

RACING LEGISLATION AMENDMENT BILL 2013

Second Reading

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [5.11 p.m.]: I move:

That this bill be now read a second time.

The Racing Legislation Amendment Bill 2013 makes two important changes to racing and wagering legislation which will, first, assist in ensuring the viability of New South Wales licensed bookmakers and their ongoing contribution to the State's racing industry and economy and, secondly, provide the controlling body for thoroughbred racing in this State, Racing NSW, with additional tools to effectively manage the conduct of race clubs and ensure the continued viability and future development of the industry throughout the State. I seek leave to incorporate the remainder of the second reading speech in *Hansard*.

Leave granted.

At present the Totalizator Act 1997 prohibits a person from offering to bet on an event or contingency where the payout on the winning bet is based on the dividend declared by a totalizator for that event or contingency.

This practice known as tote odds betting involves a bookmaker offering odds on a winning bet based on the dividend declared by a totalizator such as the TAB. This may include offering a slightly higher dividend than the TAB or guaranteeing the best dividend of the Australian TAB pools.

While the practice is prohibited in New South Wales, the legislation's lack of extraterritorial operation has been exploited for many years by corporate bookmakers licensed in other jurisdictions who have a large New South Wales client base and conduct tote odds betting on a significant scale.

Tote odds betting has become widespread amongst bookmakers licensed in other jurisdictions to the point that it is now a permitted practice in other States including the Northern Territory Victoria Queensland and South Australia. In effect, the contemporary view is that tote odds betting is a form of "price matching" and therefore acceptable in a competitive national market.

New South Wales licensed bookmakers are now disadvantaged competitively in comparison with their interstate counterparts. The New South Wales Bookmakers' Co-operative has requested that the Government remove the prohibition on the practice to assist in its members achieving "competitive neutrality" with the operational conditions and wagering products that are available to their competitors.

The three controlling bodies of racing—Racing NSW, Harness Racing NSW and Greyhound Racing NSW have given their support for the co-operative's proposal.

Further, the proposal to lift the prohibition of tote odds was recommended at the Australasian Racing Ministers Conference last year. The recommendation was supported by all Ministers. New South Wales and Tasmania were the only jurisdictions to have this prohibition in place. The bill will add a clause to section 88 of the Totalizator Act 1997 to provide that a person is not guilty of the offence of tote odds betting if they are:

(a) a New South Wales licensed bookmaker, and

(b) are present at a licensed racecourse when such a bet is offered, whether face-to-face with a punter or by authorised telephone or electronic means.

This measure will not weaken the regulatory controls over bookmaker operations and New South Wales licensed bookmakers will still be subject to the current level of scrutiny by racing authorities and Government. In addition, the prohibition on tote odds betting by unlicensed people is retained as a deterrent to off-course "SP" bookmaking activities.

The second purpose of the bill is to amend the Thoroughbred Racing Act 1996 to provide Racing NSW with the power to impose a wider range of sanctions on race clubs which fail to comply with a condition of registration. This is a reform which is directed at achieving consistency with Racing NSW's existing powers in respect of a race club's failure to comply with directions in relation to minimum standards for an array of matters.

These minimum standards include the manner in which race meetings are conducted, the financial governance of a race club and the level of facilities and amenities at a racecourse.

If a race club fails to follow certain directions made by Racing NSW in regard to minimum standards, the controlling body may publicly admonish the race club, impose a civil penalty of 50 penalty units and up to 100 penalty units for further breaches, or suspend or cancel the race club's registration.

At present, Racing NSW does not have the same powers when dealing with a race club for a breach of its conditions of

registration. The only sanction available to Racing NSW when dealing with a race club in these circumstances is to cancel the race club's registration.

Cancelling a race club's registration effectively prohibits it from conducting racing and this could have an adverse affect on those industry participants and others reliant upon the race club's operations for their employment and income. This does not serve any constructive purpose unless it is the intention of Racing NSW to specifically prevent a race club from continuing to operate.

The proposed amendment is practical and will provide Racing NSW with additional powers to ensure that the widely recognised standards of excellence and integrity in New South Wales racing and its associated administration are maintained and developed into the future.

I commend the bill to the House.