

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2025-26 Budget Estimates

Melbourne – Thursday 5 June 2025

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Meng Heang Tak

Richard Welch

WITNESSES

Anthony Carbines MP, Minister for Racing; and

Kate Houghton, Secretary,

Bill Kyriakopoulos, Deputy Secretary, Police, Racing, Victims and Coordination,

Samuel Ho, Chief Financial Officer, and

Lisa Saxton, Director, Office of Racing, 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 please be turned to silent.

On behalf of the Parliament the committee is conducting this Inquiry into the 2025–26 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, any comments repeated outside of this hearing may not be protected by this privilege.

All evidence given today is being recorded by Hansard and is broadcast live on the Parliament's website. The broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during hearings and anything said may be picked up and captioned, even if said quietly.

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 invite you to make an opening statement or presentation of no more than 5 minutes, after which time committee members will ask you questions. Your time starts now.

Anthony CARBINES: Thanks very much, Chair. I would like to begin by acknowledging the traditional owners of the land on which we are gathered, the Wurundjeri people of the Kulin nation, and paying my respects to their elders past and present. I would like to extend that acknowledgement to any Aboriginal people who may be with us this evening.

Visual presentation.

Anthony CARBINES: The Victorian racing industry remains an important contributor to the state's economy. Racing is worth some \$4.7 billion to Victoria, in addition to supporting 35,000 jobs. Importantly, these economic benefits are distributed right across the state.

The 2024 Spring Racing Carnival highlighted the importance of racing to our major event sector, with key findings including total attendance of more than 595,000 people across the three-month period, with more than 350,000 unique individuals in attendance, more than 83,000 in-scope visitors from overseas and interstate attending the carnival and a gross economic benefit of more than \$785 million with a value-added economic impact of \$351 million. The identification of direct spending linked to specific industries such as accommodation is \$55.3 million; retail, fashion and grooming, \$79.5 million; and race day hospitality, \$48.1 million.

The Victorian government remains fully committed to the ongoing support of our racing industry at all levels through our two successful funding streams: the Victorian Racing Industry Fund, which supports regional racing clubs to deliver racing events that benefit the industry and local communities, supports regional racing clubs to improve the standard of public facilities at racing venues, improves the quality and safety of racing and

training infrastructure across Victoria and supports breeding schemes and animal and participant welfare initiatives; and the Major Racing Events Fund, which supports clubs to develop or secure new or expanded events and encourage economic activity. Since 1 July in 2023, \$24.61 million has been committed from the Victorian Racing Industry Fund to support 345 projects across the state. Funding of almost \$9.8 million has been approved to upgrade training and racing infrastructure, including across the state. That includes \$494,882 to upgrade the jockey rooms at Kyneton, St Arnaud and Stony Creek racetracks; \$315,000 to upgrade the drainage at Stawell and Terang racetracks; some \$4 million to construct a new Cranbourne greyhound race track; and \$39,100 to upgrade facilities at the Tambo Valley, Omeo, Healesville and Yea picnic clubs.

While the VRIF has been around Victorian racing since the Labor government came to office, one innovation I am particularly proud of is the regional customer facilities program we have introduced during my time as minister. The program provides grants of up to \$100,000 on a matched funding basis to support targeted projects that improve the customer experience at Victorian race meetings. Funding of \$3.43 million has been approved to support 42 regional racing clubs to upgrade regional customer facilities, including completed projects such as the \$48,000 to install three new shade areas at the Burrumbeet racecourse; \$50,000 to upgrade the function space, including the dining room, kitchen and bar areas at the Edenhope racecourse; \$83,075 to expand the current deck to provide additional capacity at the Bendigo greyhound racecourse; \$200,000 to construct a raised marquee, pergola and decking area and a new hospitality package area at the Swan Hill racecourse, where of course we will see some racing very soon across the long weekend; \$55,000 for an alfresco and function space to provide an attractive all-weather area at the Shepparton greyhound racecourse; and \$100,000 to upgrade the clubhouse and entry, including the bar, kitchen and bathrooms, at the Maryborough harness racecourse.

Our regional racing events fund plays a critical role supporting racing events throughout regional Victoria. Racing is an important part of the social and cultural life of country Victoria, and country race meetings are a vital shop window for the wider industry, with many thousands of people experiencing a day at the races for the first time in country Victoria. Funding of \$2.7 million has been provided to support 74 regional racing clubs and 236 racing events, including \$15,000 to support the Bairnsdale Cup this year, \$10,000 to support the Dederang picnic races this year and almost \$14,500 to support the Warrnambool seaside festival.

The CHAIR: Thank you, Minister. I am going to go straight to Ms Benham.

Jade BENHAM: Thank you, Chair. Minister, I may see you at the Swan Hill races if that is where you plan to be this long weekend, and perhaps next year one of those photos could be of some new stables at Mildura Harness Racing Club. Speaking of harness racing, Minister, budget paper 3, page 157, refers to the 'sustainable racing sector'. You and I are both very well aware of the challenges within Harness Racing Victoria. Can you give a guarantee the government will ensure that harness racing continues into perpetuity in Victoria?

Anthony CARBINES: Forever, Ms Benham.

Jade BENHAM: Is that a guarantee?

Anthony CARBINES: Yes. I would like to be able to give that guarantee, and I absolutely can guarantee that we will continue as a government to support harness racing here in Victoria. In the past seven years there has been a \$115 million contribution from our government to support the solvency and the progression at Harness Racing Victoria. What is really important to understand at HRV – and our clubs know this, and I have met with you in fact, with the Mildura club – is that there needs to be some right-sizing of the industry. We have a lot of kicking the can down the road at harness racing. A very significant investment has been made by our government. We will continue to do that. We are working with Bernard Saundry, the board chair, and the committee to make sure that we continue to support harness racing, but that means some changes. They have got to work within the budget that is provided to them. They are a government statutory body, but I am confident, Ms Benham, that with the ongoing investment from our government, we are very committed to the long-term viability and future of harness racing across the state. But that is going to also involve some changes to the way things are operating in terms of race dates, around race meetings and also around the FTE at HRV. And we are making those changes, and that is all about supporting participants so we have a sustainable HRV and sustainable harness racing in Victoria. The last point I would make is it contributes some 4500 jobs and \$600 million a year to the Victorian economy. That is not something to take lightly, particularly around

regional Victoria, and those jobs and that economic activity drive so much of our rural economies in particular, not just at Melton. So it is important that we back harness racing, and our government certainly does that.

Jade BENHAM: I could not agree more. When we talk about the changes to the race meet calendar, HRV have proposed severe cuts to some meets around the state. Do you support cuts of that severity?

Anthony CARBINES: There are a couple of elements to that. There are some reductions in some of our race meeting numbers for HRV, but I think that is also about making sure that we want to have race field sizes that work effectively and that are of a reasonable number. That is critical because it generates wagering turnover and that then generates revenue. So too many meetings, not enough participants, not enough runners in our fields, that harms wagering, that harms revenue.

But also there is another element, which is that for our participants we have got to coordinate. We do not want to run them all over the state from Mildura across to Bendigo and the like. We want to make sure they have got an opportunity to make sure that the calendar is right-sized in terms of field sizes and generating income but also that we are mindful when we are asking people to race in the evenings here and then across at other parts of the state that we look after participant welfare. That is another element. Through the Mildura club I think there have been some changes to make sure that, in terms of race meeting times and the like, we are a little more sensible about – what is the word – the programming of race meeting dates that reflect that what are largely volunteer committees do a great job. I think there are still race dates to come out, and I think there will be some changes in meeting numbers. But I think that is really driving participant welfare, income and revenue generation and integrity in the sport. And then we are also making sure in some instances where we are testing that with clubs that we respond and understand the feedback. I think we have seen some examples, hopefully, where we are trying to find the right balance – in Mildura, for example.

Jade BENHAM: Like no more summer harness racing in Mildura would be handy.

Anthony CARBINES: You have gone exactly to the commonsense point that did seem a bit odd and that I know the new team there with Bernard have been able to address thanks to some work from the club.

Jade BENHAM: So you support reductions in the race meet calendar, then?

Anthony CARBINES: No. The race meeting calendar is determined by HRV. What I support is a sustainable harness racing industry that backs our participants. If the determination of HRV in its discussions with participants is that it is no good having race field sizes that reduce revenue, then revenue reduces, integrity issues can arise and then there is not revenue. So we have got to be smart about not running our participants ragged, having an economic focus and a quality race program focus. That is the task for HRV. I believe they are doing that effectively. And if we do not have some change, we are not responding to the fact that making this a sustainable industry for the long term needs everyone to play their role. I think some recasting is important to right-size and then bounce back out, and I think that that is the work that we are trying to do. I am very committed to making sure that there is plenty of harness racing out there but that it also responds to the needs of the industry, the participants and the revenue.

Jade BENHAM: Great. Thank you, Minister. What are you doing to address the increasing incidence of major protests, which you would be well aware of, and the confrontations, before we end up having some sort of inevitable major, serious incident?

Anthony CARBINES: We did do some work in Parliament about some changes in the *Racing Act* to make sure that we could pursue those who seek to disrupt race meetings, and also on what is on racetracks. That work has been supported across the board from both your party and others to make sure that we are able to provide a level. It is fine if you want to protest, but –

Jade BENHAM: Is that the buffer zones that you are talking about?

Anthony CARBINES: Some of that, that is right. But what we also need to understand is the safety of our animals as much as the safety of our jockeys, but also other racing staff, is critical. And we cannot have people

Jade BENHAM: And people that plan to go to the races who are feeling unsafe – are there plans for that?

Anthony CARBINES: Absolutely. Well, I know that our clubs work closely with Victoria Police. I was at Warrnambool for our jumps carnival recently, which generates some \$15 million in economic activity with 30,000 people there across the three days, and it is a small minority of people who want to protest there. They can do that if they like, but not at the expense of those who want to have, as the tagline for country racing says, a great day out. The numbers that I have reflected here – when you have got 35,000 people employed in racing and it is generating billions of dollars of economic activity, it is a great day out. People should be able to do that free from being hassled but also not having activities that occur that can put danger in the way of our jockeys, our racing staff and our animals. We have also seen people have tried to do that at Melbourne Cup at Flemington in the past – to try and damage the track – and it is not acceptable.

Jade BENHAM: Thank you, Minister.

The CHAIR: Thank you, Ms Benham. We are going to go to Mr Tak.

Meng Heang TAK: Thank you, Chair. Minister, I want to take you to budget paper 3, page 166, the Victorian racing industry funds. Minister, can you tell the committee how the funds support racing clubs and controlling bodies to ensure that Victorian racing has the best and the safest facilities in the country?

Anthony CARBINES: Thanks, Mr Tak. The output you are referring to includes funding for the two programs I touched on in my presentation to the committee, the Victorian Racing Industry Fund and the Major Racing Events Fund. These are programs that underpin our government's commitment to the Victorian racing industry remaining the best in Australia, and the VRIF is a longstanding program. It provides \$72 million over four years to racing clubs and controlling bodies 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 industries. The MREF is a new program, and we established that to support racing clubs and controlling bodies, to grow existing events and to create new opportunities to cement Victoria's position as the major events capital of Australia and a pre-eminent racing jurisdiction.

In terms of the benefit that we see from these programs, last month, as I touched on earlier, I had the opportunity to head out to the Wimmera and have a look at some of the projects that we are funding through the VRIF. I visited Ararat, St Arnaud and also Donald, which I think is in the electorate of the Member for Mildura. VRIF provides some \$600,000 towards irrigation upgrades at Ararat and Donald. The total price tag, in excess of \$1.2 million, is from contributions from our codes and clubs. This funding will enable the clubs to replace old towline irrigation systems with modern automatic systems that can water the entire surface of the track at the same time. Applying a consistent amount of water from inside to out will be able to produce fairer and safer racing surfaces with less cost and effort, reducing the burden on staff and volunteers at country clubs and providing a more level playing field for participants and punters. Similar projects have been undertaken throughout regional Victoria, including at Bairnsdale in the electorate of the shadow spokesman for racing Mr Bull and Stony Creek in the electorate of the Leader of the Nationals. It is projects just like these that ensure country racing infrastructure in Victoria remains head and shoulders above similar facilities in other states. At St Arnaud I was able to check on the progress of a \$250,000 upgrade of the race day administration building and jockey rooms. That project is supported by \$125,000 from VRIF and will include a new female jockeys room, providing better facilities for growing numbers of female riders – in fact it will not be long before our female riders outnumber males across our code – and a safer, more comfortable working environment for race day officials and club staff.

VRIF is also funding upgrades to racing and training surfaces and drainage, race day horse stalls, ambulance tracks and barrier stalls for both racing and training, judges towers and float parks. These funds ensure Victorian racing participants have the safest and highest quality facilities in Australia, not just at the big city tracks but all across the state.

Meng Heang TAK: Thank you, Minister. So it appears it is not only about the best and safest facilities, but it is also customer facilities. Minister, how does this VRIF program support clubs and communities particularly, as you already said, in regional Victoria to deliver a world-class customer experience for racing and non-racing events?

Anthony CARBINES: Thanks, Mr Tak. I spoke about some of the economic and employment contribution that the racing industry makes, and nowhere is that contribution more important than in rural and regional Victoria. That is why we have developed a specific program within the VRIF, the regional customer facilities program, to support country clubs to ensure racegoers have a memorable experience every time and cannot wait to come back. The 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. This new program complements the event funding that is also available to country clubs through the VRIF to maximise attendance at country racing events, while also improving the 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 to regional Victoria, more than 650 community and not-for-profit organisations share racing club facilities and over 1200 charitable organisations are supported by the racing industry. I expect this regional customer facilities 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. Between July last year and 30 April this year over \$9.45 million was committed through the regional customer facilities program and the regional racing events program to support 175 projects that benefit our regional racing clubs. That includes \$170,000, as I touched on, for the upgrade of the jockey rooms and function space at Stony Creek; \$100,000 to install shade sails and the upgraded mobile coverage at Echuca – I was up there for racing on Good Friday; \$55,000 to upgrade the function space at the Shepparton greyhound racing club, which the Deputy Secretary and I have been to; and \$36,000 for air conditioning in the function area at the Ballarat harness racing club – believe it or not, air conditioning at Ballarat there.

In addition, the regional racing events program has provided nearly \$2 million to support the delivery of 125 country racing events, supporting a healthy and vibrant racing industry. It is about more than the big-money races and the glitzy marquees. VRIF has provided \$17.5 million since July 2023 to country racing clubs to support grassroots participants and regional communities, and our government is really keen to continue to back them, Mr Tak.

Meng Heang TAK: Thank you, Minister. To your presentation on animal welfare and participant safety, Minister, how does the VRIF support animal welfare and the safety of participants, given that these are non-negotiable, like you said before in your presentation, for racing to continue to maintain its social licence?

Anthony CARBINES: Thanks, Mr Tak. The VRIF program has always had a strong focus on racing infrastructure, and all racing infrastructure is safety related in one way or another. Whether it is making sure the barrier stalls are regularly replaced or ensuring track surfaces are performing at their best, all of these projects help ensure the racing industry is providing the safest possible working environment for its staff and participants both human and animal. For example, the irrigation upgrades I mentioned earlier will ensure that those clubs are able to provide not just a fairer, more even surface but one that is prepared with sufficient give to reduce the impact on horses' legs and the likelihood of injury. Upgraded race day stalls, whether they are at Kilmore or Tatura or Burrunbeet, ensure horses are safe and comfortable and that the people handling them are also safe. Jockey room upgrades like the ones we have funded at St Arnaud and Stony Creek are designed to improve the welfare of riders, staff and officials at venues all around the state. Previous beneficiaries of funding support for jockey rooms and administration facilities include Bendigo, Casterton, Cranbourne, Echuca, Murtoa, Stony Creek, Ararat, Avoca, Bairnsdale, Colac, Donald, Horsham, Sale, Terang, Wodonga and Warracknabeal. Our state government is always prioritising participants' safety and animal welfare in the Victorian racing industry, and the VRIF is a critical part of that commitment, Mr Tak.

Meng Heang TAK: Thank you, Minister. Referring to budget paper 3, still on page 166, I am interested in the Major Racing Events Fund, which is a new fund. How does this fund benefit the visitor economy in Victoria, both in Melbourne and our regional centres?

Anthony CARBINES: Thanks, Mr Tak. The MREF, our Major Racing Events Fund, provides \$15 million over three years for racing clubs and controlling bodies to develop or secure significant new or expanding racing events, and the Melbourne Cup Carnival remains a jewel in the crown of our sporting and major events calendar. It is quite an achievement when you consider our status as the sports and major events capital of Australia, with the Australian Formula One Grand Prix, the Oz open and of course the AFL Grand Final – probably throw in the Ashes this year as well. But the MREF provided \$1.4 million to the VRC in 2024 to

support the Melbourne Cup Carnival as well as the club's earlier spring events, including the Makybe Diva and Turnbull stakes days. The 2024 Melbourne Cup Carnival delivered its highest ever return to Victoria, with just over half a billion dollars in gross economic benefit to the Victorian economy and more than a billion dollars in direct expenditure attributed to the carnival nationwide.

The impact on Victoria's visitor economy is very significant, with the carnival directly responsible for more than 68,000 visitors to Australia – interstate and overseas. Increases were recorded in multiple categories, with an increased spend on hotels and accommodation, which was up from \$43.1 million to \$49 million; with beverage up from \$32 million to \$36 million; and the total contribution over the last decade across a wide range of industries, including retail, accommodation, entertainment and hospitality, now stands at \$3.9 billion. One of the most pleasing aspects of the 2024 carnival was the return of younger audiences, with 45 per cent of general admission tickets sold to people under the age of 35, and women represented 54 per cent of all attendees. Total attendance rose again, from 262,000 to 285,000 people. Our MREF funding helped to support initiatives specifically targeted to younger and more diverse audiences, and it is encouraging to see that investment paying off, especially given the fund is relatively new. I do remind constantly the minister for sport and major events that the Melbourne Cup Carnival is the biggest major event in Victoria.

Meng Heang TAK: Thank you.

The CHAIR: Thank you, Mr Tak. We are going to go to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good evening. Just on budget paper 3, page 158, output summary for 'Racing Industry Support and Regulation', can I get a clarification: what does it mean when a greyhound's trainer is removed from FastTrack? And can I confirm: are those dogs still under someone's care?

Anthony CARBINES: I could probably ask my Deputy Secretary to speak to that matter if you would like.

Bill KYRIAKOPOULOS: I would have to take that one on notice.

Aiv PUGLIELLI: Sure, that is all right. Can I also ask: if the cause for removal from a trainer is injury, is Greyhound Racing Victoria aware if veterinary care has been provided?

Anthony CARBINES: Sorry, Mr Puglielli?

Aiv PUGLIELLI: If the cause for removal from a trainer is injury, is Greyhound Racing Victoria aware if veterinary care has been provided?

Anthony CARBINES: I am happy to take it on notice and check with GRV and provide a response to you. I would not want to give you the wrong information there, but I am sure I can provide that via GRV, which of course is the statutory authority that oversees the code.

Aiv PUGLIELLI: Thank you. Breeding caps have been pretty widely recommended in greyhound racing. Can I ask why we have not introduced one?

Anthony CARBINES: We take our advice from the code, from Greyhound Racing Victoria, around those matters. I am confident that the work that Greyhound Racing Victoria are doing and the work they do with our participants closely monitors those matters, and they do make significant contributions through their annual report. But if there is something further that I can provide, I will be happy to do that.

Aiv PUGLIELLI: Thank you. Back on FastTrack, can I ask why our reporting is not conducted in the same way as New South Wales – for example, reporting on greyhound deaths and rehoming?

Anthony CARBINES: Our tracking system – we have put significant funding into that, and we are confident that the system that we will put in place will at least be on a par but will probably be more effective. At the very least we have got some good work that we can develop from what is happening in New South Wales, but our track and trace system, which we have provided funding for from VRIF, is going to make a substantial change, and it is a substantial investment in our integrity and our ability to track and trace greyhounds here in Victoria. That service is on track to be delivered.

Aiv PUGLIELLI: Can I ask why there is reportedly a two-year waiting list for GAP and where greyhounds are kept during that time?

Anthony CARBINES: The GAP facility in Seymour operates effectively. There are some waiting times, but I think what is important here is that we are able to –

The CHAIR: Apologies. Minister and department officials, our time together for this session has come to an end. Thank you very much for appearing before the committee this evening. 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 community safety portfolio at 7:30 pm. I declare this hearing adjourned.

Witnesses withdrew.