



New South Wales

Totalizator Amendment Bill 2010

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,

- (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 No 45

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.

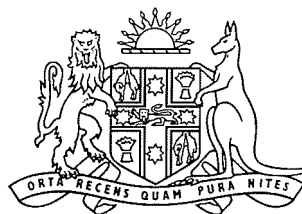
Schedule 1 [4] inserts proposed sections 117B and 117C. Proposed section 117B enables the Minister to direct that changes be made to a racing agreement that the Minister considers to be necessary or desirable for ensuring that the agreement is in the best interests of racing in New South Wales. However, 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.

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.



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Totalizator Amendment Bill 2010

No , 2010

A Bill for

An Act to amend the *Totalizator Act 1997* to enable the approval of a betting activity in respect of computer simulated horse racing, harness racing or greyhound racing events; and for other purposes.

The Legislature of New South Wales enacts:

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1 Name of Act

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 This Act is the *Totalizator Amendment Act 2010*.

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2 Commencement

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 This Act commences on a day or days to be appointed by proclamation.

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Schedule 1 Amendment of Totalizator Act 1997 No 45

[1] Section 13 Licensee can be approved to conduct other betting activities

Insert after section 13 (2) (b):

- (c) computer simulated horse racing, harness racing or
greyhound racing events.

[2] Section 15AA

Insert after section 15:

15AA Only TAB Limited entitled to exclusive approval for betting activity involving computer simulated racing events

- (1) TAB Limited is the only person entitled to be approved to
conduct a betting activity on computer simulated racing events
during the exclusive approval period.
- (2) An approval or authorisation (however described) must not be
granted under any other Act to permit the conduct of a betting
activity on computer simulated racing events during the
exclusive approval period.
- (3) This section ceases to apply if the licence held by TAB Limited
is cancelled or otherwise ceases to have effect under this Act.
- (4) No application under this Act is required for the purposes of an
approval given pursuant to this section.
- (5) In this section:
computer simulated racing events means computer simulated
horse racing, harness racing or greyhound racing events.
exclusive approval period means the period that begins on the
commencement of this section and ends on 6 March 2097 (being
the end of the term of the licence held by TAB Limited).

[3] Section 17A Trade Practices exemption

Insert after section 17A (1) (e):

- (f) the exclusive approval of the holder of a licence
conducting a betting activity on computer simulated horse
racing, harness racing or greyhound racing events as
referred to in section 15AA.

[4] Sections 117B and 117C	1
Insert after section 117A:	2
117B Minister may direct changes to racing agreement	3
(1) The Minister may determine that specified changes to a racing agreement are necessary or desirable for ensuring that the agreement is in the best interests of racing in New South Wales.	4 5 6
(2) The Minister may notify the parties to the racing agreement concerned of the determination and direct that the changes specified in the determination are to have effect. Those changes have effect for all purposes as if the agreement had been amended by the agreement of the parties.	7 8 9 10 11
(3) This section does not limit or otherwise affect the ability of the parties to a racing agreement to agree to make changes to the agreement.	12 13 14
(4) In this section, <i>racing agreement</i> means the following:	15
(a) the agreement titled "Racing Distribution Agreement" dated 11 December 1997 between the NSW Totalizator Agency Board, NSW Racing Pty Limited, the NSW Thoroughbred Racing Board, Harness Racing New South Wales and the Greyhound Racing Authority (NSW), as in force from time to time,	16 17 18 19 20 21
(b) the agreement titled "Intra-Code Deed" dated 3 March 1998 between the NSW Thoroughbred Racing Board, AJC, Sydney Turf Club, Provincial Association of New South Wales and NSW Country Racing Council, as in force from time to time.	22 23 24 25 26
(5) The Minister may not make a determination under this section after 31 January 2011.	27 28
117C Compensation for loss of entitlement to revenue	29
(1) If, as a consequence of any agreements or arrangements entered into relating to the conduct of an approved betting activity or the distribution of revenue derived from that activity, the Provincial Association of New South Wales or Racing NSW Country Limited lose an entitlement to revenue derived from that activity, Racing NSW is to compensate the body or bodies concerned for that loss of revenue.	30 31 32 33 34 35 36
(2) In this section:	37
<i>approved betting activity</i> means a betting activity conducted by a licensee on computer simulated horse racing, harness racing or	38 39

greyhound racing events in accordance with an approval under
section 13.

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[5] Schedule 2 Savings, transitional and other provisions

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Insert at the end of clause 1 (1):

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Totalizator Amendment Act 2010

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Schedule 2	Amendment of other Acts	1
2.1	Betting Tax Act 2001 No 43	2
[1]	Section 10 Betting tax on approved betting activities	3
	Insert after section 10 (4):	4
	(4A) No betting tax is payable on net earnings in connection with the first \$255 million of the total amount of computer simulated racing event bets placed with a totalizator licensee in any financial year.	5 6 7 8
	(4B) Subsection (4A) ceases to have effect at the end of 30 June 2034.	9
[2]	Section 10 (5)	10
	Insert in alphabetical order:	11
	<i>computer simulated racing event bet</i> means a bet in respect of an approved betting activity conducted on a computer simulated horse racing, harness racing or greyhound racing event.	12 13 14
	<i>financial year</i> means a year ending on 30 June.	15
2.2	Gaming Machines Act 2001 No 127	16
	Schedule 1 Savings, transitional and other provisions	17
	Insert after Part 11:	18
	Part 12 Provision consequent on enactment of Totalizator Amendment Act 2010	19 20
48	Existing multi-terminal gaming machine approval revoked	21
	The approval under this Act granted on 24 September 2002 in respect of the multi-terminal gaming machine known as “Trackside” is revoked.	22 23 24