

Racing (TAB Surplus) Bill

EXPLANATORY MEMORANDUM

Outline

The purposes of this Bill are:

- (a) To provide for a reduction in the level of commission to the TAB Development Reserve from 0.5% down to 0.3%.
- (b) To provide for 0.2% of commission to be paid to the Consolidated Fund and for this amount to be automatically appropriated to the Hospitals and Charities Fund.
- (c) To provide that the distribution of the TAB surplus shall be:
 - 1. 3.525% of turnover to the Racing Industry.
 - 2. The remainder being shared 50:50 between the Government and the Racing Industry.
- (d) To provide for an advance payment into the Consolidated Fund of the surplus in respect of the year ending on 31 July 1990.

NOTES ON CLAUSES

Clause 1 sets out the purposes of the Act.

Clause 2 contains the provision related to the commencement which deems the date of operation to be 9 August 1989.

Clause 3 provides that the *Racing Act 1958* is the Principal Act.

Clause 4

(1) Amends Section 116(3) by reducing the level of commission paid to the TAB Development Reserve from 0.5% to 0.3%.

A new paragraph (bc) is substituted for existing paragraphs (bc) and (c).

The fraction $\frac{3}{190}$ is substituted for the expression "one thirty eighth";

The fraction $\frac{3}{170}$ is substituted for the expression "one thirty fourth";

The fraction $\frac{1}{50}$ is substituted for the expression "one thirtieth";

A new paragraph (bd) is inserted to provide for an amount equal to 0.2% of commission to be paid to the Treasurer for payment into the Consolidated Fund. These amounts are expressed in fractions being:

- (i) $\frac{2}{190}$ in respect of quadrella totalizators.
- (ii) $\frac{2}{170}$ in respect of double and trifecta totalizators.
- (iii) $\frac{2}{150}$ in respect of totalizators other than quadrella, double and trifecta totalizators.

A new paragraph (c) is inserted in this sub-section.

This provides that the seventh and final payment is for distribution to clubs in accordance with the financial scheme submitted and approved under Section 116i.

(2) Inserts a new sub-section (3AA) to provide that the amounts paid to the Consolidated Fund under sub-section 3 (bd) are appropriated to the Hospitals and Charities Fund.

Clause 5 amends Section 116AN (2) to reduce the amount of commission paid to the TAB Development Reserve from 0.5% to 0.3%.

In paragraph (c):

- (1) ● The fraction $\frac{1}{50}$ is substituted for the expression “one thirtieth”.
- The fraction $\frac{3}{170}$ is substituted for the expression “one thirty fourth”.
- The fraction $\frac{3}{190}$ is substituted for the expression “one thirty eighth”.

A new paragraph (d) is inserted in the sub-section to provide that a payment to the Treasurer for payment into the Consolidated Fund of an amount equal to 0.2% of commission;

- $\frac{2}{150}$ in respect of any off-course quinella totalizators.
- $\frac{2}{170}$ in respect of any off-course double and trifecta totalizators.
- $\frac{2}{190}$ in the case of any special scheme totalizator.

(2) Sub-section (2) inserts a new sub-section (3) in Section 116AN to provide that the money paid into the Consolidated Fund under (2) (d) is appropriated into the Hospitals and Charities Fund.

Clause 6

Amends Section 116BM to reduce the amount of commission paid to the TAB Development Reserve from 0.5% to 0.3%.

1. In sub-section (2), paragraph (c):

- The fraction $\frac{3}{170}$ is substituted for the expression “one thirty fourth”.
- The fraction $\frac{1}{50}$ is substituted for the expression “one thirtieth”.

A new paragraph (d) is inserted in the sub-section to provide for a payment to the Treasurer for payment into the Consolidated Fund of an amount equal to 0.2% of commission:

- $\frac{2}{170}$ in respect of trifecta totalizators.
- $\frac{2}{150}$ in respect of any totalizators other than trifecta totalizators.

2. Sub-section (2) inserts a new sub-section (2) in Section 116BN to provide that the money paid into the Consolidated Fund under sub-section (2) (d) is appropriated into the Hospitals and Charities Fund.

Clause 7 alters existing arrangement for the distribution of the total TAB surplus by:

(1) In sub-section (1) amending Section 116I (7) to omit the words “not less than”.

(2) Inserting a new sub-section (9) after 116I (8) to provide for the distribution in respect of the year ending 31 July 1989 and subsequent years shall be on the basis—

- 3.525% of the total investments with the TAB to be paid to the participating clubs.
the excess to be split in the ratio of 50:50 between the Treasurer for payment to the Consolidated Fund and the Racing Industry.

new sub-section (10) to provide that the payment to the Treasurer under sub-section (9) must be made within 14 days after the day on which the Board submits its accounts and reports to the Minister under Section 116y.

insert a new sub-section (11) in Section 116i to provide that the money paid into the Consolidated Fund pursuant to sub-section (9) is appropriated to the Hospitals and Charities Fund.

a new sub-section (12) to provide that an advance payment can be made into the Consolidated Fund as an advance in respect of the year ending 31 July 1990, and that this advance is to be paid to the Treasurer before 30 June 1990.

provides for a sub-section (13) which identifies the sum of \$5 million or such lesser sum as may be fixed by the Minister after consultation with the Treasurer as the "prescribed sum" for the advance payment.

Clause 8 provides for a minor statute law revision amendment.

