



Office of the
Racing Integrity
Commissioner

OFFICE OF THE RACING INTEGRITY COMMISSIONER
Annual Report 2013-14

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The Hon. Dr Denis Napthine MLA
Premier of Victoria, Minister for Regional Cities,
Minister for Racing
Level 1, 1 Treasury Place
Melbourne VIC 3000

Dear Premier

I am pleased to present to you the Annual Report of the Office of the Racing Integrity Commissioner for the year ending 30 June 2014 for presentation to Parliament, in accordance with section 37F(1) of the *Racing Act 1958*.

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

Yours sincerely

Sal Perna
Racing Integrity Commissioner

Commissioner's Message

Welcome to our 2013–14 Annual Report, covering our fourth full year of operations. This year has been about how to best position the office for emerging challenges and how we can use our skills and resources to support the Victorian Racing Industry to be a national leader in sports integrity.



When this office commenced operations in 2010, I envisaged a plan that identified our major focus areas for a five-year period. Our first year would be one of establishment, familiarisation and engagement. Year two would be about improvement, education and audit. Our third year would focus on consolidation, enhancement and leadership, and this occurred as we addressed major issues and events such as the Race Fixing Own Motion Inquiry and the Damien Oliver Inquiry.

The 2013–14 year was intended to be a year in which we planned to see a balance between the proactive and reactive nature of our operations and the fifth year was to be when our proactive efforts 'overtake' our reactive work. Instead, we were able to achieve those fifth year aims this year.

The reactive nature of our functions necessitates the office receiving, recording, analysing and investigating information and complaints, responding to enquiries and undertaking audits. Proactively, we focus on education, awareness, communication, training, partnerships, legislative reform and engagement, not only with the Victorian Racing Industry but also with other racing administrations and sporting integrity units.

Our 2014 Roadshow, delivering presentations to nine regional and two metropolitan areas, resulted in a 168 per cent increase in attendance from last year. Our engagement with the racing industry and other stakeholders resulted in a 74 per cent increase in the number of people we spoke to and a 36 per cent increase in operational visits.

We delivered 39 presentations to 1,469 people, an 89 per cent increase in attendees on the previous year.

Over the four years, we have met with a total of 4,645 people and presented to 3,373 attendees including stewards, jockeys, trainers, police, government agencies, sporting and community clubs and the general public.

We delivered four more modules of our 'purpose-built' training programs for stewards and integrity officials, which this year included attendees from Racing Services Tasmania and took the number of participants on our training courses to 248.

This year was significant from many perspectives.

In November 2013, I signed an inaugural Memorandum of Understanding (MOU) with the Australian Crime Commission that formalised arrangements for the exchange of information, and work commenced on the establishment of a similar agreement with the Australian Federal Police.

The relationship with Victoria Police strengthened considerably with the entering into of an inaugural interim MOU and receipt of police intelligence reports by both my office and the racing controlling bodies. It is expected that a full MOU with Victoria Police will be signed early in the 2014-15 year.

From a national perspective, we were invited to be part of the National Integrity of Sport Unit's Australian Sports Integrity Network, comprising representatives of integrity units of Australian sporting organisations. I also continue to be part of the National Racing Integrity Advisory Group, which is made up of representatives of national and state racing and government bodies.

To ensure the office remains at the forefront of integrity assurance, we initiated a racing integrity benchmark survey during the year and invited 16 racing administrations throughout Australia to take part to enable the analysis of approaches and models. The intent is to expand on that work by undertaking a sport integrity benchmark study in the next year.

In January 2014, my powers were extended to include Board of Inquiry powers; that is, the ability to summons persons and documents and take evidence under oath. This legislative change was a result of a recommendation I made in the previous year following my Own Motion Inquiry into Race Fixing and enhances my ability to undertake effective investigations.

During the year, legislation was introduced to amend existing gaming laws and create a new offence for bookmakers employing disreputable persons. This was also the result of a previous recommendation.

While not all previous recommendations have taken effect, one major reform resulting from another recommendation was the creation of an Integrity Council by each of the three racing controlling bodies. These new forums are chaired by independent persons and the majority of members are independent of the controlling body. This is a significant step in the independence of integrity assurance in each code.

Two of our major projects for the year were the review of the existing racing appeals and disciplinary model and the conduct of an audit on the identification of racing animals. Each provided opportunities to improve key elements of our racing industry. The animal identification audit was critical to address public confidence concerns, as I continue to be 'warned' about the dangers of 'ring-ins' and the 'Fine Cotton Affair'.

This year's Annual Report outlines in further detail many of these achievements, which have only been made possible by the hard work and dedication of my staff (four full time and one part time). This small group is responsible for arriving at a point well ahead of expectations while continuing to respond to daily enquiries, complaints and information reports, and undertaking serious and complex investigations, audits, training and presentations. I am indebted to them.

I would like to acknowledge the Victorian Government, particularly the Premier and Minister for Racing and his staff, for their support, endorsement and trust in my work.

I also wish to thank the Department of Justice and Office of Liquor, Gaming and Racing, together with the Victorian Government Solicitor's Office, for their continuing advice and assistance.

Integrity in racing is, of course, not solely the domain of this office and integral to achieving a racing industry free of crime and corruption is the work of the controlling bodies. To this end, I would like to thank Racing Victoria Limited, Harness Racing Victoria and Greyhound Racing Victoria, their Boards, Integrity Councils, senior management and especially their integrity staff and stewards for their assistance and cooperation.

Finally, I would like to acknowledge the participants of the racing industry who make racing what it is – a world class, major contributor to the economy and an international drawcard – through their efforts in ensuring robust integrity systems and processes are followed. I also thank them for their time and the effort they make in assisting my office and trusting me with their concerns.

I am honoured to have been appointed for a third two-year term and look forward to seeing the results of work generated in this and previous years in building the integrity reputation of Victorian racing.



SAL PERNA
Racing Integrity Commissioner

Overview of the Office of the Racing Integrity Commissioner

The Office of the Racing Integrity Commissioner (the office) is established under the *Racing Act 1958*. The Racing Integrity Commissioner (the Commissioner) is an independent statutory officer with oversight of integrity issues within the Victorian Racing Industry (VRI).

Mr Sal Perna is the inaugural Racing Integrity Commissioner. He was first appointed by the Governor in Council and commenced on 1 March 2010 for a two-year term. He was reappointed for a two-year term in 2012 and was appointed again in 2014 for a further two years.

Our Vision

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

Our Mission

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

Our Strategic Objectives

- Enhance public confidence in the integrity of Victorian racing
- Develop leadership in racing integrity assurance
- Enhance existing racing integrity assurance processes and systems

Our Values

Integrity

We will be accountable, fair and transparent.

Independence

We will act impartially, without fear or favour.

Leadership

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

Professionalism

We are dedicated to achieving excellence.

Engagement

We will develop successful partnerships built on trust.

Our Values

Integrity

Independence

Leadership

Professionalism

Engagement

Functions of the Racing Integrity Commissioner

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

- conduct annual audits of the internal integrity processes and systems, in whole or in part, of Racing Victoria Limited (RVL), Harness Racing Victoria (HRV) and Greyhound Racing Victoria (GRV) (the controlling bodies), in areas identified:
 - by the Commissioner; or
 - by the Commissioner in consultation with each controlling body;
- conduct audits outside the subject matter of an annual audit at the request of a controlling body;
- investigate complaints made about the integrity processes and systems of a controlling body;
- refer complaints about the integrity processes and systems of a controlling body to:
 - Victoria Police if the complaint relates to a criminal matter;
 - the relevant controlling body if the complaint relates to an alleged or apparent contravention of the rules of a controlling body;
 - the Victorian Commission for Gambling and Liquor Regulation if the complaint relates to an alleged or apparent contravention of the *Gambling Regulation Act 2003*;
 - the relevant government agency if the complaint relates to an alleged or apparent contravention of any Act or subordinate instrument in connection with the integrity of racing; or
- the Integrity Sub-Committee (recently replaced by the Integrity Council) of the relevant controlling body if the complaint relates to an internal integrity matter;
- investigate matters referred by the Minister or a controlling body;
- report the findings of any investigations conducted into complaints that have not been referred to other bodies to:
 - the person who made the complaint; and
 - with or without identifying the person who made the complaint or the person who is subject of the complaint, the Minister or the relevant controlling body (as the Commissioner considers appropriate);
- conduct own motion inquiries that do not relate to any specific complaint and may include an investigation into systemic issues in racing;
- make recommendations (if appropriate) following the investigation of any complaint, inquiry or matter to (as the Commissioner considers appropriate):
 - the Minister; or
 - the relevant controlling body;
- direct a Racing Appeals and Disciplinary (RAD) Board to hear and determine an appeal made by a person against a penalty imposed on the person under the rules of a controlling body if:
 - the penalty imposed is a fine of not more than \$250; and
 - the Commissioner considers that it is in the public interest for the appeal to be heard; and
- perform any other functions conferred on the Commissioner under the Racing Act.

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

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

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

In carrying out his functions, the Commissioner also:

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

Stakeholder survey ...

“Increased contact with the Integrity Commissioner and this [sic] staff has given greater insight into their role and gives a greater appreciation of the good work they are doing.”

Part A

Year in Review

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

Stakeholder Engagement

Industry Familiarisation

Since the office was created, the Commissioner has been committed to understanding the scope and nature of the VRI by actively engaging with stakeholders. During 2013–14, the scale of the office's stakeholder engagement and familiarisation program exceeded previous years on all measures.

During the year, the Commissioner and office staff met with 1,807 people from 430 organisations. On average they met with 150 people per month, which is a 74 per cent increase on the previous year.

The Commissioner and staff have met with a total of 4,645 people since the office commenced operations in March 2010.

The office interacts with stakeholders through a variety of communication channels such as formal discussions and meetings, site and operational visits, and attendance at race meetings of all three codes at both metropolitan and regional venues.

As in previous years, presentations by the Commissioner to the racing industry, other stakeholders and the general public formed a key component of the year's engagement program. A total of 39 presentations were made during the year to 1,469 attendees (an 89 per cent increase in attendees compared with the previous year), which included presentations to representatives of organisations such as Victoria Police, steward and jockey training programs, sporting clubs, racing clubs, industry bodies, community and service organisations, and the general public.

Since March 2010, a total of 3,373 people have attended presentations by the Commissioner.

To ensure the office remains abreast of developments in the industry and to enhance collaborative relationships with stakeholders, the Commissioner and his staff undertook 76 operational visits, including race meetings, hearings of the RAD Boards, and visits to the Racing Analytical Services Limited (RASL) laboratory and a variety of other racing facilities such as breeding and training properties. The number of operational visits during the year represents a 36 per cent increase on the previous year and takes the tally of visits to 210 since the office commenced operation.

Stakeholder engagement and familiarisation will continue to be a key focus in the coming year. Such engagement is vital to ensure the office remains relevant, represents the views of the racing industry and general public, enhances public confidence by creating awareness of existing integrity safeguards and identifies current and emerging issues.

Stakeholder survey ...

"Co-operation with law enforcement agencies is an important issue which the commission is taking seriously and doing well."

Stakeholder Survey

Annually, the Commissioner engages an external contractor to conduct a survey to review stakeholder relationships. As well as providing independent and confidential feedback from stakeholders on the office's performance, the information collected also enables the Commissioner to address opportunities for improvement through the following year's business plan.

In 2014, over 50 representatives from all key stakeholder groups were surveyed. These included stakeholders from the three racing controlling bodies, as well as other industry and government groups.

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

This year's results show that the overall rating for the office remains strong and has continued to grow over the years, with some indicators continuing to meet international best practice standards. Additionally, the survey drew a high response rate (80 per cent), which indicates that engagement with stakeholders remains strong. The survey found that acceptance of the position of Racing Integrity Commissioner has increased markedly since the role commenced in March 2010.

As with previous years, different stakeholder groups valued particular capabilities, functions and initiatives of the Commissioner's office more than others. This was observed most notably in comments regarding the Commissioner's recommendation (arising from his 2012 Own Motion Inquiry into Race Fixing) that a separate integrity body be established independently of the three controlling bodies. While this recommendation was made in the previous reporting period, some survey respondents were concerned that the

recommendation was not implemented. Conversely, other stakeholders continue to hold the view that this recommendation was not warranted.

Initiatives valued by respondents in the past 12 months included the work the office does in relation to stewards and integrity training; the development of relationships with law enforcement for the purpose of information exchange; and the assistance provided in recommending the implementation of integrity in sport legislation.

Exchange of Information

Since commencement in March 2010, the Commissioner and his office have endeavoured to establish effective working relationships with the VRI and state and Commonwealth law enforcement agencies.

A key to establishing successful relationships is the ability to develop information sharing arrangements. The lack of such arrangements continues to challenge the ability of racing authorities to identify and investigate integrity concerns.

In 2012–13, an interim information sharing agreement was made between the Commissioner's office and Victoria Police. In the past 12 months, extensive work has been undertaken by both bodies to formalise the agreement with the aim of enabling Victoria Police to share relevant information with the VRI, where not prohibited by legislation.

At a national level, the Commissioner and the Chief Executive Officer of the Australian Crime Commission (ACC) signed a formal agreement for information sharing in November 2013. The ACC previously secured amendments to its legislation to permit the sharing of information with this office and to include the ability to pass on intelligence information directly to the VRI.

A strong relationship between law enforcement and racing controlling bodies is vital to address crime and corruption and instil confidence in the public regarding the integrity of racing in Victoria.

Partnerships

Racing Integrity Operations Committee

The Commissioner continued to chair the Racing Integrity Operations Committee (RIOCI) in the 2013–14 period. This committee comprises the Integrity Manager and Chairman of Stewards of each of the controlling bodies, as well as the Manager Integrity Operations and the Manager Investigations from the Commissioner's office.

The role of RIOCI is to discuss current and emerging integrity matters across the VRI. During the year, seven meetings were held, providing the opportunity for cross-code discussions as well as regular face-to-face communication between this office and the controlling bodies.

Integrity issues discussed included the use of prohibited substances in racing; steward training programs; relationships with law enforcement bodies; legislative reforms; and the racing appeals and disciplinary model.

Organisations invited to attend RIOCI meetings included the Victoria Police Sporting Integrity Intelligence Unit and Purana Task Force and RASL.

Integrity Council Forum

In March 2014, the Premier and Minister for Racing endorsed the establishment of an independent Integrity Council for each racing code, arising from the Commissioner's recommendations from the 2012 Own Motion Inquiry into Race Fixing. The Integrity Councils were established to operate independently of the Boards of racing controlling bodies, with responsibility for oversight and direction of integrity assurance operational matters.

The functions of the Integrity Councils include:

- oversight of integrity assurance functions;
- provision of advice and recommendations to the respective Boards on integrity-related matters; and
- liaison with the Racing Integrity Commissioner and the other Integrity Councils.

To facilitate liaison between the Councils and the Commissioner's office, a quarterly forum is chaired by the Commissioner and attended by the Chairman of each Integrity Council.

The Integrity Councils replaced the controlling bodies' Integrity Sub-Committees (ISCs), which had also participated in similar cross-code forums chaired by the Commissioner. The first ISC forum was held in February 2012. During the reporting period, two ISC forums and the inaugural Integrity Council forum were held.

Further information about the Integrity Council model is outlined under the section of this report entitled *2012 Own Motion Inquiry into Race Fixing*.

Education and Awareness

Public Survey

In January 2014, the office again commissioned Newspoll to survey the general public regarding integrity in the VRI. One purpose of the survey is to obtain information about community attitudes to racing and integrity to assist the office to plan communication strategies and projects. The Commissioner disseminated a summary of the survey results to the racing controlling bodies to assist with their own planning.

This was the third annual survey conducted using a random sample of the Victorian population aged 18 or over. The results were post-weighted to Australian Bureau of Statistics data to reflect the population distribution.

In the first survey (2012), Newspoll asked 902 respondents four questions relating to their attendance at the races, their wagering activity, their confidence in the integrity of racing and their awareness of the Commissioner's position. In 2013, 920 respondents were asked the same four questions and also asked an additional question – whether their perception of integrity in racing had improved or worsened over the previous year.

In early 2013, the Commissioner reported on the 2012 Own Motion Inquiry into Racing Fixing and recommended, in part, the creation of a body independent of the controlling bodies with responsibility for integrity processes and systems across the three codes. The 2014 survey of 900 Victorians included an additional question about who Victorians think should manage integrity processes and staff in the industry.

The survey results over three years show a 4 per cent reduction in the number of Victorians attending race meetings. The reduction in attendance almost entirely relates to fewer women attending race meetings. The surveys indicate there has been a 6 per cent reduction in the number of Victorians betting on Victorian races between 2012 and 2014. The reduction in the number of Victorians betting stems largely from fewer Victorians making one or two bets in a year.

Between the 2012 and 2013 surveys, the confidence of Victorians in the integrity of racing fell significantly from 58 per cent to 45 per cent. This result was not surprising given the high public profile of the inquiries that were being conducted at the time by the Commissioner and RVL. The confidence levels of Victorians stabilised in the year to February 2014. Despite the reduction in confidence since 2012, in 2014 there were still more Victorians with confidence in the integrity of racing (43 per cent) than those without (38 per cent).

Two-thirds of respondents reported that they did not know whether integrity in racing had improved or worsened in the 12 months leading up to February 2014. In response to the question on who should manage integrity processes and staff, almost half of respondents stated that integrity should be managed by an independent body (47 per cent), while one in four Victorians believe the controlling bodies should manage integrity (24 per cent). Of the 10 per cent of respondents who said an organisation other than an independent body or the controlling bodies should manage integrity, the most common suggestions were 'government' and a variant of 'somebody independent'.

In 2014, 27 per cent of Victorians were aware of the role of the Commissioner, which was a return to 2012 levels after a spike in awareness in 2013.

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

Roadshow Presentations

Throughout May and June 2014, the Commissioner undertook 11 'Roadshow' presentations in regional and metropolitan Victoria and met with a number of racing participants and members of the public.

The 2014 Roadshows built on those undertaken in the previous two years to create a greater understanding and awareness of the Commissioner's role and responsibilities; the work the office has undertaken; emerging risks to integrity in the racing industry; and the safeguards in place to ensure that it operates free from crime and corruption.

The number of attendees this year tripled the previous year's attendance figures. Of the regional venues, Mildura had both the greatest increase from the previous year and the largest attendance for 2014.

Industry participants represented 87.5 per cent of all attendees, 9.4 per cent were non-racing industry (such as media, wagering services providers and the general public) and 3.1 per cent were from the three controlling bodies.

Of the racing industry attendees, 59.4 per cent were from Thoroughbreds, 26.4 per cent from Harness and 14.2 per cent from Greyhounds.

The sessions provide an opportunity for participants to raise questions and for the Commissioner and staff to gain an in-depth understanding of the public perception of the racing industry and emerging racing concerns. It was clear from these sessions that participants continue to regard drug control, race fixing and illegal wagering as key integrity matters.

Professional Training for Stewards and Integrity Staff

One of the Commissioner's key focus areas is to enhance the professionalism of integrity officials in the three racing controlling bodies.

In 2011, the Commissioner initiated a cross-code training program through the development of 'purpose-built' training modules tailored to provide the skills, knowledge and expertise in critical competencies required by integrity officials in the VRI.

The Racing Integrity Investigators' Program has been expanded since its inception and now consists of four training modules, with the intent to further expand the program by an additional three modules in 2015.

The program provides training by specialist lecturers in the areas of:

- undertaking and managing serious or complex investigations;
- collection and presentation of evidence;
- preparation and presentation of cases;
- collection and management of information and intelligence;
- techniques in surveillance and preparation of 'operation orders';
- rules of racing;
- drug control;
- communication and leadership;
- integrity in sport; and
- ethics.

In November 2013, Course Number Four of Modules 1 and 2 – *The Essentials of Investigation and Collection and Presentation of Evidence* – were delivered to 22 and 23 participants respectively from the three racing codes. Presenters from Victoria Police and the Victorian legal fraternity joined with senior integrity officials from the three racing codes and the Commissioner to deliver the course content.

For the first time ever, integrity staff from another jurisdiction (Racing Services Tasmania) took part in this component of the training program.

Feedback from participants included:

"The content was very relevant to our role."

"Very beneficial, thank you for the opportunity."

"The content and way the information was conveyed was extremely valuable."

"The content is very powerful and interesting."

In May 2014, Course Number Two of Modules 3 and 4 – *The Integrity Tool Box* and *The Vocational Tool Box* – were delivered to 20 participants from the three racing codes.

Representatives from the Australian Football League, Tennis Australia, the ACC, and leadership and communication specialists and presenters assisted with delivery of the course content.

Feedback from participants at these modules included:

"A great day."

"A very interesting and entertaining presentation."

"A most enjoyable two days, these courses are very worthwhile."

As at 30 June 2014, the Commissioner's office had initiated, developed and delivered a professional training program to 248 participants.

Modules 1 and 2 have been delivered four times and Modules 3 and 4 twice over four years. In addition to staff of controlling bodies, participants have included staff from Victoria Police, RASL, Racing Services Tasmania and the Commissioner's office.

The Commissioner's training program will continue in 2014-15 with the introduction of Modules 5, 6 (*Drug Control*) and 7 (*Wagering*).

Investigation, Audit and Review

2012 Own Motion Inquiry into Race Fixing (reported in January 2013)

On 23 January 2013, the Commissioner presented to the Minister for Racing the findings of the 2012 Own Motion Inquiry into Race Fixing. While he found that race fixing was not a systemic issue in Victoria, 11 recommendations were made to improve integrity practices and address new and emerging needs.

The 11 recommendations comprised:

- two recommendations made to extend the Commissioner's powers (to have the powers and privileges of a Board of Inquiry and to provide protection to informants);
- a recommendation to enable law enforcement bodies to provide telecommunication interception information to authorised bodies;
- three recommendations regarding Victoria Police (to establish dedicated specialist investigators for racing; sufficiently resource the then Racing and Gaming Intelligence Unit; and review barriers to information sharing);
- a recommendation to expedite the introduction of 'cheating at gambling' legislation;
- a recommendation to address the perceived regulatory gap regarding powers of stewards over 'unlicensed' persons;
- two recommendations to elevate the conduct of unlawful betting by jockeys and drivers to the category of a serious offence; and
- a recommendation to create an independent racing integrity body, removing such responsibility from the racing controlling bodies and transferring all current integrity staff and stewards from their respective organisations to the new cross-code body.

As at 30 June 2014, six of the 11 recommendations had been implemented and four had not been implemented. One recommendation was in progress at the time of writing.

The Racing Act was amended on 29 January 2014 to confer on the Commissioner the powers and privileges of a Board of Inquiry. The Commissioner is now empowered to compel the attendance of certain classes of persons and the production of documents, as well as examine persons under oath or affirmation. The Commissioner may seek penalties for non-compliance through 'contempt of court' provisions.

The Racing Act was also amended on that date to give RVL stewards legislative power over unlicensed persons. That is, the Rules of Racing do not only apply to and bind persons who hold licences, registration and permits issued by RVL. They also apply to those who are not licensed or registered but attend race meetings or participate in activities connected with racing, or wagering on racing, which may involve a breach of the rules.

On 11 February 2013, Victoria Police established the Sporting Integrity Intelligence Unit to support the discovery, collection, collation and analysis of racing-related information held by Victoria Police. This new unit assumed the responsibilities of the former Racing and Gaming Intelligence Unit.

On 23 April 2014, the *Crimes Act 1958* was amended by the commencement of the *Crimes Amendment (Integrity in Sports) Act 2013*. This legislation provides specific criminal offences in relation to corrupting the betting outcome of events on which it is lawful to place bets. The legislation established five new offences targeting conduct that is intended to manipulate betting outcomes. It also created an offence of possessing information regarding corrupt conduct and using that information to bet or encourage another person to bet, or communicate that information to another person who would be likely to bet. While some other states and territories have enacted similar legislation, Victoria is the only state to date to set a maximum penalty of 10 years' imprisonment for all the new charges.

Recommendations were made to RVL and HRV to alter the rules relating to jockey and driver betting respectively, to reclassify breaches as serious offences. That is, charges cannot be heard and determined by the stewards but must be heard and determined by a RAD Board. Rule amendments for RVL and HRV came into effect on 1 March 2013 and 1 July 2013 respectively.

The report also recommended that the Minister for Racing approach the Commonwealth Attorney-General to seek amendment to the *Telecommunications (Interception and Access) Act 1979* (Cth) to include provision for law enforcement bodies to provide telecommunication interception information to authorised bodies performing enforcement duties (including racing bodies). This recommendation was endorsed by the Racing Minister and representations were made to the Commonwealth Attorney-General. Advice has been received that a review of the current provisions will be undertaken at the Commonwealth level.

As reported in the previous year, Victoria Police did not agree to implement the recommendation to establish a dedicated specialist unit responsible for racing-related investigations.

During the year, however, progress was made with Victoria Police regarding the recommendation to review the barriers to lawful and effective sharing of information between police, the Commissioner's office and the racing controlling bodies. The review was completed in the reporting period and identified limited legislative barriers to information sharing. As a result, it is anticipated that a Memorandum of Understanding (MOU) with Victoria Police will be signed in the coming period.

The recommendation that the Racing Act be amended to confer powers on the Commissioner to provide protection to informants has not been implemented.

CASE STUDY

The Commissioner's office received information alleging that a licensed racing participant was betting on races in which he was participating, contrary to that code's Rules of Racing.

Through preliminary investigation and with the cooperation of wagering service providers, the racing participant was identified as holding a number of betting accounts with a variety of wagering providers.

Analysis and review of transactions associated with each of the accounts identified that multiple bets had been placed on races in which the licensed person had participated. This information was collected, collated, analysed and disseminated to the relevant racing controlling body for action.

As a result of the referral and further investigation by integrity officials from the controlling body for that code, the licensed person was charged with a

number of breaches of the Rules of Racing regarding betting on races in which he was involved. The licensed person was successfully prosecuted before the code's RAD Board.

The trust shown by the person who provided the information, the preliminary investigation conducted by the Commissioner's office and the subsequent information sharing and cooperation between the office, the wagering service providers and the integrity unit of the relevant controlling body resulted in the identification of breaches of the Rules of Racing and potentially corrupt behaviour. It also resulted in appropriate sanctions being taken against a licensed racing participant.

The final recommendation made was to create an independent racing integrity body, removing such responsibility from the racing controlling bodies and transferring all current integrity staff and stewards from their organisations into the new cross-code body. This recommendation received strong support from both the general public and the racing industry. After discussions between government, the Department of Justice and the three racing controlling bodies, a decision was taken to not implement the recommendation but to create independent Integrity Councils as an alternative. Members of the Integrity Councils were appointed in April 2014. The Integrity Councils oversee the integrity functions of the three controlling bodies, provide advice and make recommendations to the respective Boards and liaise with the Commissioner on integrity matters.

Membership of each Integrity Council comprises persons independent of racing as well as current Board members who cannot be appointed as Chair or Deputy Chair. While it is the view of the Commissioner that the Integrity Council model goes a long way towards creating independent oversight of racing integrity matters, this option does not address the concerns forming the basis of the Commissioner's original recommendation. The Commissioner will undertake a review of the Integrity Council model in the future to assess the efficacy of the reform.

Investigation of the Damien Oliver Inquiry 2012 by Racing Victoria Limited

On 25 June 2013, the Minister for Racing tabled in Parliament the Commissioner's *Final Report on the Investigation of the 'Damien Oliver Inquiry' 2012 by Racing Victoria Limited (RVL)*. This report made four recommendations arising out of the Commissioner's findings and the implementation of these recommendations continued to be monitored throughout the reporting period.

The four recommendations related to five actions. Of the five, two were implemented, two were not implemented and one is still in progress.

- 1(a) That RVL amend Local Rule 72C(1) to include provision for the stewards to stand down a person at any stage of their inquiries and investigations, including prior to and after the laying of charges, if that person's continued participation in racing undermines the image, interests or integrity of racing.

This recommendation was not implemented.

- 1(b) That RVL repeal Local Rule 73C(2), which provides that a decision of the directors shall prevail over the decision of the stewards to the extent of any inconsistency.

This recommendation could be considered implemented as a result of the rule becoming redundant following the introduction of a national (Australian Racing Board) rule on 1 October 2013.

2. That the Minister urge the Chief Commissioner of Police to expedite the completion of the review of barrier(s) to the lawful and effective sharing of information between Victoria Police, [the Commissioner's office] and the racing controlling bodies.

This recommendation was also made as a result of the 2012 Own Motion Inquiry into Race Fixing. A review commenced in February 2013 and is ongoing at the time of writing. Work to date identified the various information holdings within Victoria Police, the Commissioner's office and the controlling

bodies and legal advice was obtained to determine what, if any, barriers exist in regard to the sharing of that information.

While some barriers will require extensive consultation and legislative reform, for example the obtaining of telecommunication interception information, it is expected that an MOU with Victoria Police will be formalised in the coming period.

3. That the Minister take all necessary steps to urge the Chief Commissioner of Police to either reconsider the establishment of dedicated, specialist investigators for sports-related crime or corruption or to identify and nominate an existing investigative area of Victoria Police to be tasked with this role.

A similar recommendation was made by the Commissioner in January 2013 following the 2012 Own Motion Inquiry into Race Fixing. In the original recommendation, the Commissioner urged the creation of a dedicated specialist investigative unit. This recommendation was not supported by Victoria Police.

This more recent recommendation was not implemented.

4. That the Minister seek to expedite [the Commissioner's] previous recommendation to amend the Racing Act 1958 to confer the powers and privileges of a Board of Inquiry on the position of Racing Integrity Commissioner.

This recommendation was implemented through legislative amendments to the Racing Act coming into effect on 29 January 2014 to confer on the Commissioner the powers and privileges of a Board of Inquiry. The Commissioner is now empowered to compel the attendance of certain persons (licensed or registered persons or persons on a Board of a controlling body or the committee of a club or employed by a controlling body or club) and the production of documents, as well as the examination of persons under oath or affirmation. The Commissioner may also seek penalties for non-compliance through 'contempt of court' charges.

Audits

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

The 2013–14 audit reviewed the controlling bodies' compliance with their own policies regarding the identification of racing animals. During the reporting period, the Commissioner made findings against the results of the audit conducted in 2012–13, which reviewed the controlling bodies' compliance with their own policies and processes regarding betting and private interest declarations. The audit also reviewed the implementation of formal recommendations made to controlling bodies by the Commissioner in prior periods.

Annual Audit 2013–14

The objective of the 2013–14 audit was to assess the controlling bodies' compliance with their own requirements for the identification of racing animals on race day. The subject of animal identification was selected as a critical component of race day integrity. Of note is that the Fine Cotton 'ring-in' incident of 1984 is still raised by members of the general public as the basis for concerns that similar incidents could occur today.

Steps in this year's audit included a review of the controlling bodies' rules, policies and processes in relation to animal identification; meetings and discussions with stewards and integrity staff; attendance on race day at both metropolitan and regional meetings to observe animal identification practices; and a comparison of observed practices with written procedures.

Interim audit findings reveal that animal identification practices are generally in compliance with existing policies and that these policies adequately protect the integrity of this facet of racing.

Where practices were observed to be different from current policies, the Commissioner will address these matters with the relevant controlling bodies to ensure that policies are up to date, practical and achievable and that stewards and integrity staff observe these requirements without exception. Final findings on the results of this audit will be made by the Commissioner in the coming period.

Annual Audit 2012–13

In the previous reporting period, the Commissioner conducted an audit that reviewed:

- the controlling bodies' implementation of previous recommendations made to them by the Commissioner pursuant to section 37B(1)(h) of the Racing Act; and
- compliance with the controlling bodies' own systems in relation to submission and verification of betting declarations and private interest declarations.

The interim audit report made 15 recommendations in regard to the improvement of the processes relating to the submission and verification of betting declarations and private interest declarations by controlling body staff, as well as the implementation of recommendations made previously. Following consultation with the controlling bodies, and reassessment of compliance in some instances, the final report made 10 recommendations to the controlling bodies – two to RVL, six to HRV and two to GRV.

Seven of the 10 recommendations made related to improvements to the processes for reviewing private interest and betting declarations. The other three recommendations were made regarding the implementation of previous recommendations.

Declarations of Private Interests and Betting Account Registers

Each year, the three controlling bodies undertake a process of reviewing declarations made by their integrity staff and senior managers in regard to a) private interests and b) betting accounts. This process is in accordance with the integrity guidelines established by each code.

The Commissioner oversees this process by examining the results of the annual reviews undertaken by the controlling bodies. This includes a review of the process and the declarations themselves. Following each review by this office, feedback is provided to the controlling bodies to address anomalies and to support the continuous improvement of processes.

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

Due to differences in reporting periods, the reviews by this office of the declarations of RVL and GRV staff were undertaken in late 2012–13. The review of declarations of private interests and betting account registers for HRV was completed in the 2013–14 financial year. While a lack of detail on some declaration forms was raised with HRV, no other concerns were identified during the review.

The Commissioner's review of the three codes' recent betting and private interest declarations will be conducted early in 2014–15.

Staff working at the Commissioner's office must also comply with the Commissioner's requirements regarding declarations of private interests and betting accounts. The Commissioner and his staff voluntarily impose a ban on betting on any racing code, anywhere, while employed by this office. The Commissioner personally reviews declarations by his staff on an annual basis.

Stakeholder survey ...

"The office has also improved the relationship between the racing codes and law enforcement authorities, this has realised the strengthening of legislation to deal with integrity matters and greater sharing of intelligence."

At a Glance

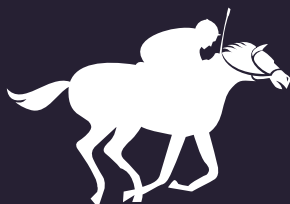
Facts & Figures 2013-2014

MET WITH ...

1,807 stakeholders
from 430
organisations

74% INCREASE

4,645 stakeholders over
the last 4 years
(since 2010)



PRESENTED ...

09 regional
Victoria
Roadshows

02 metro
Victoria
Roadshows

168% INCREASE IN
ATTENDEES



UNDERTOOK ...

76 operational visits including
race meetings, wagering service
providers and laboratory visits

36% INCREASE

STAKEHOLDERS...

rated the office as achieving
best practice in

2 categories – treating
people with respect
and being trustworthy



**RECEIVED ...**

assessed and responded to

150information reports,
complaints and
enquiries**SURVEYED ...**the Victorian public about its awareness and
attitudes to integrity in racing and found ...**47%**of Victorians think a separate
integrity organisation should
manage the integrity functions
of the 3 codessurveyed industry stakeholders
and found they ...**VALUE**the office's role in providing
training, developing relationships
with law enforcement bodies
and supporting integrity in
sport legislation**DELIVERED ...****39**presentations on
racing integrity to
1,469 attendees**89%**INCREASE IN
ATTENDEES**04**presentations to
216 Victoria Police
detectives**02**presentations
to **20** apprentice
jockeys**04**training modules
to **84** attendees,
including integrity
officials and stewards**MADE ...****03**recommendations
to government**20**recommendations
to controlling bodies

Review of Racing Appeals and Disciplinary Processes

In 2013–14, the office completed a major review of the Victorian racing appeals and disciplinary system. The review assessed the ‘new’ model, introduced in March 2010, which moved from an industry-based system to one that uses the Victorian Civil and Administrative Appeals Tribunal (VCAT) as the final appellate body for racing matters. The new system also introduced RAD Boards for Greyhound and Harness racing, modelled on the pre-existing Thoroughbred racing RAD Board. The model adopted differed in some respects from the recommendations of Judge Lewis in *A Report on Integrity Assurance in the Victorian Racing Industry*, published in 2008, which was the catalyst for structural change in the industry. In particular, Judge Lewis recommended the creation of one RAD Board to cover all three codes but the final model introduced three code-specific RAD Boards.

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

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

In 2013–14, the Commissioner completed a final report, *Review of the Victorian Racing Industry’s Appeals and Disciplinary Model 2010–2012*, which included 16 recommendations.

The Commissioner’s report supported the maintenance of the current appeals and disciplinary system but identified opportunities for improving its effectiveness. Specifically, consistency in procedures and decision making can be enhanced across the jurisdiction. Three recommendations advocated legislative change: firstly, to bring the RVL RAD Board into line with the other two RAD Boards; secondly, to require a minimum quorum for RAD Board matters; and thirdly, to remove the jurisdiction of VCAT to review non-serious racing matters.

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

Two recommendations related to the register of matters maintained by the Boards’ Registrar and another related to research to be undertaken by the Commissioner’s office on penalties. Three recommendations were designed to improve procedural consistency between the controlling bodies and a further three related to VCAT processes.

In 2014–15, the Commissioner will monitor the implementation of the recommendations and their impact on the Victorian racing appeals and disciplinary system.

Single Code of Practice

Following on from work in the previous year, the office worked with the racing controlling bodies to finalise the development of a Single Code of Practice (SCOP) for the VRI.

In the 2013–14 year, the first two parts of the SCOP were further developed:

- Part A – Integrity Standards for Racing Industry Officials; and
- Part B – Integrity Standards for Racing Industry Participants.

Parts A and B of the SCOP provide a set of minimum standards that enable the controlling bodies to develop policies to monitor and oversee conflicts of interest; betting; gifts, benefits and hospitality; private interests and probity; and employee screening.

These cross-code standards are in varying stages of implementation at the controlling bodies.

During the same period, work commenced on drafting Parts C and D of the SCOP, which develop guidelines for the management of the Rules of Racing (Part C) and protocols for Drug Control (Part D).

Work will continue in 2014–15 to refine these standards for implementation, with the aim of developing a complete set of standards that cover all aspects of integrity control in the racing industry.

Information and Intelligence Management

A customised Case Management System (CMS) is used to record, manage and report on all enquiries, complaints and information reports received at the office. Own motion inquiries and referrals from the Minister and controlling bodies are also managed on the CMS.

Enquiries

During 2013–14, the office received 94 enquiries. Forty-eight were from the public, 22 from industry participants, seven from industry employees, 12 from law enforcement, three from media, one from a Member of Parliament and one from a Victorian Government regulator.

Over half the enquiries (54) were made to the office via telephone and 39 were received by email. One enquiry was a referral letter from a Victorian Government Minister.

Thirty-three enquiries related to RVL, 22 to GRV and nine to HRV. Eighteen enquiries were not specific to any one racing code, four related to all three codes, seven related to a betting agency or bookmaker, and one related to Racing NSW.

Thirty per cent of enquiries received during 2013–14 were questions, comments and opinions on current issues, 29 per cent were about the actions, policies and processes of the controlling bodies, and 18 per cent were requests to meet or interview the Commissioner or ask him to present at forums. Twelve per cent of enquiries came from law enforcement agencies seeking information, nine per cent related to wagering service providers or betting, and two per cent related to employment opportunities within the office.

Enquiry	Number	Per cent
Questions, comments and opinions on current issues	28	30
Enquiries regarding controlling bodies, policies and processes including: <ul style="list-style-type: none"> • ownership details • nominations • gradings • acceptances • lodging complaints 	27	29
Request for Commissioner to meet / interview / present at forums	17	18
Enquiries from law enforcement agencies	11	12
Enquiries regarding wagering service providers and betting	9	9
Enquiries regarding potential employment at the Office of the Racing Integrity Commissioner	2	2
Totals	94	100

As a result of further discussions with enquirers and preliminary assessment of 32 enquiries, six resulted in the lodgement of an official complaint.

Stakeholder survey ...

"I hold the strong view that the Office of the Racing Integrity Commissioner has assisted in providing the general public with a sense that integrity is improving across the three ... codes of racing within the State of Victoria."

Roadshow comment ...

"An informative presentation. More power to you." – Bendigo

Complaints

During 2013-14, the office received and investigated a total of 24 complaints, 17 from racing industry participants, six from members of the public and one referral via the Racing Minister's Office.

Twelve of the complainants contacted the office by telephone. Eight complainants emailed the office, three wrote to the Commissioner and the Commissioner received one complaint in person.

All complaints were received overtly (not anonymously) and related to a range of issues including:

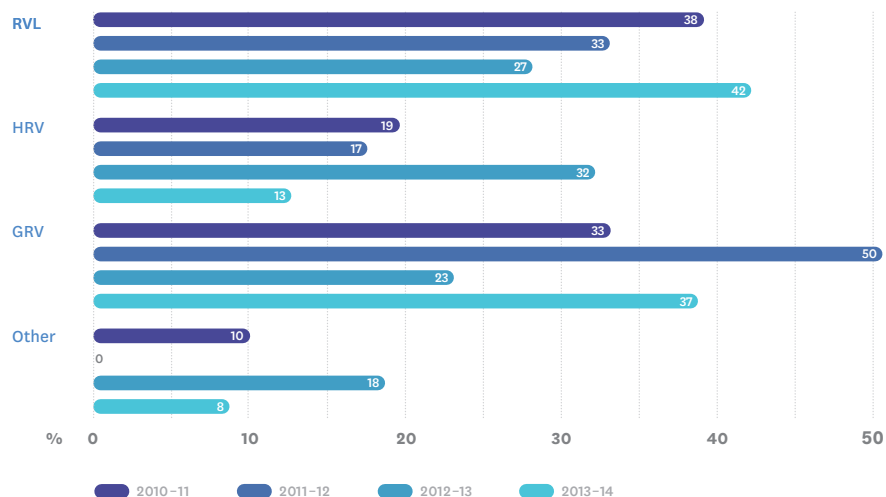
- stewards' actions and/or decisions;
- race day operations, for example swabbing; and
- use of prohibited substances.

Ten complaints related to RVL, nine to GRV and three were regarding HRV. A further two complaints involved issues unrelated to the controlling bodies, such as wagering providers not paying out winning bets.

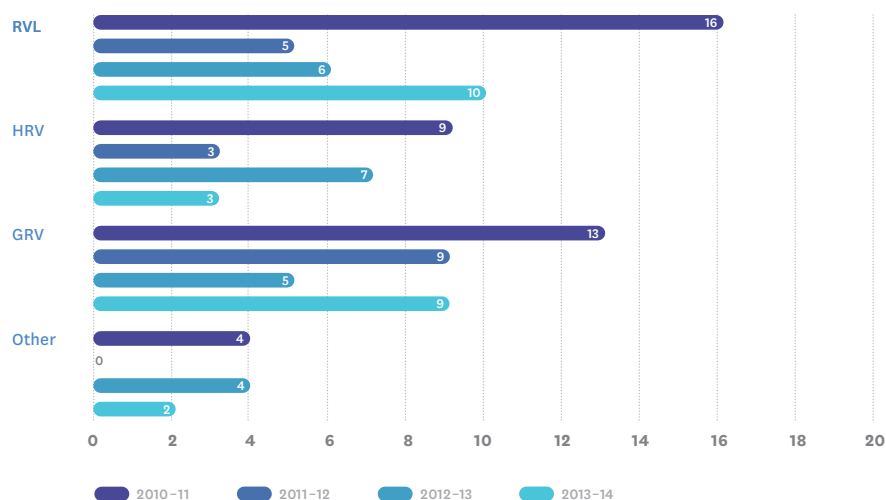
Preliminary analysis and investigation revealed that 10 of the 24 complaints (42 per cent) received in 2013-14 were not integrity related. Two complaints could not be investigated further as the complainant failed to provide requested information and three were disproved or unable to be substantiated.

Two complaints were referred to the appropriate controlling body for further investigation or information and seven remain under investigation by this office at the time of writing.

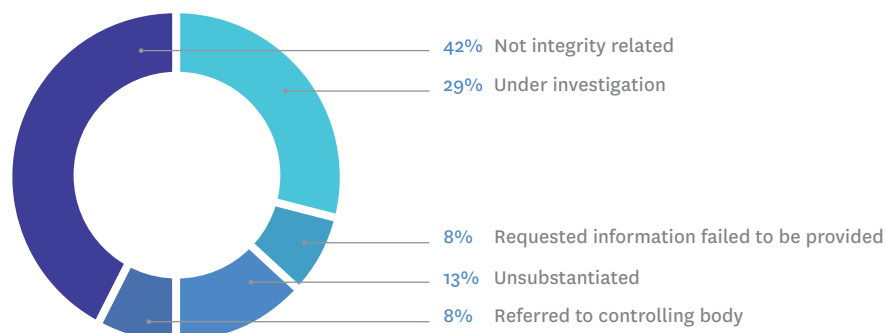
Complaints by code as a percentage of total complaints received each year since the commencement of the office 01 March 2010 – 30 June 2014



Number of complaints by code and year 01 March 2010 – 30 June 2014



Outcome of complaints 2013-2014



Information Reports

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

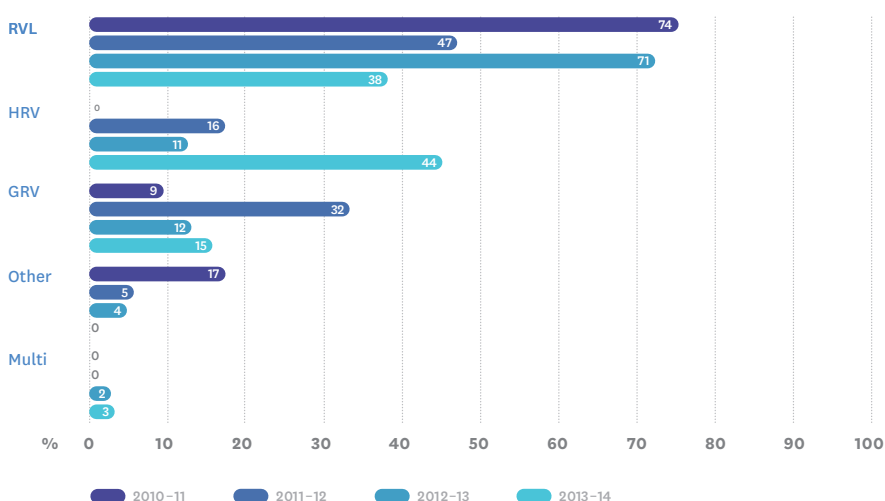
During 2013-14, the office recorded 32 IRs. Fourteen related to HRV, 12 to RVL, five to GRV and one to more than one controlling body.

Despite an increase in the percentage of IRs received relating to HRV and GRV, there was a decrease in the actual number of IRs received generally, with an overall decrease of 76 per cent from the previous financial year (2012-13). The disproportionate number of IRs received during the 2012 Own Motion Inquiry into Race Fixing is a factor in the decline, with 63 IRs received during 2012-13 relating to this inquiry, specifically regarding Thoroughbred racing. However, even taking this into account, there was a decrease of 56 per cent in the number of IRs received.

Seventeen IRs (53 per cent) were provided to the office in a covert manner, either through the Integrity Hotline, a direct request from the source to have his or her identity protected, or the information being provided anonymously. A further 11 (34 per cent) were received overtly (not anonymously). Four (13 per cent) were internally generated by office staff.

Four IRs were disproven or unable to be substantiated, with a further three recorded for information only. Four IRs were not integrity related, three were substantiated and resulted in RAD Board convictions and, in one case, criminal charges being laid by Victoria Police.

Information reports by code as a percentage of total information reports received each year since the commencement of the office 01 March 2010-30 June 2014



Seventeen IRs remain under investigation by this office or the controlling bodies at the time of writing.

Nineteen IRs were referred to the controlling bodies and one IR was referred or disclosed to the relevant government agency for further investigation.

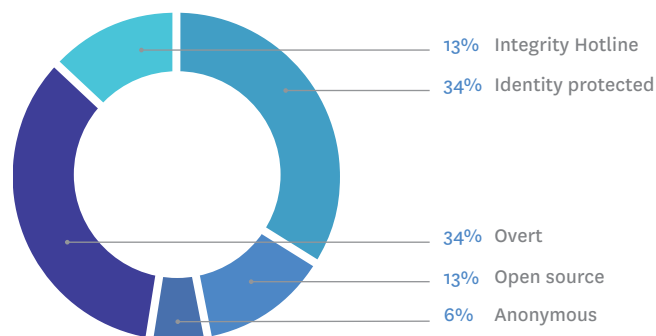
The majority of the IRs related to allegations of race fixing, corruption generally, suspicious relationships, the use of prohibited substances or general integrity-related issues.

CASE STUDY

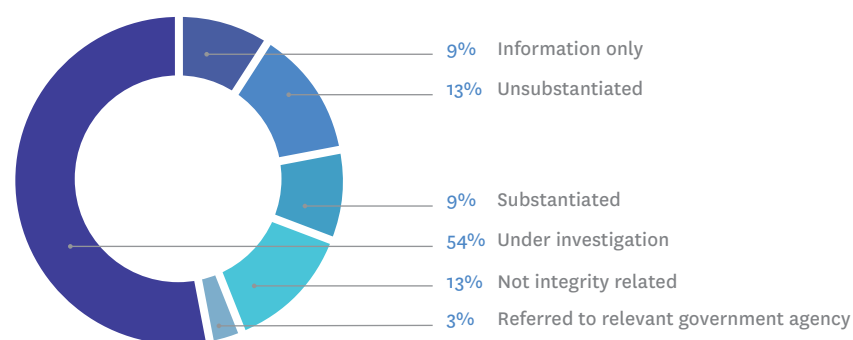
A person wishing to protect his or her identity contacted the Commissioner's office and alleged that a steward from one of the racing controlling bodies was providing information to nominated participants in that code regarding where and when drug testing of racing animals and participants was to occur.

The office undertook an independent investigation of the allegations, testing the details provided regarding dates and races, and determined that the steward in question could not have provided the information as alleged. The investigation disproved the allegations.

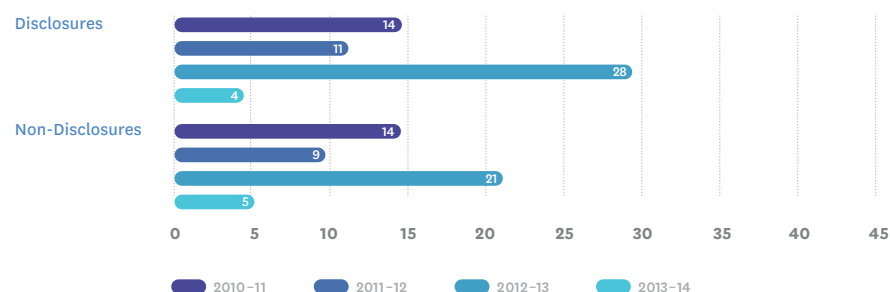
Information reports overt / covert 2013–2014



Outcome of information reports 2013–2014



Integrity Hotline disclosures and non-disclosures 2010–2014



Integrity Hotline

During 2013–14, the Integrity Hotline, which is provided by the office through a third party organisation, continued to operate as an independent, confidential and impartial disclosure management service, allowing individuals to report integrity issues anonymously.

Over the reporting period, the office received nine reports, comprising four disclosures and five non-disclosures, via the Integrity Hotline.

‘Disclosures’ are integrity-related information or complaints. In 2013–14, disclosures covered four separate themes:

- supply of drugs to trainers;
- inaction by stewards;
- unlicensed bookmakers operating in Victoria; and
- breach of rules by a controlling body.

Of the four disclosures referred to the office, three were identified as not falling within the Commissioner’s jurisdiction and were referred to the relevant body for attention. One remains under investigation at the time of writing.

‘Non-disclosures’ are reports that do not fall within the Commissioner’s jurisdiction, for example they are not integrity-related information or complaints. These include reports relating to information on how the hotline service works; contact details and jurisdiction of the office; and persons seeking advice or complaining about wagering systems and wagering service providers.

There was an 82 per cent decrease in reports from the previous year. However, taking into consideration the disclosures (20) received during the last collection period relating to the 2012 Own Motion Inquiry into Race Fixing (received between 16 August 2012 and 14 September 2012), the percentage decrease reduces to 69 per cent.

Website

The Office of the Racing Integrity Commissioner website (www.racingintegrity.vic.gov.au) provides information on the background and functions of the office as well as links to public documents published by the office, stakeholders, and industry and government partners relevant to the racing industry.

During 2013–14, the website attracted 3,465 visits from 46 countries. Of these, 3,025 (87 per cent) were from Australia and 2,275 (75 per cent) of the Australian visits were from within Victoria.

The low access numbers in the first two reporting years can be attributed to the office establishment and time taken to promote the existence of the website. The high number of visits in 2012–2013 was due to the publicity surrounding the Own Motion Inquiry into Race Fixing and the tabling of the report into the Investigation of the Damien Oliver Inquiry by RVL.

Traffic was mainly directed to the website via three methods: 62 per cent of visitors used a search engine, 17 per cent went direct to the website and 10 per cent were referred from other websites. Seventy-one per cent of all visitors to the site were new, which is consistent with previous years, and 29 per cent were returning visitors.

Legislative Change

On 29 January 2014, the Commissioner was granted additional investigative powers through an amendment to the Racing Act.

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

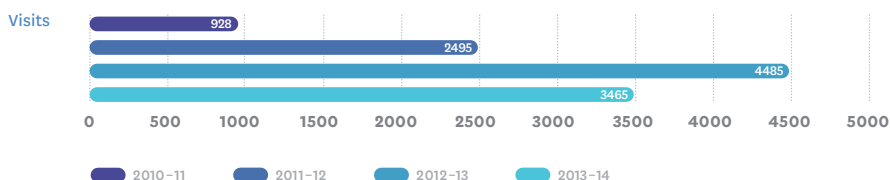
The additional provisions of the Racing Act assign the Commissioner powers he would have if he were a Board of Inquiry under the provisions of the *Evidence (Miscellaneous Provisions) Act 1958*. The Commissioner is now empowered to compel the attendance of certain classes of persons (licensed and registered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

During the reporting period, the Commissioner exercised these powers on one occasion to compel the provision of documents from a controlling body during the course of an investigation.

Roadshow comment ...

"Very pleased to attend and hear about effective and comprehensive integrity support for the racing industry and punting public." – Cranbourne

Website visits by year 2010–2014



Part B

About the Office

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

Governance and Organisational Structure

Four full time employees and one part time employee are employed under Part 3 of the *Public Administration Act 2004* to assist the Commissioner to perform his functions and exercise his powers under the Racing Act. Specialist contracted resources are also engaged if required.

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

Finances

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

Consultancies

The office did not engage any consultants during 2013–14.

Risk Management

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



Freedom of Information

The *Freedom of Information Act 1982* allows the public to access documents held by the office. For the period ending 30 June 2014, no Freedom of Information applications were received.

Making a request

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

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

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

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

Requests can also be lodged online at www.foi.vic.gov.au.

Access charges may also apply once documents have been processed and a decision on access is made, for example photocopying and search and retrieval charges.

Further information regarding Freedom of Information may be found at www.foi.vic.gov.au.

Compliance with the Protected Disclosures Act

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

Reporting procedures

The office cannot receive disclosures under the Protected Disclosures Act. Disclosures of improper conduct or detrimental action by the Commissioner or employees of the office may be made directly to the Independent Broad-based Anti-corruption Commission.

Independent Broad-based Anti-corruption Commission
Level 1, 459 Collins Street (North Tower)
Melbourne VIC 3000
toll free 1300 735 135
website www.ibac.vic.gov.au

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

Sam Jenkin
Protected Disclosure Coordinator
Department of Justice
Level 24, 121 Exhibition Street
Melbourne VIC 3000
telephone 03 8684 0090
email samuel.jenkin@justice.vic.gov.au

Stakeholder survey ...

"I don't see much of them at the races but when I do they are very easy to deal with. I would like more personal contact as I still feel their understanding of our industry is limited."

Roadshow comment ...

"Went to last years, very informative, looking forward to more!" – Mildura

Part C

Report on Operations

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

Section 37B of the Racing Act

1a. Conduct annual audits of integrity processes and systems, in whole or in part, of each controlling body in areas identified –

i. by the Racing Integrity Commissioner; or

ii. by the Racing Integrity Commissioner in consultation with each controlling body

One audit was conducted in the period (identification of racing animals) and one audit was completed (declarations of private interests and betting accounts on behalf of integrity officials of each code and implementation of recommendations from previous audits).

1b. Conduct audits outside the subject matter of the annual audit if a controlling body requests that such an audit be conducted

No requests were received from the controlling bodies to conduct an audit.

1c. Investigate complaints made about the integrity processes and systems of a controlling body

The office investigated 22 complaints relating to the integrity processes and systems of the three controlling bodies. Of these, 45 per cent involved RVL, 41 per cent involved GRV and 14 per cent involved HRV.

The office also received 32 information reports relating to racing matters. Of these, 44 per cent related to HRV, 37 per cent related to RVL and 16 per cent related to GRV. Three per cent involved more than one code. A number of these included complaint aspects.

1d. Refer complaints to controlling bodies or other government agencies for investigation

Two complaints were referred to a controlling body or government agency for investigation during the reporting period.

The office also referred 20 information reports to a controlling body or government agency for information or investigation.

1e. Investigate matters referred by the Minister or a controlling body

The office received one referral from the Minister who had received written concerns from a source concerning drug use in one of the codes.

During the reporting period, one referral was received from ACT Greyhound Racing requesting the Commissioner investigate swab transportation issues and one referral was received from RVL to review the handling of a racehorse ownership dispute and actions taken by RVL stewards.

Stakeholder survey ...

"I have had a very positive experience with the Office of the Racing Integrity Commissioner. I have found the staff extremely courteous, helpful and they will assist in providing advice where appropriate. The office has also greatly assisted in developing training programs for integrity staff."

Roadshow comment ...

"Excellent Event." – Ballarat

1f. Report findings of investigations conducted into complaints that have not been referred to other bodies:

- (i) to the person that made the complaint; and
- (ii) with or without identifying the person who made the complaint or the person that is the subject of the complaint, the Minister or the relevant controlling body (as the Racing Integrity Commissioner considers appropriate)

Of the 24 complaints received, 17 complaints were investigated and completed during 2013–14. Complainants were advised of the findings in 12 of those cases.

Controlling bodies are not automatically advised of findings in cases where the complaints were found not to be integrity related or were unsubstantiated, or where the controlling body was involved in the investigation with the Commissioner.

1g. Conduct own motion inquiries that do not relate to any specific complaint and may include an investigation into systemic issues in racing

No own motion inquiries were conducted during the reporting period.

1h. Make recommendations (if appropriate) following the investigation of any complaint, inquiry or matter to (as the Racing Integrity Commissioner considers appropriate)

- i. the Minister; or
- ii. the relevant controlling body
- i. A total of three recommendations were made to the Minister as a result of the Review of the Victorian Racing Industry's Disciplinary Model 2010–2012. These relate to the RAD Boards and VCAT.
- ii. A total of 20 recommendations were made to the controlling bodies during the period.

Of these, nine recommendations were made to the VRI as a result of the Review of the Victorian Racing Industry's Disciplinary Model 2010–2012.

Four recommendations were made to the controlling bodies arising from the 2011–12 audit relating to improvements to drug control practices.

Six recommendations were made to controlling bodies as a result of the 2012–13 audit relating to improvements to private interest and betting declaration review processes and enhancements to the implementation of recommendations previously made by the Commissioner pursuant to this section.

A further recommendation was made to a controlling body as a result of an investigation into a complaint. This recommendation suggested enhancements to the processing of animal records on presentation to race.

In addition to recommendations made to the Minister and controlling bodies, three other recommendations were made to VCAT as a result of the review of the appeals and disciplinary process. Another recommendation was made to RASL as a result of the 2011–12 audit of drug control processes.

Further details regarding recommendations arising from audits and reviews are located elsewhere in this report.

1i. Direct a Racing Appeals and Disciplinary Board to hear and determine an appeal made by a person against a penalty imposed under the rules of a controlling body if –

- i. the penalty imposed is a fine of not more than \$250; and
- ii. the Racing Integrity Commissioner considers that it is in the public interest for the appeal to be heard

The Commissioner received three requests to direct a RAD Board to hear and determine an appeal. In no instances was it deemed to be in the public interest to do so.

One application related to a \$100 fine for failing to attend a race meeting; one related to the severity of a \$250 fine for not appearing at a hearing; and the third related to a \$150 fine for being late to a race meeting. The Commissioner reviewed each and found the applications did not support a judgement that it was in the public interest to direct a RAD Board appeal.

2. Advise the Minister of any failure by a controlling body to implement or act on a recommendation made by the Racing Integrity Commissioner to that controlling body

The Commissioner advised the Minister of one instance where RVL failed to implement a recommendation made as a result of the Commissioner's Investigation of the Damien Oliver Inquiry 2012 by RVL ('stand down' powers of stewards).

Section 37BA of the Racing Act – Powers of the Racing Integrity Commissioner conducting an inquiry

The Commissioner issued one summons to a controlling body to produce documents at a hearing. This related to an ongoing investigation concerning alleged race-fixing issues.

Section 37E of the Racing Act – Disclosure of Information

The Commissioner made 59 disclosures of integrity-related information to a range of authorised bodies and agencies during the 2013–14 period. The disclosures were made in accordance with section 37E of the Racing Act.

Disclosure of Information	Total
Controlling bodies	37
Law enforcement agencies	17
State and Commonwealth Government agencies	5
Total	59

CASE STUDY

The Commissioner's office received a complaint from a licensed racing participant regarding stewards who had charged the participant with misconduct.

The complainant alleged that the steward involved in the prosecution before a RAD Board had provided false evidence and fraudulently altered statements of key witnesses to ensure a successful prosecution resulted.

An independent investigation was conducted by the office, during which a number of witnesses were re-interviewed. After a full review of the evidence tendered to the RAD Board hearing, the complainant's allegations were disproven. The investigation found that none of the evidence had been altered or tampered with in any way.

Integrity Initiatives in the Victorian Racing Industry

In addition to the work of the office in driving integrity reforms, a number of initiatives were implemented by the three controlling bodies.

Greyhound Racing Victoria

The number of analysis samples taken from greyhounds throughout Victoria continued to rise sharply during the year. In 2013–14, GRV stewards directed that 4,289 samples be taken – over 800 more than the previous reporting period. These numbers consisted of pre-race, post-race and random samples, in addition to more than 200 samples taken 'out of competition'. While the majority of the samples procured consisted of urine samples, blood and saliva samples were also taken. Pursuant to GRV's 'Sampling Policy – Future Testing' a significant number of samples have been frozen and stored since July 2013. This policy allows such samples to be re-tested at a later time.

As a reflection of the Board's continued emphasis on animal welfare measures, the number of kennel inspections conducted

throughout Victoria also rose considerably. In 2013–14, GRV stewards conducted 1,147 designated inspections of kennels and training facilities, with the majority of such inspections being unannounced. An additional 381 kennel inspections were conducted compared with the previous year.

After an extensive consultation process, GRV released its five-year strategic plan, *On Track for a Great Future*. One of the key elements of the plan is to provide a transparent, fair and enjoyable racing experience for members supplemented by the consistent application and enforcement of clear rules, standards and opportunities to race.

Harness Racing Victoria

During 2013–14, HRV further enhanced its relationships with racing laboratories, other racing authorities and external regulatory agencies in an effort to combat the broader threats to the integrity of the harness racing industry. A joint project between Australian and Canadian harness racing authorities resulted in the establishment of the International Racing Intelligence Information

Service, which will serve as a central database enabling intelligence and information sharing between racing authorities across the globe.

At a local level, HRV continues to make up a high proportion of the VRI spend (compared to market share) on operational drug testing with RASL. HRV's strategy of requiring horses to remain on course for TCO2 (total carbon dioxide) testing up to three hours after races continues to be a successful strategy in detecting elevated TCO2 levels. An increased focus on out-of-competition testing also occurred during the 2013–14 season. During the year, HRV successfully prosecuted the first known case worldwide involving the substance ITPP (myo-inositol trispyrophosphate), a substance identified by HRV as a significant threat to the integrity of the industry.

In terms of staffing, HRV initiated a rotation program where race day stewards gain experience in the investigations department of HRV, which benefits both areas of the organisation.

Racing Victoria Limited

During the year, RVL implemented initiatives to enhance the integrity of race day operations. It continued to develop and expand the capacity of the race day control room being piloted at Caulfield Racecourse. It also increased the period during which security is provided to horses in the Melbourne Cup. RVL now obtains more detailed and frequent feeds of betting information from approved wagering operators to allow more thorough analysis of betting trends and irregularities.

In respect of non-race day activities, 907 stable inspections were conducted in 2013–14, an increase of 127 per cent from 2012–13 figures. RVL is also introducing an electronic case management system to capture information and manage work flows associated with investigations.

For the first time, the 2013–14 Victorian licensing process required jockeys to declare the form analysts from which they intend to receive professional advice, affording stewards greater oversight. RVL is also examining how best to educate industry participants about changes to integrity rules and processes.

During 2013–14, Local Rules were introduced to provide a mechanism for stewards or the RAD Board to impose conditions on an individual who is suspended or disqualified. These conditions may include, among other things, a restriction on participating in social or mainstream media where their involvement would be prejudicial to the image, welfare or interests of racing. RVL also advocated for amendments to the Racing Act to allow (in certain circumstances) the Rules of Racing to apply to unregistered and unlicensed persons who are involved in racing. The amendments came into effect on 29 January 2014.

RVL also completed a review of the current ownership and syndication regime and identified areas for improvement.

National Integrity

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

The National Racing Integrity Advisory Group

In July 2012, the National Racing Integrity Advisory Group (NRIAG) met for the first time. NRIAG was created as a result of the Australasian Racing Ministers' Conference in May 2012, which agreed that a national group was needed to provide a national approach to a contemporary racing model. The group was

to comprise the chief executive officers of the national racing codes (Thoroughbreds, Harness and Greyhounds) together with a representative from each state and territory as determined by the responsible Minister. The Commissioner was nominated as the Victorian representative.

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

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

The group is scheduled to meet again in August 2014.

The National Integrity of Sport Unit

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

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

The Commissioner is an attendee at ASIN meetings.

Glossary of Acronyms

ACC	Australian Crime Commission
ASIN	Australian Sports Integrity Network
CMS	Case Management System
GRV	Greyhound Racing Victoria
HRV	Harness Racing Victoria
IR	Information Report
ISC	Integrity Sub-Committee
MOU	Memorandum of Understanding
NISU	National Integrity of Sport Unit
NRIAG	National Racing Integrity Advisory Group
RASL	Racing Analytical Services Limited
RAD Board	Racing Appeals and Disciplinary Board
RIOC	Racing Integrity Operations Committee
RVL	Racing Victoria Limited
SCOP	Single Code of Practice
VCAT	Victorian Civil and Administrative Tribunal
VRI	Victorian Racing Industry

Roadshow comment ...

“Very informative.” – Cranbourne

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