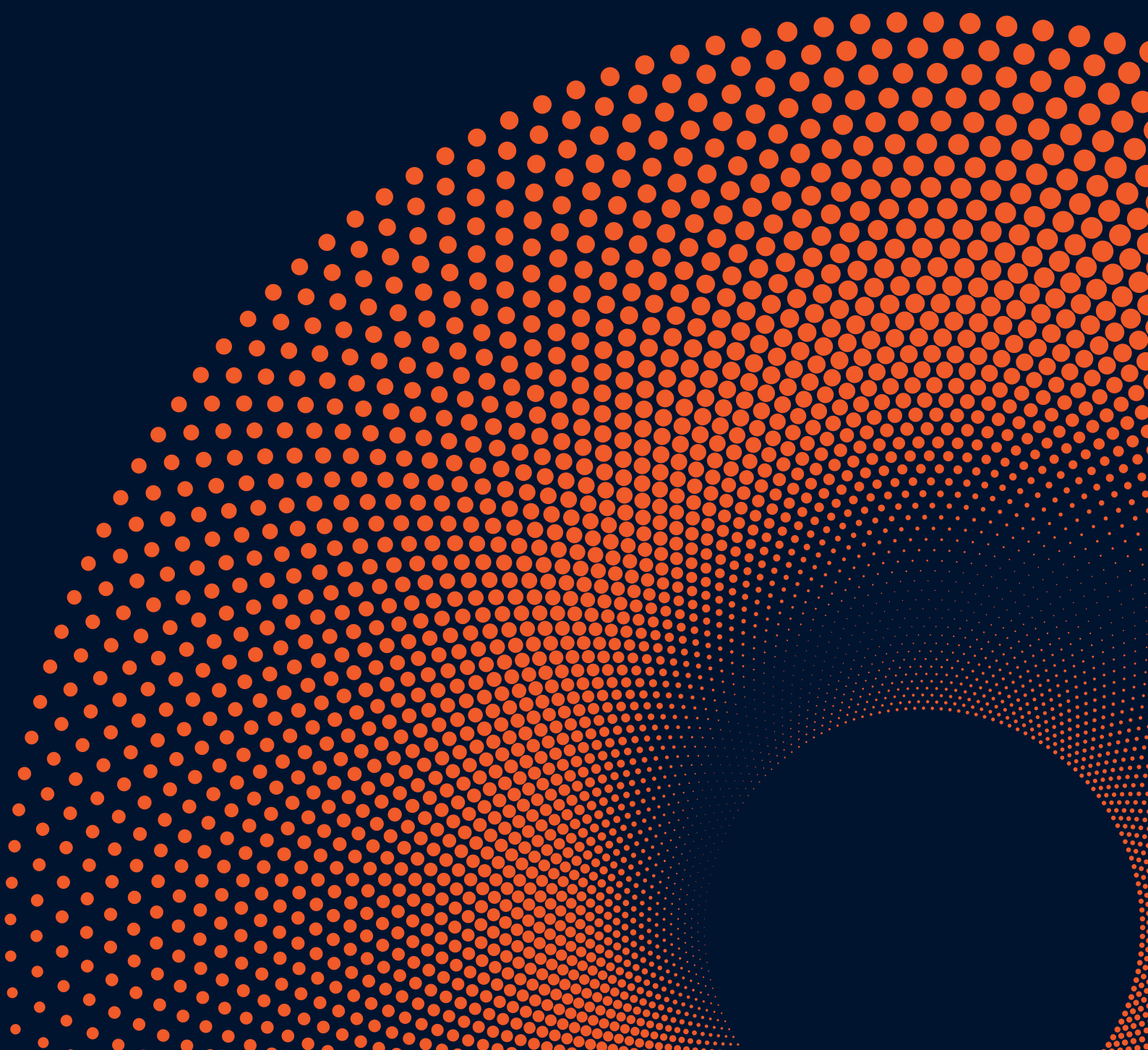


Racing Integrity Commissioner

**Annual Report
2016–17**



Office of the
Racing Integrity
Commissioner



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Letter to the Minister

The Hon. Martin Pakula MP
Minister for Racing
Level 26, 121 Exhibition Street
Melbourne Vic 3000

Dear Minister,

I am pleased to present to you my Annual Report for the year ending 30 June 2017 for presentation to Parliament, in accordance with section 37F(1) of the *Racing Act 1958*.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sal Perna', with a stylized, cursive script.

Sal Perna
Racing Integrity Commissioner

Vision, Mission, Strategic Objectives & Values

Our Vision

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

Our Mission

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

Our Strategic Objectives

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

Our Values

Integrity —

We will be accountable, fair and transparent.

Independence —

We will act impartially, without fear or favour.

Leadership —

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

Professionalism —

We are dedicated to achieving excellence.

Engagement —

We will develop successful partnerships built on trust.

The Racing Integrity Commissioner

Who we are

The *Racing Act 1958* (Vic) (Racing Act) establishes the statutory position of Racing Integrity Commissioner (Commissioner).

Mr Sal Perna was appointed to the role of Commissioner in March 2010. The Governor in Council has since extended Mr Perna's appointment on three consecutive occasions, with the current term of appointment extending to 2019. The Commissioner is supported by employees of the Department of Justice and Regulation, who enable the Commissioner to perform his functions and exercise his powers.

Together, the Commissioner and his office are referred to as the Office of the Racing Integrity Commissioner (ORIC).

What we do

The Commissioner's role is to provide independent oversight of integrity matters across the Victorian Thoroughbred, Harness and Greyhound racing codes, including the three controlling bodies that regulate each respective code: Racing Victoria Limited (RVL), Harness Racing Victoria (HRV) and Greyhound Racing Victoria (GRV).

Our operations

The Racing Act guides the operations of ORIC. In simple terms, the Commissioner's key functions include to:

- **conduct audits**, including annual audits of the internal integrity processes and systems of each controlling body, as well as additional audits at the request of a controlling body
- **conduct own motion inquiries** that do not relate to a specific complaint, but are related to the integrity of the Victorian Racing Industry (VRI) and may include an investigation into systematic issues in racing
- **investigate complaints** about the integrity processes and system of each controlling body, as well as matters referred by the Minister of Racing (Minister) or a controlling body
- **refer complaints** as appropriate to specified persons and bodies
- **report the findings of investigations** into non-referred complaints to the complainant and the Minister or the relevant controlling body
- **make recommendations** (if appropriate) to the Minister or the relevant controlling body following the investigation of any complaint, inquiry or matter
- **direct a Racing Appeals and Disciplinary Board** (RADB) to hear and determine an appeal against a penalty imposed in certain circumstances.

In May 2016, the Commissioner's functions were expanded to incorporate welfare related functions, including to:

- **conduct audits** of the internal animal welfare processes and systems of each controlling body to the extent that they relate to integrity in racing
- **refer complaints** to the relevant government agency if the complaint relates to the animal welfare processes and systems of a controlling body.

The Commissioner's powers are set out in section 37C of the Racing Act, and include the power to do all things necessary or convenient for the performance of his functions. Additionally, under the Racing Act, the Commissioner may:

- **use additional powers** while conducting certain investigations or inquiries, such as summons and examine specified classes of persons, in accordance with section 37BA; these powers are sometimes referred to as 'Board of Inquiry' powers
- **disclose 'integrity related information'**, as appropriate, to specified persons and bodies, in accordance with section 37E.

Detailed information about many of the Commissioner's functions and powers can be found in Part 1A of the Racing Act, available at www.legislation.vic.gov.au.

2016–17 at a glance



21

Delivered professional training courses over two days to 21 attendees

77



Conducted operational visits to 39 country race meetings and 38 metro race meetings

40



893



Delivered 40 presentations on racing integrity to 893 attendees

since March **2010**,
6,082 people have attended
219 presentations conducted
by the Commissioner



2,806 km

Travelled 2,806 kilometres to host 11 roadshows in regional and metropolitan Victoria

since **2012**, travelled
16,836 kilometres to host
66 roadshows across regional
and metropolitan Victoria,
attended by **793** people



88%

Completed 88% of the 134 activities identified for the 2016–17 Business Plan



255

Received, assessed and responded to 255 information reports, complaints and enquiries

5 38 

Delivered 5 presentations to 38
apprentice jockeys

25% 

Undertook **100** operational
visits including **77** to race
meetings across the three
codes, as well as hearings
of the RADB, wagering service
providers and laboratory visits,
an increase of **25%** from
last year

3,734 812 16.83% 

Met with 3,734 stakeholders
from 812 organisations, up
16.83% from 695 organisations
last year

since **2010**, met
12,913 stakeholders



96.2%

Responded
to 96.2% of
complaints within
2 days of receipt



100%

Advised complainants of results
within 2 days in 100% of cases

Operations

The powers and functions of the Commissioner under the Racing Act provide the framework for the operations undertaken by the Commissioner each year. Key operational activities undertaken in the 2016–17 year are set out in detail here. The Commissioner's operations are summarised against the relevant provision of the Racing Act in the table at the close of this section.

Inquiries and investigations

During 2016–17, ORIC received and investigated 53 complaints, which included the following allegations:

- lack of integrity and inappropriate behaviour of Stewards and integrity officials
- animal welfare
- conflicts of interest
- discrimination/bias by code
- unprofessional conduct by code
- wagering
- race fixing
- breaches of racing rules.

The most significant investigation conducted by ORIC during the 2016–17 period was the Commissioner's investigation into the following allegations:

- that a director of a controlling body inappropriately disclosed information regarding ongoing investigations undertaken by that controlling body into licensed trainers, thus compromising, or potentially compromising, the integrity of the controlling body's investigations and the conduct of disciplinary and/or prosecution hearings or actions arising out of those investigations
- that the director knowingly provided misleading and/or incomplete information to the Board and Integrity Council of that controlling body about the information disclosed.

During 2016-17, the Office of the Racing Commissioner (ORIC) received and investigated 53 complaints.

The investigation included the interviewing of over 30 persons, the issuing of summonses for the production of documents and attendance of persons to be examined under oath, and collecting, collating and analysing information from a wide range of sources. In addition, a large volume of documents was obtained and reviewed, including telecommunications data, Board and Integrity Council meeting minutes, RADB and Victorian Civil and Administrative Tribunal (VCAT) transcripts and Stewards' investigation files.

The Commissioner's report outlined a range of findings in regards to matters investigated and his report was provided to the controlling body's Integrity Council on 14 December 2016.

Some other investigations of note were as follows:

- In February 2017, information was received via the ORIC Integrity Hotline that an allegedly disqualified racing industry participant was said to be in attendance at a Greyhound race meeting in breach of the rules of racing. This information was referred by ORIC directly to the on-course Stewards, who were able to investigate the matter in real time with updates provided by ORIC. It was subsequently established that the suspected disqualified participant had completed his disqualification period that week and as such was not in breach of the rules. This incident demonstrates the value and success of the ORIC Integrity Hotline and the strong working relationships between ORIC and integrity officials from the racing codes.
- In March 2017, ORIC received information relating to allegations of suspicious money transfers through a wagering service provider involving Victorian and interstate racing industry participants with connections to reputed criminals. As a result of preliminary investigations by ORIC, the allegations were corroborated in part. This resulted in the disclosure of the intelligence to relevant law enforcement agencies, which were able to substantiate the allegations and subsequently enhance ongoing investigations. This example demonstrates ORIC's ability to cultivate sources of information, which has been of benefit not only to the racing industry but the broader community and external law enforcement agencies across a variety of jurisdictions.
- In February 2017, ORIC received information relating to an allegation that at a race in another state, a Greyhound had been mistreated and potentially administered with a prohibited substance. As a result of an established contact with the referred state's racing controlling body, ORIC was able to compile all relevant material and intelligence. This was then referred and resulted in a comprehensive investigation and disciplinary action against those involved.
- In October 2016, ORIC received information relating to allegations of the use of prohibited substances within the Greyhound racing industry and suspected flaws in the ability of regulators to detect these substances. At the conclusion of preliminary investigations by ORIC, the information was referred to GRV for further investigation. Several months later the allegations and investigations had progressed to a stage where specialist assistance from a law enforcement body was required and ORIC was called upon to assist the controlling body with a referral of information to Victoria Police. The ensuing investigations resulted in numerous property inspections and seizures of substances. Charges were laid for breaches of the rules of racing and ongoing criminal investigations being conducted by Victoria Police, resulting in a number of criminal charges being laid. At the time of this report investigations were continuing. This example demonstrates the ability of ORIC to receive and appropriately disclose information to the relevant controlling bodies and other agencies and to facilitate the cooperation of multiple organisations and stakeholders to achieve successful outcomes.

Operations

Animal welfare

During 2016–17, the Commissioner and his staff received enquiries or information relating to welfare issues involving racing animals. Examples include:

- a trainer who was alleged to have treated a racehorse cruelly after failing to provide the horse with proper and sufficient nutrition; an investigation resulted in the trainer being charged and the matter referred to a RADB hearing
- a jockey who was reported to have used a whip excessively on a horse during a race and was reprimanded by RVL
- a trainer who was found to have used excessive force when placing a Greyhound into the starting boxes at a race meeting and was issued with an official warning.

Racing clubs

Throughout the reporting period, the Commissioner received a variety of complaints involving racing clubs.

One matter involved a person lodging a complaint regarding a racing club issuing an award to a participant who was the subject of an investigation into welfare related matters and who was found guilty at a RADB hearing of these offences. It was alleged that the award was highly inappropriate in that a person found guilty of a serious welfare related matter should not be given an award by a racing club or racing code. As a result of investigations, the Commissioner made a recommendation to the relevant racing code that in future, the code should oversee awards of this nature. He recommended that similar awards should contain an integrity component and checks by the relevant code to ensure that similar circumstances do not occur in the future.

Integrity officials

A number of instances occurred in 2016–17 involving direct threats to the safety and wellbeing of integrity officials. The Commissioner provided advice, direction and intelligence to assist in these instances, for example:

- ORIC was advised of an incident involving a racing industry participant who was prosecuted and convicted at the RADB for making direct threats and intimidating a Steward. The participant had identified the Steward's personal social media account and engaged in a sustained series of threats and intimidating messages against the Steward. ORIC provided advice and assistance to the Steward and the racing code. Victoria Police was contacted to ensure the safety and welfare of the Steward.
- ORIC was appraised of threats made towards racing officials, including the independent RADB, which recently advised the Commissioner of threats made during a RADB hearing. This investigation is ongoing at the time of this report and the Commissioner will ensure appropriate advice and action is taken to resolve these matters.

The Commissioner will continue to take appropriate action to ensure that threats against integrity officials do not impede their important work or jeopardise the integrity of the VRI.

Audits

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

In addition, ORIC undertakes an annual audit of the private interests and declarations of integrity officials within each controlling body.

Since the inception of ORIC in March 2010, annual audits have been undertaken in relation to six distinct integrity related issues in the VRI.

Audit	Year undertaken	Outcome
Declarations of private interests and betting account registers	Annually	Ongoing for 2016-17 reporting period
Controls to manage 'undesirables'	2016-17	Results yet to be released
Drug swabbing processes	2015-16	11 recommendations, fully implemented
Integrity career management	2014-15	59 recommendations, with all recommendations part of the implementation phase of the Victorian Racing Integrity Unit
Race day animal identification	2013-14	9 recommendations, fully implemented
Compliance and declarations	2012-13	13 recommendations, fully implemented
Drug sampling policies/box and barrier draws	2011-12	34 recommendations, fully implemented
Existing integrity systems and processes	2010-11	6 recommendations, fully implemented

The Commissioner will continue to take appropriate action to ensure that threats against integrity officials do not impede on their important work or jeopardise the integrity of the VRI.

Operations

Annual private interests and betting accounts audit

The Betting and Personal Interest Declarations were waived in the previous year and are active and ongoing at the time of this report. These declarations are completed by racing officials who undertake any integrity related duties as prescribed by ORIC's Single Code of Practice (SCOP).

'Undesirables' audit

In the 2016–17 reporting period, the Commissioner engaged an external agency to conduct an audit of the policies, procedures and practices that exist in each of the three codes to control/manage the involvement of persons identified as a risk or potential risk to the integrity of racing in Victoria.

This audit came about after concerns were raised with the Commissioner by the individual racing codes, which wanted to reduce and remove persons from the racing codes who may, or do, pose a risk to the integrity of those codes (referred to as 'undesirable' persons).

The results of this audit will go towards ensuring the VRI has a consistent approach for each controlling body to keep 'undesirables' out of racing, with the ultimate aim of developing a best practice framework that can be used as a SCOP.

This audit is continuing, with final recommendations to be provided by the Commissioner to the respective controlling bodies in due course.

Animal welfare processes and systems

The *Racing and Other Acts Amendment (Greyhound Racing and Welfare Reform) Act 2016* implements 10 recommendations made in 2015 by the Commissioner in his final report following his *Own Motion Inquiry into Live Baiting in Victoria* and the Chief Veterinary Officer's recommendations in his report entitled *Investigation into animal welfare and cruelty in the Victorian Greyhound industry*.

Among other things, the new laws expanded the functions of the Commissioner to conduct audits of the internal animal welfare processes and systems of each controlling body to the extent that they relate to integrity in racing, with effect from 4 May 2016. The Commissioner intends to focus on welfare in his 2017–18 audit.

Recommendations

A recent review of all recommendations made by the Commissioner since he commenced his role reveals that a total of 218 recommendations have been made, of which 211 or 96.79 per cent have been implemented. This is an outstanding achievement. In relation to recommendations to the three racing codes, 166 recommendations were specifically made of which 164 or 98.79 per cent were fully implemented.

Code/Body	Number of recommendations made	Number of recommendations implemented	Percentage
RVL	45	45	100
GRV	62	60	96.77
HRV	59	59	100
Government	38	33	86.84
Others	14	14	100
Totals	218	211	96.79

Each of the three racing codes in Victoria has its own integrity units, and these continue to grow, particularly in the provision of specialist roles such as intelligence and betting analysis, investigations and drug compliance.



Information & intelligence

ORIC has a customised case management system that records, manages and reports on information and intelligence received in the form of complaints, information reports and enquiries. Own Motion Inquiries, special inquiries, investigations and referrals from the Minister and controlling bodies are also managed on the case management system.

Complaints

During 2016–17, ORIC received and investigated 53 complaints. These complaints comprised allegations involving a range of issues including:

- lack of integrity and inappropriate behaviour of Stewards and integrity officials
- animal welfare
- conflicts of interest
- discrimination/bias by code
- unprofessional conduct by code
- wagering
- race fixing
- breaches of racing rules.

How were the complaints received?

A total of 83 per cent (44) of all complaints were received overtly while the remaining nine complaints were received anonymously.

Complaints were received predominantly by email and via ORIC's Integrity Hotline, including:

- 53 per cent (28) received via email
- 13 per cent (7) received via the Integrity Hotline.

The remaining 34 per cent of complaints (18) were received via the telephone, mail and a meeting.

What did the complaints relate to?

Of the 53 complaints, 50 related to the controlling bodies, with:

- 46 per cent (25) of complaints involving GRV
- 35 per cent (19) of complaints involving RVL
- 11 per cent (6) of complaints involving HRV.

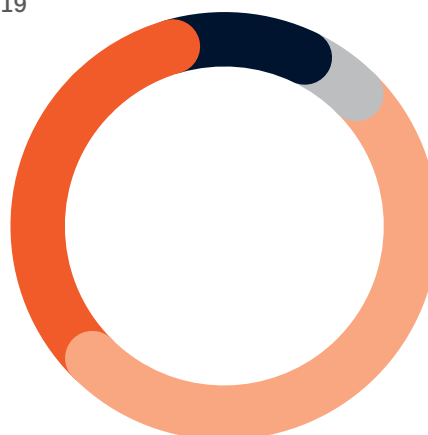
What do the complaints tell us?

There was an 18 per cent decrease in the total number of complaints from the previous year. This is mainly attributed to a decrease of 24 per cent and 17 per cent in the total number of complaints for RVL and GRV respectively.

Code	2010	2011	2012	2013	2014	2015	2016
	-11	-12	-13	-14	-15	-16	-17
GRV	14	9	5	9	21	30	25
RVL	16	5	6	10	12	25	19
HRV	8	3	7	3	11	5	6
Other	4	0	4	2	3	4	3
Total	42	17	22	24	47	64	53

Complaints by code

- HRV 6
- GRV 25
- Other 3
- RVL 19



What were the outcomes of the complaints?

Several complaints involved multiple allegations; of the 53 complaints, there were 60 allegations. A total of 40 of these complaints, comprising 47 allegations, were completed and of these 47 allegations:

- 40 per cent (19) were either disproven or unsubstantiated
- 28 per cent (13) were outside the Commissioner's jurisdiction
- 4 per cent (2) were deemed to be for information purposes only
- 17 per cent (8) were either substantiated or partially substantiated.

Additionally, 11 per cent (5) of allegations were unable to be investigated, as the complainant failed to reply to ORIC's request for further information.

Of the allegations that were either substantiated or partially substantiated, all were referred to the relevant controlling bodies for further investigation. As a result, appropriate action was taken to address the allegations. Some of these actions included:

- a jockey severely reprimanded for excessive whip use when the horse was out of contention in the race
- a warning issued to a trainer for the excessive force used in placing a Greyhound into the starting box
- the review and implementation of a new rule at a controlling body to prosecute participants who publish improper, insulting or offensive language on social media sites
- a trainer reprimanded and reminded of his responsibilities in relation to handling horses with care.

A total of 13 complaints comprising 13 allegations remain under investigation as at 30 June 2017.

Outcomes of complaints

- disproven or unsubstantiated **40%**
- outside Commissioner's jurisdiction **28%**
- information purposes only **4%**
- substantiated or partially substantiated **17%**
- complainant failed to reply **11%**



Information & intelligence

Information Reports

An Information Report (IR) is a term applied to a document or computer entry recording information and intelligence received by ORIC.

During 2016–17, ORIC recorded 86 IRs. These IRs related to a number of issues, including:

- usage and supply of prohibited substances
- racing rule breaches
- corruption or criminality including sexual assault, illegal betting and money laundering activities
- animal welfare such as live baiting and failing to adequately care for Greyhounds
- wagering.

How were the IRs received?

A total of 35 per cent of IRs were received covertly, including:

- 16 per cent (14) via the Integrity Hotline
- 11 per cent (9) via the telephone and meetings
- 8 per cent (7) directly to the office.

A further 58 per cent of IRs (50) were received overtly via a meeting, telephone, email or facsimile, and 7 per cent were open source information.

What did the IRs relate to?

Of the total number of IRs, 97 per cent (83) related to the controlling bodies, with 43 per cent (37) related to GRV, 35 per cent (30) related to RVL and 19 per cent (16) related to HRV.

Of the remainder, two IRs related to an interstate code and one related to a Racing Australia issue.

What were the outcomes of the IRs?

Several IRs included multiple allegations. Of the 79 IRs completed, there were 80 allegations. The outcomes of the allegations are detailed as follows:

- 31 per cent (25) were disproven or unable to be substantiated
- 10 per cent (8) were not within the Commissioner's jurisdiction
- 23 per cent (18) were substantiated or partially substantiated and mainly related to issues such as prohibited substance use, racing rule breaches and integrity matters involving conflicts of interest.

A total of 36 per cent (29) were recorded for information purposes only.

Of the 86 IRs received and recorded, ORIC referred and/or disclosed to a controlling body or government agency on 34 occasions for information and/or investigation purposes.

What do the IRs tell us?

The total number of IRs increased by 13 per cent from last year when ORIC received 76 IRs. The increase was primarily attributed to an increase of 78 per cent in the number of IRs associated with HRV and to a lesser extent IRs pertaining to GRV, which increased by 16 per cent compared to last year.

HRV issues that contributed to the increase included race fixing allegations, conflicts of interest and the use of prohibited substances. Issues related to GRV that contributed to an increase in IRs were primarily the usage of prohibited substances on Greyhounds, welfare matters and issues related to staff and integrity officials.

The majority of enquiries related to horse ownership and wagering issues along with opinions and comments associated with integrity in racing, specifically issues associated with race fixing and conflicts of interest.



Information & intelligence

Enquiries

An enquiry refers to a request made to ORIC for advice or assistance.

How were the enquiries received?

During the reporting period, ORIC received 116 enquiries. Of these:

- 51 per cent (57) were from the public
- 33 per cent (37) were from industry participants and employees
- 5 per cent (5) were from other government agencies
- 5 per cent (6) were from other sporting codes and Stewards.

The remainder were received from media in relation to Freedom of Information issues, wagering, ORIC investigations, the NSW Greyhound ban and a law enforcement agency.

The majority of enquiries related to horse ownership and wagering issues along with opinions and comments associated with integrity in racing, specifically issues associated with race fixing and conflicts of interest.

The majority of enquiries were received via telephone.

Which code did the enquiries relate to?

Of the 116 enquiries, 64 per cent (74) related to controlling bodies with:

- 33 per cent (38) related to RVL
- 19 per cent (22) related to GRV
- 12 per cent (14) related to HRV.

A further 13 per cent of enquiries (15) were non-specific, 8 per cent (9) related to an interstate code or overseas jurisdiction, 7 per cent (8) related to more than one code and 5 per cent (6) related to wagering providers. The remainder of the enquiries related to government agencies, other sporting codes and community groups.

Racing Integrity Hotline

The Racing Integrity Hotline (1300 227 225) is provided through an independent third party organisation STOPline Pty Ltd. The hotline is an important integrity assurance tool, allowing members of the public and/or racing industry participants to report integrity related information anonymously through an alternative means rather than contacting ORIC directly.

The hotline is staffed by a team of personnel trained to receive information in the strictest of confidence. Importantly, it allows a complaint to be made anonymously if the complainant chooses, with details of the caller not disclosed to ORIC if so requested.

During the 2016–17 reporting period, ORIC received 21 reports from STOPline, comprising non-disclosures and disclosures.

Non-disclosures refer to reports that do not fall within the Commissioner's jurisdiction. During 2016–17, the single non-disclosure received by ORIC was a wagering complaint involving a horse that had been scratched from a race.

Disclosures contain integrity related information involving, for example, animal cruelty, use of prohibited substances, breaches of rules and procedures, race fixing and licensing issues.

Racing Integrity Hotline	2010 -11	2011 -12	2012 -13	2013 -14	2014 -15	2015 -16	2016 -17
Disclosure	14	11	28	4	34	24	20
Non – disclosure	14	9	21	5	4	3	1
Total	28	20	49	9	38	27	21

Website

The Commissioner's website www.racingintegrity.vic.gov.au is a central repository for information relating to ORIC, such as the Commissioner's role, links to public documents published by ORIC, advice on how to lodge a complaint with ORIC or provide integrity related information, and ORIC's media policy and media releases. ORIC develops and manages website content, with the website hosted by the Department of Justice and Regulation.

During 2016-17, the website attracted 4,672 visits from 57 countries. Of these, 88 per cent (4,134) were from Australia and 70 per cent of the Australian visitors (2,911) were from within Victoria.

An analysis of the visits to the website show that during 2016-17, the majority of visits were in relation to the functions and powers of the Commissioner, news, events, roadshows and publications such as media releases. Other visits were associated with the advice and assistance section, which provides people with an opportunity to initiate contact with ORIC through a range of different methods including through the Racing Integrity Hotline and the Enquiries Inbox.

Traffic was directed to the website via three methods:

- 87 per cent of visitors used a search engine
- 8 per cent were referred from other websites
- 5 per cent went direct to the website.

New visitors comprised 71 per cent of all visitors to the site and 29 per cent were returning visitors, which is consistent with previous years.

Directing a RADB

One of the functions of the Commissioner is to direct a RADB to hear and determine an appeal made by a person against a penalty imposed on the person under the rules of a controlling body, if the penalty is a fine of no more than \$250 and the Commissioner considers it is in the public interest for the appeal to be heard.

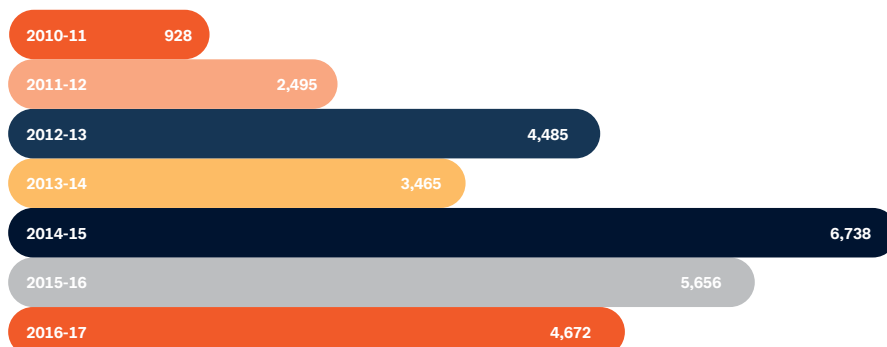
This year, the Commissioner received three applications to direct a RADB to hear and determine an appeal.

In the first case, a Harness racing participant requested the Commissioner to direct the HRV RADB to grant an appeal against a \$250 fine for misconduct. After reviewing the circumstances of the matter the Commissioner determined it was not in the public interest for an appeal to be heard.

In the second instance, the Commissioner received an application from a Greyhound racing participant seeking an appeal on the severity of the fine for failing to present a Greyhound. The Commissioner reviewed the application and determined that it failed to meet the requirements of section 50K(3) of the Racing Act, as it was not made within the legislated period of three days.

The final case involved a request from a Greyhound racing participant to direct the GRV RADB to hear an appeal for a \$200 fine for leaving a Greyhound unattended. The Commissioner determined that although the circumstances involved some financial hardship, the matter did not meet the standard of what is considered to be in the public interest.

Website visits per year



Operations snapshot

A complete summary of the Commissioner's operations against the framework provided by the Racing Act is set out below:

Section 37B of the Racing Act

<p>1a. Conduct annual audits of integrity process and systems, in whole or in part, of each controlling body in areas identified –</p> <ul style="list-style-type: none"> i. by the Racing Integrity Commissioner; or ii. by the Racing Integrity Commissioner in consultation with each controlling body 	<p>A total of two audits were undertaken during the period pursuant to this function.</p> <p>One audit was commenced by ORIC in June 2017 regarding the declarations of private interests and betting account registers of the controlling bodies. This audit is continuing.</p> <p>An external consultant undertook one audit focused on examining each of the controlling bodies' racing rules, policies, procedures, practices and guidelines to ensure each of the codes controls/manages the involvement of persons identified as a risk or potential risk to the integrity of racing ('undesirables'). This audit is continuing, with final recommendations to be provided to the respective codes early in 2017–18.</p>
<p>1b. Conduct audits outside the subject matter of the annual audit if a controlling body requests that such an audit be conducted</p>	<p>No requests were received from the controlling bodies to conduct an audit in the reporting period.</p>
<p>1ba. Conduct audits of the internal animal welfare processes and systems of each controlling body to the extent that they relate to integrity in racing</p>	<p>No audits have yet been conducted by the Commissioner under this new function, which came into operation in May 2016.</p>
<p>1c. Investigate complaints made about the integrity processes and systems of a controlling body</p>	<p>The Commissioner investigated 53 complaints relating to the integrity processes and systems of the three controlling bodies. Of these, 46 per cent involved GRV, 35 per cent involved RVL and 11 per cent involved HRV.</p> <p>The Commissioner also received 86 IRs relating to racing matters. Of these, 43 per cent related to GRV, 19 per cent related to HRV and 35 per cent related to RVL. A further 3 per cent related to an interstate code and a Racing Australia issue.</p>
<p>1d. Refer complaints to controlling bodies or other government agencies for investigation</p>	<p>A total of 26 complaints were referred to a controlling body or government agency for investigation during the reporting period.</p> <p>The office also referred 34 IRs to a controlling body or government agency for information and/or investigation.</p>
<p>1e. Investigate matters referred by the Minister or a controlling body</p>	<p>The Commissioner received one referral from RVL and one referral from the Minister during the 2016–17 reporting period.</p> <p>A referral from RVL requested the Commissioner investigate allegations regarding the then RVL Chairman in respect of conduct concerning disclosures of cobalt-related matters.</p> <p>A referral from the Minister was received requesting the Commissioner investigate a jockey's riding tactics in a race.</p>

Section 37B of the Racing Act

<p>1f. Report findings of investigations conducted into complaints that have not been referred to other bodies –</p> <p>i. to the person that made the complaint; and</p> <p>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)</p>	<p>Of the 53 complaints received by ORIC, 21 were investigated and completed during the 2016-17 reporting period. Complainants were advised of the findings in all instances.</p> <p>Of the remaining complaints, 19 investigations were not required as they were either comment and/or opinion based and unrelated to integrity systems and/or processes, outside the Commissioner's jurisdiction, or the complainant failed to provide sufficient information to warrant investigation. A total of 13 investigations are ongoing.</p> <p>Controlling bodies are not automatically advised of findings in cases where the complaints were found not to be integrity related or were unsubstantiated, or where the controlling body was involved in the investigation with the Commissioner.</p>
<p>1g. Conduct own motion inquiries that do not relate to any specific complaint and may include an investigation into systemic issues in racing</p>	<p>The Commissioner did not conduct any own motion inquiries in the reporting period.</p>
<p>1h. Make recommendations (if appropriate) following the investigation of any complaint, inquiry or matter to (as the Racing Integrity Commissioner considers appropriate) –</p> <p>i. the Minister; or</p> <p>ii. the relevant controlling body</p>	<p>A total of 11 recommendations were made during this reporting period, all of which were implemented.</p> <p>This comprised four recommendations to both HRV and GRV and three recommendations to RVL. The recommendations made to the controlling bodies were regarding the 2015-16 drug swabbing processes audit.</p>
<p>1i. Direct a Racing Appeals and Disciplinary Board to hear and determine an appeal made by a person against a penalty imposed under the rules of a controlling body if –</p> <p>i. the penalty imposed is a fine of not more than \$250; and</p> <p>ii. the Racing Integrity Commissioner considers that it is in the public interest for the appeal to be heard</p>	<p>The Commissioner received three requests to direct a RADB to hear and determine an appeal.</p> <p>Two requests were deemed not to be in the public interest for an appeal to be heard and the third request was not made within the legislated time period of three days.</p>
<p>2. Advise the Minister of any failure by a controlling body to implement or act on a recommendation made by the Racing Integrity Commissioner to that controlling body</p>	<p>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.</p>

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

During 2016-17 the Commissioner exercised his powers under section 37BA and conducted a special inquiry following a request from an Integrity Council.

During the special inquiry, the Commissioner:

- issued seven summonses to attend examinations and/or produce specified documents
- conducted four Board of Inquiry examinations of persons.

Section 37E of the Racing Act – Disclosure of Information

The Commissioner made 38 disclosures of integrity related information to a range of authorised bodies and agencies during the reporting period. The disclosures were made in accordance with section 37E of the Racing Act.

Q&A with the Racing Commissioner



Q: Since your initial appointment in 2010, your appointment has been extended three times, the most recent to 2019. How do you view this 'journey'?

A. From a personal perspective, I've been humbled at being asked to do the job. I'm proud of the work that my office has performed during our seven years and excited about the major reforms we've been driving. Racing is a complex industry, critical to the economy of Victoria and the livelihoods of thousands of people and one of the key indicators of our leadership in sport. We have three racing codes, each with its own history and culture, and integrity is at the heart of its success. The audits we've conducted, the investigations we've initiated, the complaints we've investigated and the relationships we've developed with each of the racing codes and myriad other stakeholders have in some way contributed to the level of integrity we hold today.

Q: Is the integrity in racing similar to integrity in sport generally?

A. Racing is unique in one key aspect; it's the only sport that has had betting associated with it since its inception. Most of the other sports have only had betting involved in recent times. We've had Stewards enforcing the rules of racing for many years and the potential integrity risks associated with betting have been identified and managed for some time. This doesn't mean that we stop learning though. We continue to identify ways to stay in front. Last year we undertook a benchmarking study to look at what other racing bodies and national sports are doing when it comes to integrity. This helps us to identify ways that we can continue to improve.

Q: What were some of the major projects undertaken by your office in the last financial year?

A. In the previous financial year we undertook an audit into the career management of integrity officials to identify how the three codes recruit, select, induct and manage the careers of their integrity staff. I'm pleased to say that this year the Minister accepted the findings of that project and is considering the implementation of the new integrity model due for commencement in 2018.

We also concluded an earlier audit of the end-to-end swabbing process used by the codes, and the results indicated positive outcomes.

Our main audit this year was to identify controls the codes have in place to manage persons who may pose integrity risks to racing. This is a critical project as it looked at aspects such as what criminal history checking was undertaken and whether the codes had a 'fit and proper person' test. The audit is completed and we're now looking at the implementation of various recommendations arising from the audit.

Q: Is your role mainly an 'ombudsman' or 'auditor' role?

A. There are critical elements that are similar, such as the investigating of complaints against the racing codes and the undertaking of audits into various aspects, whether they are the subject of complaints or otherwise. But in many respects it's also an 'advisory' role or 'consultant' role. An example of this is being asked to provide a view on potential integrity risks with the introduction of the 'Ride Guide' concept in RVL, where jockeys provide race day information.

Another is the development of our SCOP standards for the racing industry. Last year we developed a SCOP for the management of Integrity Hotlines, which are a critical tool for the receipt of information.

We also continue to support the codes in various ways. One of those is providing ongoing professional development through training modules that are designed to meet the competency needs of integrity staff, for example, understanding wagering and the preparation and presentation of cases. In the last year we ran two more of these courses, which took the number of places offered in our training programs to well over 300.

Q: How do you stay abreast of integrity concerns outside of racing?

A. It's important that I do as we operate in a changing environment. Part of the answer is developing relationships with key stakeholders. In October last year I signed a Memorandum of Understanding with Betfair UK (Paddy Power), in November with AUSTRAC and in June with Transparency International Australia. We're currently enhancing our relationship with Sportradar, a betting analysis and intelligence specialist. Whether it's a wagering provider, wagering analytics company or financial reporting body, they're all important to us.

Q: You continue to survey the general public in Victoria each year. Why is that important?

A. It's important because integrity is affected by both reality and perception. If the public loses confidence that racing is providing an even playing field, then the industry suffers. The annual public survey tells us how the public feels about integrity in racing, whether they believe it's improved or worsened and whether media reporting has led to them changing their attitudes. It also informs me about some of the decisions or recommendations I make, for example whether my view that we need an independent integrity body is shared by the public.

This year we took it an extra step by surveying the racing industry participants – people who are licensed or registered by the three codes – and comparing their responses with those from the general public. This will tell us what the industry thinks and whether it's the same as what the public thinks.

Q: Is it important to extend that knowledge to other jurisdictions?

A. Yes. Sports are introducing and enhancing their integrity responses more than ever before. When I was appointed to this role there was no other integrity oversight body in racing. Now we have a Racing Integrity Commission in Queensland, and New South Wales is about to introduce a Greyhound Welfare and Integrity Commission. I'm pleased to say I have an involvement in both those organisations. Similarly, we're seeing the creation of dedicated integrity officials and teams in other sports. This is critical if integrity is to be a key focus of the organisation.

Q: The past year has also seen some major integrity problems, hasn't it?

A. We've had police charges laid for race fixing against Harness racing participants, which was a major issue. The positive from that is the good relationship between HRV and Victoria Police led to an extensive investigation and subsequent charges. We've also had cobalt investigations that resulted in extensive legal processes and we're now awaiting decisions that may have implications for the industry.

Q: You personally have been subject of legal proceedings.

A. Yes I have. Proceedings have been lodged in regards to an investigation I conducted and this is currently subject to Supreme Court hearings, which I'm not able to comment on at the moment.

Q: Your previous annual reports show a high level of interaction with the industry. You presented to the Governance Institute of Australia, the apprentice jockey training school, sports clubs and community service clubs. You also undertake a country roadshow each year. Does that impact on your ability to deal with your workload?

A. It's a major part of my role. I can't do my work sitting in an office in the Melbourne CBD. I need to understand the industry and engage with both the industry stakeholders and the general public. I greatly enjoy this part of my role so I don't see it as an impost.

Q&A with the Racing Commissioner

Q: Do you feel your powers are sufficient to perform the expectations of your role?

A. It's a moving feast. I've had to ask for additional powers at times when it's apparent I can't do what's needed. The ability to summons people to give evidence, to pass on information to other state racing bodies and to be able to look at welfare related aspects are good examples. We've addressed those as they've arisen. At present I'm asking the Commonwealth Attorney General to authorise me to obtain historical telecommunications data, for example, telephone call records. This is a critical tool in most investigations but I lost that power when changes to the legislation occurred. The Minister for Racing in Victoria, who is also the state's Attorney General, has supported my request, so I'm hoping this occurs.

Q: What's on your radar for the coming year?

A. There are two major integrity aspects on the horizon. The first is the new integrity structure in the racing industry as announced by government last year. I expect I'll be asked to provide some support/advice, depending on what the new model looks like. The second is integrity related welfare. Our major audit in the coming year will look at what the three codes have in place to address their integrity related welfare aspects. This was primarily driven by the live baiting inquiry we undertook but applies equally to the other two codes. Welfare is an ongoing concern that needs ongoing attention.

Q: Can you achieve success as a 'one man band', as opposed to integrity teams in other racing and sporting organisations?

A. The key distinction between my work and sporting integrity units is that they are part of their sport, part of that sport's controlling body. Each of the three racing codes in Victoria has its own integrity unit, and these continue to grow, particularly in the provision of specialist roles such as intelligence and betting analysis, investigations and drug compliance. I'm independent of those teams and provide an oversight role, which is occasionally 'operational' in nature, such as conducting an investigation or audit. But this isn't a day to day requirement for me as it is for the integrity units in the racing and other sporting bodies.

The other important point is that I'm far from a 'one man band'. While I'm accountable for the role and its responsibilities and provided with powers in my position, I have a small team of dedicated and hardworking staff who manage high workloads to help ensure I achieve my aims. I'm strongly supported by the Minister for Racing the Hon. Martin Pakula MP and his staff, the trust they place in me and the independence I'm afforded to perform my role 'without fear or favour'. It's also important to recognise the support I have from the Office of Liquor, Gaming and Racing and the Victorian Government Solicitor's Office, both critical to the success of this role.

I'm grateful for the support and cooperation of RVL, HRV and GRV and particularly those who work in integrity related roles with a dedication and commitment that places our industry at the forefront of integrity.

Integrity is a shared responsibility. Some of us have dedicated integrity roles but the majority of those who ensure the integrity of racing are those who we refer to as 'industry participants' – those who own, train, breed, ride or drive, are officiating on race days or are involved in welfare or a variety of other roles in our multi-billion dollar industry. These are the people who ensure racing industry integrity on a daily basis. It's far from a 'one man band'.

We also continue to support the codes in various ways. One of those is providing ongoing professional development through training modules that are designed to meet the competency needs of integrity staff, for example, understanding wagering and the preparation and presentation of cases.



Strengthening integrity

Each year, ORIC undertakes a range of activities to strengthen the integrity of the VRI, both from within and outside the industry, through the following channels:

- stakeholder engagement
- industry partnerships
- education, training and awareness
- integrity initiatives
- research.

Stakeholder engagement

Stakeholder engagement is at the core of the Commissioner's business. Every day, across all activities, the Commissioner and his staff engage with people who are, in some way, connected to ORIC's purpose. The quality of these relationships with stakeholders determines how well ORIC delivers on its vision of a VRI in which Thoroughbreds, Standardbreds and Greyhounds compete to the best of their natural ability, free from the influence of crime and corruption.

Stakeholder engagement and familiarisation is vital to ensuring ORIC:

- improves information flows by tapping into local and informed knowledge
- develops informed policies, projects, programs and services
- stays abreast of current and emerging issues
- remains alert to the views of stakeholders
- enhances public confidence by creating awareness of existing integrity safeguards within the VRI.

For stakeholders, engaging with ORIC also presents opportunities to contribute to policy and program development, have their issues and ideas heard and acted on, participate in decision-making processes and be a driving force behind integrity reform.

Key stakeholders

ORIC has adopted a consultative approach to integrity reform, which includes liaising with the public as well as:

- the controlling bodies, and their state, interstate and international counterparts
- law enforcement agencies
- media
- racing associations, including owners, trainers, jockey and driver associations, and unions
- regulators
- wagering service providers
- Racing Analytical Services Limited (RASL)
- members of the judiciary, including VCAT and RADB members
- ancillary bodies such as the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Australian Tax Office and the Office of the Chief Examiner
- racing clubs
- national coordinating bodies (including the Australian Racing Board, Greyhounds Australasia and Harness Racing Australia)
- internal stakeholders (Department of Justice and Regulation and the Minister for Racing).

These relationships ensure the Commissioner is kept apprised of emerging integrity related issues within the VRI, and is well placed to address those issues in accordance with his legislative mandate.

Meetings and presentations

During this year alone, the Commissioner and his staff met with 3,734 people from 812 organisations. On average, ORIC met with 311 people per month, which is a 47 per cent increase on the previous year.

Presentations by the Commissioner to the racing industry, other stakeholders and the general public formed a key component of this year's engagement program. A total of 40 presentations were made during the year to 893 attendees, which included presentations to representatives of organisations such as Victoria Police, Steward and jockey training programs, sporting clubs, racing clubs, industry bodies, community and service organisations, and the general public.

Since commencing operations in March 2010:

- the Commissioner and his staff have met with 12,913 people
- a total of 6,082 people have attended presentations by the Commissioner.

Operational visits

This year, ORIC undertook 100 operational visits. These included 77 to race meetings across the three codes, hearings of the RADB and visits to the RASL and other racing facilities such as breeding and training properties. Of the race meetings attended, 39 were country meetings.

Stakeholder engagement
is at the core of the
Commissioner's business.

Strengthening integrity

Industry partnerships

The Commissioner recognises that he cannot deliver on his mandate alone, and remains committed to building strong industry partnerships with organisations that ensure the effective operations of ORIC. These partnerships contribute to the integrity of the VRI by allowing those in the industry to work towards collaborative solutions to shared challenges.

Racing Integrity Operations Committee

The Racing Integrity Operations Committee (RIOC) was established by the Commissioner in 2012 to facilitate discussion of integrity related matters across the entire VRI.

The RIOC is chaired by the Commissioner, with membership comprising the Integrity General Managers and Chairmen of Stewards from each of the controlling bodies, the ORIC Manager Integrity Operations and the ORIC Manager Investigations.

The RIOC generally meets every six weeks, with six meetings occurring during the reporting period. In total, the RIOC has met 52 times since inception and continues to be a valuable forum to share and exchange information across the three racing codes.

Integrity Council Forum

The Commissioner convenes the Integrity Council Forum (ICF) to ensure the appropriate level of integrity assurance and oversight is in place. The ICF encourages cross-code collaboration in respect of integrity measures to ensure that public confidence in the VRI is maintained.

As noted previously, an integral recommendation following the Commissioner's 2012 Own Motion Inquiry into race fixing was that the Racing Act be amended to establish an independent body with responsibility for the integrity processes and systems across the three codes, removing the responsibility from the controlling bodies.

In response, in March 2014, the then Premier and Minister for Racing endorsed an alternate model with an independent Integrity Council for each racing code. Each of the controlling bodies subsequently established its own respective Integrity Council.

The ICF meets on a quarterly basis, with three meetings held in the reporting period. Chaired by the Commissioner, the meeting is attended by the Chairman from each of the Integrity Councils, as well as the ORIC Manager Integrity Operations.

Information exchange

Since commencement in March 2010, ORIC has formed effective working relationships with the VRI, state and federal law enforcement agencies and other organisations of relevance to integrity.

One measure of the success the Commissioner has had in this regard is the development and implementation of formal information sharing arrangements to enhance the ability of authorities to identify and investigate integrity related matters within the racing industry. The Commissioner's efforts ensure the body of agreements facilitating exchange of information continues to grow on a state, federal and international level.

Agreements

This year, the Commissioner entered into three agreements relating to information exchange. In October 2016, the Commissioner and Paddy Power Betfair (UK) signed a formal agreement on cooperation and information exchange.

In November 2016, the Commissioner and AUSTRAC signed a formal agreement on cooperation and information exchange. One of the key purposes of this agreement is to facilitate cooperation between the Commissioner and AUSTRAC to support enforcement activities and AUSTRAC's regulatory responsibilities for anti-money laundering and counter-terrorism financing.

In June 2017, the Commissioner and Transparency International Australia signed a formal agreement on cooperation and information exchange. One of the key purposes of this agreement is to facilitate cooperation between the Commissioner and Transparency International Australia to support the Commissioner in responding to corruption vulnerabilities in the VRI.

The Commissioner also entered agreements with the following bodies to maximise opportunities for cooperation and the sharing of knowledge and information to strengthen, promote and develop best practice in the field of racing integrity:

Year	Organisation
February 2016	Sportradar
July 2015	Australian Sports Anti-doping Authority
March 2015	Royal Society for the Prevention of Cruelty to Animals (RSPCA) Victoria
April 2015	International Centre for Sport Security
April 2015	Australian Federal Police
November 2014	Victoria Police
December 2012	Department of Immigration and Border Protection
November 2011	Australian Crime Commission (now the Australian Criminal Intelligence Commission)
February 2011	Betfair
May 2011	Tabcorp

Additionally, information sharing arrangements with corporate and individual bookmakers commenced in January 2012.

The Commissioner's efforts ensure the body of agreements facilitating exchange of information continues to grow on a state, federal and international level.

Education, training & awareness

Professionalising integrity

The Commissioner is committed to developing and delivering a customised training framework that equips Stewards and integrity staff from all three racing codes with the skills, knowledge and techniques required throughout their career lifecycle.

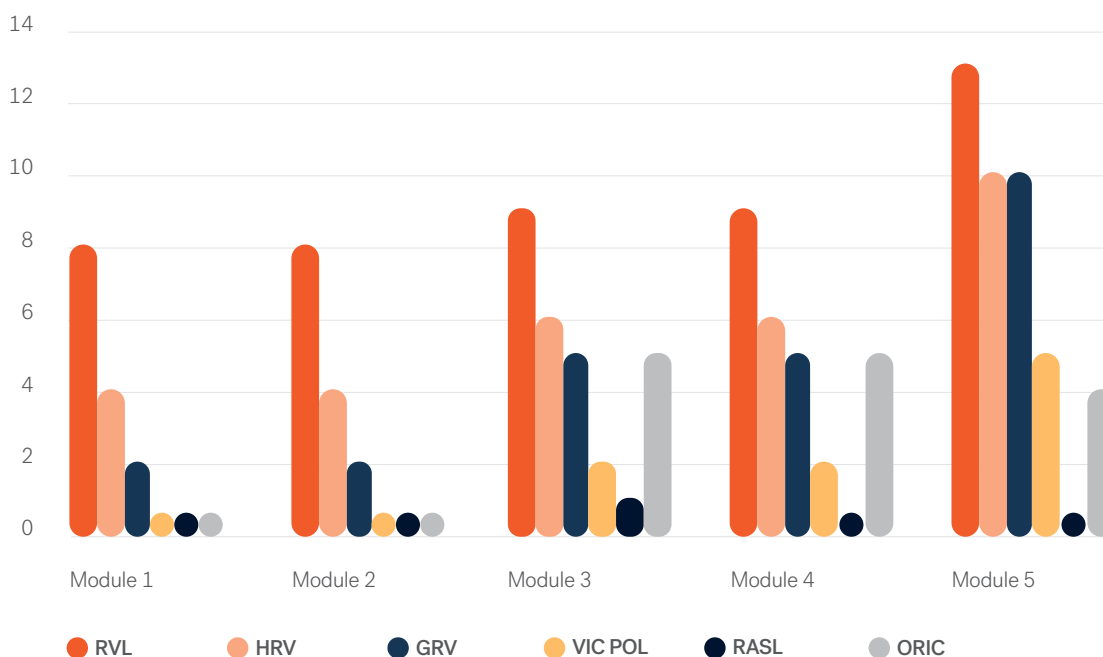
To complement training provided to integrity officials by the three racing codes, the Commissioner continues to develop and conduct training courses that focus on the unique and critical skills required of professional Stewards, investigators and integrity officials.

In January 2017, the Commissioner presented the third evolution of *Module Three: The Integrity Toolbox* and *Module Four: The Vocational Toolbox* at a training day attended by 21 integrity officials from the three racing codes.

Subject matter experts and other sports and integrity bodies drew upon their expertise and knowledge base to provide the integrity officials with knowledge and experience that can be used in their daily roles.

The fifth iteration of *Module One: The Essentials of Investigation* and *Module Two: Collection and Presentation of Evidence* are being prepared for delivery in September 2017. To date, a total of 338 participants have attended the Commissioner's Investigator Training Forums and this commitment will be maintained.

Number of attendees



“I really enjoyed the last two days, and loved the fact I was getting some type of formal/theory structured training. I thought hearing from each Chairman of Stewards was really good, and gave a better understanding of some of the operations each code performs and how they perform it and different rules we may have.”

“All the presenters were very professional and their presentations most insightful.”

“I thought the course was fantastic, the information is very useful and I would be very interested in taking part in more training.”

“A positive atmosphere with lots to soak in.”

“The presentations were very relevant to what we do in our day to day roles.”

“This was my first course and I thought it was great, really well presented and run.”

Education, training & awareness

Roadshows

Over the past six years, the Commissioner has travelled over 16,000 kilometres to host 66 roadshows across regional and metropolitan Victoria, attracting 792 attendees including racing industry participants, the general public, wagering service providers, media and others.

The aim of the roadshows is to inform stakeholders of the activities of ORIC and the VRI more broadly, and to gain real insight into the views of stakeholders. During the reporting period, the Commissioner hosted 11 roadshows in Geelong, Shepparton, Bendigo, Horsham, Ballarat, Warrnambool, Cranbourne, Moe, Mildura, Swan Hill and Melbourne for a total of 106 attendees.

The audience was made up of racing industry participants, with 48 per cent from Harness, 44 per cent from Thoroughbreds and 8 per cent from Greyhounds. A total of 92 per cent were attendees from the racing industry and the remaining 8 per cent were attendees from controlling bodies, wagering service providers and others such as government agencies and veterinarians.

There was an increase of 16.4 per cent in attendance from 2016.

“Informative session.”

Melbourne

“Interesting night will come again.”

Melbourne

“This roadshow has always been a fantastic way to help students and new participants learn and understand integrity in racing. Thank you for having us again.”

Cranbourne

“Great insight into all three codes over the time of ORIC. Keep up the good work.”

Melbourne

“Great session, animal identification—including whole of life across all codes—is critical.”

Melbourne

“Found it interesting in terms of trends and patterns, problems and direction.”

Swan Hill

“Really informative, enjoyed it very much.”

Cranbourne

Integrity Initiatives

The Commissioner's role gives him the opportunity to approach integrity related issues from a holistic, industry-wide perspective that is not confined to a single code or component of racing. This integrated approach has allowed ORIC to play a vital role in the development and facilitation of integrity initiatives that benefit all three racing codes.

Single Code of Practice

The 2008 *Report on Integrity Assurance in the Victorian Racing Industry*, conducted by Judge Gordon Lewis AM, noted a lack of consistency among the racing codes in the VRI in their approaches to integrity.

To establish consistent integrity standards across the VRI, the Commissioner identified the need to develop a SCOP, which embodied a set of minimum integrity standards for both racing officials and industry participants in all three racing codes.

The SCOP is designed to ensure cross-code consistency across a range of apparent or emerging integrity related issues that are common to all three racing codes. The ultimate aim of the SCOP is to develop a complete set of standards that cover all aspects of integrity assurance in the racing industry.

Currently, each part of the SCOP is designed to address integrity subject matter:

- Part A: Integrity standards for racing officials
- Part B: Integrity standards for industry participants
- Part C: Rules of racing
- Part D: Drug control
- Part E: Animal identification
- Part F: Integrity Hotline.

The SCOP is developed by ORIC in consultation with each of the three racing controlling bodies, and where relevant industry associations, with emerging areas of risk identified and progressively addressed through the SCOP.

Progress and implementation

Parts A and B of the SCOP were developed between 2013 and 2014 and provide a set of minimum standards that require the controlling bodies to develop policies to monitor and oversee conflicts of interest, betting, gifts, benefits and hospitality, private interests and probity, and employee screening.

In September 2014, the controlling bodies were provided with draft documents for the SCOP Parts C and D for their review, consideration and feedback. All codes have fully implemented SCOP Part C. Each of the controlling bodies has endorsed Parts D and E of the SCOP, and is working towards full implementation of these parts.

In May 2016, the controlling bodies were provided with draft Part E for their review, consideration and feedback. HRV and GRV fully implemented this SCOP and RVL is presenting this SCOP at a meeting of its Integrity Council later in 2017.

In November 2016, the controlling bodies were provided with draft Part F for their review, consideration and feedback. All codes have now fully implemented this SCOP.

It is anticipated each controlling body will have fully implemented Parts B and D of the SCOP in the coming financial year.

Education, training & awareness

The table below presents a summary of the SCOP:

Single Code of Practice	Relates to	RVL	HRV	GRV
Part A	Integrity standards for racing officials	Implemented 24 May 2015	Implemented 1 June 2015	Implemented 31 December 2014
Part B	Integrity standards for industry participants	To be implemented	To be implemented	Implemented 31 December 2014
Part C	Rules of racing	Implemented 1 August 2016	Implemented 1 March 2016	Implemented 23 June 2017
Part D	Drug control	Implemented 1 August 2016	Implemented 1 October 2016	To be implemented
Part E	Animal identification	Implemented 26 June 2017	Implemented 1 January 2017	Implemented 4 November 2016
Part F	Integrity Hotline	Implemented 3 November 2016	Implemented 3 November 2016	Implemented 4 November 2016

The SCOP is designed to ensure cross-code consistency across a range of apparent or emerging integrity related issues that are common to all three racing codes.

Research

General Public Survey 2017

Since 2012, ORIC has undertaken a General Public Survey to measure the confidence of the integrity of the VRI held by Victorians. The latest survey was conducted in February 2017. The survey continues to be a valuable tool, allowing ORIC to prioritise future planning and activities that will address issues of public concern across the three racing codes. Roy Morgan Research conducted this wave of the survey, with the methodology changing from telephone to online participation.

Racing Industry Participants Survey 2017

The Commissioner invited the 13 organisations that represent participants of the VRI to take part in this new initiative. Of these, 11 organisations expressed interest and participated. The Commissioner engaged ORIMA Research, an independent survey provider, to conduct the survey and analyse the results. The purpose of the project was to gain an understanding of the attitudes of the VRI participants, including trainers, breeders, owners, drivers and jockeys, and to identify emerging issues and develop strategies accordingly. The aim of the second part of the project was to compare these results with the results of the General Public Survey 2017.

Results of both surveys are outlined in the table below:

Category	Racing Industry Participants Survey	General Public Survey
Attendance (Respondents who had attended a Thoroughbred, Harness or Greyhound race in Victoria in the past 12 months)	97%	24%
Betting (Respondents who had placed a bet on a race in any of the three codes in the previous 12 months)	86%	38%
Confidence (Respondents who had confidence in the integrity of the VRI)	71%	45%
Integrity independence Management of the integrity of racing (Respondents who believe a separate integrity organisation should employ and manage people responsible for integrity in racing)	58%	63%
Awareness of the Racing Integrity Commissioner	84%	26%
Perceived changes in integrity (Respondents who believe that integrity in racing had improved in the past 12 months)	38%	22%
Change in attitudes towards integrity as a result of media reporting (Respondents whose opinion about integrity had changed for the better)	16%	11%
(Respondents whose opinion about integrity had changed for the worse)	30%	30%
(Respondents whose attitudes had not changed)	50%	29%
Media (Respondents who could recall a specific racing integrity related media story that led to their attitudes to integrity)	68%	21%

This was the first survey of this type and it is anticipated that it will be conducted on an annual basis.

Research

Benchmarking project

Maintaining public confidence in the racing industry is a common and collective goal, shared by all bodies responsible for integrity within Australian racing. It is critical that the public has confidence in the integrity of racing, providing 'an even playing field'. As such, meaningful insight into the integrity processes and systems of the controlling bodies responsible for integrity in racing can only benefit the collective Australian racing industry.

In late 2015, the racing controlling bodies throughout Australia were invited by the Commissioner to participate in an ORIC benchmarking study, collating integrity data for the benefit of Australia's racing industry.

The aim was to 'bridge the gap' and provide participating controlling bodies with insight into integrity structures and processes in each participating jurisdiction and code within Australia and, where appropriate:

- allow controlling bodies to constructively compare their integrity processes, structures and resource allocation with other jurisdictions
- identify innovative and effective processes, with a view to facilitating their adoption elsewhere.

A total of 17 controlling bodies from around Australia were invited to participate. Of these, 14 responded to the survey, with 12 providing substantive survey responses to questions designed to identify integrity related processes, systems and features in the Thoroughbred, Harness and Greyhound racing industries throughout Australia.

The controlling bodies were asked to provide answers to the survey based on the 2014–15 financial year, being the most recent and complete dataset most bodies would be able to access, to allow for accurate analysis of results.

Maintaining public confidence in the racing industry is a common and collective goal, shared by all bodies responsible for integrity within Australian racing.

The key findings are summarised below:

- All controlling bodies are either established or recognised by, or licensed under, legislation in their jurisdiction and responsible for controlling or supervising a code or three codes within their state or territory. However the controlling bodies vary markedly, within jurisdiction and from jurisdiction to jurisdiction, including in areas such as functions, structure, size and resourcing.
- There are significant variations in staff configurations between controlling bodies.
- All but two of the controlling bodies have a dedicated integrity unit.
- A significant majority of integrity processes are overseen by internal governance/management mechanisms, including Boards, statutory officers, integrity councils or committees, and government bodies.
- The amount of formality and structure applied to recruiting, induction and training of integrity staff varies greatly between controlling bodies. In particular, training ranges from a purely 'on-the-job' approach to formal and informal training that may also incorporate tertiary study.
- Expenditure on integrity varies significantly between the controlling bodies, as does the use of technology to support integrity functions.
- All controlling bodies liaise with their respective local law enforcement agency in relation to potential criminal matters in their code.
- Very few controlling bodies indicate they have authority to obtain telecommunications data to support their integrity operations and those that do, use it sparingly.
- The interaction between legislation and the rules of racing differs between the jurisdictions.
- The power of controlling bodies over unlicensed persons and the exclusion powers of law enforcement and controlling bodies also vary between states and territories.
- The channels used by controlling bodies to communicate with the industry and the general public are varied and range from individualised approaches through emails to the use of mainstream and social media.
- The racing disciplinary systems range from a wholly industry operated arrangement to wholly government run appeals systems. The remaining jurisdictions have 'hybrid' models.
- Most controlling bodies appear satisfied with the appeals and disciplinary system under which they operate, although some concerns with delay, lack of racing knowledge, low penalties and suspended penalties were reported.
- Organisational spend on detecting prohibited substances and sampling rates vary extensively. The criteria applied to testing decisions also differ. In particular, there is a significant variation between controlling bodies in respect to the proportion of tests that are targeted based on intelligence versus set criteria such as testing all winners.
- Most of the controlling bodies indicated that betting information was of significant importance to their proactive and reactive integrity operations, both pre-race and post-race.
- Drugs, animal welfare and wagering were nominated as being at the forefront of emerging integrity risks faced by the controlling bodies, including emerging/undetectable prohibited substances, welfare throughout the lifecycle of racing animals and welfare non-compliance, illegal betting operators and monitoring betting irregularities.
- The welfare related initiatives the controlling bodies implemented include increased resourcing and capability, regulation and education, and improved governance and consultation. Opportunities identified for improving the use of betting information included complete and real time information sharing with wagering service providers, a single national bet monitoring system and increased staff levels and expertise.

Integrity initiatives by the controlling bodies

RVL, HRV and GRV continue to play a vital role in integrity in their respective codes. Collectively, their initiatives shape and strengthen integrity throughout the VRI. Some of their key integrity initiatives in 2016–17 are outlined here.

Racing Victoria Limited:

- Initiating a tri-code Online Declaration Portal to assist industry participants to complete the mandatory requirements of the SCOP.
- Restructuring the Licensing Regulation Unit into the Intelligence and Compliance Unit to increase efficiencies.
- Outsourcing the administrative component of all licence applications made to RVL to Racing Australia and integration into an online process within the Single National System.
- Implementing a broader Equine Welfare Strategy as approved by the RVL Board in 2016.
- Modernising the rules of racing.
- Successfully delivering the first educational seminar for veterinarians and trainers.
- Sponsoring research groups to identify areas where they can better protect the health, safety and welfare of horses and their jockeys, and improve training regimes and the management of horses.
- Introducing new rules to expressly prohibit threatening (and related conduct) towards officials. In addition, the following rule changes were made:
 - out-of-competition testing rule
 - new categories of prohibited substances
 - introduction of a cobalt threshold (reduced from 200 micrograms to 100 micrograms nationally).
- Recruiting two new wagering analysts to complement the existing form analysts within the RVL Control Room to provide the race day Stewards panel with real time support.
- Improving integrity assurance through sampling and inspections, for example:
 - swab samples taken – 10,997 and 1,417 (out of competition tests)
 - positive results – 5 (equine) and 22 (human)
 - stable inspections – 1,508.

Harness Racing Victoria:

- Finalising the multi-agency investigation initiated by the HRV Integrity Department that resulted in the first criminal convictions (in connection with racing) under legislation introduced to combat race/match fixing in sport. These criminal convictions were supported by the successful prosecution of the matter through the racing disciplinary system. In April 2017, VCAT affirmed the 12 year disqualifications imposed by HRV upon the two main perpetrators of the offending. HRV continues its close working relationship with the Sporting Integrity Intelligence Unit of Victoria Police to lead the fight against any such threats to the integrity of the industry.
- Developing memoranda of understanding with agencies that can assist in the greater protection of the industry. In addition to recent memoranda entered into with Australian Criminal Intelligence Commission and the RSPCA, HRV is working towards developing a formal agreement with the Australian Border Force to assist with the control of prohibited substances entering the country for potential misuse in the racing industry.
- Continuing concerted surveillance and inspection efforts to prevent, deter and detect any prohibited pre-race treatment of competing horses. HRV also conducted a successful operation in this regard utilising the services of drone-based surveillance.
- Adding a web-based reporting form to the Integrity Hotline as a further mechanism by which industry participants or members of the community can report any integrity related concerns. The web-based form (www.hrv.org.au/) links directly into the HRV Integrity Department intelligence and case management system. Information can also be provided through the hotline (03 9214 0651) or by email (integrity@hrv.org.au).

Greyhound Racing Victoria:

- Restructuring the Stewards panel and introducing a regional model with the addition of a tiered structure that now includes a Deputy Chief Steward and four Senior Stewards.
- Forming a Legal Services Unit, within the Integrity Department, to handle all matters relating to prosecutions as well as provide authoritative advice to its Stewards and investigators.
- Receiving more than 160 cases presented to the GRV RADB including the first case involving a stored sample, which resulted in a successful prosecution.
- Introducing a risk based model to determine priorities in investigating and mitigating non-compliance in the Greyhound racing industry.
- Preparing 11 briefs of evidence for serious offences; all participants were found guilty by the RADB and subject to varying penalties ranging from fines to life disqualifications.
- Transferring race day operations, with roles such as lure drivers, judges and on-track veterinarians brought in under the GRV Integrity Department (formerly these roles were the responsibility of the racing club).
- Introducing a dedicated Integrity Hotline (03 8329 1196), significantly contributing to the intelligence holdings throughout the course of the year (GRV also has a confidential online form accessible on FastTrack: www.grv.org.au and www.greyhoundcare.grv.org.au).

About ORIC

The Commissioner currently employs five full time employees under Part 3 of the *Public Administration Act 2004* to assist him to perform his functions and exercise his powers under the Racing Act.

The Commissioner has appointed Managers in the following areas:

- Integrity Operations
- Investigations
- Information and Intelligence
- Policy and Projects.

The Commissioner is also supported by an executive assistant.

All employees report directly to the Commissioner in relation to their specific areas.

The Commissioner's staff are employed by the Department of Justice and Regulation. In addition to Department of Justice and Regulation policies, the Commissioner's staff also conform to policies and standards issued by the Commissioner.

Staff complete annual declarations and adhere to the 'no betting policy' throughout their employment. The Commissioner personally reviewed all staff declarations completed in the 2016–17 period.

The Commissioner may also engage specialist contracted resources as required.

Privacy and data protection

Compliance with the Protected Disclosures Act

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

Reporting procedures

ORIC is not empowered by legislation to receive disclosures under the Protected Disclosures Act. Disclosures of improper conduct or detrimental action by the Commissioner or employees of ORIC may be made directly to the IBAC:

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

Alternatively, disclosures of improper conduct or detrimental action by employees of ORIC may be made to the Protected Disclosure Coordinator of the Department of Justice and Regulation:

Damien O'Shea
Protected Disclosure Coordinator
Department of Justice
Level 24, 121 Exhibition Street
Melbourne VIC 3000
telephone 03 8684 0090
email damien.o'shea@justice.vic.gov.au

Freedom of Information

The *Freedom of Information Act 1982* (Vic) (FOI Act) extends as far as possible the right of the public to access information in the possession of the Victorian Government and other bodies.

No freedom of information requests from a member of the public were received and processed in the 2016-17 reporting period in accordance with the Freedom of Information Act.

Making a request

ORIC accepts payment of the application fee by cheque or money order, made payable to the Department of Justice and Regulation.

Requests for documents in the possession of ORIC, enclosing a cheque or money order for the application fee, should be addressed to:

Freedom of Information
Racing Integrity Commissioner
PO Box 24034
Bourke Street
MELBOURNE VIC 3001

Further information regarding Freedom of Information can be found in the Commissioner's Part II Information Statement, available at www.racingintegrity.vic.gov.au, or on the Office of the Victorian Information Commissioner's website at www.foicommissioner.vic.gov.au.

Finances and administration

ORIC is funded through the Department of Justice and Regulation through the State Budget. As ORIC is administratively supported by the Department of Justice and Regulation, detailed reporting relating to the financial performance, governance, workforce data and other disclosures are contained within the annual report of the Department of Justice and Regulation.

Risk management

The Commissioner maintains a Risk Management Policy that was reviewed this reporting period and met Victorian Government requirements. The operations of ORIC take a risk management approach, which was adopted following an enterprise-wide risk assessment and development of a risk register. This risk assessment uses methodology based on International Risk Management Standard ISO 31000: 2009.

Glossary of acronyms

AUSTRAC	Australian Transaction & Reports Analysis Centre
GRV	Greyhound Racing Victoria
HRV	Harness Racing Victoria
IR	Information Report
ICF	Integrity Council Forum
ORIC	Office of the Racing Integrity Commissioner
RADB	Racing Appeals and Disciplinary Board
RSPCA	Royal Society for the Prevention of Cruelty to Animals
RIOC	Racing Integrity Operations Committee
RVL	Racing Victoria Limited
SCOP	Single Code of Practice
VCAT	Victorian Civil and Administrative Tribunal
VRI	Victorian Racing Industry

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AUTHORISED BY THE RACING INTEGRITY
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This report is available at
www.racingintegrity.vic.gov.au



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