

EXPLANATORY MEMORANDUM

Racing and Wagering Legislation Amendment Bill 2006

OVERVIEW

To manage introduction of the new taxation regime proposed for Racing and Wagering Western Australia's (RWWA) off-course racing totalisator wagering, two separate Bills have been prepared –

- *Racing and Wagering Western Australia Tax Amendment Bill 2006*; and
- *Racing and Wagering Legislation Amendment Bill 2006*.

Only the *Racing and Wagering Legislation Amendment Bill 2006* is summarised in this Explanatory Memorandum.

The *Racing and Wagering Legislation Amendment Bill 2006* (the Bill), complements the *Racing and Wagering Western Australia Tax Amendment Bill 2006* to change the method of taxation for off-course racing totalisator wagering, effective from 1 July 2007.

Amendments to section 102 of the *Racing and Wagering Western Australia Act 2003* (RWWA Act), are required to accommodate the change in methodology from turnover to gross profit for off-course racing totalisator wagering, in addition to retaining the existing taxation methods for off-course sports totalisator wagering and fixed odds wagering that remain unchanged.

Amendments to section 102 of the RWWA Act:

- define an “off-course racing wager” to mean a wager that is made with or through RWWA on a horse or greyhound race placed in an off-course totalisator;
- extend existing reporting requirements for RWWA to also submit returns in relation to all winnings paid regarding off-course racing wagers; and
- replaces reference to sections 3 and 4 with sections 4 and 5 of the *Racing and Wagering Western Australia Tax Act 2003*.

The Bill also amends the *Racing Penalties (Appeals) Act 1990*, to change the financial year end for the Racing Penalties Appeal Tribunal (the Tribunal) to 30 June.

This amendment is to accommodate the Government's implementation of shared corporate service arrangements across government agencies.

The Racing Penalties Appeal Tribunal (the Tribunal) traditionally has aligned its financial year with that of the racing industry which is 31 July. However, there is no administrative reason to retain this date.

A transitional provision has also been provided to recognise that the Tribunal's financial year for 2006/07 will end on 30 June 2007, despite commencing on 1 August 2006.

RACING AND WAGERING LEGISLATION AMENDMENT BILL 2006

CLAUSE NOTES

Part 1 - Preliminary

<u>Clause 1:</u>	Cites the <i>Racing and Wagering Legislation Amendment Act 2006</i> as being the short title of this Act.
<u>Clause 2:</u>	Specifies that this Act will come into operation on 1 July 2007.

Part 2 – Racing and Wagering Western Australia Act 2003

<u>Clause 3:</u>	Specifies that the amendments in this Act are to the <i>Racing and Wagering Western Australia Act 2003</i> (the RWWA Act).
<u>Clause 4:</u>	<p>Amends section 102 of the RWWA Act in relation to RWWA wagering tax.</p> <p><u>Subclause (1)</u> inserts the definition of “off-course racing wager” to mean a wager made on a horse or dog race made through or with RWWA that is included in an off-course totalisator.</p> <p><u>Subclause (2)</u> requires RWWA to:</p> <p>(i) submit in the prescribed manner returns regarding:</p> <ul style="list-style-type: none">- money received in respect of all wagers made; and- money paid by way of winnings relating to off-course racing wagers; and <p>(ii) pay tax at the rates imposed by and in accordance with sections 4 and 5 of the <i>Racing and Wagering Western Australia Tax Act 2003</i>.</p>
<u>Clause 5:</u>	Amends various sections of the <i>RWWA Act</i> by substituting reference to 'imposed' with 'payable'.

Part 3 – Racing Penalties (Appeals) Act 1990

<u>Clause 6</u>	Specifies that the amendments in this Act are to the <i>Racing Penalties (Appeals) Act 1990</i> (the RPAT Act).
<u>Clause 7</u>	<p><u>Subsection (1)</u> deletes reference to subsection 24(10) that specifies that financial year for the Racing Penalties Appeal Tribunal (the Tribunal) ends 31 July.</p> <p><u>Subsection (2)</u> repeals subsection 24(10) of the RPAT Act to enable the provisions of the <i>Financial Administration and Audit Act 1985</i> to prevail and make the Tribunal's financial year end on 30 June each year.</p> <p>In addition, the subsection provides a transitional provision to specify that the Tribunal's financial year for 2006/07 ends on 30 June 2007, despite commencing on 1 August 2006.</p>