

TOTALISATOR AGENCY BOARD BETTING (MODIFICATION OF
OPERATION) BILL 2000

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EXPLANATORY MEMORANDUM Department of Justice

Overview of the Bill

The purpose of the *Totalisator Agency Board Betting (Modification of Operation) Bill 2000* is, to modify the operation of the Totalisator Agency Board Betting Act so as to—

- fix the annual distribution of the first \$50 million of Totalisator Agency Board (“TAB”) profits to the Western Australian Turf Club (“WATC”), the Western Australian Trotting Association (“WATA”) and the Western Australian Greyhound Racing Authority (“WAGRA”) in the ratio of —
 - WATC 55.26 per cent
 - WATA 29.76 per cent
 - WAGRA 14.98 per cent
- distribute the TAB profits in excess of \$50 million (or such greater amount as is prescribed) to the WATC, WATA (including the Fremantle Trotting Club), WAGRA, and/or racing clubs registered to conduct races outside the metropolitan area in such amounts, in such a manner and subject to such conditions as the Minister directs;
- prescribe the purposes for which monies paid by ministerial direction to racing clubs may be used; and
- prescribe for the year ending 31 July 2001, an amount of reserve account funds the TAB may use to make payments to racing clubs as specified in a direction of the minister,

for a period ending at midnight on 31 July 2002.

Note: In the following clause notes, the terms "amends", "repeals" and "inserts" are to be read in the context of a temporary modification of operation, rather than permanent amendment.

Clause 1: cites the *Totalisator Agency Board Betting (Modification of Operation) Act* (the Act) as being the short title of this Act.

Clause 2: Sets out the commencement provisions and specifies that the Act will come into operation on the day on which it receives the Royal Assent.

Clause 3: Establishes that the *Totalisator Agency Board Betting Act 1960* (the principal Act) is to be read as if were amended as set out in this Act.

Clause 4: Amends section 3 of the principal Act by inserting, in the appropriate alphabetical position, a definition of “Metropolitan Area” that is consistent with the definition contained in the Third Schedule to the *Metropolitan Region Town Planning Scheme Act 1959*.

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Clause 5: Amends section 27B of the principal Act by altering the provisions regarding the distribution of the profit generated from fixed odds betting on horse or greyhound races.

Subclause (1) inserts the designation (1) before the words "The TAB"; deletes paragraphs (f), (g) and (h) and inserts replacement provisions allowing the TAB to pay —

(a) in the case of money generated from horse or greyhound races, to the —

(i) WATC;

(ii) WATA;

(iii) Fremantle Trotting Club;

(iv) WAGRA; or

(v) racing clubs registered with the WATC or the WATA to conduct races outside of the metropolitan area,

if and as the Minister directs in writing [*new section 27B(1)(f)*]; and

(b) in the case of money generated from fixed odds betting on sporting events, into the TAB Sports Betting Account [*new section 27B(1)(g)*].

Subclause (2) inserts at the end of section 27B, provisions specifying that —

(a) money paid because of a direction under section 27B(1)(f) can only be used for a purpose prescribed in the regulations [*new section 27B(2)*]; and

(b) in a direction issued under section 27B(1)(f), the Minister is to set out to whom, in what amounts, the manner, and the conditions to be imposed on the payment of the money [*new section 27B(3)*].

Clause 6: Amends section 28 of the principal Act, which provides for the allocation of the funds of the TAB.

Subclause (1) amends section 28(1) by deleting paragraph (e), which details the current distribution arrangements for WAGRA.

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Subclause (2)-

- repeals sections 28(2) and 28(3), which specified the distribution proportions for the WATC and WATA (incremental change from 60:40 to 70:30 over ten years and the more recent fixing of this apportionment at 65:35); and
- inserts replacement provisions that —
 - (a) specify the proportions of funds to be distributed to the WATC, WATA and WAGRA from the balance of TAB funds remaining after the TAB pays all of its expenses, other outgoings and reserve account payments [*new section 28(2)*];
 - (b) stipulate that, as from the racing year commenced on 1 August 2000 and for each racing year thereafter, a prescribed maximum of funds distributed by the TAB to the WATC, WATA and WAGRA under section 28(1) must be distributed in accordance with the proportions set out in section 28(2) [*new section 28(3)(a)*];
 - (c) stipulate that where the funds to be distributed to the WATC, WATA and WAGRA under section 28(1) exceed the prescribed maximum, those excess funds are to be distributed to one or more of the WATC, the WATA, Fremantle Trotting Club, WAGRA, or racing clubs registered with the WATC or the WATA and conducting races outside the metropolitan area, if and as directed by the Minister in writing [*new section 28(3)(b)*]; and
 - (d) insert definitions of "**prescribed maximum**", meaning \$50 million or such greater amount as is prescribed, and "**total balance payable under subsection (1)**", meaning total amount available for distribution to the three racing codes under section 28(1) after expenses, other outgoings and payments to reserve accounts [*new section 28(3a)*].

Subclause (3) makes minor consequential amendments to sections 28(4) and 28(5).

Subclause (4) makes an additional minor consequential amendment to section 28(5).

Subclause (5) repeals section 28(6) and inserts replacement provisions, specifying that —

- (a) money paid out under section 28(3)(b) can only be used for a purpose prescribed in the regulations [*new section 28(6)*]; and

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- (b) in a direction issued under section 28(3)(b), the Minister is to set out to whom, in what amounts, the manner, and the conditions to be imposed on the payment of the money [*new section 28(6a)*].

Subclause (6) makes a minor consequential amendment to section 28(7).

Subclause (7) inserts a new section 28(8) to provide a mechanism to ensure that funds withdrawn from a reserve account because they are no longer required for the purpose specified, are considered to be part of the balance referred to in section 28(1) and, as such, are to be distributed in accordance with sections 28(2) and (3).

Clause 7: Establishes transitional provisions as follows:

Subclause (1) stipulates that the modification of operation is to be taken as applying from 1 August 2000 in that the TAB must make adjustments to amounts distributed to the codes after the commencement of the Act so as to achieve the distribution proportions established by new section 28 (2) for the year ending 31 July 2001.

Subclause (2) stipulates that, for the purpose of achieving the outcome specified by subclause (1), the TAB may use funds being held in a reserve account but may not require the repayment of any funds paid to the WATC, WATA or WAGRA prior to the commencement of the Act.

Subclause (3) provides that, following the commencement of the Act and on or before 31 July 2001, regulations may be made to prescribe a specified amount of reserve account funds the TAB may use to make payments to one or more of the WATC, the WATA, Fremantle Trotting Club, WAGRA, or racing clubs registered with the WATC or the WATA and conducting races outside the metropolitan area, as specified in a direction of the Minister.

This transitional provision is designed to facilitate the provision of appropriate assistance to relevant racing clubs upon the Act coming into effect.

Subclause (4) validates any direction given by the Minister pursuant to regulations made under subclause (3) despite anything in the principal act.

Subclause (5) defines the "principal act" as being the *Totalisator Agency Board Betting Act 1960* for the purposes of this clause.

Clause 8: Stipulates that the Act expires at the end of July 31, 2002.