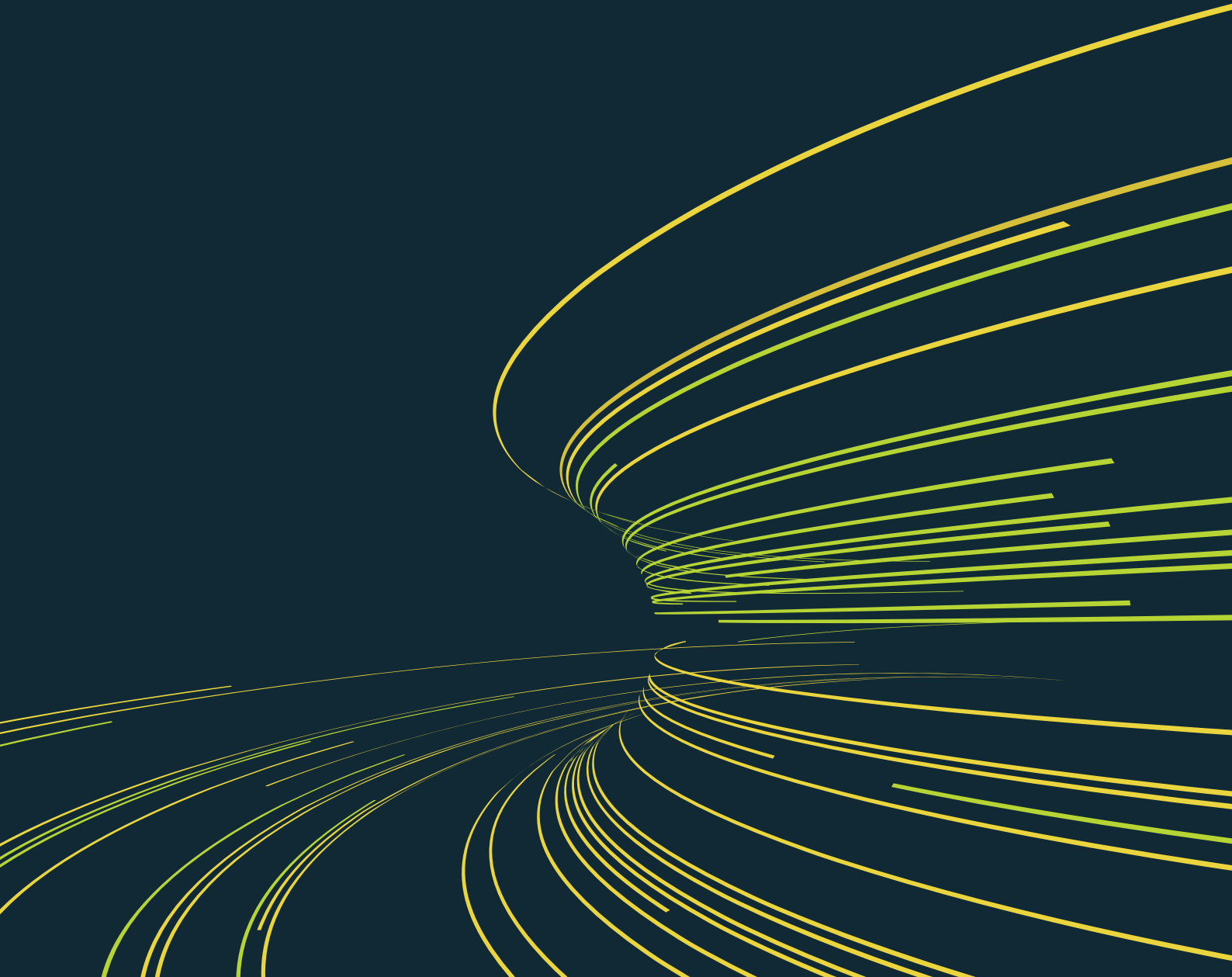


Racing Integrity
Commissioner

Annual Report
2015–2016



Racing Integrity
Commissioner



Contents

04

The Office of the Racing Integrity Commissioner

05

2015–16 at a glance

06

Operations

20

About ORIC

22

Q&A with the Racing Integrity Commissioner

26

Strengthening integrity

40

Integrity in the VRI

Glossary of Acronyms

| | | | |
|------------------|---|--------------|---|
| ASADA | Australian Sports Anti-doping Authority | RASL | Racing Analytical Services Limited |
| AUSTRAC | Australian Transaction Reports and Analysis Centre | RIOC | Racing Integrity Operations Committee |
| GRV | Greyhound Racing Victoria | RSPCA | Royal Society for the Prevention of Cruelty to Animals |
| HRV | Harness Racing Victoria | RVL | Racing Victoria Limited |
| IBAC | Independent Broad-based Anti-corruption Commission | SCOP | Single Code of Practice |
| ICF | Integrity Council Forum | SIGA | Sport Integrity Global Alliance |
| IR | Information Report | VCAT | Victorian Civil and Administrative Tribunal |
| ORIC | Office of the Racing Integrity Commissioner | VRI | Victorian Racing Industry |
| RAD Board | Racing Appeals and Disciplinary Board | VRIU | Victorian Racing Industry Unit |

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 presentation to Parliament, in accordance with section 37F(1) of the *Racing Act 1958*.

The report documents the performance of my functions, exercise of my powers and integrity related issues I determined to be in the public interest for the year ending 30 June 2016.

Yours sincerely



Sal Perna
Racing Integrity Commissioner

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 Office of the Racing Integrity Commissioner

Who we are

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

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

In broad terms, ORIC'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 ORIC's operations. 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 systemic issues in racing
- **investigate complaints** about the integrity processes and systems of each controlling body, as well as matters referred by the Minister for 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** (RAD Board) to hear and determine an appeal against a penalty imposed in certain circumstances.

This year, the Commissioner's functions were expanded to include 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 a certain investigation or inquiry, such as summons certain persons or documents, administer an oath and examine a person under oath, in accordance with section 37BA; these powers are sometimes referred to as Board of Inquiry powers
- **share information** by disclosing '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. This legislation is available at www.legislation.vic.gov.au.

Our activities

Each year, ORIC works to strengthen the integrity of the VRI, both from within and outside the industry, through the following key activities:

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

2015–16 at a glance

3,002 km

Travelled 3,002 kilometres to host 11 roadshows in regional and metropolitan Victoria

31% ↑

Delivered 36 presentations on racing integrity to 952 attendees

36

Undertook 75 operational visits including race meetings and wagering service provider and laboratory visits – a 31% increase on last year



Conducted operational visits to 35 country race meetings and 28 metro race meetings



Met with 2,528 stakeholders from 695 organisations

✓ 57

Made 57 recommendations to controlling bodies

48

Received, assessed and responded to 283 information reports, complaints and enquiries

283

Delivered custom designed training courses to 48 integrity officials

Operations

The powers and functions of Part IA of the Racing Act provide the basis for the operations undertaken by the Commissioner each year.

Inquiries

While the Commissioner did not undertake any own motion inquiries or special inquiries in this reporting period, some important initiatives followed recommendations made by the Commissioner, most recently in 2015.

One major initiative was the review undertaken by Mr Paul Bittar, appointed by the Minister to review the integrity functions of RVL, HRV and GRV (Bittar Review). Mr Bittar was engaged shortly after the Commissioner's 2015 *Own Motion Inquiry into Live Baiting in Greyhound Racing in Victoria* (Live Baiting Inquiry). In April 2016, Mr Bittar handed down his report entitled *Review of the Integrity Structures of the Victorian Racing Industry* (Bittar Report). The Victorian Government indicated it accepts in principle the integrity recommendations made in the Bittar Report.

Significantly, the Bittar Report recommended the establishment of the Victorian Racing Integrity Unit (VRIU), responsible for the delivery of integrity services across the Thoroughbred, Harness and Greyhound racing codes.

This recommendation is consistent with the Commissioner's previous recommendations that the Victorian Government amend the Racing Act to establish an independent body with responsibility for the integrity processes and systems across the three codes and remove such responsibility from the controlling bodies. The Commissioner first made a recommendation to this effect in his 2012 *Own Motion Inquiry into Race Fixing* report (Race Fixing Inquiry). The Commissioner restated this recommendation on two separate occasions in 2015, following his *Special Inquiry into the HRV Ballarat Pacing Cup* and the Live Baiting Inquiry.

The Commissioner has and will continue to consult with the Victorian Government, the controlling bodies and other stakeholders involved in the process of establishing the VRIU.

Investigations

In previous years, ORIC has reported on large scale or protracted investigations undertaken during the relevant period. This year, the Commissioner identified four integrity related areas that are of public interest in relation to ORIC's investigation case load. Those areas are:

- animal welfare
- racing clubs
- integrity officials
- historical matters.

ANIMAL WELFARE

During the 2015–16 year, ORIC received enquiries or information relating to welfare involving racing animals on 36 occasions. Case Studies 1 and 2 highlight the approach taken by ORIC to animal welfare matters.

Case Study 1

In June 2016, ORIC received a complaint from a concerned member of the public who had reported a racing horse being treated in a manner which was thought to have been cruel and of a welfare concern to the complainant. ORIC undertook enquiries with integrity officials from the relevant controlling body who in turn investigated the incident, establishing that there was no cause for concern from a welfare perspective. ORIC relayed this advice to the complainant, who was satisfied with the explanation and advice provided.

This case study highlighted the fact that the racing codes need to be mindful of the importance of ensuring good welfare practices are in place as well as ensuring that public perception in relation to welfare issues stays positive.

RACING CLUBS

Throughout the reporting period ORIC received a variety of complaints involving racing clubs, several of which are subject to ongoing investigations or inquiries.

In one case, a complaint was made to ORIC by the alleged victim of abuse in a club related dispute, which allegedly involved verbal abuse by one club official to another club official. A complaint was made to the Commissioner and an initial investigation undertaken, with a referral ultimately made to the relevant agency under the Racing Act.

The Commissioner does not generally have jurisdiction in relation to Victorian racing clubs under the Racing Act. This can present jurisdictional and operational challenges. However, the Commissioner is working closely with the three racing controlling bodies and affected stakeholders to ensure that appropriate frameworks and processes are put in place to better develop an oversight of Victorian racing clubs and their interaction with racing participants.

INTEGRITY OFFICIALS

This has been a difficult year for integrity officials across the three racing codes, with a number of serious issues emerging including direct threats to their safety and wellbeing. Where possible, the Commissioner had direct involvement through the provision of advice, direction and intelligence. For example:

- The Commissioner referred and disclosed information and intelligence to Victoria Police and RVL in relation to an incident in which shots were fired into the family home of the RVL Chairman of Stewards. The Commissioner continues to provide assistance in respect of this investigation as required.
- Further direction, action and advice were provided to assist integrity officials from GRV involved in an alleged firearms incident during the reporting period. The Commissioner provided assistance and advice, facilitating direct contact between the integrity officials and police investigators. Victoria Police is continuing to investigate this matter.

Both incidents highlight the often stressful and serious nature of investigations and inquiries conducted by integrity officials across the VRI. The Commissioner will continue to take appropriate action to ensure that threats against integrity officials do not impede their important work or threaten the integrity of the industry.

HISTORICAL MATTERS

The Commissioner is prepared to undertake investigations that impact on the integrity of the VRI, regardless of the time taken to report the matters, as highlighted by Case Study 3.

Case Study 2

In February 2016, ORIC received information from a complainant with serious concerns in relation to the welfare of several Greyhounds at the property of a licensed trainer. ORIC established that a direct welfare concern had been raised in relation to the Greyhounds at this property previously and that inappropriate comments had also been made to the complainant over social media. The Commissioner immediately referred the complainant to GRV. GRV subsequently directed animal welfare authorised officers and investigators from the GRV Integrity Unit to undertake an urgent property inspection and animal welfare check at the property in question. Animals at the property were found to be in good condition and well cared for. Follow up investigations resulted in the trainer in question being sanctioned for inappropriate comments made on social media.

This incident demonstrated the Commissioner's ability to refer appropriate information for investigation and the commitment of GRV to animal welfare issues.

Operations

Audits

Each year, 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 also been undertaken in relation to six distinct integrity related issues in the VRI.

| Audit area | Year undertaken | Outcome |
|--|-----------------|---|
| Declarations of private interests and betting account registers | Annually | Complete for 2015–16 reporting period |
| Drug swabbing processes and random sampling | 2015–16 | Results to be released in due course |
| Policies and processes regarding integrity career management | 2014–15 | Pending response from the Minister |
| Raceday animal identification | 2013–14 | 9 recommendations, fully implemented |
| Implementation of previous recommendations and compliance with betting and private interest declarations | 2012–13 | 13 recommendations, 4 of which have been implemented |
| Drug control policies / box and barrier redraws | 2011–12 | 34 recommendations, 18 of which have been implemented |
| Identification of existing integrity systems and processes | 2010–11 | 6 recommendations, fully implemented |

The three annual audits that were conducted or completed in, or relate to, this reporting period are set out below.

ANNUAL PRIVATE INTERESTS AND BETTING ACCOUNTS AUDIT

In June 2016, ORIC completed an annual audit and review of declarations of private interest and betting declarations, and disclosed wagering activity of all personnel required to submit those forms to GRV, HRV and RVL in the previous financial year.

This audit identified a number of reporting anomalies in declarations made in each controlling body. In the case of one controlling body, the identified discrepancies were minor in nature and no further action was taken by ORIC. A number of undeclared wagering accounts were identified in the course of the audit and the accuracy of several declarations was found to be unsatisfactory. The Commissioner subsequently referred matters identified in this audit to the Integrity Councils of two of the controlling bodies for their further action.

While anomalies were identified, on the whole the audit demonstrated that robust declaration processes and internal checks and balances are effective tools for managing conflicts of interest.

The Commissioner welcomes the initiative put forward by RVL, and supported by HRV and GRV, introducing an electronic declaration system to simplify and strengthen the declaration process and ensure that reporting is more efficient. All codes have agreed to implement this initiative in 2017.

DRUG SWABBING PROCESSES AUDIT

In the 2015–16 reporting period, the Commissioner engaged an external agency to conduct an audit of the end-to-end drug swabbing process through random sampling to assess and report on the controlling bodies' compliance with their own systems.

This audit was initiated partly in response to concerns raised with ORIC that swabs taken by integrity officials from the three racing codes are destroyed, disappear at various stages of the swabbing process, are not tested or that positive samples are not prosecuted.

The results of this audit will go towards ensuring the VRI has a consistent end-to-end approach to swabbing with documented procedures and practices that closely align to a standard model, enhancing public confidence in the integrity of the VRI.

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

INTEGRITY CAREER MANAGEMENT MODEL

In 2014–15, the subject of the Commissioner's annual audit was the human resources policies and processes that relate to the career management model pertaining to integrity positions within the VRI, such as Stewards, intelligence analysts and investigators.

The audit examined current human resources policies, processes and practices for the recruitment, selection, induction, training and career management of integrity roles within the three controlling bodies.

The aim of this audit was to identify what systems and processes the controlling bodies had in place in these areas, and to use the information to develop a professional career management model which would professionalise racing Stewards and other key integrity related positions.

This audit was completed in May 2016. The report contained 57 recommendations in total, with 19 recommendations directed to each of the controlling bodies. However, the Commissioner placed the implementation of the recommendations resulting from this audit on hold pending the outcome of the Bittar Review. The Commissioner has now written to the Minister, recommending that all 57 recommendations resulting from this audit be accepted and included in the implementation of the VRIU.

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 the Live Baiting Inquiry and the Chief Veterinary Officer's report entitled *Investigation into animal welfare and cruelty in the Victorian Greyhound industry*.

Among other things, the new laws expand 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 May 2016. A major audit is intended to take place in 2017.

“I know that I personally, and the Association, support Sal Perna and his team in the various roles and duties they perform, seeing it as a vital requirement for the Racing Industry.”

STEVE WARREN

CHAIRMAN HARNESS RACING INDUSTRY TRAINING CENTRE BENDIGO
SECRETARY VICTORIAN HARNESS RACING INDUSTRY TRAINERS
& DRIVERS ASSOCIATION

Operations

Information and intelligence

ORIC has a customised case management system that records, manages and reports on information 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 system.

COMPLAINTS

During 2015–16, ORIC received and investigated 64 complaints. These complaints related to allegations across a range of issues including:

- animal welfare
- use of prohibited substances
- corruption and criminal behaviour
- unprofessional conduct and conflicts of interests involving club officials and Stewards
- race fixing including jockeys failing to allow horses to run on their merits
- wagering
- live baiting and euthanasia of Greyhounds
- ownership disputes involving prize money allocations, transfer of ownership and syndications
- breaches of racing rules by Stewards and trainers.

How were the complaints received?

A total of 91 per cent (58) of all complaints were received overtly, while the remaining six complaints were received anonymously.

The complaints were received predominantly by email and the Racing Integrity Hotline, including:

- 67 per cent (43) received via email
- 16 per cent (10) received via the hotline.

The remaining 17 per cent of complaints (11) were received via the telephone, mail and a referral.

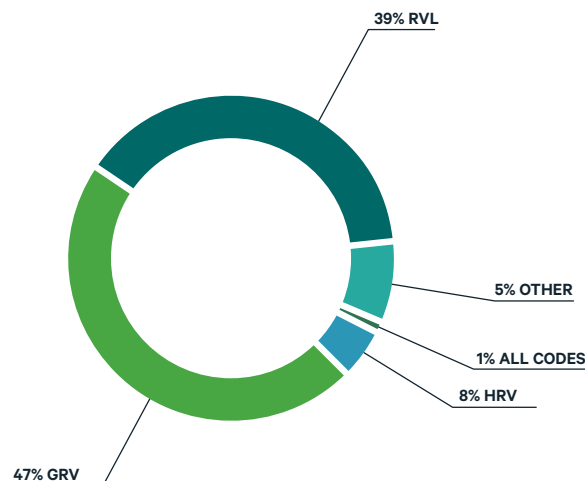
What did the complaints relate to?

Of the 64 complaints, 60 complaints related to the controlling bodies, with:

- 47 per cent (30) of complaints involving GRV
- 39 per cent (25) of complaints involving RVL
- 8 per cent (5) of complaints involving HRV.

Of the remainder, two complaints related to wagering and betting, one related to alleged misleading track assessments by race clubs and another complaint related to animal welfare across all three codes.

COMPLAINTS BY CODE



What do the complaints tell us?

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

There was a 36 per cent increase in the total number of complaints from the previous year. This is attributed to a significant spike in complaints pertaining to RVL and to a lesser extent GRV. In relation to RVL, complaints were not confined to any specific issue. Instead, a variety of issues led to increased complaints including ownership disputes and allegations involving club officials and Stewards. GRV complaints increased due to the Live Baiting Inquiry and issues associated with animal cruelty.

What were the outcomes of the complaints?

Several complaints included multiple allegations. Of the 64 complaints, there were 117 allegations. The outcomes of the allegations are detailed as follows:

- 27 per cent (32) were either disproven or unsubstantiated
- 20 per cent (23) were outside the Commissioner’s jurisdiction
- 15 per cent (17) were deemed to be for information purposes only
- 7 per cent (8) were either substantiated or partially substantiated.

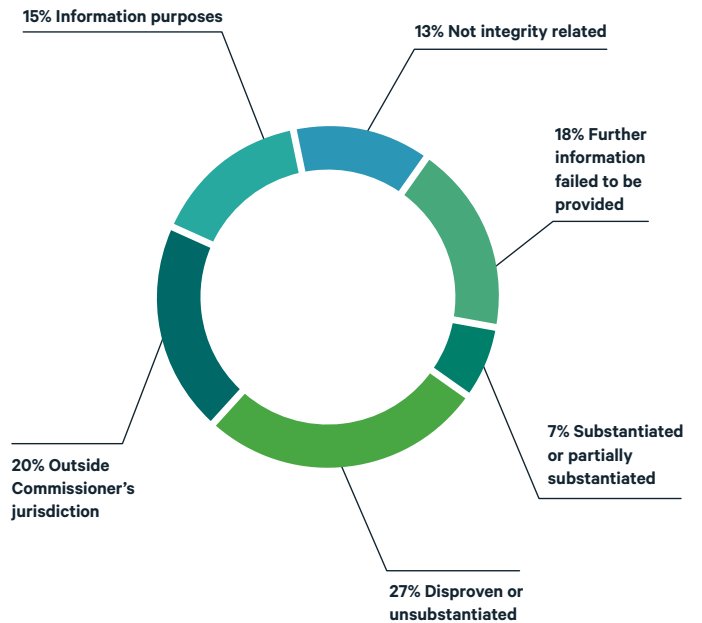
Additionally, preliminary investigations revealed 13 per cent of allegations (15) were not integrity related and a further 18 per cent of allegations (22) were unable to be investigated, as the complainant failed to reply to ORIC’s request for further information.

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:

- appointment of a dedicated recruitment manager to ensure high behavioural standards and adherence to the staff code of conduct
- warning staff of the inappropriateness of wagering on races in their code
- the resignation of a staff member for unprofessional conduct
- review and implementation of a new drug control policy at a controlling body.

Four complaints remain under investigation at 30 June 2016.

OUTCOME OF COMPLAINTS



ORIC has a customised case management system that records, manages and reports on information received in the form of complaints, information reports and enquiries.

Operations

INFORMATION REPORTS

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

During 2015–16, ORIC recorded 76 IRs. These IRs related to a number of issues, including:

- the usage and sale of prohibited substances
- animal welfare, including live baiting and the euthanasia of Greyhounds
- integrity matters involving staff and Stewards
- illegal wagering and betting activities by industry officials and participants
- race fixing involving jockeys
- corruption and criminality infiltrating the racing sector.

How were the IRs received?

A total of 45 per cent of IRs were received covertly, including:

- 23 per cent (17) via the Racing Integrity Hotline from people who wished to remain anonymous
- 13 per cent (10) from people who wished to have their identity protected
- 9 per cent (7) anonymously, directly to the office.

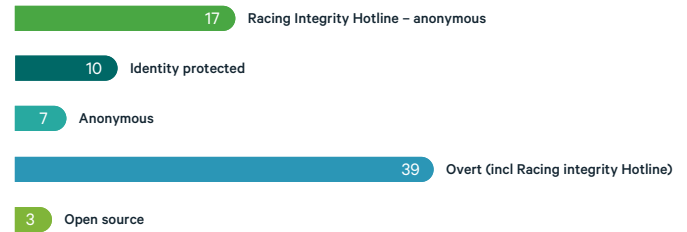
A further 51 per cent of IRs (39) were received overtly via a meeting, telephone, the Racing Integrity Hotline or email, and 4 per cent were open source information.

What did the IRs relate to?

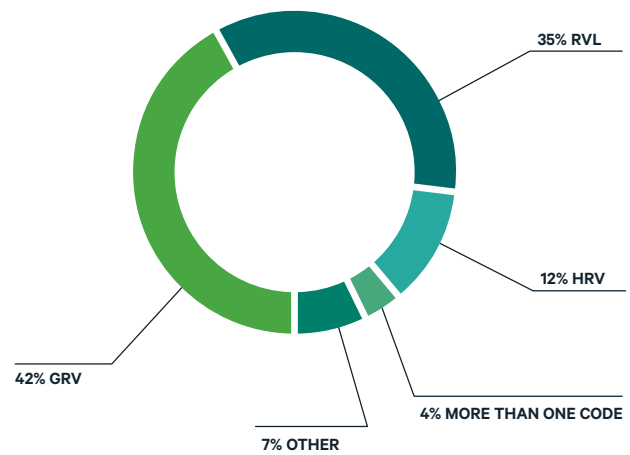
Of the total number of IRs (76), 89 per cent related to the controlling bodies, with 42 per cent (32) related to GRV, 35 per cent (27) related to RVL and 12 per cent (9) related to HRV.

A further 4 per cent (3) of IRs involved more than one code, while 7 per cent (5) related to other matters such as jockey involvement in match fixing, wagering and betting irregularities.

INFORMATION REPORTS – OVERT/COVERT



INFORMATION REPORTS BY CODE



What were the outcomes of the IRs?

Several IRs included multiple allegations. Of the 69 completed IRs, there were 73 allegations. The outcomes of the allegations are detailed as follows:

- 32 per cent (23) were disproven or unable to be substantiated
- 8 per cent (6) were not within the Commissioner's jurisdiction
- 16 per cent (12) were substantiated or partially substantiated and mainly related to issues such as animal cruelty and rule breaches by trainers.

A total of 44 per cent (32) were recorded for information only. A further seven of the total 76 IRs remain active as at 30 June 2016.

Of the 76 IRs received and recorded, ORIC referred and/or disclosed to a controlling body or government agency on 80 occasions for information and/or investigation purposes.

What do the IRs tell us?

The total number of IRs decreased by 56 per cent from last year when ORIC received 174 IRs. Two-thirds of IRs received last year related to GRV, the majority of which related to the Live Baiting Inquiry.

IRs pertaining to GRV and HRV during the reporting period decreased by 72 per cent and 59 per cent respectively, while IRs pertaining to RVL increased by 29 per cent on last year. Various issues contributed to this increase including allegations regarding the usage of prohibited substances, racing rule breaches and race fixing.

ENQUIRIES

How were the enquiries received?

During the reporting period, ORIC received 143 enquiries. Of these:

- 67 per cent (96) were from the public
- 20 per cent (29) were from industry participants and employees
- 6 per cent (9) were from other government agencies
- 4 per cent (5) were from law enforcement agencies
- 3 per cent (4) were from media in relation to criminal investigations and integrity issues involving sporting codes.

The majority of enquiries related to opinions and comments in relation to animal cruelty, specifically issues associated with live baiting and Greyhound racing.

Over half the enquiries were received via telephone and a further 45 per cent were received via email. A small number of enquiries were received via mail, fax and/or direct to the Commissioner.

What did the enquiries relate to?

Of the 143 enquiries, 62 per cent (88) related to controlling bodies with:

- 34 per cent (49) related to GRV
- 24 per cent (34) related to RVL
- 4 per cent (5) related to HRV.

A further 13 per cent of enquiries (18) were non-specific. The remainder of the enquiries related to more than one code, betting agencies / bookmakers, interstate racing codes and controlling bodies, and overseas jurisdictions along with law enforcement and government agencies.

Operations

RACING INTEGRITY HOTLINE

The Racing Integrity Hotline is provided through an independent third party organisation, STOPline Pty Ltd (STOPline). The hotline is an important integrity assurance tool, allowing members of the public and/or racing industry participants to report integrity related information anonymously without fear of reprisal through an alternative means rather than contacting ORIC directly.

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

During the 2015–16 reporting period ORIC received 27 reports from STOPline, comprising three non-disclosures and 24 disclosures.

Non-disclosures refer to reports that do not fall within the Commissioner's jurisdiction. During 2015–16, the three non-disclosures received by ORIC related to persons seeking advice in relation to wagering and betting issues and breaches of industry rules.

Disclosures contain integrity related information involving, for example, animal cruelty, use of prohibited substances, breaches of rules and procedures, race fixing, conflicts of interest and criminal behaviour.

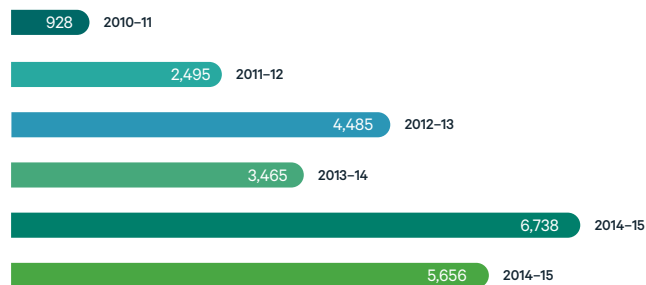
| Racing Integrity Hotline | 2010–11 | 2011–12 | 2012–13 | 2013–14 | 2014–15 | 2015–16 |
|--------------------------|-----------|-----------|-----------|----------|-----------|-----------|
| Disclosure | 14 | 11 | 28 | 4 | 34 | 24 |
| Non-disclosure | 14 | 9 | 21 | 5 | 4 | 3 |
| Total | 28 | 20 | 49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

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, as well as 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 2015–16, the website attracted 5,656 visits from 71 countries. Of these, 81 per cent (4,569) were from Australia and 68 per cent of the Australian visits (3,106) were from within Victoria.

WEBSITE VISITS PER YEAR



An analysis of the visits to the website show that, during 2015–16, the majority of visits were in relation to news and publications such as media releases and the Commissioner's role, including his functions and powers. This was followed by the advice and assistance section which provides the opportunity for people 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:

- 64 per cent of visitors used a search engine
- 22 per cent were referred from other websites
- 14 per cent went direct to the website.

New visitors comprised 73 per cent of all visitors to the site and 27 per cent were returning visitors, which is consistent with previous years.

Directing a RAD Board

One of the functions of the Commissioner is to 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 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 four applications to direct a RAD Board to hear and determine an appeal.

In one case, a Harness racing participant requested the Commissioner to direct the HRV RAD Board to grant an appeal on the finding of guilt made by HRV Stewards for a breach of a rule of racing and the imposition of a \$200 fine. 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.

In the second case, the Commissioner received an application from a racing participant relating to findings made by Stewards that the participant had breached a rule of racing and the imposition of a \$100 fine. The Commissioner determined it was in the public interest for an appeal to be heard, and directed the relevant RAD Board to hear and determine the appeal accordingly.

In the third instance, the Commissioner received an application from a Greyhound racing participant seeking an appeal on the severity of a stand down penalty imposed on a Greyhound. The Commissioner determined he did not have the power to direct the GRV RAD Board in this instance.

In the final instance, a Thoroughbred racing participant advised the Commissioner that the participant considered the imposition of a \$200 fine for lateness at an event was unfair in all the circumstances. The participant did not respond to ORIC's requests for clarification.

Operations

Operations snapshot

A complete summary of ORIC'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> <p>i. by the Racing Integrity Commissioner; or</p> <p>ii. by the Racing Integrity Commissioner in consultation with each controlling body</p> | <p>The Commissioner undertook two audits during the period:</p> <p>Annual private interests and betting accounts audit</p> <p>This audit regarding the declarations of private interests and betting account registers of the controlling bodies was completed in June 2016.</p> <p>Drug swabbing processes audit</p> <p>This audit is continuing, with final recommendations resulting from the audit to be provided to the respective codes in due course.</p> <p>One audit was conducted in the 2014–15 year regarding the integrity career management model. Recommendations arising from this audit are with the Minister.</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>The Commissioner did not receive any requests 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>The Commissioner has not yet conducted any audits 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 64 complaints relating to the integrity processes and systems of the three controlling bodies.</p> <p>Of these, 47 per cent involved GRV, 39 per cent involved RVL, 8 per cent involved HRV and 1 per cent related to all codes. A further 5 per cent related to other issues such as betting and wagering and misleading track assessments by race clubs.</p> <p>The Commissioner also received 76 information reports relating to racing matters. Of these, 42 per cent related to GRV, 35 per cent related to RVL and 12 per cent related to HRV; 4 per cent involved more than one code; and a further 7 per cent related to other matters such as jockey involvement in match fixing, wagering and betting irregularities.</p> |
| <p>1d. Refer complaints to controlling bodies or other government agencies for investigation</p> | <p>The Commissioner referred 14 complaints to a controlling body or government agency for investigation during the reporting period.</p> <p>The Commissioner also referred 31 IRs to a controlling body or government agency for information and/or investigation.</p> |

Section 37B of the Racing Act

| | |
|---|---|
| <p>1e. Investigate matters referred by the Minister or a controlling body</p> | <p>The Commissioner received one referral from the Minister relating to complaints about Stewards prior to the establishment of the Commissioner and his office in March 2010.</p> <p>The Commissioner also received one referral from each of the three controlling bodies during the 2015–16 reporting period.</p> <p>One referral was received from RVL regarding advice of the withdrawal of charges against a jockey in respect of riding tactics in a race.</p> <p>Another referral was received from HRV relating to the placing of a bet by a staff member on a Harness race in breach of HRV policy.</p> <p>A further referral was received from GRV relating to the failure of a staff member to adhere to GRV’s drug policies and procedures.</p> |
| <p>1f. Report findings of investigations conducted into complaints that have not been referred to other bodies –</p> <ul style="list-style-type: none"> 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) | <p>Of the 64 complaints received during the reporting period, the Commissioner investigated and completed 30. Complainants were advised of the findings in 29 of those instances.</p> <p>Of the remaining complaints, 30 investigations were not required as they were either comment and/or opinion based and unrelated to integrity systems and/or processes, outside of the Commissioner’s jurisdiction, or the complainant failed to provide sufficient information to warrant investigation. Four 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> <ul style="list-style-type: none"> i. the Minister; or ii. the relevant controlling body | <p>The Commissioner made a total of 57 recommendations during the reporting period.</p> <p>This comprised 19 recommendations made to each of the controlling bodies regarding the 2014–15 annual audit of the integrity career management model.</p> <p>The implementation of these recommendations by the respective codes was placed on hold by the Commissioner pending the outcome of the Bittar Review. The Commissioner wrote to the Minister in respect of the recommendations.</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> <ul style="list-style-type: none"> i. the penalty imposed is a fine of not more than \$250; and ii. the Racing Integrity Commissioner considers that it is in the public interest for the appeal to be heard | <p>The Commissioner received four applications to direct a RAD Board to hear and determine an appeal.</p> |

Operations

Section 37B of the Racing Act


- | | |
|--|---|
| 2. Advise the Minister of any failure by a controlling body to implement or act on a recommendation made by the Racing Integrity Commissioner to that controlling body | The Commissioner did not advise the Minister of any failings by a controlling body to implement or act on a recommendation during the reporting period. |
|--|---|
-

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

The Commissioner did not exercise his 'Board of Inquiry' powers during the reporting period.

Section 37E of the Racing Act Disclosure of Information

The Commissioner made 56 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.



“The Greyhound industry has had a history of integrity related issues that needed to be fixed. The implementation of ORIC by the Victorian Government has given participants the confidence to go to Sal Perna or his staff on any issues that needed to be addressed. Having the Commissioner in place has given me the opportunity to talk to someone about integrity issues that relate to GRV without fear of reprisals.”

— Diane Bartolo

Greyhound trainer/breeder, 20 years, Little River Victoria

About ORIC

The Commissioner is a statutory officeholder appointed under section 37A of the Racing Act.

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

The Commissioner has appointed managers in the following areas:

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

The Commissioner is also administratively supported by an executive assistant.

While the Commissioner's staff are employed by the Department of Justice and Regulation, they are appointed by the Commissioner and, for the purposes of their work for the Commissioner, work independently of the Department and under the direction of the Commissioner. All employees report directly to the Commissioner in relation to their specific areas and are subject to the direction of the Commissioner.

In addition to Departmental policies, the Commissioner's staff also conform to policies and standards issued by the Commissioner. Staff complete annual declarations and adhere to a 'no betting policy' throughout their employment. The Commissioner personally reviewed all staff declarations completed in the 2015–16 period.

If required, the Commissioner may also engage specialist contracted resources, for example, in respect of audits and to manage the Racing Integrity Hotline.

Protected disclosures

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 cannot receive disclosures under the Protected Disclosures Act. Disclosures of improper conduct or detrimental action by the Commissioner or employees of his office 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
T 03 8684 0090
damien.oshea@justice.vic.gov.au

RACING INTEGRITY COMMISSIONER

Executive Assistant

Manager, Investigations

Manager, Integrity Operations

Manager, Information & Intelligence

Manager, Policy & Projects

Freedom of Information

Under the *Freedom of Information Act 1982* members of the public have the right to request access to documents about their personal affairs and the activities of the office of the Racing Integrity Commissioner. In this reporting year, one valid freedom of information request from a member of the public was received and processed in accordance with the Freedom of Information Act.

The office of the Racing Integrity Commissioner 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 the office of the Racing Integrity Commissioner, enclosing a cheque or money order for the application fee, should be addressed to:

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

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

Consultancies

ORIC engaged one external consultant to conduct an audit of drug swabbing processes within the VRI.

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.

Q&A with the Racing Integrity Commissioner



The first and current appointee to the role of Racing Integrity Commissioner, Sal Perna, is focused on assuring the integrity of the VRI through his statutory powers and ensuring strong industry partnerships, ongoing consultation and providing advice and support.

Q: What's integrity? Why is it so important to the VRI?

A: The word 'integrity' has different meanings to different people. I've heard advertisers talk about the integrity of a wood fire, cooking critics talk about the integrity of a dish and construction people talk about the integrity of a structure. Racing is no different. There's not one definition of integrity, even though in legislation that term ultimately defines my role.

From a high-level and general perspective, integrity to me means keeping crime and corruption out of Victorian racing. It's the systems and processes that are in place to ensure that we have an even playing field, so that every racing animal has the opportunity to win a race.

For example, using performance enhancing substances is a breach of rules and affects the integrity of the race. This means that the controlling body must have a system or process to prevent and detect the use of prohibited substances. Swabbing animals pre and post-race, via blood, urine or hair, is one of those processes.

The reason integrity is critical is very simple. Racing and wagering have gone hand-in-hand from day one. The public, the punter, must have confidence in the integrity of the sport. If they don't, they won't bet. If they don't bet, the industry fails. Every time they bet, they must have confidence that they may win the bet. It's as simple as that. On an equally important level, the integrity of the VRI is central to the work of industry participants and their ability to continue to do what they love, and for racing animals to be treated in a just and fair manner.

Q: What are the key issues facing the VRI today?

A: Two issues continue to dominate racing, and sport generally – the use of prohibited substances and illegal betting.

There are always people who'll continue to use substances to affect the performance of the animal, either to improve its performance or to negatively affect it. There are limited ways to 'fix' a result to ensure a win or a loss, and drugs is one of them. I'm continually surprised at the variety of substances that have been used – caffeine, snake venom, sea snail venom, methamphetamine, steroids, peptides, hormones, cobalt and the list goes on. Blood doping and the use of synthetic substances mean that integrity officials must be on the front foot and racing analysts must try to be one step in front of the chemists.

Illegal betting continues to pose challenges to integrity. Internally we must prevent and detect betting by those who are prohibited to bet, such as jockeys and drivers. Externally, we must be tuned in to the potential risks of 'in-play', unregulated and offshore betting. Our relationship with law enforcement agencies is critical.

Q: What do you see as issues relevant to the future of the VRI?

A: Drugs, betting and welfare have been at the forefront lately and will continue to be in the future. Allegations of race fixing and connection between racing and crime will always be there. The biggest issue is making sure we're prepared.

The three racing controlling bodies, RVL, GRV and HRV, are critical to the success of integrity in racing. They're responsible for implementing the integrity systems and processes and then providing adequate resources to perform, monitor and oversee those functions. In recent times, the three bodies have made considerable efforts in doing this. Their integrity teams aren't just made up of race day Stewards. These days they're boosted with specialists such as intelligence and investigative staff, form and betting analysts and welfare experts. They're not only better resourced but better trained and equipped. They've moved from a reactive to a proactive approach and activities such as 'out of competition' testing and random, unannounced stable and kennel inspections are now common.

These dedicated professional integrity officials are key to addressing future issues. This includes having a national and international network to stay aware of current and emerging risks.

My main goal since starting in this role in 2010 has been to see the creation of a cross-code, independent integrity unit for the VRI – a model that brings the three integrity units together to share resources, experience and knowledge and to be independent of the controlling bodies so that they can operate, and be seen to operate, without real or perceived influence or interference.

I'm pleased that the government has seen fit to endorse this proposed model and look forward to seeing its implementation.

Q: Why is stakeholder engagement such a large part of your work?

A: Whether you refer to it as a sport or as an industry, racing is complex. It's also critical to our economy as it contributes close to \$3 billion to the state, employs up to 70,000 people and forms an integral part of our communities, especially in our regional areas.

In my role it's important that I understand racing and the best way to do that is to engage with those who make up the industry. I can't do my job properly sitting in our offices in the Melbourne CBD. Familiarising myself with the three codes and engaging with the people involved is the best way to understand racing. Mind you, it's also the best part of the job. I'm lucky enough to have a job that gives me experiences that many others don't have. Whether it's going up into the Stewards' towers watching them read a race, being alongside a lure driver as they control a race or sitting next to the mobile starter watching them lead the horses, they're all great experiences. Patting a dog at the adoption program, riding in a double sulky and observing first hand the loading of horses into the barriers for the start of a race are all part of understanding how complex this industry is.

What's even more obvious is the passion that every person I've met has, either for the animal or the sport. And this is why we become so angry when people discredit the industry by flouting the rules.

Q: What are your new welfare powers and how will you use them?

A: Integrity and welfare go hand in hand. My own motion inquiry into live baiting in Victoria proved to be a catalyst for further reforms, specifically the way welfare issues are handled. The new powers extend my ability to audit, investigate and conduct own motion inquiries into the welfare side, when the matter is integrity related. It won't be my role to conduct audits to ensure that welfare requirements are in place with respect to having the correct kennels or licences. This will remain with the controlling body (and/or the RSPCA where the animal's health may be affected). But it will give me the ability to become involved when the welfare issue concerns the integrity of Victorian racing, such as a degree of cruelty that may be considered criminal, serious or systemic.

In the short term I'll review how the controlling bodies are addressing welfare generally, but my aim will be to conduct an independent audit of their welfare systems and processes in the near future.

Q&A with the Racing Integrity Commissioner

What do you consider some of the achievements of ORIC in the past year?

A: It's been a significant year for racing. We've seen big changes in the organisational structures of both HRV and GRV and the disciplinary, court and appeal hearings of those charged with cobalt offences, race fixing and live baiting offences. Of major concern was an incident in which shots were fired into the family home of the RVL Chairman of Stewards, a crime that remains unsolved.

Also of concern were changes to federal telecommunication legislation that came into operation in October last year. In effect, these changes prevent my office from accessing historical telecommunication data without a declaration made by the federal Attorney-General. In June 2015, I provided detailed submissions to the federal Attorney-General's department seeking a declaration that allowed continued access to this data, which in my view is critical to my functions and operations under the Racing Act. This situation still exists.

As these issues have progressed, we've continued to look for ways to assist the industry and professionalise the approach taken to integrity.

To enhance our partnerships, we entered into new agreements with ASADA, Europol (Interpol) and Sportradar (an international sports betting analytics firm) and hosted visits by the Hong Kong Jockey Club integrity and security staff, New Zealand Racing Integrity Unit, Greyhound Racing New Zealand, the Queensland Government racing review team and the newly-appointed Queensland Racing Integrity Commissioner. In the coming year I expect to enter into a new agreement locally with AUSTRAC and internationally with the International Council of Sports Security's new Sport Integrity Global Alliance to further facilitate the exchange of information.

This year, my office completed two major audits. This included an audit of the policies and practices at the three controlling bodies regarding how they recruit, select, induct and manage the career development of their integrity officials. The aim of this exercise was to develop a professional career management model for the racing industry. An audit was also conducted of the drug control processes within each code by examining a random sample of drug tests.

As a result of a recommendation I made in 2010, I was pleased to see the introduction of new legislation that created an offence for bookmakers who employ staff with certain criminal convictions. With the aim of benchmarking our approach to integrity in racing, we expanded our benchmark project with other sports and racing administrations nationally, as well as law enforcement and police agencies, to identify what role they play.

We introduced a new training module for racing integrity officials on the subject of wagering. Two courses were conducted with 48 attendees, which included integrity staff from the three codes as well as integrity officials from other racing administrations and sports bodies, Victoria Police and government agencies.

From a consultancy/advice perspective, I provided input into the Victorian Law Reform Commission's work on the prevention of infiltration of crime, assisted the Queensland Government with the selection process for the new Racing Integrity Commissioner and Deputy Commissioner, and assisted an International Tennis Integrity

Review. Additionally I provided input to the Victorian Auditor-General's Office on proposed audit areas, advice to the RSPCA Victoria review team and presented to forums such as the Law Institute of Victoria Sports Law Committee, RSPCA Corporate Management team, Victoria University Sports Integrity Leadership program, Victoria Police Sporting Integrity Intelligence Unit team and annual Sports Integrity Forum, RVL Stablehand training and Racing Training Providers programs, and to the Melbourne Racing Club.

Q: Where to from here?

A: In February I was reappointed for three years. This is my third reappointment and it will take my tenure to 2019. I intend to continue the work we do with the main aim of trying to stay one step ahead of the next challenge. It will be rewarding to witness the creation of – and to work with – a new VRI integrity unit.

I also look forward to the results of next year's audit into the systems and processes in racing to keep 'undesirables' from the racing industry and the conduct of our first-ever survey of attitudes of the racing industry participants.

Our work will continue in developing integrity standards for the VRI. To date we've created standards for the controlling bodies, industry participants, rules of racing, drug control and animal identification. In the coming year we'll introduce standards on the use of integrity hotlines and integrity officials' career management.

Q: With the ever increasing workload, will the size of your team increase?

A: No. The main workload rests with the integrity units in the controlling bodies and we're grateful for their support and assistance. We also have access to legal advice through the Victorian Government Solicitor's Office and contractors who provide audit, survey and hotline services.

It's timely for me to thank my dedicated and committed staff, a team of five who work tirelessly to help me perform my functions while managing their large workloads.

I want to thank the Victorian Government, particularly the Minister for Racing and Attorney General, the Hon. Martin Pakula MP and his staff, for the support and trust in my work and most importantly, recognising the independence that is critical to my role.

In addition, I'd like to thank the Department of Justice and Regulation, the Office of Liquor, Gaming and Racing and the Victorian Government Solicitor's Office for their support and assistance, at short notice where required.

It's important also for me to recognise the assistance and cooperation from the three controlling bodies generally and their integrity staff specifically, and from the other sports integrity bodies and law enforcement and other agencies that share similar objectives.

Lastly, and most importantly, I thank the racing industry participants who make up this complex, challenging and exciting industry, especially those who trust us with their information and support our efforts to ensure our sport operates free from crime and corruption.

Case Study 3

In December 2015, the Commissioner received a complaint that related to matters alleged to have occurred prior to the establishment of ORIC in March 2010. The complaint related to the alleged 'cover up' of breaches of the racing rules by integrity officials of a controlling body. It was alleged that the two serious breaches of the rules were covered up and never appropriately investigated. They included allegations that senior management and members of the Board of the controlling body had placed pressure on integrity officials to achieve a desired outcome.

The Commissioner undertook an investigation into the allegations, including a review of independent reports and previous investigations undertaken on behalf of the controlling body. The Commissioner concluded that, while allegations that a breach of the rules of racing could be substantiated, appropriate action had been taken by the racing code in question to address the breach. The Commissioner further determined that there was no evidence available to substantiate an allegation that these breaches of the rules had been covered up by senior management or the Board of the relevant controlling body. The Commissioner found that an appropriate investigation was conducted at the time and all allegations addressed appropriately.

Other allegations by the complainant in this matter identified that relevant and appropriate investigations had been conducted at the time and, in the absence of any fresh evidence, no further action was warranted by the Commissioner.

The case demonstrates that the Commissioner is prepared to undertake investigations that impact upon the integrity of the VRI, regardless of the time taken to report the matters.



Travelled 15,000 kilometres to host 55 roadshows across regional and metropolitan Victoria, attended by 687 people (since 2012)

Strengthening integrity

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

This occurs through the following activities:

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

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 and affiliations representing racing industry participants, such as owners, breeders, trainers, jockeys and drivers
- regulators
- wagering service providers
- Racing Analytical Services Limited (RASL)
- members of the judiciary, including Victorian Civil and Administrative Tribunal (VCAT) and RAD Board 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 Racing Australia, Greyhounds Australasia and Harness Racing Australia)
- internal stakeholders (Department of Justice and Regulation and 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.

9,005 stakeholders
met (since 2010)



Meetings and presentations

During this year alone, the Commissioner and his staff met with 2,528 people from 695 organisations. On average ORIC met with 210 people per month, which is a 9.95 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 36 presentations were made during the year to 952 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 ORIC has met with over 9,000 people and delivered presentations to 5,176 attendees.

Operational visits

This year, ORIC undertook 75 operational visits. These included 63 to race meetings across the three codes, hearings of the RAD Boards, and visits to the RASL laboratory and other racing facilities such as breeding and training properties. Of the race meetings attended, 35 were country meetings. The number of operational visits during the year takes the tally of visits to 328 since the commencement of ORIC in March 2010.

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. More broadly, these partnerships contribute to the integrity of the VRI by allowing those in the industry to work towards collaborative solutions to shared challenges.

The Commissioner recognises that he cannot deliver on his mandate in isolation and remains committed to building strong industry partnerships with organisations that contribute to the effective operations of ORIC.

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 Manager and Chairman of Stewards from each of the controlling bodies, the ORIC Manager, Integrity Operations and the ORIC Manager, Investigations.

The RIOC generally meets approximately every six weeks, with six meetings occurring during the reporting period. In total, the RIOC has met 42 times since inception and continues to be a valuable forum to share and exchange information across the three racing codes. A number of invited guests attended this year to meet with RIOC members and discuss areas of mutual interest. These included the Victoria Police Sporting Integrity Intelligence Unit and the National Integrity in Sport Unit.

Integrity Council Forum

The Commissioner also convenes an Integrity Council Forum (ICF) to ensure a level of independence and 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. A function of the ICF includes broadly overseeing the integrity assurance functions of the VRI.

As noted previously, an integral recommendation following the Commissioner's Race Fixing Inquiry 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 their 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.

Strengthening integrity

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 the VRI.

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 information continues to grow on a state, federal and international level.

AGREEMENTS

This year, the Commissioner entered into three agreements relating to information exchange.

At an international level, in June 2016, the Commissioner signed a 'Declaration of Core Principles on Sport Integrity' with the Sport Integrity Global Alliance (SIGA). SIGA is the convening of an informal coalition of more than 30 leading organisations that represent sport, government, international authorities, business, academia and civil society at an international level.

In February 2016, the Commissioner and the Managing Director Security Services for Sportradar signed a formal agreement on cooperation and information exchange. Sportradar is one of the world's leading suppliers of sport related data and statistics as well as sophisticated technical solutions. Sportradar has developed, since 2005, betting related fraud detection and integrity services to assist sports federations, state authorities and law enforcement agencies around the world to combat betting related match fixing.

In July 2015, the Commissioner and the Australian Sports Anti-Doping Authority (ASADA) 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 ASADA to support enforcement activities and ASADA's investigations in regards to protecting Australia's sporting integrity through the elimination of doping.

These new agreements add to previous agreements with a number of 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.

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

Education, training and 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. The professionalisation of staff through this training is designed to benefit the individuals in attendance as well as to standardise the collective knowledge of integrity officials throughout the racing industry.

In November 2015, a new training module, *Module 5: Wagering*, was delivered for the first time. Experts from all facets of the wagering landscape presented material relevant to the 29 attendees, including integrity officials from the three racing codes, and representatives from state and interstate government agencies and law enforcement bodies. Attendees received training and instruction on the wagering environment and investigative techniques to assist in maintaining the integrity of the racing industry. As a result of the success of this course a second intake was conducted in March 2016, with a further 19 attendees attending the module.

The Commissioner anticipates the development and delivery of cross-code training courses for integrity staff from the three racing codes will continue into future years, with course content developed in response to attendee feedback, emerging issues and demand.

| Module no | Module name | Description of course |
|-----------|---|---|
| One | The Essentials of Investigation | Intelligence management, informer management, management of complex and serious investigations, conduct of investigations, statement and note taking, and interviewing skills |
| Two | Collection and Presentation of Evidence | Statement taking, legal requirements, brief preparation, evidence gathering, advocacy and participation in mock hearings |
| Three | The Integrity Toolbox | The rules of racing, RASL operations, drug control, surveillance and operation orders |
| Four | The Vocational Toolbox | Integrity in sport, racing integrity, communication skills and leadership skills |
| Five | Wagering | Education on the various wagering products and services, investigative skills and information sharing opportunities |

“Excellent introduction to the fundamentals of racing integrity. Very valuable.”

ATTENDEE AT ORIC'S MODULE 5: WAGERING COURSE

Strengthening integrity

ROADSHOWS

Over the past five years, the Commissioner has travelled over 15,000 kilometres to host 55 roadshows across regional and metropolitan Victoria, attracting 687 attendees including racing industry participants, the general public, wagering service providers, media and others.

The roadshows are a vital component of the Commissioner's communication strategy. They allow the Commissioner to inform stakeholders of the activities of ORIC and the VRI more broadly, and to gain real insight into the views of stakeholders – particularly the 80 per cent of racing participants who call regional Victoria home.

During the reporting period, the Commissioner hosted 11 roadshows in Geelong, Shepparton, Bendigo, Horsham, Ballarat, Warrnambool, Cranbourne, Sale, Mildura, Swan Hill and Melbourne for a total of 80 attendees. For the first time, racing clubs were used as venues for the majority of the roadshows.

This year, 88 per cent of the total audience was made up of racing industry participants, with 51.2 per cent from Harness, 25 per cent from Thoroughbreds and 23.7 per cent from Greyhounds. The remaining 12 per cent comprised attendees from the controlling bodies, wagering service providers and others such as government agencies and veterinarians.

As expected, attendance at this year's roadshows was not at the levels recorded in previous years, given no active own motion inquiries or special inquiries were underway. Nevertheless, the roadshows remain a valuable two-way information channel.

FEEDBACK FROM ROADSHOWS ATTENDEES

“Informative and detailed – Vic is in good hands with this integrity overseer.”

MELBOURNE

“Very clearly spoken, PowerPoint helps, statistics were really good to know. Really good, very interesting and answered questions clearly while also building in extra information about each kind of racing.”


CRANBOURNE

“Evening well worthwhile. Great developmental potential exists within all codes. Can see multiple challenges.”

MELBOURNE

“More understanding of the RIC (Racing Industry Commissioner) role within 3 codes. Informative and interesting presentation.”

MELBOURNE



“Sal Perna’s warm, approachable manner encourages industry members to comment without prejudice. Sal and his assistants appear to have a genuine desire to do all they can to help our industry.”

— Gregg Tuohy,

Thoroughbred racing participant as jockey and trainer over 54 years throughout most Victorian areas but predominately the Northern District

Strengthening integrity

Activities

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 approach to integrity 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 Single Code of Practice (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 control in the racing industry.

Currently, each part of the SCOP is designed to address an integrity theme, as follows:

- 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.

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, providing 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. Each of the controlling bodies endorsed Parts C and D of the SCOP, and are working towards full implementation of these parts.

In May 2016, the controlling bodies were provided with a draft Part E for their review, consideration and feedback. RVL and GRV advised that they endorse Part E of the SCOP, with HRV to consider this part at a meeting of their Integrity Council later in 2016.

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

ORIC's independent hotline service provider, STOPline Pty Ltd, has been engaged to develop a set of guidelines regarding the effective use of an independent integrity hotline, which will in turn become Part F of the SCOP.

The aim of Part F of the SCOP is to ensure VRI stakeholders can safely and confidently report integrity related matters regarding the VRI. It is anticipated that Part F of the SCOP will be provided to the individual codes for review and feedback and implemented in the new financial year.

| 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 | To be implemented | Implemented 1 March 2016 | To be implemented |
| Part D | Drug control | To be implemented | To be implemented | To be implemented |
| Part E | Animal identification | To be implemented | To be implemented | To be implemented |

Research

Public survey

Since 2012, ORIC has undertaken an annual survey of the Victorian general public to measure their confidence in the integrity of the VRI.

The survey is a valuable feedback tool, allowing ORIC to focus and prioritise future planning and activities on addressing issues of public concern in the three racing codes. The Commissioner intermittently includes additional questions in the survey. This allows ORIC to measure the impact of recent events on the public, as well as identify trends and ultimately develop a reliable body of social research specific to the public's perception of the integrity of the VRI.

2016 Survey

Roy Morgan Research conducted this wave of the survey, with the methodology changing from telephone to online for the first time.

In total, 909 surveys were completed between 27 January and 9 February 2016, with Victorians aged 18 years and over. Research was conducted in compliance with ISO 20252: Market, Social and Opinion Research, with respondents randomly sampled from Roy Morgan Research's online panel. Survey questions did not differentiate between the three racing codes. The survey was modified in some instances to suit the new online methodology or to improve the accuracy of the survey itself (such as removing 'don't know' as a response option in some instances).

Respondents to the 2016 survey were asked nine questions relating to their perceptions of the VRI, betting behaviour and racing engagement over the past 12 months.

| Area | Question sought to determine | Year initially added to survey |
|---------------------------|---|--------------------------------|
| Attendance | How regularly Victorians attended Victorian race meetings | 2012 |
| Betting | How often Victorians bet on a Victorian race | 2012 |
| Confidence | How confident Victorians are that racing in Victoria is run with integrity | 2012 |
| Awareness | How aware Victorians are of the existence of the Racing Integrity Commissioner | 2012 |
| Integrity | Whether Victorians believe the integrity of racing in Victoria has improved or worsened | 2013 |
| Employment and management | Who Victorians believe should be responsible for the employment and management of people responsible for integrity in the VRI | 2014 |
| Media reporting | The effect of media reporting on Victorians' attitudes towards racing, attendance at race meetings and betting behaviour (three separate questions) | 2016 |

A summary of the key results from the 2016 survey is set out below.

“A great cross section of the wagering sector. Was very well run and quality of presenters matched the audience and information message.”

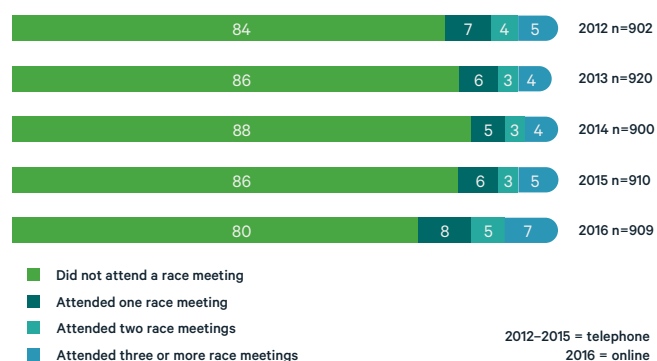
ATTENDEE AT ORIC'S MODULE 5: WAGERING COURSE

Strengthening integrity

Attendance

In 2016, 80 per cent of Victorians had not attended a race meeting in the past 12 months. While attendance increased slightly in 2016 (up from 14 per cent in 2015 to 20 per cent in 2016), the results are largely consistent with previous waves. In 2016, 8 per cent had attended one meeting, 5 per cent had attended two, and 7 per cent had attended three or more meetings, which is a slight improvement on previous years.

ATTENDANCE AT A RACE MEETING



The positive relationship between those who were very confident in the integrity of the VRI and those who had attended a race meeting in the previous 12 months continued in 2016 as it had in all previous surveys (2012 – 37 per cent; 2013 – 31 per cent; 2014 – 37 per cent; 2015 – 37 per cent; 2016 – 50 per cent).

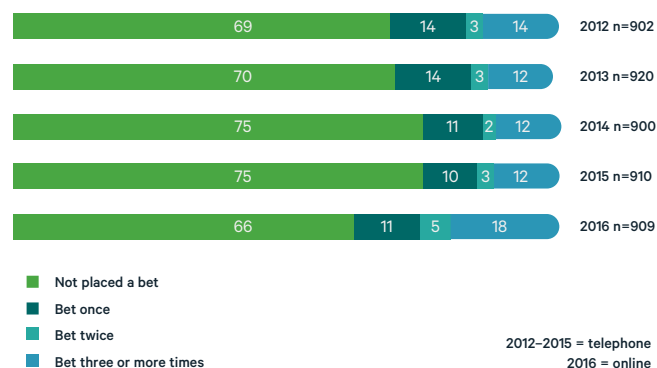
Other key findings of the 2016 survey included:

- More than one-quarter (27 per cent) of those who attended a meeting thought that the employment and management of those responsible for integrity in racing should be with the three controlling bodies.
- Over two-fifths (43 per cent) of those who thought racing integrity had improved in the last 12 months had attended a race meeting.

Betting

In 2016, two-thirds (66 per cent) of Victorians had not placed a bet in the past 12 months. This was substantially lower than in 2015 and 2014 (both 75 per cent), but similar to 2012 results (69 per cent). There was also a significant increase in Victorians placing three or more bets in 2016 (18 per cent), which was a 4 to 6 per cent increase when compared with 2012–15.

BETTING OVER THE LAST 12 MONTHS



Other key findings of the 2016 survey included:

- More than three-quarters (78 per cent) of those who had not attended a race meeting also did not place a bet during that time.
- Similarly, those who were not confident with the racing industry's integrity had not placed a bet (76 per cent).
- Two in five Victorians (42 per cent) who were aware of the Racing Integrity Commissioner had placed a bet.
- Two-thirds (66 per cent) of those who thought that racing integrity had improved also placed a bet during the last 12 months.

Confidence

In 2016, 40 per cent of Victorians were at least somewhat confident in the VRI¹, indicating the continuation of a polling trend of decreasing confidence in the VRI.

CONFIDENCE IN THE VICTORIAN RACING INDUSTRY



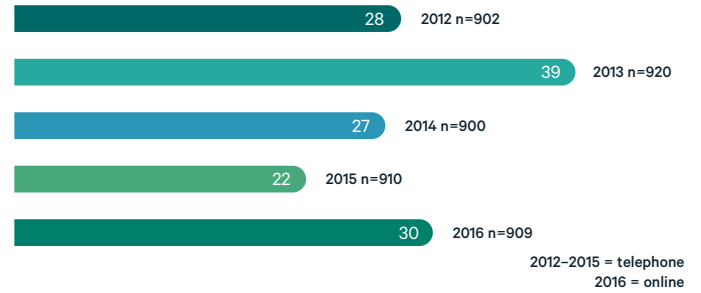
¹ Note: 'Don't know' was removed as a response option from the 2016 survey, which would account for some of the movement in results.

Additionally, in 2016, nearly half (48 per cent) of those who were aware of the Racing Integrity Commissioner were confident of the industry's integrity.

Awareness

In 2016, awareness of the Commissioner was at its second highest level (30 per cent) since the survey commenced, a large increase from 2015 (22 per cent).²

AWARENESS OF THE RACING INTEGRITY COMMISSIONER



² Note: 'Don't know' was removed as a response option from the 2016 survey, which would account for some of the movement in results.

Victorians who were very confident that races in Victoria are run with integrity were most likely to be aware of the Racing Integrity Commissioner (60 per cent), as were those whose opinion of racing had improved at least a little in the last 12 months (64 per cent).

“... good opportunity for networking and education.”

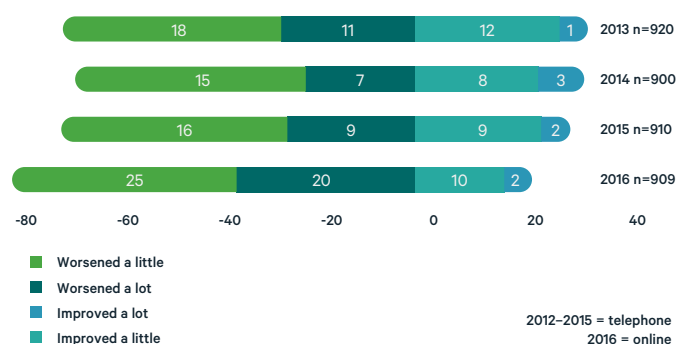
ATTENDEE AT ORIC'S MODULE 5: WAGERING COURSE

Strengthening integrity

Integrity

In 2016, a significant proportion of Victorians believed that the integrity of the VRI had worsened (45 per cent). While the proportion of Victorians who did not know if racing integrity had improved over the last 12 months decreased from 2015 (now 43 per cent, down from 64 per cent), this sentiment appears to have moved to 'worsened a lot' (now 20 per cent, up from 9 per cent in 2015) and 'worsened a little' (now 25 per cent, up from 16 per cent), with only 12 per cent of respondents believing integrity had improved.

INTEGRITY OF RACING IN VICTORIA



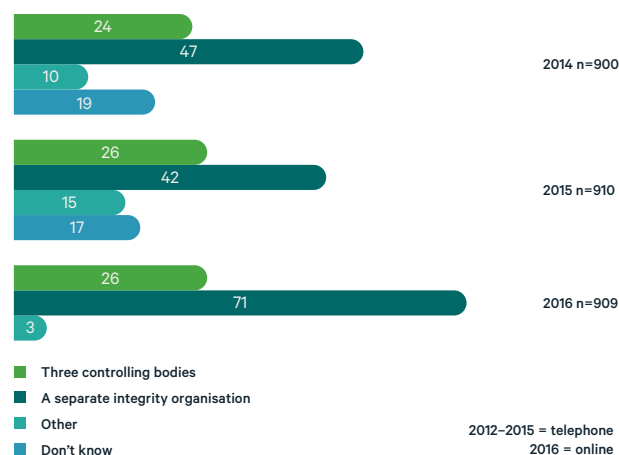
In 2016, other key findings included:

- Victorians who had not attended a race meeting in the past 12 months were more likely to believe that racing integrity had worsened a lot (22 per cent) compared to those who had attended a race meeting (one or two meetings – 15 per cent; three or more meetings – 14 per cent).
- Similarly, those who had not placed a bet in the past 12 months were more likely to express that racing had worsened a lot (23 per cent) during that time, while those who only placed one bet shared a similar sentiment (22 per cent).
- Those who thought that the management and employment of people responsible for racing integrity should be by a separate body were more likely to think that racing integrity had worsened (52 per cent) in the last 12 months, as opposed to those who thought one of the three controlling bodies should employ and manage those responsible for integrity (27 per cent).

Employment and management

In 2016, the proportion of Victorians who claimed that a separate organisation should be responsible for maintaining employment and managing those who are involved with integrity in racing increased to 71 per cent (up from 42 per cent in 2015).³ In contrast, the proportion of Victorians who thought one of the three controlling bodies should manage this aspect has remained stable since 2014 (2014 – 24 per cent; 2015 – 26 per cent; 2016 – 26 per cent).

WHO SHOULD EMPLOY AND MANAGE THOSE RESPONSIBLE FOR INTEGRITY



Other key findings of the 2016 survey included:

- Nearly two-thirds (65 per cent) of those who had attended race meetings in the last 12 months believed that a separate entity should be responsible for employing and managing racing integrity in Victoria.
- More than three-quarters of those who were not very or not at all confident (77 per cent and 81 per cent respectively) in the VRI thought that a separate body should govern the people responsible for racing integrity.

³ Note: 'Don't know' was removed as a response option in the 2016 survey, which would account for some of the movement in results.

Media reporting

In 2016, three new questions were added to the survey, tracking the impact of the media on attitudes towards racing, attendance at race meetings and betting behaviour. Key findings included:

- Almost one half (45 per cent) of Victorians said that their attitudes towards the integrity of the VRI had become worse as a result of media, while one-quarter (26 per cent) said that their attitude was unchanged.
- A slight majority of Victorians (56 per cent) believe that their attendance at race meetings was unchanged as a result of media reports, where one in ten (10 per cent) said that their attendance at race meetings had decreased.
- A little over half (54 per cent) of Victorians said that their betting behaviour was unchanged as a result of media reports.

Racing industry participants survey

This year, ORIC commenced work on research to gain an insight into the integrity of the VRI from those at the heart of its success: participants, from trainers to breeders, owners, drivers and jockeys. The Commissioner invited 13 key organisations from across the three codes, as well as the three controlling bodies, to disseminate an online survey to racing industry participants in their network. The survey is to be conducted by an independent third party provider and ORIC will not receive any personal information in relation to the survey. The Commissioner will report on the outcome of the survey once complete.

Stakeholder survey

Each year, the Commissioner engages independent researchers to conduct a qualitative analysis of key stakeholder relationships. As well as providing impartial and confidential feedback from stakeholders on ORIC's performance, the information collected also enables the Commissioner to target opportunities for improvement through the following year's business plan.

Conducted annually during March and April, the survey rates the performance of ORIC against key performance indicators. The results are compared with previous surveys to assess areas of performance and the perceived improvement or decline in these areas. Performance indicators include measures such as functional capability, relationship management and industry standing.

The stakeholder survey was not conducted during the 2015–16 financial year due to operational constraints within ORIC and major changes at Board and Executive Management levels within the Thoroughbred, Harness and Greyhound racing codes. The survey will resume in 2016–17.



Delivered presentations
to 5,176 people
(since 2010)

Strengthening integrity

Benchmarking

The Commissioner's statutory jurisdiction relates to integrity within the VRI. However, it has become increasingly obvious to the Commissioner that the broader racing and sporting industry faces many of the same challenges and issues in respect of integrity related structures and processes.

Racing in Australia is organised through a separate controlling body for each racing code and on a state-by-state basis. Discussions held by the Commissioner with other racing jurisdictions since ORIC's inception have emphasised the importance of sharing knowledge, experience and innovations particular to the Thoroughbred, Harness and Greyhound racing codes across Australian jurisdictions. Despite the development of peak national bodies, there is significant scope for each jurisdiction and code to differ in how it governs its industry and how it develops and applies integrity processes and structures.

In late 2015, the Commissioner invited a number of bodies identified as having responsibility for managing integrity functions in racing in Australia to participate in an innovative benchmarking project. This project examined the integrity structures and processes in each participating jurisdiction and code within Australia for two reasons:

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

A total of 12 racing controlling bodies from around Australia responded to a survey designed by ORIC to identify integrity processes, structures, resources and activities in controlling bodies and their integrity units in the Greyhound, Thoroughbred and Harness racing industries throughout Australia. Responses close on 30 July 2016.

Interpretation of the results by ORIC is largely complete, with responses to approximately 900 survey questions being analysed and interpreted and compiled into a report that will be of great benefit to the VRI, as well as participating racing and sporting bodies across Australia.

For the second part of this project, the Commissioner invited seven major national sporting bodies to complete a survey on integrity structures and processes in the other major sports across Australia. Responses by the sports agencies close on 30 July 2016 and will be analysed shortly after. Law enforcement agencies also contributed to the benchmarking project.

The Commissioner intends to report publicly on the findings of the report later in 2016.

Review of racing appeals and disciplinary processes

In 2013–14, the Commissioner completed a major review of the Victorian racing appeals and disciplinary system. The review assessed the 'new' model, introduced in March 2010, which moved from an industry based system to one that uses the VCAT as the final appellate body for racing matters. The new system also introduced RAD Boards for Greyhound and Harness racing, modelled on the pre-existing Thoroughbred racing RAD Board.

ORIC has continued to monitor the implementation of the recommendations and their impact on the Victorian racing appeals and disciplinary system. In the coming year, the Commissioner will undertake his follow up review of the current model and intends to consult with all stakeholders in this process.

“The introduction of the Office of the Racing Integrity Commissioner was long awaited and needed by the Harness Racing Industry and has been well received.”

— Steve Warren,

Chairman Harness Racing Industry Training Centre Bendigo

Secretary Victorian Harness Racing Industry Trainers & Drivers Association

Integrity in the VRI

This year saw the introduction of a number of integrity reforms within the VRI and the broader Victorian integrity compliance landscape.

This includes:

- legislative reform
- initiatives implemented by the controlling bodies.

Legislative reform

NEW FUNCTIONS AND WELFARE REFORMS

In May 2016, new laws were introduced by the *Racing and Other Acts Amendment (Greyhound Racing and Welfare Reform) Act 2016* (Welfare Act). These laws amend the Racing Act to allow 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
- refer complaints that relate to the animal welfare processes and systems of a controlling body to the relevant government agency.

The Welfare Act also introduces new laws that apply to GRV or persons working in the Greyhound racing industry, in part to address animal welfare issues within the Greyhound racing industry arising from the investigations conducted and recommendations made by the Commissioner in the Live Baiting Inquiry report and the Victorian Chief Veterinary Officer respectively.

The Welfare Act also makes changes to the *Domestic Animals Act 1994*, such as allowing the Minister to make a code of practice relating to the keeping of Greyhounds and making non-compliance with the code by a registered person who keeps a Greyhound an offence.

NEW GOVERNANCE AND POWERS

In April 2015, Mr Dale Monteith handed down his 2015 *Report on the Audit of Harness Racing Victoria*. Mr Monteith's report made a total of 18 recommendations. Those recommendations included that the Racing Act be amended to provide for the appointment of a skills based board of HRV (HRV Board) in line with modern governance practice. Mr Monteith also recommended that a Harness Racing Advisory Board be established to facilitate consultation required under the Racing Act. All recommendations were accepted by the Victorian Government.

New laws introduced by the *Racing Amendment Act 2015* came into operation in October 2015. Among other things, the new laws amend the Racing Act to establish:

- new governance arrangements in relation to HRV and the HRV Board
- the Harness Racing Advisory Council, to advise the HRV Board on matters concerning Harness racing and to facilitate consultation between the HRV Board and Harness racing participants.

The Commissioner's information sharing powers also increased as a result of the new laws. The Commissioner may now disclose integrity related information to an additional 21 persons and bodies under section 37E of the Racing Act, including federal agencies, interstate gambling and racing bodies, and RASL.

NEW INTEGRITY REFORMS

Recent changes to Victoria's integrity system legislation were introduced by the *Integrity Accountability Legislation Amendment (A Stronger System) Act 2015*.

Most of the new laws come into operation on 1 July 2016, including new laws that affect the Commissioner's responsibilities under the Racing Act and the *Independent Broad-based Anti-corruption Commission Act 2011* (IBAC Act).

Under the new laws, the Commissioner must inform the Independent Broad-based Anti-corruption Commission (IBAC) if a matter appears to involve corrupt conduct in respect of the matters referred to in section 37G(4) of the Racing Act. Additionally, the Racing Integrity Commissioner is now considered an 'integrity body' for the purposes of the IBAC Act.

Further information about the reforms can be found at www.ibac.vic.gov.au.

The controlling bodies

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

Harness racing

In 2015–16, HRV demonstrated its commitment to combat the broader and most serious threats to the integrity of the Harness racing industry through a number of different channels.

INVESTIGATIONS

A multi-agency investigation conducted by the HRV Integrity Department, the Victoria Police Sporting Integrity Intelligence Unit and ORIC culminated in the first criminal convictions (in connection with racing) under legislation introduced in 2013 relating to race fixing, match fixing and ‘cheating at gambling’. Following the successful prosecution of two Harness racing participants for offences created by the new legislation, HRV disqualified the relevant parties from participating in the industry for a period of 12 years. An appeal against these imposed penalties is scheduled to be heard by the VCAT in September 2016.

PROSECUTIONS

HRV commenced the first prosecution in Australia of a trainer with respect to the presence of an anabolic steroid since the substance was banned for ‘out of competition’ horses in 2014. For the first time, analytical testing of equine hair samples was presented as part of this prosecution, with analysis conducted by RASL and the Hong Kong Jockey Club Laboratory.

RESOURCING

This year, HRV committed a number of additional resources in order to continue conducting proactive investigations, including the addition of key personnel to the HRV Integrity Department such as an investigations manager, senior intelligence analyst, stipendiary Steward and part time investigative Steward.

To increase their investigation and intelligence capabilities, and enhance their protection of the integrity of the industry, HRV also purchased and implemented a number of other investigative resource tools, including:

- engagement of the bet monitoring company Global Sports Integrity to actively monitor wagering on all Harness races conducted in Victoria and provide ‘live’ alerts to HRV Stewards in attendance at race meetings regarding any matters arousing suspicion
- procurement of a mobile phone forensic imaging device and an intelligence and information case management system.

RELATIONSHIPS

HRV conducted a number of proactive stable visitations with the Royal Society for the Prevention of Cruelty to Animals (RSPCA) Victoria and continued to work closely with the RSPCA to strengthen this important working relationship. HRV also works collaboratively with other leading organisations and agencies, including RASL, the Hong Kong Jockey Club Laboratory and the Sporting Integrity Intelligence Unit in order to protect the true stars of the Harness racing industry, the Standardbred horses.

HRV INTEGRITY HOTLINE

HRV encourages anyone with integrity related concerns to contact its dedicated integrity hotline on (03) 9214 0651 or by email at integrity@hrv.org.au. This recently established hotline enables HRV to receive information 24 hours a day, with all information treated with confidence and acted upon accordingly.

Greyhound racing

GRV introduced numerous integrity reforms across the Victorian Greyhound racing industry in a range of different areas in 2015–16.

EXPORTS INVESTIGATION

In February 2016, GRV engaged an intelligence analyst and two investigators to examine and conduct interviews with Victorian registered owners of Greyhounds known or suspected to have been exported to China, Macau or other countries in the region. As a result, it was found that over 3,500 Australian Greyhounds were believed to have been exported to Macau, dating back as far as 2001. GRV continues to work to deter such conduct through education and compliance means.

TACTICAL PLAN

In February 2016, GRV developed a tactical plan to identify risk areas and corresponding mitigation strategies. This plan will be continuously reviewed to ensure GRV has the capability to identify, prioritise and mitigate risk. In addition, GRV has recruited a strategic analyst to research and report on these risk areas in terms of implications, trends, drivers, and an assessment of likelihood and consequences of these risks. This research will support proactive investigative strategies to ensure GRV remains alert and responsive to present, emerging and foreseeable risks.

RESOURCING

In 2016, GRV’s CEO endorsed a plan to increase GRV’s investigation capability and implement an intelligence and risk framework. Following from this, GRV appointed a number of staff with expertise in their respective areas, including a senior investigations manager, two investigations managers, three investigators, an intelligence manager, a tactical intelligence analyst and a strategic intelligence analyst.

Integrity in the VRI

INTELLIGENCE AND CASE MANAGEMENT SYSTEM

In March 2016, GRV implemented a case management system to manage and store information securely, including implementing access controls throughout the organisation to maintain security of information collected by GRV.

HOTLINE AND ONLINE FORM

GRV established a 24 hour, seven day a week integrity hotline to allow people to report integrity concerns relating to the Greyhound racing industry. GRV encourages anyone with integrity related concerns in the Greyhound industry to contact the hotline on (03) 8329 1196. All contacts through the new hotline are handled confidentially and can be made anonymously if needed. GRV has also launched an online form accessible on FastTrack, www.grv.org.au and www.greyhoundcare.grv.org.au, to enable the confidential reporting of suspicious activity, as well as Greyhound welfare and integrity concerns.

Thoroughbreds

Multiple integrity related initiatives were introduced by RVL this reporting period to enhance the integrity of Victorian Thoroughbred racing, a snapshot of which is included below.

ENHANCED STABLE INSPECTION PROGRAM

In line with its commitment to a proactive drug control program, RVL increased its Raceday Compliance Assurance Team inspections to 1,475, a 31 per cent increase from the previous racing season (1,127).

INTRODUCTION OF COBALT THRESHOLD

An agreement regarding a new threshold for cobalt (100 micrograms per litre in urine and 25 micrograms per litre in plasma) was made and will be introduced in September 2016. RASL also acquired new state-of-the-art testing equipment for inorganic metals, including cobalt, jointly funded by the Victorian Government, RASL and RVL, ensuring timelier testing of equine samples within the state.

STEWARDS' CONTROL ROOM

In 2016, a new fibre cabling technology (DVN2) came on line for metropolitan and selected country race courses, allowing the use of remotely operated 'hawk-eye' technology and video conferencing at RVL offices with the Stewards' room on race day. This permits the analysts to analyse race footage and convey any incident immediately to RVL Stewards at the race course.

IMPROVED BET MONITORING

RVL introduced more detailed and frequent feeds of betting information from approved wagering operators, allowing more thorough analysis of betting trends and irregularities.

EQUINE WELFARE STRATEGY AND RESOURCING

RVL introduced its new Equine Welfare Strategy in 2016, with a clear and sharp focus on equine welfare, including the appointment of a dedicated RVL Equine Welfare Manager reporting to the RVL Head of Equine Welfare and Veterinary Services.

RULE CHANGES

Several changes were made to the regulatory framework that applies to the Victorian Thoroughbred racing industry, including the Rules of Racing of Racing Victoria (RVL Rules), which incorporate Australian Rules of Racing made by the Australian Racing Board and Local Rules. The new rules relate to:

- prohibitions on unapproved wagering, making it an offence for a person who is bound by the RVL Rules to bet on Victorian Thoroughbred racing with a non-approved wagering operator, in particular offshore corporate bookmakers and betting exchanges
- the introduction of new RVL Rules of Racing and Stud Book Rules to enhance traceability of Thoroughbreds from the date of their birth
- discretion for RVL Stewards to declare a horse a non-starter when it gains unfair advantage at the start, permitting a better result for participants and punters alike
- an obligation for jockeys to report an incident on track which may impact on the running or performance of a horse in a race
- a 'seven clear day rule' for vaccinations
- extending the use of padded whips to apply to trackwork.

© Office of the Racing Integrity Commissioner 2016

This publication is copyright. No part may be reproduced by any process except in accordance with the *Copyright Act 1968*.

AUTHORISED BY THE RACING
INTEGRITY COMMISSIONER

Level 27, 121 Exhibition Street
Melbourne Victoria 3000

PO Box 24034, Bourke Street
Melbourne VIC 3001

Telephone: 03 8684 7776
Facsimile: 03 8684 7778
Email: enquiries@racingintegrity.vic.gov.au
Website: www.racingintegrity.vic.gov.au

Racing Integrity Hotline
1300 227 225

This report is available at www.racingintegrity.vic.gov.au



Racing Integrity
Commissioner