

Racing Integrity
Commissioner

Racing Integrity Commissioner

ANNUAL REPORT 2014-15

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The Hon. Martin Pakula MP
Minister for Racing
Level 26, 121 Exhibition Street
Melbourne Vic 3000

Dear Minister

I am pleased to present to you the Annual Report of the Racing Integrity Commissioner for the year ending 30 June 2015 for presentation to Parliament, in accordance with section 37F(1) of the *Racing Act 1958*.

This report documents the performance of my functions, exercise of my powers and integrity-related issues determined to be in the public interest.

Yours sincerely

A blue ink signature of Sal Perna, consisting of a large, stylized 'S' followed by 'Perna'.

Sal Perna
Racing Integrity Commissioner



COMMISSIONER'S MESSAGE

Welcome to my 2014-15 Annual Report, covering the fifth full year of operations of my office. This was a year in which integrity issues dominated the media, affecting each of the three racing codes, and in which major integrity reforms were initiated.

The 2014-15 year will be remembered for many reasons when it comes to integrity – cobalt in Thoroughbred racing, race fixing in Harness racing and live baiting in Greyhound racing, to name a few issues. It also gave us an opportunity to reflect on the fifth anniversary of the creation of this office.

When we started, a major aim was to ensure that we did everything possible to understand the racing industry and engage with participants and stakeholders. To this end we initiated a Stakeholder Engagement and Familiarisation Program, recording statistics to ensure that our efforts would not abate over time. In our first full year of operations we met with 618 people. This year it was 2,303. Over the five years we've engaged with 6,651 people from 510 organisations/units and made 267 operational visits to race meetings, disciplinary and appeal hearings, wagering providers and a variety of properties belonging to breeders, owners, trainers and other industry stakeholders.

We gave an undertaking to continue this proactive approach by presenting to formal and informal awareness sessions. This includes presentations to Victoria Police investigator training courses, apprentice jockey training programs, racing stakeholder bodies and community organisations such as Rotary. In 2014-15, I presented to 950 people, taking the five-year total to 4,323 people. This opportunity to talk to racing people, stakeholder organisations and the general public is invaluable, not only from the perspective of understanding their views but also from being able to inform and educate on what racing is doing to address integrity issues.

As an oversight body, and one that was introduced in 2010 as a result of integrity concerns, we need to ensure that we provide a value-add service and not just a reactive response. It's clear that my role is to investigate complaints and conduct audits of the integrity systems and processes in the three racing codes. But the role does not end there. My focus must equally be on contributing to and assisting the racing controlling bodies with their integrity responsibilities.

The provision of training for integrity officials is one significant way of doing this. There are great expectations on Stewards and other integrity officials in the three codes regarding their skills, knowledge and expertise. It's my goal to do whatever is possible to recognise integrity officials as trained and qualified professionals. One way to do this is to develop a training program that addresses the key competencies required in their roles.

In 2011 we initiated a racing integrity officials training program, developing stand-alone modules each with specific themes and subjects, such as interviewing techniques, preparation and presentation of evidence, and drug control. Since then 248 people have participated in 12 modules. After consultation with each of the racing codes, in the 2015-16 year we will introduce a new module on wagering.

This year we conducted an audit of each code's policies and procedures on how they recruit, select, induct and career-manage their integrity staff. This information will be used as a basis for the development of a career management model to set a high standard for those who perform these roles. To enhance this work, discussions commenced with tertiary education providers to explore opportunities for racing integrity officials to gain educational qualifications that recognise their skills and experience as sports professionals. The ultimate aim is for the qualification to be nationally recognised.

My role is a unique one. Integrity in sport is generally the responsibility of each sport's controlling body and it's rare to have an independent integrity oversight body for any sport. With this uniqueness comes the need for my office to work closely with stakeholders to address current and emerging integrity issues. On crime related issues our key partners are the law enforcement and intelligence bodies. This year we entered into Memoranda of Understanding (MOU) with the Australian Federal Police and Victoria Police. Together with our previous MOU with the Australian Crime Commission, this means we now have information sharing capability with the three key national and state enforcement bodies.

We also continue to form partnerships with other critical organisations such as international and national integrity bodies and government agencies. This year we received our first referral from the Independent Broad-based Anti-corruption Commission and in 2015–16 we'll enter into a MOU with the Australian Sports Anti-Doping Authority.

Each of these relationships is critical to ensuring that we are abreast of risks to racing and are ready to work in a multi-agency approach to address them. The investigation into allegations of race fixing in Harness racing in the Mildura region is an example of this. A collaborative approach by my office, Harness Racing Victoria and Victoria Police ultimately led to two industry participants each being convicted of a charge of engaging in conduct that corrupts or would corrupt a betting outcome of an event or event contingency under section 195C of the *Crimes Act 1958*. Not only does this demonstrate the importance of inter-agency cooperation and intelligence sharing, but most importantly, my hope is that it also goes some way to restoring the confidence of Harness racing in the region.

The work to improve integrity approaches in racing is a continuous one. The result of actions is often not known for some time. In our first year of operation one of the issues brought to our attention was media reports that a convicted criminal was operating as a bookmaker's employee at the Melbourne Cup race meeting. At that time, this was not an offence or breach of any racing or

bookmaker rules, but still had an adverse effect on public confidence. We initiated a proposal that the legislation be changed to address and prevent this situation from recurring. An amendment was introduced to gambling legislation this year, which created an offence for registered bookmakers to engage a person who has been convicted of a 'relevant offence' in the past ten years to assist in certain parts of the bookmaker's operations. A 'relevant offence' includes an offence under the *Racing Act 1958*, gambling legislation, an offence involving fraud or dishonesty or an indictable offence. This took effect on 1 July 2015.

By far the greatest demands on this office during the year were the conduct of major inquiries. The Own Motion Inquiry into Live Baiting in Greyhound Racing, the Special Inquiry into the circumstances surrounding the withdrawal of six of the 10 runners in Harness racing's Ballarat Pacing Cup, and the investigation into allegations of race fixing in Harness racing in Mildura all seriously challenged the capability of this office.

In 2014 I was granted an extension of my powers to conduct investigations that enabled me to summons persons for examination, administer an oath or affirmation and require answers. This year I utilised that power to examine 39 people during the live baiting and Ballarat Pacing Cup inquiries. These inquiries resulted in major recommendations and reforms, many that would not have been identified without the additional powers.

The results of these inquiries would not have been possible without the support and contribution of many people. I would like to thank the Victorian Government, particularly the Minister for Racing and Attorney-General and his staff for their support, encouragement and trust in my work. My independence is critical to the success of this role and I have been afforded this unequivocally.

I would also like to thank the Department of Justice and Regulation and the Office of Liquor, Gaming and Racing, together with the Victorian Government Solicitor's Office, for their ongoing support, advice and assistance.

My office plays a critical role in achieving integrity in racing but the major role is played by the three racing controlling bodies, Racing Victoria Limited, Harness Racing Victoria and Greyhound Racing Victoria. There is no doubt that, in spite of the major issues occurring this year, each has been focussed on addressing these issues. I thank each, their Boards, Integrity Councils, senior management and staff, and particularly their Stewards and integrity officials for their assistance and cooperation.

I would also like to acknowledge our other stakeholders, partners and especially the participants in the racing industry who have entrusted us with their information and advice and supported our efforts to ensure this multi-billion dollar industry provides a level playing field for all.

Finally I thank my dedicated and committed staff, a team of five who have undertaken extremely high workloads over the past year, necessitating many late nights, weekends, public holidays and forsaken personal commitments to ensure that timeframes were met and public issues addressed. I am proud, not only of their efforts, but of their attitudes and commitment to racing integrity.

Next year is shaping up to be a year of major reform in the racing industry, with the acceptance that a new integrity model be considered. We will also see the results of actions regarding major investigations into the use of cobalt and effect of recommendations regarding live baiting and other inquiries.

Whatever the next year brings, we will continue to dedicate our efforts to promoting the highest standards of integrity assurance in the Victorian Racing Industry.



SAL PERNA

Racing Integrity Commissioner

OVERVIEW OF THE RACING INTEGRITY COMMISSIONER

The Racing Integrity Commissioner (Commissioner) is established pursuant to the *Racing Act 1958* (Racing Act). To enable the Commissioner to discharge his legislative functions and exercise his powers under the Racing Act, the Commissioner is supported by a staff of Department of Justice and Regulation employees (office).

An independent statutory officer, the Commissioner has oversight of integrity issues across the three racing codes that comprise the Victorian Racing Industry (VRI) and the separate controlling bodies that regulate each code, namely:

- in respect of Thoroughbred racing, Racing Victoria Limited (RVL);
- in respect of Harness racing, Harness Racing Victoria (HRV); and
- in respect of Greyhound racing, Greyhound Racing Victoria (GRV).

Mr Sal Perna is the current and inaugural appointee to the role of Commissioner. Following his appointment by the Governor in Council, Mr Perna commenced as Commissioner on 1 March 2010 for an initial two-year term and was subsequently reappointed for further two-year terms in 2012 and, most recently, in 2014.

Our Vision

A Victorian Racing Industry in which Thoroughbreds, Standardbreds and Greyhounds compete to the best of their natural ability, free from the influence of crime and corruption.

Our Mission

To promote the highest standards of integrity assurance in the Victorian Racing Industry.

Our Strategic Objectives

Enhance public confidence in the integrity of Victorian racing.

Develop leadership in racing integrity assurance.

Enhance existing racing integrity assurance processes and systems.

Our Values

Integrity

We will be accountable, fair and transparent.

Independence

We will act impartially, without fear or favour.

Leadership

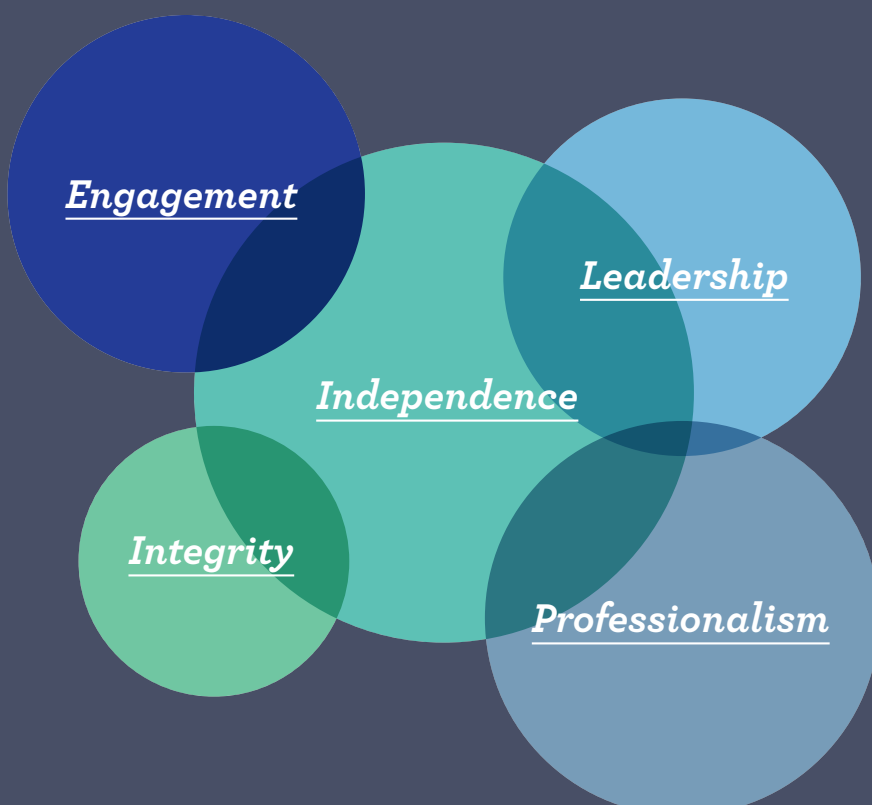
We are committed to being at the forefront of integrity assurance.

Professionalism

We are dedicated to achieving excellence.

Engagement

We will develop successful partnerships built on trust.



FUNCTIONS OF THE RACING INTEGRITY COMMISSIONER

The Racing Act sets out the various functions of the Commissioner. These functions are to:

- conduct annual audits of the internal integrity processes and systems, in whole or in part, of RVL, HRV and GRV (the controlling bodies), in areas identified:
 - ~ by the Commissioner; or
 - ~ by the Commissioner in consultation with each controlling body;
- conduct audits outside the subject matter of an annual audit at the request of a controlling body;
- investigate complaints made about the integrity processes and systems of a controlling body;
- refer complaints to:
 - ~ Victoria Police, if the complaint relates to a criminal matter;
 - ~ the Independent Broad-based Anti-corruption Commission (IBAC) if the complaint appears to involve corrupt conduct unless it appears to involve corrupt conduct of the IBAC or IBAC personnel;
 - ~ the relevant controlling body if the complaint relates to an alleged or apparent contravention of the rules of a controlling body;
 - ~ the Victorian Commission for Gambling and Liquor Regulation if the complaint relates to an alleged or apparent contravention of the *Gambling Regulation Act 2003*;
 - ~ the relevant government agency if the complaint relates to an alleged or apparent contravention of any Act or subordinate instrument in connection with the integrity of racing; or
 - ~ the integrity sub-committee of the relevant controlling body (known as the Integrity Councils) if the complaint relates to an internal integrity matter;

In broad terms, the role of the Commissioner is to provide independent oversight of integrity matters across the Thoroughbred, Harness and Greyhound racing codes.

- investigate matters referred by the Minister or a controlling body;
- report the findings of any investigations conducted into complaints that have not been referred to other bodies to:
 - ~ the person who made the complaint; and
 - ~ with or without identifying the person who made the complaint or the person who is subject of the complaint, the Minister or the relevant controlling body (as the Commissioner considers appropriate);
- conduct own motion inquiries that do not relate to any specific complaint and may include an investigation into systemic issues in racing;
- make recommendations (if appropriate) following the investigation of any complaint, inquiry or matter to (as the Commissioner considers appropriate):
 - ~ the Minister; or
 - ~ the relevant controlling body;
- direct a Racing Appeals and Disciplinary Board (RADB) to hear and determine an appeal made by a person against a penalty imposed on the person under the rules of a controlling body if:
 - ~ the penalty imposed is a fine of not more than \$250; and
 - ~ the Commissioner considers that it is in the public interest for the appeal to be heard;
- perform any other functions conferred on the Commissioner under the Racing Act.

The Commissioner may advise the Minister of any failure by a controlling body to implement or act on a relevant recommendation made by the Commissioner if:

- before advising the Minister, the Commissioner notifies the controlling body of his intention to advise the Minister of such failure to implement or act on the recommendation; and
- the Commissioner advises the controlling body that it may, within 14 days of receiving the notification, respond in writing to the Commissioner in respect of that notification. Any such response is to be provided to the Minister by the Commissioner.

Section 37C of the Racing Act empowers the Commissioner to do all things necessary for the performance of his functions. Section 37BA of the Racing Act provides that, while conducting an investigation or inquiry, the Commissioner may summons certain persons or documents, administer an oath and examine a person under oath. Section 37E of the Racing Act empowers the Commissioner to disclose 'integrity related information', as appropriate, to specified individuals and organisations.

In carrying out his functions, the Commissioner also:

- provides advice on integrity across the three codes and the racing industry;
- liaises with the racing industry regarding policies and practices relating to integrity; and
- facilitates the exchange of information and strengthens relations between the controlling bodies and other agencies as appropriate.

PART A YEAR IN REVIEW

- Stakeholder Engagement
- Education and Awareness
- Investigation, Audit and Review
- Information and Intelligence Management
- Legislative Change

STAKEHOLDER ENGAGEMENT

Industry Familiarisation

The breadth of the Commissioner's role affords him the opportunity to approach integrity-related issues from a holistic, industry-wide perspective that is not confined to a single code or component of racing. This integrated approach to integrity is unique to Victoria, with the Commissioner playing a critical role in the development and facilitation of an effective and equitable integrity framework for the benefit of all three racing codes.

Since the creation of the office, the Commissioner has adopted a consultative approach to integrity reform, building strong partnerships with industry and government, including:

- the controlling bodies;
- racing clubs within the VRI;
- various industry bodies and officials;
- corporate partners;
- interstate and international racing codes;
- industry participants such as trainers, breeders and owners;
- law enforcement agencies;
- regulatory bodies; and
- other interested parties.

These partnerships ensure the Commissioner is kept apprised of emerging integrity-related issues within the VRI, and is well placed to address those issues in accordance with his legislative mandate.

During the year, the Commissioner and office staff met with 2,303 people from 510 organisations. This is an average of 191 people per month, which is a 27.4 per cent increase on the previous year.

Since commencing operations in March 2010, the office has met with a total of 6,651 people.

As in previous years, presentations by the Commissioner to the racing industry, other stakeholders and the general public formed a key component of the year's engagement program. A total of 31 presentations were made during the year to 950 attendees, which included presentations to representatives of organisations such as Victoria Police, Steward and jockey training programs, sporting clubs, racing clubs, industry bodies, community and service organisations, and the general public.

Since March 2010, a total of 4,323 people have attended presentations by the Commissioner.

Additionally, to ensure the office remains abreast of developments in the industry and to enhance collaborative relationships with stakeholders, the Commissioner and his staff undertook 57 operational visits, including race meetings, hearings of the RADB's, visits to the Racing Analytical Services Limited (RASL) laboratory and a variety of other racing facilities such as breeding and training properties. The number of operational visits during the year took the tally of visits to 267 since the office commenced operation.

Stakeholder engagement and familiarisation is vital to ensure the Commissioner and his office remain relevant, represent the views of the racing industry and general public, enhance public confidence by creating awareness of existing integrity safeguards, and identify current and emerging issues. Accordingly, stakeholder engagement remains a key priority of the Commissioner.



SINCE MARCH 2010

A TOTAL OF

4,323

people have attended presentations by the Commissioner

The development and implementation of formal information sharing arrangements enhances the ability of authorities to identify and investigate integrity-related matters within the racing industry.

Stakeholder Survey

Each year, the Commissioner engages independent researchers to conduct a qualitative analysis of key stakeholder relationships. As well as providing impartial and confidential feedback from stakeholders on the office's performance, the information collected also enables the Commissioner to target opportunities for improvement through the following year's business plan.

Conducted annually during March and April, the survey rates the performance of the office against key performance indicators. The results are compared with previous surveys to assess areas of performance and the perceived improvement or decline in these areas. Performance indicators include measures such as functional capability, relationship management and industry standing.

The stakeholder survey was not conducted this financial year due to operational constraints within the Commissioner's office and within the Thoroughbred, Harness and Greyhound racing codes. The survey will resume in 2015–16.

Exchange of Information

Since commencement in March 2010, the Commissioner and his office have endeavoured to form highly effective working relationships with the VRI, and with both state and Commonwealth law enforcement and government agencies. One measure of the success that the Commissioner and his office have had in this regard is the development and implementation of formal information sharing arrangements to enhance the ability of authorities to identify and investigate integrity-related matters within the racing industry.

In 2012–13, an interim information sharing agreement was made between the Commissioner's office and Victoria Police. As an extension to this, in November 2014, the Commissioner and Victoria Police formally agreed to a milestone partnership to help stamp out crime and consolidate the VRI's integrity with the signing of a Memorandum of Understanding (MOU) between the two bodies, enabling the exchange of information between parties.

At a national level, in April 2015 the Commissioner signed a formal agreement on cooperation and information exchange with the Australian Federal Police. This agreement strengthens the cooperation between both agencies, particularly in regards to the exchanging of relevant information at the Commonwealth level.

At an international level, in May 2015 the Commissioner and the Executive Director Sport Integrity of the International Centre for Sport Security (ICSS) signed a formal agreement on cooperation and information exchange. This agreement maximises opportunities for cooperation and the sharing of knowledge and information to strengthen, promote and develop best practice in the field of integrity in racing, especially with an international focus. Further, the agreement supports efforts to educate, monitor and gather intelligence in relation to racing and related sport integrity issues, such as race fixing.

An agreement regarding cooperation and information exchange between the Commissioner and the Australian Sports Anti-Doping Authority (ASADA) will be signed in the 2015–16 year.

The aforementioned partnerships, in part, underline the extensive efforts the Commissioner and his staff have made to ensure the integrity of Victoria's \$2.8 billion racing industry, which employs nearly 58,000 people.

Partnerships

Racing Integrity Operations Committee

The Racing Integrity Operations Committee (RIOC) was established by the Commissioner in 2012 to facilitate discussion of integrity related matters across the entire VRI.

RIOC is chaired by the Commissioner, with membership comprising the Integrity General Managers and Chairmen of Stewards from each of the controlling bodies, and the Manager Integrity Operations and Manager Investigations from the Commissioner's office.

RIOC has met 38 times since inception and continues to be a highly valuable forum for sharing and exchanging information across the racing codes.

Integrity Council Forum

Governance systems need to be designed to maximise integrity and minimise corruption and other failures of integrity. Integrity and anti-corruption systems can be seen, in part, as a form of macro institutional risk management, including risks other than corruption.

An integral recommendation in the Commissioner's report entitled *2012 Own Motion Inquiry into Race Fixing* was that the Racing Act be amended to establish an independent body with responsibility for the integrity processes and systems across the three codes and remove such responsibility from then the controlling bodies. In March 2014, the then Premier and Minister for Racing endorsed an alternate model, being the creation of an independent Integrity Council (IC) for each racing code.



IN 2015 SURVEY

49%

of Victorians
are confident
in the integrity
of racing

Each of the controlling bodies subsequently established its own IC. As Mr Dale Monteith observed in his *2015 Report on the Audit of Harness Racing Victoria*, '[t]he clear intention of establishing ICs was to remove the potential for commercial considerations to drive integrity decision-making'.

In February 2012, the Commissioner initiated a forum, now known as the Integrity Council Forum (ICF), to enhance information sharing across the three codes and to ensure the appropriate level of integrity assurance and oversight was in place.

The ICF meets on a quarterly basis. Chaired by the Commissioner, the meeting is attended by the Chairman of each of the respective ICs, as well as the Manager Integrity Operations from the Commissioners' office. During the reporting period, the ICF met on three occasions: on 1 December 2014, 9 February 2015 and 15 June 2015.

EDUCATION AND AWARENESS

Public Survey

For the fourth consecutive year, the office commissioned Newspoll to undertake an annual survey of the general public regarding their views on integrity in the VRI.

The principal purpose of this survey is to obtain information about community attitudes to racing and integrity to assist the office to plan relevant communication strategies and projects.

The Newspoll survey is conducted by telephone interview, with respondents from the Victorian population aged 18 or over selected via a random sample process. To reflect population distribution, results were post-weighted and projected to Australian Bureau of Statistics data on age, highest level of schooling completed, gender and area. The study was carried out in compliance with ISO 20252 – Market, Social and Opinion Research.

In the first survey (2012), Newspoll asked four questions of 902 respondents, relating to their:

- attendance at the races;
- wagering activity;
- confidence in the integrity of racing in Victoria; and
- awareness of the Commissioner's position.

In 2013, 920 respondents were asked an additional question that sought opinions on whether integrity in racing had improved or worsened over the previous year.

In 2014, a survey of 900 Victorians included a further question about their views on who they thought should employ and manage the people responsible for the integrity of racing in Victoria. The inclusion of this question was a result of the Commissioner's 2012 *Own Motion Inquiry into Racing Fixing* report, released in early 2013, which included a recommendation that an independent body with responsibility for integrity processes and systems across the three racing codes be established.

In 2015, 910 respondents were surveyed in relation to all the above questions.

Attendance and wagering activity

The survey results over four years between 2012 and 2015 demonstrate that the percentage of Victorians attending race meetings has remained consistently low, with a maximum variance of 4 per cent across this period. (In 2012, 84 per cent of those surveyed had not attended a race meeting in Victoria in the previous year, rising to 86 per cent in 2013, 88 per cent in 2014 and back to 86 per cent in 2015).

The survey also showed not only that most Victorians had not placed a bet on any of the three codes in the previous year but also that this figure was increasing. (In 2012 69 per cent had not placed a bet, rising to 70 per cent in 2013 and 75 per cent in both 2014 and 2015.)

Confidence

Between the 2012 and 2013 surveys, the confidence of Victorians in the integrity of racing fell significantly from 58 per cent to 45 per cent. This result was not surprising given the high public profile of the inquiries that were being conducted at the time by the Commissioner and RVL. This confidence level continued a downward trend in 2014 (43 per cent) but showed an improvement in 2015, with 49 per cent stating that they are confident that racing is run with integrity.

Despite this overall reduction over the four years of the survey, in 2015 there were still more Victorians with confidence in the integrity of racing (49 per cent) than those without (34 per cent).

Managing integrity processes and staff

In response to the question on who should employ and manage integrity processes and staff, 42 per cent of respondents in the 2015 survey believed that integrity should be managed by an independent body, which is significantly higher than support for three controlling bodies (26 per cent), or some other person or organisation (15 per cent). The remainder (17 per cent) were not sure who should be responsible.

Awareness of Commissioner's position

In 2015, 22 per cent of Victorians were aware of the role of the Commissioner, with the awareness increasing in correlation with the frequency of attending race meetings (18 per cent of those who had not attended a meeting in the past 12 months, compared with 40 per cent of those who had attended one or two meetings and 69 per cent of those who had attended three or more meetings). Of those aware of the Commissioner's position, 22 per cent were very confident

that Victorian racing is run with integrity. This is significantly higher than those who were not aware of the Commissioner, where only 11 per cent were very confident in the integrity of Victorian racing. Significantly more people aware of the Commissioner (61 per cent) were confident in the integrity of Victorian racing than those not aware (46 per cent).

The Stakeholder Engagement and Familiarisation Program is a key to understanding public perceptions of integrity and it complements information obtained through the public survey. The Commissioner uses his engagement with the public to explain the existing robust integrity safeguards within the industry, and works with the industry to further improve integrity systems.

Roadshow Presentations

Throughout April 2015 the Commissioner undertook 11 Roadshow presentations in regional and metropolitan Victoria, meeting with racing participants and members of the public. The Roadshows present an opportunity for the Commissioner to provide attendees with insight into the investigations and projects undertaken by the office and the work undertaken by the three controlling bodies, as well as an opportunity to gain first-hand valuable feedback from attendees.

While the number of attendees this year increased only marginally (3.55 per cent) on the previous year's attendance figures, there has been an increase in attendances of 177.4 per cent since 2013. Of the regional venues Shepparton had the largest attendance this year, an 84.2 per cent increase on the previous year, while Geelong had the greatest overall increase in attendance of 190 per cent from the previous year.

Industry participants represented 91.8 per cent of all attendees; 5.2 per cent were non-racing industry (such as media, wagering services providers and the general public) and 3 per cent were from the three controlling bodies.

The Stakeholder Engagement and Familiarisation Program is a key to understanding public perceptions of integrity and it complements information obtained through the public survey.

Racing industry participants accounted for 91.8 per cent of all attendees at the Roadshows, of which 36 per cent were from Harness, 29.2 per cent were from Thoroughbreds and 26.6 per cent from Greyhounds. There was an increase in attendance by both Harness and Greyhound participants. In fact, attendance by Greyhound participants in 2015 more than doubled from the preceding year.

The sessions provide an opportunity for participants to raise concerns and question practices, and for the Commissioner and staff to gain an in-depth understanding of the public perception of the racing industry and emerging racing integrity concerns. This was particularly relevant this year given the cobalt issues in Thoroughbred racing, the race fixing investigation into Harness racing in Mildura and the live baiting issues within the Greyhound racing industry.

Professional Training for Stewards and Integrity Staff

The professionalism of integrity officials in the three controlling bodies is paramount to ensuring the perceived and actual integrity of the VRI. The Commissioner is committed to ensuring integrity officials in all three racing codes have the requisite skills, knowledge and expertise to undertake their duties competently.

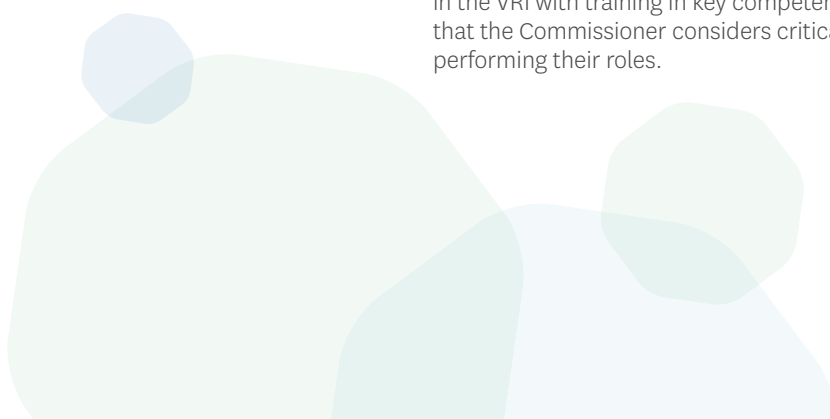
In 2011, the Commissioner initiated a cross-code training program through the development of purpose-built training modules for integrity officials, including Stewards. This program continues to provide integrity officials in the VRI with training in key competencies that the Commissioner considers critical to performing their roles.

To date, the Commissioner and his office have coordinated the delivery of a total of 12 modules to 248 participants. Each is a stand-alone module with no prerequisites, an approach that ensures the training is accessible to all levels of integrity officials at every available juncture.

The current modules on offer are:

- *Module One (The Essentials of Investigation)*, which incorporates intelligence management, informer management, management of complex and serious investigations, conduct of investigations, statement and note taking, and interviewing skills.
- *Module Two (Collection and Presentation of Evidence)*, which incorporates the taking of statements, legal requirements, brief preparation, evidence gathering and advocacy, and includes the conduct of 'mock' hearings for attendees to hone their skills.
- *Module Three (The Integrity Toolbox)*, which incorporates the rules of racing, RASL operations, drug control, surveillance and operation orders.
- *Module Four (The Vocational Toolbox)*, which incorporates sessions on integrity in sport, racing integrity, communication skills and leadership skills.

Work is currently underway to develop and present a module in relation to wagering for delivery in the 2015–16 year.



01

CASE STUDY

The office had received complaints and information from a variety of sources including industry participants and the general public relating to the activities of Harness racing participants in Mildura alleging involvement in criminal activities.

The information provided was subject to independent investigation by the Commissioner and his office, as well as referrals by the Commissioner to the relevant controlling body (HRV) and Victoria Police.

In late 2013, it became clear that sufficient information and evidence had been collected, collated and analysed by the Commissioner, his office and HRV to warrant referral and request for assistance from Victoria Police. The Commissioner had determined that a coordinated and collaborative approach was required to effectively investigate the matter.

In February 2014, the Commissioner initiated a meeting between his office, HRV and Victoria Police. At this meeting, relevant intelligence was exchanged that culminated in the Victoria Police

Sporting Integrity Intelligence Unit (SIIU) taking the lead role in an investigation into the allegations.

A dedicated joint investigation ensued, led by the SIIU with the assistance and cooperation of HRV and the Commissioner's office. As a result, criminal charges were laid against two industry participants. Ultimately, both participants pled guilty to one charge each of engaging in conduct that corrupts or would corrupt a betting outcome of an event or event contingency under section 195C of the Crimes Act 1958. Both participants were convicted, with each receiving a community corrections order.

This case study is a strong example of the successful outcomes achieved through inter-agency cooperation and intelligence sharing.

INVESTIGATION, AUDIT AND REVIEW

This year was one of the more challenging years for the VRI. Yet the challenges faced by the industry only serve to underscore the ongoing importance of industry integrity – to its participants, the broader community and the Victorian economy as a whole. The Commissioner and his office have worked determinedly to address industry and community concerns through all available means and channels. This included conducting two high profile investigations into the Greyhound and Harness codes and formulating recommendations designed to ensure the industry progresses with appropriate integrity assurance measures in place.

2015 Own Motion Inquiry into Live Baiting in Greyhound Racing in Victoria

On 17 February 2015, the Commissioner initiated an Own Motion Inquiry into the practice of live baiting in Greyhound racing in Victoria (Live Baiting Inquiry).

The Commissioner's inquiry was launched following the airing of the ABC's *Four Corners* exposé entitled 'Making a Killing'. This program featured footage, obtained covertly, of live animals being used as bait to train Greyhounds in Queensland, New South Wales and Victoria, including alleged instances of live baiting at a Greyhound trial track at Tooradin, a small township approximately 57 kilometres south east of Melbourne. Additionally, the program included allegations of possible corruption and high-level cover up of animal cruelty matters by GRV, the controlling body responsible for the control of Greyhound racing in Victoria.

The Commissioners aim in conducting the Live Baiting Inquiry was to identify whether:

- the practice of live baiting was isolated or systemic;
- those in charge at GRV knew, or should have known, of the occurrence of live baiting;
- there was any evidence of alleged corruption or cover up by GRV officials;
- GRV's governance controls were adequate; and
- the Rules of Racing adequately addressed welfare issues.

Conducted over a period of approximately three months, the Commissioner utilised a range of methods to ensure all relevant avenues of inquiry were investigated, including:

- extending an invitation to any person with information about live baiting practices to come forward;
- conducting interviews with racing industry participants, including current and former trainers and owners, veterinary surgeons and current or former members of GRV staff and the GRV Board;
- analysing all relevant information and intelligence received or sourced by the office; and
- consulting with stakeholders including, but not limited to:
 - ~ government agencies;
 - ~ animal welfare bodies;
 - ~ law enforcement agencies;
 - ~ interstate review teams undertaking similar inquiries in their respective jurisdictions; and
 - ~ Greyhound racing industry bodies.

As a result of previous recommendations made by the Commissioner in his report entitled the *2012 Own Motion Inquiry into Race Fixing*, on 29 January 2014, the Racing Act was amended to include section 37BA, which conferred on the Commissioner the powers, privileges and responsibilities of a Board of Inquiry. The Commissioner was empowered to compel the attendance of certain classes of persons and the production of documents, as well as examine persons under oath or affirmation.

During the Live Baiting Inquiry, the Commissioner exercised his powers under section 37BA of the Racing Act to compel a total of 29 persons to attend examinations and/or produce documents. Examinees included senior GRV management and staff, members of the former GRV Board and industry participants suspended by GRV due to allegations of their involvement in live baiting of Greyhounds.

On 10 March 2015, the Commissioner provided an interim report to the Victorian Minister for Racing in respect of the Live Baiting Inquiry.

On 11 June 2015, the Minister tabled the Commissioner's *2015 Own Motion Inquiry into Live Baiting in Greyhound Racing in Victoria Final Report* in parliament (Live Baiting Inquiry Final Report). The Commissioner made several significant findings in the Live Baiting Inquiry Final Report. Some of the key findings made by the Commissioner can be summarised as follows:

- There was no direct evidence as to how regular and widespread the practice of live baiting is/was. Accordingly, while the Commissioner could not make a finding of fact that live baiting has been occurring on a systemic basis, he was confident in his view that the practice is unlikely to be confined to one property or one group of participants in Victoria.
- The Commissioner accepted that GRV staff and the former GRV Board knew of the largely historical practice of live baiting. However, the Commissioner did not believe this knowledge extended to a belief or understanding that live baiting was an ongoing concern within the Greyhound racing industry.
- While there were some governance controls in place in GRV, in hindsight, it was clear they were not effective in identifying the practice of live baiting.
- The Commissioner was not in receipt of any evidence of GRV staff 'covering up', or being complicit in live baiting or acting corruptly.

The recommendations the Commissioner formulated in the Live Baiting Inquiry Final Report were designed to address the issues identified during his inquiry. A total of 18 recommendations were made in the Live Baiting Inquiry Final Report, including the six recommendations initially made in the Commissioner's interim report (with amendments made as necessary). In summary, those recommendations included:

- GRV's animal welfare compliance and education officers and investigators be designated as Stewards for the purposes of the Rules of Racing and legislative and rule changes occur to increase and clarify their powers of entry and inspection.
- That GRV introduce a regulatory framework for all premises and persons involved in the rearing, education, breaking in and training of Greyhounds.
- That GRV undertake a comprehensive review and trial of alternative methods to assist Greyhounds to consistently chase the lure and perform at their best, for example 'run on' and 'hoop' lures.
- That GRV commit to a resolution made by the GRV Board on 17 February 2015 by amending the Rules of Racing so only lures made of synthetic or artificial materials can be used in the training of Greyhounds at all registered properties.
- GRV introduce requirements that:
 - ~ all trainers that are subject of a suspension or disqualification, must obtain prior approval from the Chief Steward or his/her delegate before being permitted to transfer their Greyhounds to another registered person;
 - ~ prohibit the transfer of Greyhounds from a suspended or disqualified person to a relative, spouse or legally defined partner; and
 - ~ any suspension of a registered person also apply to that person's property and/or properties.

- That GRV initiate formalised agreements/ MOUs with relevant animal welfare groups, including arrangements in respect of the exchange of information and immediate reporting of alleged and suspected animal cruelty related issues in the Greyhound industry to relevant authorities.
- That GRV nominate an appropriately trained and qualified dedicated law enforcement liaison officer to liaise with relevant law enforcement agencies (for example, Victoria Police and RSPCA) on a regular basis and identify inter-agency training opportunities, particularly in relation to compliance with, and enforcement of, areas of shared or overlapping concern.
- That GRV introduce structured, comprehensive training to staff who conduct property inspections or who are otherwise involved in the welfare of Greyhounds generally, including Stewards, welfare officers and other members of the GRV Integrity Department.
- That GRV review and amend the Local Rules of Racing, where relevant, to address the following issues:
 - ~ while GRV retains the discretion to suspend, disqualify or warn off registered participants at any time, a breach of section 13 of the *Prevention Of Cruelty To Animals Act 1986* (Baiting and luring) and any other relevant provision is automatically considered to be a breach of the Rules of Racing; and
 - ~ that penalties are, and are seen to be, substantial enough to act as a deterrent.
- That GRV review the Rules of Racing, policies, governance controls and GRVs Animal Welfare Penalty Guidelines to ensure that, where appropriate:
 - ~ provisions are drafted in a language consistent with other relevant laws, where possible or practical;
 - ~ breaches of welfare-related provisions are rigorously enforced; and
 - ~ the penalty for welfare-related issues are at a sufficient level to act as a deterrent.
- That the Rules of Racing, appropriate GRV policies and GRV processes are amended and/or introduced to ensure the mandatory reporting of prima facie criminal offences to the relevant law enforcement body such as Victoria Police and RSPCA Victoria.

On 11 June 2015, the Minister for Racing appointed an independent consultant to undertake a review of the integrity structures in the development of a new integrity model for Victorian racing.

- That the government amend the Racing Act to include the requirement that an appropriately qualified person with a background in animal welfare is appointed to the GRV Board (and the Boards of RVL and HRV if the government considers it appropriate).
- That the Minister for Racing considers recommending that all state and territory integrity bodies meet to review the findings made by jurisdictions of state-based 'Live Baiting Review teams', with a view to sharing knowledge and awareness and adopting a coordinated approach to integrity-related and animal welfare matters.
- That GRV reviews the potential for its 'FastTrack' information system to contain a secure, access controlled and encrypted information management system that allows information to be collected, collated, analysed, reported and disseminated as required between relevant (authorised) areas of GRV, or failing this possibility, that GRV identifies a non-FastTrack system to provide this functionality.
- That GRV introduce the requirement that all policies be in written form and recorded on the relevant page on the GRV website for easy access by industry participants and the wider community.
- That government amend the Racing Act to enable the Commissioner's powers to also apply to persons who have been licensed or registered in the racing industry within the preceding three years.
- That the GRV Board considers reviewing the management of conflicts of interest to ensure that industry participants have confidence in the impartiality of GRV staff.

In the Live Baiting Inquiry Final Report, the Commissioner also restated his recommendation that the government amend the Racing Act to establish one statutory independent body with accountability for racing integrity across the three racing codes. Pursuant to this recommendation, responsibility for integrity would be transferred from the controlling bodies to a newly-formed, independent, cross-code integrity body, including all related funding, powers, privileges and authorities of the Stewards, integrity and welfare staff.

The government has stated that all recommendations put to government will be accepted, with all recommendations put to GRV being supported in principle. GRV and the government will work through the practical implications of their implementation.

On 11 June 2015, the Minister for Racing appointed an independent consultant to undertake a review of the integrity structures in the development of a new integrity model for Victorian racing.

The Live Baiting Inquiry Final Report is available in full online at www.racingintegrity.vic.gov.au

Special Inquiry into the Harness Racing Victoria, Ballarat Pacing Cup

On 21 May 2015, the Commissioner delivered to the Minister for Racing and HRV a report on his Special Inquiry into the late scratching of six out of 10 horses from the Ballarat Pacing Cup, which was held on 13 December 2014 at the Ballarat and District Trotting Club Inc., at the Bray Raceway in Redan.

Conducted at the request of the Minister and HRV respectively, the inquiry sought to answer specific questions regarding the late scratching of horses in the Group 1 Ballarat Pacing Cup (Race 7) after Stewards detected what were described by some as 'US-style' sulkies that did not comply with relevant width standards.

The Commissioner's comprehensive investigation involved the exercise of his powers under section 37BA of the Racing Act to compel attendance of 10 persons, including HRV officials and racing industry participants, to answer questions under oath and/or produce documents.

Ultimately, the Commissioner found that:

- The HRV Stewards had no evidence that oversized sulkies were being used in Victoria prior to the Ballarat Pacing Cup, and it was reasonable for the Stewards to think that oversized sulkies would not be an issue at the Ballarat meeting.
- There was no evidence that non-compliant sulkies were ordered by trainers or drivers to be manufactured contrary to the Sulky Standards or that relevant sulkies were later modified to exceed the Sulky Standards.

The decision of the HRV Stewards on duty at that meeting was not to permit the use of the non-compliant sulkies. This decision was either questioned or challenged during the race meeting by participants and HRV management, who entered the Stewards' room a number of times and encouraged the Stewards to reconsider their decision. Despite these approaches, the Stewards' Panel maintained its decision, but afforded the participants the opportunity to swap sulkies.

Ultimately, the Commissioner determined that the Stewards' Panel took the correct course of action in accordance with the Rules of Racing in prohibiting the use of sulkies that breached the Rules. The Commissioner made a total of 19 findings based on evidence obtained in the inquiry, which resulted in the following eight recommendations to address the issues uncovered during the inquiry:

- That HRV immediately restore the dedicated position of Compliance Steward;
- That HRV introduce a training process that provides all Stewards with skills and knowledge in compliance;
- That HRV introduce a requirement that Stewards' Panels at all race meetings consist of a minimum of four Stewards, one of whom is the dedicated Compliance Steward;
- That HRV introduce a requirement that integrity officials – not only Stewards, but others that come under the 'General Manager Integrity' organisational structure such as industry liaison/licensing and investigations – be required to maintain an official work diary;
- That HRV amend the Rules of Racing to introduce the requirement that participants must advise of a change to their sulkies;
- That HRV urge Harness Racing Australia (being the body that sets the Australian sulky standard) to introduce a requirement that every new sulky that is purchased or obtained for use in Harness racing is, prior to its use in racing, subject to testing that includes measuring the width of a sulky to ensure that it conforms to the Sulky Standards;
- That HRV commission a review of the Rules of Racing relating to Stewards' powers and the powers of the controlling body with a view to eliminating lack of clarity and understanding; and
- That this government reconsider the Commissioner's previous recommendation to amend the Racing Act to establish an independent body with responsibility for integrity across the three codes and remove such responsibility from the controlling bodies. (See Recommendation 11 in the Commissioner's report entitled *2012 Own Motion Inquiry into Race Fixing* dated 23 January 2013.)

Investigation into HRV Betting Policy

During 2013 and 2014, the office received integrity related information from various sources alleging that the CEO of HRV had placed bets on Harness races, contrary to HRV policy that prohibits specified staff and senior managers (including the CEO) from betting on Harness racing or betting on duty.

As a result of the information received, the Commissioner conducted an investigation that identified evidence of nine bets, for minimal amounts, being placed on Harness races using a betting account in the name of the CEO. The office referred evidence obtained through its investigation to the HRV IC for further investigation and possible action.

Following referral of the evidence, the office was advised that the HRV Board resolved to take action against the CEO in relation to breaches by him of the HRV betting policy.

This illustrates that there is public confidence and trust in the Commissioner and his office to receive and action integrity related information.

Audits

Section 37B of the Racing Act requires the Commissioner to conduct an annual audit of the internal integrity processes and systems, in whole or in part, of each of the three racing controlling bodies in areas identified by the Commissioner, or by the Commissioner in consultation with each controlling body.

Annual Audit 2014-15

For the 2014-15 annual audit, an external agency was engaged by the Commissioner to conduct an audit of the HR policies and processes that relate to the career management model pertaining to integrity positions within the VRI (such as Steward, analyst and integrity officer positions). The audit examined current HR policies, processes and practices for the recruitment, selection, induction, training and career management of integrity roles within the three racing codes in Victoria.

The results of the audit will contribute towards the development of a career management framework for integrity-related roles with the VRI, as well as contributing towards the development of a Single Code of Practice (SCOP) for the VRI.

The final findings and results of this audit will be completed in the 2015-16 year.

Annual Audit 2013-14

The objective of the 2013-14 audit was to assess the controlling bodies' compliance with their own requirements for the identification of racing animals on race day. The subject of animal identification was selected as a critical component of race day integrity.

Nine recommendations were made resulting from the audit, all of which were implemented.

Annual Audit 2012-13

In 2012-13 the annual audit objective was to assess and report on:

- the controlling bodies' implementation of previous recommendations, in particular:
 - ~ audit of implementation of recommendations to each controlling body from prior year audits; and
 - ~ audit of implementation of recommendations outside the audit process
- compliance with the controlling bodies' own systems in relation to betting declarations, in particular:
 - ~ audit of betting declaration submissions in accordance with each controlling body's own policies; and
 - ~ audit of declaration verification by each controlling body in accordance with its own policies

- compliance with the controlling bodies' own systems in relation to private interest declarations, in particular:

- ~ audit of private interest declaration submissions in accordance with each controlling body's own policies; and
- ~ audit of declaration verification by each controlling body in accordance with its own policies.

Resulting from this audit, 11 recommendations were made in relation to improvement of the processes relating to the submission and verification of betting declarations and private interest declarations by controlling body staff, as well as the implementation of recommendations made previously. All recommendations were implemented.

Annual Audit 2011-12

In the 2011-12 period, the first full compliance audit was conducted into the controlling bodies' drug sampling policies and procedures, and redraws of box and barrier selections.

The interim report resulted in 12 recommendations to the controlling bodies and RASL to further refine and improve existing practices. All recommendations were fully implemented.

02 CASE STUDY

In October 2014, the office was contacted by investigators from the Australian Pesticides and Veterinary Medicines Authority who were seeking assistance with an investigation into allegations concerning the use of prohibited substances by a licensed Greyhound trainer.

Additional information was provided by the Australian Customs Service and, through inter-agency cooperation and information sharing, all relevant intelligence was referred to the controlling body (GRV).

As a result of the referral GRV undertook an investigation into the intelligence provided and conducted unannounced kennel inspections which resulted in a Steward's Inquiry.

Once again this is a strong example of the successful outcomes that can be achieved through inter-agency cooperation and information sharing practices, which are critical to ensuring the effective regulation of the VRI.

Annual Audit 2010–11

This audit scope was to identify the existing integrity systems and processes of each controlling body, and audit and review specific integrity processes and systems as identified for implementation by the Lewis Report.

Throughout the audit, both in Phase 1 and Phase 2, substantial effort was made by each of the controlling bodies to improve internal integrity practices. The audit findings resulted in only three recommendations to achieve full compliance at each controlling body, all of which were fully implemented.

Related Investigations and Audits

Report on the Audit of HRV

On 7 January 2015, the Minister for Racing commissioned Mr Dale Monteith to conduct an independent audit of HRV. The terms of reference for the audit included examining governance, Board expertise, debts and liabilities, infrastructure, income streams, administrative duplication, integrity services including out-of-competition investigative arrangements, and attraction and retention of Stewards in the Harness racing industry.

The Minister subsequently requested that Mr Monteith incorporate the Commissioner's report into the late scratching of multiple runners from the Ballarat Cup. However, the commencement of the Commissioner's Live Baiting Inquiry delayed his report. Accordingly, Mr Monteith conducted the audit without the benefit of the report but with the assistance of the Commissioner.

In April 2015, Mr Monteith handed down his *Report on the Audit of Harness Racing Victoria*. In respect of integrity-related services, Mr Monteith determined that:

'Priority must be given to increasing the funding for integrity services and ensuring that HRV has the right leadership to move the organisation forward and reinvigorate the racing product.'

In respect of integrity services, recommendation 9 of the report endorsed the removal of integrity as a function of HRV and the establishment of a separate integrity body for Victorian Harness racing by the government. In doing so, Mr Monteith noted that:

'In his 2012 Report on Own Motion Inquiry into Race Fixing, the [Commissioner] recommended the establishment of an independent three-code integrity body.'

The objective of that recommendation was to provide Victoria's racing industry with a clear separation between its commercial and integrity functions, thereby removing the potential for the commercial arm of the organisation to influence integrity outcomes. At the time, the racing industry argued successfully for the establishment of an alternate model of ICs that were intended to provide the necessary separation of commercial and integrity functions.'

Mr Monteith also recommended that the government consider providing funding from the Victorian Racing Industry Fund (VRIF), which comprises unclaimed dividends and on-course wagering taxes, to significantly strengthen integrity capabilities.

Investigation into Animal Welfare and Cruelty in the Victorian Greyhound Racing Industry

The Victorian Chief Veterinary Officer, Dr Charles Milne, undertook a review commissioned by the Minister for Racing and the Minister for Agriculture following alleged incidents of live baiting of Greyhounds on the ABC *Four Corners* program.

Conducted over a 10-week period, the review made 50 recommendations aimed at protecting the welfare of animals in the Greyhound racing industry through improving governance systems and compliance and enforcement strategies.

Dr Milne's final report, entitled *Investigation into animal welfare and cruelty in the Victorian Greyhound industry*, was tabled in Parliament on 11 June 2015. In that report, Dr Milne noted that:

'The Review has identified that there are weaknesses in the current regulatory environment that need to be tightened. The accountabilities of parties are unclear and Greyhound Racing Victoria do not have the necessary powers to enforce animal welfare effectively. Greyhound Racing Victoria have a conflict of interest between promoting the industry and regulating animal welfare outcomes. There is a clear need to separate out the regulation of animal welfare from industry promotion.'

Several of Dr Milne's recommendations were similar to the Commissioner's recommendations made in the Live Baiting Inquiry Final Report. For example, Dr Milne's recommendations included that:

- the audit and inspectorate functions be removed from GRV and located in an independent 'Greyhound Inspectorate', under the direct control of government and funded by industry;
- the current constraint around reasonable hours for inspection under the Racing Act be amended to reflect common hours of operation in the industry; and
- the Racing Act require the Board of GRV to include a member who is an expert on animal welfare and/or ethics.

In relation to the Commissioner, Dr Milne recommended that, in summary:

- GRV develop and implement a Greyhound welfare and Local Rules compliance strategy in consultation with all relevant agencies, with all inspection and enforcement action reported regularly to GRV and the Commissioner's office; and
- the responsibilities of the Commissioner's powers be expanded to include powers to audit animal welfare compliance and auditing in the Greyhound racing industry and to provide a mechanism for animal welfare complaints and information.

YEAR AT A GLANCE 2014-15



UNDERTOOK ...

57

OPERATIONAL VISITS

including to race
meetings, wagering
service providers
& laboratories



MET WITH ...

2,303

STAKEHOLDERS

27% increase ▲

FROM ...

510

ORGANISATIONS

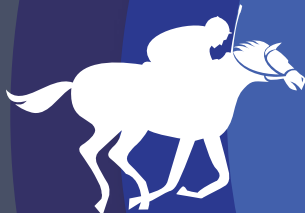
16% increase ▲

MET WITH ...

6,651

STAKEHOLDERS

since creation of the
office in March 2010



2014-
2015



DELIVERED ...

31

PRESENTATIONS

on racing integrity to ...

950

ATTENDEES

including Victoria Police
investigator training
courses, jockey training
courses & community/
service clubs

PRESENTED ...

11

ROADSHOWS

09

REGIONAL

02

METRO

throughout
public venues
in Victoria, with a**3.55% increase ▲**
in attendees

SURVEYED ...

the Victorian public about
its awareness & attitudes
to integrity in racing & found ...

49%

OF VICTORIANS
polled are confident that
Victorian racing is run
with integrity

MADE ...

32

RECOMMENDATIONS
to controlling bodies

Declarations of Private Interests and Betting Account Registers

The Commissioner and his office continue to maintain an oversight role of the annual reviews by controlling bodies of declarations of private interests and betting accounts by their integrity staff and senior management. The annual audit and review of all declarations of private interests and betting account registers for each of the three racing codes, namely GRV, HRV and RVL, was completed in November 2014.

Effective management of potential conflicts of interest, as well as the transparency of betting account information, are critical aspects in upholding the integrity of the VRI and enhancing public confidence.

Staff working at the Commissioner's office are also required to submit annual declarations of private interests and betting accounts. The Commissioner personally reviewed these for the 2014-15 financial year. The Commissioner also requires staff to agree to a prohibition on betting during their employ at the Commissioner's office.

Review of Racing Appeals and Disciplinary Processes

In 2008, Judge Gordon Lewis AM undertook an extensive review of integrity assurance systems in the VRI that culminated in *A Report on Integrity Assurance in the Victorian Racing Industry* (the Lewis Report). An integral recommendation in this report was the establishment of a single RADB covering all three racing codes.

Following the release of the Lewis Report, a joint Victorian Government and VRI Implementation Working Party was convened to consider the recommendations in the Lewis Report and to report on their implementation. Ultimately, instead of a single RADB, it was decided a separate RADB would operate in each code.

In December 2013, the office completed a major review of the Victorian racing appeals and disciplinary system. The review assessed the new model introduced in March 2010, which moved from an industry-based system to one that uses the Victorian Civil and Administrative Appeals Tribunal (VCAT) as the final appellate body for racing matters. The new system also introduced RADBs for Greyhound and Harness racing, modelled on the existing Thoroughbred racing RADB.

The review of the model by the Commissioner's office was undertaken to assess its effectiveness in addressing Judge Lewis's concerns and to make recommendations for improvement where required. The review examined the operations of the three RADBs (which hear serious offence charges and appeals within the VRI) and VCAT over a period of two years. The review adopted a two-phase process: a consultative process with over 30 stakeholders and a statistical analysis of data from each RADB and VCAT.

In 2012-13, the Commissioner prepared a draft report based on his examination of the operations of the RADB in each code and the racing appeals jurisdiction of VCAT, and sought feedback from industry participants.

In 2013-14, the Commissioner completed a final report, entitled *Review of the Victorian Racing Industry's Appeals and Disciplinary Model 2010-2012*, which included 16 recommendations. The Commissioner's report supported the maintenance of the current appeals and disciplinary system but identified opportunities for improving its effectiveness, specifically consistency in procedures and decision making that can be enhanced across the jurisdiction.

Three recommendations advocated legislative change: firstly, to bring the RVL RADB into line with the other two RADBs; secondly, to require a minimum quorum for RADB matters; and thirdly, to remove the jurisdiction of VCAT to review non-serious racing matters.

Four recommendations related to enhancing diversity and independence within the RADB panels, increasing transparency in decision making and improving consistency of procedures and penalties between RADBs.

Two recommendations related to the register of matters maintained by the Boards' Registrar and another related to research to be undertaken by the Commissioner's office on penalties.

Three recommendations were designed to improve procedural consistency between the controlling bodies and a further three related to VCAT processes.

In 2015-16, the Commissioner will continue to monitor the implementation of the recommendations and their impact on the Victorian racing appeals and disciplinary system.

Effective management of potential conflicts of interest, as well as the transparency of betting account information, are critical aspects in upholding the integrity of the VRI and enhancing public confidence.

Single Code of Practice

In the Lewis Report, Judge Gordon Lewis AM noted a lack of consistency among the codes in their approaches to integrity.

To address this and establish integrity standards for the industry, the Commissioner initiated the introduction of a SCOP, which embodied a set of minimum integrity standards for racing officials and industry participants in all three racing codes in the following areas:

Part A – Integrity Standards for Racing Officials;

Part B – Integrity Standards for Industry Participants;

Part C – Rules of Racing;

Part D – Drug Control; and

Part E – Animal Identification.

Parts A and B of the SCOP provide a set of minimum standards that require the controlling bodies to develop policies to monitor and oversee conflicts of interest; betting; gifts, benefits and hospitality; private interests and probity; and employee screening. These two Parts were developed in the first two-year period between 2013 and 2014.

The Commissioner and his staff held workshops with representatives from the controlling bodies to develop standards in relation to betting restrictions, conflict of interest and probity for officials and industry

participants. An external contractor was engaged to assist in the drafting of Part A and B of the SCOP. The development of these standards, together with work on the other parts of the SCOP, continues.

Part A of the SCOP is now complete and the controlling bodies are currently working towards a full implementation of Part B of the SCOP.

In September 2014, all three controlling bodies were provided with the draft documents for the SCOP Parts C, D and E for their review, consideration and feedback. All three racing codes advised that they endorse Parts C and D of the SCOP and are currently working towards full implementation of these Parts. It is anticipated that Parts C and D will be implemented during the coming financial year.

Work will continue to refine these standards for implementation, with the aim of developing a complete set of cross-code standards that cover all aspects of integrity control in the VRI.

INFORMATION AND INTELLIGENCE MANAGEMENT

The office utilises a customised Case Management System (CMS) to record, manage and report on information received in the form of an enquiry, complaint or information report. Own motion inquiries and referrals from the Minister and controlling bodies are also managed on the CMS.



184 ENQUIRIES
RECEIVED
DURING 2014–15

59% GRV related enquiries were received

AS A RESULT OF
THE LIVE BAITING
INQUIRY

Enquiries

During 2014–15 the office received 184 enquiries. Of these, 61 per cent were from the public and 22 per cent were from industry participants. Seven enquiries were from law enforcement agencies, and four enquiries were from other government agencies. A further 10 per cent (19 enquiries) were from media and were in relation to the Live Baiting Inquiry.

Over half the enquiries were received via telephone and a further 45 per cent were received via email. A small number of enquiries were received via mail, fax and/or were made directly to the Commissioner.

Of the 184 enquiries, a total of 59 per cent (108) of the enquiries related to GRV, again as a result of the Live Baiting Inquiry; 18 per cent (33) of the enquiries related to RVL, 8 per cent were non-specific and a further 7 per cent of enquiries related to overseas jurisdictions and betting agencies/bookmakers.

The majority of enquiries related to controlling bodies and their policies and processes, followed by enquiries relating to questions, comments and opinions regarding the Live Baiting Inquiry.

Not all enquiries related to a single theme. From the 184 enquiries received by the office, 208 themes arose. The number and themes arising from enquiries made to this office are depicted in the table.

Enquiry Theme	Number	Per cent
Questions, comments and opinions on current issues, including live baiting	83	40
Enquiries regarding controlling bodies, policies and processes including: <ul style="list-style-type: none"> • ownership issues • nominations, gradings and acceptances • lodging complaints • victimisation and preferential treatment by Stewards 	92	44
Request for Commissioner to meet/interview/present at forums	15	7
Enquiries from law enforcement agencies	7	3
Enquiries regarding wagering service providers and betting	10	5.5
Enquiries regarding potential employment at the office of the Racing Integrity Commissioner	1	.5
TOTAL	208	100

Complaints

During 2014-15, the office received and investigated 47 complaints. Nearly half of all complaints were received via email to the generic email address at enquiries@racingintegrity.vic.gov.au

A total of 28 per cent of complaints were received via telephone, with the remainder received through the Integrity Hotline, referrals, mail and/or fax.

Five of the 47 complaints were received anonymously, while the remaining 42 complaints were received overtly.

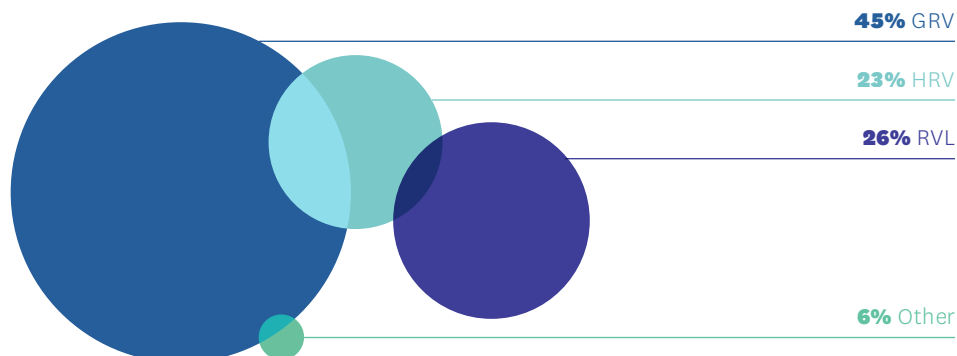
A total of 21 complaints involved GRV, 12 complaints involved RVL and 11 complaints involved HRV. A further three complaints involved issues such as betting and wagering.

The complaints related to a range of issues including:

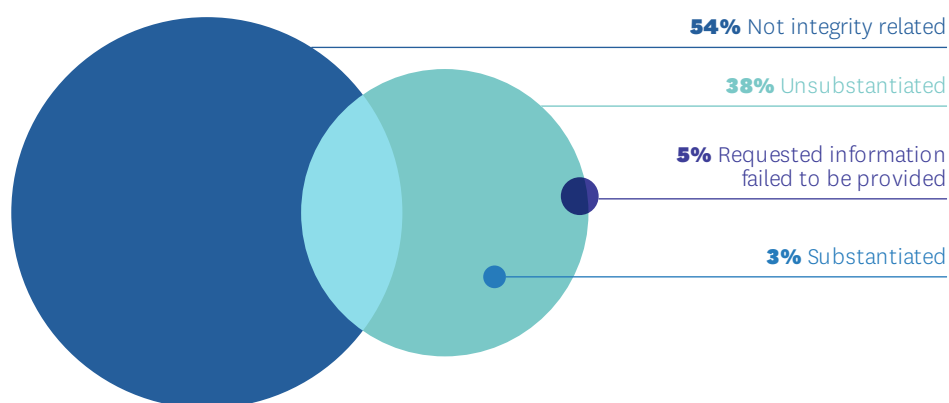
- Stewards' actions and/or decisions;
- prohibited substances and drug tampering;
- swabbing procedures and testing of prohibited substances;
- race fixing and jockeys failing to ride to instruction;
- corruption and breaches of integrity processes;
- conflicts of interest;
- box draws, barrier draws, gradings and nominations;
- racing clubs;
- wagering issues;
- licensing disputes, syndications and transfer of ownerships;
- animal welfare; and
- live baiting.

A total of 18 complaints were referred to the relevant controlling body and/or government agency for further investigation and/or to obtain further information to assist with the office's investigations. As a result of investigations, 15 of the total number of complaints (38 per cent) were unsubstantiated.

COMPLAINTS BY CODE 2014-15



OUTCOME OF COMPLAINTS 2014-15



COMPLAINTS BY YEAR

Code	2010-11	2011-12	2012-13	2013-14	2014-15
GRV	14	9	5	9	21
RVL	16	5	6	10	12
HRV	8	3	7	3	11
Other	4	0	4	2	3
TOTAL	42	17	22	24	47

One complaint was substantiated and referred to the controlling body for further investigation. As a result, members of a racing club resigned regarding allegations of misappropriation of funds. Relevant standards relating to financial and governance requirements were subsequently developed and are being considered by clubs as part of their 2015–16 registration process.

Preliminary investigations conducted on 22 complaints (54 per cent) were deemed not integrity related, and a further two complaints (5 per cent) were unable to be investigated, as the request for further information failed to be provided. Seven complaints remain under investigation at 30 June 2015.

During the 2014–15 period, the number of complaints almost doubled in comparison to the previous year. Complaints regarding GRV and HRV both notably increased, with the significant increase in GRV complaints attributed to the Live Baiting Inquiry. The increase in HRV complaints from the previous reporting period cannot be contributed to a specific factor, with the complaints relating to various issues.

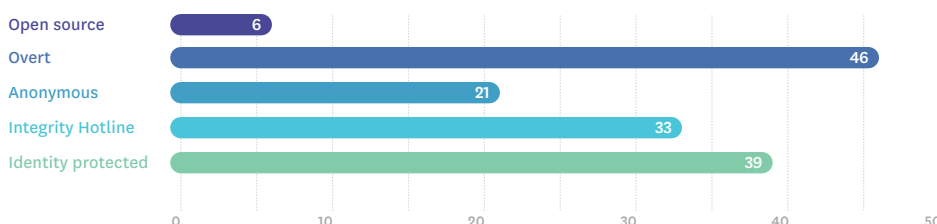
Information Reports

An information report (IR) is a term applied to a document or computer entry recording information received by this office.

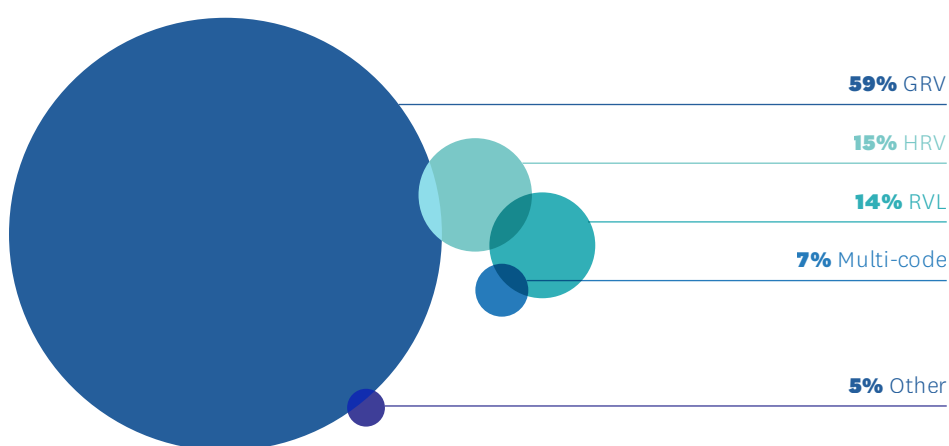
During 2014–15, the office recorded 145 IRs. The majority of information was received covertly, through information received from sources who wish to have their identity protected (27 per cent), via the Integrity Hotline (23 per cent) or anonymously (14 per cent). A further 32 per cent of information was received overtly, and 4 per cent was open source information.

Of the 145 IRs, 59 per cent related to GRV, 15 per cent related to HRV, 14 per cent related to RVL, 7 per cent involved more than one code and a further 5 per cent related to other matters such as betting, wagering and club issues.

INFORMATION REPORTS OVERT/COVERT 2014-15



INFORMATION REPORTS BY CODE 2014-15



A total of 77 per cent (66) of IRs relating to GRV in 2014–15 were a result of the Live Baiting Inquiry. This inquiry was the contributing factor not only to the significant number of IRs relating to GRV in 2014–15, but also to the overall increase in the number of IRs received from the previous 2013–14 period, when the office received 32 IRs.

In total, 39 IRs (27 per cent) were disproven or unable to be substantiated, four IRs were not integrity related and a further four IRs were substantiated, relating to a breach of betting policies and conflicts of interest.

A total of 43 per cent (63 IRs) were recorded for information purposes only and a further 35 IRs remain active as at 30 June 2015.

The information received and recorded in the 145 IRs related to a range of issues including:

- Stewards' actions and/or decisions;
- importing, manufacturing, distribution and sale of prohibited substances;
- swabbing procedures and testing of prohibited substances;
- race fixing and suspicious rides;
- animal welfare, including culling of Greyhounds, live baiting and illegal exportation of Greyhounds;
- corruption by officials and breach of integrity processes by officials;
- conflicts of interest and inappropriate relationships with known criminals;
- racing clubs;
- wagering and betting issues; and
- licensing disputes, syndications and transfer of ownerships.

Website

The Commissioner's website (www.racingintegrity.vic.gov.au) is a central repository for information on the role and powers of the Commissioner, links to public documents published by the office, and advice on how to lodge a complaint and/or provide integrity-related information.

During 2014-15, the website attracted 6,738 visits from 74 countries. Of these, 87 per cent (5,895 visits) were from Australia and 75 per cent of the Australian visits were from within Victoria.

The majority of visits to the website during 2014-15 were in relation to the role and functions of the Commissioner, followed by visits to look at documents published by the office, such as own motion reports.

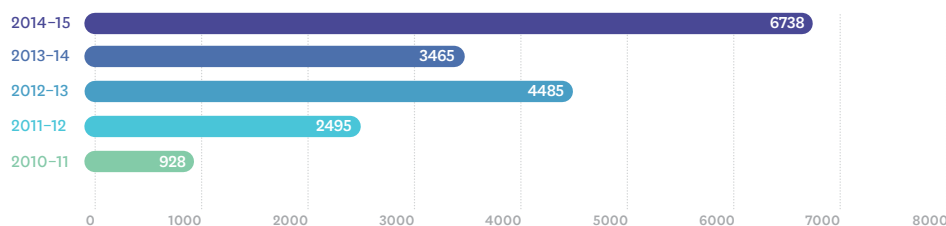
Overall visits to the website were up by 94 per cent from the 2013-14 period and can be attributed to the considerable public interest in the Live Baiting Inquiry.

Nearly half of all the visits in 2014-15 occurred on dates relating to that own motion inquiry, including the delivery of the interim report, the Live Baiting Inquiry Final Report, media release and the announcement of the commencement of the inquiry by the Commissioner.

Other dates where a notable spike in visits to the website occurred are the joint media releases with the Australian Federal Police and Victoria Police regarding the signing of MOUs and the commencement of the Commissioner's Annual Roadshow.

Traffic was directed to the website via three methods: 66 per cent of visitors used a search engine, 17.5 per cent went direct to the website and 16.5 per cent were referred from other websites. A total of 68 per cent of all visitors to the site were new, which is consistent with previous years, and 31 per cent were returning visitors.

WEBSITE VISIT BY YEAR 2010-15



Date	Visits	Publications Viewed
11 June 2015	1,542	Commissioner's Final Report into Live Baiting in Greyhound Racing in Victoria released today (media statement). <i>2015 Own Motion Inquiry into Live Baiting in Greyhound Racing in Victoria Final Report.</i>
11 March 2015	889	Commissioner delivers Interim Report into Live Baiting Allegations to Greyhound Racing Victoria (media statement).
17 February 2015	508	Commissioner announces Inquiry into Live Baiting Allegations (media statement).

Overall visits to the website were up by 94 per cent from the 2013-14 period and can be attributed to the considerable public interest in the Live Baiting Inquiry.

Recent legislative amendments assign the Commissioner powers he would have if he were a Board of Inquiry under relevant provisions of the Evidence (Miscellaneous Provisions) Act 1958.

Integrity Hotline

During 2014–15 the Integrity Hotline, which is provided by the office through a third party organisation, continued to operate as an independent, confidential and impartial disclosure management service, allowing individuals to report integrity issues anonymously.

In the reporting period the office received 38 reports, comprising 34 disclosures and four non-disclosures. (Non-disclosures are reports that do not fall within the Commissioner's jurisdiction.)

During 2014–15, the office received non-disclosures relating to persons seeking advice or complaints regarding wagering issues, interstate racing officials and transfer of ownership matters.

Disclosures contained integrity-related information involving information and allegations of live baiting, corrupt conduct by officials, conflicts of interest, unethical behaviour of Stewards, prohibited substances, and breaches of policies and procedures.

The office saw a notable increase of 29 reports from the previous year, with 12 reports received during the collection period of the Live Baiting Inquiry.

The influx of disclosures to the Integrity Hotline during 2012–13 and 2014–15 occurred while own motion inquiries were underway. During both these periods, the Commissioner requested the public come forward and provide information regarding the allegations raised in the inquiries.

LEGISLATIVE CHANGE

On 29 January 2014, the Commissioner's powers to investigate were extended through an amendment to the Racing Act.

The legislative amendment arose from the Commissioner's 2012 Own Motion Inquiry into Race Fixing and investigation of the Damien Oliver Inquiry by RVL in the same year.

The additional provisions of the Racing Act assign the Commissioner powers he would have if he were a Board of Inquiry under relevant provisions of the *Evidence (Miscellaneous Provisions) Act 1958*. The Commissioner is now empowered to compel the attendance of certain classes of persons (licensed and registered persons, Board members and employees of controlling bodies, and committee members and employees of clubs) and the production of documents, as well as the examination of persons under oath or affirmation. The Commissioner may seek penalties through contempt of court provisions for non-compliance.

During the 2014–15 period, the Commissioner exercised these powers in furtherance of special inquiries and own motion inquiries, as detailed in Part C of this report.

Integrity Hotline	2010–11	2011–12	2012–13	2013–14	2014–15
Disclosure	14	11	28	4	34
Non-disclosure	14	9	21	5	4
Total	28	20	49	9	38

PART B ABOUT THE OFFICE

The Commissioner is an independent statutory office holder appointed by the Governor in Council and reports to Parliament through the Minister for Racing. The Commissioner's office is located at 121 Exhibition Street, Melbourne.

GOVERNANCE AND ORGANISATIONAL STRUCTURE

Three full time employees and two part time employees are employed under Part 3 of the *Public Administration Act 2004* to assist the Commissioner to perform his functions and exercise his powers under the Racing Act. All employees report directly to the Commissioner.

The positions within the office are as follows:

- Manager Integrity Operations;
- Manager Investigations;
- Manager Information and Intelligence;
- Manager Policy and Projects; and
- Executive Assistant to the Commissioner.

Specialist contracted resources are also engaged if required.

As the office is administratively supported by the Department of Justice and Regulation, detailed reporting relating to financial performance, governance, workforce data and other disclosures is contained within the annual report of the Department of Justice and Regulation.

FINANCES

The office is funded through the Department of Justice and Regulation under the State Budget.

CONSULTANCIES

The office engaged one external consultant to conduct an audit of the HR policies and processes that relate to the career management model pertaining to integrity positions within the VRI (such as Steward, analyst and integrity officer positions).

RISK MANAGEMENT

The Commissioner maintains a Risk Management Policy that was reviewed in 2013-14 and assessed as meeting Victorian Government requirements. The operations of the office take a risk management approach, which was adopted following an enterprise-wide risk assessment and development of a risk register. This risk assessment uses methodology based on International Risk Management Standard ISO 31000:2009.

FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* (Vic) allows the public to access documents held by the office. For the period ending 30 June 2015, no Freedom of Information applications were received.

Making a Request

Access to documents may be obtained by making a written request in accordance with section 17 of the Freedom of Information Act. In summary, a request should:

- be in writing;
- identify as clearly as possible which document is being requested; and
- be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for information in the possession of the office should be addressed to:

**Freedom of Information Manager
Racing Integrity Commissioner**
PO Box 24034, Bourke Street
Melbourne VIC 3001

Access charges may also apply once documents have been processed and a decision on access is made, for example photocopying and search and retrieval charges. Further information regarding Freedom of Information may be found at <http://www.foicommissioner.vic.gov.au/>

COMPLIANCE WITH THE PROTECTED DISCLOSURES ACT

The *Protected Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Protected Disclosures Act provides protection to people who make disclosures in accordance with its provisions and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Reporting Procedures

The office cannot receive disclosures under the Protected Disclosures Act. Disclosures of improper conduct or detrimental action by the Commissioner or employees of the office may be made directly to IBAC.

Independent Broad-based Anti-corruption Commission

Level 1, 459 Collins Street (North Tower)
Melbourne VIC 3000
Toll free 1300 735 135
website www.ibac.vic.gov.au

Alternatively, disclosures of improper conduct or detrimental action by employees of the office may be made to the Protected Disclosure Coordinator of the Department of Justice and Regulation.

Sam Jenkin Protected Disclosure Coordinator Department of Justice and Regulation

Level 24, 121 Exhibition Street
Melbourne VIC 3000
Telephone 03 8684 0090
Email samuel.jenkin@justice.vic.gov.au

PART C REPORT ON OPERATIONS

The functions and powers set out in the Racing Act provide a framework for reporting on the activities of the office in the past year. The following overview represents the activities undertaken by the Commissioner as they relate to the relevant provisions of the Racing Act.

SECTION 37B OF THE RACING ACT

<p>1a Conduct annual audits of integrity processes and systems, in whole or in part, of each controlling body in areas identified –</p> <ul style="list-style-type: none"> i by the Racing Integrity Commissioner; or ii by the Racing Integrity Commissioner in consultation with each controlling body 	<p>One audit was conducted in the period regarding the career development of integrity staff within the controlling bodies. This audit is currently ongoing.</p> <p>The 2011–12 (Barrier Redraw) and the 2013–14 (Identification of Racing Animals) audits were completed in December 2014.</p>
<p>1b Conduct audits outside the subject matter of the annual audit if a controlling body requests that such an audit be conducted</p>	<p>No requests were received from the controlling bodies to conduct an audit.</p>
<p>1c Investigate complaints made about the integrity processes and systems of a controlling body</p>	<p>The Commissioner and his office investigated 47 complaints relating to the integrity processes and systems of the three controlling bodies.</p> <p>Of these complaints, 45 per cent involved GRV, 26 per cent involved RVL and 23 per cent involved HRV. A further 6 per cent related to other issues, such as betting and wagering.</p> <p>The office also received 145 information reports relating to racing matters. Of these, 59 per cent related to GRV, 15 per cent related to HRV and 14 per cent related to RVL; 7 per cent involved more than one code, and a further 5 per cent related to other matters such as betting and wagering.</p>
<p>1d Refer complaints to controlling bodies or other government agencies for investigation</p>	<p>During the reporting period, 18 complaints were referred to a controlling body or government agency for investigation.</p> <p>The Commissioner and his office also referred 64 information reports to a controlling body or government agency for information and/or investigation.</p>

<p>1e Investigate matters referred by the Minister or a controlling body</p>	<p>The Commissioner and his office received three referrals from the Minister.</p> <p>Two referrals related to GRV; one regarding the alleged incompetence of GRV Stewards, and the second relating to swabbing procedures and penalties.</p> <p>A further referral from the Minister was received requesting the Commissioner to investigate the actions leading up to the late scratching of six horses from the 2014 Ballarat Pacing Cup.</p> <p>During the same reporting period, a referral was received from HRV requesting the Commissioner investigate the actions taken by the HRV Stewards in the late scratching of six horses from the 2014 Ballarat Pacing Cup.</p> <p>A further referral was received from RVL requesting the Commissioner review the investigation and response regarding the treatment by RVL integrity officials during the prosecution and RADB hearing of an industry participant who had complained regarding the treatment of his case by RVL.</p>
<p>1f Report findings of investigations conducted into complaints that have not been referred to other bodies:</p> <ul style="list-style-type: none"> i to the person that made the complaint; and ii with or without identifying the person who made the complaint or the person that is the subject of the complaint, the Minister or the relevant controlling body (as the Racing Integrity Commissioner considers appropriate) 	<p>Of the 47 complaints received by the office, 40 complaints were investigated and completed during the 2014–15 period. Complainants were advised of the findings in 18 of those cases.</p> <p>Controlling bodies are not automatically advised of findings in cases where the complaints were found not to be integrity related or were unsubstantiated, or where the controlling body was involved in the investigation with the Commissioner.</p>
<p>1g Conduct own motion inquiries that do not relate to any specific complaint and may include an investigation into system issues in racing</p>	<p>On 17 February 2015, the Commissioner initiated an Own Motion Inquiry following allegations of live baiting in Greyhound racing in Victoria (Live Baiting Inquiry).</p> <p>Following an extensive investigation, the Live Baiting Inquiry was completed during the 2014–2015 period. A total of 18 recommendations were made at the conclusion of the inquiry to GRV and government in the Commissioner's report entitled <i>2015 Own Motion Inquiry into Live Baiting in Greyhound Racing in Victoria Final Report</i>.</p>

<p>1h Make recommendations (if appropriate) following the investigation of any complaint, inquiry or matter to (as the Racing Integrity Commissioner considers appropriate) the Minister or the relevant controlling body</p>	<p>Five recommendations were made to the Minister as a result of the Live Baiting Inquiry. This includes a recommendation that is directed at both the Minister and GRV, namely that GRV's animal welfare and education officers and investigators are designated as Stewards for the purposes of the Rules of Racing, and legislative and rule changes occur to increase and clarify their powers of entry and inspection.</p> <p>One recommendation was made to the Minister following the Commissioner's Special Inquiry into the Harness Racing Victoria, Ballarat Pacing Cup, to the effect that the government reconsider a recommendation previously made by the Commissioner to amend the Racing Act to establish an independent body with responsibility for integrity across the three codes and remove such responsibility from the controlling bodies.</p> <p>A total of 26 recommendations were made to the controlling bodies during this reporting period.</p> <p>Of these, 13 recommendations were made to GRV as a result of the Live Baiting Inquiry. One of these recommendations extended to encompass not only GRV, but HRV and RVL; namely, that the Boards of all controlling bodies be legislatively reconfigured to include an appointee with a background in animal welfare issues.</p> <p>Seven recommendations were also made to HRV as a result of the Special Inquiry into the Harness Racing Victoria, Ballarat Pacing Cup.</p> <p>A further six recommendations were made to GRV in relation to the scratching of a Greyhound from the 2013 GRV Melbourne Cup.</p>
<p>1i Direct a Racing Appeals and Disciplinary Board (RADB) to hear and determine an appeal made by a person against a penalty imposed under the rules of a controlling body if –</p> <ul style="list-style-type: none"> i the penalty imposed is a fine of not more than \$250; and ii the Racing Integrity Commissioner considers that it is in the public interest for the appeal to be heard 	<p>The Commissioner received two requests to direct a RADB to hear and determine an appeal.</p> <p>One request to direct a RADB was received outside the legislated time for lodgement, and the other request was deemed to be in the public interest. The Commissioner directed the HRV RADB to hear and determine the appeal. However prior to the appeal being heard, the appellant withdrew the application.</p>

2 Advice to the Minister of any failure by a controlling body to implement or act on a recommendation made by the Racing Integrity Commissioner to that controlling body	The Commissioner did not advise the Minister of any failings by a controlling body to implement or act on a recommendation during the reporting period.
SECTION 37BA OF THE RACING ACT 1958 – POWERS OF THE RACING INTEGRITY COMMISSIONER CONDUCTING AN INQUIRY	<p>During the 2014–15 period, the Commissioner exercised his powers under section 37BA in furtherance of special inquiries and own motion inquiries.</p> <p>During the Live Baiting Inquiry, the Commissioner:</p> <ul style="list-style-type: none"> • issued 33 summons to attend examinations and/or produce specified documents; and • conducted a total of 30 examinations of 29 persons, with one examinee attending two separate hearings. <p>Classes of examinees included members of the former GRV Board, employees of GRV and licensed persons registered under the rules of GRV.</p> <p>During the Special Inquiry into multiple scratchings from the Ballarat Pacing Cup, the Commissioner also exercised these powers by issuing summons to attend examinations and produce documents to 10 persons, resulting in a total of 10 examinations taking place. Classes of examinees included employees of HRV and persons licensed under the rules of HRV.</p>
SECTION 37E OF THE RACING ACT 1958 – DISCLOSURE OF INFORMATION	The Commissioner made 72 disclosures of integrity related information to a range of authorised bodies and agencies during the 2014–15 period. The disclosures were made in accordance with section 37E of the Racing Act.

Disclosure of Information	Total
Racing controlling bodies (Victoria)	44
Racing controlling bodies (interstate)	4
Sporting bodies	1
Law enforcement agencies	17
State and Commonwealth Government agencies	6
Total	72

INTEGRITY INITIATIVES IN THE VICTORIAN RACING INDUSTRY

GRV, HRV and RVL each play a fundamental role in maintaining the integrity of the VRI. In addition to the work of the Commissioner and his office in driving integrity reforms, a number of initiatives were implemented by the three controlling bodies.

Greyhound Racing Victoria

To improve the regulation of racing officials employed across the VRI, including the Greyhound racing industry, the GRV Board endorsed the SCOP A and B for adoption in 2015.

GRV also undertook a world-first, industry-leading study into the analytical methods used to detect testosterone levels in male Greyhounds. This study is the first of its kind in any Greyhound racing jurisdiction in the world and aims to improve the detection and accuracy of testing procedures. The study follows the introduction of a threshold level in 2013 to regulate testosterone use in female Greyhounds.

As part of a continuing focus on detecting and eradicating prohibited substances from the sport, GRV conducted research as an important strategic step that will help GRV stay ahead of those trying to gain an unfair advantage in the sport.

Continuing a trend from previous years, the number of analysis samples taken from Greyhounds throughout Victoria continued to rise in the 2014-15 period. During this time, GRV Stewards directed that in excess of 5,000 random post-race, pre-race and out-of-competition samples be taken. A significant number of these samples were frozen and stored for up to five years for future testing in accordance with GRV's Sampling – Future Testing Policy. Urine and blood samples were taken, as were saliva samples.

In September 2014, GRV introduced a new unit within its integrity department; the Investigations Unit. Reporting to the Chief Steward, this unit is responsible for the conduct and management of investigations into breaches of the Rules of Racing.

Harness Racing Victoria

In his report entitled *2012 Own Motion Inquiry into Race Fixing*, the Commissioner recommended that the government expedite the introduction of 'cheating at gambling' legislation as a major priority. Subsequently, on 23 April 2013, the Victorian Government

GRV, HRV and RVL each play a fundamental role in maintaining the integrity of the VRI.

enacted the *Crimes Amendment (Sports Integrity) Act 2013*. This legislation amended the *Crimes Act 1958* by creating offences in relation to race fixing, match fixing and 'cheating at gambling', which are punishable by up to 10 years in prison.

In 2014-15, HRV's integrity department, along with the Sporting Integrity Intelligence Unit (SIU) and the Commissioner and his office, took part in a multi-agency investigation into allegations of race fixing by Harness racing industry participants in Mildura. The investigation culminated in criminal charges being laid against two Harness racing participants by Victoria Police under the new legislation.

This period also saw HRV increase its analytical testing spend by 15.7 per cent from the last reporting period. This testing expenditure included the first prosecution in Victoria of a trainer for the administration of cobalt, a substance that is a significant threat to the integrity of the broader racing industry. This prosecution occurred through retrospective testing and prior to the establishment of a threshold for the relevant substance, demonstrating HRV's commitment to combat the use of prohibited substances.

HRV, in conjunction with GRV, also purchased a state-of-the-art freezer to store a substantial amount of swab samples and ensure additional retrospective re-testing can be conducted.

Racing Victoria Limited

A series of major integrity enhancements were made by RVL to enhance integrity in Victorian Thoroughbred racing in this reporting period including:

- The introduction of a cobalt threshold, which was introduced as a Local Rule in April 2014 and subsequently a National Rule in January 2015, which RVL, Stewards and vets have been proactively and extensively testing for.
- Restrictions on corticosteroids usage covered by a new National Rule, supported by RVL and effective from 1 August 2014, that precludes horses from contesting a race for 10 days (eight clear days) after corticosteroids treatment as it could mask soreness in joints.
- The introduction of National Rule changes, effective 1 February 2015, including:
 - ~ a new offence for someone to be party to an attempted stomach-tubing during the one day prior to race day;
 - ~ provision to exclude a disqualified person from participating in breeding, from attending sales and from participating in media activities in relation to racing;
 - ~ provision to exclude a suspended person from entering designated places on a racecourse and from participating in media activities in relation to racing;
 - ~ increased maximum monetary amount for a fine from \$75,000 to \$100,000 in line with increased prize money; and
 - ~ extension of the period for which a penalty may be suspended from 12 months to two years.

Racing Analytical Services Limited (RASL)

During the reporting period, samples taken in Victoria were sent to Perth and Hong Kong to undergo cobalt testing. However, the introduction of ICP-MS technology to RASL has been made possible due to a collaborative funding agreement between the VRI, RASL and the Victorian government, via the VRIF. All blood and urine samples submitted for analysis by the three racing codes will soon be screened in Victoria for a range of inorganic metals, including cobalt. Due to this initiative, the integrity of Victorian racing will be further enhanced by the elimination of this threat.

National Integrity

The unique nature of the Commissioner's role as an independent statutory officer with oversight of integrity in one sport, predominantly relying on wagering for its success, means that the Commissioner has a role to play in engaging with racing and other sports on a national basis.

This year, the Commissioner maintained established relationships and sought to formalise existing relationships, both within Victoria and on a national stage.

National Racing Integrity Advisory Group

In July 2012, the National Racing Integrity Advisory Group (NRIAG) met for the first time. NRIAG was created as a result of the Australasian Racing Ministers' Conference in May 2012, which agreed that a national group was needed to provide a national approach to a contemporary racing model. The group was to comprise the CEOs of the national racing codes (Thoroughbreds, Harness and Greyhounds) together with a representative from each state and territory as determined by the responsible Minister. The Commissioner was nominated as the Victorian representative.

NRIAG met a number of times in 2012 and 2013. Following the withdrawal of the Australian Racing Board's representative, the Commissioner was elected Acting Chair of NRIAG in August 2013.

At the Australasian Racing Ministers' Conference in February 2014, discussion regarding NRIAG's future resulted in a resolution that '[t]he NRIAG should be encouraged to establish themselves as a group independent of the Australasian Racing Ministers' Conference'.

National Integrity of Sport Unit

The National Integrity of Sport Unit (NISU) was established by the Commonwealth Government in October 2012 to oversee the implementation of national policy, including the introduction of criminal offences for match fixing across all jurisdictions, and to work with sports to develop robust integrity systems.

To further its role in supporting information sharing and best practice across integrity units, NISU established the Australian Sports Integrity Network (ASIN) as a forum for bringing together all integrity units across all sports.

The Commissioner is an attendee at ASIN meetings.

This year, the Commissioner maintained established relationships and sought to formalise existing relationships, both within Victoria and on a national stage.



GLOSSARY OF ACRONYMS

ASADA	Australian Sports Anti-Doping Authority
ASIN	Australian Sports Integrity Network
CMS	Case Management System
GRV	Greyhound Racing Victoria
HRV	Harness Racing Victoria
IBAC	Independent Broad-based Anti-corruption Commission
IR	Information Report
IC	Integrity Council
ICF	Integrity Council Forum
ICSS	International Centre for Sport Security
MOU	Memorandum of Understanding
NISU	National Integrity of Sport Unit
RIC	Racing Integrity Commissioner
RASL	Racing Analytical Services Limited
RADB	Racing Appeals and Disciplinary Board
RIOC	Racing Integrity Operations Committee
RVL	Racing Victoria Limited
SCOP	Single Code of Practice
SIIU	Sporting Integrity Intelligence Unit
VCAT	Victorian Civil and Administrative Tribunal
VRI	Victorian Racing Industry
VRIF	Victorian Racing Industry Fund



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