

Explanatory note

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

This Bill is cognate with the *Australian Jockey and Sydney Turf Clubs Merger Bill 2010*.

Overview of Bill

The objects of this Bill are as follows:

(a) to provide that a betting activity in respect of computer simulated horse racing, harness racing or greyhound racing events, such as the game known as "Trackside", may be approved under the *Totalizator Act 1997* (**the principal Act**),

(b) to entitle TAB Limited to an exclusive approval to conduct a betting activity involving computer simulated racing events until 2097,

(c) to enable the Minister to direct that changes be made to a racing agreement,

(d) to provide that Racing NSW is to compensate certain bodies if they lose an entitlement to revenue as a consequence of the approval of a betting activity involving computer simulated racing events,

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(e) to provide for a tax-free threshold in respect of the betting tax payable under the *Betting Tax Act 2001* in connection with an approved betting activity involving computer simulated racing events,

(f) to make other minor and consequential amendments.

Outline of provisions

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

Clause 2 provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

Schedule 1 Amendment of Totalizator Act 1997

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Under section 13 of the principal Act, the Minister may approve of the holder of a licence under that Act conducting a betting activity (otherwise than by means of a totalizator) on particular events or contingencies, subject to conditions. Such an approved betting activity is then generally subject to the same provisions under that Act as totalizator betting. **Schedule 1 [1]** amends section 13 so that a betting activity on computer simulated horse racing, harness racing or greyhound racing events is a betting activity that may be approved by the Minister.

Schedule 1 [2] entitles TAB Limited to an exclusive approval to conduct a betting activity on computer simulated racing events until 6 March 2097, which is the end of the term of the licence held by TAB Limited.

Schedule 1 [3] authorises, for the purposes of the *Trade Practices Act 1974* of the Commonwealth and the *Competition Code of New South Wales*, the exclusive approval of the holder of a licence under the principal Act conducting a betting activity on computer simulated racing events.

Schedule 1 [4] inserts proposed sections 117B and 117C. Proposed section 117B enables the Minister to direct that changes be made to a racing agreement that the Minister considers to be necessary or desirable for ensuring that the agreement is in the best interests of racing in New South Wales. However, the Minister will not be able to make such a direction after 31 January 2011. Proposed section 117C provides that Racing NSW is to compensate the Provincial Association of New South Wales and Racing NSW Country Limited if those bodies lose an entitlement to revenue as a consequence of the approval of a betting activity on computer simulated racing events.

Schedule 1 [5] enables the making of regulations of a savings or transitional nature consequent on the enactment of the proposed Act.

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Schedule 2 Amendment of other Acts

Schedule 2.1 [1] and [2] amend the *Betting Tax Act 2001* to provide that betting tax is not payable (until after 30 June 2034) on net earnings in connection with the first \$255 million of bets placed with a totalizator licensee in any financial year in respect of an approved betting activity conducted by the licensee on computer simulated horse racing, harness racing or greyhound racing events.

Schedule 2.2 inserts a savings and transitional provision into the *Gaming Machines Act 2001* to revoke an existing approval granted under that Act in respect of the game known as “Trackside” as a multi-terminal gaming machine.