

## **AGRICULTURE AND ENVIRONMENT COMMITTEE**

### **REPORT NO. 15 ON THE**

### **RACING INTEGRITY BILL 2015**

### **QUEENSLAND GOVERNMENT RESPONSE**

#### **Introduction**

On 3 December 2015, the Racing Integrity Bill (the Bill) was introduced into Parliament.

The Bill was subsequently referred to the Agriculture and Environment Committee (the Committee) with a report back date of 1 March 2016.

On 25 February 2016, a motion was approved by the Parliament to delay this reporting date until 15 March 2016

On 15 March 2016, the Committee tabled its Report No 15 in relation to the Bill.

#### **Recommendations**

The Committee made eight recommendations. The Queensland Government response to the Committee's recommendations is provided below:

##### **Recommendation 1**

The Committee recommends that departmental officers consult with racing industry stakeholders in relation to the implementation of provisions contained in the Bill that are agreed by the House, and during the development of regulations and any further significant legislation affecting the industry.

#### **Government Response**

This Recommendation is supported.

The Department of National Parks, Sport and Racing (NPSR) has worked closely with Racing Queensland (RQ) during the development of the Racing Integrity Bill and will continue to work closely with RQ on a number of issues related to implementation of the Bill.

The Government proposes to carry out a review of these reforms within 12 months of commencement to identify and rectify any issues arising from implementation. The review will include a consultation process with the control bodies and other racing industry participants.

##### **Recommendation 2**

The Committee recommends that the Minister provides the House with an assessment of the likely costs for government of implementing the Racing Integrity Bill 2015, including staffing and program costs.

## Government Response

This Recommendation is supported and details and provided below.

In the 2016/17 financial year, the Commission will be funded by a transfer of funding from the organisations donating functions (i.e. RQ and NPSR) as well as a 'top up' from the Queensland Government to cover the necessary overheads in establishing and running a new stand-alone organisation.

The integrity functions in both NPSR and RQ will be transferred to the Commission along with the funding already associated with those functions. In other words, the funding being contributed by the donor organisations is equal to the costs those organisations would have incurred if they had delivered those services themselves.

In December 2015, the Queensland Government decided that should the Commission become operational in the 2015/16 financial year, no additional burden should fall on industry for the increased costs of establishing and running a new, stand-alone organisation.

The Government approved an additional allocation from the consolidated fund of around \$2.2 million for the last quarter of the 2015/16 financial year to cover additional operational overheads associated with the operation of the Commission as a stand along entity, should it commence this financial year.

While the budget processes for the 2016/17 financial year have not been finalised, it is intended that this arrangement will continue.

The estimated overall operating costs (excluding capital) of the Commission are calculated to be around \$25.9 million. This includes a range of costs necessary for the functioning of a new, stand-alone organisation.

These include costs such as corporate services (legal, human resources, finance, internal audit, Right to Information etcetera), new IT systems, accommodation, a new full-time commissioner and deputies, payroll tax for public servants transferring to the Commission (this has not been necessary to pay before); increases in some salaries as a the result of moving from individual contracts in RQ to public service award etcetera.

Below is a table outlining the likely finding contributions to be made to the Commission along with the associated funding source for the 2016/17 financial year.

Funding from RQ and Office of Racing is reflective of budgeted costs for delivering integrity services in 2016/17 on a business as usual basis (i.e. the costs those organisations would have incurred if there was no commission).

Funding source	Amount
Racing Queensland	\$14.8 million
Office of Racing	\$1.2 million
Commission's own revenue (licensing etc) (projected)	\$1.0 million
Additional funding from Queensland Government	\$8.9 million*
<b>TOTAL</b>	<b>\$25.9 million</b>

\* note that not all the further funding is resourcing new functions and overheads (e.g. the police taskforce costs are now included in the QRIC budget rather than the Queensland Police Service Budget).

### **Recommendation 3**

The Committee could not agree whether the Bill should be passed.

#### **Government Response**

The Government thanks the Committee for its Consideration of the Bill.

### **Recommendation 4**

The Committee recommends that clause 10(1)(l) of the Bill be amended to broaden the Racing Integrity Commission's (the Commission) functions to include the promotion of animal welfare and the prevention of animal cruelty, and that the function must include the provision of training to racing industry participants in these areas.

#### **Government Response**

This recommendation is supported in part.

An amendment to clause 10(1)(l) of the Bill will state that the Commission will be responsible for providing education in relation to animal welfare and integrity within the racing industry.

However the Commission will not be responsible for providing training to industry participants as the provision of training to industry participants will continue to the responsibility of RQ through a Registered Training Organisation.

An amendment to clause 346 of the Bill will make it explicit that it is a function of the control body to ensure that appropriate training is provided to industry participants

The Commission will work with the control bodies and the Registered Training Organisations to ensure that education on integrity and animal welfare matters is appropriately provided, however, it will not be a function of the Commission to provide training.

### **Recommendation 5**

The Committee recommends that clause 13(2) of the Bill be amended to provide that the Minister is not able to give the Commission a direction in relation to a decision made by the Commission under the rules of racing.

#### **Government Response**

This recommendation is supported and will be implemented through an amendment during Consideration in Detail.

The amendment will insert a new subclause 13(2)(d) into the Bill stating that the Minister may not issue a direction in relation to "a decision made by the Commission under the rules of racing".

### **Recommendation 6**

The Committee recommends that clause 68(3)(b) be amended to stipulate that a licence application cannot be granted for an entity whose executive officer has a prior conviction for an animal cruelty offence in Queensland or another state.

#### **Government Response**

This recommendation is supported and will be implemented through an amendment during Consideration in Detail.

The Government will move amendments during consideration in detail separately so that the licensing of clubs will be the responsibility of control bodies under the *Racing Act 2002* (Racing Act). As a result the proposed amendment to 68 (3)(b) will be implemented via an amendment to that part of the Racing Act that will deal with licensing of clubs by control bodies.

### **Recommendation 7**

The Committee recommends that, after the agreed provisions in the proposed Racing Integrity Act have been in operation for twelve months, the Minister considers the need for further amendments to the *Animal Care and Protection Act 2001* (ACPA) to ensure the welfare of racing animals and other animals in connection with the racing industry is being properly addressed.

#### **Government Response**

This Recommendation is supported. A review will be conducted after 12 months of the commencement of the proposed Racing Integrity Act as outlined above in relation to recommendation 1. The review will involve consultation with industry.

This review will include an assessment of whether the monitoring and enforcement of animal welfare outcomes could be enhanced through amendments to the ACPA. This review will be conducted cooperatively with the Minister responsible for the ACPA.

### **Recommendation 8**

The Committee recommends that the Minister consider amending the Bill to limit the proposed process for reviews of decisions about racing information authorities to: a decision to refuse to grant a race information authority; and a decision to cancel a race information authority under s.113AJ.

#### **Government Response**

This recommendation is supported and will be implemented through an amendment during Consideration in Detail of the Bill.

## **Points for Clarification**

### **Point for Clarification 1**

The Committee invites the Minister to clarify for the information of the House the intent of the different eligibility criteria for RQ and Office of Racing and Racing Science Centre staff for appointment to commissioner and deputy commissioner positions.

#### **Response**

It is a core principle of the reforms that the Commission should be independent of the control body. As such, a two year exclusion to become a Commissioner or Deputy Commissioner applies to staff of the control body.

Staff from the Racing Science Centre and the Office of Racing (both part of NPSR) are already independent from the control body and are therefore eligible to be appointed as the Commissioner or Deputy Commissioner.

### **Point for Clarification 2**

The Committee invites the Minister to clarify how the amount of funding that racing control bodies provide for the Queensland Racing Integrity Commission will be determined, and the controls that will be established to ensure the commission's costs are kept to a minimum.

#### **Response**

The principles for determining how much funding racing control bodies would contribute to the Commission was provided above as part of the Government's response to recommendation 2.

The Commission will receive its funding through an annual budget allocation by Queensland Treasury in the same way as other government departments and many other statutory bodies. This allocation is subject to the approval of the Cabinet Budget Review Committee and is published via the Government's Budget Papers.

The specific details of how QRIC will spend its funds will be detailed in the Service Delivery Statements which are part of the Government's Budget Papers. Furthermore the Commission will be required to submit an operational plan every year for approval by the Minister. This operational plan will establish the intended scope and volume of work for the Commission and will need to accord with its budget.

The Commission's spending will be subject to the same financial oversight as other statutory bodies such that it cannot spend in excess of its annual budget allocations. As with other statutory bodies the Commission will be required to provide an annual report showing the work it has performed, and providing detailed financial statements. The performance of the commission will be subject to review through the estimates committee process, and audits by the Queensland Audit Office.

These measures will ensure that spending on integrity and welfare in the racing industry will be subject to greater government oversight and transparency than is currently the case.

### **Point for Clarification 3**

The Committee invites the Minister to assure the House that it will be feasible for the Commission to deal with the anticipated volume of internal review applications within the 14 day timeframe specified in the Bill for considering these review applications, and given the broad scope for internal review that is proposed in the Bill.

The Committee further invites the Minister to clarify whether an application fee will be charged that is consistent with the fees currently charged for appeals to the Racing Disciplinary Board to discourage vexatious applications for internal review and to reflect the commission's costs of hearing review applications.

### **Response**

NPSR notes that the Bill requires the Commission to respond to internal reviews within 20 days (the 14 day timeframe referred to by the Committee is the timeframe for the lodgement of an internal review of an original decision by an aggrieved person to the Commission).

This 20 day timeline was an error in drafting of the Bill. The timeline for dealing with internal review was intended to be 20 business days, in line with a range of other statutory internal review processes such as under the *Information Privacy Act 2009* and *Right to Information Act 2009*. A minor amendment will need to be moved to correct this drafting error.

NPSR is confident that the Commission will be able to manage the number of internal reviews lodged by participants.


Existing appeal processes to the RDB already require the investment of staff and other resources by the control body to deal with each appeal case. Under the new internal review process, these resources will be engaged to complete internal reviews. The new internal review processes also involve a more simple and efficient administrative review process than those currently in place with the RDB.

The Bill does not provide for a fee to be imposed for an internal review.

As the administrative processes stipulated in the Bill are not overly prescriptive or restrictive in how the Commission deals with internal review matters, a genuinely vexatious application for internal review will not impose a significant cost on the Commission as these matters can be dealt with quickly and efficiently.

### **Other Matters**

The Committee identified a number of minor drafting errors as part of its report. These will all be corrected through an amendment during Consideration in Detail of the Bill.

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	Member: Hon GRACE
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