

**A Report on Integrity  
Assurance in the Victorian  
Racing Industry**

**Judge G.D. Lewis AM**

**1 August 2008**

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# INTRODUCTION

## *SUBMISSIONS AND CONSULTATION*

The terms of reference required me to:

“lead a process of consultation with racing industry Controlling Bodies and stakeholders, with the objective of identifying options to ensure that integrity assurance within the industry is of the highest standard”.

For the purposes of this Review, “integrity services and systems” were deemed to include:

- overall stewardship and associated investigations;
- race-day operations;
- betting compliance and regulation;
- veterinary services;
- drug control; and
- licensing and registration.

The complete Terms of Reference are in Appendix One.

The announcement of this Review by the Minister for Racing attracted widespread publicity in all forms of the media, and the terms of reference were published on the Department of Justice website. In accordance with the terms of reference, I called for submissions from a wide range of industry bodies and stakeholders, including those organisations which provide formal representation for industry participants:

- Association of Victorian Country Harness Club Inc.
- Australian Jockeys Association / Victorian Jockeys Association
- Australian Jumping Racing Association
- Australian Racing Board
- Australian Services Union
- Australian Trainers Association
- Australian Workers Union
- Betfair
- Bookmakers and Bookmakers Clerks Registration Committee
- Country Racing Victoria
- Equine Veterinarians Australia
- Greyhound & Harness Racing Regulatory Authority (NSW)
- Greyhound Racing Victoria (GRV)

- Harness Racing Australia Inc (HRV)
- Harness Racing Owners Association
- Harness Racing Victoria
- Herald Sun
- Inside Racing
- Media and Arts Alliance
- Melbourne Greyhound Racing Association
- Melbourne Racing Club
- Moonee Valley Racing Club
- Racing Analytical Services Ltd (RASL)
- Racing Victoria Limited (RVL)
- Sandown Greyhound Racing Club
- Sport 927
- TABCORP Limited
- The Age
- The Sportsman
- Thoroughbred Breeders Victoria
- Thoroughbred Racehorse Owners Association
- Victoria Harness Racing Club
- Victoria Racing Club
- Victorian Bookmakers Association
- Victorian Commission for Gambling Regulation
- Victorian Harness Racing Trainers and Drivers Association
- Victorian Jockeys Association
- Victorian Standard Bred Breeders and Stud Masters Association.

Although I have been unable to require either oral or written submissions, compel evidence or to insist upon answers to questions, I am completely satisfied with the powers I had to enquire within the terms of reference. I have carried out wide-ranging discussions with in excess of 100 representatives of all aspects of the racing industry and received written submissions from 26 organisations and individuals. Overall, I received excellent cooperation.

Over a period of three months I met with representatives from the three major racing codes, police, media, government, industry associations and committees, appellate bodies, veterinary groups, individuals and wagering companies, and during this time I also held a number of confidential hearings. Individuals and organisations that had not made written submissions were also invited to attend hearings and many did. I also met separately with the Chief Stewards of all three codes, including both the current and incoming RVL Chief Steward. I attended meetings of all three codes where I observed the stewards performing their duties, which included hearings, in the case of RVL and HRV.

Members of the media who specialise in reporting upon the racing industry were invited to contribute to this Review. In the event I spoke to six key media representatives and their submissions were worthwhile.

The Minister for Gaming and Racing in New South Wales appointed Mr Malcolm Scott to chair a Review into the regulatory oversight of the New South Wales Racing Industry. The NSW Review examined whether there were adequate powers and procedures in place for the effective and efficient regulatory oversight of the three codes of racing in New South Wales, by their respective industry controlling bodies. The Report was tabled on 26 June 2008. I had a number of discussions with Mr Scott.

The result is that I am satisfied that this Review has been both wide-ranging and thorough.

## **REPORT CONTEXT**

The catalyst for this Review was the activities of Stephen Allanson. The Allanson affair has already been dealt with by the report "*A Report on Betting Activities of Stephen Allanson, Former Chief Executive Officer, Racing Victoria Limited, and Related Issues*"<sup>1</sup>, and so for the purpose of this Review, initially I saw my prime task to be a review of the internal systems the three codes have in place to monitor and manage perceived threats to the integrity of racing as a whole.

However, during the course of this Review, many significant matters relating to criminal activity within the racing industry, were drawn to my attention. These matters overshadowed what initially I saw to be the issues confronting the industry.

Integrity policies and rules encourage fair competition and discourage cheating or undue influence in any form. In simple terms, integrity services and systems are directed at ensuring that the correctly identified animals compete in a race, to the best of their natural ability, and free from the influence of corrupt practices at any level.

All integrity protection is directed at protecting the people who make racing possible, but primarily the owner, the trainer, and the punter. Wagering on racing animals is not, and never has been, a level playing field. Participants approach each sporting event with varying degrees of hard information. Ironically, the participant who is least informed is the average punter, who has no "inside information", but who relies upon the tipsters in the daily press, tipping periodicals, hunches, scuttlebutt, sleeve-pullers, rumour, or the wildest hearsay, for betting guidance.

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<sup>1</sup> Office of Racing, Department of Justice, Victoria, March 2008

The extent of the information, provided by the daily press in particular, and trade papers in general, is unprecedented compared with past decades. However, although statistically very detailed, this surfeit of information has probably made little significant difference to the success rate of the average punter. The reason for this is simple. If wagering on horses had as its foundation logical analysis, which was likely to produce a particular result, then everyone should win regularly.

Vital information about a horse's training performance will often be the subject of secrecy, or at least, an attempt at secrecy. This information can be so jealously guarded that there are those "in the know" (owners, trainers, stable hands, track riders, jockeys, and perhaps those close to them) who do resist the desire to share the secret, and a betting plunge then occurs. A last-minute betting plunge on a horse, with bookmakers offering fixed odds, is a time-honoured feature of racing. It probably occurred as far back as when the hare and the tortoise clashed in Aesop's fable (the hare no doubt starting at long odds-on, and the tortoise friendless in the market), and the concept of the plunge will be with us as long as wagers can be placed on racing animals. It represents the spirit of racing, and, based solely on inside knowledge, does not involve any of the terms of reference of this Review.

In broad terms, in addressing the terms of reference, this Review investigated three potential options:

1. To leave the systems in place unaltered and do nothing to interfere with the status quo.
2. To make additions and alterations to the status quo, in order to tighten up perceived or actual shortcomings.
3. To create an entity responsible for the overall control of integrity in the racing industry, completely independent of the administrators of the three racing codes.

A number of integrity systems and issues, across all three codes, which came to light during the process of this Review, are addressed in the section "Integrity Matters".



## ***GLOSSARY OF ABBREVIATIONS***

ACC	Australian Crime Commission
HRV	Harness Racing Victoria
GRV	Greyhound Racing Victoria
GAP	Greyhound Adoption Program
OGR	Office of Gaming and Racing (Victoria)
Racing Act	Racing Act 1958 (Vic)
RAD Board	Racing Appeals Disciplinary Board (Victoria)
RASL	Racing Analytical Services Ltd
RAT	Racing Appeals Tribunal (Victoria)
RIDP	Racing Industry Development Program
RVL	Racing Victoria Limited
VCAT	Victorian Civil and Administrative Tribunal
VCGR	Victorian Commission for Gambling Regulation
VRI	Victorian Racing Industry

## EXECUTIVE SUMMARY

Invariably terms of reference are widely drawn to cope with any relevant contingency during the process of fact-gathering. However, in this case, if the nub of this Review had to be stated, it is whether the present intermingling of commercial activities and integrity assurance should coexist under the one controlling body.

Presently the controlling body of each code is responsible for commercial activities and its integrity services, and funds them from its overall pool of income. In effect, the commercial activities and integrity services compete for a share of the pool. In the view of some, under such an arrangement, the controlling body will experience conflict when deciding how to allocate resources. They would argue for the separation of the responsibilities, to avoid the conflict, and the potential for the integrity responsibilities to become subordinate to the commercial activities.

Supporters of the present arrangements would argue that the challenge for the controlling body is to make decisions that best meet both responsibilities, not to prefer one over the other. They would submit that any conflict, which arises, is no different to that faced when deciding which of two competing commercial activities or, indeed, competing integrity services, will be funded.

In the process of this consultation, a general reluctance to embrace any real alteration with long standing procedures was revealed. The prevailing view was that the Victorian racing industry was the Australian leader, both commercially and in relation to integrity, and the stewards themselves, in all codes, enjoy an excellent reputation, for their approach to integrity and its enforcement.

At the same time, however, my enquiries revealed aspects of internal administrative processes, which virtually ignored questions of natural justice and conflict of interest, and certainly could not withstand the test of transparency and independence.

Breaches of rules are generally dealt with effectively at first instance, but the process could be improved by a stronger emphasis on procedures, to ensure due process. There is a need for greater cooperation across the codes, as they face many common challenges and threats to integrity. There is a need for action to ensure a wider and more consistent approach to racing integrity at board level across the codes.

Whilst these problems are significant, they did not, however, support a finding that there has been a total breakdown in integrity services across the codes.

I have concluded that the present integrity systems and services should remain with the codes. I consider that Victoria would be best served by strengthening the present arrangements by providing for independent oversight of integrity, encouraging cooperation and consistency between the codes on integrity matters and providing a single disciplinary and appellate process across the codes.

My recommended actions allow the controlling bodies to continue to govern their codes whilst providing independent assurance to government, punters and the public that:

- Appropriate structures and reporting arrangements are in place to foster a strong integrity culture and address potential conflicts of interest.
- Appropriate systems and services are in place to deter, detect and deal with integrity breaches.
- Common issues are treated in a similar fashion across the codes.
- Natural justice, including due process, is afforded to all participants in the enforcement of the rules of racing.
- The prevention and detection of the use of prohibited substances is adequately resourced.

Additionally, the further I probed, particularly about allegations of criminal involvement, and certainly after submissions from and subsequent discussions with the Purana Taskforce, I was satisfied that the racing industry was affected by a more serious blight than had been suggested by the isolated matter of Allanson. Access to an anonymised Australian Crime Commission (ACC) report, sourced to me by Victoria Police, convinced me that criminal activity in the industry was rampant. The relationship between the codes and Victoria Police and other law enforcement agencies does not currently effectively address this criminal activity associated with racing and wagering, and needs to be strengthened. I therefore recommend that:

### ***Recommendation 1 – Criminal Activity in the Racing Industry***

- (a) The Chief Commissioner of Victoria Police review the existing arrangements in relation to the racing industry with a view to replacing the existing “Theme Desk” with a squad of detectives, under the direction of a senior police officer, dedicated to addressing criminal activity in or associated with the racing industry in Victoria.
- (b) The Chief Commissioner of Victoria Police invoke her powers to make application pursuant to section 5 of the *Major Crimes (Investigative Powers) Act 2004 (Vic)* for coercive orders to have persons suspected to be involved in organised crime and associated with the racing industry, examined by the Chief Examiner.
- (c) Commission agents be required to obtain a licence and that the Rules of Racing be extended to apply to commission agents.

- (d) The Rules of Racing governing the use of electronic devices in the betting ring, including laptops, be strictly enforced.
- (e) RVL should immediately review the adequacy of the existing software used by bookmakers, to ensure safeguard against illicit manipulation and ensure proper auditing.

I make the following recommendations in relation to the first and second terms of reference:

*“determining whether integrity services and systems should remain a function alongside the commercial and developmental roles of the Controlling Bodies or be separately provided independent of those roles”*

and

*“if a case can be made for a separation of function, whether the services and systems should be delivered individually for each code or across all three codes”.*

### ***Recommendation 2 – Internal Integrity Structures of the Victorian Codes***

There is a need for improvement in the internal integrity processes of all three codes. I recommend that for each code:

- (a) An Integrity Committee be established with an independent Chairman, and with a majority of members independent of the Board, to provide advice to the Board, Stewards and Integrity Officers on integrity matters.
- (b) The Integrity Manager and Chief Steward should report directly to the Board and Integrity Sub-Committee in relation to integrity matters.
- (c) A betting accounts register be established for Directors and Senior Personnel, with the requirement that Directors and Senior Personnel use only their betting accounts on the register, when betting.
- (d) All directors and senior managers of RVL, HRV, GRV, and any person nominated by the head of integrity services in each code, be required to make an annual declaration setting out their private interest in any matter related to racing, in respect of that code. Private interest for the purpose of this recommendation includes, but is not limited to:
  - Any interest of the declarant or immediate family member in any property used for stud purposes, agistment, breeding, training or other purpose associated with the thoroughbred, standardbred or greyhound industry;
  - Any involvement of the declarant or immediate family member in the ownership, breeding, leasing, training, racing or management of thoroughbreds, standardbreds or greyhounds;

- Any contractual relationships of the declarant or immediate family member with any other licensed person in the thoroughbred, standardbred or greyhound industry;
- Any contractual relationship of the declarant or immediate family member with any person providing services or facilities to the thoroughbred, standardbred or greyhound industry;
- Any other significant financial or other interest of the declarant or immediate family member which could reasonably raise an expectation of a conflict of interest with the declarant's role as director.

(e) Completed forms be provided to the Racing Integrity Commissioner.

### ***Recommendation 3 – Co-operation on Integrity Issues***

There is clearly a need for independent involvement in the whole integrity process. I recommend that :

- (a) The position of an independent Racing Integrity Commissioner be created, with stand-alone and independent statutory powers.
- (b) The Racing Integrity Commissioner be appointed by and answerable to the Minister for Racing and table an annual report on his/her activities.
- (c) The Racing Integrity Commissioner be separate from the controlling bodies, and monitor and advise those bodies about a number of issues including, but not restricted to:
  - Policies relating to the integrity of racing.
  - Performance of functions and exercise of the powers of those persons in the controlling bodies responsible for the enforcement of integrity.
  - Quality and range of services for drug control and analysis.
  - Other matters which the controlling bodies or the Minister refer to the Commissioner or the Commissioner considers appropriate.
- (d) The Racing Integrity Commissioner annually audit the performance of the internal integrity systems of the controlling bodies. Where required an audit should be undertaken of a particular code or a particular issue across the three codes.
- (e) The Racing Integrity Commissioner receive reports from the appellate bodies on a quarterly basis, allowing trend reporting of offences and provision of analysis of these reports, to the respective codes and the Minister.
- (f) The Racing Integrity Commissioner also fill a position that equates to a quasi ombudsman role, so that he/she can respond to complaints in relation to integrity across the three codes.

- (g) The Racing Integrity Commissioner have power to refer matters to Victoria Police or any other law enforcement agency, for investigation of possible criminal activity.
- (h) The Racing Integrity Commissioner have power to refer matters to integrity departments of controlling bodies for investigation of breaches of relevant Rules of Racing.
- (i) The Racing Integrity Commissioner have power to refer breaches of the *Gambling Regulation Act 2003 (Vic)* to the Victorian Commission for Gambling Regulation, for investigation.
- (j) The Racing Integrity Commissioner work with the controlling bodies to create one code of practice in relation to integrity for all codes.
- (k) The three codes work with the Racing Integrity Commissioner to develop and implement common Victorian rules, practices and procedures for dealing with integrity matters that are common across the codes.
- (l) The Racing Integrity Commissioner and controlling bodies sponsor both a common approach and a revision of rules nationally (and in the case of greyhounds across Australasia) to achieve uniformity.
- (m) The three codes work with the Racing Integrity Commissioner to review the current Rules of Racing relating to integrity, with the objective of ensuring they are enforceable, up to date and relevant to emerging technologies and threats to fair racing.

#### ***Recommendation 4 – Appeals and Disciplinary Processes***

I recommend that all necessary organisational, legislative and regulatory amendments be made to achieve the following:

- (a) That a single appellate and disciplinary body for the three codes be constituted, based on the RAD Board model.
- (b) The disciplinary and appeal process across the three codes be the same.
- (c) The RAD Board, HRV Domestic Appeal Panel and the Board member appeal panel for GRV cease to exist.
- (d) The new appellate and disciplinary body consist of an independent Chairman and three Deputy Chairmen, one nominated by each of the codes. All should be experienced lawyers of not less than seven years standing in order to ensure procedural fairness.
- (e) The independent Chairman be appointed by the Minister. The Chairman and Deputy Chairmen must not, while holding office, own or have an interest in any racehorse or greyhound, nor shall they hold office in RVL, HRV, GRV, any race club or any racing organisation.
- (f) The Chairman, Deputy Chairmen and the representatives be appropriately remunerated.

- (g) The Boards of RVL, HRV and GRV each nominate three representatives with experience in their codes, to sit with the Chairman or Deputy Chairman.
- (h) For hearings, the new appellate and disciplinary body be constituted by the independent Chairman or a Deputy Chairman, plus two of the representatives from the relevant code.
- (i) All hearings conducted by the new appellate and disciplinary body, be open to the public, except in exceptional circumstances, at the discretion of the Chairman.
- (j) All appeals from a decision of the new appellate and disciplinary body be to VCAT, constituted by at least a Vice President, which will be the ultimate appellate body, subject only to referrals to the Supreme Court, on questions of law.
- (k) The appellate jurisdiction of VCAT be common to all codes.
- (l) The Racing Appeals Tribunal be abolished.
- (m) The Board members of the new appellate and disciplinary body meet quarterly to discuss problems encountered and for the exchange of information.
- (n) The new appellate and disciplinary body use its quarterly meetings to discuss penalties imposed, with a view to achieving consistency across the codes.

I make the following recommendations in response to the third and fourth terms of reference:

*“ensuring integrity issues are pursued to the appropriate levels of governance regardless of the seniority or influence of any individuals concerned”*

and

*“developing an integrity assurance structure and culture that is fully transparent, accountable and incapable of undue influence by external interests”.*

### **Recommendation 5 – Swabbing and Drug Testing**

I recommend that:

- (a) The codes adopt a consistent approach to swabbing and testing, and at the very least, the winner of every race should be swabbed, as well as any beaten favourite.
- (b) Consideration be given to amending the constitution of RASL to remove the requirement that it be a non profit-making company.
- (c) RASL negotiate a Service Contract with the Victorian Racing Industry at the level of the VRI/Tabcorp Joint Venture (see Appendix Three). This contract should cover areas such as recurrent funding, pre and post race testing, purchase and maintenance of equipment, and research and development. The contract should be developed in consultation with the three codes, and reflect their relative income from wagering.

- (d) RASL publicise research on issues relevant to the racing industry for inclusion in industry publications.
- (e) In the event of a positive 'A' sample, the connections of the racing animal in question, be advised where and when the 'B' sample will be analysed, and be allowed to be represented by an analyst at that time.
- (f) In the event of degradable substances such as TCO<sub>2</sub>, where the 'B' sample must be analysed quickly, the connections of the animal be told where and when the analysis will take place, and be invited to have an analyst present. However, in that case, because of the time factor, the analysis will proceed whether or not it is convenient for the connections to have an analyst present.

### **Recommendation 6 – Stewards**

I recommend that:

- (a) The responsibilities and activities of stewards be devoted primarily to race-day activities.
- (b) In the case of disputes as to ownership of racehorses and alleged indebtedness between owners and trainers, responsibility for mediation be transferred from the stewards.
- (c) The relationship between the Stewards and Investigators and their respective roles, be clarified with a view to promoting full cooperation between them.
- (d) Senior stewards be assigned to regional race meetings on a regular basis, and be given responsibility for designated areas for a specific period.
- (e) RVL, HRV and GRV jointly develop a training program for all integrity officers, across the three codes, based on the training program developed by RVL for its stewards.
- (f) Stewards should ensure that legal advice be obtained as to the likelihood of success, prior to charges being formally laid, or appeals lodged.
- (g) Nominated stewards from RVL, HRV and GRV participate in regular quarterly meetings, for the purpose of discussing problems being encountered in their particular code, including drug usage and other potential threats to integrity.
- (h) Stewards of all controlling bodies be provided with access to real time information on betting transactions on thoroughbred, harness and greyhound races.



In response to the final term of reference I make the following recommendations:

*“any other aspects of the provision of integrity services and systems that the Reviewer deems to be appropriate”*

### **Recommendation 7 – Other Integrity Matters**

I recommend that:

- (a) RVL should review the rule regarding the announcement of changed riding tactics, with the objective of ensuring that punters are notified as early as is practicable, to allow them to make informed decisions about betting.
- (b) In light of technological advances, the ban on the transmission of betting odds from racecourses be reviewed.
- (c) The operation and accuracy of timing equipment and the accuracy of race distances be checked routinely, at all thoroughbred, harness and greyhound racetracks.
- (d) Sectional times for races be recorded and made publicly available for all thoroughbred, harness and greyhound races.
- (e) Racehorses not be permitted to start in a race for the first time unless they have participated in an official public trial.
- (f) Owners of horses involved in a protest hearing only be permitted to address the hearing at the discretion of the stewards.
- (g) GRV continue to investigate alternative methods of grading.
- (h) GRV audit the computer program used for the allocation of boxes on a biennial basis and the result of that audit continue to be published in a magazine or periodical likely to be read by greyhound racing enthusiasts.
- (i) Consistent methods of identification be pursued at a national level and support be given by Government for research into technological advances in methods of identification.
- (j) RVL ensure that each inspection under AR 141A (3), be conducted by a qualified farrier who is independent of any connection with the horse being inspected.
- (k) Race-day farriers check the shoeing of each horse in each race.
- (l) On race-day, the controlling bodies ensure that veterinary services be provided by veterinarians who are independent of any connection with the horses or greyhounds racing.

# INTEGRITY ISSUES

## ***CRIMINAL ACTIVITY IN THE RACING INDUSTRY***

Allowing for differences in each code, all three codes have jurisdiction over 'licensed persons'. For thoroughbred racing, this includes trainers, jockeys, stable hands, owners, bookmakers, bookmakers' clerks, apprentice jockeys and track riders. From the point of integrity issues, the control of licensed persons is relevant to the terms of this Review. How best to deal with misconduct by non-licensed persons was raised on a number of occasions by participants in this Review. Importantly, the former RVL Chief Steward, Mr Gleeson, expressed concern about how to deal with the situation where the chain of nefarious activity involved unlicensed persons, thus removing it from the immediate control of the racing authority involved.

## **CRIME IN THE THOROUGHBRED RACING INDUSTRY**

It has been well known, for many years, that relationships exist between those involved in organised crime and the racing industry, but predominantly in thoroughbred racing. It was the view of several participants in this Review, that the powers currently administered by RVL Integrity Services had little or no deterrent effect in relation to organised crime and non-licensed persons.

In the past, there was liaison between the various racing authorities and what was then the Racing Squad, a specialised squad of detectives within the Crime Department of Victoria Police. The abolition of the Racing Squad came at a time when there was a flurry of changes, also involving other specialist squads. Whilst Victoria Police saw the decision to abolish the Racing Squad as justified, it left the racing industry without the benefit of a working relationship with experienced detectives with specialist knowledge of the racing industry, if illegal activity were suspected.

At present, in substitution for the Racing Squad, there is what is known as the "Theme Desk", an inexplicable and confusing name. I received a written submission and had a meeting with those responsible for manning the Theme Desk. They were very impressive police officers, with many worthwhile thoughts as to how integrity controls within the racing industry could be improved. However, it did seem from my discussion with them, that the Theme Desk was designed more to be a focal point for internal referrals, rather than the racing industry and the general public.

In addition, the representatives of the Theme Desk informed me that any complaints in relation to non-licensed persons associated with racing, are normally referred to suburban

and/or regional Criminal Investigation Units (CIUs) and not detectives with specialist knowledge of the racing industry.

The risk exists that different suburban and/or regional CIUs, more ideally suited to investigating local issues within their local areas, will become involved in racing matters. They might be requested to investigate the activities of non-licensed persons associated with racing without their investigations being coordinated with other ongoing investigations. The shortcomings of not having one squad dedicated to racing matters, become self-evident. In any event, notwithstanding the dedication of the officers assigned to the Theme Desk, this model is certainly something short of a specialist squad of detectives. I see a need for dedicated, experienced senior police officers to return to the task of investigating illicit activities by persons both directly involved in, or on the fringe of, the racing industry.

### **PURANA TASKFORCE**

In May 2003, Victoria Police established the Purana Taskforce (Purana) to investigate established organised crime networks. I received written submissions and briefings from Purana detectives throughout the course of this Review. Like their colleagues from the Theme Desk, these detectives were very impressive police members.

A major focus of Purana has been the investigation of a well-known criminal and his direct associates who, despite the best efforts of RVL stewards, had long been suspected of laundering the proceeds of large-scale drug trafficking and other organised crime, through the thoroughbred racing industry. It was acknowledged that, while some emphasis had been given to his name in respect of dealings with bookmakers and trainers, he did not enjoy a monopoly over these illicit activities attributed to him. Accordingly, a large number of persons associated with the racing industry, including bookmakers, trainers, jockeys, commission agents and racetrack identities have come to the attention of police, as having improper associations with known criminals. I have been told, and I accept, that a body of intelligence has been obtained throughout the general course of Purana investigations which impacts directly upon the integrity of the racing industry in this State. It is important to acknowledge, however, that the racing industry has never been the actual target of Purana's investigations and that the intelligence gathered has, and remains, on the overall periphery of other targeted investigations.

I am satisfied that intelligence gathered by Purana has highlighted many activities which are contrary to the Rules of Racing, and as such, impact upon the role of RVL to protect the integrity of the thoroughbred racing industry.

As a result of Purana investigations, a working relationship of co-operation and assistance between the Integrity Services Department of RVL and Purana investigators was

established. Where the law permits, information and intelligence is shared between Purana and RVL Integrity Services, for the purpose of furthering police investigations into the activities of known criminals and also of assisting RVL Integrity Services to detect breaches and enforce the Rules of Racing.

As part of the assistance from Purana, I received a very useful report, sourced directly from the Australian Crime Commission (ACC). The ACC is a Commonwealth statutory body, working nationally with other federal, state and territory agencies to counter serious and organised crime. It aims to bring together all arms of intelligence gathering and law enforcement, to combat organised criminal activity. The ACC has both intelligence and investigative functions and capabilities.

The ACC also has a wide range of special powers, instrumental to combating organised crime, which Victoria Police does not have. These powers are used where ordinary law enforcement methodologies are ineffective. The ACC's special powers include the ability to summons a person to an examination to give evidence under oath or affirmation, and the power to obtain documents. Penalties for non-compliance include fines and imprisonment.

The information within the ACC report was sourced from a range of industry and non-industry representatives including bookmakers, commission agents, jockeys and trainers and was the product of an investigation carried out by the ACC into crime connected with the Victorian horse racing industry. This report therefore provided me with a unique insight into the methodologies by which organised crime has been able to permeate the industry.

I received permission to reproduce excerpts from the ACC report, which I have chosen to do. By way of general comment, the ACC report states:

*Available information suggests a culture of tolerating criminality within the racing industry, whereby funds suspected of being illicitly attained are widely accepted by industry participants including bookmakers, trainers and horse owners.*

*A number of industry and non-industry representatives knowingly engaged in betting activity with suspicious persons. It appears many horse racing industry participants were not concerned with whether or not funds used to engage in betting were legitimately attained. Participants typically took the position that persons subject to criminal charges and likely to be betting with illicitly attained funds were 'innocent until proven guilty' and welcome to continue betting.*

## **BOOKMAKERS AND COMMISSION AGENTS**

In the general issues summarised, as part of the submissions I heard from Victoria Police, there are a number of concerns, which relate to bookmakers and unlicensed persons acting

as bookmakers. While those activities can be easily identified, just how they can be most effectively controlled, is not readily apparent, short of allocating a race-day investigator to every bookmaker's stand at every metropolitan race meeting.

On this topic, the ACC report states:

*A number of non-industry representatives placed bets on behalf of persons they suspected were using illicitly attained funds to engage in betting activity or were the subject of criminal charges. These persons had opened betting accounts with bookmakers in their own names, or in the names of associates or relatives of the betting client. Other representatives had used the same methods but placed non-account cash bets on behalf of the betting party.*

*Most of these persons stated they did not collect a commission or any other type of payment, although this might have been claimed to avoid attracting income taxation.*

*Information available to the ACC verified that persons with pending charges against them were instructing third parties placing bets on their behalf to divide their business among multiple bookmakers. This tactic may avoid attracting attention to the volume of betting being undertaken. Some evidence also points to arrangements between bookmakers to share the betting activity of persons subject to criminal charges in an attempt to reduce liability should law enforcement succeed in freezing these funds as proceeds of crime.*

*The following passages detail methodologies employed by bookmakers to enable the use of illicitly attained funds for betting. This includes manipulating accounts, acceptance of large cash bets, writing off debts, acceptance of bets when off-course, structuring bets to avoid the attention of AUSTRAC and falsifying winning cheques.*

*Many of the bookmakers who engaged in betting activity with suspicious persons were motivated by the opportunity to make substantial profits, in particular where the betting client was prepared to make extravagant bets yet appeared to have limited betting success.*

*A number of bookmakers had knowingly set up betting accounts in the names of persons who they were aware were betting on behalf of suspicious persons. Bookmakers were aware the money being placed did not belong to the person placing the bet and that gambling proceeds were not intended for the account holder. They had also issued winning cheques in the names of persons other than the account holder, or to persons they knew were not the intended recipient of the proceeds.*

*One bookmaker accepted telephone bets knowing that the person making the phone call was not the account holder, as they had claimed to be.*

*The practice of bookmakers paying winnings to other bookmakers to whom money was owed by the recipient or their representative is believed to be reasonably common.*

*Several bookmakers had dealt in unusually large amounts of physical cash with persons they suspected of using illicit funds to finance betting activity.*

*A consistent pattern is evident whereby persons suspected of betting with illicitly attained funds failed to honour debts to bookmakers. A number of bookmakers have written off large debts for suspicious persons, either because they would still come out in front by retaining their business or because they felt intimidated.*

*A small number of bookmakers had engaged in betting activity with suspicious persons that was contrary to the terms of their license.*

*Bets have been taken off-course, thereby allowing the betting client to bet on concurrent meetings in various locations.*

*Information indicates persons suspected of betting with illicitly attained funds were aware of AUSTRAC reporting requirements and would break their large bets into increments to avoid the \$10,000 threshold for AUSTRAC reporting. Furthermore, bookmakers viewed completing the AUSTRAC Cash Transaction Reports as a time consuming activity that could be avoided by asking clients with bets over \$10,000 to place a series of smaller bets between \$3,000 and \$4,000.*

*One bookmaker issued winning cheques for non-existent bets after the relevant race and testified that no payment was received for this. However, they did take the opportunity to record the loss for taxation purposes. One industry participant had successfully exchanged cash for a winning cheque from a bookmaker. However, information suggests this practice has now become very difficult to undertake due to the introduction of computerised ticket issuing.*

The Rules of Racing governing the use of electronic devices in the betting ring, including laptops, must be strictly enforced by stewards. Here, however, I am satisfied that at present, because of staff shortages, RVL lacks the capacity to properly audit the activities of bookmakers generally.

For example, I received information that bookmakers could manipulate their computer clocks. When I first made enquiries about this matter, the information that I received was to the effect that this allegation could have no substance, given the ease of modern electronic monitoring. However, I continued to probe into the possibility of what seemed to be a potentially simple method of money laundering. The result of those further enquiries was disturbing. I am satisfied that the clocks that form part of the software which is supplied to bookmakers, and endorsed by RVL, are capable of being easily manipulated to allow a dishonest bookmaker to take bets after the result of a race is known and record the bets as being taken prior to that race. Following the receipt of a complaint or intelligence, a bookmaker's supervisor can identify manipulation through an audit trail of key strokes. However, I have been informed that in the absence of any complaint or intelligence, the manipulation was likely to go

undetected. In short, there is no automatic alarm activated to notify the bookmaker's supervisor, when clocks are changed. I sought advice about this malpractice from information technology specialists and was advised that the introduction of such a safeguard would require only a simple change to existing software. I am satisfied that steps should be taken immediately by RVL to prevent this practice occurring.

At present, commission agents are not required to be licensed and are, therefore, not subject to the full gamut of powers currently administered by RVL Integrity Services. This situation should be remedied without delay.

Whilst by and large wide-ranging, the general issues raised concerning bookmaking and commission agents by Victoria Police can be generally summarised as follows:

- Persons betting using accounts in false names.
- Bookmakers setting up accounts for persons in false names.
- Commission agents collecting vast sums of cash from persons with criminal backgrounds, to bet with on their behalf.
- Commission agents acting as non-licensed bookmakers.
- Commission agents selling winning bookmaker and TAB tickets to punters.
- Bookmakers selling winning tickets to punters.
- Bookmakers making fictitious entries in their records.
- Bookmakers manipulating their electronic equipment to falsely record a bet being placed prior to the start of the race, when the bet was actually placed when the result was already known.
- Bookmakers involved in commercial dealings with criminal identities.
- Bookmakers assisting criminal identities in concealing assets from Police.
- Bookmakers winning huge sums from criminal identities whilst aware of their alleged criminal activities.

## **HORSE OWNERSHIP**

An example of the working relationship between Purana and RVL Integrity Services was the "Pillar of Hercules" inquiry during the 2007 spring carnival. In that case, RVL Integrity Services provided Purana with information, which was used as the basis for obtaining search warrants in relation to a criminal investigation. Based on evidence obtained by Purana, the Director of Public Prosecutions (DPP) obtained a restraining order in the Supreme Court pursuant to the *Confiscation Act 1997 (Vic)* in relation to the horse, on suspicion that it was partly owned by a known criminal. Once the restraining order was obtained, Purana was able to provide information to RVL, which assisted investigations into the bona fides of the registered ownership of the horse. As a result of RVL's inquiry, the horse was not permitted to race until ownership changed hands. The horse was ultimately sold for \$1.8 million. Of

that sum, an amount of \$1.27 million is presently held on trust pending a further forfeiture order application by the DPP.

On this topic, the ACC report states:

*Information available to the ACC confirmed the known practice of purchasing investment horses in the names of associates and relatives (sometimes without their understanding) to obscure the illegitimate source of investments and avoid the attention of the Australian Taxation Office and law enforcement.*

## **OTHER ASSOCIATED CONDUCT**

Of concern also, are examples of well-known criminal identities offering to pay both trainers and jockeys for tips in races, in which they are participating. With a relationship of that kind having been established, it seems to be a small step before that same criminal identity is in a position to offer a cash payment to achieve the poor performance of a horse. It is more difficult to make a horse go faster by unlawful means and remain undetected, than to make it go slower and not be detected.

The report also refers to other, more generalised, examples of criminal conduct:

*Industry representatives admitted to accepting 'slings' (payments for tips on winning horses). Payments of up to \$50,000 had been accepted from suspicious persons who were later revealed to be involved in criminal activity from which substantial amounts of illicit funds were derived. It is suspected such persons were not only approaching trainers with slings, but also their support staff.*

*... material alleges that owner/punters regularly 'sling' for access to information on 'pot' horses (horses that are not raced at their full capability out of the carnival season in preparation for the larger prize-winning opportunities during carnival).*

*Available information suggests a widespread culture within the horse racing industry of tolerating criminality with respect to the laundering of illicitly attained funds. This culture extends from bookmakers to betting agents, horse trainers and their support staff. Rogue bookmakers are able to facilitate corrupt betting practices through actively breaching protocols and knowingly operating outside existing legislation.*

*Suspicious persons have an understanding of law enforcement practices and are actively deploying strategies to avoid detection, for example structuring activities to avoid AUSTRAC reporting requirements.*

*It is possible to identify a number of intelligence indicators that relate to money laundering in the racing industry. Indicators of the use of illicitly attained funds in horse racing betting include:*



- *The placement of large bets in physical cash.*
- *Requests for winnings to be paid to a third party.*
- *Requests to create third party accounts.*
- *Betting with numerous bookmakers.*
- *Placing a series of small bets in place of a large, single bet.*

*Indicators of complicity in, or facilitation of, money laundering by bookmakers include:*

- *Writing off large debts.*
- *Acceptance of large cash bets.*
- *Requesting a series of smaller bets rather than a single larger bet.*
- *Arranging to share betting activity with one or more other bookmakers.*
- *Opening accounts in the names of third parties.*
- *Making winning payments to third parties.*

*At present dissemination of information obtained through law enforcement activities is restricted. Improved information sharing between law enforcement agencies and horse racing regulators would be advantageous and may assist in the early identification of suspicious persons or rogue practitioners associated with the racing industry.*

## **ADDRESSING THE ISSUES**

It must be recognised by Victoria Police Command that the racing industry is a fertile ground for dishonesty and illegal manipulation, if it is not properly controlled. Part of that proper control is involvement by Victoria Police at a very senior level, and by officers who have knowledge of the industry.

The matters raised by the operational representatives of Victoria Police strike at the heart of integrity in racing, and must be addressed, if this Review and the recommendations which flow from it, are to be fully effective.

On the information provided to me, I am satisfied that the nature and gravity of organised criminal involvement in the racing industry, warrants the Chief Commissioner of Police making application pursuant to section 5 of the *Major Crimes (Investigative Powers) Act 2004 (Vic)* for coercive orders to have persons suspected of being involved in organised crime and associated with the racing industry, examined by the Chief Examiner appointed under that legislation.

## **Recommendation 1**

### **Criminal Activity in the Racing Industry**

I recommend that:

- (a) The Chief Commissioner of Victoria Police review the existing arrangements in relation to the racing industry with a view to replacing the existing "Theme Desk" with a squad of detectives, under the direction of a senior police officer, dedicated to addressing criminal activity in or associated with the racing industry in Victoria.
- (b) The Chief Commissioner of Victoria Police invoke her powers to make application pursuant to section 5 of the *Major Crimes (Investigative Powers) Act 2004 (Vic)* for coercive orders to have persons suspected to be involved in organised crime and associated with the racing industry, examined by the Chief Examiner.
- (c) Commission agents be required to obtain a licence and that the Rules of Racing be extended to apply to commission agents.
- (d) The Rules of Racing governing the use of electronic devices in the betting ring, including laptops, be strictly enforced.
- (e) RVL should immediately review the adequacy of the existing software used by bookmakers, to ensure safeguard against illicit manipulation and ensure proper auditing.

# ***INTERNAL INTEGRITY STRUCTURES OF THE VICTORIAN CODES***

## **DIRECTORS AND SENIOR PERSONNEL**

Presently each code's controlling body is responsible for both commercial activities and integrity services.

Integrity, both actual and perceived, underpins the confidence of participants, punters and the public in the racing industry. If the controlling bodies do not have effective integrity services and systems, that confidence will be lost.

While removed from immediate race-day decisions, the boards of the controlling bodies have ultimate responsibility for policies, rules and decisions, regulating race-day activities and the activities of all participants in racing.

Ideally, from an integrity perspective, directors should have no personal connection to animals racing, to ensure that they act without the potential for conflicts between their personal interests and responsibilities as directors. However, it has been put to me that a total ban on directors having any interest in animals racing would exclude persons with skills, knowledge and passion for the industry, vital for its success. In practice, these conflicting requirements are managed through ensuring that the relevant boards are composed of a mixture of independent persons and persons with interests in racing. Additionally, directors are required to advise their boards when their personal interests might be affected by a matter before their board and not participate in deliberations and decision making on that matter. Directors are also forbidden from using information gained in the course of their duties for their personal advantage. These requirements are part of sound integrity and corporate governance arrangements.

Currently, full and part-time directors of state government boards and members of statutory bodies are required on their appointment to complete a Declaration of Private Interests, included in Appendix Two. This form seeks to ensure that their personal or financial interests, and those of their family members, friends or associates, do not interfere or influence the performance of their role, or be perceived to be so doing.

Senior officers of HRV and GRV are required annually to complete a similar declaration of private interests. I am of the opinion that all directors and senior managers of each of the controlling bodies should complete, on an annual basis, a declaration of private interests, relating specifically to racing. This will ensure a continuing focus on matters that may give rise to conflicts between their personal interests and their duties to racing.

## **RACING VICTORIA LIMITED**

On 17 December 2001, Racing Victoria Limited (RVL) was registered as a public company limited by guarantee under the *Corporations Act 2001 (Cwlth)*. On 19 December 2001, RVL assumed the functions and responsibilities as the new Principal Club (now known as the Principal Racing Authority) governing thoroughbred racing in Victoria.

In 2006/07, there were 560 race meetings and 4,363 races in Victoria, with total prize money of \$120 million.

RVL's objectives include the following statement on integrity: "Victorian thoroughbred racing generally, and race meetings in particular, are managed and conducted to ensure the highest integrity, building continuously on the reputation and integrity of Victorian thoroughbred racing".

The principles involved and the procedures followed by RVL to investigate situations such as that which developed around the Allanson affair, require further examination. Points of criticism in the handling of the Allanson matter by RVL include:

- The non-involvement of the Integrity Sub-Committee of the RVL Board.
- The lack of any requirement for the Manager, Betting Compliance and Regulation, to report the allegation made by the betting supervisor to both the Director of Integrity Services and the integrity sub-committee of the Board.
- The requirement that the Director of Integrity Services was obliged to investigate his own Chief Executive Officer (CEO).

I raised the role of the Integrity Sub-Committee, both at the oral hearing and in subsequent correspondence. I was subsequently advised by the Chairman that the Integrity Sub-Committee did not consider the Allanson matter. Rather, given the Chairman's role under the terms of Allanson's employment agreement, he felt it was entirely appropriate in the first instance that he should put the allegations to Allanson. At that time, it was the Chairman's understanding that Allanson had placed five relatively small bets with a bookmaker under an alias and that such conduct was not a breach of the law or the Rules of Racing. He further advised, "My initial handling of the matter has been considered by the full RVL Board (rather than the Integrity Sub-Committee) and dealt with by the Board, which as an independent company, is also entirely appropriate".

Since the Allanson matter, RVL has taken steps to address the exposed shortcomings in its administration<sup>2</sup>.

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<sup>2</sup> See Racing Victoria Limited Submission to the Review into Integrity Assurance in the Victorian Racing Industry, Department of Justice website, [www.justice.vic.gov.au/ALSDKFJALDKFJASKLDJF](http://www.justice.vic.gov.au/ALSDKFJALDKFJASKLDJF)

I am encouraged by RVL's proposals to amend its Code of Conduct to specifically promote and support compliance with the Rules of Racing and the betting rules. Further, RVL notes in its submission, its intention to review and improve its current Whistleblowing Policy. These improvements will include changing procedures to enhance the protection and confidentiality of whistleblowers, ensuring that all staff are fully briefed and trained in its requirements, and providing an external confidential disclosure system for employees.

There remain, however, in my view, some troubling features of what RVL is proposing. This is particularly so in the light of a number of redundancies at RVL, involving integrity staff, which took place before the completion of this Review. This action was ill-timed.

A new Integrity Division has been created by RVL, to be oversighted by a dedicated Integrity Sub-Committee, and on a day-to-day basis led by a General Manager – Integrity Services. Racing Operations will be separate to integrity administration. The Integrity Sub-Committee will comprise RVL Directors and an independent member. I am concerned to ensure that the Integrity Sub-Committee membership be sufficiently independent of the Board, to enable it to provide independent advice.

The position of Chief Steward was advertised on 17 April 2008, indicating that the Chief Steward reported to the General Manager – Integrity Services. That differed markedly from the proposal in the written submission of RVL of 18 April 2008, that the Chief Steward reported only to the Integrity Sub-Committee. When I queried that fact, at the oral submission made by RVL, I was told that the administration in this regard was still flexible pending the delivery of this report to the Minister. However, I consider that the advertisement and appointment would have been more logical, if my pending recommendations in respect of integrity controls had been known. I am strongly of the view, that the General Manager – Integrity Services and Chief Steward should report directly to the Board and the Integrity Sub-Committee in relation to integrity matters.

RVL's proposed betting accounts register for senior personnel and their disclosure of betting transactions when required, is a positive step regarding betting by directors and senior personnel. However, it should be supplemented by a requirement that RVL Directors and senior personnel use only their betting accounts on that register, when betting. These matters apply with equal force to the Boards of HRV and GRV, and their Chief Executive Officers.

## **HARNES RACING VICTORIA**

Harness Racing Victoria (HRV) is a statutory body for which the Victorian Minister for Racing is responsible.

HRV's function is to administer, develop and promote the sport of Harness Racing in Victoria. In 2007, HRV held 4,375 races at just over 500 meetings, with total prize money of \$32 million.

HRV's stated mission is "to develop a vibrant Harness Racing industry which promotes participation, integrity and racing excellence, grows wagering and maximises returns to its stakeholders."

A seven member Board, independently appointed by the Minister for racing, leads HRV. The Board reports to the Minister for Racing. It is managed by an Executive team comprising the Chief Executive and five General Managers each responsible for one of HRV's units.

The HRV structure has a General Manager of Racing and Integrity reporting to the Chief Executive. This position is responsible for race-day and non race-day integrity, racing operations, registration and the investigative functions of HRV. The HRV Board also has an Integrity Sub-Committee consisting of the Chairman and two other members of the HRV Board, and an independent consultant.

### **GREYHOUND RACING VICTORIA**

Greyhound Racing Victoria (GRV) is the industry body that controls and regulates the sport of greyhound racing within Victoria. With approximately 800 race meetings and 9,000 races annually, held across 14 venues throughout the state, GRV provides just over \$20 million to owners and trainers in prize money each year.

GRV is a statutory body, established under the *Racing Act 1958 (Vic)* (Racing Act), with responsibility for the conduct, administration and promotion of greyhound racing in Victoria. The Minister for Racing independently appoints all five members of the Board of GRV.

GRV has a Racing, Infrastructure and Integrity Manager who reports to the Chief Executive Officer. There is no integrity sub committee separate to the Board, rather external audits on integrity processes have been conducted in the past.

## **Recommendation 2**

### **Internal Integrity Structures of the Victorian Codes**

There is a need for improvement in the internal integrity structures of all three codes. I recommend that for each code:

- (a) An Integrity Committee be established with an independent Chairman, and with a majority of members independent of the Board, to provide advice to the Board, Stewards and Integrity Officers on integrity matters.
- (b) The Integrity Manager and Chief Steward should report directly to the Board and Integrity Sub-Committee in relation to integrity matters.
- (c) A betting accounts register be established for Directors and Senior Personnel, with the requirement that Directors and Senior Personnel use only their betting accounts on the register, when betting.
- (d) All directors and senior managers of RVL, HRV, GRV, and any person nominated by the head of integrity services in each code, be required to make an annual declaration setting out their private interest in any matter related to racing, in respect of that code. Private interest for the purpose of this recommendation includes, but is not limited to:
  - Any interest of the declarant or immediate family member in any property used for stud purposes, agistment, breeding, training or other purpose associated with the thoroughbred, standardbred or greyhound industry;
  - Any involvement of the declarant or immediate family member in the ownership, breeding, leasing, training, racing or management of thoroughbreds, standardbreds or greyhounds;
  - Any contractual relationships of the declarant or immediate family member with any other licensed person in the thoroughbred, standardbred or greyhound industry;
  - Any contractual relationship of the declarant or immediate family member with any person providing services or facilities to the thoroughbred, standardbred or greyhound industry;
  - Any other significant financial or other interest of the declarant or immediate family member which could reasonably raise an expectation of a conflict of interest with the declarant's role as director.
- (e) Completed forms be provided to the Racing Integrity Commissioner.

## **COOPERATION ON INTEGRITY ISSUES**

### **LACK OF COOPERATION BETWEEN THE CODES**

It became apparent during the oral submissions made by representatives of all three racing codes that, in terms of integrity, first, they knew very little about how other codes conducted their affairs, and, second, they were resistant to the integrity of their code being the subject of control by another body separate from the codes.

Apart from when it has been in their commercial interests to cooperate, for example Racing Analytical Services Ltd (RASL), there is little evidence of any effort by the codes to deal with common integrity issues. A reasonable question is, if the integration of code representatives works so well with RASL, why is there so little cooperation in other matters such as appeals processes, general supervision of administrative integrity, and consistency in penalties?

Currently, the three codes operate their integrity systems independently. A number of industry participants indicated that practices in relation to integrity are significantly different, with little consistency in how the codes deal with integrity issues. The Chief Executive Officers of each code meet informally every six to eight weeks, and the Chairmen meet once or twice a year. I heard evidence of informal communication between stewards regarding specific persons or incidents that might affect other codes. However, it was not made apparent to me whether there was a formal system by which integrity policies or procedures were discussed, or information shared.

A number of matters concerning the Rules of Racing in each code, and the legislation governing racing, were raised by interested parties.

Thoroughbred racing in Victoria is governed by national Australian Rules of Racing, supplemented by local rules. In the event of a conflict, the national Rules of Racing prevail. A similar regime applies to harness racing in Victoria, with the applicable national rules being the Australian Harness Racing Rules. The reverse situation applies to greyhound racing where GRV has adopted the Greyhounds Australasian Rules, to form part of its Rules of Racing. In the event of conflict, its rules prevail.

The Rules of Racing for each code, individually address matters relating to integrity that are common or similar across the codes, as well as code specific matters. However, all these rules are directed at the goal of ensuring fair racing where animals compete to the best of their natural ability.

The approach of the Victorian codes is directed at achieving national consistency. However, there is no equivalent strong focus on achieving cross-code consistency on matters that are



common to all three codes. Some examples of inconsistency in the published Rules of Racing of the codes are:

- While there are similar rules forbidding jockeys and drivers betting, only thoroughbred racing rules contain a ban on jockeys having an interest in racehorses.
- The ban on stomach tubing of horses applies for 48 hours prior to a race in harness racing, but 24 hours before a race in thoroughbred racing.
- The lists of non-prohibited substances are different between thoroughbred and harness racing.
- The provisions governing the evidentiary value of certificates from testing laboratories vary between thoroughbred and harness racing.

### **OVERSIGHT OF INTEGRITY**

From a racing industry wide perspective, the public, punters and participants are entitled to expect that matters relating to integrity, common across the codes, are similarly treated. This includes similar approaches to the definition and enforcement of rules, practices and procedures, and similar penalties and appeal processes dealing with common matters.

The public, punters and participants are also entitled to expect that the Rules of Racing relating to integrity are relevant to emerging technologies and threats to fair racing, enforceable and up to date.

In order to protect the integrity of the racing industry as a whole, and so the public, there needs to be closer cooperation between the codes. In the light of the concerns expressed to me by a number of persons who participated in this Review, as to the difficulty in dealing with unlicensed persons, and particularly in the light of the numerous matters drawn to my attention by Victoria Police, it is apparent that there needs to be independent oversight of integrity issues across the codes.

I consider that this oversight would be best provided by the creation of a stand-alone, independent, Racing Integrity Commissioner. This role would include the provision of advice on integrity, creation and updating of policies, and the functions of the integrity bodies of each code. The Racing Integrity Commissioner would receive complaints in relation to integrity, and as appropriate, refer matters to the controlling bodies, Victoria Police and other law enforcement agencies for investigation. This would go a long way toward ensuring common integrity practices across codes.

### **Recommendation 3**

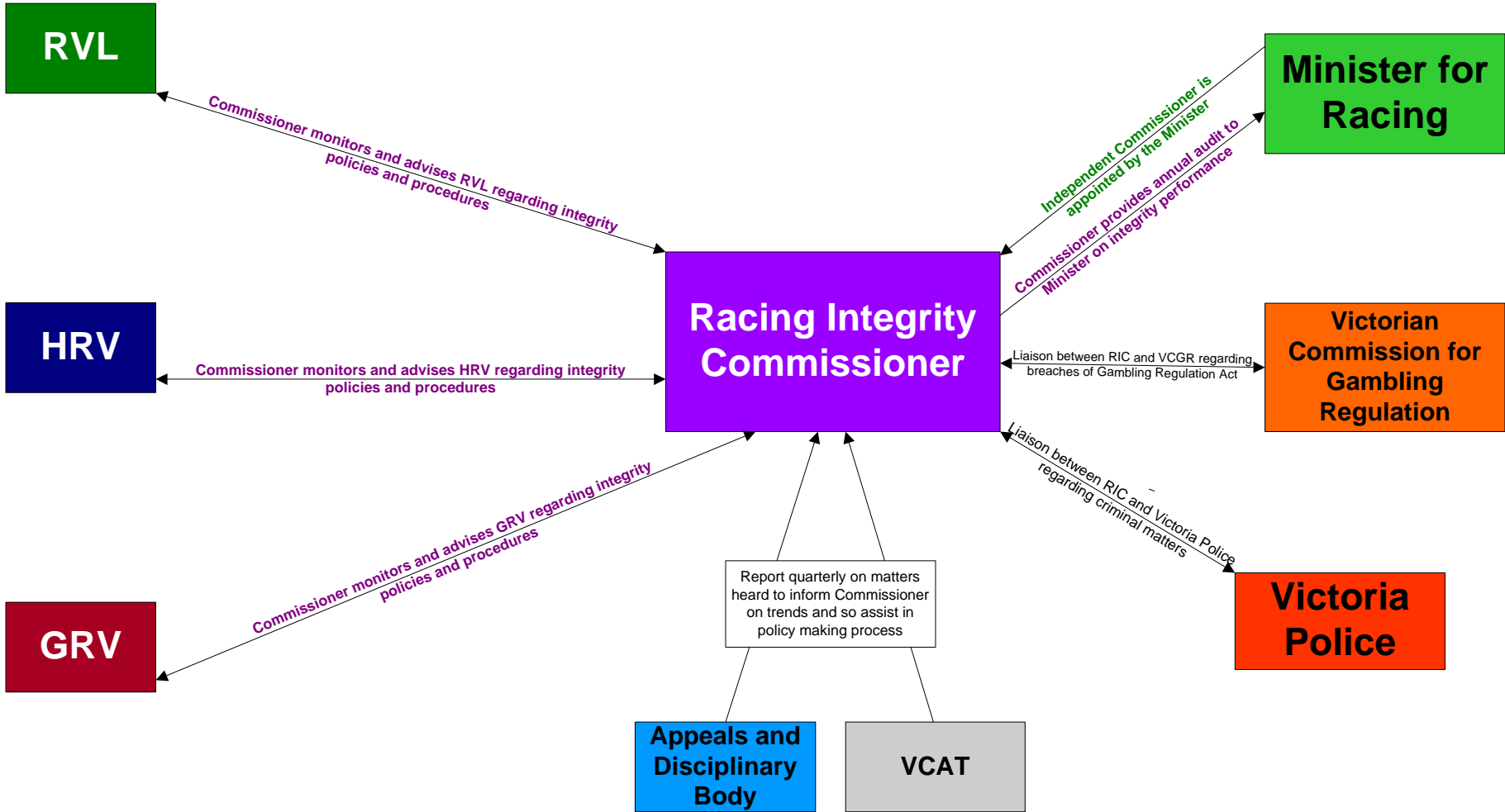
#### **Cooperation on Integrity Issues**

There is clearly a need for independent involvement in the whole integrity process. I recommend that :

- (a) The position of an independent Racing Integrity Commissioner be created, with stand-alone and independent statutory powers.
- (b) The Racing Integrity Commissioner be appointed by and answerable to the Minister for Racing and table an annual report on his/her activities.
- (c) The Racing Integrity Commissioner be separate from the controlling bodies, and monitor and advise those bodies about a number of issues including, but not restricted to:
  - Policies relating to the integrity of racing.
  - Performance of functions and exercise of the powers of those persons in the controlling bodies responsible for the enforcement of integrity.
  - Quality and range of services for drug control and analysis.
  - Other matters which the controlling bodies or the Minister refer to the Commissioner or the Commissioner considers appropriate.
- (d) The Racing Integrity Commissioner annually audit the performance of the internal integrity systems of the controlling bodies. Where required an audit should be undertaken of a particular code or a particular issue across the three codes.
- (e) The Racing Integrity Commissioner receive reports from the appellate bodies on a quarterly basis, allowing trend reporting of offences and provision of analysis of these reports, to the respective codes and the Minister.
- (f) The Racing Integrity Commissioner also fill a position that equates to a quasi ombudsman role, so that he/she can respond to complaints in relation to integrity across the three codes.
- (g) The Racing Integrity Commissioner have power to refer matters to Victoria Police or any other law enforcement agency, for investigation of possible criminal activity.
- (h) The Racing Integrity Commissioner have power to refer matters to integrity departments of controlling bodies for investigation of breaches of relevant Rules of Racing.
- (i) The Racing Integrity Commissioner have power to refer breaches of the *Gambling Regulation Act 2003 (Vic)* to the Victorian Commission for Gambling Regulation, for investigation.
- (j) The Racing Integrity Commissioner work with the controlling bodies to create one code of practice in relation to integrity for all codes.

- (k) The three codes work with the Racing Integrity Commissioner to develop and implement common Victorian rules, practices and procedures for dealing with integrity matters that are common across the codes.
- (l) The Racing Integrity Commissioner and controlling bodies sponsor both a common approach and a revision of rules nationally (and in the case of greyhounds across Australasia) to achieve uniformity.
- (m) The three codes work with the Racing Integrity Commissioner to review the current Rules of Racing relating to integrity, with the objective of ensuring they are enforceable, up to date and relevant to emerging technologies and threats to fair racing.

# RACING INTEGRITY COMMISSIONER



# **APPEALS AND DISCIPLINARY PROCESSES**

## **BOOKMAKING AND OCCUPATIONAL LICENCES**

Appeals relating to bookmakers and occupational licences are brought pursuant to s.83Q and s.83R of the *Racing Act 1958* (Racing Act). There is consistency between the approaches adopted by the three codes. The initiator is the decision by the Board of each code, with the right of the penalised person to appeal to the Victorian Civil and Administrative Tribunal (VCAT) in all cases. The appeal process for the three codes for other matters is governed by ss.83K and 83KA of the Act.

## **RACE-DAY AND OTHER INTEGRITY MATTERS**

In each code, the race-day stewards or other integrity officers investigate possible breaches and lay charges. For some race-day offences, stewards hear the charges immediately and, if they are found to be proved, impose penalties. In other cases, the stewards or other integrity officers will open an inquiry or conduct an investigation, and charges, hearings and penalties may follow at a later date.

Unique to thoroughbred racing, the Racing and Disciplinary Appeals Board (RAD Board) has original jurisdiction to hear disciplinary matters, including administering prohibited substances, corrupt or dishonest practices, welfare of horses, and charges relating to betting.

In respect of appeals in all three codes, a person penalised by stewards would normally appeal to the internal appeal body established by the relevant controlling body: the RAD Board for thoroughbred racing; the Domestic Appeal Panel for harness racing; and a panel consisting of GRV Board members for greyhound racing. Depending on the outcome of an appeal, either the penalised person or the stewards may further appeal to the Racing Appeals Tribunal (RAT).

The jurisdiction of the Domestic Appeal Panel in harness racing is significantly curtailed, compared with the other two codes. If the penalty imposed on a person is a suspension, disqualification or warning off for 3 months or more from participating in harness racing, a fine of \$1,000 or more, or a penalty imposed in a matter involving a prohibited substance, any appeal must be made directly to RAT. In both thoroughbred and greyhound racing, if the penalty imposed is a suspension, disqualification or warning off for 12 months or more, any appeal must be made directly to RAT.

After an appeal has been dealt with by RAT, a further appeal can be lodged with the Supreme Court on a point of law.

Where the penalty imposed on the appellant is suspension from participating in racing as an owner, trainer or jockey or in any other capacity for a period of less than one month, or a fine of less than \$250, RAT can hear and determine the appeal only if it is of the opinion that it is in the public interest that it do so and the appellant has first unsuccessfully appealed to the appropriate controlling body or the RAD Board.

The RAD Board commenced sitting in May 2004 following the "Report of the Independent Panel Appointed by Racing Victoria Limited to Conduct an Integrity Review". The RAD Board has been universally praised during this consultation process. RVL should be congratulated for this initiative. Indeed, the creation of the RAD Board seemed to me to represent a missed opportunity to achieve a rationalisation of the appeal procedures adopted by all three codes.

I am satisfied that for thoroughbred racing the RAD Board:

- Provides a means of speedy disposal of appeals or matters that it hears as part of its original jurisdiction. The average time between lodging of an appeal and the hearing is three days.
- Has effectively reduced the hearings conducted by RAT to a trickle.
- Has effectively done away with stays, sometimes lengthy, previously granted to appellants in thoroughbred racing, while an appropriate date for hearing was being agreed upon.

The current RAD Board membership comprises a Chairman, a Deputy Chairman and nine other members. As a rule, a panel normally consists of three members (including the Chairman and/or Deputy Chairman) but extends to five for serious and complex cases, as deemed appropriate by the Chairman. When an appeal is lodged, the Registrar contacts the Chairman to notify him of the appeal and whether or not a stay of proceedings has been requested. During this discussion, a hearing date is set and a stay of proceedings granted/declined.

The Chairman will instruct the Registrar on the size of the panel and suggest which panel members should sit. The aim is to share the workload amongst the members, depending on their availability, although the country-based members are generally not called in for smaller cases and instead are often given preference for the more complex hearings.

### **ISSUES WITH CURRENT APPEALS AND DISCIPLINARY PROCESSES**

There are major discrepancies between the disciplinary and appeal processes across the three codes. It is not obvious why such discrepancies should exist.

In the course of this Review, it has been suggested that penalties imposed for offences of a similar nature can vary across the codes. While I acknowledge that the Racing Act and any regulations made under it will require amendment, simplification of the present procedures is called for, and there needs to be consistency of penalties across codes.

In respect of appeals, thoroughbred or greyhound trainers respectively, can appeal to RAD Board or GRV's panel of two Board members against suspensions for periods up to 12 months. However, if suspended for three months or more, harness racing trainers cannot use the HRV Independent Appeal Panel, but can only appeal to RAT.

In respect of the GRV 'domestic appeal process', the two members of the Board who sit to hear appeals on less serious matters, are of course the employers of the stewards. That lack of distance and independence could well give the penalised person the impression that there is a lack of objectivity in the consideration of the appeal, and result in a perceived lack of natural justice. In some ways, the constitution of the GRV two member appeal body exemplifies my concerns about the manner in which disciplinary proceedings are presently conducted.

RVL and HRV offer more acceptable procedures through the RAD Board, and the HRV domestic appeal panel respectively. Members of the appeal panel of HRV are all persons independent of the HRV Board, and seem well qualified to objectively consider the merits of an appeal.

Section 83G of the Racing Act establishes RAT which consists of a Chairman and one or more Deputy Chairmen. Section 83H requires only that the Chairman and Deputy Chairmen shall be Australian lawyers of no less than seven years' standing. Section 83I establishes a panel of advisers with sound knowledge of the racing codes. Section 83L provides that, for the purposes of an appeal, RAT shall be constituted by the Chairman or a Deputy Chairman, who shall sit with two advisers from the panel. Apart from these sections, I am unaware of any further reference to the constitution of the Tribunal.

However, since its inception in 1984, RAT has been constituted by County Court Judges. This is difficult to understand, given the provisions in the Racing Act. The involvement of County Court Judges creates two issues. First, the RAT hearings draw the Judges away from their judicial duties and so erode the work capacity of the County Court. Second, due to the court commitments of these Judges, which always should take priority, on occasions there have been delays in fixing a time for the hearings of racing appeals. The average time in the past three years between an appeal being lodged and heard by RAT, was approximately 40 days. In the case of the suspension of a rider or licensed person, a stay was usually granted during this time.

It is not clear to me why RAT should continue to be constituted as a stand-alone tribunal, in view of the existence of VCAT. When it was established in 1998, VCAT amalgamated a number of boards and tribunals into a single tribunal service, however, RAT was not incorporated into VCAT at that time. The VCAT President is a Supreme Court Judge, Vice Presidents are County Court Judges, and its members include lawyers who meet the requirements of Section 83H of the Racing Act.

Furthermore, vesting the racing appeals jurisdiction with VCAT would complement its appellate jurisdiction concerning bookmakers and racing occupational licences.



#### **Recommendation 4**

##### **Appeals and Disciplinary Processes**

I recommend that all necessary organisational, legislative and regulatory amendments be made to achieve the following:

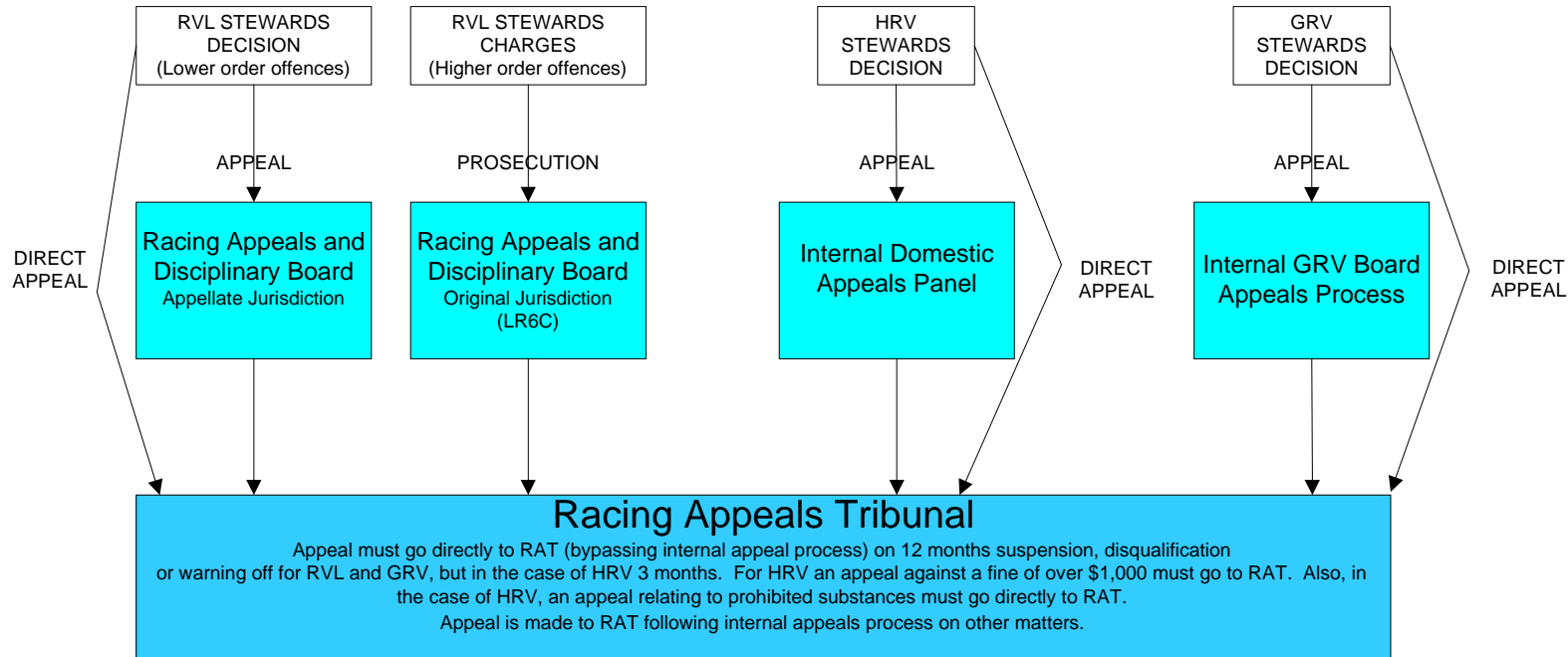
- (a) That a single appellate and disciplinary body for the three codes be constituted, based on the RAD Board model.
- (b) The disciplinary and appeal process across the three codes be the same.
- (c) The RAD Board, HRV Domestic Appeal Panel and the Board member appeal panel for GRV cease to exist.
- (d) The new appellate and disciplinary body consist of an independent Chairman and three Deputy Chairmen, one nominated by each of the codes. All should be experienced lawyers of not less than seven years standing in order to ensure procedural fairness.
- (e) The independent Chairman be appointed by the Minister. The Chairman and Deputy Chairmen must not, while holding office, own or have an interest in any racehorse or greyhound, nor shall they hold office in RVL, HRV, GRV, any race club or any racing organisation.
- (f) The Chairman, Deputy Chairmen and the representatives be appropriately remunerated.
- (g) The Boards of RVL, HRV and GRV each nominate three representatives with experience in their codes, to sit with the Chairman or Deputy Chairman.
- (h) For hearings, the new appellate and disciplinary body be constituted by the independent Chairman or a Deputy Chairman, plus two of the representatives from the relevant code.
- (i) All hearings conducted by the new appellate and disciplinary body, be open to the public, except in exceptional circumstances, at the discretion of the Chairman.
- (j) All appeals from a decision of the new appellate and disciplinary body be to VCAT, constituted by at least a Vice President, which will be the ultimate appellate body, subject only to referrals to the Supreme Court, on questions of law.
- (k) The appellate jurisdiction of VCAT be common to all codes.
- (l) The Racing Appeals Tribunal be abolished.
- (m) The Board members of the new appellate and disciplinary body meet quarterly to discuss problems encountered and for the exchange of information.
- (n) The new appellate and disciplinary body use its quarterly meetings to discuss penalties imposed, with a view to achieving consistency across the codes.

# CURRENT VICTORIAN APPEALS AND DISCIPLINARY PROCESS

**Racing Victoria Limited**

**Harness Racing Victoria**

**Greyhound Racing Victoria**



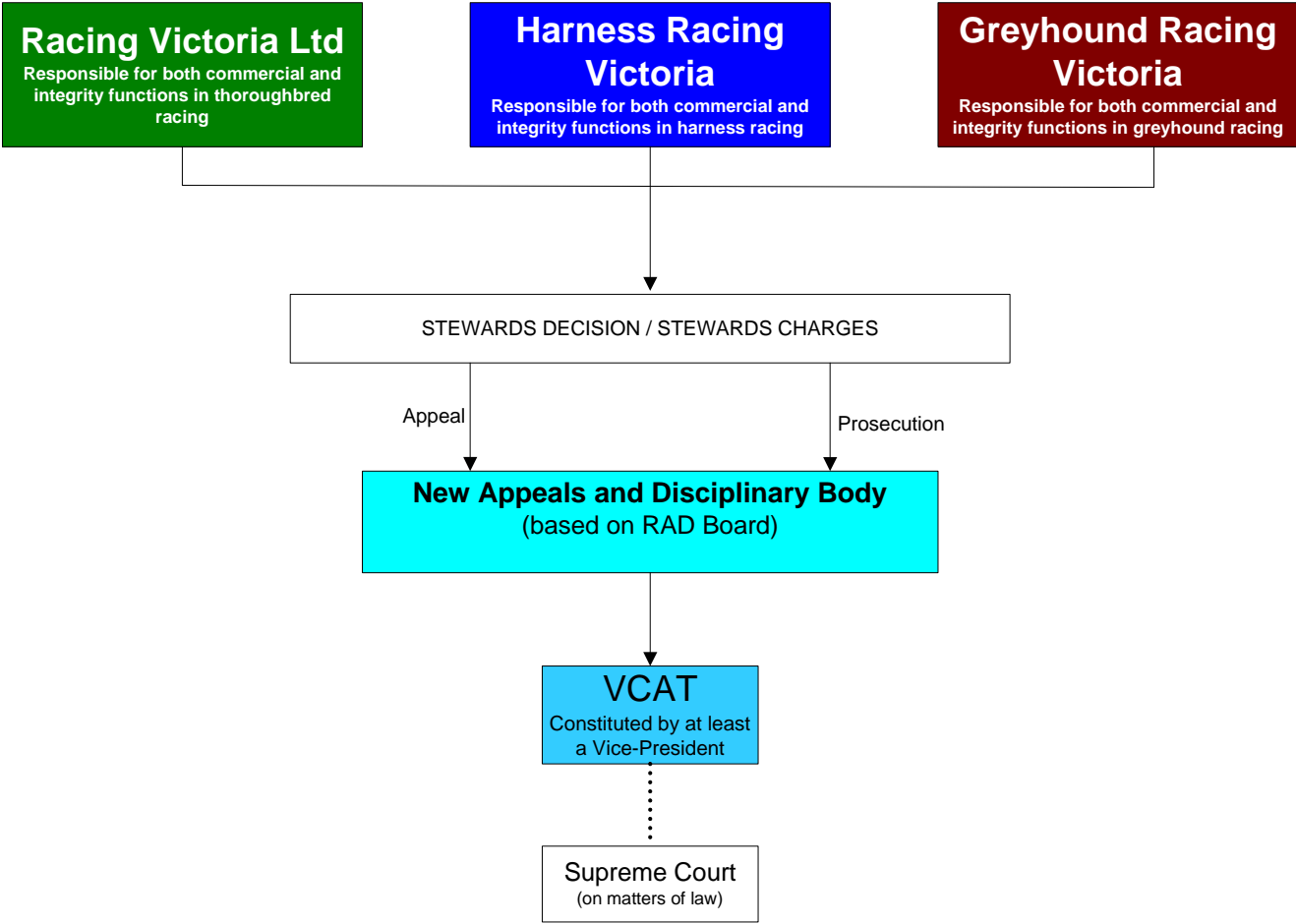
**Racing Appeals Tribunal**

Appeal must go directly to RAT (bypassing internal appeal process) on 12 months suspension, disqualification or warning off for RVL and GRV, but in the case of HRV 3 months. For HRV an appeal against a fine of over \$1,000 must go to RAT. Also, in the case of HRV, an appeal relating to prohibited substances must go directly to RAT. Appeal is made to RAT following internal appeals process on other matters.

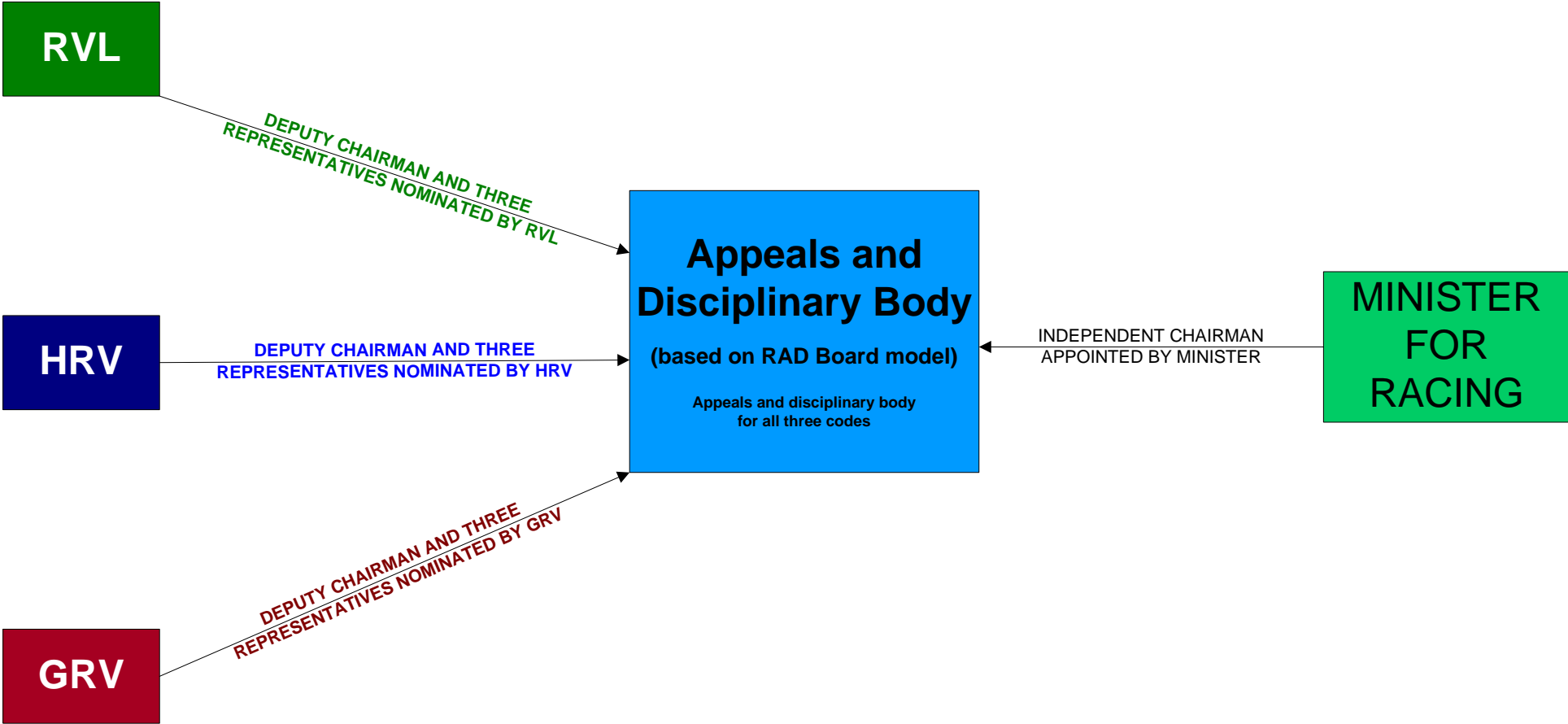
Supreme Court  
(matters of law)

**VCAT**  
Appeals relating to refusal or revocation of occupational racing licences and bookmakers licences and other licensing decisions

# REVISED VICTORIAN APPEALS AND DISCIPLINARY PROCESS



# NEW APPEALS AND DISCIPLINARY BODY



## **SWABBING AND DRUG TESTING**

The existence of Racing Analytical Services Ltd (RASL) is a shining example of what can be achieved in relation to integrity through cooperation between the codes. In the case of RASL, presently a non profit-making corporate entity funded by the three racing codes, a wonderful sense of mutual purpose and achievement exists. Clearly, RASL is at the frontline of integrity in racing in this state.

Its Board is constituted by a nominee of each of the three codes and four Ministerial nominees. The Board includes highly regarded veterinarians, the Chairmen of HRV and GRV and a former Deputy Commissioner of Police. The Director of RASL attends each meeting to assist the Board's deliberations.

The measure of the reputation of RASL, is that France Galop, the controlling body of thoroughbred and harness racing in France, sends referee samples to Victoria for analysis, in the event of a first sample taken in France, being disputed.

RASL tests over 12,000 post-race blood and urine samples per year, using drug screens, which cover thousands of drugs and prohibited substances. It also undertakes 5,000 pre-race drug tests, 15,000 blood tests for alkalinising agents and 7,000 tests for evidence of Erythropoietin (EPO). The testing is carried out on numerically coded samples to ensure anonymity. The sample is divided into two (A and B) for the purposes of testing. In the case of a positive A sample, the B sample is then tested to confirm or otherwise, the existence of the prohibited substance.

Drug testing lies at the heart of integrity in the racing industry. It was generally acknowledged in my discussions that the misuse of drugs and other substances, in relation to racing animals, presents the greatest threat to fair racing and wagering.

The national and international drug testing agencies have recognised the threat of performance modifying agents that comes from advances in human therapeutics and biotechnology. Some of these agents are already available commercially. In order to address these threats, the racing industry must act now. It is important that not only RASL staff, but also integrity staff from each of the codes, keep up to date with international developments. An Australia-wide program with international collaboration is required and this must be supported by all governments.

Currently the racing codes pay RASL on a fee-for service basis and the codes determine the number of samples to be collected. I have been advised that approximately 2000 post-race swabs are taken. Approximately 3% of greyhounds are swabbed post-race, yet winners account for at least 12.5% of greyhound runners. In harness racing, all metropolitan winners

and 75% of country winners are swabbed, in all over 7,000 horses during the racing season. In thoroughbreds, over 20,000 samples are taken, including 5,760 for post-race analysis. I heard evidence that drug sampling numbers from RVL have not come back to pre Equine Influenza levels, resulting in a reduction in RASL income.

If I return to the basic premise (indeed a truism) that it is much easier to slow a racing animal (undetected) than to cause it to travel faster without detection, those statistics are a matter of concern. It is important to have sampling at a level which both preserves integrity and provides adequate funding to RASL.

Even allowing for the obvious differences between the codes, it is not apparent why there should be such variation in their approaches to swabbing and the nature and amount of swabbing and testing conducted. A more consistent approach to both swabbing and testing, would improve both the perception and reality of the codes being serious about enforcing their ban on the use of prohibited substances.

RASL also receives funding from the three codes to underwrite the cost of research and purchase new and replacement equipment. These funds are provided from the Victorian Racing Industry Development Program (RIDP). RASL constantly faces new challenges with new drugs and development technologies, such as genetic doping. It is essential that its equipment be the best available, that there is the ability to undertake ongoing research, and that the specialist personnel are both highly qualified and given incentive to remain at RASL. Given the changes in the RIDP, and the new shape of the industry from 2012, there is the potential for a detrimental effect on the funding of RASL. The uncertainty surrounding the funding of RASL needs to be resolved by the three codes as a matter of priority. Consideration should be given to amending the constitution of RASL to remove the requirement that it be a non profit-making company, to provide for other streams of revenue.

During this Review, concerns were expressed that analysts representing the connections of horses were excluded from observing the testing of B samples, and I have formed the opinion that the analysts should, at least, have an opportunity to be present at the testing, if they so wish. It was also suggested to me, that it would be of significant benefit to the participants in the industry, if RASL was to provide regular information, in relation to research being undertaken, both locally and internationally.

## **Recommendation 5**

### **Swabbing and Drug Testing**

I recommend that:

- (a) The codes adopt a consistent approach to swabbing and testing, and at the very least, the winner of every race should be swabbed, as well as any beaten favourite.
- (b) Consideration be given to amending the constitution of RASL to remove the requirement that it be a non profit-making company.
- (c) RASL negotiate a Service Contract with the Victorian Racing Industry at the level of the VRI/Tabcorp Joint Venture (see Appendix Three). This contract should cover areas such as recurrent funding, pre and post race testing, purchase and maintenance of equipment, and research and development. The contract should be developed in consultation with the three codes, and reflect their relative income from wagering.
- (d) RASL publicise research on issues relevant to the racing industry for inclusion in industry publications.
- (e) In the event of a positive 'A' sample, the connections of the racing animal in question, be advised where and when the 'B' sample will be analysed, and be allowed to be represented by an analyst at that time.
- (f) In the event of degradable substances such as TCO<sup>2</sup>, where the 'B' sample must be analysed quickly, the connections of the animal be told where and when the analysis will take place, and be invited to have an analyst present. However, in that case, because of the time factor, the analysis will proceed whether or not it is convenient for the connections to have an analyst present.

## **STEWARDS**

In respect of race-day activities, racing stewards in Victoria were the subject of general praise from trainers, jockeys, owners and punters.

However, it became apparent during this Review that stewards face a number of difficulties in carrying out their role, and a number of improvements are required in this area.

### **ROLE DEFINITION**

Stewards are required to spend too much of their time, particularly in the thoroughbred industry, in adjudicating in respect of ownership disputes, disputes in respect of unpaid debts between owners and trainers, and questions of occupational health and safety. For example, the former RVL Chief Steward, Mr Gleeson, has an enviable reputation for his ability to read a race and for his fair dealing with the participants in that race. However, for too much of his time, he had been required to be involved in his second responsibility of administration and management. Persons entrusted with the task of enforcing integrity in racing, should not be diverted from that purpose.

Disputes over ownership and indebtedness are civil matters that should be resolved, either by legal action or mediation between the parties. Neither these matters, nor questions of Occupational Health and Safety, should involve stewards. It is my view that stewards should be encouraged to spend as much time as possible, fulfilling their role as race-day stewards.

In the case of thoroughbred racing, at present, meetings in rural Victoria appear to be allocated to the more junior stewards. Based on discussions I have had with representatives of all three codes, I am satisfied that, in the case of GRV and HRV, the most experienced stewards are regularly assigned to lesser meetings.

The lack of logic for RVL's approach is confirmed by discussions that I have had in the course of this Review. I was told that the standard of riding in Victoria often deteriorated the further one went from Melbourne. It was to these meetings that junior stewards are too often presently assigned by RVL. One would have thought that if there were a perception that there were trouble spots at some of the more remote country meetings, that these would call for the attendance of a senior steward.

Furthermore, I am satisfied from discussions with stewards that it is important that senior stewards be assigned to a region for a specific period, allowing them to gain an understanding of the area.

It is trite to observe that, for integrity controls to be effective, there must be full cooperation and an efficient working relationship between stewards and investigators. I am satisfied as a



result of this Review of both functions at RVL that that cooperation ranges from unsatisfactory to non-existent. I am unable to say, on the material I have gathered, whether these problems arise from the personalities involved or some confusion in role clarity. This should be addressed as a matter of priority by the General Manager - Integrity Services and the Chief Steward.

## **TRAINING**

Ongoing training of stewards is a vital part of integrity. It is commendable that RVL has developed a Certificate IV and Diploma in Racing Administration for RVL Stewards. The training consists of a number of general modules, including dealing with conflict, principles of administrative law and promoting ethical behaviour. Course instructors include police and scientific and forensic personnel. HRV and GRV stewards are also undertaking the course.

I was told by members of both the RAD Board and RAT, that on occasions the preparation by stewards of the material to form part of the evidence to be heard in the course of an appeal or charge, fell short of what was acceptable. This suggests a need for a greater awareness by stewards of the elements that need to be established to prove a particular charge and the requisite evidence to support it. The training currently being conducted by RVL will go some way towards addressing this issue.

In its submission, RVL suggests that its commitment to quality in training stewards, provides a basis for the delivery of skills training for the three codes. I would encourage RVL, HRV and GRV to build on RVL's suggestion and expand the training program to include all integrity officers across the three codes.

It has been suggested to me that another beneficial form of training would be for senior stewards to regularly review race-day protests with cadet stewards, to provide them with a better understanding of the processes and outcomes.

## **REAL TIME BETTING INFORMATION**

RVL has in place an agreement with Betfair to provide betting information in real time. I have been advised that access to this information has been of great assistance to RVL stewards in monitoring betting as it is occurring on a race-day.

With today's technology, stewards of all controlling bodies should be able to have access to real time information on betting transactions of all wagering companies and bookmakers.

## **Recommendation 6**

### **Stewards**

I recommend that:

- (a) The responsibilities and activities of stewards be devoted primarily to race-day activities.
- (b) In the case of disputes as to ownership of racehorses and alleged indebtedness between owners and trainers, responsibility for mediation be transferred from the stewards.
- (c) The relationship between the Stewards and Investigators and their respective roles, be clarified with a view to promoting full cooperation between them.
- (d) Senior stewards be assigned to regional race meetings on a regular basis, and be given responsibility for designated areas for a specific period.
- (e) RVL, HRV and GRV jointly develop a training program for all integrity officers, across the three codes, based on the training program developed by RVL for its stewards.
- (f) Stewards should ensure that legal advice be obtained as to the likelihood of success, prior to charges being formally laid, or appeals lodged.
- (g) Nominated stewards from RVL, HRV and GRV participate in regular quarterly meetings, for the purpose of discussing problems being encountered in their particular code, including drug usage and other potential threats to integrity.
- (h) Stewards of all controlling bodies be provided with access to real time information on betting transactions on thoroughbred, harness and greyhound races.

## **OTHER INTEGRITY MATTERS**

### **ANNOUNCEMENT OF DIFFERENT RIDING TACTICS**

Rule AR135(A) in thoroughbred racing provides for notification of a change in riding tactics to be communicated to stewards “as early as practicable but not later than when the order to mount is given by the stewards prior to the race”. The stewards “may make any public release in respect thereof as they deem to be appropriate”.

From the punters’ perspective, permitting notification up to the time of mounting, and leaving notification to the discretion of stewards, is not in the punters’ best interests. Does this mean that the stewards can retain the information, which they have been given, as some secret they share with the horse’s connections, to the exclusion of the punters?

RVL should review this rule with the objective of ensuring that punters are notified as early as is practicable, to allow them to make informed decisions about betting.

### **BAN ON TRANSMISSION OF BETTING ODDS**

The bans on the transmission of betting odds from racecourses in legislation<sup>3</sup> and relevant Rules of Racing<sup>4</sup>, are a nonsense, involving race callers in silly fictions to advise the public outside the course, what is actually happening in the betting ring. Racing authorities should recognise that this rule ignores progress in electronic communication in the past 50 years, including the invention of the mobile telephone. As it stands, this rule only inconveniences race callers and is ignored by everyone else, including those with the responsibility to enforce it. There appears to be little to recommend the ban in today’s betting environment, when the person has immediate electronic access to totalisator pools across Australia and corporate bookmakers’ odds.

### **RVL TIMING EQUIPMENT**

Concerns were expressed to me about the installation, accuracy and maintenance of timing equipment and accuracy of race distance measurements at thoroughbred racetracks, particularly where the rail position is altered due to track conditions. Concerns were also expressed that sectional times are not provided for thoroughbred country racing. Accurate and comprehensive information about races should be readily available so that punters are better informed when placing their bets.

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<sup>3</sup> Sections 2.5.18 and 2.5.19, Gambling Regulation Act 2003 (bans the transmission of betting odds without Ministerial approval).

<sup>4</sup> RVL Rules – AR.1160(B).(1) and HRV Rules – AHR253

## **PROTEST HEARINGS**

Discussions with stewards involved in both horse racing codes, in relation to protest hearings, confirmed the desirability of these hearings being open to the public. Equally, however, there was agreement that owners of horses addressing the stewards in a protest hearing, had never resulted in any worthwhile assistance. Viewed objectively, it is difficult to envisage a situation where the owner's contribution could do more than cover ground more effectively dealt with by the evidence of the jockey particularly, and to a lesser extent, the trainer.

## **OFFICIAL TRIALS**

It was brought to my attention that thoroughbred horses can be trained on private tracks and produced at races for the first time, without previously trialling in public. In the interests of transparency and the provision of fuller information to the punter, all horses should be required to trial publicly, before being allowed to start for the first time.

## **GRV BOX DRAW AND GRADING**

A number of concerns were expressed to me regarding the GRV box draw. Despite the existence of a computerised box-draw program to randomly allocate starting boxes to entrants in greyhound races, the random nature of the automated box draw program was questioned. There were also concerns among some greyhound trainers, that the manual box draw could be manipulated, to favour a particular trainer, to the detriment of another.

Commendably, GRV responded to criticisms in an audit carried out in 2000 and instituted a series of enhancements relating to the audit trail for manual draws and authorisation processes. Further audits have been carried out, with the last being effected in December 2004, and statistical analysis has been undertaken to show the mathematical probabilities of each sequence of events. No evidence was found during these analyses that would point to a problem in the random box draw process.

I am unable to comment upon the grading of dogs for the purpose of this Review, save to draw the concerns of several owners to GRV's attention and to also draw its attention to alternative methods of grading. I acknowledge that the industry as a whole, has been considering this issue at a national level.

## **IDENTIFICATION**

The three codes use a variety of methods of animal identification. Harness racing horses are identified through a freeze branding process, thoroughbred horses are microchipped, and greyhounds are identified through ear brand tattoos and physical characteristics.

Despite its best efforts, GRV has not been able to achieve the microchipping of racing greyhounds in Victoria, as it has been unable to gain support for the proposal from other State associations. While the interchange of a microchip from one dog to another could be achieved with far more facility than is the case with racehorses, its introduction would be yet another step to obviate the possibility of “ring-ins”.

Harness Racing has investigated microchipping, but I have been informed that, on a cost benefit analysis, it could not justify the expense.

In the future, technological advances may provide identification through DNA testing.

## **FARRIERS**

Rules AR141A and AR141B of the Australian Rules of Racing prohibit a horse from starting in a thoroughbred race unless shod with plates or tips approved by the Stewards. The weight of the plates and tips must not exceed 150 grams or 170 grams in the case of therapeutic plates. Each plate or tip must be securely affixed to the hoof. Heeled plates or caulks are not allowed in flat races. Cutting plates, grippers or other plates, which are dangerous in the Stewards' opinion, are not permitted in any race.

Under AR141A (3), to ensure compliance with the requirements for plating, the farrier's supervisor or any other person appointed by the Stewards, shall be authorised to inspect all or any horses presented for racing.

I understand that, for thoroughbred racing, race-day farriers are at present required to check the shoeing of two horses in each race. This appears to be inadequate if the above rules are to be appropriately enforced.

## **VETERINARIANS**

Each of the codes employs veterinarians to provide veterinary race-day services including inspections and advice to stewards. Local veterinarians are engaged to assist the RVL veterinarians who attend country race meetings. The engagement of local veterinarians to provide such race-day services, may conflict with existing working relationships with trainers and owners. This potential for conflict of interest must be carefully managed by the controlling bodies.

## **Recommendation 7**

### **Other Integrity Matters**

I recommend that:

- (a) RVL should review the rule regarding the announcement of changed riding tactics, with the objective of ensuring that punters are notified as early as is practicable, to allow them to make informed decisions about betting.
- (b) In light of technological advances, the ban on the transmission of betting odds from racecourses be reviewed.
- (c) The operation and accuracy of timing equipment and the accuracy of race distances be checked routinely, at all thoroughbred, harness and greyhound racetracks.
- (d) Sectional times for races be recorded and made publicly available for all thoroughbred, harness and greyhound races.
- (e) Racehorses not be permitted to start in a race for the first time unless they have participated in an official public trial.
- (f) Owners of horses involved in a protest hearing only be permitted to address the hearing at the discretion of the stewards.
- (g) GRV continue to investigate alternative methods of grading.
- (h) GRV audit the computer program used for the allocation of boxes on a biennial basis and the result of that audit continue to be published in a magazine or periodical likely to be read by greyhound racing enthusiasts.
- (i) Consistent methods of identification be pursued at a national level and support be given by Government for research into technological advances in methods of identification.
- (j) RVL ensure that each inspection under AR 141A (3), be conducted by a qualified farrier who is independent of any connection with the horse being inspected.
- (k) Race-day farriers check the shoeing of each horse in each race.
- (l) On race-day, the controlling bodies ensure that veterinary services be provided by veterinarians who are independent of any connection with the horses or greyhounds racing.

## CONCLUSION

In broad terms, in addressing the terms of reference, this Review investigated three potential options:

1. To leave the systems in place unaltered and do nothing to interfere with the status quo.
2. To make additions and alterations to the status quo, in order to tighten up perceived or actual shortcomings.
3. To create a completely separate entity responsible for the overall control of integrity in the racing industry. This entity would be completely independent of the administrators of the three racing codes.

At about the half-way point in this Review, because of my reluctance to create yet another bureaucracy, I still hoped that the integrity problems I had identified could be addressed, without substantial changes in the existing structures. However, in the light of the many integrity issues raised before me, particularly the evidence of criminal activities detailed in this report, that has not proved possible.

I am satisfied that changes are called for consistent with Paragraph 2 above. If the factors which provide an appropriate test, as I indicated much earlier, are transparency, efficiency, cooperation, and accountability, then in one way or another all three codes fail to meet these criteria.

In response to the terms of reference, internal integrity services and systems should remain a function of the controlling bodies of each of the three codes. However, there is a greater need for cooperation between the codes and centralisation of how integrity functions are implemented. The present disciplinary procedures are unacceptable, and require revision. In addition, there is a demonstrated need for the appointment of a Racing Integrity Commissioner, who will have an overview of the industry as a whole, be responsible for cooperation with Victoria Police and be answerable to the Minister for Racing.

The relationship between the codes and Victoria Police, and other law enforcement agencies, needs to be significantly strengthened, if criminal activity associated with racing and wagering is to be effectively addressed.

I am satisfied that the recommendations contained in this report, if implemented, will assist in remedying many of the perceived shortcomings in existing integrity controls.

## APPENDIX 1 – TERMS OF REFERENCE

To lead a process of consultation with racing industry Controlling Bodies and stakeholders with the objective of identifying options to ensure that integrity assurance within the industry is of the highest standard, including but not limited to:

- determining whether integrity services and systems should remain a function alongside the commercial and developmental roles of the Controlling Bodies or be separately provided independent of those roles;
- if a case can be made for a separation of function, whether the services and systems should be delivered individually for each code or across all three codes;
- ensuring integrity issues are pursued to the appropriate levels of governance regardless of the seniority or influence of any individuals concerned;
- developing an integrity assurance structure and culture that is fully transparent, accountable and incapable of undue influence by external interests; and
- any other aspects of the provision of integrity services and systems that the Reviewer deems to be appropriate.

Definition: For the purposes of the Review, “integrity services and systems” are deemed to include

- overall stewardship and associated investigations;
- race-day operations;
- betting compliance and regulation;
- veterinary services;
- drug control;
- licensing and registration.



# APPENDIX 2 – DECLARATION OF PRIVATE INTERESTS

## APPOINTEE’S DECLARATION

(Please type or write your answers in block capitals.)

I, *(insert full name)*.....

am a potential appointee to the

and consent to the Department collecting and using this information on a confidential basis as described in this form.

I make this declaration as at *(insert date)*

### **A. Private Interests**

<p><b>A1. Other significant sources of income:</b></p> <p>Please provide details of income from other than your main source of employment income relating to contracts, office held in return for payment or other reward or a trade, vocation or profession engaged in by you.</p>	
<p><b>A2. Office holder:</b></p> <p>Please provide the name of any company, trustee company, or incorporated associations or other entity in which you hold office, whether it is a public or private body and the name of the office held by you.</p>	
<p><b>A3. Shareholdings and other business interests:</b></p> <p>(a) Do you or a member of your family have shareholdings, investments or other business interests? This includes nominee shareholders on behalf of the agency in government companies. Please provide details of all such holdings of which you are aware, which could reasonable raise an expectation of conflict of interest, or a material interference with your public duties.</p> <p>(b) Give the name and nature of operations of the company, partnership, association or other entity, and the nature of the interest. <b>Where the State determines that there is any material conflict, you may be required to divest the particular interest.</b></p>	

<p><b>A4. Trusts:</b></p> <p>Please provide the name and nature of the operations of:</p> <ul style="list-style-type: none"> <li>• any trust of which you are a beneficiary;</li> <li>• the name of the trustee or any trust of which you are a trustee; or</li> <li>• any trustee company of which you are a director and in which a member of your immediate family is a beneficiary</li> </ul> <p>of which you are aware, which could reasonably raise an expectation of conflict of interest, or a material interference with your public duties.</p>	
<p><b>A5. Real Estate:</b></p> <p>To your knowledge, please provide details of the location and purpose of any real estate owned by you (including your residence) or a member of your family, which could reasonably raise an expectation of conflict of interest, or a material interference with your public duties.</p>	
<p><b>A6. Agreements:</b></p> <p>Please provide details of any contract, agreement or understanding entered into by you or a family member, of which you are aware, that gives rise to an obligation or an expectation of reward, such as an agreement about future employment once the appointment term is completed. Only provide information which could reasonably raise an expectation of conflict of interest or a material interest with your public duties.</p>	
<p><b>A7. Other interests:</b></p> <p>Please provide details of any other significant financial or other interest held or accruing to you or a member of your family, of which you are aware, which could reasonably raise an expectation of a conflict of interest or material interference with your public duties.</p> <p>Examples of a substantial financial or other interest include:</p> <ul style="list-style-type: none"> <li>• being a principal or key employee of a material professional adviser supplying services; and</li> <li>• interests in contracts, trusts or other business arrangements not already covered.</li> </ul>	

## B. Probity

<b>B1.</b> Have you been declared bankrupt or been the subject of any order under the Bankruptcy Act 1966 (Cth)? If so, provide details.	Yes / No	
<b>B2.</b> Have you been a director or executive officer of a corporation which became insolvent whilst you were a director or executive officer? If so, provide details.	Yes / No	
<b>B3.</b> Have you ever been disqualified from acting as a Director or acting in the management of an incorporated association? If so, provide details.	Yes / No	
<b>B4.</b> Have you ever been found guilty of any offence or contravened any civil penalty provision under the Corporations Act 2001 (Cth) or any of its predecessors or the Associations Incorporation Act 1981 (Vic) or any equivalent in other jurisdictions? If so, provide details.	Yes / No	
<b>B5.</b> Are you currently a party in any capacity to any litigation or any such threatened proceedings, either criminal or civil? If so, provide details.	Yes / No	
<b>B6.</b> Has there ever been a finding of guilt against you for a criminal offence (except a conviction that is spent under Part VIIC Crimes Act 1914 (Cth))? If so, provide details.	Yes / No	
<b>B7.</b> To the best of your knowledge and belief, have you been, or are you currently, the subject of any inquiry or investigation, including those by: <ul style="list-style-type: none"> <li>• a department or agency of the Commonwealth; and/or</li> <li>• a department or agency of a State or Territory of Australia; and/or</li> <li>• a professional association; and/or</li> <li>• a regulatory agency; and/or</li> <li>• a consumer protection organisation?</li> </ul> If so, provide details.	Yes / No	

The Department treats all personal information provided by an individual in support of an appointment application in accordance with the *Information Privacy Act 2000 (Vic)* and the *Public Records Act 1973 (Vic)*. The personal information you provide in this form is required for application processing and assessment purposes, including submission to Cabinet. It may be shared with other public sector organisations. Should you wish to gain access to your personal information held by the Department please contact the Department's Privacy Officer at [insert Department's address].

When you provide us with information about other individuals, we rely on you to make them aware that such information will or may be provided to us as part of the application process.

If all or part of the requested information is not provided this failure may impact on your application.

I declare that to the best of my knowledge, the information I have provided in Part A and Part B of this declaration is true and correct. I undertake to advise the responsible Agency Head in writing if a conflict or potential conflict arises in the future and to stand down in any decision-making process in which I may be compromised. If there is any change to the interests set out in Part A or to the answers set out in Part B of this declaration I undertake to advise the responsible Agency Head of any alterations or additions to my declaration as soon as practicable.

**Signature of Declarant:** .....

**Title:** ..... **Date:** .....

**Signature of Witness:** .....

**Name (please print):** ..... **Date:** .....

## APPENDIX 3 – VICTORIAN JOINT VENTURE

In 1994, the Victorian racing industry (VRI) and Tabcorp Holdings Ltd formed an unincorporated joint venture for the operation of a wagering and gaming business in Victoria. VicRacing Pty Ltd and Racing Products Victoria Pty Ltd, both with six directors (four nominated by RVL, one nominated by HRV and one nominated by GRV) provide VRI's participation in the joint venture operations.

VicRacing Pty Ltd holds the VRI's equity interest in the joint venture and is entitled to a 25% share of the joint venture's total profit (incorporating the net profit arising from Tabcorp's wagering and gaming businesses). Racing Products Victoria Ltd supplies racing services to Tabcorp in return for a \$50 million per annum racing program fee and a \$2.5 million per annum marketing fee (both indexed to growth in wagering revenue), and a product supply fee of 18.8% of wagering revenue (equating to around 3% of turnover).

In turn, VicRacing and Racing Products Victoria distribute this income to the three codes. The racing program fee and 75% of the product supply fee are allocated on a fixed basis to the codes – 73% to thoroughbred, 18% harness and 9% greyhound. The joint venture profit, marketing fee and 25% of the product supply fee are allocated to the codes based on off-course wagering market share.

## APPENDIX 4 – RACING INDUSTRY MODELS

Across Australia, the conduct of, and wagering on, thoroughbred, harness and greyhound racing, are activities regulated by legislation. In all states and territories, the regulation takes the form of a general legislative prohibition on racing and associated wagering unless they are authorised by government and conducted in accordance with specified provisions.

Such regulation is seen as a legitimate matter for government and legislative control in the public interest, due to the competitive nature of racing and wagering; the money involved in wagering; the dependence of the racing industry on the income it derives through returns from wagering; and the potential, actual or perceived, for corrupt practices to flourish in the absence of such control.

While the racing industry models vary across all Australian States and Territories, as well as New Zealand, there are essentially three main models:

1. Commercial and integrity functions are undertaken by one body responsible for all codes in racing.

Racing and Wagering Western Australia (RWVA) is responsible for both commercial and developmental responsibilities and integrity services and systems for all three codes. RWVA also operates the West Australian TAB. A particular feature of the West Australian model is the Integrity Assurance Committee, which has primary oversight of stewards, drug testing and control, licensing, handicapping and racing appeals.

The New Zealand Racing Board is a statutory body, which has responsibility for coordinating development of the industry as well as operating the national monopoly wagering business. The Judicial Control Authority is the legal body that conducts inquiries into breaches of the rules, both race-day and non race-day, for thoroughbred and harness racing.

2. Integrity is completely separated from the commercial operations and undertaken by government.

Racing Services Tasmania is responsible for the maintenance of probity and integrity of the Tasmanian Racing Industry. A regulatory panel for each code advises the Secretary of the Department of Infrastructure, Energy and Resources on the appointment of stewards, Rules of Racing, registrations and licences. The Tasmanian wagering licence is owned and operated by government.

3. The codes are individually responsible for both commercial and integrity functions.

In Victoria, each code is responsible for commercial and developmental responsibilities and integrity services and systems. The Office of Racing, Department of Justice, provides policy support to the government and administrative support to a number of statutory bodies including the Racing Appeals Tribunal.

Like Victoria, Queensland has a model where all three codes are responsible for both commercial and developmental responsibilities and integrity services and systems. However, it also includes the Racing Animal Welfare and Integrity Board, which is separate from controlling bodies and advises the government on licensing and welfare issues across all three codes.

In South Australia, each code is responsible for commercial and developmental responsibilities and integrity services and systems.

NSW arrangements are unique in that two of the codes, harness racing and greyhound racing, are combined. The Greyhound and Harness Racing Regulatory Authority manages the regulatory and integrity responsibilities for the two codes, and Greyhound Racing NSW and Harness Racing NSW control the commercial operations. Racing NSW is responsible for commercial and developmental responsibilities and for thoroughbred racing. It has established an Integrity Assurance Committee which has primary oversight of its integrity functions. These arrangements have recently been reviewed, and a report is with the NSW Minister for Racing.

While the extent and the detail of control vary, each state and territory seeks to ensure both the commercial success and integrity of its racing industry in the interests of the public, industry participants, and punters. The various models, both in Australia and overseas, have developed in response to local needs, and the size and culture of the industry.

# ACT

## **GOVERNMENT**

The major objectives of the ACT Gambling & Racing Commission include:

- Regulate gambling and racing activities.
- Review gaming laws.
- Manage research and data collection in regard to the social and economic impacts of gambling in the ACT.
- Ensure compliance by gaming organizations and persons with payment of fee and tax liabilities.

ACTTAB operates as a Territory-owned Corporation, under the provisions of the *Betting (ACTTAB Limited) Act 1964* and the *Territory-owned corporations Act 1990*. ACTTAB was established in 1964 to provide a legal form of off-course wagering in the Territory.

## **CODES**

The Canberra Racing Club Inc, The Canberra Harness Racing Club Inc. and The Canberra Greyhound Racing Club Inc. are incorporated under the *Associations Incorporation Act 1991*, and are the controlling bodies in relation to their respective codes for this Act. The functions of the clubs include:

- To conduct race meetings and races within the Territory.
- To participate in the national body for their code in Australia.
- To make or adopt rules to govern the conduct of their code and betting conducted at race meetings.

## **TRIBUNALS**

The Racing Appeals Tribunal has jurisdiction to hear and determine an appeal from a person aggrieved by a decision of a controlling body, an Approved Racing Organisation (ARO) or another person conducting a race meeting if

(a) the decision was made, or purported to be made, under the relevant approved rules or special rules; and

(b) the decision—

- disqualified or suspended a person or animal from participating in events governed by those rules in any particular capacity; or
- imposed a fine.

The tribunal has jurisdiction to hear and determine an appeal from a person aggrieved by a decision of a controlling body or an ARO that requires a person not to enter a racecourse or training track.

Members of the Racing Appeals Tribunal are appointed by the Minister, and the president and deputy president must be lawyers of not less than five years standing. A person is not eligible to be a member of the tribunal if the person is an officer or employee of a controlling body; registered with or licensed by a controlling body under the approved rules (otherwise than as the owner of a horse or dog that is so registered or licensed); or registered with or licensed by a corresponding body (otherwise than as the owner of a horse or dog that is so registered or licensed), if the registration or licence is of a kind recognised by a controlling body for the approved rules. Tribunal members are appointed for a term not longer than 3 years.

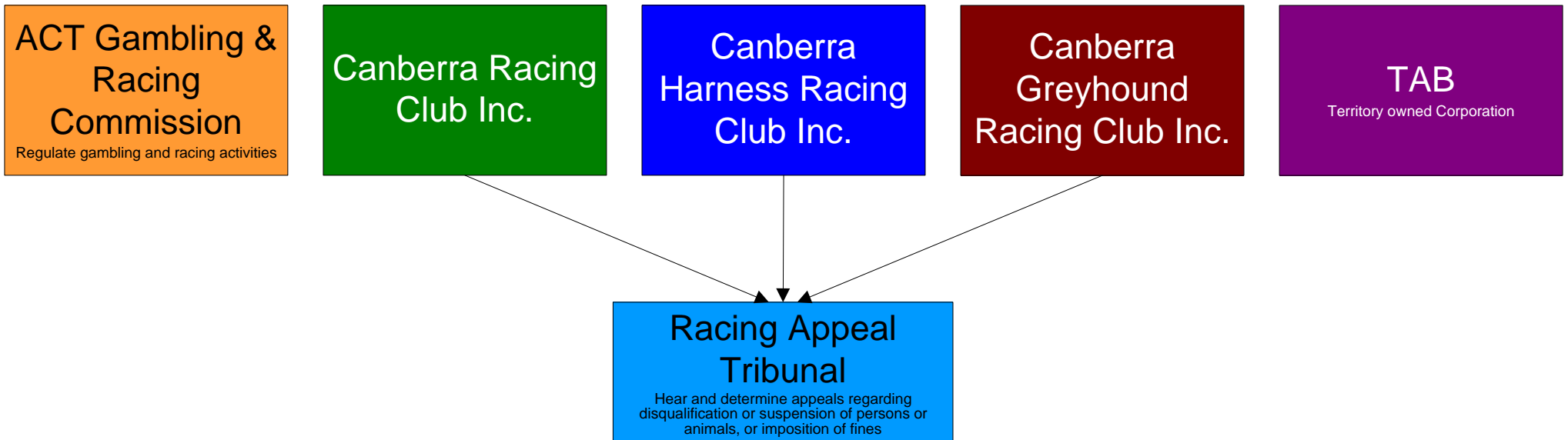
The president may direct that the tribunal, in hearing an appeal, must be assisted by one or more assessors. An assessor assisting the tribunal may assist and advise the tribunal on any matter before it, but must not adjudicate on any matter.

Assessors are to be appointed by the Minister from among people who the Minister is satisfied have special knowledge of or experience in the racing industry, and again, their term must be not longer than three years.

Hearings are held in public unless the Tribunal decides otherwise. A decision of the tribunal on an appeal is final and binding on the entities affected.



# ACT MODEL



## **NEW SOUTH WALES**

Mr Malcolm Scott has just presented his report on Review into the Regulatory Oversight of the New South Wales Racing Industry. The model presented below was correct at time of printing, but changes may be made in the near future. The recently completed five year review of the *Greyhound Racing Act 2002* and *Harness Racing Act 2002* also contained recommendations impacting on the future governance/regulation of the two codes.

### **GOVERNMENT**

The racing industry in New South Wales involves three codes of racing - thoroughbreds, harness and greyhounds.

The NSW Office of Liquor, Gaming and Racing is responsible for government policy on racing, wagering and associated legislation.

Other activities include approving, inspecting and evaluating totalizator systems and overseeing bookmaker operations. Through an inspection program, they monitor bookmaker and totalizator betting to ensure the integrity of wagering and adherence to responsible practices.

### **Codes**

#### **Racing NSW**

Racing NSW is constituted by the *Thoroughbred Racing Act 1996 No. 37* ("the Act"). It has responsibility for both commercial and developmental responsibilities and integrity services and systems for thoroughbred racing. Racing NSW is not subject to control or direction of the Government.

The *Thoroughbred Racing Amendment Act 2008* which recently passed through the NSW Parliament and is expected to commence in August/September 2008, reconstitutes the Board of Racing NSW, providing for independent Board membership. The Act also confirms that Racing NSW's powers extend to both the commercial and regulatory oversight of the thoroughbred racing industry in NSW.

Racing NSW has "power to do all things that may be necessary or convenient to be done for or in connection with the exercise of its functions" including the following:

- Such functions in relation to the business, economic development and strategic development of the horse racing industry in the State as are conferred or imposed by the Act (this function added by the Thoroughbred Racing Amendment Act 2008) .
- Register or licence, or refuse to register or licence, or cancel or suspend the licence of, a race club, or an owner, trainer, jockey, stablehand, bookmaker, bookmaker's clerk, or another person associated with racing, or disqualify or suspend any of those persons permanently or for a specified period.
- Inquire into and deal with any matter relating to racing and to refer any such matter to stewards or others for investigation and report and, without limiting the generality of this power, to inquire at any time into the running of any horse or any course or courses, whether or not a report concerning the matter has been made or decision arrived at by any stewards.
- Allocate to registered race clubs the dates on which they may conduct race meetings.
- Register and identify galloping racehorses.
- Disqualify a horse from participating in a race.
- Exclude from participating in a race, a horse not registered under the Rules of Racing.
- Prohibit a person from attending at or taking part in a race meeting.
- Impose a penalty on a person licensed by it or on an owner of a horse for a contravention of the Rules of Racing.
- Impose fees for the registration of a person or horse.
- Order an audit of the books and accounts of a race club by an auditor who is a registered company auditor.
- Scrutinize the constitutions of race clubs to ensure they conform to any applicable Act and Rules of Racing and that they clearly and concisely express the needs and desires of the clubs concerned and of racing generally.

### **Greyhound and Harness Racing Regulatory Authority**

The Greyhound and Harness Racing Regulatory Authority is a statutory body appointed by the Minister to manage the regulatory responsibilities for the two codes. The Authority's main responsibilities and powers under the Act are:

- The registration of greyhounds and horses and persons associated with greyhound or harness racing.
- The registration of bookmakers and bookmaker companies.
- To take disciplinary action.
- To make Rules in relation to greyhound and harness racing.
- To hear appeals by persons aggrieved by a decision of a steward or racing club. There is also a right of appeal on such decisions to the Greyhound and Harness Racing Appeals Tribunal.

## **Greyhound Racing NSW**

Greyhound Racing NSW is an independent body, not subject to control or direction of the Government, charged by the *Greyhound Racing Act 2002* to represent, fund and control the commercial operations of the greyhound racing industry in this state. GRNSW functions include:

- Registers greyhound racing clubs.
- Funds greyhound racing clubs.
- Funds greyhound racing facilities.
- Registers greyhound trial tracks.
- Decides greyhound grading policy.
- Determines greyhound breeding policy.
- Sets greyhound racing calendar dates.
- Represents the industry on Racing Corp (the body that deals with the TAB).

## **Harness Racing New South Wales**

Harness Racing New South Wales conducts the commercial affairs of the harness racing industry in NSW. Established under the *Harness Racing Act 2002*, HRNSW is controlled by an industry-appointed Board of five, headed by an independent Chairman and is chartered to operate autonomously of government in managing the strategic and commercial development of harness racing in NSW as a not-for-profit corporate body.

Functions performed by HRNSW include:

- Registration of harness racing clubs.
- Strategic planning.
- Insurance administration.
- Allocation and scheduling of race meetings.
- Distribution of funds.
- Negotiation of commercial agreements.
- Development of breeding and handicapping policy.
- Management of capital works.
- A range of other activities previously performed by the NSW Harness Racing Authority (HRA).

## **TRIBUNALS**

### **Racing NSW**

For Racing NSW industry participants there is an independent two-tier system of appeal against any penalties or disabilities imposed by a racing authority:

#### Appeal Panel

At the first level of appeal, any person considering themselves aggrieved by a decision of a racing authority has the choice of appealing to either one, but not both, of the following Appeal Bodies:

- The Appeal Panel, constituted under the *Thoroughbred Racing Board Act 1996* (Section 45), or
- In limited circumstances, the Racing Association in the region where the decision was made

### **Racing Appeals Tribunal**

The second and final avenue of appeal, the Racing Appeals Tribunal, is constituted under its own Act, the *Racing Appeals Tribunal Act 1983*, and regulated by the *Racing Appeals Tribunal Regulation 1999*. The Racing Appeals Tribunal can hear appeals on certain matters from persons aggrieved by decisions of the Panel or racing authorities.

### **Greyhound and Harness Racing Appeals Tribunal**

With the amalgamation of the two authorities, the opportunity was taken to also amalgamate the Greyhound Racing Appeals Tribunal and the Harness Racing Appeals Tribunal.

## **INTEGRITY BODIES**

### **Integrity Assurance Committee (IAC)**

The IAC has primary oversight of Racing NSW functions relating to Stewards, Laboratory, Veterinary, Registration, Licensing, Handicapping and Appeals and to advise the Board on these matters. Issues the IAC has addressed include the following:

- Representation on Appeal Panel by Jockey Representatives
- Six Monthly Review of all integrity functions of Racing NSW - Stewards, Handicappers, Appeals, Veterinary, Laboratory, Licensing, Registration
- Review of administration of Tweed River Jockey Club
- Overview of swabbing procedures
- Photo Finish facilities at Country race clubs

- Overview of the review completed by Professor David Brynn Hibbert into the drug testing procedures used by the Australian Racing Forensic Laboratory (ARFL).
- Probity Checks.

### **Advisory Committees**

The Racing Industry Participants Advisory Committee is a forum for policy and strategic input from major industry groups, and advises Racing NSW on industry policy and strategic direction. (RIPAC is being replaced by the Racing Industry Consultation Group [RICG] under the new Racing NSW model).

The Greyhound Racing Industry Participants Advisory Committee and the Harness Racing Industry Participants Advisory Committee provide industry specific feedback on a range of commercial and regulatory issues.

### **WAGERING**

Wagering (on racing and sport) in New South Wales is conducted by TAB Limited and licensed bookmakers.

Bookmaker licensing in New South Wales is the responsibility of the relevant controlling bodies of racing. However, authorities for sports betting, telephone and electronic betting are issued to licensed bookmakers by the Minister under the *Racing Administration Act 1998*.

NOTE: This is the NSW Model as it currently stands, but is subject to the implementation of the Scott Report, released June 2008

# NSW MODEL

**NSW Office of Liquor, Gaming and Racing**  
Regulates gaming and racing.

**Racing NSW**  
Responsible for commercial development and integrity services for thoroughbred racing

**Integrity Assurance Committee**

**Animal Care and Ethics Committee**

**Appeal Panel**

**Racing Appeals Tribunal**  
Hear appeals on certain matters from persons aggrieved by decisions of the Panel or racing authorities. Independent body.

**Harness Racing Industry Participants Advisory Committee**

**Greyhound and Harness Racing Regulatory Authority**  
Statutory authority. Regulatory responsibility for two codes

**TAB**

**Harness Racing NSW**  
Commercial Operations

**Greyhound Racing NSW**  
Commercial operations

**Harness Racing Industry Participants Advisory Committee**

**Greyhound Racing Industry Participants Advisory Committee**

**Greyhound and Harness Racing Appeals Tribunal**  
Separate body independent of GHRRA

## **NEW ZEALAND**

### **GOVERNMENT**

The NZ Government is responsible for appointing the governing body of the New Zealand Racing Board, a statutory body established under the *Racing Act 2003*.

Industry bodies

The statutory objectives of the New Zealand Racing Board are to

- Promote the racing industry.
- Conduct racing betting and sports betting.
- Maximise its profits for the long-term benefit of racing.

The racing code bodies [New Zealand Thoroughbred Racing (gallops) Harness Racing New Zealand (trotting and pacing) New Zealand Greyhound Racing (greyhounds)] are responsible for making and enforcing their respective Rules of Racing.

### **INTEGRITY BODIES**

The racing code bodies administer their respective Rules of Racing and conduct inquiries into breaches of those Rules.

The Judicial Control Authority, a statutory body established in 1996, appoints all judicial panels for harness and thoroughbred race meetings to adjudicate on matters relating to the Rules of Racing. It also appoints judicial panels to adjudicate on non race-day enquiries. Finally, it appoints tribunals to hear race-day and non race-day appeals.

Greyhound judicial panels are appointed in accordance with the greyhound Rules of Racing.



# NEW ZEALAND MODEL

New Zealand Racing Board (NZRB)

Judicial Control Authority

JCA appoints all judicial panels for harness and thoroughbred race meetings, as well as judicial panels to hear non-raceday enquiries relating to the rules of racing. Appoints tribunals to hear raceday and non-raceday appeals. (Greyhound judicial panels appointed in accordance with the rules of greyhound racing).

The NZRB has responsibility for development of the industry and operating the national wagering business

New Zealand Thoroughbred Racing

Harness Racing New Zealand

NZ Greyhound Racing

TAB

Runs all betting on racing and sport in NZ. TAB operated by NZRBt.

Every code must make, and maintain, racing rules. These rules provide for the appointment of stewards; licensing trainers, jockeys, drivers etc; registration animals, owners, syndicates, colours; conduct and control of race meetings; prize money; punishment for breaches of the Rules; determinations and appeals; disqualifications and suspensions. Must provide statement of intent to NZRB for approval.

## ***NORTHERN TERRITORY***

### **GOVERNMENT**

The Racing Commission is the licensing body for bookmakers and racing.

The Licensing Commission is an independent statutory authority with extensive powers to regulate and enforce the Territory's racing, gaming and licensing legislation. The Commission operates as an independent tribunal with responsibility for licensing and related matters covering liquor control, kava management, private security, escort agencies and gaming machines.

The Northern Territory Licensing Commission was established on 14 February 2000 and has taken over from the former Liquor Commission, Private Security Licensing Authority, Escort Agency Licensing Board, Gaming Machine Commission and Gaming Control Commission. All the functions previously administered by these boards are now within the scope of the single Licensing Commission.

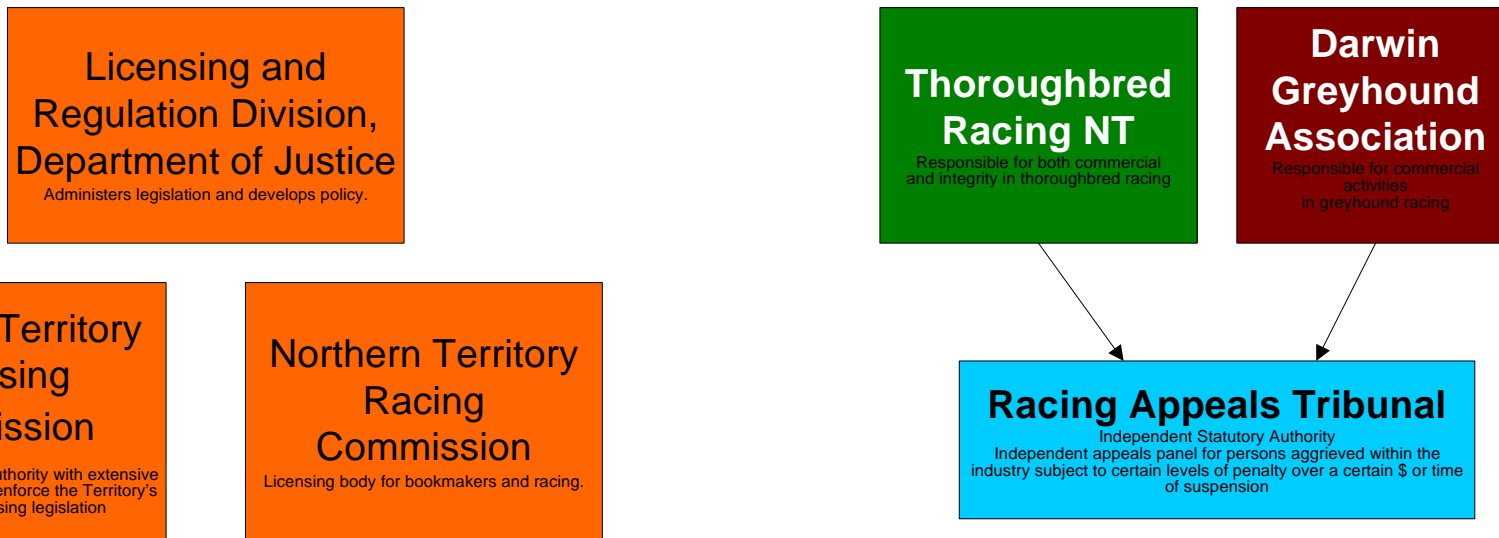
The Department of Justice's Licensing and Regulation Division works closely with the Commission, bringing forward matters associated with licence applications, variations and breaches. The Operations Branch manages all licensing matters and the daily enforcement of relevant legislation, including audit and compliance checks; assessment of licence applications; complaint and dispute handling; and monitoring the technical quality of gambling systems.

### **TRIBUNALS**

The Racing Appeals Tribunal is an independent statutory authority. Appeals are heard subject to certain levels of penalty. The Tribunal shall consist of a Chairman and two members. Both the Chairman and Deputy Chairman are appointed by the Minister. They are either a Judge of the Supreme Court; a Magistrate; or a lawyer. The panel consists of not less than 6 persons appointed by the Minister, who must have a sound knowledge of greyhound-racing, horse-racing or trotting. The period of appointment is determined by the Minister.

A determination of the Tribunal is final and conclusive.

# NORTHERN TERRITORY MODEL



# QUEENSLAND

## GOVERNMENT

The Queensland Office of Racing provides a policy and regulatory framework. The Office of Racing has two functional units - the Office of Racing Regulation and the Racing Science Centre.

### **Office of Racing Regulation**

- Monitors and maintains regulatory and policy framework.
- Assesses and makes recommendations regarding applications for approvals to become control bodies or accredited facilities.
- Audits, assesses and reports on control bodies' and accredited facilities' compliance with the *Racing Act 2002*.
- Provides advice to the Chief Executive Officer and the Treasurer on matters impacting on the integrity of the Queensland racing industry.
- Researches, analyses and advises on State, national and international developments and trends in racing, wagering and related industries.

### **Racing Science Centre**

The Racing Science Centre is accredited to international quality standards and protects the integrity of the Queensland racing industry through the provision of:

- Drug testing for prohibited substances in all racing animals.
- Veterinary, research, education and advisory services to the racing industry.

These services are provided under the auspices of a Service Level Agreement with each of the racing control bodies.

## CODES

### **Queensland Racing Limited**

Queensland Racing Limited is the peak control body for the thoroughbred racing industry in the State of Queensland, and is responsible for both commercial and developmental responsibilities and integrity services and systems for thoroughbred racing.

It coordinates, manages, and regulates the industry through a number of distinct functions including:

- Administration of the Rules of Racing.

- Enforcement of standards of safety and integrity.
- Licensing industry participants.
- Registering race clubs and monitoring their activities.
- Racecourse development and capital works.
- Research and promotional activities.
- Administration of industry funding and commercial agreements.
- Representing the Queensland Racing Industry on the peak national body, the Australian Racing Board, and its Sub-committees.

### **Queensland Harness Racing Limited**

Queensland Harness Racing Limited is responsible for both commercial and developmental responsibilities and integrity services and systems for harness racing.

### **Greyhounds Queensland Limited**

Greyhounds Queensland Limited is responsible for both commercial and developmental responsibilities and integrity services and systems for harness racing.

## **INTEGRITY BODIES**

### **Racing Animal Welfare and Integrity Board (RAWIB)**

The RAWIB is established under the *Racing Act 2002* to monitor, advise and make recommendations to the Chief Executive Officer of the Department regarding:

- Policies of control bodies in relation to the welfare of licenced animals and other matters.
- Performance of functions and exercise of powers by integrity officers.
- Quality and range of services for drug control and associated services provided by accredited or secondary facilities.
- The way things for analysis are taken or dealt with, and the way in which accredited facilities analyse things.

## **TRIBUNALS**

### **Racing Appeals Tribunal**

The Racing Appeals Tribunal consists of three members, appointed by the Governor in Council following advertisement by the Minister. To qualify for appointment as a tribunal member the person must be a lawyer of at least five years standing. They cannot be appointed if they are an executive officer, or an official or other member of staff of, a control body; a licence holder of a control body or an executive officer of a licence holder; a committee member; or a member of a committee, or an employee, of an association formed

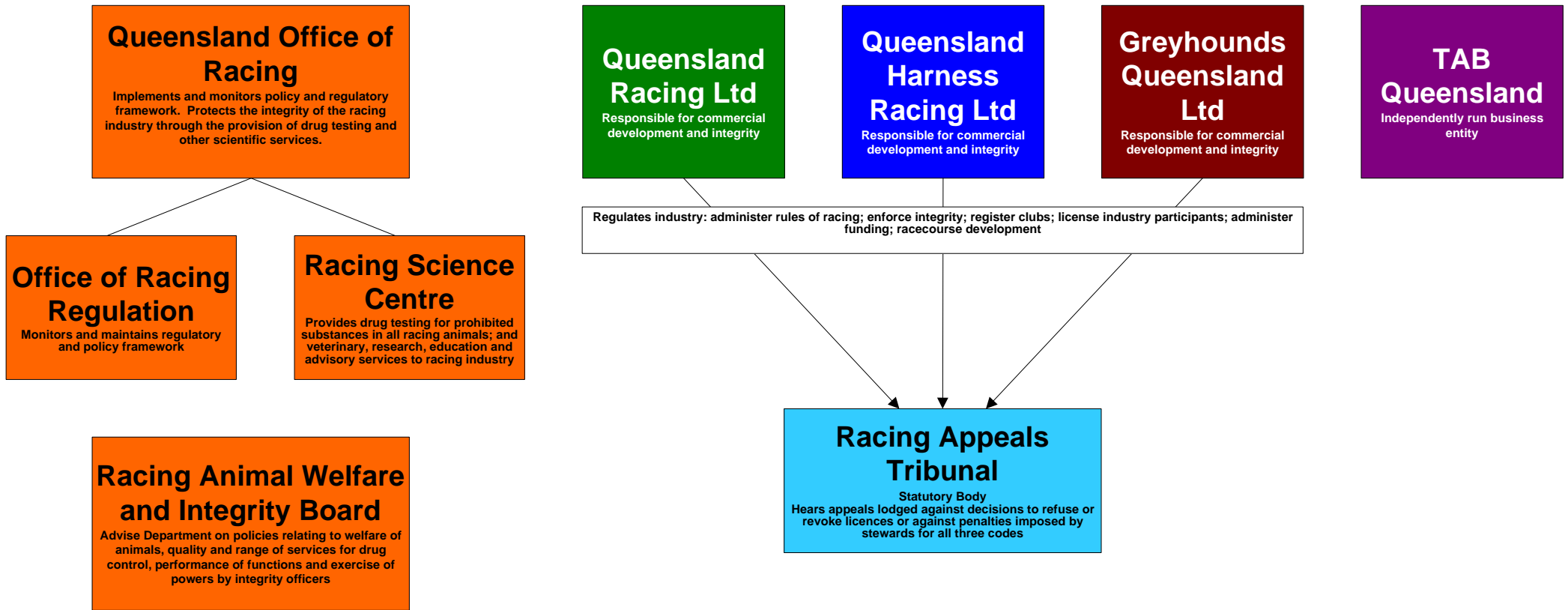
to promote the interests of one or more participants in a code of racing. A tribunal member is to be appointed for a term of not more than three years.

An appeal may be made to the tribunal against the decision of a control body's decision to refuse to grant or renew a licence; or take disciplinary action relating to a licence; take an exclusion action against a person; or impose a monetary penalty on a person. An appeal may also be made against a decision of an appeal committee made in relation to an appeal against a monetary penalty imposed by, or other decision of, a steward. Appeal may also be made against the imposition of a monetary penalty by, or other decision of, a steward of a control body if there is no right of appeal to an appeal committee against the decision. A steward of a control body may appeal to the tribunal against a decision of an appeal committee made on an appeal against the steward's decision.

The tribunal may, in hearing an appeal, employ an expert consultant who has appropriate knowledge of, and experience in, the racing industry as it considers appropriate. Hearings are to be held in public.

A party to an appeal to the tribunal may appeal to the District Court against the tribunal's decision on the appeal, including an order about costs, but only on a question of law.

# QUEENSLAND MODEL



## ***SOUTH AUSTRALIA***

### **GOVERNMENT**

#### **Office for Racing**

Established in 2002 the Office for Racing is a business unit within the Department of Premier and Cabinet. Its role is to provide developmental support to the racing industry including the following functions:

- Advice to Government and the Minister for Recreation, Sport and Racing on the development of racing industry policies, programs and major events.
- Research and monitor trends in the racing industry both within Australia and overseas.
- Work with the Department of Treasury and Finance in providing advice to the Minister for Gambling on wagering issues.

While the Independent Gambling Authority, and the Office of the Liquor and Gambling Commissioner, continue to undertake the regulatory and compliance aspects of the Government's legislative framework, the Office for Racing provides broader developmental support to the racing industry in addition to an advisory role to Government.

#### **Office of the Liquor and Gambling Commissioner**

The Office of the Liquor and Gambling Commissioner is responsible for the administration of the *Racing (Proprietary Business Licensing) Act 2000*. The Liquor and Gambling Commissioner is responsible to the Independent Gambling Authority (IGA) to ensure that the operations of each licensed business is subject to constant scrutiny. This includes SA TAB, racing clubs, bookmakers and agents. The SA TAB is licensed by the IGA, which also licenses racing clubs to conduct on-course totalisator betting. The Liquor and Gambling Commissioner licences bookmakers and agents, approves the rules for on and off-course wagering by TAB and racing clubs and plays a significant role in dispute resolution. The Commissioner also issues permits to bookmakers to enable them to accept bets at racecourses and other venues.

### **CODES**

#### **Thoroughbred Racing SA**

Thoroughbred Racing SA. Ltd is the umbrella body for thoroughbred racing In South Australia, and is responsible for both commercial and developmental responsibilities and integrity services and systems for thoroughbred racing. There are two metropolitan clubs in South Australia - the South Australian Jockey Club and the Oakbank Racing Club. The South



Australian Racing Clubs Council represents the interests of both provincial and country clubs throughout South Australia. There are four provincial clubs and nineteen country clubs in South Australia.

### **Harness Racing SA**

Responsible for both commercial and developmental responsibilities and integrity services and systems for harness racing.

### **Greyhound Racing SA**

Responsible for both commercial and developmental responsibilities and integrity services and systems for greyhound racing.

## **TRIBUNALS**

### **Racing Appeals Tribunal**

Following an internal appeal process, all three codes can appeal to the Racing Appeals Tribunal.

# SOUTH AUSTRALIAN MODEL

**Office for Racing**  
Provide developmental support to racing industry. Provision of strategic policy advice to Government relating to racing.

**Thoroughbred Racing SA**  
Responsible for commercial development and integrity

**Harness Racing SA**  
Responsible for commercial development and integrity

**Greyhound Racing South Australia Ltd**  
Responsible for commercial development and integrity

**SATAB**  
Independently run business entity.

**Office of the Liquor and Gambling Commissioner**  
OLGC licences bookmakers and agents, approves the rules for on and off-course wagering by TAB and racing clubs and plays a significant role in dispute resolution

Regulate and control all aspects of codes including licensing of participants and distribution of prize money. The three control authorities are corporate entities and not subject to Government control.

**Independent Gambling Authority**  
Statutory Authority. Regulator for commercial forms of gambling including wagering on races. Responsible for licensing of the SATAB and racing clubs.

**Racing Appeals Tribunal**

## TASMANIA

### GOVERNMENT

Racing Services Tasmania is responsible for the maintenance of probity and integrity of the Tasmanian Racing Industry.

The Director of Racing (a statutory office) is responsible for :

- Regulating and controlling racing to ensure that it is conducted with integrity.
- Monitoring the administration of racing.
- Monitoring, coordinating and setting standards, in consultation with the three code councils, for training of people employed or otherwise engaged in the racing industry.
- Researching and investigating racing and related matters.
- Advising the Minister on racing and related matters and making appropriate policy recommendations for the development of racing.
- Liaising with authorities and persons responsible for racing and related matters in this State and, as appropriate, elsewhere.
- Representing the State and the local industry on national bodies and in national forums generally concerned with racing and related matters.
- Providing administrative support to the three racing regulatory panels and the Tasmanian Racing Appeal Board.
- Controlling race nominations, acceptances, field selections, handicapping, barrier draws and scratchings in harness racing.
- Controlling race nominations, gradings, field selections, box draws and scratchings in greyhound racing.
- Providing advice and recommendations to the Tasmanian Thoroughbred Racing Council on Rules of Racing.
- Ensuring that Rules of Racing for all codes of racing are properly enforced by stewards.

The Tasmanian totalizator wagering licence is owned and operated by Government via TOTE Tasmania Pty Ltd, a state owned company.

TOTE Tasmania is a registered Company, incorporated by the Government of Tasmania to administer the commercial aspects of racing and breeding in Tasmania. These responsibilities include:

- Providing administrative and financial support for the racing industry.
- Promoting the development of an efficient and effective racing and breeding industry.
- Promoting Tasmanian racing, encouraging wagering on the Tasmanian product and attracting sponsorship income.

- Allocating race dates.

In addition to its racing responsibilities, the Company is also required to promote tourism and generate employment in Tasmania.

## **CODES**

The Tasmanian Thoroughbred Racing Council, Harness Racing Tasmania and Greyhound Racing Tasmania have responsibility for:

- Developing and administering guidelines for the conduct of race meetings.
- Preparing budgets for TOTE Tasmania's approval.
- Publishing industry journals.
- Race programming.
- Representing the State and the local industry on national bodies and in national forums.

In addition, the Tasmanian Thoroughbred Racing Council is also responsible for:

- Race nominations, acceptances, handicapping and race programming.
- Making (either by drawing up its own local rules or by adopting Australian Rules of Racing) the Rules of Racing.
- Approving registrations and granting licenses under the Rules of Racing.

## **Regulatory Panels**

The Thoroughbred Racing Regulatory Panel, the Harness Racing Regulatory Panel and the Greyhound Racing Regulatory Panel (bodies corporate) are responsible for:

- Making recommendations on the appointment of stewards.
- Approving registrations and granting licences (under delegation from the Tasmanian Thoroughbred Racing Council).
- Making Rules of Racing (harness and greyhound regulatory panels only).

## **TRIBUNALS**

The Tasmanian Racing Appeal Board is a statutory authority, which hears appeals:

- Against decisions of the stewards under the Rules of Racing.
- Against certain decisions of councils, clubs and the Director of Racing, pursuant to legislation.
- Relating to betting disputes.



# VICTORIA

## GOVERNMENT

The role of the Office of Racing, which is part of the Office of Gaming and Racing, within the Department of Justice, is to support and implement the government's racing policy objectives and to facilitate the ongoing relationship between the government and stakeholders within the racing industry. These stakeholders include Racing Victoria Limited, Harness Racing Victoria and Greyhound Racing Victoria. The Office of Racing administers funding support to the racing industry through identified funding programs and provides support to a number of statutory authorities including:

- the Bookmakers and Bookmakers' Clerks Registration Committee (BBCRC), whose primary function is to regulate the activities of bookmakers and bookmakers' clerks at racecourses and sports grounds throughout Victoria; and
- the Racing Appeals Tribunal, whose function is to hear appeals against certain penalty decisions imposed by Racing Victoria Limited, Harness Racing Victoria and Greyhound Racing Victoria, their respective stewards, or, in the case of thoroughbred racing, the Racing Appeals and Disciplinary Board.

## CODES

The controlling body for each code is responsible for commercial activities and its integrity services and funds them from its overall pool of income.

### **Racing Victoria Limited**

On 17 December 2001, Racing Victoria Limited (RVL) was registered as a public company limited by guarantee under the *Corporations Act 2001 (Cwlth)*. On 19 December 2001, RVL assumed the functions and responsibilities as the new Principal Club (now known as the Principal Racing Authority) governing thoroughbred racing in Victoria.

In 2006/07, there were 560 race meetings and 4,363 races in Victoria, with total prize money of \$120 million.

RVL's constitutional objectives are:

To develop, encourage, promote and manage the conduct of the racing of thoroughbred horses in Victoria by ensuring:

- excellence: Victorian thoroughbred racing is, and is recognised throughout Australia and worldwide as a centre of racing excellence;

- service of customers: Victorian thoroughbred racing competes effectively in the leisure and entertainment markets by providing:
  - (i) excellent customer service to patrons, punters and other customers; and
  - (ii) a source of exciting entertainment for a wide audience;
- integrity: Victorian thoroughbred racing generally, and race meetings in particular, are managed and conducted to ensure the highest integrity, building continuously on the reputation and integrity of Victorian thoroughbred racing;
- efficiency: Victorian thoroughbred racing is managed with optimal efficiency in order to best enable the meeting of the objectives;
- participation: Victorian thoroughbred racing is managed to encourage the fullest participation by the widest range of people, particularly women and young people;
- economic benefits: the management of RVL's and Victorian thoroughbred racing clubs' revenues, costs, assets and liabilities optimises the economic benefits delivered by Victorian thoroughbred racing to all of its stakeholders and participants, including in particular:
  - (i) the owners of thoroughbred racehorses;
  - (ii) the breeders of thoroughbred racehorses;
  - (iii) other participants and stakeholders in Victorian thoroughbred racing;
  - (iv) the communities in which Victorian thoroughbred racing operates; and
  - (v) the Victorian economy generally.
- social obligations: Victorian thoroughbred racing is conducted to ensure that it meets its social obligations to Victoria and the communities in which it operates, including but not only by:
  - (i) promoting Victorian country thoroughbred racing;
  - (ii) encouraging responsible wagering and gaming; and
  - (iii) optimising employment in the Victorian thoroughbred racing industry.
- independence: RVL conducts its operations and exercises its powers and functions in a manner which ensures the public confidence in RVL's integrity and independence from any improper external influence.

## **Harness Racing Victoria**

Harness Racing Victoria (HRV) is a statutory body for which the Victorian Minister for Racing is responsible.

HRV's function is to administer, develop and promote the sport of Harness Racing in Victoria. In 2007, HRV held 4,375 races at just over 500 meetings, with total prize money of \$32 million.

HRV state their mission is *“to develop a vibrant Harness Racing industry which promotes participation, integrity and racing excellence, grows wagering and maximises returns to its stakeholders”*.

The HRV vision is to:

- Acknowledge the significance and diversity of our 'grass root' participants, families, professionals and the stakeholders who make up our Harness Racing industry.
- In partnership with Victorian Harness Racing Clubs, and kindred bodies, encourage industry participation, as well as promote, foster and reward excellence.
- Lead, manage, develop and unite the Harness Racing industry to achieve growth, profitability and greater returns to owners.
- Provide innovative marketing and promotional initiatives which maximise Harness Racing's appeal and total entertainment value.
- Increase wagering through improved branding, product presentation, and by ensuring that the industry operates with integrity.
- Effectively consult and communicate with all Harness Racing participants and stakeholders
- Provide a focused, user-friendly and cost-effective administration which supports the changing needs of the Harness Racing industry and responds effectively to emerging business challenges and opportunities.

Harness Racing Victoria is led by a seven member Board who report to the Minister for Racing. It is managed by an Executive team comprising the Chief Executive and five General Managers each responsible for one of HRV's units.

## **Greyhound Racing Victoria**

Greyhound Racing Victoria (GRV) is the industry body that controls and regulates the sport of greyhound racing within Victoria. With approximately 800 race meetings and 9,000 races



annually, held across 14 venues throughout the state, GRV provides just over \$20 million to owners and trainers in prize money each year.

GRV is a statutory body established under the *Racing Act 1958* with responsibility for the conduct, administration and promotion of greyhound racing in Victoria. The five members of the Board of GRV are all independently appointed by the Minister for Racing.

GRV's mission statement is *"To effectively manage, promote and develop a vibrant industry to ensure expansion and future wagering growth to maximize opportunities and returns for all participants"*.

In addition to growing the awareness of and participation in greyhound racing as a sport, pastime and passion, GRV endorses the safety and welfare of greyhounds through the Greyhound Adoption Program. Receiving support from local government and surrounding councils, this program fosters the care of ex-racing greyhounds through an adoption scheme.

# CURRENT VICTORIAN MODEL

**Office of Gaming and Racing**

Policy support to Government.  
Administration support to Racing Appeals Tribunal

**Racing Victoria Ltd**  
Responsible for both commercial and integrity functions in thoroughbred racing

**Harness Racing Victoria**  
Responsible for both commercial and integrity functions in harness racing

**Greyhound Racing Victoria**  
Responsible for both commercial and integrity functions in greyhound racing

**TAB**

Control racing including: set rules of racing; employ stewards; drug testing and vet services; register participants, racecourses, clubs, and horses or greyhounds; allow betting on racecourses; set dates and time for racing; consult with stakeholders.

**RVL Racing Appeals and Disciplinary Board**  
(Members independent of RVL Board)

**HRV Internal Domestic Appeals Panel**  
(Members independent of HRV Board)

**Internal GRV Board Appeals Process**

**Racing Appeals Tribunal**  
Appeal must go directly to RAT (bypassing internal appeal process) on 12 months suspension, disqualification or warning off for RVL and GRV, but in the case of HRV 3 months. For HRV an appeal from a fine of over \$1,000 must go to RAT. Also, in the case of HRV an appeal relating to prohibited substances must go directly to RAT. Appeal is made to RAT following internal appeals process on other matters.

**Supreme Court**  
(on matters of law)

**VCAT**  
(appeals on occupational racing licenses and bookmakers licences)

## **WEST AUSTRALIA**

### **GOVERNMENT**

The Department of Racing, Gaming and Liquor is responsible for regulating the liquor, wagering and gaming industries.

The main role of the Department in relation to the racing industry is facilitating and providing executive support to the Gaming and Wagering Commission of Western Australia, which is responsible for administering the *Betting Control Act 1954*, and *Bookmakers Betting Levy Act 1954*.

The Department's responsibility in relation to the racing industry is administering the:

- *Racing and Wagering Western Australia Act 2003*;
- *Racing and Wagering Western Australia Tax Act 2003*;
- *Racing Restriction Act 2003*;
- *Racing Penalties (Appeals) Act 1990*;
- *The Western Australian Turf Club Act 1892*;
- *Western Australian Turf Club (Property) Act 1944*;
- *Western Australian Trotting Association Act 1946*; and
- *Western Australian Greyhound Racing Association Act 1981*.

In addition, the Department audits TAB agencies; processes applications for Bookmakers and Bookmakers' employees; processes licence applications for key Racing and Wagering West Australia (RWVA) employees on behalf of the Gaming and Wagering Commission of Western Australia.

The Gaming and Wagering Commission of Western Australia approves persons, premises, games and gambling under relevant legislation; licenses directors and key persons of RWVA; licenses bookmakers and administer bookmakers' levy; keep under review conduct, extent and character of gambling operations and use and location of gambling facilities; formulates and implements relevant policies.

### **Racing And Wagering West Australia**

On 21 May 2002 the Government announced the restructuring of the racing industry governance system in Western Australia. It was proposed to merge the principal club functions of The Western Australian Turf Club, Western Australian Trotting Association and Western Australian Greyhound Racing Authority, together with the off-course betting activities of the TAB, into a single controlling authority to be known as Racing and Wagering Western Australia (RWVA). RWVA is responsible for providing strategic direction and

leadership in the development, integrity and welfare of the racing industry in Western Australia.

It is responsible for commercial and developmental responsibilities for the three codes of racing, integrity services and systems for the three codes and for operating the WA TAB.

RWWA responsibilities include, but are not limited to:

- Control, supervise and regulate the conduct of thoroughbred, harness and greyhound racing in Western Australia, including the responsibility for steward and drug testing activities.
- In conjunction with national rule making authorities, make rules for the conduct of racing in WA and, in all respects, perform the role of principal club.
- Register racing clubs and racing animals and license race meetings, race venues and participants.
- Foster the development, promote the welfare and ensure the integrity of metropolitan and country thoroughbred, harness and greyhound racing in the interests of the long term viability of the racing industry in WA.
- Set race dates and determine the race meetings on which RWWA will conduct off-course wagering.
- Establish policies for, and manage the provision of, programs for apprenticeship jockey, trainee driver and other industry training requirements (such as stake money levels and race conditions and programs).

## **INTEGRITY BODIES**

The Integrity Assurance Committee has primary oversight of, and advises RWWA on, aspects of RWWA's functions that relate to stewards; drug testing and control; licensing and registration; handicapping; and racing appeals.

## **TRIBUNALS**

### **Racing Penalties Appeal Tribunal**

The Racing Penalties Appeal Tribunal was created to provide the industry with an impartial judicial forum for the hearing of appeals against RWWA determinations.

The Tribunal is responsible for hearing and determining appeals against penalties imposed in disciplinary proceedings arising from, or in relation to, the conduct of greyhound racing, thoroughbred racing and harness racing.

A person, who is aggrieved by a RWWA decision, or a determination of a steward or a committee of a racing club, may make an appeal to the Tribunal within 14 days of the

decision being handed down. The matters that can be appealed against are those determinations or findings:

- Imposing any suspension or disqualification, whether of a runner or of a person.
- Imposing a fine which results, or may result, in the giving of a notice of the kind commonly referred to as a 'warning-off'.
- In relation to any other matter, where the Tribunal gives leave to appeal.

Decisions of the Tribunal are final and binding.

# WEST AUSTRALIAN MODEL

