

Annual Report 2021–2022



Racing Integrity
Commissioner



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Racing Integrity Commissioner

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Letter of Transmittal

The Hon Anthony Carbines MP
Minister for Racing
Level 26, 121 Exhibition Street
Melbourne Vic 3000

I am pleased to present you with my annual report for the year ending 30 June 2022 for tabling in Parliament, as required by section 37F of the *Racing Act 1958* (Vic).

The report documents the performance of my statutory functions, exercise of powers and integrity related activities during the last 12 months, to inform the Parliament, controlling bodies, racing industry participants, and the Victorian public about my racing integrity oversight role under the Act.

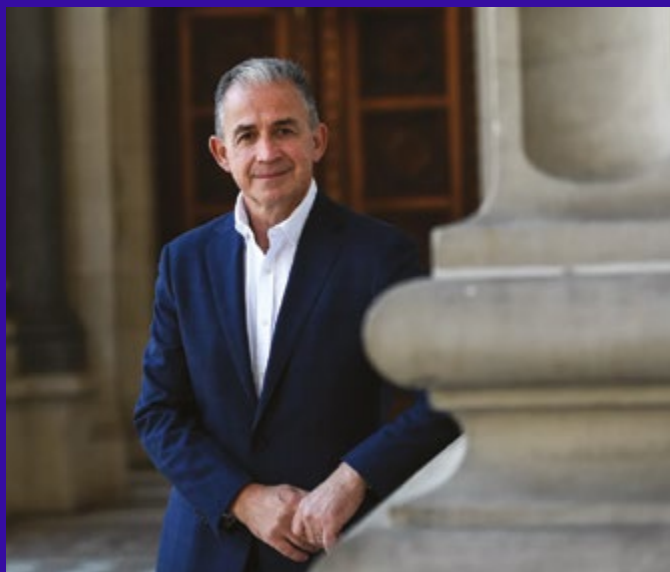


Sean Carroll
Racing Integrity Commissioner
30 September 2022

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Message from the Commissioner



Photograph: Joe Armao, The Age

During 2021-22, racing continued to adapt to the evolving operational requirements of the new norm of 'living with covid'. Yet I am pleased to report that there is no sign that racing integrity has been compromised by the seismic impact of economic and social change brought about by the pandemic. Throughout, the three controlling bodies have continued to prioritise integrity – growing their capacity and developing their capability – to ensure that racing continues to enjoy the social licence it has been entrusted with.

When I commenced, I made a commitment to engage directly with the industry, to promote transparency and confidence in the integrity of Victorian racing. Over the last 12 months, interactions with participants have continued to increase, reflected in a significant upswing in complaints and intelligence to my office.

My dealings with participants, the controlling bodies, racing clubs, other industry bodies and public highlighted the need to provide greater clarity about my role and priorities. This feedback informed the development of my 2022-26 strategic plan. I am confident that its vision and focus will provide a constructive platform for me to oversee racing integrity in Victoria over the next four years.

It has also been pleasing to see an increase in referrals of matters to my office from the controlling bodies. This measure reflects the codes' commitment to a top-down approach to working collaboratively with me to address integrity concerns proactively.

In June 2022, we farewelled former Racing Minister, The Hon Martin Pakula MP. On behalf of the racing industry, I thank the Minister for his steadfast advocacy and enduring commitment to racing integrity over the last seven years. I welcome The Hon Anthony Carbines MP to the racing portfolio and look forward to working with him.

I take this opportunity to acknowledge the work of the outgoing Chief Executive Officers, Alan Clayton (Greyhound Racing Victoria) and Giles Thompson (Racing Victoria Ltd), who resigned during 2021-22. At the time of writing, Dayle Brown (Harness Racing Victoria) has also announced his resignation. All three have made a substantial contribution to racing in this state and I wish them all the best in the next chapter of their careers.

Finally, I thank my staff for their important and tireless work throughout another busy year. Often unseen, their unwavering dedication and resilience is an invaluable source of support and encouragement to me. I am proud of our work in upholding high standards of racing integrity and confidence in our wonderful Victorian racing industry.

All the best in racing

Sean Carroll
Racing Integrity Commissioner

Strategic plan 2022–26

The strategic plan was developed during the reporting year with input from industry and staff. The plan articulates priorities and focus areas which will drive operational and resourcing decisions for the Racing Integrity Commissioner and staff. It is also designed to increase awareness about the Racing Integrity Commissioner's aspirations for Victoria racing integrity over the next four years.



Vision

Victorian racing is recognised for its ability to uphold high integrity standards to protect the integrity of the industry and racing event



Purpose

To provide independent assurance that the Victorian racing controlling bodies' have the right integrity processes and systems in place.



Values

Independent, transparent, accountable, proactive stewardship

Strategic Priorities

Enhanced public trust and confidence in the integrity of the industry

Entrenched high standards of integrity and continuous improvement across the industry

Improved industry capability and sustainability

Focus Areas

Increasing transparency and accountability through reporting

Benchmarking industry performance and identifying improvement areas

Targeting compliance activities through use of intelligence and risk-based methodology

Improving industry complaint handling access and responsiveness

Collaborating with industry to strategically and thematically address systemic issues and serious risk

Promoting minimum industry-wide integrity education standards

Role of the Racing Integrity Commissioner

Overview

The Racing Integrity Commissioner (Commissioner) is an independent statutory officer appointed under Part 1A of the *Racing Act 1958* (Vic) (Racing Act). The Commissioner is a central integrity oversight body in the Victorian racing industry whose key focus is providing assurance about the integrity processes and systems of Racing Victoria Ltd, Harness Racing Victoria and Greyhound Racing Victoria to Parliament and the public.

The Commissioner's role also affords an opportunity to share learnings and insights gained from the performance of oversight activities with all three racing controlling bodies, to embed continuous improvement in integrity across the broader racing ecosystem.

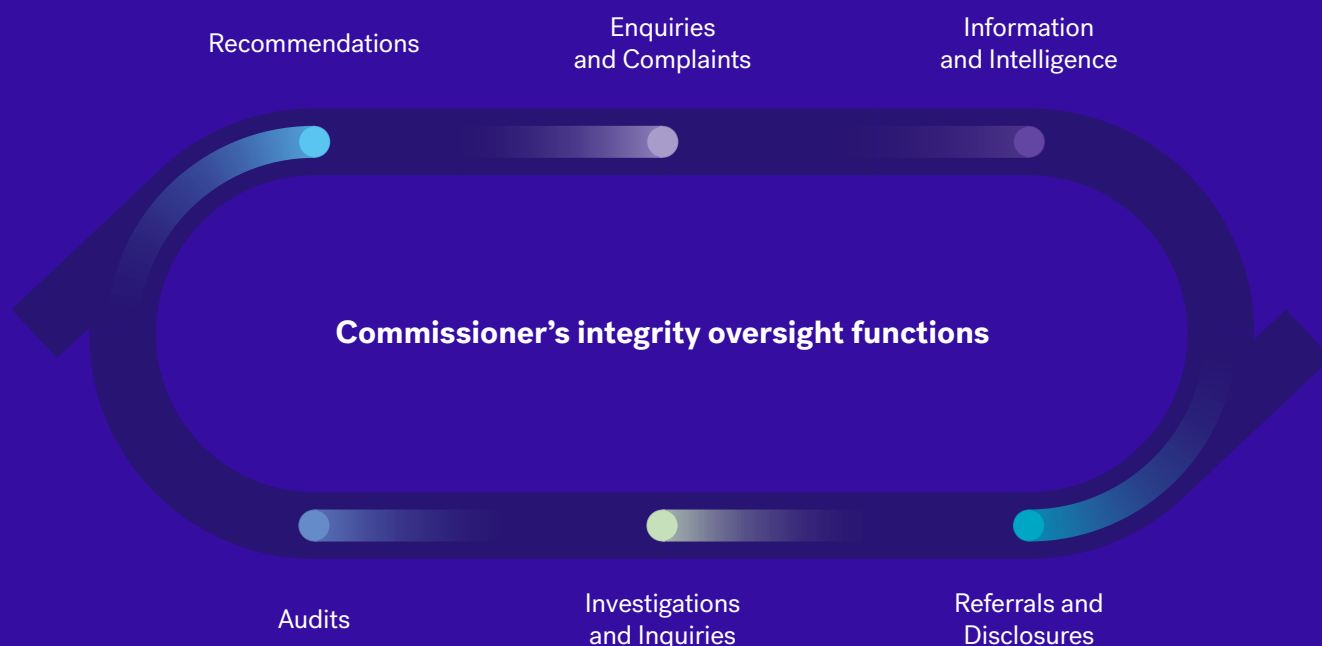
Functions

Under the Racing Act, the Commissioner's functions are to—

- **conduct annual audits of the internal integrity processes and systems**, in whole or in part, of each controlling body in areas identified by the Commissioner or the Victorian Racing Integrity Board (VRIB)
- **conduct audits outside the subject matter of the annual audit** if requested by a controlling body
- **conduct audits of the internal animal welfare processes and systems** of each controlling body to the extent that they relate to integrity in racing
- **investigate complaints about the integrity processes**

and systems of a controlling body

- **refer complaints about certain matters**, including suspected criminal conduct and breaches of the rules of racing, to other specified bodies
- **investigate matters referred** by the Minister, VRIB or a controlling body
- **investigate public interest complaints** that relate to the conduct of a controlling body or an employee, officer or member of a controlling body
- **report the findings of any investigations conducted into complaints that have not been referred** to other bodies to the complainant and Minister, VRIB or relevant controlling body
- **conduct own motion inquiries** that do not relate to any specific complaint and may include an investigation into systemic issues in racing
- **make recommendations following the investigation of any complaint, inquiry or matter** to the Minister, VRIB or relevant controlling body, as appropriate
- **direct the Victorian Racing Tribunal (VRT) to hear and determine an appeal** made by a person against a penalty imposed under the rules of racing of a fine of \$250 or less if the Commissioner considers it is in the public interest for the appeal to be heard
- **notify IBAC** of any matter suspected of involving corrupt conduct.



Year in Review

Commissioner's overview

A new era for integrity in racing

Integrity is a word that is bandied about on an almost daily basis. We are constantly reminded or fearful of the consequences of poor integrity. Yet few take the time to think about what it really means – whether personally, or the wider impact on our work or industry if integrity protections are inadequate.

Traditionally in the racing context, integrity concerns have focused on the racing event itself and ensuring it is devoid of doping, wagering, animal welfare and race manipulation issues. However, there is increased awareness of the value in applying a broader lens to integrity.

The overwhelming commercial success of the business of racing has brought about a far wider integrity reach compared with years gone by. This evolution has created new threats to racing integrity that are complex and multi-faceted, requiring a strategic and coordinated approach from all industry stakeholders.

In recent times, Australian and overseas sporting bodies have also reimagined the scope of integrity to encompass governance. Relevantly, this includes the adequacy and effectiveness of processes and systems to ensure high standards are maintained and monitored across entire industry ecosystems, including through ongoing industry education, training and awareness.

Good governance also requires robust leadership to protect and enhance the reputation of the industry, and promote a culture that puts its interests ahead of those of individuals and coterie groups.

Elevating governance as a key pillar of integrity in this way can lead to increased transparency and accountability of the decisions, actions and behaviours of both governing bodies and participants. This has a direct and positive impact on public confidence and the sustainability of the industry's social licence to operate.

Over the last 12 months, I have uncovered widespread support – from industry participants, administrators, and the public alike – in favour of an expansive approach to Victorian racing integrity that comprises frameworks and education for each of the following components in equal measure–








- *integrity of the competition*, including anti-doping, anti-match-fixing and rules of racing
- *integrity of human and animal participants*, including codes of conduct, complaints and discipline, member protection, child safeguarding and animal welfare
- *integrity of organisations*, including good governance, leadership, culture, transparency and accountability.

This broad approach is reflected in my strategic plan for 2022-2026.



Good governance also requires robust leadership to protect and enhance the reputation of the industry

Highlights

<div>123</div> <div>complaints received</div>	<div>↑</div> <div>62%</div> <div> </div>	<div></div>
<div></div>	<div>↑</div> <div>152%</div> <div> </div>	<div>151</div> <div>operational visits to race meetings, trackwork, trials and kennels/stables</div>
<div>453</div> <div>intelligence reports created</div>	<div>↑</div> <div>27%</div> <div> </div>	<div></div>
<div></div>	<div>↑</div> <div>329%</div> <div> </div>	<div>8,502</div> <div>individual documents and other items obtained in the conduct of investigations and inquiries</div>
<div>14</div> <div>investigations commenced</div>	<div>↑</div> <div>100%</div> <div> </div>	<div></div>
<div></div>	<div></div>	<div>5</div> <div>annual audits finalised</div>

Partnering with Victoria Police

Last year, I announced that my office was conducting an intelligence project in partnership with Victoria Police.

Between July and December 2021, two Victoria Police investigator and analyst secondees worked in my office to assess the nature and extent of criminality risk across the Victorian racing industry. The members collaborated closely with my team, and also engaged with key staff in the three controlling bodies' integrity units.

During this time, Victoria Police observed that all codes have experienced and specialist integrity staff and stewards, with excellent knowledge of their respective rules and regulations, and strong relationships with the Victoria Police Sporting Integrity Intelligence Unit. The secondees also found that my office has a comprehensive understanding of the varied thoroughbred, harness and greyhound racing environments and integrity risks.

I am informed that Victoria Police has not identified widespread criminal infiltration of racing in this state. However, it considers that the codes may have vulnerabilities which are best understood and addressed holistically through continued and close collaboration with my office.

I believe that the preservation of Victorian racing integrity is best served by a collaborative, whole-of-industry approach that proactively identifies threats and vulnerabilities. I will continue to work with Victoria Police to identify opportunities that strengthen the Victorian racing industry's collective intelligence capability through effective and timely information sharing and coordinated action.

I take the opportunity to thank Victoria Police Chief Commissioner Shane Patton APM for his enthusiasm and endorsement of such a significant initiative, and the police members who participated for their professionalism throughout the project. I welcome the commitment of Victoria Police in continuing to work closely with my office and the controlling bodies in such a crucial endeavour.

Animal welfare

In recognition of their key role in animal welfare, I have met regularly with RSCPA Victoria and other racing industry welfare groups throughout 2021-22. A current focus of their advocacy is the introduction of a national database and traceability system. RSPCA Victoria believes that tracking all horses from birth to death, and throughout their racing career, will provide greater transparency on the fate of retired racehorses, and improve biosecurity, emergency response and animal welfare outcomes. I support the ongoing dialogue between RSPCA Victoria and the racing industry about this.

Aquanita Racing

Aquanita Racing has been a unique and complex case that saw seven licensed persons receiving substantial disqualifications from thoroughbred racing, including three life bans.

The case has attracted significant attention and scrutiny from the industry, public and media. Since 2011, a sizeable proportion of all complaints, reports and enquiries to the Commissioner's office have related to Aquanita Racing and the Racing Victoria Ltd investigation into its activities.

My predecessor appropriately deferred an examination of the issues raised until all disciplinary processes had concluded. This occurred when final determinations relating to disqualifications and prize money were made in March 2021. Following this, my office commenced a review of all complaint files and internal intelligence holdings relating to Aquanita Racing.

In August 2021, I informed Racing Victoria Ltd that I would be conducting a review of the integrity processes and systems relevant to the Aquanita Racing investigation. I requested to be provided with all materials pertinent to the management of the matter and have since met regularly with the executive and integrity department about this.

I am pleased to report Racing Victoria Ltd's unreserved cooperation and commitment to working with my office, evidenced by its release of some five hundred documents to me. The review and analysis of this and the hundreds of other materials independently obtained by me is substantial and time-consuming. However, I expect to finalise my assessment in early 2023.

Independent Review

In March 2022, I announced that I would conduct an independent review into Victorian racing industry victim support and complaint processes (Review), following a joint referral of the matter by the three controlling bodies.

The Review will ensure that worker wellbeing is at the forefront of the Victorian racing industry. I will do this by hearing directly from victims of physical and sexual abuse, assault and harassment about their lived experience.

I will also examine systemic issues, the industry's processes and systems to prevent and respond to these issues, and the expectations of victims about these matters. I will not investigate or make findings about individual allegations as part of the Review.

To ensure the Review is conducted with the required sensitivity, confidentiality and independence, I have brought together a Review team of suitably experienced and qualified experts to assist me. Involvement in the Review is voluntary and can be anonymous, through the completion of an online survey, by making a written submission, and/or participating in an in-person or online interview.

I have established a dedicated Review hotline to provide clear access pathways to counselling and other supports for victims, including specialist trauma counselling, and referrals to law enforcement and other agencies.

The Review is expected to take 12 months and a final report will be publicly released by 30 June 2023. More information is available at <https://racingintegrity.vic.gov.au/review>.



To ensure the Review is conducted with the required sensitivity, confidentiality and independence, I have brought together a Review team of suitably experienced and qualified experts to assist me

Enquiries and complaints

Overview

Enquiries

An enquiry is a contact from a racing participant, industry stakeholder or member of the public requesting information about integrity in the Victorian racing industry, the Commissioner's complaint process, or providing information they believe is relevant to the Commissioner's functions. An enquiry may or may not proceed to a complaint.

Each year, the Commissioner receives numerous enquiries from people seeking to lodge complaints about matters that fall outside the Commissioner's investigation and referral jurisdiction. Where possible, the Commissioner assists people to direct their complaints to the correct body to deal with their concerns.

Complaints

The Commissioner recognises a complaint as being made when substantive information is received from a person who has demonstrated an intention to make a complaint to the Commissioner about a matter within the Commissioner's jurisdiction.

The Commissioner can receive complaints in multiple formats, including through the dedicated integrity hotline which provides for the making of anonymous complaints, and by telephone and email.

Referral of certain complaints to other bodies

The Commissioner may refer certain types of complaints to specified external bodies under the Racing Act – see *Referrals and Disclosures*.

Complaints the Commissioner can investigate

Under the Racing Act, the Commissioner may only investigate–

- complaints about the *integrity processes and systems of a controlling body*
- *public interest complaints* that relate to the conduct of a controlling body or an employee, officer or member of a controlling body
- complaints *referred by the Minister, VRIB or a controlling body*.

What are integrity processes and systems?

Integrity processes and systems of a controlling body include any process or system that is necessary to safeguard the integrity of the Victorian racing industry on, or off, the track.

Service issues, including administrative error and slow response times, are not integrity processes and systems.

What is a public interest complaint?

Any complaint that the IBAC has determined falls within its jurisdiction under the *Public Interest Disclosures Act 2012* (Vic) (PID Act) is a public interest complaint. If the Commissioner considers a complaint could be a public interest complaint, it must be referred to IBAC for assessment.

Other complaints

The Commissioner is not an appeals or review body and cannot determine legal rights and claims or remedies between a licensed or registered person and relevant controlling body or other industry participant.

Therefore, the Commissioner is unable to deal with complaints about–

- decisions of stewards' inquiries and the VRT, or determinations made by other tribunals and courts
- commercial or contractual disputes between participants and other persons, including a controlling body.

If the Commissioner cannot deal with a matter, the person who made the complaint will be told and the reasons for this. The Commissioner will advise if another body is able to deal with the complaint.

I am pleased to report that there is no sign that racing integrity has been compromised by the seismic impact of economic and social change brought about by the pandemic



Assessment

All complaints are acknowledged and recorded on a central database so that systemic or recurrent issues can be identified.

Each complaint is assessed to decide whether–

- it raises serious issues that require immediate action or safeguarding
- the Commissioner is the most appropriate body to address the issues raised
- it is a complaint about the integrity processes and systems of a controlling body
- IBAC needs to be notified
- it needs to be referred to another body

- it is currently being, or has already been, considered by the Commissioner's office or another body
- it is appropriate to address the issues informally
- it needs to be formally investigated.

As part of the assessment, the Commissioner may seek further information or documents about the complaint by contacting–

- the person who made it, to obtain more detail and find out what outcome is sought
- the relevant controlling body, to find out about any relevant integrity processes or systems that are in place, and/or seek information about any dealings it has had about the issues raised



CASE STUDY

Informal resolution of complaint

The Commissioner received a complaint that a controlling body employee was in a relationship with a racing participant. Assessment of the complaint, including analysis of the Commissioner's existing intelligence holdings and open-source material about the named persons indicated the complaint was credible.

The Commissioner informed the relevant controlling body about the complaint and, noting the potential conflict of interest it raised, asked if the employee had disclosed the relationship. The controlling body undertook an internal investigation to determine whether its employment policies and code of conduct had been breached.

Complaint outcomes

The Commissioner has no enforcement powers and cannot lay charges under the rules of racing or any law. The Commissioner may only take one of the actions outlined below to address the issues raised by a complaint.

Make recommendations

Recommendations can only be made to the Minister, VRIB or relevant controlling body if a complaint has been investigated by the Commissioner.

Informal resolution

The Commissioner may address issues without making a recommendation, including through stakeholder liaison, engagement and education, or via the audit process.

Take no further action

The Commissioner may decide to take no further action because a complaint–

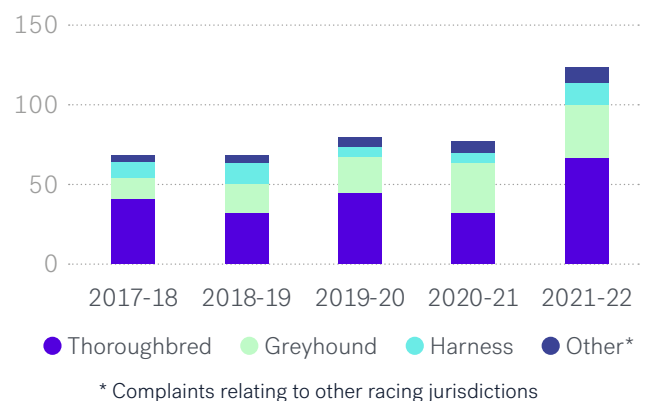
- has been referred to another body
- is being, or has already been, dealt with by another body or the Commissioner's office
- the person to whom the complaint relates is not or has never been a licensed or registered participant
- it is not practicable to deal with it due to the effluxion of time
- it is not in the public interest to investigate or deal with the complaint
- the complaint is frivolous, vexatious, misconceived or lacking in substance.

A decision to deal with a complaint informally, or take no further action, does not prevent the Commissioner from considering the matter at a later time.

2021-22 reporting

The total number of complaints received by the Commissioner (123) has increased markedly this year, up 62% on 2020-21. There was also a four-fold rise in complaints received from industry employees, and 200% growth in the number made by participants, compared with last year.

Chart: 2017-22 trend in complaints received



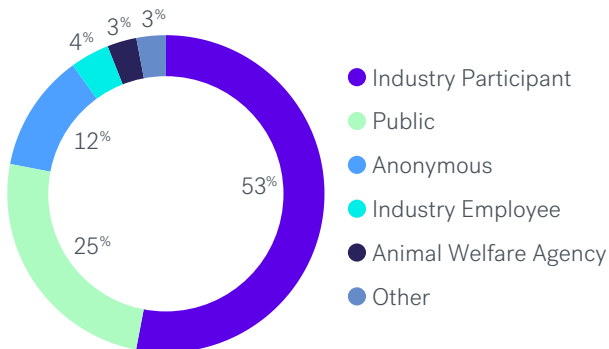
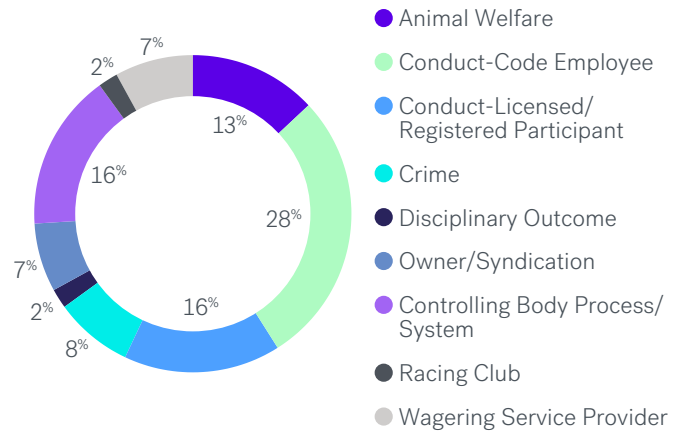
The steep rise in complaints is due to the dedication of additional resources to regular industry engagement in 2021-22. This led to a doubling of operational attendances by the Commissioner and his staff once covid restrictions eased, providing greater access and opportunity for industry to raise concerns.

Throughout the year, the Commissioner has also observed greater complexity in the type of complaints made. These issues have resulted in some delays in the time taken to resolve some complaints.

To address this substantial workload increase, a new complaint handling framework has been developed based on best practice. The draft framework offers guidance about how complaints will be managed and is being trialled internally. It will be shared with industry in due course, to provide greater transparency and accountability about the performance of this important function. The framework is also expected to facilitate better complaint outcomes and response times next year.

Of 123 complaints received during 2021-22–

- 90 (73%) were finalised in the reporting period
- 33 (27%) were unable to be finalised because they are the subject of an investigation or awaiting information from another body
- the average active period was 42 days.

Figure: 2021-22 source of complaints received**Figure: 2021-22 complaints by category**

Directions made to the VRT

In the last 12 months, two complaints were made requesting the Commissioner to direct the VRT to hear and determine appeals against fines of less than \$250 imposed under the rules of racing. In both instances, the Commissioner declined to exercise this power because he did not consider that it was in the public interest for either appeal to be heard.



CASE STUDY

Complaint about a potential contravention of the rules of racing referred to relevant controlling body

The Commissioner received a complaint about a registered participant's plans to administer a prohibited substance to an animal before an upcoming major race in breach of the rules of racing. The Commissioner's staff immediately reviewed the information provided with existing intelligence and assessed the complaint as credible. The complaint was then referred to the relevant controlling body.

After receiving the referral, the controlling body proactively implemented a range of overt and covert measures to ensure compliance with the rules of racing, including by–

- assigning additional pre-race security for the race
- conducting a targeted race-day inspection of the animal's lodging
- performing a pre-race vet examination of the animal
- collecting a post-race blood sample for testing
- maintaining post-race compliance monitoring of the relevant participants.

The Commissioner can initiate an own motion inquiry into matters that do not relate to any specific complaint and may include an investigation into systemic issues in racing



Table: Complaints by sub-category*				
Category	2020-21	2021-22	Change	
Animal Welfare	25	16	↓	36%
Cruelty, Neglect	3	7	↑	133%
Euthanasia	3	4	↑	33%
Live Baiting	0	1	↑	-
Traceability	19	2	↓	89%
Track Condition	0	2	↑	-
Conduct - Code Employee	14	34	↑	143%
Code of Conduct	9	24	↑	167%
Conflict of Interest	2	2	-	-
Corruption	1	2	↑	100%
Performance [^]	2	6	↑	400%
Conduct - Licensed/Registered Participant	12	18	↑	50%
Breach of Rules of Racing	6	7	↑	17%
Unlicensed/Unregistered Person	0	1	↑	-
Commercial Dispute Between Participants	1	4	↑	300%
Performance ^{**}	4	4	-	-
Wagering	1	2	↑	100%
Crime	6	12	↑	100%
Crimes against the person	2	4	↑	100%
Race Fixing	2	2	-	-
Property and deception offences	2	6	↑	200%
Disciplinary Outcome	2	3	↑	50%
Seek Appeal/Review of Decision	2	0	↓	-
Seek Commissioner Direction ^{^^}	0	2	↑	-
Ownership/Syndication	9	9	-	-
Financial Dispute	7	6	↓	14%
Management Dispute	2	3	-	50%
Controlling Body Process/System	8	20	↑	150%
Box/Barrier Draw or Grading/Field	4	4	-	-
Breeding	0	1	↑	-
Complaint Handling	2	7	↑	250%
Governance	1	6	↑	500%
Race Result	1	2	↑	100%
Racing Club	2	3	↑	50%
Breach of Rules, Regulations or Policy	1	2	↑	100%
Financial	1	1	-	0%
Wagering Service Provider	5	8	↑	60%
Dispute	5	8	↑	60%
Total	83	123	↑	48.19%

* Sub-category data has only been captured since 2020-21.

[^] Includes adequacy of an investigation/inspection, whether a process or system was followed, and interpretation of the rules.

^{**} Includes performance of a driver/jockey.

^{^^} That the VRT hear and determine an appeal under s 37B(1)(i) of the Racing Act.

Information and Intelligence

Overview

An important assurance mechanism to assess the state of integrity in Victorian racing is the proactive identification of threats and vulnerabilities through intelligence.

Information

The Commissioner collects integrity data and information from a range of sources. Formal and direct sources of information include complaints, audits and information sharing arrangements with the controlling bodies, law enforcement and integrity agencies.

Informal and indirect sources of information invariably come from long-term relationship building with industry, including enquiries via the long-established racing integrity hotline. The hotline allows racing participants and the public to make confidential and/or anonymous complaints and whistleblower disclosures about integrity issues.

Intelligence

Intelligence is the output and process through which data becomes valuable information or intelligence. When integrity information is received by the Commissioner's office, it is assessed for relevance and reliability and classified into different categories for ready analysis.

Analysis establishes the significance and effect of raw data by combining the disparate pieces of integrity information to identify trends, patterns and relationships within the racing industry, using established threat, harm and risk assessment methodology. This process creates an Intelligence Report (IR) which is captured in the Commissioner's intelligence and case management system.

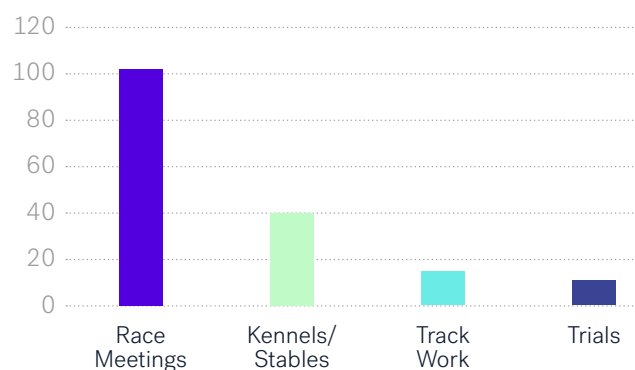
IRs are used to support the Commissioner's operational decision-making in the assessment of complaints and conduct of investigations. They are also used to support strategic decision-making, through the identification of serious or systemic issues and risks which warrant closer examination through the annual audit or an own motion inquiry.

2021-22 reporting

As already indicated, the allocation of additional resources to increase the Commissioner's presence at race meetings, trackwork, trials, kennels and stables (operational visits) enhanced the opportunity to develop relationships with participants across the Victorian racing industry.

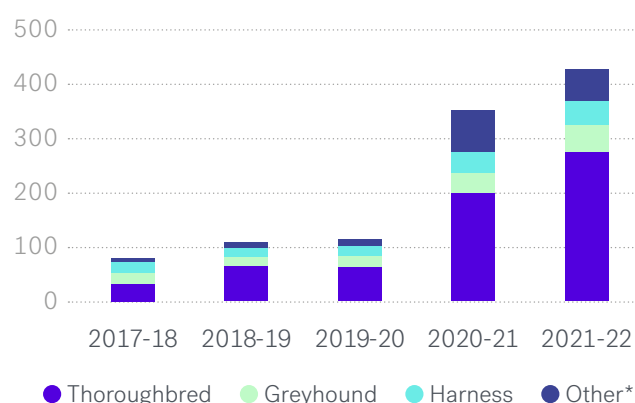
In 2021-22, the Commissioner and his staff undertook 151 operational visits, up from 60 in the previous year.

Chart: 2021-22 operational visits



This proactive engagement with industry has notably resulted in a significant increase in the reporting of integrity related information to the Commissioner's office, including a fourfold increase in IRs since 2019-20 (453 and 358 over the last two years respectively), as identified in the next table.

Chart: 2017-22 trend in IRs by racing sector



The complexity and higher number of investigations conducted during 2021-22 also led to a 329% increase in the volume of materials obtained by the Commissioner – 8,502 individual documents and other items in the current year, up from 1,983 in the previous reporting year. This information was reviewed and analysed by the Commissioner's staff to assess its value and relevance to the conduct of each investigation.

Over the last 12 months, the Commissioner's office has also continued to invest in migrating its existing intelligence holdings to the new intelligence and case management system. This includes enhancing the categorisation and relationship assignment of IRs. This sizeable project continues and plays an important role in developing the Commissioner's strategic decision-making capability.

Referrals and Disclosures

Overview

Referral of complaints to other bodies

Under the Racing Act, the Commissioner may only investigate complaints about integrity processes and systems, public interest complaints and matters referred by the Minister, VRIB or controlling body.

The Commissioner is empowered to forward other complaints to the nominated external body, where they relate to or involve–

- a contravention of the rules of a controlling body: *the relevant controlling body*
- a criminal matter: *Victoria Police*
- corrupt conduct: *IBAC*

- a contravention of the *Gambling Regulation Act 2003 (Vic)*: *the Victorian Gambling and Casino Control Commission (VGCCC)*
- a contravention of any Act or subordinate instrument in connection with the integrity of racing: *the relevant government agency*
- an internal integrity matter: *VRIB*
- animal welfare processes and systems of a controlling body: *the relevant government agency*.

Once a complaint is referred to another body, the Commissioner no longer has jurisdiction over the matter, or how it is handled by that body. However, the Commissioner seeks to monitor systemic issues and support continuous improvement in Victorian racing integrity processes and systems by requesting to be kept informed of any action taken by another body when a complaint is referred.



CASE STUDY

Disclosure of integrity related information to relevant controlling body

The Commissioner received anonymous information about an unnamed participant fraudulently selling animals that they did not actually own. This alleged fraudulent activity was said to be occurring within Victoria and in other states.

Intelligence analysts from the Commissioner's office cross-referenced this report with other known intelligence and open-source information publicly available on social media. As a result, the Commissioner was able to identify the participant and relevant online communications they had purporting to sell the animals.

All of this intelligence was disclosed as integrity related information to the relevant controlling body.

Disclosure of information

The Commissioner can disclose integrity related information, as appropriate, to:

- a controlling body
- VRIB
- VRT
- the Minister
- state and federal police
- the IBAC
- the VGCCC, and
- a range of other racing, integrity, law enforcement, regulatory and other agencies prescribed under the Racing Act.

Integrity related information is information the Commissioner has collected or been given in the course of his functions and includes information in relation to–

- the contravention, or alleged contravention, of the rules of racing
- the identity of persons alleged to have contravened the rules of racing
- complaints received by the Commissioner
- audits conducted by the Commissioner.

Disclosure of integrity related information with the controlling bodies and other agencies allows the Commissioner to leverage intelligence to build a more comprehensive picture of the Victorian racing integrity landscape across all industry touchpoints.

In turn, this supports the controlling bodies to be intelligence-led in targeting their compliance and enforcement activities. It also assists the Commissioner to raise awareness about integrity risks and vulnerabilities in the industry.



Disclosure of integrity related information with the controlling bodies and other agencies allows the Commissioner to leverage intelligence to build a more comprehensive picture of the Victorian racing integrity landscape across all industry touchpoints

Investigations and inquiries

Overview

Investigations

The Commissioner may investigate complaints about the integrity processes and systems of a controlling body and matters referred by a controlling body, VRIB or the Minister. In deciding whether to conduct an investigation, the Commissioner will consider a number of factors, including–

- the best way to address the issues raised
- the subject matter and seriousness
- whether it raises systemic issues
- whether it has already been investigated
- resourcing priorities
- whether it is in the public interest.

If IBAC has determined that a complaint is a public interest complaint, the Commissioner must investigate it, unless–

- an investigation would prejudice criminal proceedings or investigations
- the subject matter has already been investigated or dealt with
- there is unsatisfactory delay since the person making the complaint became aware of the matter
- the conduct does not amount to improper conduct.

Report of findings

The Commissioner must 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 the Minister, VRIB or the relevant controlling body (with or without identifying either the person who made the complaint or who is the subject of it), as appropriate.

Prior to finalising an investigation report, the Commissioner routinely provides a draft copy to any affected persons, to afford procedural fairness.

On completion of an investigation of a public interest complaint, the Commissioner must report the findings to the relevant controlling body, VRIB and the Minister. However, the Commissioner must not include any information that is likely to lead to the identification of a person who has made an assessable disclosure, or that is otherwise prohibited under the PID Act.



CASE STUDY

Investigation of a matter referred by a controlling body

A controlling body referred a matter relating to an alleged internal theft by a former employee. The Commissioner conducted an investigation and obtained documents and evidence from witnesses.

The Commissioner provided a report of his findings to the controlling body, indicating that there was prima facie evidence of a criminal offence and recommending the matter be referred to law enforcement. The former employee was subsequently charged by the police and the matter is pending before the courts.

Inquiries

The Commissioner can initiate an own motion inquiry (inquiry) into matters that do not relate to any specific complaint and may include an investigation into systemic issues in racing.

When conducting an inquiry, the Commissioner determines the scope of the issues to be examined. Ordinarily, an inquiry will focus on what happened, how it happened, and whether any changes to processes and systems need to be made to prevent it happening again. It may also examine the role, conduct and accountability of individuals.

In deciding whether to conduct an inquiry, the Commissioner will consider a number of factors, including–

- whether the circumstances indicate that an issue may be systemic or widespread, and not confined to a single event, person or complaint
- the public interest in scrutinising the relevant circumstances, events and actions, to promote or maintain confidence in racing integrity
- the seriousness and nature of the issues raised, including the risk to racing integrity
- whether another body has jurisdiction to examine the issues.

Investigation and inquiry powers

The Commissioner may exercise the following powers when conducting an inquiry or investigation into a controlling body or a person, club or other body licensed or registered under with the rules of racing, and require a person to–

- produce a specified document or other thing; and/or
- give evidence or answer questions on oath or affirmation.

These powers can only be exercised in respect of–

- a person who is licensed or registered under the rules of a controlling body
- a member of the board of a controlling body
- an employee of a controlling body
- a member of a committee or managing body of a club registered under the rules of a controlling body
- an employee of a club registered under the rules of a controlling body
- any person who, at the time the matter which is the subject of the inquiry or investigation occurred, fell within any of the above categories.

Offences

Under the Racing Act, it is an offence to:

- fail to comply, without reasonable excuse, with a written notice to produce or attend served by the Commissioner
- fail to take oath, make affirmation, answer question or produce document, without reasonable excuse, when required to do so
- make false or misleading statements or produce false or misleading documents or other things to the Commissioner.

Protections

A statement made by a person in response to any question put to the person in an inquiry or investigation by the Commissioner–

- is not admissible in evidence in any civil or criminal proceeding against that person, and
- is not to be made the ground of any prosecution, action or suit against that person.

2021-22 reporting

In the last financial year, the Commissioner commenced 14 investigations, up from 7 in the previous reporting year, and conducted 1 inquiry. An inquiry that commenced in 2020-21 was also completed in the period.

The Commissioner exercised more powers compared to 2020-21. However, the increase was commensurate to the higher number of investigations and inquiries conducted this year and is reported in the following table.

Table: 2020-22 powers exercised by the Commissioner in the conduct of an investigation or inquiry

Requirement	2020-21	2021-22
Attend and give evidence	10	23
Produce documents and other things	9	12
Attend and give evidence and produce documents and other things	0	9
Total	23	44

There was full compliance with all powers exercised by the Commissioner in the 12 months to 30 June 2022.

Overview

The conduct of the annual audit is a key assurance function at the Commissioner's disposal, allowing for the examination of the internal integrity processes and systems of the controlling bodies.

Historically, the annual audit focused on a singular and different racing integrity risk area each year. The value of this approach was that it afforded a deep dive into the subject area, albeit as a snapshot at a specific point in time.

To enhance his ability to provide assurance about the status and adequacy of the controlling bodies' trajectory in addressing areas identified for improvement, the Commissioner is developing an annual audit program that will facilitate a regular and wholistic assessment of the integrity ecosystem at each controlling body across key domains.

The new annual program will create an iterative assurance cycle that incorporates a continual examination of best practice, comparative performance, benchmarking, change implementation and re-audit of the controlling bodies' processes and systems. This will allow the Commissioner to track integrity improvements and Victorian racing industry responsiveness across multiple years. Industry consultation about the program will commence in the second half of 2022.

2021-22 reporting

In readiness for a new approach in 2022-23, the Commissioner is pleased to confirm the finalisation of all outstanding annual audits dating back to 2016-17, summarised in the table on page 26. The backlog was caused by changes to internal integrity structures following the establishment of VRIB and the VRT which modified the original audit findings, and the impact of covid on controlling body resources. The effort and cooperation of all in expediting this momentous task is acknowledged.

The 2021-22 annual audit is nearing completion. This year, the Commissioner undertook a desktop audit of the controlling bodies' oversight of racing official and participant declarations relating to private interests, betting probity, conflicts of interests, and gifts and benefits under the Single Codes of Practice.

At the time of writing, the assessment of documents and data provided by the controlling bodies is almost finalised and indicates general compliance.

The new annual program will create an iterative assurance cycle that incorporates a continual examination of best practice, comparative performance, benchmarking, change implementation and re-audit of the controlling bodies' processes and systems

Recommendations

Overview

Recommendations may only be made by the Commissioner following the investigation of any complaint, inquiry or matter to the Minister, VRIB or relevant controlling body, as appropriate.

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

2021-22 reporting

A snapshot of key recommendations made by the Commissioner in the 12 months to 30 June 2022 appears on the next page.

The Commissioner did not advise the Minister of any failure to implement or act on a recommendation in 2021-22.



CASE STUDY

Investigation of complaints about animal welfare processes and systems

The Commissioner received a number of complaints from the public and participants about animal welfare and safety at a particular racetrack.

After investigating, the Commissioner identified process and system gaps in how the controlling body was overseeing the maintenance of equipment and surfaces by race clubs which created a risk to animal welfare. Also, that occupational health and safety processes in place to support employee and participant welfare were not being adequately followed.

The Commissioner made recommendations to address these concerns.

Table: Summary of Commissioner's 2020-21 annual audit*

Subject	Cross-code Recommendations
2020-21 Integrity risk management post covid	<ul style="list-style-type: none"> • Audit existing employee assistance programs, to assess awareness and adequacy of the offering, take up of various components, and satisfaction with outcomes • Review staffing levels and rostering within the inspection and investigation functions, to ensure adequate capacity and capability and mitigate against the risk of compromise to staff wellbeing and performance • Prioritise and strengthen training and education programs to improve mental health and wellbeing awareness • Review child safety frameworks to ensure alignment with National Principles and compliance with new Victorian Standards • Strengthen informal engagement between integrity officials and participants, to improve relations, promote education and foster deterrence • Participate in a cross-code working group with the Commissioner and VRIB to develop qualitative performance measures for all integrity functions for reporting purposes.

*The Commissioner's 2021-22 annual audit was being finalised at the time of writing. The results will be published in 2022-23.

Table: Summary of Commissioner's previous annual audits finalised in 2021-22

Year	Audit Topic	Recommendations Made
2016-17	Controls to manage persons who pose a risk to integrity	12
2017-18	Integrity processes and systems relating to animal welfare	22
2018-19	End-to-end management of investigations	12
2019-20	Integrity risk management	34
2020-21	Integrity risk management post covid	9

Table: Summary of Commissioner's recommendations in 2021-22 following an investigation or inquiry

#	Subject	Who	Outcome
1	Report suspected criminal conduct by employee to police	Relevant controlling body	Endorsed and implemented
2	Ensure adequate processes and systems in place to assess how any change to compliance requirements for participants is communicated to ensure clear and consistent information is provided	Relevant controlling body	Endorsed and implemented
3	Ensure adequate processes and systems in place to conduct operational risk assessment to consider how a change to compliance requirements for participants will impact race day operations	Relevant controlling body	Endorsed and implemented
4	Ensure adequate processes and systems in place to ensure all race day officials are provided with clear and consistent information about any changes to compliance requirements for participants	Relevant controlling body	Endorsed and implemented
5	Ensure clear policies and documented guidance is in place for integrity staff about- <ul style="list-style-type: none">• use of body-worn cameras• use of personal devices• legal requirements for the capture, storage, use and retention of personal and health information• the hierarchy of authority for race day operational roles• the conduct of probity and pre-employment screening for all integrity staff and ongoing duty of disclosure for probity concerns• the provision of references for integrity staff	Relevant controlling body	Endorsed with exceptions and implemented
6	Review existing training for all race day officials to ensure they- <ul style="list-style-type: none">• are provided with induction and ongoing education about their obligations under the code of conduct and rules of racing, and all matters the subject of recommendation 5• provide an annual acknowledgement of their participation in relevant training in the preceding 12 months and understanding of their obligations	Relevant controlling body	Endorsed and implementation in progress
7	Determine whether nominated persons were in breach of the rules of racing and/or their employment obligations	Relevant controlling body	Endorsed and implemented
8	Ensure clear policies and documented guidance are in place about- <ul style="list-style-type: none">• acceptable use of ITC systems, services, hardware and devices• information and data loss prevention	Relevant controlling body	Response pending
9	Review existing training for all staff to ensure they- <ul style="list-style-type: none">• are provided with induction and ongoing education about their obligations under the code of conduct and all matters the subject of recommendation 9• provide an annual acknowledgement of their participation in relevant training in the preceding 12 months and understanding of their obligations	Relevant controlling body	Response pending
10	Determine whether nominated persons were in breach of their employment obligations	Relevant controlling body	Response pending

The Commissioner supports the ongoing dialogue between RSPCA Victoria and the Victorian racing industry about the application of a national horse traceability system



Corporate Reporting

Overview

As reported above, the office observed a sizeable impact in 2021-22 on our work supporting the Commissioner's performance of key statutory functions in complaints, referrals, investigations and intelligence monitoring.

High case volumes affected our ability to finalise matters. However, a mid-year injection of fixed term funding in the Commissioner's budget allowed the recruitment of much needed staff, including an analyst and two investigators. Pleasingly, this led to increased operational output toward the end of the financial year, notably assisting the Commissioner to finalise all outstanding annual audits dating back to 2016-17.

In the corporate area, we embarked on a review of all office policies and procedures, including the development and trial of a new complaint handling framework, to improve consistency in outcomes and align our resourcing priorities with the Commissioner's legislative remit and strategic plan.

A review of our capability framework identified the opportunity to use a multi-disciplinary approach to ensure the most effective use of our resources. This also highlighted the need for additional strategic policy and legal expertise, which resulted in the creation of a new Director Integrity Policy, Assurance and Legal role.

VRIB's former Executive Officer, Elissa Watson, commenced in this role in March 2022 and will lead the development of the Commissioner's new audit strategy and implementation of the strategic plan over the coming 12 months.

Other highlights include undertaking a comprehensive update of the Commissioner's statutory notices and accompanying information, to ensure the proper exercise of powers. A review of our information and records management needs has also commenced and will drive operational efficiency in the coming year.

The Commissioner's office has also been assisted by the Department of Jobs, Precincts and Regions (DJPR) to clear a large archiving backlog of physical records and documents.



In the corporate area, we embarked on a review of all office policies and procedures, including developing and trialling a new complaint handling framework

Public sector reporting

Staffing and shared services

The Commissioner receives funding and support from DJPR for a range of corporate services, including information technology, risk management, human resources and finance. The Commissioner is supported in the performance of his functions by dedicated staff who are employees of DJPR assigned to the Commissioner's office.

Financial and corporate reporting

Detailed reporting for the Commissioner's office relating to financial performance, workforce data and other disclosures under the *Financial Management Act 1994* (Vic) is included in the DJPR annual report.

Freedom of information

The *Freedom of Information Act 1982* (Vic) (FOI Act) provides the public with a right to request access to information held by the Commissioner. No freedom of information (FOI) requests to access information under the FOI Act were received during 2021-22.

An FOI request must be made in writing, clearly describe the information or document sought, and be accompanied by the prescribed application fee made payable to DJPR. Enquiries about access to documents held by the Commissioner can be made to–

Freedom of Information Request

Racing Integrity Commissioner
PO Box 24034, 111 Bourke Street
Melbourne Vic 3001
Email: enquiries@racingintegrity.vic.gov.au
Phone: +61 3 8684 7776

Public sector conduct

The Commissioner and his staff are bound by the Victorian public sector codes of conduct. The Commissioner maintains a register of gifts, benefits and hospitality for his office and completes an annual declaration of private interests.

No betting policy

The Commissioner and his staff adhere to a 'no betting' policy and complete annual declarations to attest their compliance.

Public interest disclosures

The PID Act encourages and facilitates the disclosure of improper conduct and corruption in the Victorian public sector by providing protection to people who make disclosures in accordance with its provisions. Any disclosure of this type about the Commissioner or his staff may be made to either–

Independent Broad-based Anti-Corruption Commission
Level 1, 459 Collins Street (North Tower)
Melbourne Vic 3000
Phone: 1300 735 135
Website: www.ibac.vic.gov.au

Victorian Ombudsman
Level 2, 570 Collins Street
Melbourne VIC 3000
Phone: 03 9613 6222
Website: www.ombudsman.vic.gov.au



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www.racingintegrity.vic.gov.au