



Office of the
Racing Integrity
Commissioner

LEADERSHIP

PROFESSIONALISM

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ANNUAL REPORT

INTEGRITY



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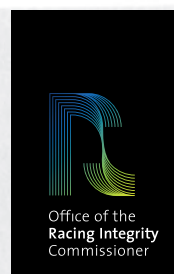
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The Hon. Dr Denis Napthine MP
Minister for Racing
Level 16, 121 Exhibition Street
MELBOURNE VIC 3000

Dear Minister

I am pleased to present to you the Annual Report of the Office of the Racing Integrity Commissioner for the year ending 30 June 2011 for presentation to Parliament, in accordance with section 37F(1) of the *Racing Act 1958*.

This report represents the first full year of 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



The 2010-11 year has been challenging, demanding and extremely rewarding. Our aims this year were:

- ❑ to establish the Office of the Racing Integrity Commissioner;
- ❑ to enhance existing racing integrity assurance processes and systems;
- ❑ to develop leadership in racing integrity assurance; and
- ❑ to enhance public confidence in the integrity of Victorian racing.

WELCOME TO OUR FIRST ANNUAL REPORT COVERING A FULL YEAR OF OPERATIONS.

To this end, our Business Plan targeted 10 key focus areas, 49 projects and in excess of 300 activities.

The first step on this journey was creating an office able to perform the duties mandated under the *Racing Legislation Amendment (Racing Integrity Assurance) Act 2009*, which amended the *Racing Act 1958* and created my role.

With the support of the Department of Justice we were able to establish an office, develop an organisational structure, recruit and appoint staff, establish service contracts, undertake a legal review of legislative provisions, benchmark models of independent statutory bodies and develop a brand.

Of particular note this year was the creation of an Investigations Manager role to enhance the existing Integrity Operations, Intelligence and Information and Policy and Projects positions.

The introduction of a public Racing Integrity Hotline, the launch of a website and the undertaking of an extensive stakeholder engagement and communication program resulted in substantive and productive information receipt, now collected, collated and analysed by a customised Case Management System.

In an effort to familiarise ourselves with the complexity of the racing industry, a comprehensive familiarisation program was put in place. This was supplemented by a stakeholder survey to ensure that we remain valid and relevant.

Key relationships and partnerships were entered into with a broad cross section of bodies including the racing industry, wagering providers, law enforcement and government agencies to ensure that communication and information sharing was efficient and effective.

Our first full audit of the controlling bodies, Racing Victoria Limited, Harness Racing Victoria and Greyhound Racing Victoria, was conducted, not only as a stock-take of their suite of integrity related systems and processes, but also as a gauge of compliance with the recommendations arising from the review into the racing industry, *A Report on Integrity Assurance in the Victorian Racing Industry* by Judge G. D. Lewis AM, 1 August 2008, also known as the Lewis Report.

This work was supplemented by commencing a full review of the national and local rules of racing for the three codes and an identification of those relating to integrity, as well as an assessment of those that have cross-code application.

Reviews were also undertaken of the new racing appeal and disciplinary process, in place since March 2010 and the introduction of the Victorian Civil and Administrative Tribunal as the new body for appeals against decisions of a Racing Appeals and Disciplinary Board.

Much of the findings from the audits and reviews over the past year will form the basis of next year's key activities and include aspects such as the development of a single code of practice and consistency of processes associated with key integrity strategies such as animal identification and drug testing.

Aside from these planned activities, our response capability was quickly developed in order to respond to matters of public interest such as the Nikolic Inquiry; issues such as the lack of legislative and regulatory authority over unlicensed persons and bookmakers' employees; and the conduct of investigations into information reports and other complaints received by the Office.

Other unplanned activities related to areas identified as requiring urgent attention. The creation of cross-code integrity forums, development of enhanced information sharing with law enforcement and introduction of training modules for stewards and integrity investigators were initiatives addressing such areas.

From any perspective, the past year was one of immense activity centred on establishing and staffing an office able to carry out its designated functions whilst at the same time becoming familiar with the racing industry; establishing how effective and efficient the existing integrity systems and processes were; and identifying and engaging with a broad array of participants and stakeholders.

Together with our state-wide mandate, we were quick to embrace the emerging risks to the integrity of sport nationally and established relationships with the Australian Crime Commission and the Coalition of Major Professional and Participation Sports. In the coming year, these relationships will build into partnerships and expand to include international sports integrity bodies.

In a period of just over a year, we established a fully operational, independent statutory body that has quickly become part of the racing horizon and enhanced the work undertaken by the racing codes, participants, regulators, administrators and various stakeholders, all with a mandate to ensure the public have confidence in this iconic and exciting industry.

In this, our first full year, a year of establishment, familiarisation, engagement, audit and assessment, we created a model on which to build an office to provide the public with an assurance that the integrity of the racing industry is under continual oversight.

Such achievements are made only with huge dedication and commitment and I wish to recognise and thank my staff for such a concerted effort.

I also wish to recognise the contributions of the three controlling bodies and particularly those working in integrity related roles such as stewards and integrity investigators. These partnerships are vital in enhancing public confidence in the Victorian Racing Industry.

Additionally, I have met some extraordinary people involved in racing from all walks of life, each of whom has shown a passion for the sport or the animals. Many have given me much of their time and assisted me with knowledge and understanding, without which my role would be less effective.

Finally I would like to thank the Victorian Government and the Department of Justice, particularly the Office of Gaming and Racing, for the support and assistance required to satisfactorily perform my role.

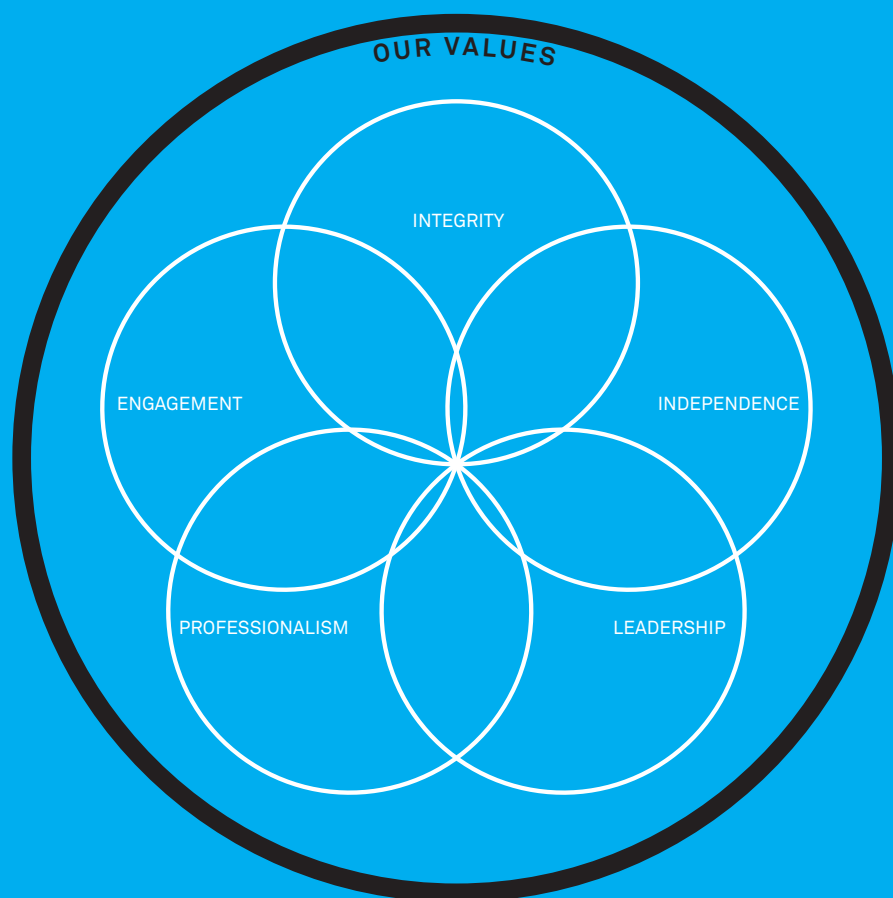
Having laid the foundations, I look forward to building on our achievements over the past year to ensure the public maintains confidence in the integrity of racing.



Sal Perna
Racing Integrity Commissioner

OVERVIEW OF THE OFFICE OF THE RACING INTEGRITY COMMISSIONER

THE OFFICE OF THE RACING INTEGRITY COMMISSIONER WAS ESTABLISHED UNDER THE *RACING LEGISLATION (RACING INTEGRITY ASSURANCE) ACT 2009*, AMENDING THE *RACING ACT 1958* TO PROVIDE FOR A RACING INTEGRITY COMMISSIONER WITH INDEPENDENT OVERSIGHT OF INTEGRITY ISSUES WITHIN THE VICTORIAN RACING INDUSTRY, TO RECEIVE AND INVESTIGATE INTEGRITY RELATED COMPLAINTS AND TO ACT IN A 'QUASI-OMBUDSMAN' ROLE.



The inaugural Racing Integrity Commissioner, Mr Sal Perna, was appointed by the Governor in Council on 1 March 2010.

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

1. Enhance public confidence in the integrity of Victorian racing
2. Develop leadership in racing integrity assurance
3. Enhance existing racing integrity assurance processes and systems

Our Values

The Commissioner has adopted five key values to guide the work of the Office of the Racing Integrity Commissioner.

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 1958 provides for the Racing Integrity 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 each controlling body; Racing Victoria Limited (RVL), Harness Racing Victoria (HRV) and Greyhound Racing Victoria (GRV), 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:
 - if the complaint relates to a criminal matter, Victoria Police;
 - if the complaint relates to an alleged or apparent contravention of the rules of a controlling body, the relevant controlling body;
 - if the complaint relates to an alleged or apparent contravention of the *Gambling Regulation Act 2003*, to the Victorian Commission for Gambling Regulation (VCGR);

- if the complaint relates to an alleged or apparent contravention of any Act or subordinate instrument in connection with the integrity of racing, the relevant government agency; or
- if the complaint relates to an internal integrity matter, the integrity subcommittee of the Board of the relevant controlling body;
- ❑ 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 that made the complaint; and
 - with or without identifying the person that made the complaint or the person that is subject of the complaint, the Minister or the relevant controlling body (as the Racing Integrity 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 Racing Integrity Commissioner considers appropriate):
 - the Minister; or
 - the relevant controlling body;
- ❑ direct a Racing Appeals and Disciplinary (RAD) Board to hear and determine an appeal made by a person against a penalty imposed on the person under the rules of a controlling body if:

- the penalty imposed is a fine of not more than \$250; and
- the Racing Integrity Commissioner considers that it is in the public interest for the appeal to be heard;
- ❑ perform any other functions conferred on the Racing Integrity Commissioner under the *Racing Act 1958*.

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 works to:

- ❑ provide advice on integrity across the three codes and the racing industry;
- ❑ liaise with the racing industry regarding policies and practices relating to integrity;
- ❑ facilitate the exchange of information between the controlling bodies, Victoria Police, VCGR and other agencies as appropriate; and
- ❑ strengthen relations between all parties and improve information sharing between the relevant enforcement agencies on integrity related matters.

PART A – YEAR IN REVIEW

ACHIEVEMENTS AGAINST KEY FOCUS AREAS

STAKEHOLDER ENGAGEMENT

Industry Familiarisation and Stakeholder Engagement Program

To ensure the Office of the Racing Integrity Commissioner developed productive relationships and partnerships with key stakeholders and also gained an enhanced insight of the racing industry across the three codes, an extensive familiarisation and engagement program was undertaken.

Over the course of the program, the Office met with a total of 896 people representing 234 organisations or business units.

These interactions included formal discussions, meetings and presentations as well as informal discussions, site and operational visits and attendance at race meetings across the codes at metropolitan and regional courses.

Staff undertook 29 operational visits, including 10 race meetings, six hearings of the RAD Boards, four visits to wagering service providers, four visits to operations conducted by Racing Analytical Services Limited (RASL) and a variety of other operations.

A diverse range of people involved in the racing industry were consulted, including associations representing owners, trainers, breeders, drivers and jockeys; government bodies and departments; law enforcement agencies at national and state level; interstate and international racing and corruption bodies; and integrity representatives of various sporting codes.

Stakeholder Survey

An independent Stakeholder Survey was commissioned to assist in identifying critical success factors that could be used to measure the success of the implementation and ongoing management of the Office.

The survey findings in the main identified that the Office:

- ❑ added to already tight controls in the industry;
- ❑ displayed an open and professional approach; and
- ❑ was valued for the work being done to strengthen the relationship between the industry and law enforcement.

Supporting remarks included:

"The office has got off to a good start and filled a long standing void in the racing industry."

"A busy first year, which has seen the RIC (Racing Integrity Commissioner) become an accepted part of the integrity landscape in the racing industry."

"The Commissioner and his staff have undertaken, with patience and good humour, to learn fundamental aspects of a complex regulatory environment."

The survey also made it clear that the Commissioner's role in investigating complaints was not well received by every stakeholder. One controlling body commented "...their priority seems to be to act as an ombudsman for the disaffected who have been found guilty of acts against good integrity and have done little, if anything, to support and develop those trying to maintain and improve the integrity of the codes. The Commissioner should have a long think about whether they are on the side of the integrity defenders or supporting the rights of the offenders..."

In the next year, the focus will be on addressing concerns in this area, working closely with the codes to ensure the best outcomes.

Stakeholder communications indicated that the first full year saw the Office establish itself within the racing industry. Solid groundwork led to increased confidence in the integrity of the Commissioner and his staff. The second year of operation will see a focus on building on the goodwill established to deliver even stronger outcomes, positively impacting perceptions of the integrity of the industry as a whole.

The Commissioner and his staff have undertaken, with patience and good humour, to learn fundamental aspects of a complex regulatory environment.

Relationship Development

A concerted effort was made in the development of relationships and, in some instances, information sharing arrangements with organisations representing the racing industry, wagering service providers, government departments and agencies and law enforcement agencies.

These included:

- ❑ Victoria Police;
- ❑ Australian Federal Police (AFP);
- ❑ Australian Crime Commission (ACC);
- ❑ Tabcorp;
- ❑ TAB Ltd;
- ❑ Luxbet;
- ❑ Betfair;
- ❑ Centrelink;
- ❑ Australian Taxation Office (ATO);
- ❑ Australian Transaction Reports and Analysis Centre (AUSTRAC);
- ❑ Customs;
- ❑ Australian Quarantine Inspection Service (AQIS);
- ❑ Ombudsman Victoria (OV);
- ❑ Victorian Commission for Gambling Regulation (VCGR);
- ❑ Office of Police Integrity (OPI);
- ❑ Veterinary Practitioners Registration Board of Victoria; and
- ❑ sporting bodies and sports integrity units including Coalition of Major Professional and Participation Sports (COMPPS), Australian Football League (AFL), Australian Rugby Union (ARU), International Rugby Board (IRB), British Horseracing Authority (BHA), Ontario Racing Commission and Racing Services Tasmania.

As the Office is committed to good governance practices, information sharing arrangements outlining and specifying the legislative ability for information sharing to occur between agencies were formalised with various bodies in accordance with advice from the Victorian Government Solicitor's Office.

Section 37E of the *Racing Act 1958* specifies certain bodies to which information may be disclosed. Whilst 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, four additional bodies were specified under section 37E(1)(ii) by the Minister by Order published in the *Government Gazette* on 13 January 2011. This Order was made for the purpose of expressly listing additional key stakeholders to the Racing Integrity Commissioner. The agencies specified were the ACC, Australian Securities and Investment Commission (ASIC), Centrelink and Ombudsman Victoria.

The Office is permitted to exchange information under provisions of the *Racing Act 1958*. It is also bound by and committed to acting in accordance with the provisions of the *Information Privacy Act 2000*. Commitment to sound and lawful information management practices is supported by the Office's Privacy Policy and the detailed specifications made in information sharing arrangements with stakeholders.

Partnerships

Early identification of the need for enhanced cross-code communication prompted the Commissioner to initiate a Racing Integrity Operations Committee (RIOC). This forum comprises the Chairman of Stewards and Integrity Manager of each of the three controlling bodies and staff of the Office. It is chaired by the Commissioner.

The RIOC met monthly to discuss common integrity related issues and emerging trends and proved to be a valuable forum for information sharing in both a proactive and reactive manner.

This forum comprises the Chairman of Stewards and Integrity Manager of each of the three controlling bodies and staff of the Office. It is chaired by the Commissioner.

The Office also participates in the Victorian Racing Industry Committee, a forum prompted by the Lewis Report that is chaired by the Victoria Police Crime Department and which discusses criminal matters affecting the integrity of racing.

On two occasions, the Commissioner initiated a multi-agency approach to the management of bookmaker issues. Taking the lead role, the Commissioner was effective in ensuring that the racing industry worked alongside various government agencies to manage integrity issues. Further, the powers of the Commissioner to disclose integrity related information to government agencies fostered a coordinated response and enabled the agencies to stay abreast of the areas of interest under their respective charters. Agencies brought together by the Commissioner in these matters included RVL, VCGR, Victoria Police, Department of Justice, AUSTRAC and ATO.

In addition a number of additional forums were initiated to address issues and incidents, ensuring that key stakeholders such as Customs, AQIS, AUSTRAC and others were included in key matters affecting racing integrity.

EDUCATION AND AWARENESS

Office of the Racing Integrity Commissioner website

The Office of the Racing Integrity Commissioner website was launched on 14 July 2010. The website is a content based site, designed to provide information on the background and functions of the Office. The information is grouped under various headings, allowing the reader to navigate around the website in a user friendly manner.

The website provides links to stakeholders, industry and government partners relevant to the Office to assist visitors with further information relating to the racing industry. It also allows visitors to download an Information and Complaint Report form.

In the 2010-11 period, traffic was directed to the website via three different methods – 42 per cent of traffic through search engines, 35 per cent direct to the website and 23 per cent referred from other sites.

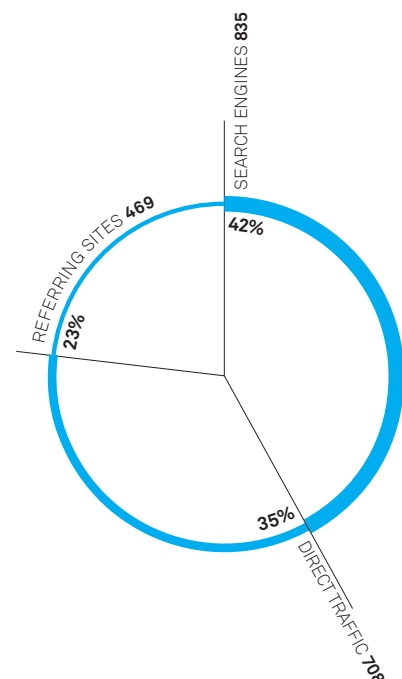
In its first year of operation, the website attracted 2012 visits from 26 countries. Of these visitors, 1956 were from Australia.

New visitors to the site comprised 54 per cent of visitors, while 46 per cent were returning visitors. On average, visitors viewed four pages per visit, spending an average of three minutes and 32 seconds on the site. A total of 10.5 per cent of visitors returning to the website returned on two occasions, while 5 per cent of returning visitors returned nine to 14 times. A further 5 per cent returned three times.

The website can be located at www.racingintegrity.vic.gov.au.

TRAFFIC SOURCE

TOTAL 2012



External Forums

During the 2010-11 period, the Commissioner presented to a number of forums including the Victorian Law Institute, the Australian Institute of Professional Investigators and the Annual General Meeting of the Greyhound Owners, Trainers and Breeders Association. He also delivered four presentations to the Victoria Police Centre for Investigator (Detective Training) Courses.

Steward and Integrity Investigator Training

As identified in the Lewis Report, training of stewards and integrity investigators was identified as paramount to the success of racing integrity systems and processes. To this end, the Commissioner took a leadership role in the development of a training program to ensure integrity related staff from the three controlling bodies have the skills and knowledge required to perform their duties. He initiated, developed and facilitated two competency based Investigators' Forums.

The first, Module One (The Essentials of Investigation) was conducted on 1 March 2011 and attended by 22 participants from the three controlling bodies. Presentations to the forum included Intelligence and Human Source Management, Serious/Complex Investigations and the Conduct of Investigations. In addition, an organised crime case study was presented by the Victoria Police Purana Task Force.

Following the success of the initial module a second training course was designed and developed and presented on 17 May 2011. Module Two (Collection and Presentation of Evidence) was attended by 18 participants from the three controlling bodies. Presentations to the forum included Statement Taking, Brief Preparation, Presentation of Evidence and Advocacy. The topics were supplemented by a moot court session to simulate a RAD Board hearing that involved course participants and legal practitioners.

It is the Commissioner's intention to continue to deliver these two modules to other integrity related staff from the controlling bodies and to develop further training modules.

Certificate IV in Racing Services – University of Ballarat

The Commissioner participated alongside the controlling bodies on a steering committee with the University of Ballarat to reintroduce a Certificate IV in Racing Services (Stewards). The proposed course will be delivered as a mixture of face to face delivery and recognition of prior learning. It includes subjects on integrity, interpreting wagering trends, performing duties of a steward at race meetings and trials, applying principles of administrative law to investigation, analysis of race performance, collection of non-blood samples from horses, greyhounds or racing personnel and giving of evidence.

...training of stewards and integrity investigators was identified as paramount to the success of racing integrity systems and processes.

INVESTIGATIONS, AUDIT AND REVIEW

2010 Annual Audit

In December 2010 the annual audit regime commenced, pursuant to the functions of the Racing Integrity Commissioner under section 37B(1) (a) of the *Racing Act 1958*. This audit was the first full review of the integrity systems and processes in each of the controlling bodies of the Victorian Racing Industry. The audit was conducted at a high level and in several phases to develop a framework for integrity standards across the three codes that will be used to establish a basis upon which future audits can be built.

The scope of Phase 1 of the audit was to address two aims:

1. to identify the existing integrity systems and processes of each controlling body; and
2. to audit and review specific integrity systems and processes as identified by the Lewis Report.

Existing integrity processes and systems

To identify the existing integrity systems and processes of each controlling body, a 'better practice model' was developed to assess against the practices that one might expect to find among the controlling bodies' integrity processes and systems. Phase 1 of the audit sought to undertake a comparison of the existing processes and systems against this model to enable the identification of further improvement areas.

A total of 198 features of the better practice model were assessed across the three controlling bodies (67 each at RVL and HRV and 64 at GRV). Of the features of the model assessed, the three controlling bodies demonstrated close alignment with the majority of these features.

Specific integrity systems and processes as identified in the Lewis Report

Of the 63 recommendations identified in the Lewis Report, 28 recommendations were specific to the controlling bodies and as such were reviewed in Phase 1 of the audit.

Of the 28 recommendations audited in Phase 1, 22 were relevant to RVL, 15 to HRV and 15 to GRV, a total of 52 recommendations to be implemented across all three controlling bodies. Of the 52 recommendations audited, the majority were assessed as compliant.

Findings

The Phase 1 audit results show that sound integrity processes and systems are in place at each controlling body. Improvement areas identified at the conclusion of the audit process (Phase 2) will seek to further enhance the integrity of racing in Victoria. The Phase 1 audit work identified that integrity assurance is viewed as a core function within each controlling body; significant resources are given to integrity; stewards appeared to be well in control of race meetings; and integrity matters are regularly considered at board meetings.

Phase 1 of the audit also identified a number of areas requiring additional review, including gaps in the better practice analysis and gaps in the implementation of the Lewis recommendations. Further analysis of these aspects is occurring as part of Phase 2 of the audit.

At the time of the writing of this report, Phase 2 of the audit is well underway. This phase includes reviewing the gaps in the better practice model and analysing the Lewis recommendations implemented by the controlling bodies.

The analysis will also include the following focus areas:

- ❑ review and further analysis of implementation progress focusing on processes and systems that were assessed as not fully complying with the better practice model or with the Lewis recommendations;
- ❑ mapping of acceptance, grading/rating, field selection and barrier/box draw systems and procedures;
- ❑ mapping of the swabbing and drug testing processes and procedures within each code and consideration of system weaknesses;
- ❑ assessment of compliance within each of the controlling bodies upon completion of process mapping; and
- ❑ review and analysis of complaint handling systems.

The results of the audit will be finalised in 2011 and formal recommendations will be made by the Commissioner to the controlling bodies and to the Minister for Racing as appropriate.

...audit results show that sound integrity processes and systems are in place at each controlling body.

Racing Analytical Services Limited Funding

In the 2010-11 period, the Commissioner maintained an oversight role of the funding arrangements for RASL as contributed by the three controlling bodies, RVL, HRV and GRV.

The role of RASL as a dedicated racing laboratory for drug testing and research into emergent technologies that threaten racing in Victoria is core to integrity. The Commissioner continues to monitor and broker the funding arrangements for RASL to ensure that the funding commitment by the controlling bodies is maintained and that sufficient resources are available to support the viability of RASL operations.

The Commissioner will continue to assist RASL to develop a sustainable funding model for its operations and will work with the controlling bodies to determine long term strategies for the prevention and detection of prohibited substances in racing.

Review of Appeals and Disciplinary Processes

At the same time the position of Racing Integrity Commissioner was created, reform was made to the appeals and disciplinary processes of the controlling bodies. Three RAD Boards, with a central Registrar, were established. The RAD Boards of RVL, HRV and GRV were created to hear and determine appeals against decisions of the stewards and to also hear and determine breaches of designated 'serious offences' under the rules of racing. The Victorian Civil and Administrative Tribunal (VCAT) was appointed as the single appellate body to review decisions of the RAD Boards.

The Lewis Report originally recommended the creation of a single appellate and disciplinary body for the three codes, but following extensive consideration by the joint government/racing industry Implementation Working Party (IWP), a decision was taken to implement an alternate model of three separate boards with a common Registrar.

The IWP recommended that the alternate model be implemented and reviewed by the Commissioner after a year of operation.

The Commissioner is currently reviewing this new appeals and disciplinary process. The review aims to assess the effectiveness of the new model, ranging from the operation of the RAD Boards, composition, the VCAT model, associated costs to industry, length and consistency of processes and assessment of the consistency of decisions handed down within and across boards.

In conducting the review, a 12 month quantitative analysis was completed and a consultation program commenced to form the basis of the qualitative review.

The consultation program sought feedback from over 30 stakeholders representing over 10 stakeholder interest groups, ranging from executives and senior integrity personnel from the three controlling bodies to members of the judiciary, RAD Board members and participant representative groups such as trainers, drivers and jockey associations.

A statistical overview was undertaken of serious offences and appeals across all three codes. Comparisons of each code and of the cost, length and duration of each hearing were analysed, alongside decisions and panel composition. Further analysis was conducted on the use of prohibited substances, persons charged, pleas and representation.

The findings of the review, due early in the 2011-12 year, will form the basis of recommendations to be made regarding amendments to the appeals and disciplinary processes.

Review of (Integrity) Rules of Racing

Recommendations arising from the Lewis Report provided for the Commissioner to lead a review of the rules of racing across the three racing codes.

Specifically, this review is to involve:

- ❑ the three codes working with the Commissioner to develop and implement common Victorian rules, practices and procedures for dealing with integrity matters that are common across the codes;
- ❑ the Commissioner and controlling bodies sponsoring both a common approach and a revision of rules nationally (and in the case of greyhounds, across Australasia) to achieve uniformity;
- ❑ the three codes working with the Commissioner to review the current rules of racing relating to integrity to ensure they are enforceable, up to date and relevant to emerging technologies and threats to fair racing.

Phase 1 of this review was conducted by the Office. It involved analysis of the national and local rules of racing and identification of integrity related rules across the three codes. Phase 1 analysis was completed in the reporting period and identified that, as at 30 June 2011, there were over 3500 rules of racing across the three codes, of which approximately 1440 (41 per cent) were integrity related.

National and local integrity related rules pertaining to each code were categorised into six broader integrity related areas:

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

Across the categories, the analysis findings showed that approximately:

- ❑ 15 per cent of the rules in the integrity categories are the same across codes;
- ❑ 60 per cent of the rules in the integrity categories are similar across codes;
- ❑ 25 per cent of the rules in the integrity categories are different across codes.

Phase 2 of the review, continuing in the next period, involves a feasibility study on the development and implementation of common Victorian integrity related rules across the three codes and the degree to which the current rules of racing are considered enforceable, up to date and relevant to emerging technologies and threats to fair racing. This phase will be conducted in consultation with the controlling bodies and other key stakeholders.

Findings and recommendations made by the Commissioner arising from this review will be made in conjunction with the racing controlling bodies.

Investigations

The Commissioner has the power to conduct investigations into matters referred to him, or by own motion pursuant to section 37B(1) of the *Racing Act 1958*. All matters referred to the Office are initially considered by the Commissioner to determine if matters raised relate to the integrity processes and systems of a controlling body.

As a consequence of making a judgement as to whether complaints are integrity related, a number have been referred to other agencies. Examples of such complaints included those regarding licensing issues, ownership and leasing issues, bullying, victimisation, unfair dismissal, treatment by bookmakers and wagering issues.

CASE STUDY

01

An anonymous disclosure was received via the Racing Integrity Hotline regarding allegations of improper conduct and breaches of racing rules concerning an animal entered to run in a race in country Victoria. It was alleged the animal was being trained by an unlicensed person who was not the trainer named in official publications, despite running under the banner and colours of the trainer and this practice was endorsed by the owner of the animal. The information alleged that the trainer may not have even been aware the animal was racing. The matter was referred to the relevant controlling body and a stewards' inquiry conducted. As a result, the unlicensed person and owner were both fined \$5000. The investigation highlighted both the value of the Racing Integrity Hotline (as this matter may have otherwise been unreported) and cooperation between the Office and the controlling bodies.

02

CASE STUDY

An investigation was initiated as a result of a complaint regarding the alleged tampering of lease documentation by a controlling body in 2002. The allegations had previously been investigated by various government and non-government bodies. Over the course of time and due to dissatisfaction with outcomes, the complainant continued to pursue the allegations of systemic corruption within the controlling body. A preliminary investigation by the Office ascertained that the complainant's allegations had not been fully addressed. The resultant investigation established allegations that the controlling body had tampered with lease documentation were incorrect. Whilst the allegations were proven to be unsubstantiated, the Commissioner made a formal recommendation to the controlling body regarding improvements to file and document management processes, as not all documents requested by the Commissioner were able to be provided by the controlling body during the investigation.

03

CASE STUDY

An investigation was conducted into a complaint concerning various aspects of a stewards' inquiry where a positive sample of a prohibited substance in an animal resulted in the charge later being withdrawn. The Commissioner's investigation of the matter identified that the majority of the aspects of the complaint were unsubstantiated but established that a steward had failed to follow proper process regarding the sample collection. Upon the recommendation of the Commissioner, the Integrity Sub-Committee of the controlling body undertook disciplinary action concerning the steward's departure from the correct collection processes.

INFORMATION AND INTELLIGENCE MANAGEMENT

Racing Integrity Hotline

A Racing Integrity Hotline was initiated by the Office to provide an independent, confidential and impartial disclosure management service, allowing individuals to report corrupt and/or improper conduct anonymously without fear of reprisal.

The hotline (1300 227 225) was launched on 14 July 2010 and is managed by a third party provider. It utilises a team of specialist independent investigators to receive information provided by members of the public and the racing industry in the strictest of confidence.

During the 2010-11 period, the Office received 14 disclosures (integrity related information or complaints) and 14 non-disclosures (non-integrity related information or complaints). Of the 14 disclosures received 11 were investigated, while the remaining three were collected for information purposes only.

Case Management System

A customised Case Management System (CMS) was developed to enable the management of enquiries, contacts, complaints and information disclosed to the Commissioner. The CMS was implemented in February 2011 and all information received by the Office prior to the implementation date was entered into the new system.

The database consists of specific applications, allowing the user to record and manage all elements of an enquiry or a case through case notes. Case notes provide staff with a comprehensive narrative of the enquiry or case from the date of receipt to date of completion.

All incoming and outgoing correspondence relating to an enquiry or case can be uploaded to the entry, allowing the user to search for and retrieve all information associated with the particular record.

Cases, enquiries, contacts and information reports have the ability to be linked, to identify trends and patterns across the intelligence holdings of the Office.

The database has the capability to produce statistical reports generated from the data located in the applications.

Enquiries

During 2010-11, the Office received 47 enquiries. Of these, 51 per cent were from members of the public and 25.5 per cent were from industry participants. A further 17 per cent were enquiries from law enforcement members, 4.5 per cent were employees of the racing industry and 2 per cent were enquiries received from the Racing Integrity Hotline.

A total of 57.5 per cent of enquiries were received via telephone, 40.5 per cent via email and 2 per cent via mail.

Of all enquiries received, 36 per cent related to RVL, 17 per cent related to GRV and 15 per cent related to HRV. A further 32 per cent were non-specific and related to a wide variety of topics, including licensing issues, ownership and leasing issues, bookmakers and wagering issues. Enquiries also included requests for the Commissioner to attend and present at three forums involving integrity in sports and on

CASE STUDY

On the eve of a feature race, an anonymous disclosure was received via the Racing Integrity Hotline regarding the alleged administration of a prohibited substance to an animal trained on behalf of a high profile owner. Immediate contact was made with the relevant controlling body and full details of the disclosure were provided. On race day, a pre-race sample was arranged to be taken from the animal concerned, together with samples from other animals from the same trainer. Analysis of the subject sample yielded a negative result, but again highlighted the value of the Racing Integrity Hotline and prompt cooperation by the controlling bodies.

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two occasions to provide comment to media on his role and his views on integrity in sport. During the reporting period, no patterns or trends emerged from the enquiries made to the Office.

Of the enquiries received, four were referred to another agency, two referrals were made to VCGR and two to Victoria Police. Five enquiries were subsequently investigated as complaints.

Information Reports

Information from a variety of sources was received by the Office regarding racing matters. Such information was collected, collated and analysed in the CMS towards the development of an intelligence capability to support the identification of systemic issues in racing.

During 2010-11, the Office received 23 information reports. Of these, 74 per cent involved RVL and 8.5 per cent involved GRV. A further 17.5 per cent did not relate to the three codes. No information reports relating to HRV were received during this time.

The nature of the information reports varied across the three codes and included integrity related issues, alleged crime and corruption involving known criminals in the racing industry and allegations of improper betting activities. Information was also received in relation to alleged debts involving trainers and owners, prohibited substances and the racing of animals allegedly unfit to race.

During the year, information was also received in relation to bookmakers, sports betting in Victoria, commission agents and allegations of underpayment by wagering providers.

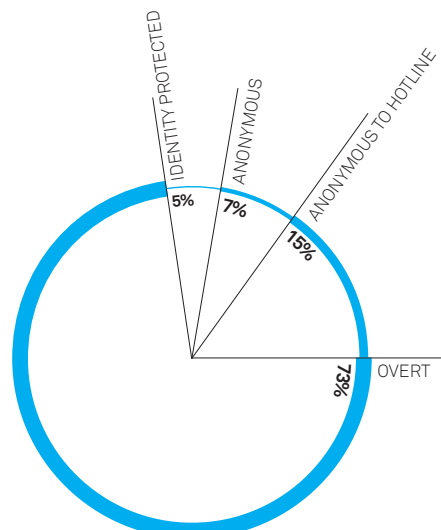
Complaints

During the 2010-11 period, the Office received 39 complaints. Of these, 28.5 per cent were made by telephone to the Office and 28.5 per cent were made to the Racing Integrity Hotline. A further 20.5 per cent of complaints were received via post and 10 per cent were emailed direct to the Office (to enquiries@racingintegrity.vic.gov.au). A total of 66.5 per cent of complaints were made directly to the Office.

A total of 5 per cent of complainants requested that their identity be protected and 7 per cent were anonymous; 15 per cent of complaints made to the Racing Integrity Hotline were also anonymous.

Complaints by Source	Total	Percentage
Direct to Commissioner	3	7.5
Email	4	10
Fax	0	0
Telephone	11	28.5
Mail	8	20.5
Integrity Hotline 1300 227 225	11	28.5
Referral	2	5
	39	100

OFFICE OF THE RACING INTEGRITY COMMISSIONER ANONYMITY OF COMPLAINANTS

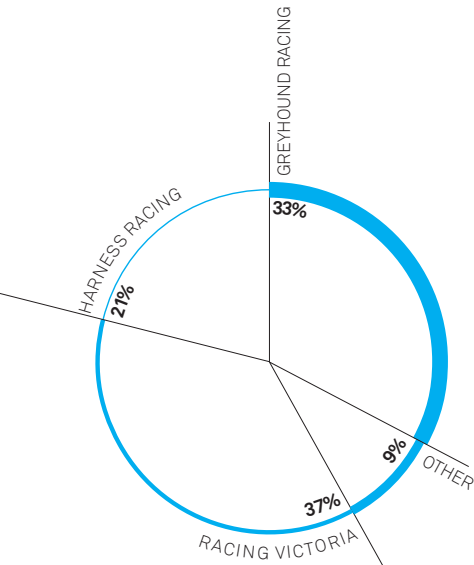


The Office investigated 42 complaints (including three from the previous financial year) relating to the integrity processes and systems of the three controlling bodies. Of these, 37 per cent involved RVL, 33 per cent involved GRV and 21 per cent involved HRV. A further 9 per cent of complaints related to other issues such as wagering and bookmakers. Preliminary investigations revealed that these were non-integrity related and/or referred to other agencies.

- Of the 42 complaints investigated during the reporting period:
- 16 were not integrity related;
 - eight were unsubstantiated;
 - one complainant failed to provide further information as requested;
 - five formed part of an own motion investigation;
 - three resulted in recommendations to controlling bodies;
 - three were referred to VCGR;
 - three resulted in an audit/review; and
 - three remain under investigation.

Investigation of Complaints – Controlling Body	Total	Percentage
Racing Victoria	16	37
Harness Racing Victoria	8	21
Greyhound Racing Victoria	14	33
Other	4	9

OFFICE OF THE RACING
INTEGRITY COMMISSIONER
INVESTIGATION OF COMPLAINTS



PUBLIC INTEREST ISSUES

Review of the Bookmaker Regulatory Environment

During 2010, two separate incidents of bookmaker activities impacting on the perception of the integrity of racing came under the notice of the Commissioner. In response to these issues the Commissioner coordinated a multi-agency approach to the management of the issues, notifying Commonwealth departments where relevant.

These incidents highlighted a legislative and regulatory gap in the monitoring of bookmakers as they affect the integrity of racing. Accordingly, the Commissioner made recommendations to the Minister for Racing that a review of the *Gambling Regulation Act 2003* relating to bookmaker and bookmaking related registrations be conducted. The Commissioner further recommended that, in conducting this review, consideration be given to the effectiveness of the current legislation in its application specifically to bookmakers and key employees.

In support of these recommendations the Minister for Gaming, upon advice from the Minister for Racing, requested the Department of Justice conduct a review of the adequacy of the existing regulatory arrangements for bookmakers under the *Gambling Regulation Act 2003*.

Directions for a RAD Board to Hear an Appeal

During the period, seven applications were made to the Commissioner to direct a RAD Board to hear an appeal.

Section 37B(1)(i) of the *Racing Act 1958* provides that the Commissioner may direct a RAD Board to hear and determine an appeal made by a person against a penalty imposed on the person under the rules of a controlling body if:

- (a) the penalty imposed is a fine of not more than \$250; and
- (b) the Commissioner determines that it is in the public interest for the appeal to be heard.

During the year, the Commissioner directed one matter to a RAD Board to hear an appeal, as this application was determined to be in the public interest.

Of the seven applications received, only four were considered by the Commissioner, as three were received out of the legislated timeframe for lodgement.

Sections 83K(3) and 50K(3) provide that, in respect of HRV and GRV, applications for such a direction must be made to the Commissioner by 5:00 pm on the day after the day the person receives the notice they would like to appeal.

In order for consistency among the three racing codes, the Commissioner recommended that RVL also implement a rule to provide a time limit in which such applications can be made. The Board of RVL amended rule LR 6B accordingly.

Awareness regarding this time limitation increased through advertisement on the websites of the Office of the Racing Integrity Commissioner, RVL, HRV and GRV. The Commissioner would like to particularly thank the Racing Appeals and Disciplinary Board Registrar for her assistance in this regard.

CASE STUDY

A request was received for the Commissioner to direct a RAD Board to hear an appeal following the imposition of a \$100 fine for leaving a race meeting without the permission of stewards. The appellant advised they had checked the notices displayed outside the stewards' room but as no notation was made they left the course. A short time later, the appellant was contacted by stewards and requested to return to the course to appear before a stewards' inquiry. The appellant alleged that stewards had been 'less than truthful' regarding the notice displayed. Pursuant to section 37B(1)(i), the Commissioner determined it was in the public interest for the appeal to be heard by the RAD Board and, as such, a formal direction was made to the RAD Board for the matter to be heard. Prior to the RAD Board hearing, stewards withdrew the charge and the matter did not proceed.

PART B – ABOUT THE OFFICE

RESOURCE MANAGEMENT



RACING INTEGRITY COMMISSIONER

Sal Perna

EXECUTIVE ASSISTANT

MANAGERS

OPERATIONS

INVESTIGATIONS

INFORMATION &

CONTRACTED RESOURCES

AUDIT

INVESTIGATIONS

HOTLINE

Governance and Organisational Structure

The Office of the Racing Integrity Commissioner operates from accommodation provided in the State Government Offices at 121 Exhibition Street in Melbourne's Central Business District. Planning is underway to relocate the Office to alternate premises early in the next financial year.

Following the appointment of an Investigations Manager in September 2010, the Office comprises five staff who perform specific roles in accordance with the requirements of the legislation regarding the functions and powers of the Commissioner.

Staff of the Office are employed under Part 3 of the *Public Administration Act 2004* to enable the Commissioner to perform his functions and exercise his powers under the *Racing Act 1958*. Staff are appointed by the Commissioner but are employed by the Department of Justice. For the purposes of their work for the Commissioner, the staff work independently of the Department of Justice.

The Commissioner is a statutory office holder appointed by Governor in Council and reports to Parliament through the Minister for Racing.

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

Finances

The Office of the Racing Integrity Commissioner is an independent statutory office funded under the State Budget.

Audit and Investigative Services

During September 2010, an Expression of Interest for Audit and Investigation Service providers was advertised through the Victorian Government tenders process. This exercise resulted in specially qualified service providers being selected to provide audit or investigative services to the Commissioner on an as needs basis. Selected providers are reviewed annually.

The Commissioner is a statutory office holder appointed by Governor in Council and reports to Parliament through the Minister for Racing.

INTELLIGENCE

POLICY & PROJECTS

STAKEHOLDER SURVEY

ENVIRONMENT SCANNING

In establishing the Office, extensive consultation was conducted with a variety of independent statutory bodies. This research was aimed at understanding the models utilised in regards to case management, resourcing, reporting, complaint and investigation handling and stakeholder management.

In addition, contact was established with a diverse range of bodies with responsibility for investigation or oversight of crime or corruption in different sectors and industries.

POLICY DEVELOPMENT

In the establishment of the Office and its first full year of operations, a series of policies were developed to support good governance practices and procedures.

Internal policies developed during the period related to:

- ❑ Complaints Management;
- ❑ Freedom of Information;
- ❑ Gifts, Benefits and Hospitality;
- ❑ Information Management;
- ❑ Investigations Management;
- ❑ Media Management;
- ❑ Privacy; and
- ❑ Whistleblower Protection.

BUSINESS PLANNING

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 during the year. This risk assessment uses methodology based on International Risk Management Standard ISO 31000:2009 and is to be reviewed every two years.

Business Plan

A comprehensive Business Plan was developed for the 2011-12 year. The Business Plan articulates the key focus areas for the Office for the coming year, which include:

- ❑ capability development;
- ❑ investigations, audit and review; and
- ❑ education and awareness.

Communication Plan

A tailored communications strategy was developed for the Office to build on the existing stakeholder engagement program undertaken by the Commissioner.

The plan aims to build awareness of the role and function of the Commissioner; to support the efforts of the Commissioner to promote compliance with the Commissioner's charter under the *Racing Act 1958*; to support the Commissioner's efforts to develop leadership in integrity assurance in Victorian racing; and to enhance public confidence in the integrity of Victorian racing.

Brand Development

A customised logo and corporate identity for the Office was developed. While the Victorian Coat of Arms was retained to recognise the Governor in Council appointment of the Commissioner, the new logo signifies the independence of the role the Commissioner plays in oversight of the integrity of racing in Victoria.

PERFORMANCE REPORTING

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 2011, the Office of the Commissioner received no Freedom of Information applications.

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 1982*. In summary, the requirements for making a request are:

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

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

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

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

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

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

Compliance with *Whistleblowers Protection Act 2001*

The *Whistleblowers Protection Act 2001* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken. The Commissioner is a public officer under the *Whistleblowers Protection Act 2001*.

Reporting procedures

Disclosures of improper conduct or detrimental action by the Commissioner or his employees may be made directly to the Ombudsman.

Ombudsman Victoria
Level 9, 459 Collins Street
(North Tower)
Melbourne VIC 3000

Telephone: 03 9613 6222
Toll free: 1800 806 314
Internet:
www.ombudsman.vic.gov.au

Email:
ombudvic@ombudsman.vic.gov.au

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

Mr Damien O'Shea
Director, Executive Services
Department of Justice
Level 24, 121 Exhibition Street
Melbourne VIC 3000

Telephone: 03 8684 0090
Email:
damien.o'shea@justice.vic.gov.au

...the new logo signifies the independence of the role the Commissioner plays in oversight of the integrity of racing in Victoria.

PART C – REPORT ON OPERATIONS

MUCH OF THE WORK UNDERTAKEN IN THE PAST YEAR CAN BE REPORTED AGAINST THE FUNCTIONS MANDATED BY THE LEGISLATION. THE FOLLOWING OVERVIEW REPRESENTS THE ACTIVITIES UNDERTAKEN AND SUPPORTING DATA AGAINST EACH OF THOSE SECTIONS OF THE ACT.

Section 37B of the *Racing Act 1958*
– Functions of the Racing Integrity Commissioner:

- 1a. Conduct annual audits of integrity process 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.

As previously outlined, the Commissioner conducted the inaugural audit of the integrity processes and systems of all three controlling bodies during the period.

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

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

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

The Office investigated 42 complaints relating to the integrity processes and systems of the three controlling bodies. Of these, 37 per cent involved RVL, 33 per cent involved GRV and 21 per cent involved HRV. A further 9 per cent of complaints related to other issues such as wagering and bookmakers. Preliminary investigations revealed that they were non-integrity related and/or referred to other agencies.

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CASE STUDY

One of the more public investigations conducted by the Commissioner was into a complaint made against RVL by high profile jockey Danny Nikolic. As reports on the outcome of this complaint were made public through the media during the reporting period, the complainant's name and controlling body in question have not been withheld in this report. Allegations made within the complaint followed what has been more commonly referred to as the 'Finishing Card Inquiry', for which Nikolic was charged by RVL with four serious offences and five non-serious offences. The RAD Board cleared Nikolic of the serious offences and monetary penalties were imposed for the non-serious offences. The complaint made to this office by Nikolic alleged that information relating to Nikolic was inappropriately disclosed by RVL to The Australian newspaper; notices of charges were served repeatedly and unnecessarily just prior to riding engagements; and several aspects regarding the manner by which RVL conducted the process of laying and determining the charges, resulting in the 'process becoming the penalty'.

The Commissioner found that specific allegations against RVL were unfounded and recommendations were made by the Commissioner to improve the process undertaken, that is:

- ❑ that the policy of legal advice being obtained by stewards prior to the laying of serious charges be reinforced;
- ❑ that a policy be introduced that requires the service of notices of charges on jockeys regarding serious offences with discretion, in consideration of a suitable time and place and wherever possible not on the same day of riding engagements; and
- ❑ that these policy recommendations be included in RVL's standard operating procedures or similar guidelines for investigations/inquiries.

These recommendations were subsequently implemented by RVL.

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

Three complaints were referred during the reporting period. All were matters relating to the *Gambling Regulation Act 2003* and accordingly were referred to the VCGR.

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

The Office received two referrals from the Minister. Both matters were investigated and determined not to be integrity related.

During the reporting period, no referrals were received from the controlling bodies.

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

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

Of the 42 complaints investigated, 27 were not referred but investigated and findings made. Complainants were advised of findings in 25 of those cases, but the identities of the remaining two were unknown to the Commissioner or the Racing Integrity Hotline service provider.

In eight of the cases, the relevant controlling body was notified of the outcome and the Minister was notified in the two cases where he had made the referral. Controlling bodies were not formally advised of findings in cases where the complaints were found not to be integrity related, proven to be 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 system issues in racing.

The Commissioner commenced an own motion investigation as a result of the analysis of various disclosures to the Office regarding a systemic issue in racing. This investigation had not concluded during the reporting period, however, when appropriate to do so, the Commissioner will disclose specific details regarding the investigation in circumstances where he considers it to be in the public interest.

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.

The Commissioner made five recommendations during the reporting period – one to the Minister for Racing and the remaining four to the controlling bodies.

(i) Recommendation made to The Minister

Following investigations into incidents regarding bookmaker activities influencing the perception of the integrity of racing, the Commissioner made a recommendation to the Minister for Racing that a review of the *Gambling Regulation Act 2003* relating to bookmaker and bookmaking related regulations be conducted, as these incidents highlighted legislative and regulatory gaps in the monitoring of bookmakers.

The Commissioner further recommended that, in conducting this review, consideration be given to the effectiveness of the current legislation in its application specifically to bookmakers and key employees.

Following the Minister for Racing's support of the Commissioner's recommendation, the Minister for Gaming requested the Department of Justice conduct a review of the adequacy of the existing regulatory arrangements for bookmakers under the *Gambling Regulation Act 2003*.

(ii) Recommendations made to The Controlling Bodies

The four recommendations made to the controlling bodies during the period were as follows:

1. One recommendation to a controlling body was made regarding file and document management processes, as not all documents requested by the Commissioner were able to be provided by the controlling body during an investigation. This recommendation is pending implementation.
2. Upon recommendation of the Commissioner, the Integrity Sub-Committee of a controlling body undertook disciplinary action concerning a steward's departure from the correct drug sample collection procedures. This recommendation was implemented.
3. Following investigation findings, recommendations were made by the Commissioner to improve processes undertaken by a controlling body in the serving of notices and the laying of charges:
 - a. that the controlling body adhere to the policy of legal advice being obtained prior to the laying of serious charges be reinforced; and

- b. that a policy and a process be introduced requiring the service of notices of charges on jockeys regarding serious offences be done with discretion, in consideration of a suitable time and place and wherever possible not on the same day of riding engagements.

Recommendations that both a. and b. be included in the controlling body's standard operating procedures and guidelines for investigations/inquiries were implemented in full.

4. The Commissioner recommended that RVL introduce a rule to provide a time limit under which applications can be made to the Commissioner to direct a RAD Board to hear an appeal. HRV and GRV participants have until 5:00pm on the next day to lodge such an application to the Commissioner. Upon recommending a rule be implemented at RVL, the Board of Racing Victoria amended rule LR 6B accordingly.

Additional Improvements to Integrity Related Practices

During the period, a number of improvements to integrity processes and systems were implemented by the controlling bodies, arising either from discussions with the Commissioner or through the initiative of the controlling bodies. These improvements were implemented outside recommendations following an investigation or audit.

Improvements to integrity practices at the controlling bodies included:

- ❑ implementation of a staff financial code of practice at GRV;
- ❑ a 'stepping-aside' policy for stewards at GRV in potential conflict of interest situations;
- ❑ a staff betting policy at HRV;
- ❑ investigations guidelines for RVL stewards relating to document and device management;
- ❑ a comprehensive Integrity Services Manual at RVL; and
- ❑ a probity and integrity policy for key personnel at RVL.

The Commissioner acknowledges the commitment of the controlling bodies to these improved integrity practices.

The Commissioner acknowledges the commitment of the controlling bodies to these improved integrity practices.

- 1i. Direct a Racing Appeals and Disciplinary (RAD) Board to hear and determine an appeal made by a person against a penalty imposed under the rules of a controlling body if –
 - iii. the penalty imposed is a fine of not more than \$250; and
 - iv. the Racing Integrity Commissioner considers that it is in the public interest for the appeal to be heard.

As previously detailed, the Commissioner directed one RAD Board to hear and determine an appeal against a penalty imposed by a controlling body on one occasion. On this occasion, the Commissioner determined that it was in the public interest for the appeal to be heard.

Seven applications for a RAD Board to be directed were received to the Office during the period. As three applications were received outside the legislated time for lodgement, only four could be considered by the Commissioner.

The three applications made that were not directed by the Commissioner were not deemed to be in the public interest:

- Two applications were made on the grounds that the fines imposed by stewards were higher than usual for the same offence. Analysis of the fines imposed by the controlling bodies, the nature of the charges and the offence history of the applicant showed that stewards acted accordingly and that the fines imposed in these instances were appropriate.
- Another application was made on the grounds that the applicant felt that the controlling body had not made participants aware of a recent rule change. As the amendment to the rule was clearly articulated in the revised published rules and on the website of the controlling body, the Commissioner determined that the applicant had sufficient information available to be aware.

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

The Commissioner did not advise the Minister of any failings by a controlling body to implement or act on a recommendation during the reporting period. While three of the four recommendations made to controlling bodies were implemented during the period, the recommendation pending implementation will be followed up with the controlling body by the Commissioner early in the 2011-12 year.

Section 37E of the Racing Act 1958 – Disclosure of Information

The Commissioner may disclose integrity related information to a variety of agencies under the *Racing Act 1958*. These are represented in the following table.

Integrity related information is defined under the *Racing Act 1958* as information the Commissioner has collected or been given in the performance of his functions and includes, but is not limited to:

- (a) information in relation to the alleged contravention of the rule of a controlling body;
- (b) the identity of persons alleged to have contravened the rules of a controlling body;
- (c) complaints investigated; and
- (d) audits conducted.

The Commissioner made 40 disclosures of integrity related information to a range of bodies and agencies during the 2010-11 period. The disclosures were made in accordance with section 37E of the *Racing Act 1958*.

Disclosure of Information	Total
Controlling body	26
Victorian Commission for Gambling Regulation	2
Racing Appeals and Disciplinary Board	2
Victoria Police	2
Australian Federal Police	0
Minister	3
Person/body that controls, organises or administers an approved betting event	0
Australian Transaction Reports and Analysis Centre	1
Australian Taxation Office	1
Australian Crime Commission	0
Australian Securities and Investments Commission	1
Centrelink	0
Ombudsman Victoria	2
	40

The majority of disclosures during the reporting period were made to the controlling bodies (65 per cent). Of the total number of disclosures made to a controlling body, 58 per cent were made to RVL, 34.5 per cent to GRV and 7.5 per cent to HRV.

Disclosure of Information to Controlling Bodies	Total	Percentage
Harness Racing Victoria	2	7.5
Greyhound Racing Victoria	9	34.5
Racing Victoria Limited	15	58
	26	100

During the reporting period, a further eight disclosures were made in accordance with the *Information Privacy Act 2000*.

Disclosure of Information to Others	Total	Percentage
Racing Analytical Services Limited	1	12.5
Office of Gaming and Racing	4	50
Australian Quarantine and Inspection Service	1	12.5
Veterinary Practitioners Registration Board of Victoria	2	25
	8	100

ACC	Australian Crime Commission
AFP	Australian Federal Police
AFL	Australian Football League
AQIS	Australian Quarantine Inspection Service
ARU	Australian Rugby Union
ATO	Australian Taxation Office
AUSTRAC	Australian Transaction Reports and Analysis Centre
BHA	British Horseracing Authority
COMPPS	Coalition of Major Professional and Participation Sports
GRV	Greyhound Racing Victoria
HRV	Harness Racing Victoria
IWP	Implementation Working Party
IRB	International Rugby Board
OPI	Office of Police Integrity
RASL	Racing Analytical Services Limited
RAD Board	Racing Appeals and Disciplinary Board
RIOC	Racing Integrity Operations Committee
RVL)	Racing Victoria Limited
VCAT	Victorian Civil and Administrative Tribunal
VCGR	Victorian Commission for Gambling Regulation

I N D E P E N D E N C E

E N G A G E M E N T



Office of the
Racing Integrity
Commissioner

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