

[Act 1995 No 5]



New South Wales

Totalizator Legislation Amendment Bill 1995

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to provide greater flexibility with respect to the rates and apportionment of totalizator commissions required to be distributed under the Totalizator legislation. In particular, the Bill will enable the Governor, by order published in the Gazette on the recommendation of the Treasurer, to reduce the rates of the commission that are required to be deducted from the money paid into totalizators conducted by racing clubs and the TAB. The maximum rates of commission will still be fixed by the relevant Act. Such an order would, for example, have the effect of increasing the amounts of dividends available to investors.

The Bill also allows for adjustments in the apportionment of totalizator commissions by providing that the commissions to be paid to the State, other racing clubs and the TAB, or to be retained by the club conducting the totalizator, are to be determined by the Governor by order published in the Gazette on the recommendation of the Treasurer.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides that the proposed Act will commence on a day or days to be proclaimed.

Clause 3 gives effect to the Schedule of amendments to the *Totalizator Act 1916*.

Clause 4 gives effect to the Schedule of amendments to the *Totalizator (Of-course Betting) Act 1964*.

Clause 5 makes a consequential amendment to the *Soccer Football Pools Act 1975*.

Clause 6 repeals the *Totalizator Legislation (Amendment) Act 1994*. Accordingly, the amendments contained in Part 2 of Schedule 1, and Part 2 of Schedule 2, to that Act (which were to commence on 1 January 1996) are repealed. Those amendments related to the second stage of an increase in the commission retained by metropolitan racing clubs, and also would have removed the distinction between metropolitan and country racing clubs. Those amendments have now been superseded by the amendments contained in the proposed Act.

Schedule 1 Amendment of Totalizator Act 1916

Schedule 1 (3) substitutes Division 1 of Part 3 of the *Totalizator Act 1916*. The new Division 1 follows the current scheme to the extent that racing clubs will still be required to distribute the balance of investments paid into on-course totalizators by paying dividends to investors and by distributing a percentage as commission (this is partly paid to the State or other clubs and the TAB, and partly retained by the club). The maximum percentage will be fixed by the Act (see proposed **section 8 (2)**) and will depend on the type of totalizator (eg for a doubles totalizator, 17% of the money invested in the race is distributed by the racing club as commission). However, when such action is warranted (eg to enhance the competitiveness of the NSW racing industry and to make dividends more attractive to investors), the percentage that must be distributed as commission can be reduced by an order of the Governor.

Explanatory note

Proposed **section 8** also provides that the proportions in which the commission is to be distributed between the State, the TAB and racing clubs is to be determined by the Governor by order. The Division also restates the existing requirement that a set percentage of the commission payable to the State is to be separately credited to the Consolidated Fund and that payments are to be made, out of that Fund, into the Racecourse Development Fund and the Racing Assistance Fund (see proposed **sections 8B and 8C**).

The distinction in the Act between metropolitan and country racecourse totalizators is removed by the repeal of Division 2 of Part 3 of the Act (see **Schedule 1 (4)**). The remainder of **Schedule 1** contains amendments that are consequential on combining Divisions 1 and 2 into a new Division.

Schedule 2 Amendment of Totalizator (Off-course Betting) Act 1964

Schedule 2 (1) makes similar amendments (with respect to off-course totalizator betting conducted by the TAB) to the amendments made by Schedule 1 in relation to on-course totalizator betting. A similar scheme will apply to the commission payable on totalizators conducted by the TAB in accordance with section 12 (3) of the Act (namely, betting on racing events where the TAB is not acting as agent for a racing club). The amendments provide that an order by the Governor will determine the manner in which the TAB is required to distribute commission in respect of any totalizator conducted by it. Existing provisions requiring money to be paid into the 2 racing funds mentioned above are continued.

The amendments provide that the distribution of the money invested in a totalizator conducted by the TAB in respect of an event other than a race meeting (eg football games) is also to be determined by an order of the Governor (see proposed **section 13B**). The percentage paid as dividends or prize money to, for example, FootyTAB investors, can also be increased by order of the Governor.

The Act currently requires a set proportion of the commission payable in respect of totalizator betting conducted in respect of events other than race meetings to be paid into the Sport and Recreation Fund. This requirement is continued, as is the requirement for money from race meeting totalizator betting to be paid into the 2 racing funds mentioned above.

The remainder of **Schedule 2** contains consequential amendments.