

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2024–25 Budget Estimates

Melbourne – Tuesday 21 May 2024

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Aiv Puglielli

Meng Heang Tak

WITNESSES

Anthony Carbines MP, Minister for Racing; and

Kate Houghton, Secretary, and

Bill Kyriakopoulos, Deputy Secretary, Police, Racing, Victims and Coordination, Department of Justice and Community Safety.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones now be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2024–25 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream and other committee members.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Racing the Honourable Anthony Carbines as well as officials from DJCS. Minister, I am going to invite you to make an opening statement of no more than 5 minutes, and this will be followed by questions from the committee. Your time starts now.

Anthony CARBINES: Thanks very much, Chair, and to your colleagues. I will go straight to it, since we are continuing on from our earlier hearings.

Visual presentation.

Anthony CARBINES: Victoria continues to be one of the world's premier racing jurisdictions. A 2020 report into the size and the scope of the Victorian racing industry found that the industry contributes almost \$4.7 billion annually to the Victorian economy; \$1.17 billion, or about 25 per cent of that economic contribution, occurs in regional areas of the state. The study also found that the Victorian racing industry sustains 34,900 full-time equivalent jobs in Victoria, and 9000 of those jobs are in regional Victoria. There are almost 148,000 direct participants and employees in the industry, including breeders, trainers, owners, stablehands and kennel staff, jockeys, drivers, catchers and the staff of volunteers that work at 126 racing clubs and 108 racetracks across the state. The benefits of racing and events like the Melbourne Cup Carnival extend beyond the racetrack. A recent report also found that the 2023 Melbourne Cup Carnival generated more than \$468 million in gross economic benefit, with 262,000 people making their way to Flemington. More than 67,000 of those came from interstate or overseas, generating almost 219,000 bed nights for the state.

The government is committed to ensuring that Victoria remains the top racing state in the country. The government provided \$72 million in the 2023–24 budget for the continuation of the Victorian Racing Industry Fund for another four years and \$15 million for the establishment of the Major Racing Events Fund. As of 31 March this year, the government committed more than \$16.36 million from the Victorian Racing Industry Fund to support 237 projects across the state. This includes \$1.23 million for 17 projects to upgrade customer facilities at regional racecourses. These projects not only benefit race day patrons, they benefit local communities that use the facilities throughout the year. It includes \$100,000 to support Stony Creek to upgrade the public bar and coolroom, install shade sails and build a new deck for use throughout the year. The fund has also supported projects that improve racing and training facilities. Projects include \$336,000 for upgrade of the Warrnambool judges tower and \$146,000 for the Cranbourne harness training centre expansion project.

As 31 March 2024 arrived it was the first year of operation, and there has been more than \$1.4 million committed from the Major Racing Events Fund. The government provided funding to support events such as \$300,000 for the Caulfield Spring Finale, which extends the Spring Racing Carnival right through November; \$200,000 to support Greyhound Racing Victoria's 2023 Dream Chasers Festival; and \$137,250 to support Harness Racing Victoria's 2024 Summer of Glory. The program has also provided support for the Cranbourne Cup and a completely new event in Geelong in early January which saw 5000 people attending in 2024 – I was one of them.

The new wagering and betting licence has been awarded to Tabcorp and comes into operation on 16 August 2024. That will see the end of the current joint venture agreement between Tabcorp and the racing industry. The budget delivers on the Victorian government's commitment, made in May last year, to increase the point-of-consumption tax rate from 10 to 15 per cent of net wagering revenue from 1 July this year, with 7.5 per cent returned to the Victorian racing industry. The increase is a key element of the proposed new industry funding framework for racing in Victoria. It is a commitment that shows our government's continued focus on the sustainability of the Victorian racing industry, generating jobs and increasing economic activity for Victoria. The committee members would know well that right across the state there are many Victorians, generations of Victorians, who draw their livelihood directly from the sport of racing but also the tourism industry that count on the investment that comes from these major events. I was at the Warrnambool carnival just earlier this month – time flies – and that three-day carnival generates \$15 million in economic activity for the Warrnambool region.

A member interjected.

Anthony CARBINES: I did get leave – a longstanding arrangement with the Member for Gippsland East. I can say that that is just an example where the budgets are set for businesses in the town that really rely on these major events and the economic activity they generate.

The CHAIR: Thank you, Minister. The next 8 minutes is going to go to Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Good afternoon, Minister. Page 151 of budget paper 3 highlights the objective of the government in this portfolio, that it:

... supports the development of the Victorian racing industry through strategic leadership, innovation and investment in the racing industry.

As you are aware, there has been no greyhound racing at Cranbourne since January 2022. After more than two years, what are your plans to restore greyhound racing at Cranbourne?

Anthony CARBINES: Greyhound racing at Cranbourne – I would just first like to say more broadly that the Cranbourne club and Cranbourne racing is a very significant part more broadly across the codes. When I was out there at the Cranbourne Cup last year I had discussions with the Cranbourne Greyhound Racing Club, and they were working on proposals with Neil Bainbridge and others out at Cranbourne on some proposals for what they would like to do. When that comes to government we can make some broad decisions, but I am really waiting on advice between the club and the code.

Danny O'BRIEN: Will greyhound racing resume at Cranbourne?

Anthony CARBINES: It is really a matter for Greyhound Racing Victoria. They will provide advice to government if they feel that there is a funding ask they want us to be part of through the Victorian Racing Industry Fund or other support funds that we have. That is a \$72 million fund that could be drawn on with the right application, but really it is for the clubs to work through that with the code, being GRV, and they can make recommendations to government.

Danny O'BRIEN: Have you been asked for funding yet for either infrastructure or recurrent funding to resume racing at Cranbourne?

Anthony CARBINES: No. I would say that it would still be a matter that sits with the club and with GRV, and when they are ready they will make applications or determinations or representations to government. What I would say is that clearly there are some challenges around the space at the site about what is possible, from

what I understand, but we will wait for professional advice from both Greyhound Racing Victoria and the club on any support the government can provide.

Danny O'BRIEN: Okay. From a policy perspective, though, does the government want greyhound racing to resume at Cranbourne?

Anthony CARBINES: Well, we would always make the determination of where greyhound racing occurs based on the advice of the authority, which is Greyhound Racing Victoria.

Danny O'BRIEN: No, I am not asking about advice; I am asking about the policy position – your position.

Anthony CARBINES: We support greyhound racing.

Danny O'BRIEN: Do you want greyhound racing to resume at Cranbourne?

Anthony CARBINES: I want greyhound racing to be provided safely across racetracks in Victoria, but that is determined by the code. It is determined by Greyhound Racing Victoria. We do not make those decisions. They are independent. We appoint their board and they provide advice to the government.

Danny O'BRIEN: Okay. Minister, Racing Victoria has had an acting chair for nearly a year now. When are you going to appoint someone to fill the position?

Anthony CARBINES: I would like to take the opportunity to publicly acknowledge the work of Mike Hirst, who is the acting chair of Racing Victoria and has been a long-serving deputy chair at Racing Victoria. He has done a fine job, and throughout his time as the acting chair and his time on the board we have seen an 80 per cent increase in prizemoney, since 2018, to participants from racing – thoroughbred racing. I have taken advice. One, under the Racing Victoria constitution they make a determination on establishing a panel of participants to make recommendations and do interviews in relation to RV board appointments. They then provide that information to me via the Office of Racing so decisions can be made, and when we have got announcements to make we will make them. It is not only a chair, there are board vacancies, and I do not appoint a chair directly. What I do is appoint board members, and the RV board members then elect a chair and recommend that to me. I will make board appointments, we will announce them when we are ready in due course, and then the board will make a recommendation on a chair and that will come to me.

Danny O'BRIEN: Is Gil McLachlan still your preferred candidate?

Anthony CARBINES: Well, I do not comment on potential candidates.

Danny O'BRIEN: It has been publicly reported that he is.

Anthony CARBINES: There is lots of public reporting and commentary, and I will leave it to the commentators. But the process for board appointments and interviews – I will do the appointments when I receive advice from the Office of Racing. When the panel concludes its work and who it interviews and has discussions with is a matter for them, and I would not comment publicly on them because that would not be appropriate.

Danny O'BRIEN: I will go back to my original question about the timing. Mr Hirst is gone by the end of May, so that is about two weeks away.

Anthony CARBINES: No, I would not agree with that.

Danny O'BRIEN: Yes – the statement from Racing Victoria says that he will resign on or before 31 May. When are you actually going to have a chair of Racing Victoria, or will it be left rudderless?

Anthony CARBINES: No. Mike Hirst, who is not only in his role as the acting chair of Racing Victoria but is also chair of AMP and other publicly listed companies – he has very significant experience in governance – is appointed by me until 30 June as a member of the Racing Victoria board.

Danny O'BRIEN: The Racing Victoria statement says 'on or before 31 May 2024'.

Anthony CARBINES: All I am saying to you is that Mr Hirst is appointed until 30 June. He will –

Danny O'BRIEN: But he has announced he is retiring. He can be appointed, but he can still retire.

Anthony CARBINES: He may well choose to make those statements, but I know in my discussions with Mr Hirst that he is available to serve until his appointment concludes at the end of June. But also –

Danny O'BRIEN: I am only going by the Racing Victoria website, which has the statement up on it right now, Minister. Anyway, you are not going to answer it.

Anthony CARBINES: I understand, but I would also say that given appointments to the board could be made at any time and there needs to be an appointment certainly by the end of the financial year, they may well make them sooner. But when I have got something to announce, I will announce it.

Danny O'BRIEN: Thank you. The financial woes of Harness Racing Victoria and the challenges it has faced are well documented. The sale of land around Melbourne Park is critical to the industry's future. Do you have a timeframe as to when that will occur?

Anthony CARBINES: The timeframe of the sale of the land – well, we provided significant funding from the land sale from the transfer of the land to Harness Racing Victoria. Some \$67.6 million has been provided to Harness Racing Victoria as part payment for the value of the land which was purchased by HRV. That money has wiped out a Treasury Corporation of Victoria loan of some \$42 million that HRV had. So the land that they had that has been referred to the government – they have received income from that to wipe that debt. They have also received other supplementation to their budget, and that was \$25 million. So far, on the value of the land and the transfer to the government, some \$67.6 million has been provided to HRV.

Danny O'BRIEN: Reductions in harness meetings at country clubs have been forecast. Are you involved in those discussions at all?

Anthony CARBINES: Look, harness racing clubs and any change in schedules to meetings would be a decision for Harness Racing Victoria. I certainly have met with the clubs and had discussions and understand their anxieties.

Danny O'BRIEN: But you are not involved – okay. On 19 March according to your ministerial diary you met with Georgie Purcell from the Animal Justice Party. What was discussed at that meeting – noting that AJP has boasted that it brought forward the early phase-out of the live sheep industry in return for preferencing Labor at the Dunkley by-election. Did you discuss any political matters like that?

Anthony CARBINES: No. I am clear that of a range of discussions that I would have with the Animal Justice Party they would only relate to matters involving animal welfare and the racing industry that are of particular interest to them.

The CHAIR: Thank you, Minister. I will stop you there. We are going to go to Ms Kathage.

Lauren KATHAGE: Thank you, Chair, Minister, officials. In BP3 there on page 152 we have got the output for racing, gambling, liquor and casino regulation. The racing part of that output – how does that benefit racing clubs and their communities in regional Victoria?

Anthony CARBINES: Thank you, Member for Yan Yean. Can I just say the output includes two funding programs for the racing portfolio. There is the Victorian Racing Industry Fund and the Major Racing Events Fund. The VRIF program provides \$72 million over four years to improve racing and training infrastructure, with a focus on participant safety and animal welfare, and also to promote event attendance, improve customer and community facilities and promote the Victorian breeding and sales industry. Our industry generates some \$4.7 billion for the state's economy and supports 35,000 jobs, so this is a very important industry that makes a big contribution to our state. The Allan Labor government understands the importance of regional Victoria, and that is why, when we came to renew the Victorian Racing Industry Fund for another four years, I was determined to ensure that the VRIF delivered for regional Victorian communities.

While the VRIF is a longstanding program, I approved amended guidelines just last year to establish a new stream within the fund to support the development of customer-facing facilities at regional racecourses. The regional customer facilities program provides grants of up to \$100,000 on a dollar-for-dollar basis to support country clubs to upgrade their facilities and improve the customer experience at race meetings. The new

program complements the event funding that is also available to country clubs through the VRIF – and I will talk a little bit more about that later – to maximise attendance at country racing events, while also improving availability of function and event spaces for community use at regional racecourses. In addition to the \$1.17 billion and 9000 jobs that the racing industry contributes in regional Victoria, there are some 650 community not-for-profit organisations that share racing club facilities and some 1200 charitable organisations that are supported by the racing industry. I expect this new program to increase the number of community groups and not-for-profits that benefit from improved facilities as well as improving the amenity for those groups already utilising these spaces.

One of the first clubs to benefit from the new program was the Maryborough Harness Racing Club. I recently had the pleasure of visiting to announce \$100,000 in funding from VRIF to support stage 1 of a significant upgrade to that club's viewing and dining area. The Maryborough club itself will contribute over \$160,000 to that project and unlock something like a quarter of a million dollars in total for upgrades that will support the proud tradition of harness racing in Maryborough and also ensure the local community has other top-class function facilities for the local community. I was pleased to be there with the Member for Ripon when we announced that funding.

To give the committee some idea of the coverage of the fund, we have already approved projects in the west and the south-west at Ballarat, Burrumbeet and Geelong; in the north at Bendigo, Shepparton, Swan Hill and Gunbower; and in Gippsland at the Latrobe Valley Racing Club and the Sale Turf Club. This is just to name a few of the regional areas the Allan government is supporting through this fund and with another round of grants to be announced in the second half of this year. While it is great that we have been able to deliver funding through the VRIF that supports customer and community facilities in country Victoria, it is important to note that the fund has always backed regional Victorian racing clubs with event support and racing and training infrastructure as well. In fact since we came to office this government has provided some \$75 million from VRIF to support country racing. That includes the former Raceday Attraction program, which is now exclusively for country clubs and continues to provide funding to support event activations and promotions to grow attendance, and of course we continue to fund infrastructure at racecourses all over the state, and most of them are in the regions.

Lauren KATHAGE: Thank you. That fund, how does that support animal welfare as well?

Anthony CARBINES: Thanks, Member for Yan Yean. The Victorian racing industry is very clear about the government's expectations when it comes to animal welfare. I expect that each of the three racing codes puts animal welfare at the heart of everything it does. The racing industry fund plays a vital role to demonstrate our commitment as a government to ensure world-leading animal welfare standards across the industry. The VRIF invested \$1.45 million on the Sale greyhound racing club's track to improve cambers and soften bends in order to reduce collisions and improve safety for racing greyhounds. We also provided \$224,000 at Healesville to relocate the starting boxes closer to the running rail, another improvement designed to reduce collisions. Greyhound Racing Victoria's commitment to continuously improving racing infrastructure and racing safety is seeing more than half a million dollars provided through the greyhound recovery initiative to ensure the best possible veterinary treatment for injured greyhounds.

Of course the government made a commitment in Parliament last year to provide substantial funding through the VRIF for GRV to fully digitise the tracking and tracing of Victorian greyhounds to ensure that racing greyhounds are properly monitored throughout their lives. I am looking forward to making more detailed announcements about that shortly, but it is a very significant animal welfare project. Accurate real-time monitoring by GRV of the location and health status of every greyhound will ensure all participants in the industry as well as GRV itself are accountable for ensuring the health and wellbeing of racing greyhounds, not just while they are racing or breeding but at all stages in their lives.

Lauren KATHAGE: Thank you. My old greyhound Gizmo would thank you for sure.

Anthony CARBINES: Very good.

Lauren KATHAGE: The racing industry is a pretty big employer, and I believe this fund is also helping with improvements for worker safety and participant safety.

Anthony CARBINES: Well, safety has always been a really important part of the Racing Victoria fund. In October I announced a \$40,000 grant to support an \$80,000 project to support the wellbeing and mental health of Victorian jockeys. The project is a collaboration between Racing Victoria and the Victorian Jockeys' Association. The VJA does amazing work supporting our riders all over the state. The jockey wellbeing app and wellbeing website will promote jockeys to check in on their mental health through self-assessments and personalised activities. The app and website can be customised with tailored content from the VJA, and jockeys will be able to connect with other members to receive and provide social support, mentoring and guidance. So the app will also connect jockeys to the jockeys assistance program, Stableline, and other free third-party support options such as Financial Counselling Australia.

One of the key statewide projects the VRIF program has funded across multiple terms of government is the rollout of plastic running rail. That is an Australian designed and manufactured product that is now used widely around the world. The rail is designed to bend and give and has dramatically improved safety for horses and riders on racecourses and training tracks throughout Victoria. VRIF has contributed more than \$1.2 million towards replacement of old aluminium or steel rail. In some cases plastic rail has been replaced in some premium venues and repurposed as training track rail at other venues.

The VRIF has also contributed some \$2.2 million since 2015 to projects to upgrade jockey room facilities around Victoria. Some of the beneficiaries include Bendigo, Casterton, Cranbourne, Echuca, Murtoa, Stony Creek, Ararat, Avoca, Bairnsdale, Colac, Donald, Horsham, Sale, Terang, Wodonga and Warracknabeal. Of course that is not an exhaustive list. The VRIF program has always had a strong focus on racing infrastructure, and all racing infrastructure is safety related in some way, so whether it is making sure that barrier stalls are regularly replaced or ensuring track surfaces are performing at their best, all of these projects help ensure that the racing industry is providing the safest possible work environment for its staff and for our participants.

Lauren KATHAGE: Thank you, Minister. You mentioned the Major Racing Events Fund. I have a big group of friends that travel around to a different race each year, to a different part of Victoria, so we know that there is an impact on the visitor economy through racing. How does this fund help with that, not just in the regional areas but here in Melbourne as well?

Anthony CARBINES: Thank you, Member for Yan Yean. The Major Racing Events Fund provides \$15 million over three years for racing clubs and controlling bodies to develop or secure significant new and expanded racing events. The Melbourne Cup Carnival remains the jewel in the crown of Victoria's sporting and major events calendar. It is quite an achievement when you consider our status as the sport and major events capital of Australia, with the Australian Formula One Grand Prix, the Australian Open and of course the AFL Grand Final.

The 2023 Melbourne Cup Carnival delivered its highest ever return to Victoria with \$468.3 million in gross economic benefit, a 10.9 per cent increase on 2022 and the largest economic contribution by a Victorian major event last year. Increases were recorded in multiple categories, with an increased spend on accommodation to \$43.1 million, up 22 per cent, and \$32 million on food and beverage, up 13.5 per cent. The total contribution over the last decade across a wide range of industries, including retail, accommodation, entertainment and hospitality, now stands at \$3.7 billion. The potential of racing to contribute to this state's important visitor economy is clear, and we want to capitalise on that.

The Major Racing Events Fund commenced on 1 July 2023. So far we have provided \$1.3 million to support eight co-funded projects around the state. The Melbourne Racing Club has been particularly proactive, securing funding for the new Caulfield Thousand and Caulfield Spring Finale race days. Last year was the first time the club hosted a major group 1 race day after the Melbourne Cup Carnival. These two events are the cornerstone of the Victorian industry's push into the back half of November, seeking to take advantage of good late spring weather and a quieter period in the major events calendar. But the fund is not just about Melbourne, and I was pleased to be able to sign off on \$100,000 to support the 2023 Cranny cup in Cranbourne as well as \$82,500 for Geelong's Super Saturday on the Coast. The Geelong event was a completely new race day for the club in 2024, with Victoria's biggest regional centre playing host to the feature Victorian meeting on Saturday 6 January. With no racing scheduled in Melbourne that day, I was fortunate enough to be one of more than 5000 people to attend the event.

The CHAIR: Thank you, Minister. We will go to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. G'day. Greyhounds – surgical artificial insemination of greyhounds is banned in the UK and most of Europe. The Australian Veterinary Association has recently called on our governments to ban what it calls an outdated procedure on animal welfare grounds. Has the Labor government commissioned any research, discussion papers or surveys in relation to this procedure that is being used by the racing industry?

Anthony CARBINES: I am happy to take that question on notice, Mr Puglielli, and see whether there is any further advice I can provide to you on those matters.

Aiv PUGLIELLI: That would be great.

Anthony CARBINES: If there is particular information that we can provide, I will make sure I check with my department officials and with GRV to ensure you have got relevant information on that matter.

Aiv PUGLIELLI: Thank you, Minister. For the last operational year, do you know the number of greyhounds that died or were killed by euthanasia following an injury at a race meeting, both (1) at the track and (2) in the days after the injury was sustained?

Anthony CARBINES: What I could outline to you across our greyhound racing fatalities and injury rates is, one, that they are at their lowest level in recent times. Euthanasia rates have decreased by some 88 percent, and in raw figures that is down to something like 382 – and in part those rates have reduced through our rehoming initiatives; the GAP, our Greyhound Adoption Program, is rehoming some 1000 dogs a year – and they are clearly due to behavioural issues not exclusive to greyhounds. There are other reasons why some breeds of dog cannot be rehomed. But what I would say to you in relation to euthanasia rates is that they have decreased by some 88 per cent in recent years through investment and work around rehoming. I think that is pretty significant, but if there are any other concerns that people have in relation to those matters, I am happy to pursue them with the racing integrity commissioner.

Aiv PUGLIELLI: Thank you. Victoria is the only state in Australia that still permits jumps racing, and the others got out of it arguably because of its accident rates. As the number of races is diminishing, we are seeing the proportion of deaths and injuries getting worse. Injuries and accidents obviously continue across all forms of racing, as we see. Does the Labor government funding of the racing industry require the industry to improve safety for animals?

Anthony CARBINES: Yes, it does, and the determination about jumps racing is one for Racing Victoria to determine what it wants to do with its program. You can certainly say that since the introduction of safety improvements from the 2010 season there has been a 67 per cent reduction in the average annual fatalities from jumps racing. We are at about 2.9 a year, and that is very significant. Also, I was at, as I said earlier, the Warrnambool carnival – the \$15 million effect that has on generating economic activity for that region – and we support jumps racing in Victoria.

The CHAIR: Thank you, Minister. Minister and department officials, that brings our time together for this portfolio to an end. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is going to take a very short break before beginning its consideration of the crime prevention portfolio at 10:50.

I declare this hearing adjourned.

Witnesses withdrew.