdom of those ideas. I am sure the officers involved would have told the minister that they came directly from the shadow Minister for Racing. They would not have claimed the credit for themselves.

Mr Wells: They would not have done that.

Dr NAPHTHINE: They would not have done that. Integrity would not allow them to claim credit for that. They would have given credit where credit is due. They would have been fair and reasonable.

I am pleased the amendment has been brought forward.

But there are still issues that the racing industry has with respect to taking away the Racing Appeals Tribunal and taking appeals to VCAT. The racing industry believes the Racing Appeals Tribunal has been a very effective model. As Judge Lewis said, with the development of the Racing Appeals and Disciplinary Board within thoroughbred racing, very few matters have gone to the Racing Appeals Tribunal. But it is now to be abolished and appeals will go to VCAT.

The industry has some concerns, and I will raise those in a minute, but before I do I want to record the appreciation of the racing industry, and people involved in the racing industry like myself, for those people who have served on the Racing Appeals Tribunal over time. They have done a difficult job with distinction.

Now that the Racing Appeals Tribunal is being abolished it is appropriate to place on record our thanks and the industry's thanks for their work in those circumstances.

Let me move to the issues the industry has with regard to matters going to VCAT. The industry's first concern is that VCAT will not have the expertise to deal with these issues, that many tribunal members of VCAT will have little or no knowledge of the racing industries and the intricacies of racing industries. For example, in the greyhound industry, tribunal members may have difficulty understanding the concept of penalising a dog for failing to chase. Dogs can sometimes be penalised for failing to chase even when they win the race. It seems a contradiction that the dog has won and has failed to chase, yet it can be argued that the dog should have won by 10 lengths and has only just won because it did not properly chase the lure.

In harness racing and thoroughbred racing it takes a trained eye and a bit of expertise to note some of the ways that drivers or jockeys might manage their horses during the race so that they are perhaps not allowing the horse to run on its merits and not getting the very best outcome.

There are real concerns that appeals to VCAT will not be handled as they should be, because of the lack of expertise on VCAT. Time will tell, but I think it is something that we as a Parliament need to keep an eye on. The minister also needs to keep a very close watch on how that operates in VCAT.

Mr Delahunty: And the timeliness of it.

Dr NAPHTHINE: The member for Lowan is exactly right: the other issue the industry has is in terms of the timeliness and the delays that might take place at VCAT. It is very important in the racing industries that matters are dealt with expeditiously. If a jockey is penalised, the jockey's livelihood could be at risk. The jockeys need to know whether they are going to be

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suspended or whether the suspension is going to be overturned so that they can plan their mounts, and owners and trainers can make arrangements. If there are significant delays, that can really impact on people's livelihoods and on the running of the industry.

My attention was drawn to an article in *The Age* today, 12 August. I will read the first paragraph:

The Victorian Civil and Administrative Tribunal is to be overhauled as waiting times for hearings blow out and its president confronts serious issues with its operation.

The president of VCAT himself is saying that there are significant time delays and blow-outs with respect to VCAT. What we need in terms of the racing industry are proper integrity processes, proper appeals process, and for those involved: the trainers, the owners, the jockeys and the drivers: to have their appeals heard in a timely way and for decisions to be made by people with expertise in that area.

The other area of concern the industry has is with respect to cost. The industry has very serious concerns for the participants who need to take matters to VCAT on appeal. The costs may be significant and prohibitive, and that is a hindrance to a proper and fair justice system where people can legitimately take their appeals to be heard in a timely manner, particularly with due respect to the greyhound industry, where many participants are owner-trainers, and many owner-trainers in all the racing industries are often termed 'battlers'. The cost of taking an appeal to VCAT can often be prohibitive.

I received a memo dated 11 August from Megan Hughes, the adviser to the Minister for Racing. The question I put to her following the briefing was:

Will racing industries be required to make a funding contribution to pay for additional workload of VCAT?

The answer, in part, was:

If additional resources are required by VCAT it would be expected that those costs would be similarly met by the racing industry.

The minister's adviser is saying that costs of VCAT may be shifted back onto the racing industry, and that would be of significant concern to the racing industry. The costs, the delays and the lack of expertise on VCAT are serious issues.

Finally I wish to talk about part 5 of the bill. This is an important issue, because it is symbolic of some of the challenges facing racing. Part 5 repeals provisions of the *Gambling Regulation Act 2003*, which bans transmission of betting odds from racecourses during a race meeting. That was recommended by His Honour Judge Gordon Lewis. It is supported by the coalition and by the industry because it is a largely anachronistic provision. Technological changes have overtaken the legislation. It was legislation that came from the days when Starting Price (SP) bookmakers were a problem and the transmitting of odds from the course to the SP bookmakers was seen as inappropriate, and a ban was needed.

The repeal of that legislation, which is widely supported, highlights the changing nature of wagering in Victoria and Australia. The threats are no longer the SP bookmakers. The threats to Victorian racing are the corporate bookmakers based in Darwin or other jurisdictions who have the advantage of lower tax rates.

Many of these corporate bookmakers pay little or nothing to help fund the racing industry on which they operate.

I refer to an article in The Age of 7 August headed 'Tabcorp warns of concerning signs'. The article says:

Victorian racing's joint venture partner, Tabcorp, said yesterday that the industry would not be adequately funded by the state's totalisator in the future ...

Further, Mr Funke Kupper, Chief Executive Officer of Tabcorp, said:

However, there are concerning signs for the racing industry when one considers the declining level of growth in the second half of the 2009 financial year and the changes taking place in the Victorian wagering market.

The only way we can secure industry funding is to recognise that racing and wagering are national activities, not state-based activities. This means putting in place a national tax rate and a national industry funding regime that applies equally to all operators.

In other words, we need to close the loopholes that exist as a result of differences between states in both tax rates and product fees. Getting this right will require leadership from the Victorian racing industry and the state government.

I say, 'Hear, hear!' to that.

We need a national approach on these key issues. If we do not get a national approach, and if we do not get a national agreement, we will have a very diminished racing industry in the future.

We will have significantly reduced prize money, a significantly reduced spring carnival and a significantly reduced employment pool in the racing industry. It is in everybody's interests to get a national approach.

This is where I think the Minister for Racing here in Victoria can play a big role. He is the Deputy Premier

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of the state, he has been in government for 10 years, he is a racing minister of some years standing and he represents Victoria: the lead racing state in Australia. Therefore I believe it is incumbent on him to take the lead on this issue, to lead the charge for a national approach, to get together with racing ministers across the Australian states and territories, to involve the federal government and to get a national solution to this problem.

If this occurs, we can get all the participants in wagering in Victoria and in Australia: wherever they operate, be they totalisators, corporate bookmakers or betting exchanges: to pay a fair and reasonable contribution to the racing product they bet on. We cannot have a situation where New South Wales is trying to charge corporate bookmakers 1.5 per cent of turnover and Victoria is saying it wants 10 per cent of gross profits throughout the year and 15 per cent in the spring. We cannot have other states saying, 'We will have much lower tax rates, and we will offer you good deals'.

We cannot have that because it is not in the long-term interests of racing. It would lead to an interstate competition in which everybody would lose, and the biggest losers would be racing, jobs in racing and the state finances.

We need to recognise that there have been significant changes in racing. For example, in the past 10 years corporate bookmakers in the Northern Territory have gone from a turnover of \$400 million to one close to \$5 billion. This takes away dollars that would normally have been bet in totalisator systems in this state, and it takes away dollars from state treasuries and from Victorian racing. Significant dollars have been taken away from Victorian racing and have gone to the Northern Territory and into the pockets of corporate bookmakers. Now we have a situation where the

government has allowed open advertising. These corporate bookmakers are now advertising 'totes plus five per cent' and 'best tote odds' to attract more and more punters away from the totalisator and Tabcorp.

On top of that we now have local hotels installing betting machines to allow punters to bet directly with Victorian bookmakers. Although the government was warned about this in November last year and was asked to take action, it did nothing. In May, when the first machines were installed, this government did nothing. The Minister for Gaming and the Minister for Racing are still looking into it, while more and more dollars are taken away from Victoria and Victorian racing.

This is the biggest threat facing racing in Australia — and particularly in Victoria, the leading racing state. I implore the Minister for Racing to do the right thing by Victorian racing, to use his authority as Deputy Premier and Minister for Racing to drive the national approach that is needed to address these issues.

I ask him to drive all the ministers across Australia and get the federal government involved so that we get a national approach that brings a fair and reasonable return to the racing industry from all the players who bet on the racing product. That is absolutely essential if we are going to have a vibrant racing future.

In recent times we have seen harness racing tracks in country Victoria close. We have seen Wangaratta greyhound track close, we have seen thoroughbred tracks lose funding for their training facilities and we have seen meetings taken away from country Victoria. That is only the tip of the iceberg of what will happen in the future if we do not get a national approach, if we do not get a national solution, if we do not get national leadership and if we do not get a fair deal to return money to racing from gambling.

Mr DONNELLAN (Narre Warren North): It is an honour to speak today on the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009. The racing industry is so important to Australia — and to Victoria more than anywhere else. It is estimated that the industry generates economic activity of about \$2 billion a year and provides employment for about 40000 people. It is a vital industry, and more than anywhere else, Victoria is at its heart. This bill deals with bolstering integrity assurance for the Victorian racing industry. It has three main components: establishing a racing integrity commissioner, establishing a new appeals and disciplinary structure for the racing industry and repealing the ban on the transmission of betting odds for racing from racecourses.

The bill will also abolish the Racing Appeals Tribunal (RAT) and confer its responsibilities on the Victorian Civil and Administrative Tribunal (VCAT), as was previously indicated.

The Racing Integrity Commissioner will be located in the Department of Justice. As we know, the Department of Justice takes these roles very seriously, including its role in gaming. The commissioner will be responsible for providing advice on integrity, fulfilling a process-auditing role and liaising with the racing industry over policies and practices relating to integrity. Further, the racing integrity commissioner will liaise between the controlling bodies: Victoria Police, the Victorian Commission for Gambling Regulation and other agencies as appropriate.

As we know, a report was made after the Chief Executive Officer of Racing Victoria Limited (Racing Victoria Limited)

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was involved in inappropriate betting activity. The government at the time appointed His Honour Judge Gordon Lewis to undertake this review. In his report Judge Lewis spoke very highly of the Racing Appeals and Disciplinary Board put in place by

Racing Victoria Limited. Conversely, he indicated that he had some concerns in relation to perceived and potentially real conflicts of interest in the processes of harness and greyhound racing. Specifically in relation to greyhound racing, the appeal decisions of the stewards are currently heard by members of the Greyhound Racing Victoria board — the same board that appoints the stewards, so there are perceived conflicts of interest there; whether they are real or not is for other people to decide.

The judge at the time recommended a single board. The industry rejected that recommendation, and eventually a compromise was reached whereby the racing appeals matters were put in a different model.

New boards will be established for greyhound racing and harness racing on the Racing Victoria Limited model, and in 12 months time the racing integrity commissioner will review that process to ensure it is working well. I think it is important that we examine it after 12 months to ensure that it is operating properly.

Further, as previously mentioned, the RAT, which currently hears appeals from decisions of the existing disciplinary bodies, will be abolished and those matters will be referred to VCAT. The RAT has served the industry well. However, the judge indicated at the time that the pressure on the County Court to hear these appeals in a timely manner was detrimental to the court, and suggested that VCAT may be better placed to deal with those issues.

The last recommendation of His Honour which we are taking up concerns the view he formed that in light of modern technology and communications the *Gambling Regulation Act* of 2003 should be amended to repeal the ban on the transmission of betting odds from racecourses. That is a very logical recommendation because at the end of the day it is a bit like someone putting their finger in a hole in the dyke and hoping that will work. Eventually it will burst and you will be in real trouble and have water all over yourself.

The government has acted swiftly here. It has, immediately after it identified the inappropriate activity of the Chief Executive Officer and Racing Victoria, asked His Honour Judge Gordon Lewis to make this report. The recommendations in the report were good and the government is acting on them to ensure that the industry is well.

The member for South-West Coast said a couple of things with which I disagree.

He said he was always pleased to cooperate and that integrity is the most important basis of the industry. I very much agree, but in relation to the review the member for South-West Coast went on the radio and claimed he knew of people who had not had their say. He threw a bit of mud around, as usual, suggesting that the judge was not talking to appropriate people. He just threw that up in the air and let it hang as usual, which he is not bad at doing in this house.

He is not so good at receiving the mud, though. He is a bit like the Paris Hilton of state Parliament — he loves the attention and throwing those comments around, but he does not like the comments coming back to him. So he threw around the idea that somehow these people have been locked out of the process. However, when the shadow minister was contacted by Judge Lewis to provide names and contact details so that he could meet and talk to these people, the shadow minister did not respond.

This is someone who said in this house earlier today that he is always pleased to cooperate and that integrity is the most important basis of the industry but who went on radio to make these comments and when asked to deal with it did not respond. Further, he did not even bother to make a submission to His Honour Judge Lewis in relation to this matter. This is the shadow minister who is talking about integrity and so forth and throwing around mud but not dealing with the issue seriously. He is throwing around innuendo and slugging off at the industry but not doing the right thing.

He went on to suggest that somehow or other the government has not fully responded to the judge's report, but as we note in the letter of 26 January 2009, the judge wrote to the minister specifically in relation to the Review of Integrity Assurance in the Victorian Racing Industry and said:

Thank you for your letter of January 15.

I confirm that I attended a meeting of the implementation working party (IWP) to clarify some issues for its benefit and that subsequently I have been furnished with a copy of the IWP's final report.

I have been heartened by the general support given by the WP to the recommendations in my report.

While some of the recommendations in my report are not presently being fully implemented (e.g. a single appellant and disciplinary body for all codes based on the model of the present RADB), I accept that the interim position proposed in each case reflects a reasonable compromise pending further recommendations from the Racing Integrity Commissioner.

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Finally I observe that it is gratifying that the review which I carried out has proved to be so worthwhile.

That to me suggests that the judge is very happy and believes that his recommendations have been taken very seriously and acted upon. I think the suggestion that somehow or other we have only taken bits and pieces that we like is not correct. The judge has said he is very happy, and he is the one who makes this assessment, not the shadow racing minister. The shadow racing minister may have his opinions but here is the opinion of the judge: he is very happy with it.

At the end of the day it is unreasonable because every time there is a problem we have a call from the opposition for an independent inquiry against corruption, as if that would solve everything.

It might solve water policy, which the opposition does not have at the moment; it might solve preselection problems, but the judge did not make that recommendation. The only people calling for an independent inquiry against corruption in the racing industry are the opposition members, which would suggest that somehow there is more mud to be thrown at the racing industry. That is quite unreasonable. For someone who supports the racing industry, as I believe the shadow minister does, some of his comments do severe damage to the industry.

Mr WELLER (Rodney): It gives me great pleasure to rise and speak on the Racing Legislation Amendment (Racing Integrity Assurance) Bill. It is always a pleasure to follow the member for Narre Warren North, who has a different view on the shadow minister's integrity from ours. On this side we believe the shadow minister has great integrity, and he is one of the people with the most integrity in this Parliament.

The member for Narre Warren North probably needs to think before he makes further comments denigrating such a valuable member of this Parliament.

As we have already seen, the shadow minister raised some very valid points during his briefing. The minister has now decided that they are very appropriate points, and three amendments were brought in as we started the debate today. I support the member for South-West Coast and the position he has taken.

The clauses in the bill provide for a racing integrity commissioner, establish the racing appeals and disciplinary boards for Greyhound Racing Victoria and Harness Racing Victoria, repeal provisions of the *Gambling Regulation Act 2003* banning the

transmission of betting odds from racecourses during a race meeting, and amend the Racing Act 1958, which relates to the Racing Appeals Tribunal.

Racing is a very important part of the Rodney electorate.

We have harness racing clubs at Gunbower, Echuca and Kyabram. Unfortunately, we have only one place where we can race, and that is at Echuca.

The harness racing club at Gunbower was very disgruntled that it had its cup meeting and one other meeting taken away from it. They now have to be held in Echuca. This was the view of the Harness Racing Board; it was not the view of the Gunbower Harness Racing Club. Gunbower has the longest track in Victoria, and all issues, including occupational health and safety, were adhered to. It was just told that it would have fewer races so there could be races in Melbourne. Basically that is what it came down to.

The races at the Kyabram club have been split between Shepparton and Echuca. Two clubs in my electorate, through this government's cuts, have lost cup meetings at their own tracks, for no other reason than that is what the government deemed.

When it comes to gallops, the Echuca Racing Club has lost a race meeting due to cutbacks by this government. Each race meeting brings great income to the Echuca area, and it is devastating to a drought-stricken economy to lose a race meeting. It is not only about the money; it is also the social outlet of people getting together, talking about other issues and having a great day at the races.

This bill is the result of a review the government was brought kicking and screaming to after some unfortunate incidents. Judge Gordon Lewis came up with 63 recommendations. As the member for South-West Coast has indicated, the government has adopted about one and a half of those recommendations. What really concerns me is that Judge Lewis made the observation that criminal activity was rampant. How could anything be more demeaning to a government than to have criminal activity rampant within the racing industry? Why then has the government not taken up the recommendation to reintroduce the racing squad?

After comments like that in the report I would have thought it would have been a no-brainer to bring back the racing squad. We are being told by the government that it is employing more police; why, then, has the racing squad not been brought back?

Gordon Lewis also recommended that there be a single appeals and disciplinary board for the three separate codes. However, the government has gone against that and introduced separate boards for the greyhound and harness racing codes. I note the industry has accepted this, but obviously a compromise has been made here. It is not the ideal model, but it is the one that is going forward. We accept that that is what the industry is

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prepared to take. It may not be ideal in the view of the industry, but it is one it will have to accept because the government has said, 'You will accept this'.

Clubs and trainers in my area are concerned about the costs they may incur if they have to fund going to the Victorian Civil and Administrative Tribunal (VCAT). A lot of dairy farmers in my electorate have an odd pacer or an odd trotter.

Mr Trezise: The problem is their cows go quicker.

Mr WELLER: The member for Geelong says, 'The problem is their cows go quicker'. What we must remember is that the cows are going very quick now that the north-south pipeline will take the water away. That is all we need to remember: the cows will go quicker if the north-south pipeline takes the water away from northern Victoria. We must remember that multinational corporations are not running these hobbies. Quite often they are run by good, honest rural folk in my electorate who have a

hobby. If they have to pay for an appeal to VCAT out of their own coffers, they will not be able to fund it, and that will be prohibitive.

In his contribution the member for South-West Coast said that he asked the minister about funding. The minister's adviser came back to him and said the industry might well have to fund this. The problem with the industry funding is that we will more than likely see another round of cuts. There will be either fewer races or less prize money in country Victoria, which will make it less viable for people to pursue their hobbies. That is not acceptable to us.

There is also the matter of the time it takes to go to VCAT. As we understand it, there are long waiting lists at VCAT. What would happen if there was an appeal?

We cannot wait three months or six months; we would need to know, because more than likely there would be a race the next day or the next week. We cannot have long extensions; it will be detrimental to the industry. Such a proposal shows that people do not understand how the industry works.

In my electorate the number of race meetings at Echuca has been severely cut by one. One out of six races is about a 16 per cent cut. The Echuca race club cannot stand any more cuts. If there were a cut in any of the other meetings because of changes in structure or because people wanted to run races in other parts of Victoria, it would be detrimental to the tourist industry in the area. People come to watch the races in Echuca. They come to the annual race meeting held at Gunbower, which is on the first weekend of October: and a great meeting it always is.

Mr Herbert interjected.

Mr WELLER: It is, the Gunbower meeting, and I recommend it to everyone. It would be lovely to see you there.

As to the people who have served on the appeals tribunal, we should recognise their valuable service and the role they have played in adjudicating appeals that have come before them. It will be repealed and there will be no further function for them. They have served the industry well, and we should say, 'Well done and thank you'. But times have moved on and we are now looking at a different system. We will not be opposing the bill.

Mr HERBERT (Eltham): It is a great pleasure to speak on the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009.

An honourable member interjected.

Mr HERBERT: Thank you. I am pleased to hear The Nationals are going to support the bill. It is a pleasure to speak on this bill because the racing industry is a fantastic industry, a fantastic part of Victoria and a fantastic part of our vibrant community not just in Melbourne or during the spring carnival but in numerous country towns across Victoria. As we have just heard from the member for Rodney, it is an incredible part of and provides great wealth and enjoyment for people not only in his electorate but across Victoria, regardless of their nationality, where they live, their gender or whether they are rich or poor. A day at the races can be a fantastic experience.

I listened to the shadow minister's contribution to the debate. My tip for him would be to praise the industry and support it a bit more. He should try to not knock it as much. It really does not deserve it. The Victorian racing industry is the best in the country. I am sure we would have unanimous support for that. It is also one of the world leaders and it should enjoy our support.

That recognition was shown last Sunday night at the Victorian Thoroughbred Racing Awards. I know a few members from this chamber were at the awards; it was a very good evening.

Dr Napthine: I was there.

Mr HERBERT: The shadow minister was there, as was the minister. The awards that were presented show the strength of the industry. I would like to take a

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minute to congratulate the trainers, jockeys, apprentices and owners who won awards. I particularly pay tribute to and congratulate a few of them. The winner of the Fred Hoysted Medal was Bart Cummings; what a great Victorian racing identity. The Finline Metropolitan Jockey Premiership Award was won by Craig Williams and Damien Oliver, two great jockeys; and that iconic award: sadly, Scobie was not there this year: the Scobie Breasley Medal, was won by Craig Williams.

These people are the legends of the industry; their lights reflect the industry admirably right across the globe. As I said, it is an industry that has an excellent reputation here in Victoria. I think it is a very clean industry in Victoria. I have heard comments to the contrary, but when you consider in general the amount of cash that flows through the industry you see that the industry has remarkably little corruption in it.

If you are a punter here you can be pretty much assured you have a fair chance to win a race free and fair without any fixing, doping or other practices. We hear a lot about those things happening in other countries across the world where the industry does not have in place the integrity, basic regulations and procedures in place and strong government support that keep the industry here clean.

Having said that, racing is an incredibly important industry to Victoria. It generates probably hundreds of millions of dollars across the state every year and provides enjoyment for hundreds of thousands of people. We have to make sure it is safe; we have to make sure it is efficient; we have to make sure it is as squeaky clean as any industry like this could possibly be. Hence we have this legislation before the house today. It is a pleasure for me to speak on this bill.

The bill originated early last year when the government appointed Judge Gordon Lewis to lead discussions with the racing industry and stakeholders and report back to the government on the most appropriate structures for Victorian racing integrity services. It did this and came back with 63 good recommendations. We are now looking at three of those recommendations which are contained in the bill before us today.

Apart from the recommendations contained in the legislation, a lot of the other recommendations are in the process of being implemented and discussed. In some cases alternative solutions are being talked through with Judge Lewis to make sure we lift the bar on the very high standard of integrity we currently have within our racing industry. One of the key components of this legislation is to establish the racing integrity commissioner and to establish new appeals and disciplinary structures for Greyhound Racing Victoria and Harness Racing Victoria. There are three good codes; it is great when they work together.

A lot of us enjoy all three kinds of racing.

This legislation repeals the ban on the transmission of betting odds by racegoers and implements a number of other measures designed to bolster the integrity of participants to add value to our racing product in this state. It also demonstrates to any potential bidders for the post-2012 wagering licence that integrity assurance is at the top of the list both for the racing industry and for the government. In that regard this is a very timely piece of legislation.

The office of the racing integrity commissioner will facilitate the exchange of information between the controlling bodies of Victoria Police, the Victoria

Commission for Gambling Regulation and other regulatory agencies as appropriate to ensure we have a coordinated approach to achieving the highest possible standards of integrity in the industry.

One of the areas that has been commented on in terms of the new appeals and disciplinary structures is that there are slightly different arrangements to what was originally proposed by Judge Lewis when he recommended an overarching single appeals and disciplinary body to service all three codes. In the good and worthwhile discussions we have had, which have probably led as much as Judge Lewis's report to strengthening the integrity of the industry, it was agreed to establish three separate appeals and disciplinary boards: one for Greyhound Racing Victoria, one for Harness Racing Victoria and one for thoroughbred racing. But all three boards will be administered by a common register to ensure there is procedural consistency. I think this has been done. Those who participated in various types of racing thought this was a more efficient way of dealing with the boards than having one overarching body across the three codes. In the end, Judge Lewis said in discussions that he is quite comfortable with the arrangement in this legislation today.

The other issue I want to quickly touch on is the ban on the transmission of betting odds from racecourses. This was originally included to fight against Starting Price bookmakers in Victoria. It was a good thing at the time, but let us face it: we live in a different world now. We have two TV stations streaming racing constantly at us. Most bookies have laptop computers; most people carry a BlackBerry. You can get odds right around the country straightaway. Technology has made this provision redundant.

I do not have a huge amount more to say on the bill. I will once again clarify that this bill adds another level to

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integrity to what is by world standards a strictly monitored and very clean racing industry. The type of industry we have in Victoria has not been seen in many other states. We have seen on other tracks in countries around the world horse doping, race fixing and many other similar activities.

The leaders of the racing industry are recognised by ordinary Victorians as genuine heroes: not just heroes at the track but great citizens in our society. It is an industry where country towns feel proud of their racing tracks. I like to see young apprentice jockeys and other jockeys come to annual race days or regular race days.

The racing industry is profitable and brings great wealth to Victoria; it is one we would hate to see diminish. No-one wants to see smaller crowds at the spring carnival week at Flemington, which is an iconic fixture that brings half a million people to the track during that week alone. We will see that grow.

We want to see the industry flourish. We will see that through tightening up integrity, providing support for the industry, making the industry grow and recognising the industry for being a great part of Victoria and for the great contributions it makes to Victoria, which it undoubtedly does. I support the bill wholeheartedly.

Mr MULDER (Polwarth): It gives me great pleasure to join the debate on the Racing Legislation Amendment (Racing Integrity Assurance) Bill. I declare a pecuniary interest at the start of my contribution: I hold a registration as a horse attendant, I have a strapper's ticket, and I regularly attend race meetings.

My respite for the week as a member of Parliament is to go out to the racetrack at Colac on Saturday mornings from 6 o'clock until 10 o'clock. I strap the horses, help clean them, saddle them up and all the rest of it.

It is a fantastic industry and a great outlet. On the weekend I was fortunate enough to be asked to take one of the horses to Coleraine for one of the trainers. It was a rank outsider. Someone who stood back and listened to me giving instructions to the jockey said, 'They weren't instructions; that was just about a war chant'. Nevertheless the rank outsider got up and got the money, so I could be sent away again shortly.

Also in terms of a pecuniary interest, my wife, Sue, and I; John Vogels, a member for Western Victoria Region in the upper house; and a lot of people from Colac and Camperdown have an interest in a horse named Jagged Man, which was a winner at Swan Hill last Monday, a winner at Mildura a couple of weeks ago and a previous winner at Camperdown. The horse is showing enormous potential, and we look forward to more.

If you put your money where your mouth is, you could not get a better example than what has happened on this side of the house. I was able to syndicate a horse to 10 rural members of Parliament. The horse was bred and trained in the country and is owned by 10 rural members of Parliament. It is aptly named No Stalling in light of what will happen when we go from this side of the table to the other side of the table after November next year. No Stalling: listen for it, watch for it and get your money out. As I said, this side of the house is greatly involved in the racing industry and only too proud to support what is a fantastic industry for Victoria.

I have been on racing committees for a long time, and for as long I can remember country racing has always been under the hammer. We have just gone through another significant review. It was disappointing to see the Minister for Racing sit back on his hands and watch country clubs being gouged.

They were absolutely gouged while the minister failed to rise to his feet on a single occasion and support country racing. As the member for South-West Coast has pointed out: he was absolutely on the mark: the issue that the industry faces at the moment and one of its greatest threats is the establishment of the betting exchanges in other states. They are like lice on the back of the Victorian racing industry. They are taking out of Victoria money that should stay here and be reinvested in Victorian racing: and we are getting nothing out of it. Victoria is the state that has the most to lose from that, because we have got the best racing industry.

As the member for South-West Coast asked: why is our racing minister not here heading the charge and getting this onto the agenda in a federal sense to make sure that we get all states thinking the same way and supporting their own state's racing industry? Most importantly, the lead needs to come from Victoria. It is extremely disappointing.

The Minister for Gaming, who is at the table, should also be in there hanging off the coat-tails of the Minister for Racing and making sure that this vital industry is protected. It is a great employer and generates a huge amount of revenue for the state.

If members are wondering how closely it is connected to the economy, they should just have a look at this year's stud fees and how they have dropped dramatically in line with the downturn in the economy. They go up and they go down with the economy. You can look at the stud fees and the sale price of brood mares at the yearling sales and say, 'There is the temperature gauge'. That will tell you what is going on

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with racing, and it will tell you what is going on with the economy. It is a thermometer for the industry. You can stand back and watch it. I have watched it over many years. Racing is a great indicator of how the community is travelling in general.

In terms of the integrity of the industry, it was an absolute disgrace for this government that the uncovering of the issues of corruption came as a result of the work carried out by the member for South-West Coast. The member for South-West Coast, not the minister, is the person who put these issues on the table and forced the government to conduct a review of the integrity of racing. The minister once again sat on his hands and only acted after the member for South-West Coast put on the table some significant issues to do with integrity in racing. We saw it here today in relation to local government, and we have seen it in relation to jobs for mates. Nothing ever happens until someone digs down deeply and smells what is going on.

Whether it is in the racing industry, whether it is in local government, whether it is do with tenders, whether it is to do with jobs for mates, it is not until someone else digs down that you see this government start to turn around and act. I take my hat off to the member for South-West Coast, the shadow Minister for Racing, because this bill before us today is all about the work that he carried out and all about the issues that he raised in relation to integrity in racing.

We have issues out there at the moment that concern a lot of rural members of Parliament. I have heard a number of them speak today in relation to the loss of race meetings and what is happening out there in relation to training venues. I have in my electorate the Terang Harness Racing Club and the Terang thoroughbred racing club, the Mortlake Racing Club, the Camperdown Turf Club, the Colac Turf Club and the Birregurra racing club. All of these clubs have in one way or the other been affected dramatically by the latest review.

We get these about every five years when someone comes out of Melbourne with a great, big sledgehammer and wants to make an impression and put their mark on the racing industry: and the first places they come to are the country areas. We are subjected to these intensive reviews by Racing Victoria Limited. When you then have a look at what happens with the metropolitan clubs you see they are able to do an internal assessment on themselves and tell everyone what a great job they are doing. It is the country clubs that seem to be the weakest links and the easiest for the industry and the government to attack each and every time we have a review of racing in the state.

In relation to training, we have gone down the pathway where: I acknowledge this: for the first time in a long time we have a Chief Executive Officer of Racing Victoria Limited, Rob Hines, who is actually prepared to listen. Normally when a draft document on what the industry is going to do in relation to race clubs and training comes out, it is set in concrete.

In this case he was at least prepared to listen to what clubs, trainers and owners had to say, and some changes were made.

I still have some concerns in relation to clubs in my area. Camperdown Turf Club has been given five years in training funding. We have the Daffy family up there, we have Ron Gravett and we have other young trainers who are coming up. They are prepared to support the Camperdown club. Providing the community is prepared to support the club, it should be allowed to stay there. Colac Racing Club: I live in Colac: has been given an indefinite amount of funding for maintenance but nothing at all for capital upgrades. We are producing winner after winner out of that location, and I would like to see some commitment for the future in terms of capital for clubs that can demonstrate again and again they are viable and have a great role to play in terms of supporting the industry into the future.

In the short time I have left I will just put this on the table: I ask members to have a look at what the Australian Football League is doing with football. It is out there in every single corner of Australia supporting smaller country football clubs, which in turn are supporting netball clubs. It knows it has other codes looking over its shoulder: soccer and Rugby: and it is not giving an ounce of ground. It has its elbows

out and is pushing back as hard as it can. Yet the racing industry seems to have a philosophy that it can start to withdraw from country Victoria, take back training, take back racing dates and shut down tracks: this is what the minister thinks: and still grow the industry. How on earth can it possibly think that is going to work in the long run? In many country towns and smaller communities we have Safeway, Coles, McDonald's, KFC and Subway. These organisations do a great deal of research into where they should be located.

They are arriving in these regional towns, but the racing industry under the control of the Minister for Racing and the Minister for Gaming thinks it will withdraw and disconnect from those communities and still grow. You cannot do it. I ask the Minister for Racing to have a good look at it. He has been sitting on his hands. He needs to get out there and support country racing.

Mr TREZISE (Geelong): I am also very pleased to speak in support of the Racing Legislation Amendment (Racing Integrity Assurance) Bill. I am pleased to speak in support of the bill because it highlights the Brumby government's commitment to the racing industry in Victoria, not only to the

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thoroughbred industry but also the other two codes of harness and greyhound racing. This government recognises the importance of a healthy, vibrant and, importantly, honest industry.

As has been noted in debates on racing numerous times in this Parliament, and as we have already heard today, racing is far more than just a great sport in this state. As members have noted, the racing industry is a multibillion dollar industry and is a major employer, employing more than 50000: the member for South-West Coast mentioned 75000: employees within this state. We as a government know this is a major industry, a major employer and a major drawcard for tourists, and hence we know the importance of the bill before us tonight, which essentially emanates from Judge Gordon Lewis's report back in 2008.

I am always keen to speak on racing bills in this house because I know the importance of the industry to my electorate of Geelong.

We have the Geelong Racing Club, which is resuming racing this Friday, and I know from having spoken to the club's committee over a number of months that the eyes of committee members will be focused not only on the meeting this Friday but on coming meetings leading up to 21 October when the Geelong Cup will be run in my electorate. I note that that date is not a sitting day, so it will be my 31st year in a row at the Geelong Cup.

The Geelong Greyhound Racing Club is going from strength to strength. I am a bad judge of time, but it was only about six or seven months ago when I had the privilege of being with the Minister for Racing when we opened the new kennels at the greyhound track. The committee out there is going from strength to strength, as is harness racing in the Geelong electorate under Geelong Harness Racing Club's new president, David Kelly. Geelong harness racing also has a healthy future to look forward to.

As a racing enthusiast and as a member who is keen to support the local clubs in my electorate, I am in turn very keen to support any legislation such as the legislation before us tonight that will support not only the industry in my electorate but the industry throughout the state of Victoria. This bill, as we know, emanates from the 2008 report from His Honour Judge Gordon Lewis. The main issues coming out of the report that make up the provisions of the bill are the establishment of the racing integrity commissioner; the establishment of a new racing appeals and disciplinary

structure across the codes, particularly the harness and the greyhound racing codes; and the repealing of the ban on the transmission of betting odds from racecourses.

Importantly these initiatives and indeed the bill itself are supported by the three codes.

As we have heard, the bill will establish a racing integrity commissioner whose essential role or responsibility will be providing independent oversight of integrity assurance practices and processes across the three codes. The establishment of the Commissioner is, I know, a positive step forward in ensuring the integrity of the industry. We all know on this side of the house and I think the whole house appreciates that integrity is a very important component of a healthy racing industry.

I know a number of other speakers want to speak before dinner. This is important legislation, it is good legislation, and therefore I wish it a speedy passage through the house.

Mr DELAHUNTY (Lowan): I rise to speak on behalf of the Lowan electorate on this very important piece of legislation, the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009.

I have to declare right up front that I am a member of Wimmera Racing and a strong supporter of racing in the Lowan electorate, whether it be at the thoroughbred tracks at Nhill, Edenhope, Horsham, Dunkeld, Penshurst, Hamilton, Casterton or Coleraine. Three of those tracks have jumps racing: Hamilton, Castleton and Coleraine: and in fact Coleraine had a great meeting last Sunday. Unfortunately I was unable to be there, but I am assured it was a good meeting. The member for Polwarth was there with a horse. I do not know if it won there, but it did win up in Swan Hill the other day.

Dr Napthine interjected.

Mr DELAHUNTY: He is having a good run. Yes, we did get the tip.

I am also a strong supporter of standardbred trotting or trotting racing at Horsham and Hamilton: or rather it was at Hamilton until this government got into power and wiped out what had been a great harness racing facility at Hamilton. But we have to remember that the harness racing club at Hamilton is a part owner of Alexandra House, which is a gaming venue near the main football ground which it shares with the Hamilton Football Club, and they have got revenue coming in that could be spent on upgrading the facilities. They were not given the chance to do that, but I believe an announcement is going to be made about that this week. It has taken a long time for this government to act to put back the great services that were provided by the standardbred or trotting industry at Hamilton.

Also there is one greyhound track at Horsham, and some money has been spent there in the last couple of

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years. Importantly, that is a great venue that provides enormous resources to the greyhound sector across Victoria, particularly in the Wimmera region.

I put my biases up front in relation to racing, but also I have got to say that my family has had a long association with racing, particularly the thoroughbred industry. My father was a life member of Country Racing Victoria. I suppose I have not got as much passion as my other brothers because, being the oldest, I was the gofer at all those race meetings we attended.

This bill is a step forward in some ways, but it has taken us a long time to get here. Other members on this side of the house have highlighted that it was the shadow Minister for Racing who brought forward many of these concerns about integrity, and we now have this bill before us. The bill's main provisions are, importantly, to

establish a racing integrity commissioner with a small staff: and I highlight the word 'small'.

It will be interesting to see how long that lasts.

The legislation also establishes the racing appeals and disciplinary boards for greyhound racing and also for Harness Racing Victoria. These boards will be similar to that of the thoroughbred industry, but they are a little bit different, as the member for South-West Coast said. Importantly, the bill repeals the Racing Appeals Tribunal and substitutes the Victorian Civil and Administrative Tribunal (VCAT) as the body to appeal to for those aggrieved at decisions of the various racing appeals and disciplinary boards.

I have to say again that I have been a member of Parliament for not quite 10 years, and almost on a monthly basis I see legislation before the house that refers decisions to VCAT. I have not seen its annual report, but I bet members: I should not use those words when I am talking about racing: that VCAT has grown.

The time it takes to obtain a decision from VCAT has blown out, because it needs more people and expertise and I am sure more funds to run it.

A further provision of the bill is that it repeals those provisions of the *Gambling Regulation Act 2003* which ban the transmission of betting odds from racecourses during race meetings. Many members have highlighted this provision as a common-sense decision, given that such transmissions can be made by BlackBerrys and other devices: although anyone doing that currently is likely to have their photo taken.

I will now talk a little about the impact of racing on country Victoria. Some members have mentioned this in their contributions. Racing, whether it be thoroughbred, standardbred or greyhound, has an enormous influence in country Victoria and in particular in the Lowan electorate. It is a major generator of revenue. It employs a lot of people and creates a lot of activity.

On race days we see an enormous number of people travel across Victoria. People come from South Australia: particularly to my electorate: and elsewhere. Racing brings economic activity to the region; it has been one of the things that has kept the area going during the prolonged drought.

Under the current government we have seen the loss of thoroughbred and harness racetracks, a decrease in the number of allocated race meetings and a reduction in funds available to support race clubs. However, I met with the Rob Hines, as has the member for Polwarth, and I congratulate him on the fact that he listened to what I had to say. I know that many clubs in country Victoria, such as Wimmera Racing, prepared submissions for the racing review. Thankfully some of the decline has been turned around, but there is still concern about the long-term viability of country race clubs in the light of the government's handling of the industry.

I now turn to VCAT. The member for South-West Coast has queried whether VCAT has expertise in racing, and that will be of concern to the racing industry. We know the thoroughbred industry is well regarded in relation to its disciplinary process. However, there is concern about the harness and greyhound industries. We believe the expertise or experience of the thoroughbred industry could assist VCAT.

Another major area of concern is cost. The harness and greyhound industries are not the big-ticket industries that the thoroughbred industry is. Many of the people involved in these industries, particularly in the greyhound industry, are the mums and dads and backyard trainers who run their businesses on a shoestring. If costs are increased through the use of VCAT and the like, we will see them suffer.

A further query we have about VCAT is whether it will be able to determine the appeals in a timely and appropriate manner. As members know, many of the appeals that are heard by VCAT take months to adjudicate, and we cannot afford to have that happen in the racing industries.

It is pleasing to see that the minister has brought in three amendments to the legislation on the resumption of the second-reading debate in the house. The proposed amendments to clauses 7 and 8 will extend

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the deadline for appeals to the next day: in other words, the third day following the event. The member for South-West Coast in his contribution pointed out that for the most part race meetings for the standardbred and greyhound industries are held at night, and therefore it would not be possible for those involved in the industries to submit appeals the next day. I am sure the Minister for Racing will give credit where credit is due; it was the member for South-West Coast who brought this issue to his attention.

I will now talk about some of the areas of concern raised by Judge Lewis. In his report he said that 'criminal activity in the industry was rampant', particularly in the racing industry. That is disappointing. Those of us on this side of the house have time and again said this is a vital industry to country Victoria and Victoria in general. I was a member of the parliamentary Economic Development and Infrastructure Committee which conducted an inquiry into the thoroughbred and standardbred breeding industries.

Mr Robinson interjected.

Mr DELAHUNTY: It was a good inquiry. But the reality is that it is a big industry. We have lost the momentum in Victoria; New South Wales is now in front of us; Queensland is very close to us. In the last couple of years we have been helped by a virus which has brought a little bit of support back into Victoria.

We have seen enormous changes, particularly in the Acting Speaker's electorate of Benalla and in the north-east of Victoria where there has been significant growth in the thoroughbred breeding industry. As the member for Polwarth said, that is a bit of a litmus test to show how Victoria and Australia are going. The brood mare sales in Victoria and in other parts of Australia are a good indicator of how the economy is running.

There is more work that can be done in relation to the committee's report.

We need to attract some of those thoroughbred sales into Victoria, particularly during the spring carnival. It is not the ideal time of the year for sales, but it is a great opportunity that could be utilised. The implementation of the committee's report is similar to the implementation of the Lewis report, which will help the racing industry of which I am a strong supporter.

Mrs MADDIGAN (Essendon): It is a pleasure to rise to support the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009. I am particularly pleased to contribute to the debate on this bill because my electorate is home to the Moonee Valley Racing Club, a great racing club in this state which is host each year to the best weight for age race in Australia, if not the world. That is the view of the government. We are very supportive of the Moonee Valley Racing Club and the Cox Plate, which is the opposite view to that of the opposition as expressed in this house by the shadow Minister for Racing.

The opposition's view is that the Cox Plate should be removed from Moonee Valley, a view that is strongly opposed by the Moonee Valley Racing Club and many of my constituents.

Moonee Valley Racing Club, apart from hosting the Cox Plate, provides jobs for many of my constituents and is strongly supported as a great community facility.

Dr Napthine interjected.

Mrs MADDIGAN: I hear the member for South-West Coast abusing the Moonee Valley Racing Club again, and it just holds pretty much with the attitude that he has expressed before in this house and comes as no surprise to us. Yet it is odd that the shadow Minister for Racing, who has a lot to say in this house: less to say outside the house: in relation to racing, made no submission to Judge Lewis when he was reviewing the industry. I find that rather strange.

One would have thought that if he had something substantive to contribute, that would have provided a great opportunity for him to express his views. The member for South-West Coast has made a number of allegations in this house, and I am sure Judge Lewis would have been interested to hear his views.

As we know, Judge Lewis prepared an extensive report which was released in August last year and in which he made 63 recommendations. Preparation of the report involved extensive industry consultation, even though the Liberal Party was not part of it. The recommendations form the basis of this bill, which is now strongly supported by the racing industry. Some changes were requested and agreed to, and now Judge Lewis and the racing clubs are happy with the process outlined in the bill.

The racing industry is one in which there are many stories about supposed irregularities, some proven and some more a matter of gossip.

This legislation brings with it a certain level of assurance which will make people more confident about the industry.

Sitting suspended 6.29 p.m. until 8.02 p.m.

Debate adjourned on motion of Dr SYKES (Benalla).

Debate adjourned until later this day.

Title **Racing Legislation Amendment (Racing Integrity Assurance) Bill**
House **Assembly**
Activity **Second Reading**
Members **Hulls**
Date **13 August 2009**
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Debate resumed from 12 August; motion of Mr HULLS (Minister for Racing).

Motion agreed to.

Read second time.

Circulated amendments

Circulated government amendments as follows agreed to:

1.

Clause 7, page 21, line 5, omit: on the day — and insert: on the third day —

2. Clause 8, page 37, line 15, omit: on the day — and insert: on the third day

3. Clause 9, page 47, lines 3 to 5, omit: Board if that decision was in respect of a penalty originally imposed by the Steward — and insert: Board.

Title **Racing Legislation Amendment (Racing Integrity Assurance) Bill**
House **Assembly**
Activity **Third Reading**
Members **Hulls**
Date **13 August 2009**
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Motion agreed to.

Read third time.

Title **Racing Legislation Amendment (Racing Integrity Assurance) Bill**
House **Council**
Activity **Introduction and First Reading**
Members **Madden**
Date **13 August 2009**
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Received from Assembly.

Read first time for Hon. J. M. MADDEN (Minister for Planning) on motion of Hon. M. P. Pakula.

Title **Racing Legislation Amendment (Racing Integrity Assurance) Bill**
House **Council**
Activity **Statement of Compatibility**
Members **Madden**
Date **13 August 2009**
Page **4078**

For Hon. J. M. MADDEN (Minister for Planning) Hon. M. P. Pakula tabled following statement in accordance with *Charter of Human Rights and Responsibilities Act 2006*:

In accordance with section 28 of the Charter of Human Rights and Responsibilities (the Charter), I make this statement of compatibility with respect to the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009.

In my opinion, the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009, as introduced to the Legislative Council, is compatible with the human rights protected by the Charter.

I base my opinion on the reasons outlined in this statement.

Overview of Bill

The main objectives of the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009 are:

- (a) to amend the *Racing Act 1958*:
 - (i) to establish the position of Racing Integrity Commissioner (Racing Integrity Commissioner) to oversee integrity procedures and act in a quasi ombudsman role for the Victorian racing industry.
 - (ii) to establish new racing appeals and disciplinary boards for Greyhound Racing Victoria (GRV) and Harness Racing Victoria (HRV) based on the current model in place for thoroughbred racing.
- (b) to amend the *Gambling Regulation Act 2003* to repeal the ban on the transmission of betting odds from racecourses.

The bill will also amend the *Racing Act 1958* to abolish the Racing Appeals Tribunal and confer its jurisdiction for hearing appeals against decisions of the racing appeals and disciplinary boards on the Victorian Civil and Administrative Tribunal.

Context

Early last year the government appointed Judge Gordon Lewis AM to review integrity assurance in the Victorian

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racing industry. In August 2008 Judge Lewis released the report of his review, containing 63 recommendations to strengthen integrity assurance in the industry. This bill provides for the implementation of specific recommendations in the report.

Human Rights Protected by the Charter that are relevant to this Bill

Privacy

Section 13 Privacy and Reputation

A person has the right:

- (1) not to have his or her privacy, family, home or correspondence unlawfully or arbitrarily interfered with; and
- (2) not to have his or her reputation unlawfully attacked.

Power of the Racing Integrity Commissioner to Disclose Information

Section 37E of this bill will give the Racing Integrity Commissioner the power to disclose integrity related information to a number of bodies and persons as listed in the section. This power will involve the disclosure of information that may include personal information.

This provision engages but does not limit section 13 of the Charter.

Judge Lewis, AM, in his report cited ‘the difficulty in dealing with unlicensed persons, and particularly ... matters drawn to [Judge Lewis’s] attention by Victoria Police’ as highlighting the need for this provision. The power of the Racing Integrity Commissioner to disclose information to Victoria Police and other law enforcement agencies and persons is an integral part of this bill and the government’s strategic approach to bolstering integrity assurance in the Victorian racing industry.

While this provision engages the right to privacy, it does so in a manner that is neither arbitrary nor unlawful. The interference is not arbitrary because in performing his or her functions to disclose information the Racing Integrity Commissioner will be subject to the *Victorian Information Privacy Act 2000*. Furthermore, in accordance with Judge Lewis’s report, the Racing Integrity Commissioner will decide in each particular case what information should be disclosed and to whom.

The Racing Integrity Commissioner will be able to disclose only integrity related information, for example, the relevant rules of racing or laws the information relates to, the nature of the alleged breach of these rules or laws, and, as appropriate, the identities of the persons alleged to be in breach of these rules or laws, and to a limited number of bodies and persons as listed in section 37E.

This function of the Racing Integrity Commissioner is necessary in instances where information is forthcoming that relates to alleged breaches of the rules of racing, the potential committal of criminal offences, or other general matters concerning possible breaches of integrity in the racing industry. It is essential to any subsequent investigation that ‘integrity related information’ is disclosed to enable a full and proper investigation by the appropriate agency.

The meaning of ‘integrity related information’ is broad and not limited to the matters enumerated in section 37E(2).

An overly prescriptive definition may exclude the type of

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circumstances which led to the review by Judge Lewis, that is, an incident that did not technically involve a breach of the rules but rather a breach of integrity principles. The broader meaning of ‘integrity related information’ would take in such information and allow the Racing Integrity Commissioner to act on it where appropriate. It is not practicable to provide an exhaustive definition of the wide range of circumstances which may be considered to involve integrity related information, without potentially impeding the effective functioning of the Racing Integrity Commissioner.

The Racing Integrity Commissioner will only disclose information ‘as appropriate’. In addition, the Racing Integrity Commissioner will be accountable for the manner in which he or she exercises the functions of office, including the disclosure of information. Pursuant to section 37F the Racing Integrity Commissioner will deliver to the minister an annual report on the performance of his or her functions or the exercise of his or her powers, and integrity related issues he or she determines are in the public interest, which will be tabled in Parliament.

The exercise of this function will serve to strengthen the public perception that the utmost is being done to ensure the integrity of the industry is upheld and to protect all its participants.

Fair Hearing

Section 24 Fair Hearing

- (1) A person charged with a criminal offence or a party to a civil proceeding has the right to have the charge or proceeding decided by a competent, independent and impartial court or tribunal after a fair and public hearing.

This bill contains a number of provisions which engage section 24 of the Charter.

Racing Appeals and Disciplinary Boards

Part IIA of the bill establishes a new Racing Appeals and Disciplinary Board (RADB) which will hear and determine appeals and disciplinary matters in relation to Harness Racing Victoria

Part IIIA of the bill establishes a new RADB which will hear and determine appeals and disciplinary matters in relation to Greyhound Racing Victoria.

Both RADBs will be established and operate in a manner that is compatible with the requirements of section 24 of the Charter, namely they will be established in a manner that ensures they are independent, impartial and competent; and they will conduct hearings fairly and in public.

Competent, Independent and Impartial

In accordance with the recommendations of the Lewis report the RADBs will be constituted in a way that guarantees their competence, independence and impartiality.

Sections 50E-50F and 83E-83F prescribe that for a person to be appointed to the position of chairperson and deputy chairperson of the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively he or she must be an Australian lawyer of no less than seven years standing.

In addition, pursuant to sections 50H and 83H the Minister for Racing will be able to remove from office any member of the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively, who is not acting in his or her office responsibly

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or is not capable of satisfactorily performing the functions of the office.

Sections 50E-50F and 83E-83F impose strict qualification and conflict of interest requirements in relation to the chairperson and deputy chairperson of the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively. In addition, sections 50H and 83H will give the Minister for Racing the power to remove any member of the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively for a failure to avoid any conflict of interest.

Fair and Public Hearing

Sections 50N(1)(k) and 83(1)(k) provide that the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively will be bound by the rules of natural justice.

Sections 50N(1)(g) and 83N(1)(g) provide that the Harness Racing Victoria and Greyhound Racing Victoria RADBs respectively will conduct their hearings in public,

unless it is in the public interest or in the interests of justice to hold proceedings in private.

Sections 50N(1)(j) and 83(1)(j) stipulate that the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively must give reasons for decisions. Sections 50P(3) and 83P(3) impose an obligation on the Harness Racing Victoria and the Greyhound Racing Victoria RADB respectively to provide written reasons for their decisions upon request by a party to the proceeding.

Penalties under \$250

Sections 50J(1) and 83J(1) provide that where a person is fined an amount under \$250 he or she does not have an automatic right of appeal against the decision.

These provisions do not engage the right to fair trial for the following reasons.

Section 24(1) of the Charter guarantees the right to a fair and public hearing in relation to 'civil proceedings'. In the case of *Kracke v Mental Health Review Board* [2009] VCAT 646 ('*Kracke*') Justice Bell held that the expression 'civil proceeding' covers some administrative as well as judicial proceedings.

However, Justice Bell recognised in *Kracke* that not all administrative decision making processes are afforded the full protection of the right to fair trial. His Honour held that '[w]hether a person or body exercising an administrative jurisdiction is doing so in a civil proceeding must be assessed on a case by case basis.' This conclusion was based on the case law in relation to the right to a fair trial in other jurisdictions.

In Communication No.83/1998 (*Kolanowski v Poland*) the United Nations Human Rights Committee ('the Committee') concluded that not every administrative decision is subject to the full rights guaranteed by the right to a fair trial, article 14 of the *International Covenant on Civil and Political Rights*. In general comment 32 on article 14 (23 August 2007), the committee expressed the view that the right would not apply where domestic law does not grant any entitlement to the person concerned. In the context of the present bill participants in the racing industry engage voluntarily in strictly regulated activities and thus agree to be subject to the imposition of penalties, some of which cannot be automatically appealed.

The European Court of Human Rights has said that the right to a fair trial, article 6 of the *European Convention on Human Rights*, only applies where there is a 'genuine and serious dispute' (*Bentham v The Netherlands* judgement of 23 October 1985, series A no. 97, p. 14, para 32). The imposition of a fine of a small amount, that is, under \$250, cannot be described as being sufficiently serious where the legislation allows for the imposition of fines of up to \$75000.

The imposition of a threshold of \$250 is necessary in the interest of the economic and efficient operation of the racing industry. Applied consistently across the racing codes, the new provisions will ensure that appeals are not lodged for all minor financial penalties, which could present an unreasonable burden on the appeals and disciplinary bodies. It is worth noting that in the case of greyhound racing, this bill will provide for a reduction in the threshold, that is, an amount that is half the \$500 threshold that currently exists.

This legislation addresses inconsistencies in the present system and provides an avenue for appeal where no such right exists. Currently, Harness Racing Victoria does not allow an appeal for monetary penalties of not more than \$250, while Greyhound Racing Victoria provides those fined not more than \$500 with the option to apply in writing to the Chief Executive Officer to be granted the right to appeal to the Greyhound Racing Victoria domestic appeals board. This bill provides an independent arbiter, the Racing Integrity Commissioner, who has the power under sections 50K and 83K to consider appeal requests from licensed persons across the codes who have been fined not more than \$250. At the Racing Integrity

Commissioner's discretion, he or she may direct a RADB to hear the appeal if the Racing Integrity Commissioner believes it is in the public interest.

Where the Racing Integrity Commissioner determines there are insufficient grounds to allow an appeal, the aggrieved person will still have the right of appeal against the Racing Integrity Commissioner's decision on points of law to the Supreme Court of Victoria.

Conclusion

I consider that the bill is compatible with the Charter of Human Rights and Responsibilities because, to the extent that any provisions of the bill engage human rights, those provisions do not limit any human rights.

Hon. Justin Madden, MLC Minister for Planning.

Title **Racing Legislation Amendment (Racing Integrity Assurance) Bill**
House **Council**
Activity **Second Reading**
Members **Madden**
Date **13 August 2009**
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Hon. M. P. PAKULA (Minister for Industry and Trade): I advise the house that this bill was amended in the Legislative Assembly. These minor amendments are the result of specific and agreed requests from the three Victorian racing controlling bodies following their consideration of the bill as introduced into the Legislative Assembly on 28 July 2009.

Proposed sections 50J(2)(b) and 83J(2)(b), which are inserted by clause 7 of the bill, are being amended so that the time provided under these proposed sections for persons to lodge an appeal with the Racing Appeals and Disciplinary Boards Registrar against a penalty imposed by a steward be extended from the day after the day the penalty notice is issued, to the third day after the day the penalty notice is issued.

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Proposed section 83OH(2), which is inserted by clause 9 of the bill, is also being amended to extend the right of stewards to apply to VCAT for review of any decision made by a racing appeals and disciplinary board, as opposed to only those decisions that relate to a penalty originally imposed by a steward.

Neither of these amendments are directly referred to in either the second-reading speech or the statement of compatibility. Therefore there is no need to amend either document. I move:

That, pursuant to standing order 14.07, the second-reading speech be incorporated into Hansard.

Motion agreed to.

Hon. M. P. PAKULA (Minister for Industry and Trade): I move:

That the bill be now read a second time.

Incorporated speech as follows:

The main objective of this bill is to provide for the implementation of a number of key measures aimed at strengthening the provision of integrity assurance in the Victorian racing industry.

Early last year the government appointed Judge Gordon Lewis, AM, to lead discussions with racing industry stakeholders and report to the government on the most appropriate structure for Victorian racing integrity services. In August 2008 Judge Lewis released the report of his review, containing 63 recommendations to strengthen integrity assurance in the industry.

The report indicated that while the Victorian racing industry does things very well, in some areas it can do better.

Following the report's release the government established a joint government-industry implementation working party, chaired by the Department of Justice and involving representatives from Victoria Police and the three racing codes, to consider the recommendations and report on their implementation.

I was delighted that these 63 recommendations have been strongly supported, with the vast majority to be implemented in full and alternative solutions agreed in some other areas, in consultation with Judge Lewis. The

balance of the report's recommendations do not require legislative change and have already been implemented, or are in the process of being implemented.

This bill provides the necessary legislation to implement three of Judge Lewis's key recommendations.

First, the bill contains key amendments to the *Racing Act 1958* to:

- establish the position of racing integrity commissioner; and
- establish new appeals and disciplinary structures for Greyhound Racing Victoria and Harness Racing Victoria.

Secondly, the bill amends the *Gambling Regulation Act 2003* to repeal the ban on the transmission of betting odds from racecourses.

Implementing these measures will enhance integrity assurance provisions in Victorian racing.

This will have the effect of bolstering the perception of integrity among all industry participants, and will increase the value of the Victorian racing product.

It will also demonstrate to any potential bidders for the post-2012 wagering licence that integrity assurance is top of the list for both the racing industry and the government.

I now turn to the provisions of this bill.

Racing Integrity Commissioner

During his investigations Judge Lewis expressed his concern that there was insufficient cooperation by the codes to deal with common integrity issues and no formal system to provide for the discussion and sharing of integrity procedures and information.

Judge Lewis recommended that in order to protect the integrity of the racing industry as a whole, and so the public, there needed to be independent oversight of integrity issues across the codes. To this end Judge Lewis recommended the establishment of a racing integrity commissioner to facilitate the exchange of integrity-related information between the relevant bodies and agencies.

The Racing Integrity Commissioner will be located within the Department of Justice.

The role of the Racing Integrity Commissioner will be crucial to strengthening integrity assurance in the Victorian racing industry as it will involve:

- the provision of advice on integrity across the three codes and the industry;
- liaising with the racing industry concerning policies and practices relating to integrity; and
- facilitating the exchange of strategic information between the controlling bodies, Victoria Police, Victorian Commission for Gambling Regulation and other agencies as appropriate.

The Racing Integrity Commissioner will also:

- receive quarterly reports detailing hearings before the racing appeals and disciplinary boards of the controlling bodies;
- provide an annual report on his or her activities to the Minister for Racing, to be tabled in Parliament; and
- have power to direct a racing appeals and disciplinary board to hear an appeal by a licensed person who has received a penalty below the

appeal threshold amount if the racing integrity commissioner determines it is in the public interest that it be heard.

The racing integrity commissioner will work closely with the racing industry and Victoria Police to strengthen relations between all parties and improve the intelligence sharing between the relevant enforcement agencies on integrity-related matters.

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New Appeals and Disciplinary Structure for the Racing Industry

In his review, Judge Lewis identified discrepancies between the disciplinary and appeal processes across the three codes. To address this situation, Judge Lewis recommended simplification and greater consistency of these processes.

Judge Lewis recommended the establishment of a single appeals and disciplinary board for all three codes, modelled on the current Racing Victoria Limited model.

The racing industry controlling bodies were unanimous in their view that this proposal would inappropriately distance the disciplinary process from their respective governance responsibilities.

After further discussions taking into account the views of all parties it was agreed to adopt an alternative model for racing appeals and disciplinary matters that would improve the consistency of the appeals and disciplinary structure while addressing the key areas of concern identified by Judge Lewis.

This bill will therefore establish separate appeals and disciplinary boards for Greyhound Racing Victoria (Greyhound Racing Victoria) and Harness Racing Victoria (Harness Racing Victoria).

These new boards will be based on the Racing Appeals and Disciplinary Board of Racing Victoria Limited, which will be retained and which Judge Lewis cited as an ideal model for adoption across the codes.

All three boards will be administered by a common registrar to ensure consistency in the operation and processes of the three boards.

This structure will be the subject of review by the racing integrity commissioner after 12 months to assess the efficacy of this structure and, based on the outcome, determine whether a single appeals and disciplinary body should be progressed.

The bill also provides for the abolition of the Racing Appeals Tribunal, which currently hears appeals of decisions from the existing disciplinary bodies. Its jurisdiction will be transferred to the Victorian Civil and Administrative Tribunal, which has provided confirmation of its willingness to accept this responsibility.

The Racing Appeals Tribunal has served the industry well since its inception in 1994.

However, Judge Lewis expressed his concern that the constant demands on the resources of the County Court have, on occasion, been detrimental to both the operation of the courts and the efficiency of the Racing Appeals Tribunal.

Repealing the Ban on the Transmission of Betting Odds from Racecourses

This ban was put in place as part of the measures to combat illegal 'Starting Price' bookmakers. Modern technology, which allows up-to-date odds and betting information to be accessed via laptop computers, mobile telephones and pay TV, has rendered the ban obsolete.

The ban on the transmission of betting odds from racecourses is therefore being repealed from the *Gambling Regulation Act 2003* 2003.

Conclusion

I am confident that the industry's response to Judge Lewis's recommendations, and integrity assurance provisions in general, will ensure that Victorian racing continues to lead the field not just in integrity assurance but in all areas of racing. Judge Lewis has written to me expressing his satisfaction with the support given to his recommendations.

Should this bill not be supported, a valuable opportunity to bolster integrity assurance provisions in Victorian racing will be lost. This in turn has the potential to affect the confidence of industry participants and the public that Victorian racing continues to maintain the highest possible standards of integrity.

The Brumby government is once again taking decisive action to improve Victoria's world-class racing industry.

This government should be congratulated for introducing such important legislation that will ensure we can make Australia's best racing industry even better.

I commend the bill to the house.

Debate adjourned on motion of Mr KOCH (Western Victoria).

Debate adjourned until Thursday, 20 August.

Title **Racing Legislation Amendment (Racing Integrity Assurance) Bill**
House **Council**
Activity **Second Reading**
Members **Koch**
Date **3 September 2009**
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Debate resumed from 13 August; motion of Hon. M. P. PAKULA (Minister for Industry and Trade).

Mr KOCH (Western Victoria): I rise to speak on the Racing Legislation Amendment (Racing Integrity Assurance) Bill. This is an important bill. I indicate from the start that the Liberal-Nationals coalition certainly will not be opposing the bill as it is put before us here today. This is a small but important bill. It goes a small way towards correcting the Victorian racing industry by making it more competitive on the national stage. That competitive position has been eroded over recent times.

There are four main purposes of the bill. The first is to create a racing integrity commissioner to oversee integrity matters across the three racing codes. The second is to establish a racing appeals and disciplinary board for both greyhound and harness racing in Victoria. These two boards will follow a similar charter to the thoroughbred racing industry, which has been successful for some time, albeit we are not sure as to

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what Greyhound Racing Victoria and Harness Racing Victoria deem to be a serious offence. One wonders who is going to be the interpreter who will clearly define what a serious offence is. The third purpose is that in putting these two boards in place we will see the retirement of the existing Racing Appeals Tribunal with the substitution of the Victorian Civil and Administrative Tribunal as the body to hear appeals, where the need arises, by those not in agreement with outcomes reached by both these newly created boards. Lastly, this bill repeals those provisions of the *Gambling Regulation Act 2003* 2003 which currently ban the transmission of betting odds from racecourses during a race meeting.

Victorians at large are unaware of the contribution that the racing industry makes to this state. That is somewhat of a pity. Not only should the social and recreational worth of racing be better known but so should the contribution to the state's coffers, which is also something that goes unheralded.

I also declare an interest in the industry. I am a member of the Casterton Racing Club. This club has had an affinity with my family for many years: nearly a century in fact. Casterton is probably one of the best racing clubs by location anywhere in country Victoria. Today it is the only racing club in Australia which has retained a complete set of brush fences for its steeple race. It is on a picturesque site in the Glenelg valley, just south of the township. It is well attended, particularly its cup meeting, by many from near and far. I am also a member of the Hamilton Racing Club. I enjoy being a part owner in a thoroughbred.

I well recognise the impact racing has on regional Victoria. It is part of the social fabric of country people: a language this government and some in the racing hierarchy unfortunately have absolutely no idea about.

Not only have we seen flawed programs like Operation Destiny attempt to destroy local clubs, their management and local sponsors, we have also seen race dates being centralised at a high cost to not just the smaller clubs and, more recently, an endeavour by Racing Victoria Limited to do away with the funding of training operations at many country centres. Racing's lifeblood and nursery are in regional Victoria. With over 75000 people employed in the industry, 60000 of whom are in regional communities, it should not be too hard to work out the impact these changes will have on the viability of small towns and their economies.

Racing boards are continuing to centralise racing on an annual basis. Harness Racing Victoria should not be forgotten for its stupidity in closing seven harness racing centres at St Arnaud, Boort, Wedderburn, Gunbower, Wangaratta, Ouyen and, lastly, Hamilton. These closures have not endeared punters; the closures were straight out dumb.

Hamilton harness racing possibly saw the silliest closure of all as Harness Racing Victoria immediately turned its back on the industry catchment out of the south-east of South Australia.

Its other oversights were to not recognise the passion of the Hamilton Harness Racing Club and that Hamilton's harness racing committee was smart enough to register the gaming machines in their half-share of ownership in Alexander House entertainment centre in the club's name and not Harness Racing Victoria's name. In hindsight it was an excellent management choice. Even that long ago the then executive made sure the club was going to be financially independent and would not have to go to Harness Racing Victoria cap in hand on all occasions for financial support, and that it retained the opportunity to increase place money as it saw fit. Not too many racing clubs, especially harness racing clubs, retained that sort of independence.

It is to that end that, with the support of the Southern Grampians Shire Council, Harness Racing Victoria had little option but to roll over and get involved in rescheduling racing at the new dynamic track on the old site at Hamilton. One should note that only a fortnight ago the Minister for Racing shot up to Hamilton unannounced with his harness racing chairman in tow to announce that racing would restart from early 2010 in Hamilton. They were that keen to be recognised in the local papers they again did not extend an invitation to the local shire, a major player in the redevelopment of this track. The shire would have gladly joined them on this historic occasion. Is there any wonder country Victorians think this government has disconnected from them?

In coming back to the legislation before us today I point out there would not be one racegoer in this state who did not welcome this inquiry into the racing industry and the bringing forward of these important changes, not that they came about as a result of the initiative or creation of this government.

Governance and probity are cornerstones of any industry, and in recent times the racing industry has faltered badly, even at the highest and most unexpected levels. The wagering practices of disgraced former Chief Executive Officer Stephen Allanson through the use of an alias: a practice that contravened the rules of racing: is probably the worst instance of recent times. Although these activities may have assisted in triggering what was to follow, the position was made even worse by the unforgivable attitude of the then and

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current chairman of Racing Victoria Limited, Michael Duffy, when he did his best to sweep this unforgivable practice under the carpet.

Worse was still to come. When all this became public the people were outraged at the goings on at Racing Victoria Limited. Michael Duffy's old mate the Minister for Racing, Rob Hulls, patted him on the shoulder and said, 'Don't worry, mate. I'll make sure your position is secure, as you're far too important to me at that level in the racing industry to remove you'.

Mr Barber: This actually happened? It happened like that?

Mr KOCH: That is how it happened.

Even more shame fell on the industry when the minister was publicly pressured with much assistance from the opposition, especially the shadow Minister for Racing, the member for South-West Coast in the other place and my colleague, Denis Napthine, who by his own hand shamed the minister into undertaking an inquiry into the integrity of racing in Victoria. This saw the minister appoint Judge Gordon Lewis to undertake an independent review of the industry and its activities. With a long and distinguished law career in both regional Victoria and the city, Judge Lewis is recognised as a person who will tell it how it is. He did not disappoint, as his report, which was delivered on 1 August 2008, was scathing in its finding.

It would be fair to say that many people were half prepared for what was going to come out of the recommendations, but Minister Hulls was not. He defiantly has been in denial for far too long in respect of the activities that have been taking place in the industry.

Contrary to what the minister has been peddling by repeatedly saying that our racing industry is open, transparent and squeaky clean, Judge Lewis has reported that this is far from correct. His report said that criminal activity in the industry was rampant.

Judge Lewis's report made some 60-odd recommendations, but unfortunately the government has seen fit to pick up only a couple. One of the most disappointing things not to have been introduced, if we are to see racing integrity restored, was the compulsory swabbing of all winners and even beaten favourites. Not to restore a police racing squad within Victoria Police is possibly the other biggest oversight. This minister and the Brumby government are just not willing to take the challenges of the racing industry head on to tidy it up, even after calling for an independent inquiry.

We support the creation of the new position of racing integrity commissioner and believe the occupant of that position to have the right, without fear or favour, to investigate any irregularities within the industry. In saying that, I believe that to retain the proposed commissioner's independence it should be the responsibility of the government to resource his office and staff, and that should not become an industry cost. I assume the government will resource the office for the proposed commissioner, although that has not been made clear in the bill. We are wary of the cost-shifting that takes place by this government not only in the racing industry but across all its agencies. It has undertaken a cost-shift at every opportunity that has been made available to it, but we certainly hope that will not be the case in this instance.

The third purpose of the bill is the establishment of the racing appeals and disciplinary boards for both harness and greyhound racing.

Judge Lewis was of the opinion that a single board across the whole industry may have been the best result but has since indicated that he is not opposed to separate bodies as they have their own differences. The reporting period: by 5.00 p.m. the day after racing in both Harness Racing Victoria and Greyhound Racing Victoria cases: may impose some difficulties that are not seen in the thoroughbred industry, where two days grace is being offered. Hopefully, if this is found to be unworkable and too onerous, it should be extended so that it is the same industry wide.

We have to remember that many races around regional Victoria, both harness and greyhound, take place on a late afternoon or evening. By the time people get out of

the racecourse and get their standardbreds and greyhounds home it is very late in the evening. A reporting period of only 24 hours does not give them a lot of time to prepare a case if they want to move forward with it. We see that the 48-hour grace period is offered in the thoroughbred industry.

It may not be an oversight, but in the event that it is seen as an oversight we would like to see these two opportunities run in parallel. We think that might be quite sensible if it comes to that.

It should also be noted that any appeals will now be handled by VCAT (Victorian Civil and Administrative Tribunal). We hope this does not create its own problems of timeliness, knowing the workloads involved and the necessity for outcomes, especially in busier times of the racing calendar. It will be important to have the expertise at VCAT, as was the case with the Racing Appeals Tribunal, to see that all matters are turned around in a timely manner and are affordable to smaller owners and trainers and any others involved.

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Lastly, we note that the fourth purpose of the bill is to repeal provisions that currently ban the transmission of betting odds from racecourses during race meetings. The house should support this provision if we want to see racing survive in Victoria. The government has been tardy in moving towards a national approach that has already seen a dramatic movement in wagering outgoings away from our industry and in revenues away from this state. Both corporate bookmakers and betting exchanges have demonstrated the dramatic movement and differences in both tax rates and product fees that we now receive in Victoria. This is not something that happened overnight. It has gone unchecked for far too long and it is having a big impact on Victorian racing right across the board. The government and Racing Victoria Limited have been asleep at the wheel on this issue for years, hoping it would go away. Tabcorp has raised its concerns for months, and an article in *The Age* on 7 August reports that it again warned of 'concerning signs' for the racing industry. The Chief Executive Officer of Tabcorp, Elmer Funke Kupper, is quoted as saying:

Longer term, the Victorian totalisator will not be able to fund the industry unless the inconsistencies in the marketplace are addressed.

The Chief Executive Officer is reported to have pointed to three significant differences between the rules that apply to the Victorian TAB and those that apply to its major competitors: the interstate corporate bookmakers: that will result in a decline in industry funding in the future. He said the differences were, firstly, that the TAB pays tax at a rate of 19.1 per cent of revenues compared with a fraction of that total paid by corporates. Secondly, the TAB pays five to six cents in every dollar wagered to the racing industry while the corporates pay approximately 0.5 per cent under the racefields legislation. Mr Funke Kupper is also reported to have said that corporate bookmakers enjoy greater regulatory freedom in that they can offer credit to customers.

The *Age* article continues:

Under the current joint venture arrangements, which cease in 2012, the racing industry shares in the earnings from Tabcorp's gaming business in Victoria. Distributions from wagering were up 2.2 per cent in the second half of the season.

Funke Kupper said the reduction in the growth rate from wagering in the second half followed significant changes in state-based regulations that govern the wagering market.

The CEO is then reported as saying:

The only way we can secure industry funding is to recognise that racing and wagering are national activities, not state-based activities.

This means putting in place a national tax rate and a national industry funding regime that applies equally to all operators.

I guess this is the biggest question: as Mr Funke Kupper goes on to say:

Getting this right will require leadership from the Victorian racing industry and the state government.

I certainly hope the state government and the racing industry are up to the challenge. Everything put forward in this bill is overdue, and it is a shame the government has not been brave enough to endorse more of Judge Lewis's findings and recommendations. They would offer a significant improvement to our wonderful industry which even the minister is not brave enough to correct.

As I said at the start of my contribution, the opposition will not oppose the bill and we look forward to an early introduction of the amendments in it. We certainly hope that these things are well and truly in place before the start of the Spring Racing Carnival here in Victoria.

Ms HARTLAND (Western Metropolitan): Today I speak on behalf of the Greens in response to the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009. I thank Mr Koch for going through many of the bill's technicalities, and I will not repeat those. I find the word 'integrity' to be at the core of this proposed legislation. My main concern is whether the bill is robust enough to achieve that primary aim, and I will return to that matter shortly.

I noticed that a few members have declared their pecuniary interests, whether those are in the form of a stake in a horse, participation on racing committees or simply attending a racetrack on a regular basis.

Each year my colleagues Mr Barber and Ms Pennicuik and I have been sent a gift from Victoria Racing Club, and each year we have politely returned that gift. I understand from checking the value of that gift today that it is worth approximately \$3000. I am glad I can stand here today and say that I have annually declined my Victoria Racing Club VIP pass. I do that because I do not want to be beholden to any industry; I want to be able to stand in this house and say that I have not received a gift. It is somewhat disturbing to think that members debating this bill might not be able to make an identical statement. While I understand completely that this bill does not actually give a benefit to the racing industry: it is a bill to tighten the controls: I still think this is an issue that should be raised. I think transparency in everything we do is very important.

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We are all aware that this bill was established in response to a damning report commissioned 17 months ago in February 2008. That report, A Report on Integrity Assurance in the Victorian Racing Industry by Judge Gordon Lewis, lifted the lid on the extent of corruption in the three racing codes in this state. Judge Lewis obtained access to a confidential Australian Crime Commission report which convinced him that criminal activity in the industry was rampant. That resulted in 63 recommendations to clean it up. Not all of his recommendations have been accepted, but a majority appear to have been implemented or to be in the process of being implemented.

I believe it is important to emphasise that the Lewis report only came about due to the scandal that erupted in 2008, when the then Chief Executive Officer of Racing Victoria Limited, Stephen Allanson, was busted for making 692 bets under assumed

name 'Jack Hindon'. His corrupt conduct dated back to 2003. For years Mr Allanson placed bets under a false name.

If that scandal had not been exposed, it is very likely that we would have been none the wiser about the extent of corrupt goings-on in the racing industry. Racing Victoria Limited did its best to bury Mr Allanson and the scandal, and I note that there is not one mention of him in its 2007-08 annual report. I do not think that helps the industry to be able to say it is honest and transparent.

This is one of those bills that make you question whether the measures to enhance transparency and integrity within an industry go far enough. I question the level of objectivity in the government's implementation plan. The Minister for Racing constantly sings the praises of the racing industry. His mantra, both before and after the scathing report, was 'We lead the nation'. I am not quite sure what we lead the nation in, but he is sounding like a broken record and I am certainly not buying it.

I have concerns and I raised some of them during the briefing I received.

My primary concern relates to the new racing integrity commissioner role and the vagueness of his or her status. I was told during the briefing that the new commissioner will be employed full-time for the first year and probably part-time after that. I think this needs clarification, and I would like either to ask the government speaker to explain how that will occur or to go into committee stage and ask the minister.

I would like to make an important point that I think has been lost in the government's quest for integrity. It is a substantial oversight, and it is the welfare of animals. Dogs and horses suffer in order to provide people with the luxury of having a flutter. I have not heard anyone mention the welfare of animals that this industry relies on. I would like to quote from Judge Lewis's covering letter to his report:

Statistics provided by Greyhound Racing Victoria in respect of 2006 showed that just over 7500 live greyhound pups were born.

Judge Lewis calculated that, of these 7500 pups, approximately only 1000 would live a full life span. He also said:

I have no doubt that similar problems exist with the welfare of horses, and this issue warrants further investigation.

Has any further investigation occurred between the release of the report and the introduction of the bill on this important issue? If not, I certainly think it should have happened.

I now refer to the horror of jumps racing and the appalling level of injuries and fatalities in those events, as they have been publicised in the media this year. My colleague Sue Pennicuik has raised the issue with the Minister for Racing and in this place many times. It is simply shocking that such cruelty could be tolerated in the name of sport. I find it alarming that so little consideration is given to animals in the debate and during my briefings.

Because this industry employs people and money is lost and won there seems to be a general acceptance that animal cruelty is to be completely overlooked. I hope the purpose of this bill is fulfilled and that it makes the industry more transparent. I hope integrity is restored, but of course actions speak much louder than words.

Mr TEE (Eastern Metropolitan): Again the opposition says it supports a bill, then it seemed that the rest of Mr Koch's contribution was critical, not so much of the bill, but certainly of the industry and the state of the industry, as he again talked down the industry.

I do not think the racing industry in Victoria is struggling; in fact, I think it is thriving, and I do not think it is helpful for there to be a constant carping about the state of the industry. That is not just my view, because in his report Judge Lewis says:

The prevailing view:

but not the view of Mr Koch:

was that the Victorian racing industry was the Australian leader, both commercially and in relation to integrity, and the stewards themselves, in all codes, enjoy an excellent reputation, for their approach to integrity and enforcement.

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I emphasise 'the Australian leader' for the sake of Mr Koch.

That is the current state of the industry. Not only the government or me but also Judge Lewis came to that view when he had a look at the industry and provided that independent report. It is unhelpful and achieves nothing: it is quite baseless: for anyone to talk down the industry.

The review that Judge Lewis undertook identified a number of steps that could be taken to improve the industry and to maintain its leadership nationally. Some of those recommendations have already been implemented; some require legislative change, and that is the position that we are looking at today in terms of the legislative changes.

Central to those is the role of the racing integrity commissioner, who will ensure the industry maintains the national leadership it enjoys in terms of its integrity. The commissioner will provide oversight and will set up a number of practices and procedures that will apply across the three codes of racing; for the first time we will have a coherence and a common approach in terms of the practices and procedures across the three codes. That is a welcome initiative. It means that we will lift the benchmark; it means that the industry is regulated and the integrity issues are dealt with at the highest level.

The other role of the integrity commissioner is to facilitate the exchange of information between the three codes and Victoria Police, the Victorian Commission for Gaming Regulation and other regulatory agencies as appropriate. That role is to ensure the highest possible standards of integrity.

It was Judge Lewis's view that cooperation between the codes could be improved to deal with common issues between the industries going to their integrity and that there was no formal system in place to provide for that sharing of experience, information and ideas across the industry. That will be the second role of the Commissioner.

That takes me to the point that Ms Hartland raised about whether the position will be full time or part time. It is anticipated that initially it will be a full-time position; the need for it to be full time is based on the fact that there is a backlog of issues that will need to be dealt with. There will need to be a building process, as the practices and the procedures across the industries are developed, as they are consulted on, and as they are implemented.

Once that construction phase has been completed, there will be more of a management role, more a role of ensuring that the practices and procedures that have been put in place fulfil the role they are intended to and are working effectively, and then dealing with cases or issues as they emerge. It is anticipated that while the position will be full time initially, it may be that thereafter the position may become a part-time one. The government does not have a fixed view on it.

That is the way it is anticipated it would work, but if the evidence is to the contrary, if other issues emerge, the government would have an open mind and the position may well remain full time. It is a matter of taking the workload into account and in deciding whether the position should continue on a full-time basis; the government will take

into account the views of the industry, the views of the racing integrity commissioner and others. There will be some consultation around that issue.

The other core part of the bill is in relation to a new appeals and disciplinary structure, and a concern was expressed by Judge Lewis that there was a lack of consistency across the three codes in relation to the appeals and disciplinary processes, leading to a recommendation for a single independent appeals and disciplinary board process to service all three codes. The three industries did not support this recommendation. It was considered and, as part of the consultation, the industries argued that there would be a distance created between their industries and the disciplinary processes. For that reason they argued against it. Instead the three codes suggested that each should have their independent boards and independent review mechanisms, but that these mechanisms be based on the model from the thoroughbred industry, which was the one Judge Lewis recommended.

There was then further consultation with Judge Lewis, who agreed he was satisfied with the approach suggested by the industry.

His agreement was on the proviso that the model be reviewed in 12 months, which will occur. This is a good example of a recommendation being road-tested by the industry. It has been amended in a way that is consistent with the issues raised by Judge Lewis and that will be put forward in a way that ensures it works on the ground in a practical way.

The third aspect of the bill goes to what is in a sense a quaint or old-fashioned prohibition on the transmission of betting odds from racecourses. This ban was put in place a long time before the advent of mobile phones or indeed Web technology, so it has served its time. It cannot be enforced and has become obsolete. Judge

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Lewis recommended that it be repealed, and that is what the bill does. The bill will continue Victoria's leadership in the racing codes. The process that has been identified for these improvements is a cooperative one that will stand the industry in good stead for the next decade.

Mrs PETROVICH (Northern Victoria): I rise to speak on the Racing Legislation Amendment (Racing Integrity Assurance) Bill. I say from the outset that the opposition will not oppose the bill. We do have an interest in this matter, and I personally have an interest in the racing industry. I am not only declaring an interest as an owner of a horse but as someone who has bred and owned a horse, has worked in the racing industry for a period of time and has a great love for the thoroughbred animal and great concern for its welfare and the professionalism of the industry.

I turn to the main provisions of the bill.

It creates a new position of racing integrity commissioner with a small staff to oversight integrity matters across the racing codes. It establishes in legislation racing appeals and disciplinary boards for Greyhound Racing Victoria and Harness Racing Victoria similar to the Racing Appeals and Disciplinary Board of Racing Victoria Limited, with the significant difference being that the appeals and disciplinary boards for Greyhound Racing Victoria and Harness Racing Victoria will be in legislation, whereas the thoroughbred version is under Racing Victoria. It repeals the Racing Appeals Tribunal and substitutes the Victorian Civil and Administrative Tribunal (VCAT) as the body to which those aggrieved by the decisions of various racing appeals and disciplinary boards can appeal. It repeals the provisions of the *Gambling Regulation Act 2003* 2003, which currently bans the transmission of betting odds from racecourses during a race meeting. As Mr Tee alluded to, such a ban is quite

antiquated with the advent of mobile phones being in practical use every day. It is not relevant in this day and age.

The areas of concern we have are about the integrity changes that are supposedly based on a report by Judge Lewis, A Report on Integrity Assurance in the Victorian Racing Industry. The report was commissioned after a sustained opposition, media and public attack and commentary on the Allanson betting scandal. In his report Judge Lewis said criminal activity in the racing industry was rampant. There are some areas of concern we wish to share about that. The bill professionalises the racing industry, making it a professional place for people to run their businesses and operate. That is where we are at, and that is what we want to ensure.

One of the areas of concern I have: and I know members of the industry share this concern because I have spoken to them: is about the abolition of the Racing Appeals Tribunal, which has specialist expertise.

Under the legislation before us today appeals will go to VCAT. The people I have spoken to are concerned about the lack of racing expertise at VCAT and the possible time delays and higher costs for all parties. There are some issues around that. I do not think this change will make things better or assist those in the industry.

We also have concerns that proposed section 50M relating to harness racing and proposed section 83M relating to greyhound racing provide that the racing appeals and disciplinary boards must hear cases involving serious offences, but neither Harness Racing Victoria nor Greyhound Racing Victoria have yet specified in their rules of racing what a serious offence is. I think this is a case of putting the cart before the horse, pardon the pun. It would have been more practical and better if this had been defined before the bill was put before us.

I will not go on at length on those issues, because I would like to speak about some issues of personal concern that relate to the closure of greyhound racing at Wangaratta and harness racing tracks at Ouyen, St Arnaud, Wedderburn, Boort, Wangaratta and Gunbower:

Mr Koch interjected.

Mrs PETROVICH: And Hamilton. My apologies, Mr Koch. Apart from Hamilton, all these facilities are, or were, in the Northern Victoria Region, which I represent.

I think there needs to be an understanding of the role these facilities play in the social fabric of these communities, the level of history that is involved, the committee history, the money that has been raised to ensure those clubs have been viable and the economic benefits they provide for those towns.

Most of those areas are drought affected and have been so for at least 10 years. That is a great shame for those communities.

We have also seen across a range of areas the reduction in the number of local race meetings. In some cases that has worked well for clubs; in other areas that has been devastating. In a number of cases we also have the issue of the defunding of thoroughbred horse training centres. That imposes a range of difficulties on those clubs and trainers who will now have to travel significant distances early in the morning, because that is when

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horses are trained, across the countryside. This will make their days much longer.

It also complicates the activities in those areas so far as getting your own track riders. That probably takes quite a lot of the economic benefits out of those smaller

areas in terms of the sale of produce and a range of other things. A lot of those smaller trainers will not continue to exist.

Last week I was at Kyneton Hanging Rock Racing Club which has amalgamated as a result of some of the proposed changes. It has lost a race meeting at Hanging Rock. As a supporter of racing and a long-time supporter of the racing industry, I am pleased to say it provides employment across the Macedon Ranges for breeders, trainers and a load of ancillary services.

NMIT (Northern Metropolitan Institute of TAFE) has also formed an association with Kyneton Hanging Rock Racing Club, which will be supporting young people and the people who would like to participate in the industry on a more professional basis, by giving them appropriate training. As I said, anything that supports a more professional approach to the racing industry is better for the people working there, but it is also better for animals and the economy.

I would also like to address the issue of water and drought-proofing. It relates to the tardiness of this government in getting a proper synthetic training track up and going in Geelong. I have been watching those proceedings for quite a while, because I know in my region one of the biggest inhibitors to race meetings and training is track conditions. If we are to have sustainable racing facilities and sustainable racetracks as our drought and global warming continues, we will need to look at alternatives.

Either we have to use recycled water: which I know is used extensively on a number of tracks: or have the option of a synthetic training track, which will take pressure off the main track. It will certainly help.

Now we have moved some of those trainers out of the smaller racetracks. If we are fair dinkum about supporting the industry, there needs to be some real money put into research and development to make sure we have safe and sustainable services for our people to train on and so our clubs are viable as a result.

Today I want to raise the issue, which is a part of this bill, of Hanging Rock racecourse, which is a historical track. It has lost one race meeting. It is in serious trouble because of a lack of water and of available recycled water.

If that is not to be a part of a conversation, the enduring ability of that track to be able to run its two fabulous race meetings, which attract over 10000 people at its meetings on Australia Day and New Years Day, will be significantly reduced.

If we are to truly talk about animal welfare: which is an issue Ms Hartland raised previously: we need to look at all the disciplines of racing. Recently I had a look at the fantastic greyhound adoption centre in Seymour. I spoke to the Chief Executive Officer about the work being done there to improve professionalism in the greyhound industry.

Not so long ago these animals were very disposable, which was very sad, but registration, an increased professionalism in that industry, the control of supply and the influence of that on demand has now ensured those dogs are given a good chance in life.

I have met a number of these gorgeous animals, which where possible are all rehoused. Fewer dogs are now being euthanased than a short time ago.

I have spoken about jumps racing in this house previously. Recently there was a great outcry from trainers, industry people and horse lovers who were greatly concerned about the potential euthanasing of jumps horses as a result of the closure of the jumps racing industry. If we are fair dinkum about ensuring the continuation of the jumps racing industry and of ensuring we have a safe and professional way of conducting that industry, then we need to go back to making sure that the jumps horses are given proper training, that the jumps themselves are suitable: that is, of an adequate and significant height, which decreases the speed of the race and makes it more sustainable and healthy for those animals.

In closing, I remind members that the racing industry generates a huge economy for those areas, not only through studs and training but also through the many ancillary services. It is something that the coalition supports financially and in a range of ways. We want to make sure that we have a vibrant industry, and we know how important it is to the economy of Victoria.

Ms TIERNEY (Western Victoria): I rise to speak in support of the Racing Legislation Amendment (Racing Integrity Assurance) Bill 2009. I declare from the outset my membership of the Geelong Racing Club.

The racing industry is tremendously important to the state of Victoria. It can lay claim to the creation of some 70000 job opportunities per annum and contributes in excess of \$2 billion annually to the state's economy. The racing industry is extremely important to rural and regional Victoria, as we have heard from a number of speakers today.

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This was shown to be so most recently by the extensive involvement of country racing clubs in the discussion paper around the racing industry's plan for the future of country race meetings and training infrastructure. This is the first time rural and regional racing clubs have had a five-year blueprint that outlines training track structure, maintenance funding, race dates and club meeting funding.

This government understands the importance of the industry. As a result of that the government has undertaken a massive funding program which will provide significant improvement to rural and regional infrastructure, leading to improved racing and increased participation. In turn, it will lead to increased employment opportunities. It will also lead to better and safer race track facilities, including training venues, for racing participants and for local communities. It will also provide for better racing in Victoria, for example, in field sizes.

And of course funding has been provided for drought-proofing projects to reduce the reliance on town water supplies.

In the electorate of Western Victoria Region in recent times there has been evidence of that funding. The list of projects I have is by no means exhaustive, but it includes the Melton harness racing track coming on-stream, a grant for the new Ararat jockey and race day administration building of \$154000, the Ballarat irrigation infrastructure and dam upgrade of \$210000, the Ballarat sand track upgrade of \$54000, the Ballarat uphill training track design fee of \$36000, the Geelong dog training track of \$105000, the Geelong stormwater harvesting project of \$266000, the Warrnambool practice start gates of close to \$50000, the Werribee international horse centre of \$1.12 million, and the Wimmera race day starting gates and trailer of \$136000.

A number of other recent announcements have been made in Ballarat as well as the announcement of funding of \$418 500 for the Hamilton harness track upgrade. In addition, there was an announcement at the beginning of this week with respect to Stawell. Government support for this industry is significant, even in the electorate of Western Victoria Region. But it is not just funding that the Brumby Labor government is committed to; it is also committed to promoting Victoria's racing industry and doing everything possible to ensure that the industry is of the highest integrity and the highest quality possible.

Rather than continually talking down the industry, which seems to be fairly characteristic of the shadow Minister for Racing:

Mr Lenders: Emblematic in fact.

Ms TIERNEY: Emblematic indeed, Treasurer: the Brumby Labor government is prepared and committed to supporting this vital industry and has shown this time and again. The legislation before us today is further evidence of the government's commitment to improve the racing industry in Victoria.

As we have heard from other speakers, in early March 2008 the Deputy Premier and Minister for Racing appointed His Honour Judge Gordon Lewis to advise the government on matters relating to the establishment of an integrity body independent of Racing Victoria Limited. In his report to the government Judge Lewis noted, and I understand that Mr Tee has already given this quote but as it is an important one and underpins the basis of what has happened, I again quote:

The prevailing view was that the Victorian racing industry was the Australian leader, both commercially and in relation to integrity, and the stewards themselves, in all codes, enjoy an excellent reputation, for their approach to integrity and its enforcement.

That statement appears on page 10 of the report. However, Judge Lewis went on to make recommendations that will further improve the integrity of the racing industry in Victoria. There were 63 recommendations in the Lewis report, many of which did not require legislative change and have already been implemented or are in the process of being implemented.

However, under the legislation we are debating today the implementation of the recommendations include, firstly, the establishment of a racing integrity commissioner; secondly, establishing a new appeals and discretionary structure for the racing industry; and thirdly, repealing the ban on the transmission of betting odds from racecourses.

The establishment of a racing integrity commissioner will both symbolise and make practical the highest possible integrity assurance across the three codes of racing. Judge Lewis recommended that a single appeals and disciplinary board for all three codes be established to achieve greater consistencies across the codes. However, it was clear from consultations and discussions with the racing industry controlling bodies that they believed the disciplinary process would be distanced from each code's governance. A compromise was struck which satisfied Judge Lewis; all three boards will be administered by a single registrar.

The purpose of this bill is to facilitate safeguards and provisions to achieve the highest possible integrity in Victoria's racing industry. In speaking about integrity

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and responsible behaviour, I note that through the entire process of the country training facilities discussion paper the member for South-West Coast employed scaremongering tactics throughout the state while this government, Racing Victoria Limited and country racing clubs worked in partnership to produce what I think is truly a fantastic result for the Victorian racing industry.

The shadow Minister for Racing also went on radio, claiming that he knew of people who had not been able to have their say during the course of Judge Lewis's inquiry and subsequent report. When contacted by Judge Lewis, the member for South-West Coast simply could not supply the names of those people.

We had the opportunity to make oral or written submissions to the Lewis inquiry. Given the media coverage that the member for South-West Coast was promulgating at the time, one would have thought that he would have put in a submission or been available as a witness or to provide oral evidence.

It seems that he is not particularly interested in the racing industry, certainly not to the degree that he professes, because he did nothing. He did not provide an oral or a

written submission. But it is not just government members who have commented on the shadow minister's behaviour.

The Chief Executive Officer of Racing Victoria, Rob Hines, stated on 4 February 2009 in the Benalla Ensign:

Attempts by Dr Napthine to politicise what is a critical business and community matter for Victorian racing's future is unhelpful and inappropriate.

We all wait with anticipation for the shadow Minister for Racing to make some constructive contribution to the future of the racing industry in this state, but in the meantime it is this government that will continue to prove its ongoing commitment to what is such an important industry in this state.

It is this government that understands that the racing industry is a major employer and that it plays a significant role in the community and is part of the fabric of the community, particularly in regional Victoria. In saying that, I commend this bill to the house.

Ms HUPPERT (Southern Metropolitan): I am delighted to rise to make a brief contribution in support of the Racing Legislation Amendment (Racing Integrity Assurance) Bill. As my colleagues on both sides of the house have said so eloquently, racing plays an important part in the Victorian economy, both in metropolitan and regional areas, and nowhere more importantly than in my electorate, which is home to one of our premier racetracks, the Caulfield racecourse. As anyone who has been in the Caulfield area around October for the spring carnival knows, it plays a very important part in our local economy and brings much life and vibrancy to the area.

This is an important piece of legislation which will enhance the integrity of the Victorian racing industry. As my colleagues on both sides have said, this legislation stems from the report delivered in 2008 by Judge Gordon Lewis, which made 63 recommendations as to how to maintain and improve integrity in the racing industry. Some 24 of these recommendations have already been implemented. This bill acts on a further 31 recommendations, and a further 8 recommendations are currently being considered for implementation. Judge Lewis has indicated that where his recommendations have not yet been implemented in full his view is that there is a reasonable compromise, pending further work being done by the Racing Integrity Commissioner.

The key features of this bill are the establishment of a Racing Integrity Commissioner, a new racing appeals and disciplinary structure and a repeal of the ban on the transmission of betting odds from racecourses.

This bill is supported by the three codes of racing: Racing Victoria Limited, Harness Racing Victoria and Greyhound Racing Victoria.

I turn to the establishment of the racing integrity commissioner. Judge Lewis recommended the establishment of such a commissioner to provide independent oversight of integrity issues across the three racing codes. The racing integrity commissioner will be located within the Department of Justice and will work closely with the industry and other regulatory authorities, such as the Victorian Commission for Gambling Regulation, Victoria Police and the Australian Federal Police, to improve intelligence sharing on integrity matters. In doing so the Commissioner will strengthen integrity assurance in the industry.

The second major feature of this bill is the establishment of the new appeals and disciplinary structures for the Victorian racing industry.

Judge Lewis identified inconsistencies between the disciplinary and appeals processes across the three codes of racing. He recommended a single appeals and disciplinary body for all three codes. However, the industry controlling bodies were not satisfied with his proposal, and following further discussions with Judge Lewis it

was agreed to adopt the current model, which is a separate body for each of the codes. As I said before, Judge Lewis is satisfied with this model on the basis that the new structure is subject to review by the

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Racing Integrity Commissioner 12 months after it commences operation.

The bill also provides for the abolition of the Racing Appeals Tribunal, with its jurisdiction being transferred to the Victorian Civil and Administrative Tribunal, which has said it is willing to accept this responsibility and does not expect that the new responsibilities will be overly burdensome on its resources.

The final matter I wish to talk to is the repealing of the ban on transmission of betting odds from racecourses, which of course is no longer relevant in light of current technologies.

In summary, this bill will enhance integrity assurance provisions in Victorian racing, bolster the perception of integrity amongst all racing participants and increase the value of racing in Victoria.

These amendments are supported by the three racing controlling bodies, Victoria Police and Judge Lewis. I commend the bill to the house.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1

Ms HARTLAND (Western Metropolitan): My question is around the issue of the Racing Integrity Commissioner.

As I understand it from what has been said in the debate and in the briefing, it will be a full-time position initially and it will then be part time. What I am concerned about is, given that the government wants to make this transparent and make sure that the industry works well, how it could possibly be that someone could be a part-time commissioner in such an important position.

Hon. J. M. MADDEN (Minister for Planning): Basically the issue is that there has not been a person specifically in this type of position. The initiative in the first instance is a full-time position so that the Commissioner can address the issues: make themselves well acquainted with the issues and set about implementing any initiatives that they may determine are needed in the initial stages of their work. Beyond that it is more a case of maintaining that work, and it is the government's view that in the long term the position is not necessarily a full-time one, hence a part-time position is considered appropriate.

However, in the initial stages it is believed a full-time position would certainly allow for anybody in that position to make themselves well acquainted with the industry, acquaint themselves with the needs of the industry and work through what and how to best address those issues. Once the person has been initiated, it is believed it will be more a part-time position.

Ms HARTLAND (Western Metropolitan): To follow up, considering the size of this industry, I still do not understand how the minister can think that someone can do this work part time. I would like some understanding from the government about how it is going to review that and how it is going to decide that this commissioner only needs to work part time.

Hon. J. M. MADDEN (Minister for Planning): My advice is that it is anticipated that the Commissioner would be the one who identifies when it is appropriate to be part time, and to what extent.

It is really the initiative of the Commissioner to identify at what stage the full-time nature of the position is no longer warranted.

Ms HARTLAND (Western Metropolitan): Does the minister not have oversight of that? I find it extraordinary that the Commissioner will decide when to become part time. One of our concerns about this bill is the level of self-monitoring. The minister is now saying that the Commissioner will self-monitor how much work needs to be done. Surely it is the job of the minister to make that decision?

Hon. J. M. MADDEN (Minister for Planning): Again, that will probably come from the Commissioner, on advice to the minister in some form, but basically it is about the Commissioner determining the level of work that is required in the long term and whether or not the Commissioner might be sitting around twiddling their thumbs or actually doing the work that needs to be done.

It is anticipated that initially there might be a sufficient amount of work for the Commissioner to be full time. That might be ongoing, but at some stage if that position needs to be a part-time position, then there are appropriate mechanisms for that.

Ms HARTLAND (Western Metropolitan): I find it quite incredible. I am not going to ask any more questions, but I think this is a real failure of this bill.

The DEPUTY PRESIDENT: Order! Is there any further discussion? Essentially I have handled these matters under clause 1. The actual appointment conditions were contained in clause 5, but we took it under 'Purposes' to facilitate a quick committee

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process. On that basis I put clause 1 to the test on its own.

Clause agreed to; clauses 2 to 18 agreed to.

Reported to house without amendment.

Report adopted.

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House **Council**
Activity **Third Reading**
Members **Madden**
Date **13 August 2009**
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Hon. J. M. MADDEN (Minister for Planning): I move:

That the bill be now read a third time.

In so doing I thank members of the chamber for their contributions.

Motion agreed to.

Read third time.