

**TOTALISATOR AGENCY BOARD BETTING (MODIFICATION OF OPERATION) AMENDMENT  
BILL 2000**

*Second Reading*

**MR BOARD** (Murdoch - Minister for Employment and Training) [12.47 pm] I move -

That the Bill be now read a second time.

The purpose of the Totalisator Agency Board Betting (Modification of Operation) Amendment Bill 2000 is to amend the profit distribution provisions of the Totalisator Agency Board Betting Act 1960. Under section 28 of the Act, the TAB, after meeting all its outgoings and expenses, and paying to the Western Australian Greyhound Racing Authority all net profits generated from betting on greyhound races, is required to pay the balance remaining to the Western Australian Turf Club and the Western Australian Trotting Association in the ratio of 65 per cent to the Turf Club and 35 per cent to the Trotting Association.

Previous profit distribution ratios between the Turf Club and the Trotting Association have been 60 per cent and 40 per cent, and prior to that, 62 per cent and 38 per cent. Because the amount of TAB profits earned by local and eastern States greyhound racing is allocated directly to the WA Greyhound Racing Authority, it has benefited from the steady growth in TAB greyhound racing turnover. Since 1988, the coverage of eastern States greyhound race meetings has increased markedly. In 1999-2000, the TAB covered 24 per cent more greyhound race meetings compared with the previous year.

The profit distribution provisions of the Totalisator Agency Board Betting Act have never afforded the Government of the day the flexibility to change the profit distributions to address problems or issues within the racing industry; nor is it in a position to influence how the TAB moneys are expended. The Totalisator Agency Board Betting Act has always stipulated that profits flow automatically to the codes without any requirement to respond to government policies or initiatives for the racing industry.

If there is no change to the current method of TAB distribution, the TAB estimates that the distributions made to the WA Turf Club and the WA Trotting Association will each decline by around 2.7 per cent in 2000-01, while distributions made to greyhounds will increase by around 8.6 per cent. That is because TAB coverage of greyhound races, and therefore turnover on greyhound races, is expected to increase relative to turnover on thoroughbred and harness racing. It is proposed to amend the Totalisator Agency Board Betting Act so that, in future, the Government can exercise some influence over the manner in which TAB funds are expended by the codes, and the codes will be more accountable for that money.

In 1999-2000, the TAB distributed approximately \$50m to the codes. To ensure that the codes have some confidence in the stability of future funding levels from the TAB, it is proposed to fix the annual distribution of the first \$50m of the TAB profits to the WA Turf Club, the WA Trotting Association and the WA Greyhound Racing Authority in the ratio that the TAB profits were distributed to the three codes in 1999-2000. The percentages set out in the Bill are: WATC, 55.26 per cent; WATA, 29.76 per cent; and WAGRA, 14.98 per cent. This means the codes will receive no less, in percentage terms, than they did in 1999-2000.

In addition, the proposed amendments provide for TAB profits in excess of \$50m to be distributed in such amounts and manner and under such conditions as the minister may direct in writing to the WA Turf Club; WA Trotting Association, including the Fremantle Trotting Club; WA Greyhound Racing Authority; and/or racing clubs registered to conduct racing outside the metropolitan area. The profits on fixed-odds betting on horse and greyhound races will also be distributed as directed by the minister, in writing.

The Bill provides that the moneys paid by ministerial direction to racing clubs may be used only for prescribed purposes. The ability to direct profit distributions in excess of \$50m, will enable the Government to distribute the moneys when and where the need is greatest. These distributions can be made on the condition that the codes agree to performance criteria and also respond to government policies and initiatives.

The transitional clauses of the Bill allow for the TAB to adjust the profit distributions to the codes to effect the profit distribution percentages, set out in clause 6 of the Bill, as if these percentages applied from 1 August 2000. However, no code will be required to refund any profit distribution made prior to the amendment Bill coming into operation. If necessary, clause 7 allows for the TAB to use funds from its reserve accounts to achieve the distribution percentages established by clause 6 of the Bill.

In addition, to facilitate the transition to distributing profits in excess of \$50m as directed by the minister, for the racing year ending 31 July 2001 regulations may be made that require the TAB to use a specified amount of its reserve funds to make payments to racing clubs as specified in a direction of the minister.

The changes are an interim measure, pending the outcome of a review of all aspects of the Western Australian racing industry which the Minister for Racing and Gaming announced in September this year. Accordingly, it is proposed that the Totalisator Agency Board Betting (Modification of Operation) Act 2000 will expire at the end of 31 July 2002.

I commend the Bill to the House, and provide for the benefit of members an explanatory memorandum for the Bill.

Debate adjourned, on motion by Ms Warnock.