

# Office of the Racing Integrity Commissioner

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Annual 2012  
Report 2013

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Office of the  
Racing Integrity  
Commissioner



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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 2013 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 2012–13 Annual Report, covering our third full year of operations.**

As I look back on the past 12 months, I'm left with a 'mixed bag' of reflections including frustration, complexity, achievement, reform and response. It's clearly been a significant year for the introduction of major reforms to integrity systems and processes, and to the nature and capability of this office.

Established in March 2010, we set out to create an office able to undertake the major legislated functions – that is, to conduct audits; investigate and refer complaints or matters referred to us by the Minister or controlling bodies; report findings; conduct own motion inquiries; make recommendations; direct appeals; and disclose information to appropriate bodies.

In the development of such an office over the past three years, we built a case management system, introduced an Integrity Hotline, adopted a leadership role in integrity assurance and put in place an extensive stakeholder engagement and industry familiarisation program. We entered into information sharing agreements, initiated training programs, created cross-code forums and introduced guidelines and reforms.

This third year has built on those foundations and taken our operations to another level.

Our third year will be remembered for our role in addressing one of the major challenges to the integrity of racing – the widespread public and media concerns that race fixing was a systemic issue in Victoria. Similarly, we were asked by both the Minister and Racing Victoria to review the handling of the Damien Oliver Inquiry, another critical incident affecting public confidence in the integrity of racing in Victoria.

Each of these investigations resulted in positive findings but led to the identification of a number of significant reforms that were required to address public and industry concerns. I'm pleased to say that almost all are in the process of being implemented.

One of these issues was the absence of powers to require responses to questions, require attendance and the provision of documents, and afford protection to people willing to provide information. These frustrations will be addressed through the implementation of recommendations arising out of both the race fixing and Damien Oliver inquiries.

In 2012–13, the office's relationships with law enforcement bodies and the involvement of those bodies in racing crime and corruption have been significant. Victoria Police originally established a dedicated gaming and racing intelligence unit that later evolved into a broader sports intelligence unit. This was in addition to initiating a corruption in sport symposium and integrity in sport workshop, and exercising of the Chief Commissioner's powers to exclude persons from racetracks. Of most significance, however, was the entering into an interim information sharing agreement with Victoria Police and, for the first time ever, receipt of a strategic intelligence analysis of links between the racing industry and crime.

The national relationships with law enforcement were also significant, evidenced by the Australian Crime Commission amending its legislation to enable it to disclose information to racing authorities and undertaking an analysis of crime linkages within the racing industry.

In addition, this office worked to engage with other national bodies to ensure productive working relationships and exchange of information and awareness. Activities included my appointment as Deputy Chair of a newly-created national racing integrity forum, presentations to and meetings with other sports such as the Australian Football League, Australian Rugby Union and Cricket Australia, and with bodies such as the Australian Government's National Integrity of Sport Unit and the Coalition of Major Professional and Participation Sports.

Requests for presentations by the office to bodies as varied as other states' steward training programs, Australian and international law enforcement bodies and racing controlling bodies are recognition of an expanding integrity leadership role for the office.

Our focus on ongoing education and awareness programs continued this year with presentations to the Victoria Police Detective Training School and Racing Victoria's Certificate IV in Racing Services (Steward) and Apprentice Jockey Training Program.

Our purpose-built integrity training programs were enhanced this year with the creation of two new modules for racing integrity staff and stewards, which were also attended by police and racing laboratory representatives. We have now put over 160 stewards and integrity personnel through our training programs in less than three years.

A critical measure of success for me is the extent and nature of engagement with our key stakeholders. This year we presented to more attendees, met with more stakeholders and attended more operational visits than ever before. In the three years of our existence we have met with over 2,500 people, undertaken over 120 operational visits and presented to almost 2,000 attendees.

Our annual stakeholder survey indicates we are 'servicing' industry needs with an overall improved rating on our performance and increased ratings in the areas of functional capacity, relationship management and industry standing. Ratings for three of the measures place the office at international best practice standards – treating people with respect, maintaining independence and being trustworthy.

Our public survey this year confirmed the need for our activities to be made known to the general public. The survey again highlighted the direct correlation between confidence in the integrity of racing and knowledge of the existence of this office. Of concern were the results showing a decline in public confidence following the major integrity related stories in the media this year.

The past year also saw the introduction of what can only be described as a significant reform to criminal law relevant to racing with the proclamation of the 'Integrity in Sports' legislation. It amends the *Crimes Act 1958* in Victoria to introduce new offences regarding conduct that corrupts the betting outcome of an event and the use of corrupt conduct information for betting purposes. The maximum penalty for both offences is 10 years' imprisonment. Introduced in April, the new offences have yet to be used but similar legislation introduced in NSW in September 2012 has been used and is due to be prosecuted before the courts in the near future.

I was also pleased to note that Queensland recently became the second state in Australia to create a Racing Integrity Commissioner position.

This year's Annual Report outlines in further detail many of the significant achievements of my office. These achievements are only possible with the dedication, hard work and positive attitudes of the five staff who make up the office and whom I wish to publicly acknowledge.

I would like to acknowledge the Victorian Government, and particularly the Premier and Minister for Racing and his staff for their support and endorsement of 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 ongoing advice and assistance.

Critical to our efforts are the racing controlling bodies, Racing Victoria Limited, Harness Racing Victoria and Greyhound Racing Victoria and their Boards, senior managers and staff, especially their stewards and integrity personnel, and I thank them for their assistance and cooperation.

Finally, I wish to acknowledge the support, understanding, advice and encouragement from our other stakeholders and particularly the racing participants who form an industry that contributes over \$2 billion to the Victorian economy and employs over 70,000 people. I greatly value the people who took the time to meet with me personally and trusted me with their concerns.

Next year promises to be equally challenging and productive as various changes occur in legislation and process. I look forward to it and, together with the continued involvement and cooperation of our stakeholders, we will maintain our efforts to provide a racing environment free of crime and corruption.



**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.

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

## Our Vision

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

## Our Mission

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

## Our Strategic Objectives

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

## Our Values

### Integrity

We will be accountable, fair and transparent.

### Independence

We will act impartially, without fear or favour.

### Leadership

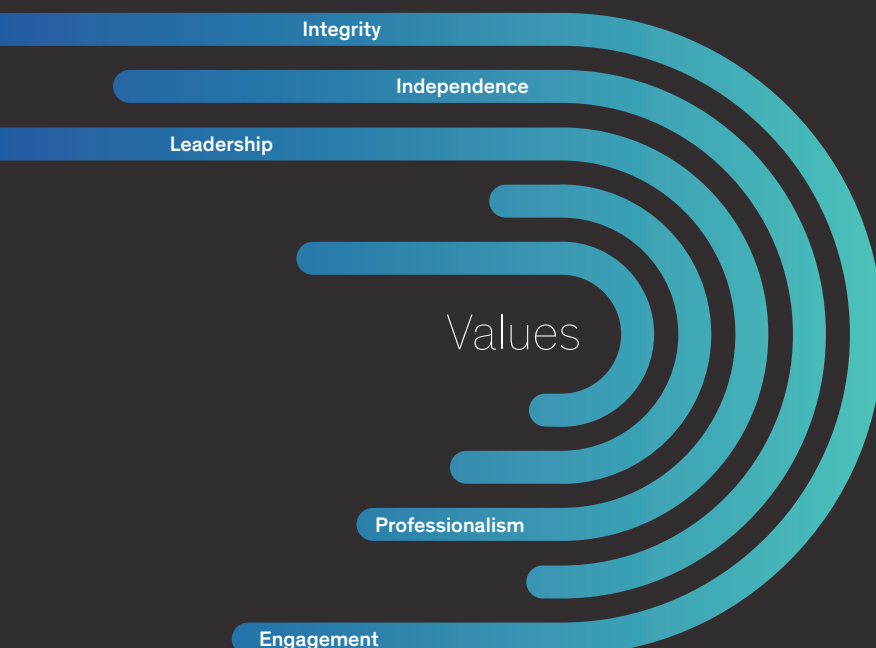
We are committed to being at the forefront of integrity assurance.

### Professionalism

We are dedicated to achieving excellence.

### Engagement

We will develop successful partnerships built on trust.



## Functions of the Racing Integrity Commissioner

The Racing Act provides for the Commissioner to perform various functions. 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 Racing Integrity Commissioner; or
    - by the Racing Integrity 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 (VCGLR) if the complaint relates to an alleged or apparent contravention of the *Gambling Regulation Act 2003*;
    - the relevant government agency if the complaint relates to an alleged or apparent contravention of any Act or subordinate instrument in connection with the integrity of racing; or
    - the Integrity Sub-Committee of the Board 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 Board (RADB) to hear and determine an appeal made by a person against a penalty imposed on the person under the rules of a controlling body if:
    - the penalty imposed is a fine of not more than \$250; and
    - the Commissioner considers that it is in the public interest for the appeal to be heard;
  - perform any other functions conferred on the Commissioner under the Racing Act.
- The Commissioner may advise the Minister of any failure by a controlling body to implement or act on a 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 they 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.

In carrying out these 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.

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# Part A

## Year in Review

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

### Stakeholder Engagement

#### Industry Familiarisation

During the year, the office continued its pursuit of understanding the complex racing industry through a well-developed stakeholder engagement and familiarisation program.

Continuing the major focus on stakeholder engagement, the office met with a total of 1,040 people from 324 organisations. This figure represents meetings with an average of 87 people each month and is a 43 per cent increase on the previous year.

The Commissioner and staff have met with a total of 2,664 people since the office commenced operations in 2010.

These interactions included formal discussions and meetings, site and operational visits, and attendance at race meetings of all three codes at metropolitan and regional venues.

A key component of this year's program was presentations by the Commissioner to the racing industry, other stakeholders

and the general public. A total of 29 presentations were made during the year to 778 attendees, which included representatives of organisations such as Victoria Police, stewards and jockey training programs, sporting clubs, racing clubs, industry bodies and the general public.

In the three full years the office has been running, a total of 1,891 people have attended presentations.

To ensure the office remains abreast of racing operations and to enhance the good working relationships with stakeholders, staff undertook a total of 56 operational visits, including 22 race meetings, nine RADB hearings, three visits to wagering service providers, three visits to the Racing Analytical Services Limited (RASL) Laboratory and visits to a variety of other operational facilities.

This represents a 30 per cent increase on the previous year and takes the tally of operational visits to 123 for the three years of operation of the office.



## Stakeholder Survey

A stakeholder relationship review is commissioned by the office and undertaken by an external provider each year. Survey results analysing key stakeholder ratings of the performance of this office are a major component of annual work plans and are used, among other things, to develop and refine the office's Business Plan.

In 2013, representatives were surveyed from all key stakeholder groups, including each of the three racing controlling bodies and other industry and government stakeholders.

Conducted in March, the survey rated the performance of the office against key performance indicators and results were compared with previous surveys to assess areas of performance improvement or decline.

Results of the 2013 survey show that performance ratings were markedly improved in a number of key areas for the 12 month period, with some aspects rated at international best practice levels. Results specifically indicated that acceptance of the role of the office has increased and acknowledged outcomes the office has achieved that benefit the integrity of Victorian racing. Measures rated at best practice levels were:

- treating people with respect;
- being trustworthy; and
- maintaining independence.

The areas of greatest improvement included:

- establishing minimum integrity standards;
- helping improve relationships between the police and industry;
- effectively auditing integrity systems/processes; and
- identifying meaningful change to processes/procedures.

Of interest was the number of stakeholders with varying opinions regarding one of the recommendations made following the Own Motion Inquiry into Race Fixing – that an independent body be established with responsibility for integrity systems and processes across the three codes and be resourced by transferring existing stewards and integrity staff from their organisations. The survey results show that, while some stakeholders are opposed to the idea of integrity staff being separated from the commercial arm of the business, there is support for this recommendation by a large number of respondents.

Areas suggested by stakeholders for further focus/review in the coming year included:

- access to 'phone tap' information for stewards and better access to information sharing with police;
- a review of how the office manages complaints and information reports (IRs);
- continuing to improve information sharing between the codes; and
- a review of the current appeals and disciplinary processes.

## Relationship Development

The office continued to focus on building existing relationships and developing new partnerships with racing, government and other stakeholders. Continuing in the 2012–13 period was the specific focus on building on relationships with law enforcement agencies. The issue of exchange of information with law enforcement agencies continues to challenge the ability of the racing authorities to investigate and prosecute wrongdoings by racing participants. Major progress was made in the last 12 months with the development of an interim information sharing agreement between this office and Victoria Police.

In 2012–13, the office commenced receiving IRs and intelligence assessments directly from law enforcement (from both Victoria Police and the Australian Crime Commission) regarding racing related matters. This is a significant advancement for the racing industry in working together to combat criminal and other matters prejudicial to racing.

The relationship between law enforcement and racing is vital to addressing any elements of crime and corruption in Victorian racing and instilling confidence in the public regarding integrity in racing. Victoria Police demonstrated its commitment to sports integrity matters in the past 12 months, and these efforts continue. Of major note is the evolution of the recently created Victoria Police Racing and Gaming Intelligence Collection and Liaison Unit into a Sports Integrity Intelligence Unit responsible for exchange of information and liaison with the racing industry bodies (and other sports) in Victoria.

This office continues to work closely with Victoria Police in addressing recommendations arising from the race fixing and Damien Oliver inquiries, particularly those that relate to barriers to information sharing.

Section 37E of the Racing Act specifies certain bodies to which integrity related information may be disclosed. While this list of agencies is not exhaustive and other legislative provisions are available to permit the Commissioner to disclose integrity related information to other bodies/agencies, 17 additional bodies were specified under section 37E(1)(j)(ii) by the Minister for Racing by Order published in the *Victorian Government Gazette*. These were:

- Australian Racing Board
- Harness Racing Australia
- Greyhounds Australasia
- Northern Territory Racing Commission
- Thoroughbred Racing Northern Territory
- ACT Gambling and Racing Commission
- Racing New South Wales
- Greyhound Racing New South Wales
- Harness Racing New South Wales
- Thoroughbred Racing South Australia
- Harness Racing South Australia
- Greyhound Racing South Australia
- Racing and Wagering Western Australia
- Gaming and Wagering Commissioner (Tasmania)
- Director of Racing (Tasmania)
- Queensland Racing Integrity Commissioner
- Queensland All Codes Racing Industry Board.

In the reporting period, a Memorandum of Understanding for information exchange was established with the Australian Customs and Border Protection Service. New agreements were also negotiated with various wagering service providers, including numerous corporate and private bookmakers.

## Partnerships

The Commissioner continued to chair the Racing Integrity Operations Committee (RIOC) in 2012–13. This committee comprises the Integrity Manager and Chairman of Stewards of each of the controlling bodies, as well as the Manager Integrity Operations and Manager Investigations from the Commissioner's office.

The role of RIOC is to discuss current and emerging integrity matters across the Victorian Racing Industry. As well as cementing working relationships across codes, RIOC provides a valuable forum for review of proposed policies, processes and operational matters. It also provides the opportunity to invite key stakeholders, such as wagering providers and law enforcement, to discuss issues of mutual interest. RIOC met eight times during the reporting period.

## Education and Awareness

### Public Survey

In early 2013, the office commissioned Newspoll to conduct a public survey to gauge opinions regarding racing integrity.

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

One purpose of the survey was to gauge community attitudes to racing and integrity to assist the office in planning communication strategies and projects.

In the first survey (2012), Newspoll asked 902 respondents four questions relating to their attendance at the races, their wagering activity, confidence in the integrity of racing and their awareness of the Commissioner. This year, 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.

The first two questions regarding the proportion of respondents who had attended a race meeting in the previous 12 months (84 per cent had not attended a race meeting in the 2012 survey and 86 per cent had not attended a race meeting in the 2013 survey), and the percentage who had placed a bet on any type of race in the previous 12 months (69 per cent had not placed a bet in the 2012 survey and 70 per cent had not placed a bet in the 2013 survey), showed little change.

However, the third question on public awareness of the Commissioner showed a marked increase from 28 per cent of respondents being aware of the Commissioner in 2012 to 39 per cent in 2013. Of equal note was the finding that respondents who were aware of the Commissioner were more likely than others to have confidence in integrity in the industry.

Results of the fourth question regarding the respondents' confidence in integrity in racing showed a substantial decline in the level of public confidence. In 2012, 58 per cent of respondents were confident that racing was run with integrity. In 2013, the figure dropped to 45 per cent.

In 2013, 38 per cent of respondents stated they were not confident of integrity in racing. In 2012, this figure was 25 per cent.

The additional question in this year's survey was aimed at gauging how perceptions had changed, if at all, during the past 12 months. It was asked specifically to test what effect the extensive media coverage of recent integrity related events had on the public (for example, race fixing and jockey betting allegations). The 2013 survey showed that 13 per cent of respondents believed that the integrity of racing had improved and 29 per cent believed it had worsened.

The drop in public confidence was not unexpected given the industry issues that arose in 2012 and the media attention they attracted.

The Commissioner is committed to engaging with the public to explain the already robust integrity safeguards that exist within the industry, and to working with the industry in seeking opportunities to further improve integrity systems.

The Stakeholder Engagement and Familiarisation Program run by the office is key to understanding public perceptions. The Commissioner's engagement with the public in both formal and informal settings and through a variety of methods, for example public interviews and presentations, is a major part of creating education and awareness of integrity in racing.

The results of this year's survey clearly indicate that awareness of the Commissioner's role equals confidence, which is the basis of the success of racing. Public confidence is vital to a healthy racing industry and the Commissioner will continue to use public feedback to ensure concerns are addressed.

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**“I believe – from a public point of view and that of the participant – the RIC office has provided the industry with another level of integrity and standards that can only be beneficial.”**

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# Case Study

*The Commissioner received information alleging that the animals of a leading Victorian trainer were not being swabbed for prohibited substances as often as the animals of other trainers, and that no action was taken when positive swabs were returned. It was also alleged that some positive swabs associated with the leading trainer had been destroyed.*

*The information was sufficiently detailed to warrant an investigation resulting in the office collecting, collating and analysing all available evidence and data regarding races and drug swabs. The information analysed indicated that the animals of the leading trainer were swabbed as often as those of other leading trainers, and more*

*often than the animals of less prominent trainers. The evidence indicated that all drug swabbing procedures had been correctly adhered to and no positive swabs were unaccounted for. The investigation confirmed that every swab taken from animals of the suspected trainer had been tested and, with the exception of two swabs, were returned with a negative result. The controlling body dealt with the positive test results appropriately. The allegations were disproved.*

## Roadshow Presentations

In addition to the regular presentations, during March and April 2013 the Commissioner undertook the annual 'roadshow' of presentations throughout Victoria, visiting nine regional and two metropolitan venues. The Commissioner hosted public meetings in Bendigo, Shepparton, Mildura, Swan Hill, Horsham, Ballarat, Sale, Cranbourne, Warrnambool, Melbourne and Geelong.

These presentations built on those undertaken last year to create an opportunity for the community to gain a greater understanding and awareness of the role and responsibilities of the Commissioner, the work the office has undertaken in its first three years and an overview of the plans in place to ensure that the Victorian Racing Industry operates free from the influence of crime and corruption.

The sessions also provided an opportunity for attendees to ask questions and hear first-hand the Commissioner's perspectives on integrity in the racing industry. Attendees represented racing related organisations, such as the racing controlling bodies, and also included industry participants, media, training providers, wagering service providers and the general public.

## Training for Stewards and Integrity Staff

The Commissioner is committed to strengthening integrity structures within the racing industry by creating opportunities for integrity staff to develop and expand their skills. In 2011, the office developed a cross-code, purpose-built training program to provide integrity related staff with the skills and knowledge required to perform their roles.

The inaugural Racing Integrity Investigators' Program was launched in March 2011 and initially consisted of two modules – *Module One: The Essentials of Investigation* and *Module Two: Collection and Presentation of Evidence*. In September 2012, the modules were delivered for a third time to a new group of integrity staff members.

In response to overwhelmingly positive feedback from participants and requests for further development opportunities, in 2013 the office developed two further modules – *Module Three: The Integrity Tool Box* and *Module Four: The Vocational Tool Box*. Module Three explores the rules of racing and drug control developments. It also covers surveillance techniques and operation orders. Presenters included Victoria Police detectives, stewards from the three codes and staff from the racing laboratory.

Module Four provides an overview of integrity structures in other sports and discusses ethics. The module also focuses on developing communication and leadership skills. The Commissioner, police, an academic specialising in ethics, a communications specialist and a former Chief Commissioner of Victoria Police gave presentations.

These new training modules were delivered in March 2013 and attendance was broadened to include representatives from Victoria Police and RASL. Module Three was completed by 27 participants and 26 completed Module Four. A total of 74 per cent of participants rated Module Three as excellent or very good, with 91 per cent giving Module Four an overall rating of excellent or very good.

Since the launch of the office's training program, 164 participants have attended the eight modules, 87 per cent of whom were stewards and integrity staff from the three codes. The training program will continue in 2013–14 to ensure all racing integrity staff members have completed the four modules and work will commence on developing new modules.

## Investigation, Audit and Review

### Own Motion Inquiry into Race Fixing

The major piece of work undertaken by the office during the past year was undoubtedly the 2012 Own Motion Inquiry into Race Fixing.

Between the office commencing on 13 March 2010 and July 2012, the office had received 12 IRs raising allegations of race fixing. On 6 August 2012, *The Age* newspaper in Melbourne, and later that evening the ABC's *Four Corners* program, raised allegations of race fixing under investigation by Victoria Police, known as the Smoking Aces Inquiry and referring to a thoroughbred race at Cranbourne in April 2011.

In the following days, the office recorded 153 mentions of race fixing in media reports reaching a recorded audience or circulation of almost 14 million people. In view of the huge public interest and further allegations being made regarding integrity in racing, the Commissioner publicly announced on 16 August 2012 that he would conduct an Own Motion Inquiry into Race Fixing to identify whether there were major integrity issues in this state.

The Commissioner invited the racing industry and general public to submit any relevant information over a four week period. During this time he met personally with a number of people with information, received 61 IRs, reviewed nominated races, analysed betting activities, took submissions from both racing and non-racing bodies and referred/disclosed information to the controlling bodies and Victoria Police.

One IR alleged a bet had been placed by jockey Damien Oliver on a race in which he was riding at Moonee Valley in October 2010. This allegation was subject of an inquiry referred to elsewhere in this Annual Report (*Final Report on the Investigation of the 'Damien Oliver Inquiry' 2012 by Racing Victoria Limited (RVL)*).

A number of key findings and recommendations were made as a result of the Own Motion Inquiry into Race Fixing and are contained within the 2012 *Own Motion Inquiry into Race Fixing* report dated 23 January 2013 (copy at [www.racingintegrity.vic.gov.au](http://www.racingintegrity.vic.gov.au)).

Most significant was the determination that, based on the evidence examined, race fixing was not a systemic issue in Victoria. This was in spite of the numerous allegations and suspicions raised regarding racing, particularly thoroughbred racing, which recorded 42,919 starters in 4,355 races during the 2011–12 year.

Victoria Police announced in July 2013 that the Smoking Aces investigation would not lead to any criminal charges.

However, the Own Motion Inquiry into Race Fixing did result in the Commissioner determining that public confidence in racing had been damaged. Major cultural, organisational and legislative reforms were required to restore that confidence and ensure that Victoria was able to claim the mantle as the leading racing state and sports capital of the country.

The Commissioner made 11 recommendations. Two recommendations related to his lack of powers; one to enabling law enforcement to provide telecommunication interception information; three related to Victoria Police resourcing racing investigations and its ability to share information; one to expediting the draft 'cheating at gambling' legislation; one to addressing the perceived lack of power of stewards over 'unlicensed persons'; two recommendations were for racing bodies to raise the category of unlawful betting by jockeys and drivers to make the conduct a 'serious offence'; and the final recommendation 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.

The Commissioner's 2012 *Own Motion Inquiry into Race Fixing* report was submitted on 23 January 2013 and received in-principle support from the Premier/Minister for Racing. Three recommendations were implemented in 2012–13. They included Victoria Police providing increased resources to its intelligence function and the classification by RVL of jockey betting as a serious offence.

The third recommendation implemented was the expediting of the 'cheating at gambling' legislation, which was introduced in Victoria on 23 April 2013. This legislation (*Crimes Amendment (Integrity in Sports) Act 2013*) now provides for specific criminal offences in relation to engaging in or facilitating conduct that corrupts betting or concealing that conduct. Of note is that another section of the new legislation creates a criminal offence of using knowledge of that corrupt conduct for betting purposes. All the offences in the new legislation provide for maximum penalties of 10 years' imprisonment.

Driver betting in harness racing will become a serious offence on 1 July 2013.

Six of the remaining seven recommendations are in progress, with an indication from Victoria Police that the recommendation of establishing a dedicated, specialist unit responsible for racing related crime and corruption would not be implemented.

In addition to the formal recommendations arising from the Own Motion into Race Fixing, the Commissioner also requested:

- that the Victorian Bookmakers' Association educate its members that they have a role in assisting the racing industry to maintain integrity, for example by addressing previous refusals to enter information sharing agreements
- that government consider the option of introducing an offence under the Gambling Regulation Act for wagering providers that accept a bet from a jockey or driver
- that a racing representative be invited to meetings of the Coalition of Major Professional and Participation Sports when integrity matters are discussed.

The progress of the Own Motion Inquiry into Race Fixing recommendations will continue to be tracked during the 2013–14 period and reported in next year's Annual Report.



### Investigation of the Damien Oliver Inquiry 2012 by Racing Victoria Limited

As previously noted, the Commissioner undertook an Own Motion Inquiry into Race Fixing in August 2012 following extensive media coverage relating to allegations of race fixing in Victoria.

As a result of this Own Motion Inquiry, an IR was received at the office alleging that a bet had been placed by licensed jockey Damien Oliver (Oliver) on a horse (*Miss Octopussy*) in a race at Moonee Valley in October 2010.

In late August 2012, the IR was referred to both RVL, as the relevant racing controlling body, and to Victoria Police in regards to potential criminal offence(s).

During the conduct of the RVL inquiry, widespread criticisms were made by the public and the media regarding perceived inaction by RVL, the protracted time taken to complete the inquiry and the 'failure' to stand Oliver down.

Oliver provided RVL with a signed admission on 12 November 2012 and was charged with two breaches of the rules of racing (placing the \$10,000 bet and using a mobile phone in the jockeys' room) regarding the *Miss Octopussy* allegations. He was also stood down.

Oliver pleaded guilty at a stewards' hearing on 20 November 2012 and was convicted on both charges. He was disqualified from riding for eight months and suspended for an additional two months regarding the betting charge and one month on the mobile phone charge (the latter suspension to be served concurrently with the betting penalty).

The Commissioner was asked to investigate the handling of the Damien Oliver Inquiry by both RVL and the Minister for Racing and commenced his investigation on 26 November 2012, examining all the events and actions, interviewing relevant persons, examining and reviewing documentation and phone records, and seeking legal advice regarding various aspects. The Commissioner handed his *Interim Report on the Investigation of the 'Damien Oliver Inquiry' 2012 by Racing Victoria Limited (RVL)* to RVL and Victoria Police on 2 May 2013 and invited responses. The Final Report was delivered to the Minister on 13 June 2013 and tabled in Parliament on 25 June 2013.

The Commissioner's investigation proved to be difficult, protracted and frustrating due to the lack of powers to request persons to attend interviews with him and the legal restraints on the provision of RVL documentation and information.

The Commissioner's findings were:

- that while the RVL stewards had power to stand Oliver down before laying any charges, the use of that power was unclear and the relevant rule required urgent amendment;
- that there were a number of occasions when RVL could have stood Oliver down prior to the actual date he was stood down;
- that the RVL decision not to stand Oliver down was too conservative and cautious;
- that the information provided by Victoria Police to RVL regarding Oliver's 'status' in the police investigations was vague, at best;
- that RVL misinterpreted the advice provided by Victoria Police, affecting its decision not to bring him before a stewards' inquiry;
- that the RVL independent panel of stewards delegated to undertake the inquiry did so in a professional and methodical way, without interference from RVL senior management/Board, and the inquiry was not deliberately protracted;
- that there was no evidence to support the speculation that Oliver had an agreement with RVL regarding sanctions in exchange for an admission of guilt; and
- that the penalty imposed on Oliver was reasonable in the circumstances.

The Commissioner made four recommendations as a result of his investigations:

1. (a) that RVL amend the rules of racing to give stewards power to stand down at any stage of their inquiry, not solely after the laying of charges;  
  
(b) that RVL repeal the rule of racing requiring that a decision by RVL Directors prevail over stewards' decisions in certain circumstances;
2. that the Minister urge the Chief Commissioner of Victoria Police to expedite the completion of the review of barriers to information sharing between the police, the office and the racing controlling bodies;
3. that the Minister urge the Chief Commissioner of Victoria 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 within Victoria Police to be tasked with that role; and
4. that the Minister expedite the Commissioner's previous recommendation to confer the powers and privileges of a Board of Inquiry on the position of the Racing Integrity Commissioner.

At the time of writing, the first recommendation was under consideration by RVL, recommendations 2 and 4 were being progressed through discussions and no advice had been received regarding recommendation 3.

(A full copy of the Commissioner's *Final Report on the Investigation of the 'Damien Oliver Inquiry' 2012 by Racing Victoria Limited (RVL)* can be found at [www.racingintegrity.vic.gov.au](http://www.racingintegrity.vic.gov.au).)

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**“The Commissioner has effectively used his own motion inquiry powers to identify practical ways to change industry problems and to attract stakeholder support.”**

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# Case Study

*The office received information alleging that an interstate trainer was attempting to sell prohibited substances to several trainers within Victoria. The office undertook an investigation, engaging with representatives from the controlling body in Victoria, the interstate controlling body, law enforcement agencies in both jurisdictions and several Commonwealth agencies dealing with drug control.*

*Intelligence gathered during the investigation assisted with the targeted testing of animals identified as having possible connections to the alleged seller of the banned substances. No positive swabs were returned during testing and no banned substances were located during licensed premises inspections.*

*Information and intelligence were subsequently shared between a variety of agencies and helped to foster positive relationships among these agencies, which will be of great assistance in any future multi-agency investigations.*

*The investigation concluded that there was no evidence to indicate that any Victorian trainers had bought or used the substances and the allegations were deemed unsubstantiated.*

## Audits

Section 37B(1)(a) of the Racing Act requires that the Racing Integrity Commissioner conduct an annual audit of the internal integrity processes and systems, in whole or in part, of each controlling body in areas identified by the Commissioner, or by the Commissioner in consultation with each controlling body.

The 2012–13 audit reviewed the controlling bodies' compliance with their own policies and processes regarding betting and private interest declarations, and reviewed the implementation of formal recommendations made to controlling bodies by the Commissioner in prior periods.

The Commissioner also made findings against the results of the annual audit conducted in the previous period, which reviewed compliance with the controlling bodies' policies and processes regarding box and barrier redraws, and the drug sampling processes of the three codes.

## Annual Audit 2012–13

The 2012–13 annual audit objective was to assess and report on:

- the controlling bodies' implementation of previous recommendations, in particular:
  - audit of the implementation of recommendations to each controlling body from prior year audits;
  - audit of the implementation of recommendations outside the audit process;
- compliance with the controlling bodies' own systems in relation to the submission and verification of betting declarations; and
- compliance with the controlling bodies' own systems in relation to submission and verification of private interest declarations.

One of the functions of the Commissioner is to make recommendations pursuant to section 37B(1)(h) of the Racing Act. This power provides that the Commissioner

may make recommendations, following the investigation of any complaint, inquiry or matter as the Commissioner considers appropriate, to the Minister or to the relevant controlling body. At the time the 2012–13 audit was conducted, there had been a total of 11 recommendations made, three to RVL, four to GRV and four to HRV. The purpose of the annual audit was to assess and review the status of the implementation of these recommendations and their effectiveness.

Interim findings regarding implementation of formal recommendations previously made by the Commissioner reveal that compliance is currently assessed as approximately 50 per cent across the three bodies.

While the results for RVL found that recommendations had been implemented in full, the audit findings regarding GRV and HRV will be the subject of discussions between the Commissioner and those bodies in the coming period.

Each year, the controlling bodies are required to complete an annual review of betting account registers and declarations of private interests by senior management, persons in integrity related roles and other nominated staff. This audit ensures that any betting and animal ownership restrictions are adhered to, as well as the effective management of real or perceived conflicts of interest.

Following reviews of these processes for each of the controlling bodies, at the time of writing this Annual Report, interim findings of this audit indicate a high level of compliance with the controlling bodies' policies and processes regarding betting and private interest declarations. Areas of improvement have been identified during the audit and, together with the development of minimum standards as part of the Single Code of Practice (SCOP) for the Victorian Racing Industry, further refinements will be identified for implementation by the controlling bodies in the coming period.

#### Annual Audit 2011–12

In the previous period, the Commissioner conducted an audit of the controlling bodies' drug sampling policies and procedures, and redraws of box and barrier selections.

In regards to drug control, the auditors conducted:

- a detailed analysis of drug sampling processes aimed at determining whether the controlling bodies comply with their own policies; and
- a review of drugs tested for, with a view to determining appropriateness of sampling for those drugs.

In regards to barrier and box redraws:

- an audit was conducted of the process of redraws, including the underlying reasons behind barrier and box redraws, with a view to determining whether the controlling bodies comply with their own processes.

Audit methodology included identifying and assessing policies and processes for both drug sampling and barrier and box redraws, and gathering sample sets of data to analyse and assess compliance with each controlling body's procedures.

In 2012–13, the Commissioner consulted with the controlling bodies regarding the interim findings of the audit report. Compliance with both drug sampling and box/barrier redraw procedures was found to be high.

The interim audit report resulted in 12 recommendations to the controlling bodies and RASL, to further refine and improve on their existing practices. All 12 recommendations were accepted by RVL and GRV, while discussions continue with HRV. Following the consultation phase with HRV, the interim audit report recommendations will be formalised for implementation across the bodies.

Findings of this audit derived from the analysis of swabbing data are worth noting in this report as they are considered to be in the public interest. Swabbing data captured by RASL and the controlling bodies was reviewed and analysis undertaken in relation to:

- the number of winners swabbed;
- the number of beaten favourites swabbed;
- swabbing by location;
- leading trainers during the audit period, including swabbing frequency;
- test kit analysis, from start to finish; and
- types of tests conducted.

All controlling bodies were found to use a random and targeted sampling approach to swabbing, with both in and out of competition testing. An appropriate mix of random sampling is key to a sound drug testing regime in any sport. Each controlling body demonstrated a higher than 90 per cent rate of compliance with their own drug sampling procedures.

The audit identified that country race locations were swabbed at a rate proportionate to metropolitan meetings and leading trainers' animals were swabbed at the same average as for all trainers. In many instances leading trainers' animals were found to be swabbed at a rate notably higher than other trainers.

The audit identified opportunities for further improvements in the tracking of swab kits from end to end through RASL and the controlling bodies. Also identified by the audit was the need for an increased focus on out of competition testing.



## At a glance 2012–2013

Met with  
**1040**  
stakeholders  
from **324**  
organisations

**Initiated** information-sharing relationships through both legislative and policy change with an expanded group of bodies

Received, assessed  
and responded to  
**247**  
information reports,  
complaints and enquiries

**43%**  
increase

**Initiated** audit of controlling bodies' management of betting and private interest declarations and their implementation of previous recommendations made by the Commissioner

**Identified** anomalies and recommended legislative change to the Racing Act to enhance the information sharing and reporting roles of the Commissioner and the exclusion powers of Victoria Police with respect to racetracks

Delivered  
roadshow  
presentations  
to **9 regional**  
and **2 metro**  
public venues  
throughout  
Victoria

**56%**  
increase in  
attendees

**Reviewed**  
the handling of the  
**Damien Oliver  
Inquiry** by Racing  
Victoria

**Developed and delivered**  
integrity training over **4 modules** to  
**74 attendees**, including stewards,  
integrity staff, police and others





Made **4 formal recommendations** to the controlling bodies and **12 recommendations** to government

Undertook **56** site/operational visits including race meetings, wagering service providers and laboratory visits

**30%**  
increase

Surveyed the Victorian public about its awareness and attitudes to integrity in racing, identifying an increase in awareness of the Racing Integrity Commissioner from **28%** in 2012 to **39%** in 2013

Initiated first ever Own Motion Inquiry into Race Fixing in Victoria, delivering **11 recommendations** for major reform

Surveyed industry stakeholders to assess how the office is meeting their expectations, achieving best practice ratings in **3 categories** and showing increased stakeholder satisfaction in **15 categories**

Delivered...

**29** presentations on racing integrity

**778** attendees

**31** apprentice jockeys

**174** Victoria Police detectives

**11%**  
increase in attendees



### Declarations of Private Interests and Betting Account Registers

In addition to the conduct of an annual audit, the Commissioner maintains an oversight role of the annual reviews by controlling bodies of declarations of private interests and betting accounts by their integrity staff and senior management.

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

The review of declarations of private interests and betting account registers for each of the codes was completed in June 2013 for GRV and RVL. As HRV conducts its declaration process in June each year, that review will be undertaken early in the 2013–14 financial year.

A continuous improvement approach is adopted by this office as part of this task. Following each review, recommendations are made to the controlling bodies' declaration processes to implement improvements. The processes used by the three codes were also subject to an audit during the 2011–12 annual audit process and results are being revised for inclusion in the SCOP being developed by this office for racing industry officials. Further information regarding the SCOP is detailed later in this report.

Standards regarding declarations of interest and betting also apply to staff working at the Office of the Racing Integrity Commissioner. To this end, the Commissioner personally reviews declarations by his staff on an annual basis.

In addition, specific policies are in place for staff working at the office. These include the requirement that all staff undertake an agreement not to place a bet on any thoroughbred, harness or greyhound race, anywhere, while employed in this office.

### Review of Racing Appeals and Disciplinary Processes

One of the major projects undertaken by the office was a review of the racing appeals and disciplinary model. The 'new' model was introduced as a result of the Lewis Report, which also led to the creation of the Commissioner's position in 2010.

The 2010 model reverted from an industry-based system to one that introduced the Victorian Civil and Administrative Appeals Tribunal (VCAT) as the final appellate body for racing matters.

The review of the model was undertaken to assess its efficiency and effectiveness and to make recommendations for improvement where required.

In 2012–13, the Commissioner prepared a report based on his examination of the operations of the RADB in each code that hears serious offence charges and appeals within the Victorian Racing Industry. The review also examined the racing appeals jurisdiction of VCAT, which took over from the former Racing Appeals Tribunal in March 2010.

The review examined the operations of the three RADBs and VCAT over a period of two years and adopted a two phase process: a consultative process with over 30 stakeholders and a statistical analysis of data from each RADB and VCAT.

As a result of the review, the Commissioner prepared an Interim Report proposing a number of changes that would address identified concerns. A Final Report will be completed and recommendations made to improve the existing model once feedback on the Interim Report is received.

### Single Code of Practice

In 2012, the Commissioner initiated the development of a SCOP for the Victorian Racing Industry. The SCOP seeks to establish a set of minimum standards for integrity officials and participants in the industry. The standards draw on findings of annual audits of the racing controlling bodies, research into integrity standards and initiatives of other sports, and findings of own motion inquiries conducted by the Commissioner.

In 2012–13, the Commissioner worked with the racing controlling bodies to develop a draft SCOP that introduces reforms in Victorian racing to support the highest standards of integrity, as well as being practical and meaningful in application.

Final draft documents were prepared in conjunction with the controlling bodies, including policies regarding integrity standards for racing industry officials (Part A) and integrity standards for racing industry participants (Part B). These guidelines establish standards concerning betting restrictions, declarations of private interests, conflict of interest management and staff vetting and integrity protocols.

On finalisation of these policies in December 2012, the controlling bodies identified further amendments to these documents that were needed prior to implementation. Once the final amendments are resolved, it is anticipated that controlling bodies will commence implementation of these standards across their codes in the coming year.

Subsequent parts of the SCOP intended for development in consultation with the controlling bodies include guidelines regarding drug control, rules of racing and animal identification.

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**“I think the integrity commissioner's office should be the sole department for delivering integrity to all codes of racing.”**

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## Information and Intelligence Management

The office uses a customised Case Management System (CMS) to record, manage and report on all complaints, IRs and enquiries received at the office. Own motion inquiries and referrals from the Minister and/or a controlling body are also managed on the CMS.

### Complaints

During 2012–13, the office received and investigated a total of 22 complaints, 12 of which were received from the public and 10 from racing industry participants.

Seven of the complainants contacted the office by telephone, six complainants emailed the office and a further six complainants wrote to the Commissioner. Two complaints were referred to the office from the Minister for Racing and a further complaint was received via the Integrity Hotline.

All complaints were received overtly (not anonymously) and consisted of a range of issues, including the sale of thoroughbreds or greyhounds; stewards' actions and/or decisions; race day operations; altercations with officials; preferential treatment of leading trainers by stewards; and improper or corrupt conduct in nominated races.

Seven complaints related to HRV, six to RVL and five were regarding GRV. A further four complaints related to issues outside of the controlling bodies, such as betting and wagering.

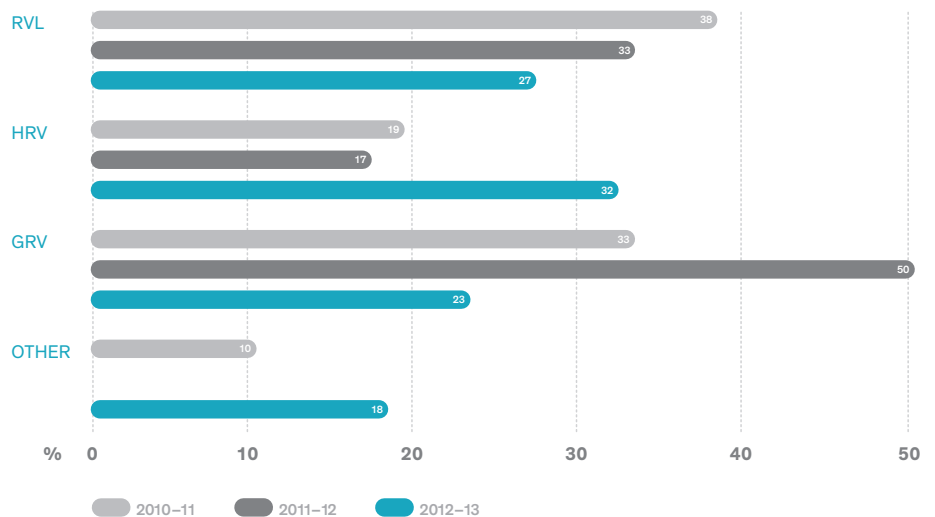
Preliminary analysis and investigation revealed that 10 complaints were not integrity related. One complaint was unable to be further investigated as the complainant failed to provide requested information and another complaint was referred to the appropriate body, the VCGLR.

Six complaints were unable to be substantiated and four complaints remain under investigation at 30 June 2013.

The office referred six complaints to the relevant controlling body for further investigation or to obtain further information to assist in the office's investigation.

During 2012–13, no complaints were substantiated.

**Complaints by code as a percentage of total complaints received each year since the commencement of the office 1 March 2010 to 30 June 2013**



### Outcome of Complaints in 2012–13

Requested information failed to be provided	5%
Referred to VCGLR	5%
Under investigation	18%
Unsubstantiated	27%
Not integrity related	45%

## Information Reports

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

During 2012–13, the office recorded 136 IRs. Of these, 97 related to RVL, 16 to GRV, 15 to HRV, three related to more than one controlling body and a further five were not code specific.

In 2012–13, the office saw an increase in IRs of 115 per cent from the previous (2011–12) financial year. The 2012 Own Motion Inquiry into Race Fixing was the main factor contributing to the increase, with the office receiving 63 IRs regarding race fixing, of which a substantial number (86 per cent) related specifically to thoroughbred racing. The number of IRs received during the Own Motion Inquiry into Race Fixing is significant, as the office received the same number (63) for the entire 2011–12 period.

A total of 77 IRs (57 per cent) were provided to the office in a covert manner, either through the Integrity Hotline, a direct request from the source to have their identity protected, or the information was received anonymously. A further 59 (43 per cent) were received overtly (that is, not anonymously).

Forty-nine IRs were unable to be substantiated, with a further 48 recorded for information only. Six IRs were not integrity related and four persons providing initial information failed to give additional information as requested.

Two IRs were substantiated and 27 remain under investigation at the end of the financial year.

A total of 90 (66 per cent) IRs were referred or disclosed to the relevant controlling body and/or government agency for further investigation or to obtain further information to assist in the office's investigation.

The majority of the IRs fall into one of three categories: information relating to allegations of race fixing, corruption generally and suspicious relationships; use of prohibited substances; and general integrity related issues.

### Race fixing, corruption and suspicious relationships

- Allegations of race fixing and corruption
- Suspicious betting activity on nominated races
- Suspicious relationships between known criminals and jockeys
- Allegations jockeys provide tips to known criminals
- Suspicious relationships between professional punters and jockeys
- Professional punters instructing jockeys re speed/position to achieve
- Jockeys and drivers disregarding trainers' instructions
- Jockeys, drivers and trainers placing bets via other accounts and third persons

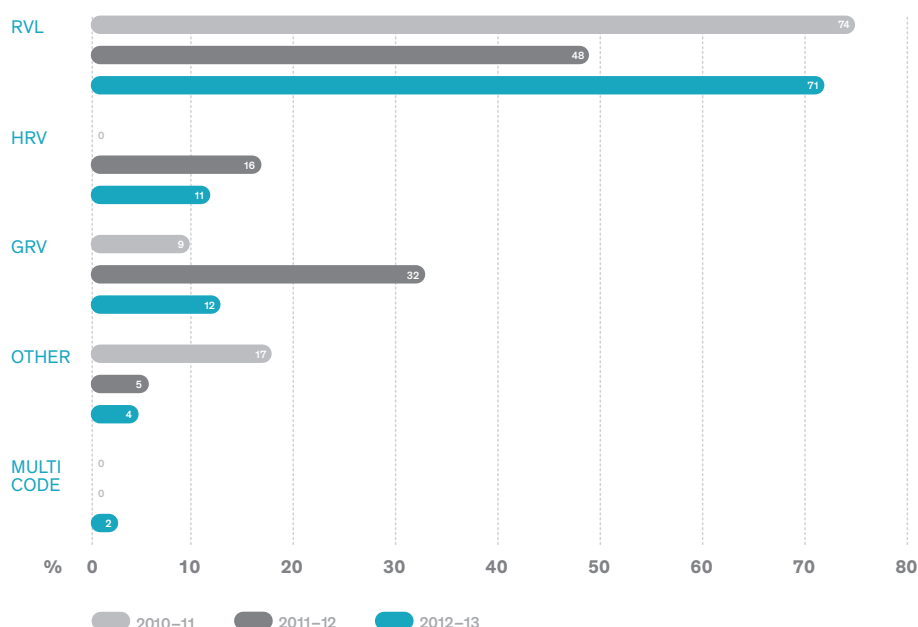
### Prohibited substances

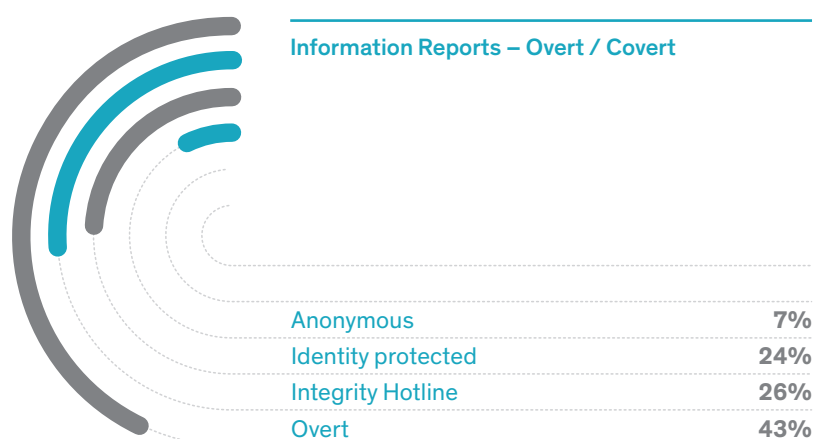
- Use of prohibited substances by trainers
- Testing banned substances used by jockeys
- Illegal medical treatment and use of banned substances on animals prior to races
- Allegations of exchanging positive drug test results

### General integrity related issues

- Misconduct, harassment, standover tactics and alleged bribery by trainers
- Poor management of industry by controlling bodies
- Allegations of corrupt conduct by stewards and organisational corruption favouring particular owners and trainers
- Allegations of secret commissions involving trainers
- Allegations of failure to act on reports made regarding the mistreatment of animals

Information reports by code as a percentage of total information reports received each year since the commencement of the office 1 March 2010 to 30 June 2013





## Enquiries

During 2012–13, the office recorded 89 enquiries. Of these, 47 were from the public, 32 from industry participants, six from law enforcement and four from controlling bodies.

Over half the enquiries (48) were made to the office via telephone and 38 were received by email. Two enquiries were mailed to the office and another was made personally to the Commissioner.

Thirty-four enquiries related to RVL, 14 to GRV and 14 to HRV, while 27 enquiries were not code specific.

A third of enquiries made during 2012–13 were regarding the actions, policies and processes of the controlling bodies. Nineteen per cent of enquiries were requests to meet or interview the Commissioner or ask him to present at forums and a further 19 per cent were questions, comments and opinions on current issues such as the Damien Oliver Inquiry and the Own Motion Inquiry into Race Fixing. Seven per cent of enquiries came from law enforcement agencies seeking information and four per cent came from controlling bodies regarding law enforcement information and/or assistance. A further 12 per cent related to wagering service providers and/or betting and six per cent of enquiries related to employment opportunities within the office.

Enquiry	Number	%
Enquiries regarding controlling bodies, policies and processes including:	29	33
– ownership details		
– nominations		
– gradings		
– acceptances		
– lodging complaints		
Request for Commissioner to meet/interview/present at forum	17	19
Enquiries relating to questions, comments and opinions on current issues including:	17	19
– Damien Oliver Inquiry		
– Own Motion Inquiry into Race Fixing		
– drug testing		
Enquiries regarding wagering service providers and betting	11	12
Enquiries from law enforcement agencies	6	7
Enquiries regarding potential employment at the Office of the Racing Integrity Commissioner	5	6
Enquiries from controlling bodies regarding law enforcement information and/or assistance	4	4
	89	100

After further discussions with enquirers and the preliminary assessment of 24 enquiries, 10 resulted in the lodgement of an official complaint.

Integrity Hotline

During 2012–13, 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.

During the reporting period, the office received 49 reports, including 28 disclosures and 21 non-disclosures via the Integrity Hotline.

Disclosures are integrity related information or complaints and contain information involving race fixing and misconduct; jockeys placing bets; illegal medical treatment and banned substances; and allegations of jockeys not riding to instruction. All 28 disclosures were assessed, 25 (89 per cent) required further investigation and three were recorded for information only.

Non-disclosures are non-integrity related information or complaints and include reports relating to information on how the hotline service works; contact details and jurisdiction of the office; persons seeking advice on horse tipping systems; and disgruntled punters with issues regarding wagering service providers.

The office saw a 145 per cent increase in reports from the previous year, with 20 reports (41 per cent) received during the collection period of the Own Motion Inquiry into Race Fixing (16 August to 14 September 2012).

Integrity Hotline	2010–11		2011–12		2012–13	
	Total	%	Total	%	Total	%
Disclosures	14	50	11	55	28	57
Non-disclosures	14	50	9	45	21	43
Total	28	100	20	100	49	100

Website

The Office of the Racing Integrity Commissioner website ([www.racingintegrity.vic.gov.au](http://www.racingintegrity.vic.gov.au)) is designed to provide information on the background and functions of the office. It provides links to public documents published by the office, stakeholders, and industry and government partners relevant to the racing industry.

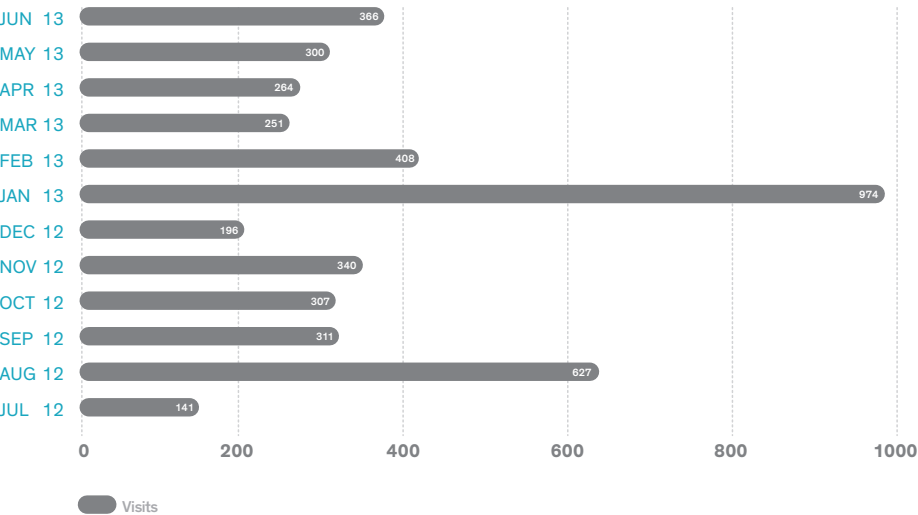
During 2012–13, the website attracted 4,485 visits from 41 countries. Of these, 4,085 (91 per cent) were from Australia and 73.5 per cent of the Australian visits were from within Victoria.

Traffic was directed to the website via three methods: 64 per cent of visitors used a search engine, 19 per cent were referred from other websites and 17 per cent went direct to the website. Of all visitors to the site, 68.5 per cent were new and 31.5 per cent were returning visitors.

The website received a significant increase in the number of visits in August 2012 due to the office's public announcement of the Own Motion Inquiry into Race Fixing. September and October visits were slightly higher on average due to the continuation of this inquiry and November visits were slighter higher again due to the media coverage surrounding the Damien Oliver Inquiry.

January 2013 saw a substantial increase in visits (138 per cent) from the previous month due to the conclusion, distribution and media conference regarding the Own Motion Inquiry into Race Fixing. June 2013 visits increased by 22 per cent from the previous month due to the release and tabling of the *Final Report on the Investigation of the 'Damien Oliver Inquiry'* by Racing Victoria Limited (RVL).

Website Visits 2012–13



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## Legislative Change

In response to identified areas of improvement, several sections of the Racing Act that support the Commissioner's functions were identified as requiring amendment. The relevant amendments made during the period were:

*Requests to the Commissioner to direct a Racing Appeals and Disciplinary Board to hear an appeal (with effect 26 September 2012)*

A function of the Commissioner is the power to direct a RADB to hear an appeal, where the penalty was a fine of not more than \$250. Previously, persons had only one day after receiving a penalty notice from stewards to make such an application to the Commissioner. Amendments were made to sections 50K(3) for harness racing participants and 83K(3) for greyhound racing participants to extend the time limit for applications to three days. The Racing Victoria Rules of Racing were also subsequently amended to reflect the same changes for thoroughbred participants.

*Disclosure of integrity related information*

The Australian Crime Commission, Australian Securities and Investments Commission, Centrelink and Ombudsman Victoria were previously prescribed by Order of the Minister as agencies to which the Commissioner may disclose integrity related information. These agencies have been expressly included in section 37E of the Racing Act to give legislative effect to these changes. This amendment came into effect on 26 September 2012.

In response to the establishment of the Victorian Independent Broad-based Anti-corruption Commission (IBAC), the Racing Act was amended in November 2012 to reflect the Commissioner's relationship with IBAC regarding notification of corrupt conduct, consultation and communication, and other performance related aspects.

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*Annual reporting (with effect 26 September 2012)*

Section 37F of the Racing Act requires that the Commissioner submit to the Minister each year an Annual Report on the performance of his functions, exercise of his powers and also any integrity related issues determined to be in the public interest. Following such submission, the Minister must cause each Annual Report to be laid before each House of Parliament. This section of the Act was amended to extend the Commissioner's timeframe for submission of the report each year from on or before 31 August to on or before 30 September.

*Racing (Specified Racecourse) Amendment Regulations 2012*

Utilising the provisions of the Racing Act, the Chief Commissioner of Police may exclude persons nominated by him from attending a racecourse specified in the Racing (Specified Racecourse) Regulations 2006. During the reporting period, it was identified that there were racetracks in operation in Victoria that had not been expressly listed in these regulations for this purpose. Accordingly, the office acted to assist Victoria Police, in consultation with the Department of Justice and the Minister for Racing, to have all current racetracks included in the list of racetracks from where persons may be excluded. To address this gap, on 28 September 2012 the Racing (Specified Racecourse) Amendment Regulations 2012 were made by the Governor in Council and commenced operation.

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**“The commissioner is currently not in a position to change integrity control measures without the assistance or cooperation of the controlling bodies.”**

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## Part B

# About the Office

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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/when 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 2012–13.

### 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 is due for review in 2013–14.

### Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by the office. For the period ending 30 June 2013, no Freedom of Information applications were received.



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### 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](http://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](http://www.foi.vic.gov.au).

### Compliance with the Protected Disclosures Act

On 10 February 2013, the *Protected Disclosures Act 2012* replaced the *Whistleblowers Protection Act 2001*. The legislation 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.

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### Reporting procedures

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

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

Lesley Crombie  
Executive Services  
Department of Justice  
Level 24, 121 Exhibition Street  
Melbourne VIC 3000  
telephone 03 8684 0090  
email [lesley.crombie@justice.vic.gov.au](mailto:lesley.crombie@justice.vic.gov.au)

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“Should be commended on being very approachable and adopting a cooperative approach. Not reluctant to wield the ‘stick’ when necessary but focused on working with the codes to genuinely improve what we do.”

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# 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 and one audit was completed.

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

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

**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, 32 per cent involved HRV, 27 per cent involved RVL and 23 per cent involved GRV (a further 18 per cent related to other issues such as betting and wagering).

*The office received 136 IRs relating to racing matters. Of these, 71 per cent related to RVL, 12 per cent related to GRV and 11 per cent related to HRV. Two per cent involved multi codes and a further 4 per cent were not code specific.*

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

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

*The office referred 27 IRs to a controlling body or government agency for information and/or investigation.*

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

The office received three referrals from the Minister. Two referrals were complaints investigated by the office and the third referral was a request for the Commissioner to investigate the handling of a completed inquiry relating to a licensed jockey by RVL officials.

During the reporting period, one referral was received from RVL requesting the Commissioner initiate a review of the powers provided to RVL stewards to investigate breaches of the rules of racing; make recommendations to clarify the rules of racing in relation to the stewards' power to stand down licensed persons before charges are laid; and make recommendations in relation to any change that could be made to provide stewards with better access to information (including police information) in the course of investigations to better promote and protect the integrity of racing in Victoria.

**1f Report the findings of any investigations conducted into complaints that have not been referred to other bodies to –**

- i 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 22 complaints, 18 were investigated and completed during 2012–13. Complainants were advised of the findings in 16 of those cases.

Controlling bodies were not necessarily advised of findings in cases where the complaints were found not to be integrity related, were unsubstantiated, where the controlling body was involved in the investigation with the Commissioner, or when the complainant's identity was protected.

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

The Commissioner conducted an Own Motion Inquiry into Race Fixing and the report was made public in January 2013. Further details about his investigation are contained elsewhere in this report.

**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 12 recommendations were made to the Minister during the reporting period, nine as a result of the Own Motion Inquiry into Race Fixing and three regarding the Damien Oliver Inquiry.
  - ii. A total of four recommendations were made to the racing controlling bodies. Two were to RVL as a result of the Damien Oliver Inquiry and two were made to HRV, one as a result of the Own Motion Inquiry into Race Fixing and the second as a result of the Own Motion Inquiry into Betting by Racing Officials conducted in the previous reporting period.

**Racing Victoria Limited**

1(a) That RVL amend recently introduced LR 72C(1) to include provision for the stewards to stand down a person at any stage of their inquiries and investigations, not only after the laying of charge as is currently the situation, but also prior to (the laying of charges), if that person's continued participation in racing undermines the image, interests or integrity of racing.

1(b) That RVL repeal the recently introduced LR 72C(2), which provides that a decision of the directors shall prevail over the decision of the stewards to the extent of any inconsistency.

Both recommendations arose from the Commissioner's *Final Report on the Investigation of the 'Damien Oliver Inquiry' 2012 by Racing Victoria Limited (RVL)*.

2. That RVL expedite its intention to alter the offence of a jockey placing a bet from a 'non-serious' offence to a 'serious' offence under the rules of racing (that is, cannot be heard and determined by stewards but must be heard and determined by the RADB).

This recommendation arose from the Commissioner's Own Motion Inquiry into Race Fixing.

Advice from RVL is that jockey betting has been amended to become a serious offence and the other recommendation is being considered for implementation.

**Harness Racing Victoria**

3. That HRV alter the offence of a driver placing a bet, on any race in which they participate, from a ‘non-serious’ offence to a ‘serious’ offence under the Australian Rules of Harness Racing (that is, cannot be heard and determined by stewards but must be heard and determined by the RADB).

This recommendation arose from the Commissioner’s Own Motion Inquiry into Race Fixing.

4. That the title of Form Analyst be amended so that the position is not viewed as integrity related, which would come under the betting policy of HRV.

This recommendation arose during identification of issues at the time of the Commissioner’s *Report on Own Motion Inquiry into Betting Activities of Racing Officials Employed by the Victorian Racing Industry* – 15 June 2012.

Advice from HRV is that these recommendations have been implemented.

**1i Direct a Racing Appeals and Disciplinary 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 –**

- 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 two requests to direct a RADB to hear an appeal. In neither case was a direction to a RADB deemed to be in the public interest.

One application related to a \$100 fine for a weight variation of a greyhound. The Commissioner considered all weight variation fines in the financial year and found the fine to be consistent.

One application related to a \$100 fine for not displaying saddle numbers. An audit of stewards’ reports since January 2012 identified nine other breaches relating to the same issue and all resulted in an identical penalty.

**2 The Racing Integrity Commissioner may 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 did not advise the Minister of any failings by a controlling body to implement or act on a recommendation during the reporting period.

**Section 37E of the Racing Act – Disclosure of Information**

**The Racing Integrity Commissioner may disclose integrity related information, as appropriate, to the Minister, controlling bodies and other authorised bodies.**

The Commissioner made 109 disclosures of integrity related information to a range of bodies and agencies during 2012–13. The disclosures were made in accordance with section 37E of the Racing Act.

Disclosure of Information	Total
Controlling bodies	62
Law enforcement agencies	46
State and Commonwealth Government agencies	1
	109

“Very happy with the way the Commissioner is mixing with the grassroots of the industry.”

# Case Study

*A trainer contacted the office with concerns about possible corruption in the field selection process for a major metropolitan race. The trainer believed that their animal had better form than many that had been selected for the race but theirs was not accepted for unspecified reasons.*

*The office's investigations of the race in question showed that the field selectors had considered all appropriate factors in the selection process, rather than the limited factors raised by the trainer, and were justified in their decision making.*

*The investigation found that the trainer had erred in their research of the form of some of the other animals in the field. The allegations were disproved and the office wrote to the trainer, explaining the result of investigations and providing advice on field selection processes for future reference.*

## 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 racing controlling bodies, many arising from previous work with this office.

### Greyhound Racing Victoria

During the period, GRV implemented a new 'ratings based' grading system which enhanced transparency for participants. Also, the box draw (subject of numerous complaints and allegations) was independently audited, with the findings being that the system is operating effectively and the necessary controls are in place.

The GRV Integrity Sub-Committee also initiated and endorsed an increase in research funding into prohibited substances, which will provide an additional \$656,000 over the next five years.

GRV's focus on drug related matters was demonstrated by its commitment to significantly increase swabbing numbers across the board, as well as increasing the number of targeted, retrospective and out-of-competition tests.

GRV increased the number of kennel inspections during the year by 37 per cent, with inspections taking place at locations throughout Victoria.

### Racing Victoria Limited

RVL has developed a three-year strategic plan, with best practice integrity assurance a key strategic objective for the next few years. RVL's focus is to ensure that the reputation of Victorian racing is protected by best practice integrity assurance implemented by a professional, respected and progressive compliance team.

RVL has further developed an integrity information paper that addresses critical integrity issues including prohibited substance and race-day treatments; race fixing and corruption related offences; RVL's integrity structure and funding; and regulatory powers and related matters.

The RVL integrity program will also concentrate on increasing stewards' powers; stiffer minimum penalties for cheating; no race-day treatments and increased drug testing of horses; more racing investigators; 'no bet' declarations and declaration of form analysis advisors for jockeys; immediate stand down powers for jockeys if charged with breaches; racetrack exclusion for undesirable people; development of a stewards' race-day hub; and improved bet monitoring.

RVL has also boosted funding to its integrity regime; bolstered many integrity related rules; increased the number of integrity staff, particularly in the Compliance Assurance Team; and augmented both its out of competition testing of horses and the human sampling program.

RVL and HRV have formed a drug strategy group with RASL representatives to discuss a wide range of drug-related matters.

### Harness Racing Victoria

HRV continues to maintain strong integrity controls across the harness racing industry and remains diligent in its prosecution and defence of decisions relating to breaches of the Rules of Harness Racing.

Among various initiatives this year, HRV has appointed an additional Investigative Steward. This appointment assists the department to focus on race-day stable inspections, in and out of competition testing, analysing betting data and gathering intelligence.

HRV also collaborated productively with other jurisdictions, engaging in exchange programs with both the Racing Integrity Unit in New Zealand and the Integrity Department of Racing Queensland.

HRV continues to dedicate a high proportion of the Victorian Racing Industry spend on operational drug testing with RASL and continues a dedicated focus on testing TC02 levels in horses in excess of the permitted levels.

HRV also collaborates with RASL to ensure research is a priority. In the 2012–13 period, HRV initiated the first prosecution of a case involving ITTP (myo-inositol trispyrophosphate), a substance identified by HRV as a threat to the industry.

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## Glossary of Acronyms

<b>CMS</b>	Case Management System
<b>GRV</b>	Greyhound Racing Victoria
<b>HRV</b>	Harness Racing Victoria
<b>IBAC</b>	Independent Broad-based Anti-corruption Commission
<b>IR</b>	Information Report
<b>RADB</b>	Racing Appeals and Disciplinary Board
<b>RASL</b>	Racing Analytical Services Limited
<b>RIOC</b>	Racing Integrity Operations Committee
<b>RVL</b>	Racing Victoria Limited
<b>SCOP</b>	Single Code of Practice
<b>VCAT</b>	Victorian Civil and Administrative Tribunal
<b>VCGLR</b>	Victorian Commission for Gambling and Liquor Regulation

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