

### **Explanatory note**

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

#### Overview of Bill

The object of this Bill is to amend the *Totalizator Act 1997*:

(a) to remove the 16 per cent cap on commission that a licensee may deduct each financial year from the total amount invested in all totalizators conducted by the licensee in that year, and

(b) to provide for the rules made under that Act to prescribe the caps on commission that a licensee may deduct from the total amount invested in each totalizator conducted by the licensee.

The Bill also makes other consequential and minor amendments to the *Totalizator Act 1997*.

#### 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 the date of assent to the proposed Act.

**Clause 3** is a formal provision that gives effect to the amendments to the *Totalizator Act 1997* set out in Schedule 1.

**Clause 4** provides for the repeal of the proposed Act after all the amendments made by the proposed Act have commenced. Once the amendments have commenced the proposed Act will be spent and section 30 of the *Interpretation Act 1987* provides that the repeal of an amending Act does not affect the amendments made by that Act.

#### **Schedule 1 Amendments**

Section 69 of the *Totalizator Act 1997* (**the Principal Act**) currently limits the amount of commission that a licensee may deduct from the total amount invested in each totalizator conducted by the licensee on one or more events or contingencies to an amount not exceeding 25 per cent of the amount so invested. Section 69 also limits the amount of commission that a licensee may deduct each financial year from the total amount invested in all such totalizators conducted by the licensee in that year to 16 per cent of the amount so invested.

**Schedule 1 [4]** substitutes section 69 of the Principal Act to remove the 16 per cent cap on commission referred to above, and to provide for the rules made under the Act to prescribe the caps on commission that a licensee may deduct from the total amount invested in each totalizator conducted by the licensee. Under the proposed provision, the rules cannot provide for a cap in respect of a totalizator that exceeds 25 per cent of the total amount invested in the totalizator. **Schedule 1 [3]** amends section 53 of the Principal Act to require the rules referred to in proposed section 69 to be made.

**Schedule 1 [6]** inserts a transitional provision that provides that the removal of the 16 per cent cap has effect on and from the financial year commencing 1 July 2007.

**Schedule 1 [5]** enables regulations of a savings or transitional nature to be made as a consequence of the enactment of the proposed Act.

**Schedule 1 [2]** omits a redundant provision and **Schedule 1 [1]** makes a consequential amendment.