

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into the 2022 Flood Event in Victoria

Melbourne – Wednesday 11 October 2023

MEMBERS

Sonja Terpstra – Chair

David Ettershank – Deputy Chair

Ryan Batchelor

Melina Bath

Gaelle Broad

Wendy Lovell

Samantha Ratnam

Rikkie-Lee Tyrrell

Sheena Watt

PARTICIPATING MEMBERS

John Berger

Ann-Marie Hermans

Joe McCracken

Evan Mulholland

Rachel Payne

WITNESSES

Steve Rosich, Chief Executive Officer, and

James Reid, Executive General Manager, Flemington Operations, Victoria Racing Club Limited.

The CHAIR: I declare open the committee's public hearing for the Inquiry into the 2022 Flood Event in Victoria. This public hearing is for the Environment and Planning Committee, an all-party committee of the Parliament, looking into the October flood event. We will be providing a report to Parliament, which will include recommendations to the government. Please ensure that mobile phones have been switched to silent and that background noise is minimised.

I would like to begin this hearing by respectfully acknowledging the Aboriginal peoples, the traditional custodians of the various lands we are gathered on today, and pay my respects to their ancestors, elders and families. I particularly welcome any elders or community members who are here today to impart their knowledge of this issue to the committee. I welcome any members of the public in the gallery and remind those in the room to please be respectful of proceedings and to remain silent at all times.

Now, for you who are giving evidence to us today: all evidence that is taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded, and you will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

At this point I will take the opportunity to introduce myself and then committee members will also introduce themselves to you. My name is Sonja Terpstra, I am the Chair of the Environment and Planning Committee, and I am also the Member for the North-Eastern Metropolitan Region.

David ETTERS HANK: Nice to see you again. David Ettershank, Western Metropolitan Region.

Samantha RATNAM: Good afternoon. Samantha Ratnam, Member for Northern Metropolitan Region.

Melina BATH: Melina Bath, Member for Eastern Victoria Region.

Rikkie-Lee TYRRELL: Rikkie-Lee Tyrrell, Member for Northern Victoria Region.

Gaelle BROAD: Hi, I am Gaelle Broad, Member for Northern Victoria.

Wendy LOVELL: Wendy Lovell, Member for Northern Victoria, and most importantly, representing all of those wonderful thoroughbred studs in the Strathbogie shire.

Ryan BATCHELOR: Ryan Batchelor, Member for Southern Metropolitan Region.

The CHAIR: Thank you all very much for those introductions. With that, I will invite you to make your opening remarks, and can I please ask that you keep your remarks to the 10 minutes to ensure that we have plenty of time for committee members to ask you questions. Could I please ask you, for the Hansard record, to state your name and the organisation that you are appearing on behalf of. Over to you.

Steve ROSICH: Thank you for the opportunity to be here today. My name is Steve Rosich, the CEO of the Victoria Racing Club, and I am joined by –

James REID: James Reid, the Executive General Manager of operations at the Victoria Racing Club.

Steve ROSICH: The VRC was established in 1864. I commenced my role at the VRC as CEO in November 2020. The VRC is the custodian of the Flemington Racecourse under a Crown land lease. We employ approximately 230 full-time staff and a large part-time staff group. We are the largest membership-based racing

club in the world, with over 33,000 members. VRC headquarters are located at the racecourse, which covers an area of 320 acres – which a number of you saw yesterday firsthand – and has been utilised for horseracing and events since 1840. The racecourse hosts around 500,000 racegoers across 22 to 25 race days each year and the same number in addition to this at other events, including community and music events. The racecourse has four grandstands, 10 training and race tracks, 18 resident trainers, an equine swimming pool and facilities for housing 600 horses in training.

The Melbourne Cup Carnival is Australia's original major event and attracts 250,000 to 300,000 visitors each year to Flemington in early November. The carnival was the top economic generator of any annual sporting event in Australia in 2022, delivering \$422.1 million in gross economic benefit to Victoria, and this provided a much-needed boost to the Victorian economy in the aftermath of COVID-19 and associated social restrictions. A recent study conducted by market research company IER found that the carnival has contributed more than \$3.6 billion in gross economic benefit to Victoria in the past decade. The same study found that over half of Australian adults either watched and listened to or engaged in an activity to celebrate the Melbourne Cup, demonstrating the cultural significance of the event and its importance to Australian society. It also attracts the eyes of the world to our great city via an international telecast, with an audience reach of 750 million people tuning in to see Melbourne.

In terms of our corporate structure, the VRC is a not-for-profit incorporated sporting body governed by a board of directors elected by its members. In your handout that you have been provided is an overview of the senior management team with responsibility for the functions of the club, including Flemington, and James Reid, the EGM of Flemington Operations, is joining me here today.

I note the submission made by the VRC to the inquiry in March and the information relating to the approval and construction of the flood wall, which is referred to in the submission. In summary, between 2002 and 2003 the VRC undertook feasibility and planning to develop a master plan for the redevelopment of the racecourse. This work was undertaken in consultation with the then Department of Sustainability and Environment and Melbourne Water. The master plan, which was made available to the public, included the development of the flood wall. In circumstances where the Maribyrnong River broke its bank eight times between 1974 and 2003, with the racecourse last flooding in 1974, the flood wall was designed for the purpose of protecting the racecourse and the development, under the master plan, from floodwaters. As the members of the committee would have witnessed at the site inspection yesterday, the flood wall occupies the southern end of the racecourse. With respect to its approval and construction, the consultants who were engaged by the VRC for the planning and construction of the flood wall are identified in the submission.

On 25 March 2003 the VRC submitted a planning application to the Minister for Planning. The application included a report from recognised flooding experts, which was peer reviewed. The application included proposed mitigation works such as hydraulic improvements at Footscray Road and hydraulic improvements at the northern railway. On 22 April 2003 the department referred the VRC's application to Melbourne Water. When the master plan was announced publicly in June 2003 the VRC engaged in a process of community consultation over a six-month period, which included meetings with community and stakeholders. On 19 September 2003 Melbourne Water gave in-principle support for the flood wall, subject to conditions. On 5 February 2004 the then Minister for Planning issued a decision to grant the permit subject to the conditions recommended by Melbourne Water. On 3 August 2004 the Minister for Planning issued the planning permit to complete the works. Forty-nine conditions were attached to the permit, which are detailed at annexure 1 of our submission. In September 2005 the VRC appointed Akron Roads to undertake the flood mitigation works. These were required as a condition of the permit. Construction of the flood wall commenced in 2007, with the flood wall substantially completed in September 2007.

I will now pass to James Reid to give further background to the events of 14 October last year.

James REID: Thanks, Steve. My current role at the VRC is Executive General Manager of Flemington Operations. I have been in full-time employment with the VRC since 2005, and my remit is to manage the asset that is Flemington and everything that encompasses that, so race day operations, outdoor event operations, the Melbourne Cup Carnival and particularly the emergency management apparatus that goes to a venue of our size. As I said, I have been employed since 2005. I commenced in an event services coordinator role and had various roles in the event operations side of the department until my current role in 2017. As Steve mentioned, I am a member of the VRC's executive leadership team, particularly overseeing the operations aspect.

I suppose I will move on to the day of the flood. We had heard that there was a potential flood risk to the Maribyrnong River on the news on the 13th but received no official notification. I arrived onsite at approximately 7 o'clock. We had people onsite – security overnight – given the lead-up to the carnival, and during the time in which we were getting close to carnival we had people onsite for the build of the carnival from about 6 o'clock. When I arrived onsite I immediately went down to the riverbank and noticed that the river had begun to break its banks, which was over the top of the bank of the river itself. Subsequently, in the midmorning we noticed that the bank had completely broken, and we had water ingress into effectively our property. As you saw yesterday, it was that asphalt car park and further downstream.

During the morning of 14 October we were shifted into incident management mode, where members of my department managed the incident. I was chief warden of the day. I had two deputy chief wardens, and I had a PR manager and two communications managers in there with me. We were managing the access to the area. We have a lot of critical infrastructure down there, being high-voltage and low-voltage power. We had gas mains and gas meters. Our primary concern in the initial response was the safety of our contractors building our site but also any public that had access down there. We were very much restricting that access using security and what we could do and allowing access for our critical infrastructure partners to come in to make those areas safe. During this time we were providing feedback to the state police operations centre, and in turn they were providing feedback to us, about what we were seeing on the ground in relation to the height of the river and the speed at which the river was moving – obviously we were using an anecdotal speed; we did not have anything to measure the speed of the river – and also providing advice to VicPol in relation to water over the roads at Smithfield Road down near the bridge and obviously further up towards Epsom Road. We continued monitoring the river and primarily were in asset protection mode up until about midday, where we started to plan the recovery effort. Given the proximity to carnival and the amount of damage that we thought we may have to deal with, we had to build quite a substantive recovery plan to get us back on track so that we could run our event some weeks later. During that time we had engaged with as I said our critical infrastructure partners, so our suppliers for the Melbourne Cup Carnival, to build out that plan and to make the area somewhat safe in the initial aftermath once the water had receded sometime on Saturday morning. And that is all of my recollection from the 14th.

The CHAIR: That is fine. You have got about 20 seconds left, so unless anyone wants to add anything in 20 seconds?

James REID: The only other thing: on the back of the handout I believe you have got there are a number of photos. The top one is obviously the geographical location of some areas, but then the four pictures are pictures which our team took of the floodwaters. Then obviously one of those pictures is the water receding. It has got a high-water mark there, which is quite close to the river.

The CHAIR: Thanks for that. All right, well, thank you for those opening remarks. We will shift to questions, and I note Lilian is very helpfully handing out your pictures for us to have a look at. So I just want to ask some questions: in your submission – and you did talk to this as well – you talk about that in 2003 the VRC made the master plan public and engaged in public consultation, including with affected councils. Could you just unpack that a bit for us? Obviously whenever anyone does a planning application, there is community consultation, but did you do that specifically with the community around you, or was it through the council? Could you just unpack that for me a bit, please?

Steve ROSICH: Yes, that consultation process is detailed further in our submission. Neither James nor I were at the club at the time, so we cannot speak to it firsthand. It was a six-month process with the plans, including our plans being highlighted and provided on our website for full community advice and consultation with various groups and the local councils.

The CHAIR: Okay. In preparation for this hearing, did you have an opportunity to review it, just so you could give us a bit more detail about the sorts of groups or people who might have responded? Like, do you know how many people actually responded to it?

Steve ROSICH: We made sure there was detailed information provided in the submission. If there are any further details required on the number of meetings or the attendees, we can certainly go back to records and try and secure that. There is a difficulty of getting that, with records so long ago.

The CHAIR: No, sure, I appreciate that. Also, you talk about in the submission that the permit for the wall was ultimately granted, and it was subject to 49 conditions and endorsed numerous plans. Obviously, part of that were some mitigation works, which I understand were completed. But could you provide a broad overview of the types of conditions that were put on the permit? We know there were mitigation works, but what other things were subject to the permit conditions?

Steve ROSICH: In terms of the 49 conditions that are outlined in the submission?

The CHAIR: Yes, just a broad overview, you know.

Steve ROSICH: Yes, look, as outlined in our summary, it included the hydraulic improvements at Footscray Road and also those at northern railway.

The CHAIR: Yes, so they were mitigation-type –

Steve ROSICH: Yes, and our advice has been that all the requirements and obligations that were required have been fulfilled.

The CHAIR: All right. And are you able to give me any more detail on some of the other 49 conditions? Because we are talking about two, but – even just broadly.

James REID: Part of those permit conditions were things such as a landscaping overlay on the river side of the bund wall, particular types of species of plants and grasses which we could plant. There were other things around even the condition of the wall. We have to review our wall if there is any damage. Those sorts of permit conditions, we need to review that.

The CHAIR: Yes, sure, so you have to maintain it, obviously, to check for damage and the like. I noticed in your opening remarks you talked about, early in the piece, how many times the racecourse had suffered inundation as a consequence of other flood events. Since the wall has been in place, what sorts of things are you noticing about the change, perhaps? Like, you mentioned you went down and looked at the river and noticed it had broken its banks, but are you noticing any other change to river flows or water behaviour since the wall has been –

James REID: Not primarily. I mean, given the river is a tidal river, we do see sometimes a king tide, where it does break it a little bit, but not to the extent that we saw on 14 October, nothing of concern.

The CHAIR: Right. I think what we have been sort of reading in some of the other reports is it seems that there was an inundation that happened quite quickly in the evening of, I think it was, the 14th. Are you noticing any other things like that occurring, or does nothing seem to have changed? Once you are looking at the river, there is no sort of –

James REID: No, nothing of concern. As I said, we have a king tide and we see water come up a little bit, but nothing that is creating a regular pattern of behaviour where we need to be concerned.

The CHAIR: And then has there been any inundation of the racecourse since the wall? I mean, you talked a little bit about some water coming into the car park.

Steve ROSICH: That was on the 14th from that event.

The CHAIR: Had that happened before? Even since the wall had been put in, was that the first time you had noticed water coming into the car park since the wall was there?

James REID: No. We do obviously get an inundation of water when we have a heavy downfall of rain in a very short period of time. But we do not see anything connected to the riverbank, or the river – pardon me – causing further inundation.

The CHAIR: Yes. So clearly the wall is having the desired effect, which is to stop that inundation coming into the track.

James REID: On the 14th, but we are not seeing water lap up the edge of the wall.

The CHAIR: The wall?

James REID: No.

The CHAIR: Okay. Because the river is obviously not directly underneath the wall; there is some land clearance in between that.

Steve ROSICH: Yes, you would have seen that yesterday. It is quite a distance. James, you might want to add: the area that the car park is in – the wall does not extend down to that area.

James REID: No, the wall is made up of a multifaceted sort of construction that we saw yesterday. We have a concrete core surrounded by some rocks. In some areas, where it does need to bend around some corners, it is concrete slabs. Then it does drop away when we get to that Elms area, and we use the distance that we have to play with and the gradient of the land to protect the course.

The CHAIR: Yes. Okay. My time is just about up, so I will throw to Mr Ettershank.

James REID: Thank you, Sonja.

David ETTERS HANK: Thank you. Firstly, thanks for coming along today, and thank you for your hospitality yesterday. It was very interesting to see it firsthand, and particularly from that side of the wall. The first question that strikes me is: does the VRC accept that there were any adverse consequences arising from the construction of the flood wall for the surrounding community?

Steve ROSICH: That is, I guess, in our view up for experts to determine, other than ourselves. We do understand that Melbourne Water's review has established that the modelling assumptions on which the decisions were based were accurate and that mitigation works designed to offset the impacts were implemented as designed. As to effects, we are unsure, so we will leave that to others to determine.

David ETTERS HANK: Okay. I guess, in that context, the VRC chief executive Andrew Jones –

Steve ROSICH: Racing Victoria.

David ETTERS HANK: Sorry, Racing Victoria. The CEO said that:

The VRC took steps to flood-proof or flood-protect its property 15 years ago which it is entitled to do ... That's obviously had unintended consequences for neighbouring residents.

I am wondering if you can comment on what he might have been alluding to in that regard.

Steve ROSICH: I am not sure. That question is for Andrew. The wall was designed to protect the racecourse from such an event, including the works that were done under that master plan, which probably would not have gone ahead without the flood wall being implemented, and the wall seems to have served its purpose in the occurrence of October last year.

David ETTERS HANK: Right. Your predecessor Dale Monteith –

Steve ROSICH: A few predecessors before.

David ETTERS HANK: A few predecessors?

Steve ROSICH: Yes.

David ETTERS HANK: Okay. He did a very memorable tweet on the morning of the 14th, where he said:

Pretty happy that we have left a legacy for future of Flemington. Was always going to happen but ignored previously.

Of course that lasted a couple of hours before it was taken down, but I am wondering if you could interpret for us what you think that means – that tweet.

Steve ROSICH: Dale was CEO at the time that this process was undertaken and, as I said, the flood wall was implemented to protect the racecourse and the master plan development that was being considered at that

time. I did contact Dale and ask that he reconsider his tweet, which he obviously did, given that it was a sensitive time in the community with the impacts of the flood.

David ETTERS HANK: Right. Can I go to the overlay and the actual planning, because I was actually involved in that in 2003. In fact that is the document you distributed to the community at that point in time.

James REID: Okay. There you go.

David ETTERS HANK: You said that all of the obligations in the planning were discharged. I guess I am coming to this in part as a neighbour. When this was done, a lot of the sell to the community was in the context of that strip along the river, which is public access. I am going to come back in a minute to the fact that the VRC has made repeated applications to close that public access along the river, which is kind of a bit cruel, but putting that aside for the moment: what was presented to DSE, City of Melbourne and such like was a beautification of the waterfront. We all saw lovely coloured drawings – which are in here – that have rustic park benches, period lamps and such like street lamps, all along the river. Apart from some of the plantings, and of course your bridlepath, none of the rest of those works have been done in the last 20 years. I am wondering: are you proposing to ever actually meet that undertaking you gave to the community?

Steve ROSICH: I will certainly take that on notice. We take our obligation to provide access to Flemington really seriously. Notwithstanding that it is a racecourse and an asset that showcases events for over a million people a year, we provide the gates open as often as we can – in fact every day that there is not an event – to ensure that people can ride and walk and experience the Flemington grounds, and picnic. With respect to that particular area, that is something worth looking at and I will take that on notice. So thank you, David, for pointing that out.

David ETTERS HANK: In the non-racing carnival it barely gets a slash along there. It is a pretty awful precinct for those of us that walk regularly along it. I guess the whole neighbourhood would be very keen.

Steve ROSICH: I think that is something that we should consider and have a look at, so thank you.

David ETTERS HANK: Okay. I guess the other thing – and it was a legacy from here – is that I am sort of curious as to your attitude to being a corporate citizen. For example, I guess a very controversial application was the setting up of a Taberet on Epsom Road and taking all of your gambling machines from the main grandstand area and putting them up on Epsom Road, directly opposite the public housing estate. I am wondering: how does that fit with being a good corporate citizen?

Steve ROSICH: That project obviously never occurred, following that review process. The community engagement is critical to our strategic planning and critical to the DNA of the club. When we are lucky enough to be custodians of assets like the club itself, Flemington and the Melbourne Cup Carnival, those obligations are serious and part of what we consider in everything that we do. So our community and social impact is around about \$2 million a year, and that included over \$1 million raised last year via the days of the carnival and over the carnival to impact the community.

The CHAIR: And I am sorry, your time has expired. We have to go to more questions.

David ETTERS HANK: Thank you.

The CHAIR: Ms Bath, question please.

Melina BATH: Hello, and thank you very much for presenting to us today. Can I just have a greater snapshot of Flemington? If we were to have a greenfield site – this is an approximation, mass approximation – and you were going to put it there today, what would the net value be, the net asset value?

Steve ROSICH: Well, largely the site – and I will get it right, because I always get confused with hectares and acres – is 320 hectares, 6 to 7 k's from the city. And it is certainly near and dear to Melburnians and people around the world, with how we use it.

Melina BATH: Sure. It is revered.

Steve ROSICH: We have visions about how we can further develop it in the future, for the community as well as the club, but first and foremost it is an asset for the club and the state of Victoria.

Melina BATH: Thank you. Absolutely. Full-time equivalent staffing: now, that varies, because it is not every day the same, but what is your retaining staff, and again then what is your volume staff that comes up for the carnivals?

Steve ROSICH: The full-time staff number that I mentioned of 230 is largely throughout the year. Whilst the significant activity is the Melbourne Cup Carnival, which intensifies in periods like now, leading into the first week of November, that staff group runs the club and the operations throughout the year. In terms of our contract staff over the carnival, that expands to –

James REID: In terms of our contract staff there will be somewhere in the vicinity of 16,500 to 17,000 people working derby eve to put on the carnival.

Melina BATH: Yes. I would have thought that bumped up to a couple of thousand.

James REID: That is the ones that are onsite. And then obviously you might have people offsite in bakeries and florists and butchers supporting our event.

Melina BATH: Yes, laundry, all of that. Absolutely. So therefore, when you say last year \$422 million generated, does that actually also include the second and third tier of contractors?

Steve ROSICH: Absolutely.

Melina BATH: Yes. So that is good.

Steve ROSICH: And it includes investment in travel and hotels and all the associated activity that goes with the carnival.

Melina BATH: That is right, which is important for the whole of the state and all the rest of it. Do you know how many of the people, of that 280, were actually impacted as well? And the question there goes: do you employ locals? Do you have any demographics about the locals that you employ?

Steve ROSICH: Offhand, I do not know the exact number that live locally; a number do. We have a staff group that is really engaged. They are really interested in community activities – what is happening in the larger community. So when this was occurring, as in other significant community events when they occur, we engaged with staff and talked to them, and our HR team did inform me that there were some local staff that were impacted by the floods, and we made sure they had support.

Melina BATH: Sure. Thank you. Good. Now, you mentioned the VRC – and it might have been you, James – went into the police operations centre. Am I reading that as the ICC, the incident control centre?

James REID: The Victoria Police one?

Melina BATH: Yes. Explain what that meant.

James REID: We ran a localised emergency coordination centre onsite, and then given we have a strategic partnership with all the emergency services but particularly a very close one with the police –

Melina BATH: VicPol.

James REID: I made the call to someone who was in the control centre and provided advice, on the spot, of what I was seeing and what was happening. And then they were providing advice back to me after their EMT, when they had the chance to, particularly around the expected flood peak – when that would be, when it was coming and so forth.

Melina BATH: And did that feed into ICC, what we call the incident control centre?

James REID: I believe it probably would have.

Melina BATH: But you went directly to the VicPol operations centre?

James REID: Correct. I believe it would have happened on their side, yes.

Melina BATH: Thank you very much. There will be somebody out there going ‘Let’s rip it down. Let’s rip the wall down. It’s not fair et cetera’ – that scenario. What would have happened if you did not have the wall? What impact would that have been on your asset? I know it is a hypothetical – and I have got 1 minute left.

The CHAIR: 1 minute 20, actually.

Melina BATH: Oh, good. Explain to us what that would have impacted. How high would it have gone up? What would that look like?

Steve ROSICH: Well, I think the wall probably served its purpose. You are asking me to speculate. It is unknown. We were able to conduct the carnival as planned. The 600 horses that were housed onsite were safe, albeit some of those stabling areas were impacted and those horses had to be removed. But that is a long and slow process, so any disruption to that area that would happen quickly could have significant consequences for those 600 horses.

Melina BATH: And lastly, we are providing recommendations to government. I do not think your submission had any per se. What is a recommendation you want us to put forward? We are asking that of most people.

Steve ROSICH: Look, I will leave that to the people around this table.

Melina BATH: Maintain the status quo?

Steve ROSICH: Early warning is probably one that has come up in our considerations. It was the first time that I had seen an event like this, and to understand the type of information we are getting – and early warning is certainly critical.

Melina BATH: Yes. Improving it if it can be.

Steve ROSICH: Yes.

Melina BATH: Thank you. Thanks, Chair.

The CHAIR: All right. Thank you. Mr Batchelor.

Ryan BATCHELOR: Thank you, Chair. Thanks for coming. Neither of you were probably at the club at the time, but what happened in 1974 when it flooded?

James REID: 1974 – and I only know this because I was not at the club but we have a picture in our office –

Ryan BATCHELOR: I thought someone would have taken a photo. So what happened?

James REID: Yes. It shows significant water inundation across the track.

Ryan BATCHELOR: Describe the photo to us.

The CHAIR: If that is your photo, where did it end?

James REID: Probably halfway into the middle of the track there, I would have thought.

The CHAIR: Right.

Ryan BATCHELOR: Right. And based on your understanding about how the site works, how long would an inundation like that take to clear and subside such that the facility was usable again?

James REID: I would have to speculate, because I am not a track manager and I do not understand – I grow roses, not grass.

Ryan BATCHELOR: You know more than I do about this stuff.

The CHAIR: You can provide it on notice if you need to.

James REID: We can provide that on notice.

Steve ROSICH: A significant period of time – longer than we could guesstimate.

Ryan BATCHELOR: What we are trying to understand here is what happens when there is a flood. You have had one instance. There was obviously another time when it was a possibility. There is speculation about the impact of your mitigation measures on that. Clearly the club was concerned enough in its master planning to identify it as a risk. So I am keen to understand what you thought the scale of the risk was that you were trying to mitigate by taking the remedial action with the barrier – with the wall.

Steve ROSICH: Whilst not speculating on time, any significant flood of the track would take a considerable time not just to clear but to be operable for elite thoroughbred racing, so that would be a significant period of time.

Ryan BATCHELOR: So if we have heavy rain over an extended period of time, that obviously affects the quality and condition of the track.

Steve ROSICH: Even that does, and that is not a flood. And there are occurrences where consistent rain can cancel a meeting, and a flood would obviously be more significant than that.

Ryan BATCHELOR: So it would be useful for us to know a bit more detail about what your best assessment is about the effects of widespread inundation of the course with water and how long you would expect that would take to both recede and then recover so that we can understand what the sort of counterfactual might be.

Steve ROSICH: Thank you, Ryan. We will take that on notice and come back.

Ryan BATCHELOR: Related to that: I assume, because these are terms that we are rapidly becoming familiar with, that the modelling is done on a 1 per cent annual exceedance – what does the P stand for anyway? – and whatever the P stands for, a one-in-100-year risk. There are clearly concerns more broadly, and in other jurisdictions around the world they have sort of shifted some of those percentages. And in certain other parts of the world, particularly around the Thames estuary, for example, they have shifted from one in 100 to one in 500 as a way of trying to better protect assets against increased likelihood of significant flooding. What I am trying to understand is how much security from worsening events does the current set of mitigation measures you have got in place provide? If there were more frequent, more severe, flooding events, how protected is the course with what you have got in place now? Do you know that? Has your risk assessment gone into ‘What if the flooding got more frequent?’ or ‘What if the flooding got worse?’

Wendy LOVELL: What if it was a one-in-100?

Steve ROSICH: The only work we have done following the flood event is survey the wall to make sure it still meets its purpose. So that is the only work we have done to date. It is a good question to ask.

Ryan BATCHELOR: I am just thinking: in the context of climate change we have heard a range of evidence today about what might be necessary – sorry, I am pointing at the map behind you – further up the catchment? Might there be mechanisms that need to be put in place to do more work further up so that further down we can avoid some of the negative consequences that we have seen? And I am trying to build an argument and a case to suggest that, well, we need to do further work further up the stream so that further downstream everyone is protected, both the racecourse and the residents. So if there is anything that you have got to contribute that discussion, we would be more than welcome to receive it.

Steve ROSICH: I certainly have no expertise in that area, so I will leave that to others.

Ryan BATCHELOR: That is all right.

Steve ROSICH: And I am thankful for this type of process to investigate it.

Ryan BATCHELOR: But part of your responsibility as the manager of this asset is to do risk management.

Steve ROSICH: Yes, that is right.

Ryan BATCHELOR: I would think that a low-lying racetrack on a river has flood risk as one of its key risks. So anything else you have got that can assist us in articulating the need to do further mitigation work further upstream would be really helpful. Thank you.

Steve ROSICH: Okay. Thank you.

The CHAIR: All right. Thanks for that. Dr Ratnam with a question, please.

Samantha RATNAM: Thank you, Chair. Thank you very much for your submission and presenting here today. Regarding the approval of the permit for the flood wall, the original application and approval – and I understand this was before your time, but I am hoping that you have been briefed or there is some documentation – did the VRC make direct representations via your staff, board members, lobbyists or associates to the then planning minister, her staff or department seeking support for your application, and what was the nature of those representations if they were made?

Steve ROSICH: We have certainly tried to provide as much detail as we could in our related materials in the submission. There was a process of consultation and conferring during that process. Young consulting engineers ultimately tabled that planning permit with the planning office.

Samantha RATNAM: Thank you for that. Are there any more details about direct representations with the minister herself at the time?

Steve ROSICH: Not that I am aware of other than what is in the submission already.

Samantha RATNAM: If there is any further information that you can provide on notice, we really would appreciate that.

Steve ROSICH: Yes.

Samantha RATNAM: Point 3.1 of your submission says that you did work in consultation with the department of environment and sustainability and Melbourne Water, so I am presuming these were direct representations from the consultants. Were they also from the VRC board and other associates or was it just through the consultants?

Steve ROSICH: There was a working committee that worked with the consultants. In terms of the specific nature of the representations, I am not sure.

Samantha RATNAM: No worries. Do you know the composition of that working committee – who comprised it?

Steve ROSICH: We do have that, and we can provide that information.

Samantha RATNAM: Excellent. Thank you very much. My next question is: has the VRC, either directly or via associated people, including board members or financial or nominated entities, ever donated to political parties in Victoria or federally, and if so, which political parties?

The CHAIR: I am not sure if that is within the terms of reference, Dr Ratnam. Perhaps you might want to rephrase that so it relates to the terms of reference.

Samantha RATNAM: It is about the relationship, about the planning permit approvals. I am trying to –

The CHAIR: Link it to the terms of reference.

David ETTERS HANK: Well, the terms of reference has a reference to influence.

The CHAIR: But just so it is clear.

Samantha RATNAM: I am trying to understand influence and relationships and the nature of, potentially, donation relationships. So in relation to the planning permit application, I am asking more globally: have you ever donated to political parties in Victoria or federally?

Steve ROSICH: Not to my knowledge.

Samantha RATNAM: I understand that you have donated through Progressive Business, which is Labor's nominated entity. Are you able to provide any detail about that or take that on notice?

Steve ROSICH: I did not hear that, sorry.

Samantha RATNAM: I understand that VRC has donated to the Labor Party via Progressive Business, which is the Labor Party's nominated entity, as well as donating to the Liberal Party directly. I understand that from public records available. Are you happy to furnish us with any other details that you might have? You could take that on notice if you do not have it on hand.

Steve ROSICH: I think we will take it on notice. I am not aware of that.

Samantha RATNAM: Thank you. And given those donations were made, do you know why those donations were made by the VRC? Does VRC hope to receive anything in benefit? Why does it donate to both the Labor and Liberal parties?

Steve ROSICH: No, I am not –

Samantha RATNAM: You do not know why. Okay, thank you. Further to Mr Ettershank's questions relating to comments made by the head of Racing Victoria, just to follow up from that question about unintended and intended consequences, it seems quite clear that there were consequences for neighbouring residents. Do you accept or not accept that the wall had any impact on the consequences of the floods for the neighbouring residents?

Steve ROSICH: I think that it is, given my area of expertise, for others to determine, other than – the wall served its purpose. So we will leave that to others.

Samantha RATNAM: Okay. I also understand the VRC launched a flood relief donation effort to assist flood victims. I understand that you donated, or intended to donate, \$500,000. Do you have any details about what types of support and relief were provided through that fund, like particular types of items that were provided?

Steve ROSICH: Given the impact of the floods more broadly in Victoria, we sat down as an executive group and then through our board thought about who we could work with to support flood victims. We identified an organisation called Givit, who actually support those impacted by the floods right across the state. We worked with Givit and pledged the \$500,000, and we reached that target. We were able to contribute slightly more than that.

Samantha RATNAM: Was that donated directly by the VRC or was it by racegoers or sponsorships?

Steve ROSICH: It was a whole mix of effort. We set the pledge and in effect underwrote that intended amount and then worked with partners, sponsors and racegoers and utilised the focus and energy of the Melbourne Cup Carnival to generate that support.

Samantha RATNAM: Do you have any account of how much the VRC directly donated beyond what was

Steve ROSICH: We do. I cannot recall it offhand, but it was a material amount. We can certainly get that for you if you like.

Samantha RATNAM: Would you be able to provide that on notice for us?

Steve ROSICH: Sure.

Samantha RATNAM: Thank you very much. Do you know how much of it was spent in the local community of Maribyrnong in Kensington?

Steve ROSICH: Not offhand.

Samantha RATNAM: Okay.

Steve ROSICH: Part of the reason I identified Givit was not just the impact around the local community but the broader state, but we can certainly dig that out if that is something you are looking for.

Samantha RATNAM: Certainly. And just one follow-up question on a previous question about donations, I also wanted to ask whether you have made political donations to individual council candidates in the past.

Steve ROSICH: It is the same answer from me: I am not aware.

Samantha RATNAM: Okay. Would you be happy to look into that on notice –

Steve ROSICH: Sure.

Samantha RATNAM: and provide that, if you have any –

The CHAIR: Thank you very much. Your time has expired. A question, Ms Lovell, please.

Wendy LOVELL: Thank you. I am going to struggle for questions, because nearly all my questions were asked by Ms Bath or Ryan. But I do want to start out by saying I fully appreciate the contribution that the racing industry makes to Victoria, both directly through you guys in events et cetera but also locally in my electorate through those thoroughbred studs and the employment that that brings and the economic activity for us locally. It is a very, very important industry to our region, and the IER report certainly confirms that. It is a very good report.

I was just wondering about your contingency planning for if something does go wrong. A flood could happen at any time, but if it had happened in October last year right before the carnival, that obviously would have been a significant impact for the spring carnival. But it may not be a flood. It could be a fire in one of the facilities. It could be wilful damage to the track or whatever. What is your contingency planning if something does go wrong just before a major carnival like the spring carnival? Would that carnival have then been held elsewhere, and what impact would that have had on it?

Steve ROSICH: Firstly, I will answer the last bit of the question first and then hand to James. The nature of the Melbourne Cup Carnival is a large-scale major event. With participants which come from far and wide, including international, to participate and the way the racing schedule works, if a large-scale event like that was postponed, it could only really be re-run in a short period of time. Any period past a week or two makes it very challenging for something like that to be rescheduled is probably the answer to that first part of your question. In terms of our risk mitigation, apart from insurance, James, in terms of our processes –

Wendy LOVELL: But could it be held out at Caulfield or Moonee Valley or something?

Steve ROSICH: All those things would be explored, yes. But clearly a significant change in the nature of the event –

Wendy LOVELL: Yes, it would be shocking.

Steve ROSICH: and a significant economic impact from that.

James REID: To answer your question in relation to the contingency plans, with Flemington being a site of the size and significance that it is, we have a lot of emergency management plans and processes to not only mitigate against any issues or incidents, but also for recovery. Part of that is we have a security overlay that sits across the site across the year. I cannot go into much detail around what happens around the carnival for obvious reasons, but there is a significant security plan overlay that sits over the event site some weeks before the event and some weeks after the event to protect the site – the physical asset that sits there – and the patrons that come but also all our sponsor's activations that they put substantial money into to activate on the race days.

We also obviously have those partnerships with Victoria Police, the Australian Federal Police and various other federal agencies that we are in constant communication with around any known threats or any updates that can come. They are very quick on the phone; it is a two-way conversation to mitigate those issues.

Steve ROSICH: And the club itself invests around about \$65 million of its own funds into the operation of those four days of the carnival, so it is a significant investment.

Wendy LOVELL: Thank you. I might hand over to the next person and come back if I have further questions.

The CHAIR: Do you want to cede your time, or do you want to just –

Wendy LOVELL: No, I will come back if I have any questions.

The CHAIR: All right, I just wanted to clarify that, thank you. Ms Tyrrell, a question, please.

Rikkie-Lee TYRRELL: Prior to the wall being constructed, were the grounds and infrastructure insured for flood damage?

Steve ROSICH: So we have insurance policies in place, including event interruption insurances.

Rikkie-Lee TYRRELL: Okay. So they were able to be insured for flood, but it had not been flooded since 1974?

Steve ROSICH: Yes. There was an extra challenge last year with the events of the flood and our insurance timetable, but as a rule we look to ensure a percentage of the risk associated with the Melbourne Cup Carnival, specifically.

Rikkie-Lee TYRRELL: All right. So how much is it insured for now, in the case of flood, do you know?

Steve ROSICH: It is a very relevant decision, and we are tabling that at the board meeting forthcoming.

Rikkie-Lee TYRRELL: Okay, thank you. When the construction of the wall happened, was it solely the VRC who paid for that or were there are other contributions? Did you receive money from anywhere else, like in grants?

Steve ROSICH: In terms of the cost, it was around about \$7 million to \$8 million. In my understanding it was club funded, and if there is a different answer to that question, I will come back to you.

Rikkie-Lee TYRRELL: So there were no grants received from federal or state governments?

James REID: Not that I am aware of, no.

Steve ROSICH: Not to my understanding, no.

Rikkie-Lee TYRRELL: Okay. All right. I am good for now.

The CHAIR: Do you want to cede your question, or do you want to come back? What do you want to do? It is up to Ms Tyrrell, sorry. So what would you like to do, Ms Tyrrell? Do you want me to come back to you?

Rikkie-Lee TYRRELL: Yes, just come back to me in a minute.

The CHAIR: Okay. You have got 4 minutes left on the clock, so I will come back to you. Ms Broad, a question, please.

Gaelle BROAD: Thank you very much for coming in today and for your submission. Just from what you have said – the wall, it does sound like it has served its purpose. In 1974 potentially half of the track covered in water – this time you were able to kind of go ahead with the spring carnival and Melbourne Cup and everything. Did that all go ahead fine?

Steve ROSICH: As you saw from the pictures – and James can talk to it more – in terms of the Elms area, which is down the western end, there was damage there and rehabilitation works had to be done to get us ready for carnival, to provide that infrastructure and readiness for carnival. James?

James REID: Yes. I think the recovery effort – that we needed to make sure that we could get our event away after that – was the sole focus for the better part of a week after the fact: to make sure that we could run our event, because if we did not run that component of the site, we would have to rehouse those customers somewhere.

Gaëlle BROAD: So you were able to go ahead with everything. It all sort of –

Steve ROSICH: If it occurred the day before, there would have been some challenges with that and there would have been some alternative plans we would have had to consider, or cancellation of the use of the area of the course.

Gaëlle BROAD: Yes, that is fair enough. Now, the Minister for Planning – this is going back some time – did approve the planning permit for the wall to be built, despite objections from local councils in the area. Have you got any comment on that?

Steve ROSICH: No, that is really something for the Minister for Planning and the planning office to consider.

Gaëlle BROAD: Okay. With the review that has recently been done, Melbourne Water has responded. One of the recommendations was that:

Melbourne Water should use the hydraulic model developed ... to determine –
it goes on –

... the impact of the Flemington Flood Wall ...
and then look at ‘the associated downstream compensatory works’.

In Melbourne Water’s response, they talk about:

... the modelling assumptions on which decisions were based were accurate for this location and that the mitigating works designed to offset the Flemington Wall impacts were implemented as designed.

In your experience of the flooding at the time, it seems to me from all the evidence that we have had, was that Melbourne Water did not have the correct information and you were caught by surprise with the flood levels as they rose. Is that your experience, James?

Steve ROSICH: I would firstly just restate – I have obviously stated that as well – we have seen that recent advice from Melbourne Water, and our responsibility to fulfil the requirements and obligations was met. In terms of what we saw on the day, I think it was like everyone – it was live, and –

James REID: Yes, the water was rising quite rapidly and it was moving very quickly. Were we surprised at the rate at which it was coming? I do not think we were surprised. We were focused on I think the asset, and we were in an incident management and recovery mode. We were not looking at it, debating whether or not it was fast or not. It was the incident management aspect of it.

Gaëlle BROAD: Would you question, though, their conclusion that the decisions were accurate for the location?

Steve ROSICH: I think we will leave that to the experts to determine.

Gaëlle BROAD: Yes. Okay. Just with the warnings that you received – significant business in the area, employing a lot of people – did you have any advice directly? You have kind of indicated that you did not have any advice. Was there any sort of warning, apart from –

James REID: No.

Gaëlle BROAD: None?

James REID: No. Obviously we were watching the weather. When we are around carnival time, we watch the weather for various reasons – for the growing of the track and the grasses and things like that, things that impact the build. So I was aware of what was happening in the upstream catchments. But I was first made aware of a possible flooding impact the night before and then when I was driving to work on the 14th that it was going to break its bank. Then obviously heading down to the site there at 7 o'clock, I was seeing it was beginning to break its bank. But we received no formal advice from the SES or the bureau or any formal agency.

Gaelle BROAD: Okay. Just with staff going to work – they came as normal, drove their cars in? What happened?

James REID: Certainly some staff managed to get into the venue before that Smithfield Road entry was particularly inundated. We did not know the extent of the flood – also locally to Flemington Racecourse – but what we knew was that roads were inundated with water. We started to push a message out to our staff that if they did not need to come to site, to work from home. Because what we did not want to do was bring them into an active emergency site when they did not need to be here, because they would be caught up in traffic or they would be caught up in road diversions. So we pushed a message out that if they could work from home, do work from home.

Gaelle BROAD: I guess, as we look to give recommendations back to government, from a business perspective and an individual staff perspective, what would you like to see as far as warnings or advice? How would you like to receive that information?

James REID: I think it is a more formal and structured warning system in place of who is the lead agency and who is ultimately providing that warning. For a bushfire you listen to the ABC or 3AW, but who is driving that one warning system?

Gaelle BROAD: Okay.

The CHAIR: Thank you. Your time has expired. Ms Lovell, we will go back to you for 1 minute and 30 seconds.

Wendy LOVELL: Thank you. So when it comes to advocacy for the wall, you guys are a bit on your Pat Malone, and I think you probably realised that right back to the original application. All of the councils sat here this morning and said they stand by their original views of the wall and that their residents are very agitated on it but they are waiting for the outcome of the Melbourne Water review. What can you leave us with that would convince us that the wall should stay regardless?

Steve ROSICH: I think, going back to my introductory comments, which are in our submission, that at the time it was considered integral to the development of those areas – the racecourse, the master plan, the housing of the horses. As you are aware, there are 600 horses that are housed there and there are our training and racetrack operations, so that was fundamental to that development. That still continues to be fundamental today. In terms of the community, we understand that the flood had an impact right across the state, and as a significant Victorian entity we tried to play our part with that via our work with Givit over the Melbourne Cup Carnival, and we will continue to work closely with the local community and ensure that we are contributing to them. So we will leave advocacy efforts to others, but it is certainly important to the master plan and what we put in place all those years ago.

Wendy LOVELL: Thank you very much.

The CHAIR: Okay. Thank you. Your time has expired. So, Ms Tyrrell, what would you like to do with your 4 minutes now?

Rikkie-Lee TYRRELL: I actually have a really practical question here from a farmer's perspective. What weather forecaster do you look at that you find most reliable at predicting? It is just that a lot have used BOM as an example, and they are saying that it was not that reliable. Do you use BOM?

James REID: We use a lot of different websites as data inputs and sort of piece it all together and then work out which one is right and which ones provide different avenues. So we use the BOM website. We are lucky we

do have a direct line into the forecasters as well. We use Windy. We have a paid subscription weather service for Flemington called Ubimet. And we also use Elders for long-term rain forecast as well given the watering of the track but also the roses. So we do a lot of assessment and work out which one is best suited for us, and then we also apply our own innate, learned knowledge of our local environment.

Rikkie-Lee TYRRELL: Thank you. And yesterday you mentioned reporting roads that were flooded.

James REID: Yes.

Rikkie-Lee TYRRELL: Now, was it Vic Police that you would talking with?

James REID: Talking to – yes.

Rikkie-Lee TYRRELL: And they were saying that they were thinking of closing the road because it was going to be flooded, and you were standing up there, saying, ‘Mate, it’s already underwater.’

James REID: Yes.

Rikkie-Lee TYRRELL: Would you like to elaborate with the panel on that a little?

James REID: That was when I was down at the wall. David told me yesterday he saw me up on the wall. When I was on the phone to the state police centre they were planning to close a few roads because of fear of inundation, and the police had not got there at that point in time. They were planning to close Smithfield Road at the bottom of Lynch’s Bridge. I purely advised them that the water was already over the road and there were two or three cars.

Rikkie-Lee TYRRELL: Yes. So there was a lack of communication and a delayed response when it came to reporting the levels of water with other authorities.

James REID: Yes, there was a delayed response, but I think there is always a delayed response in any incident. It happens for any incident, and I have managed and been through a lot of them. They happen very quickly. Particularly this one came along quite quickly.

Rikkie-Lee TYRRELL: Okay. Thank you.

The CHAIR: Anything else?

Rikkie-Lee TYRRELL: No.

The CHAIR: You have got 2 minutes remaining. Are you happy to leave it there?

Rikkie-Lee TYRRELL: I am fine.

The CHAIR: Okay. Great. Well, thank you, both of you, very much for coming in and providing your evidence to us today. It has been very insightful and very helpful.

Witnesses withdrew.