

1990

**THE LEGISLATIVE ASSEMBLY OF THE AUSTRALIAN  
CAPITAL TERRITORY**

**BETTING (TOTALIZATOR ADMINISTRATION) (AMENDMENT) BILL 1990**

**EXPLANATORY MEMORANDUM**

**Circulated by the authority of the Attorney-General**

**BETTING (TOTALIZATOR ADMINISTRATION) (AMENDMENT) BILL 1990**

This Bill amends the Betting (Totalizator Agency) Act 1964 consequent upon the establishment of the TAB as a company, or, more specifically, a Territory Owned Corporation. The company itself, to be known as ACTTAB Limited, will be incorporated under the Companies Act 1981 (Cth) and comes within the ambit of the Territory Owned Corporations Bill 1990.

The bill removes many of the statutory provisions currently governing the TAB. Instead, the relationship between a punter and the TAB will be governed primarily by the law of contract. Some regulatory provisions however are retained, such as a prohibition on the TAB accepting bets on credit.

The existing 6% turnover tax on the TAB is also retained, as is provision for the rate to be varied from time to time. The distribution scheme which provides for recurrent funding to recognised race clubs has been retained in an amended form. The Bill also makes provision for the Minister to make special payments to the clubs out of profits, where this is considered appropriate.

The Racecourse Development Fund Advisory Committee is abolished and replaced by a simple statutory obligation for the Minister to consult with the race clubs and with the TAB before making grants

or loans from the Racecourse Development Fund. A new statutory requirement that .75% of the TAB's turnover, or such other amount as is prescribed, be paid to the Racecourse Development Fund, is introduced. Although it is already Government practice to pay .75% of turnover into the Fund, this level of funding is now put on a statutory basis.

The abolition of the Racecourse Development Fund Advisory Committee will reduce the expenditure of the Racecourse Development Fund by \$1500 in 1990/91 and \$3000 in a full year. The establishment of the TAB as a Territory Owned Authority is expected to increase the TAB's profits by freeing it to operate in a fully commercial manner.

Details of the Bill are set out in the clause notes attached.

**ATTACHMENT**

**BETTING (TOTALIZATOR ADMINISTRATION) (AMENDMENT) BILL 1990**

Clause 1 provides for the short title that the Bill will have once enacted.

Clause 2 provides for commencement. Most provisions in the Bill will commence on 1 January 1990.

Clause 3 provides that a reference to the "Principal Act" is a reference to the Betting (Totalizator Agency) Act 1964.

Clause 4 substitutes a new long title to the Principal Act, first to reflect modern racing terminology and secondly to reflect the change of the TAB into a company.

Clause 5 amends the short title to the Principal Act to reflect the fact that the totalizator is no longer run on an agency basis.

Clause 6 provides for amendments to the interpretation section of the Principal Act. Paragraph (a) makes amendments to introduce more modern terms relating to racing, while paragraph (b) makes an amendment to make it clear that the TAB can provide betting services in respect of any sporting event, and not simply racing. Paragraph (c) omits definitions no longer required while paragraph (d) inserts new definitions arising from the amendments.

Clause 7 repeals Parts II and IIAA of the Principal Act and substitutes a new Part II, relating to the functions of the TAB and a new Part IIAA, containing financial provisions.

#### **FUNCTIONS OF TAB**

New section 5, to be inserted by clause 7, substantially re-enacts section 18A of the Principal Act, giving the TAB the exclusive right to conduct totalizator betting services in the ACT.

#### **PART IIAA - FINANCE**

New section 6 inserted by clause 7 preserves the 6% turnover tax currently payable under section 28 of the Principal Act. As with section 28, the rate of the tax can be varied by regulation.

New section 7 inserted by clause 7 preserves, but in a different form, the scheme currently contained in section 29 (except subsection 29(3) of the Principal Act). Under section 29 payments were made to the clubs once in each accounting period, which meant once in each four weeks. Payments will now be made monthly. As well as determining the proportion of turnover that is paid to the clubs, the Minister will also be empowered under new section 7 to determine the proportion of the amounts set aside which each club is to receive.

New section 8 inserted by clause 7 provides for a payment at the end of each financial year of an amount equal to .75% of TAB turnover (or such other percentage as the Minister determines) to be paid into the Racecourse Development Fund established under Part IIA of the Principal Act. A transitional provision is included to deal with the TAB replacing the Authority in the middle of a financial year.

New section 9 inserted by clause 7 enables the Minister to direct the TAB to make special payments to declared race clubs at the end of each financial year out of the profits of the TAB, re-enacting the substance of sub-section 29(3) of the Principal Act.

New section 10 inserted by clause 7, provides for the Minister to declare race clubs to be declared race clubs. This mechanism replaces the previous "prescribed race club" provided for under section 29 of the Principal Act.

New section 11 inserted by clause 7 provides that the various determinations made by the Minister under new sections 6, 7, 8, 9 and 10 may be disallowed by the Assembly.

#### **RACECOURSE DEVELOPMENT FUND ADVISORY COMMITTEE**

Clause 8 provides for the repeal of Division 1 of Part IIA of the Principal Act, thereby abolishing the Racecourse Development Fund Advisory Committee (RDFAC). By inserting new section 35A, clause 8 preserves the definition of "prescribed payment" contained in section 35A of the Principal Act.

Clause 9 omits a division heading consequent upon the repeal of another division heading.

Clause 10 amends paragraph 35Q(a) consequent upon the new mechanism for the payment of money into the Racecourse Development Fund (RDF).

Clause 11 amends section 35R of the Principal Act consequent upon the abolition of the RDFAC.

Clause 12 amends section 35S of the Principal Act consequent upon some of the minor changes made by the amending Act. More significantly, it inserts a new paragraph (f) into section 35S, to provide that the provision of TAB premises on a racecourse is an activity on which RDF moneys may be spent.

Clause 13 inserts new section 35SA into the Principal Act to provide that the TAB and declared race clubs must be consulted by the Minister from time to time in relation to the spending of money from the RDF. This consultative mechanism replaces the RDFAC.

Clause 13 amends section 35T of the Principal Act to bring RDF grants into line with other grants made by the Government to community groups. After the amendment is made, the Minister will be able to grant or lend moneys from the RDF on such terms and conditions as are, in his or her opinion, reasonably necessary to promote the purposes of the Fund.

Clause 14 repeals Division 3 of Part IIA, consequent upon the abolition of the RDFAC.

Clause 15 amends section 36 consequent upon the new name of the TAB and also consequent upon the fact that many rules relating to betting will now be contained in the contractual rules of betting made between the TAB and its clients.

Clause 16 repeals sections 37, 37A, 38 and 39 of the Principal Act and inserts a new section 37 prohibiting the TAB from accepting a bet on credit. The provisions repealed are no longer required, now that the TAB is to operate as a fully commercial company.

Clause 17 amends section 40 of the Principal Act, firstly in consequence of the TAB's new structure and secondly to provide for an updated penalty.

Clause 18 repeals sections 41 to 46 of the Principal Act consequent upon the TAB's move to a commercial footing and inserts a new section 19. New Clause 19 amends section 46 of the Principal Act again consequent upon the move to a commercial footing. TAB offices and agencies will be required to display a sign to the effect that a copy of the rules of betting and of the Principal Act are available for inspection on the premises. The clause also inserts offences and penalties relating to this requirement.



Clause 19 preserves the liability of the Authority to make statutory payments in respect of periods ending immediately before, on or after the abolition of the Authority. This will ensure continuity of statutory payments.