

RACING AND BETTING AMENDMENT BILL 1994

EXPLANATORY NOTES

GENERAL OUTLINE

Objective of the Legislation

The legislation has four aims:—

1. To legalise telephone betting with on-course bookmakers.
2. To restructure the Queensland Principal Club to ensure acceptance by the Australian Conference of Principal Clubs and to rationalise licensee representation.
3. To reform the Racing Industry Advisory Committee.
4. To introduce betting meetings.

Reasons for the Bill

Telephone betting was legalised in South Australia in 1993 and its progress has been monitored to assess its effect on the Queensland racing industry. Telephone bookmaking has proved successful in South Australia.

Western Australia has recently introduced telephone bookmaking and New South Wales, Victoria and Tasmania have announced that it will be legalised in those States from 1st July, 1994.

In order to minimise the loss of revenue interstate, telephone bookmaking will be introduced in Queensland. Telephone bookmaking is an important part of the strategy to deter unlawful bookmaking.

The Queensland Principal Club was established by the *Racing and Betting Amendment Act (No. 2) 1991* and is responsible for administering thoroughbred racing in Queensland. The legislation is necessary to restructure the Queensland Principal Club, to improve its management and to facilitate recognition by the Australian Conference of Principal Clubs.

The Racing Industry Advisory Committee was also established by the *Racing and Betting Amendment Act (No. 2) 1991*. Since its establishment, the racing industry's view of the Committee's role with respect to Racing Development Fund monies has altered. The Committee will have no future role in assessing applications for Racing Development Fund monies. The Committee's name will be changed to reflect accurately its co-ordination role within the racing industry.

By allowing race clubs to conduct betting meetings without holding races, the viability of clubs will be improved. The concept of betting meetings is consistent with the strategy of the Criminal Justice Commission and the Queensland Police Service to deter unlawful bookmaking.

Estimated Cost for Government Implementation

Implementation and operational costs of telephone bookmaking will be met by the Racing Development Fund.

The other amendments will be no cost to the Government.

Consultation

The Review of the *Racing and Betting Act 1980* Discussion Paper was released to Government Departments, racing industry organisations and community and business groups in September 1993. A range of policy issues arising from the review of the Racing and Betting Act was further discussed with a committee of racing industry administrators. The changes to the structure of the Queensland Principal Club and the reform of the Racing Industry Advisory Committee reflect the responses and consultation with the racing industry bodies.

Notes on Provisions

Clause 1 sets out the short title of the Act.

Clause 2 of the Bill provides for the commencement of the Bill. Except for the provisions reconstituting the Queensland Principal Club and the Racing Industry Coordinating Committee the Bill commences upon assent. It is necessary to delay the commencement of the other provisions to allow time for relevant nominations to be made and elections to be held.

Clause 3 provides that the Bill amends the *Racing and Betting Act 1980* (“the Act”).

Clause 4 inserts a new definition of “betting meeting”. Betting meeting is a meeting conducted by a club at a racing venue but at which no race is held.

The definition of “meeting” is extended by including betting meetings.

“Local rules of racing” is also defined by this provision.

Clause 5 amends Section 11B(2)(a) by clarifying that the Queensland Principal Club has the power to make or amend the local rules of racing and not the Australian Rules of Racing. This will ensure that the criteria for membership of the Australian Conference of Principal Clubs is met.

A consequential amendment to this is the omission of Section 15 which occurs in Schedule 2.

Clause 6 inserts new Sections 11F and 11G. New Section 11F changes the constitution of the Queensland Principal Club which is the control body for the thoroughbred code of racing. The Club previously had 16 members. This has been reduced to 11 members. The section specifies the method of nomination of the 11 members.

It provides that a representative of the jockeys and trainers licensed by the Club is to be appointed by the Governor in Council. Each of the respective groups is to propose a person and the Minister considers the suitability of the proposed persons. In each case the person proposed by the group is elected by secret ballot.

New Section 11G alters the categories of eligibility to be a member of the Queensland Principal Club.

A person is no longer ineligible because they are over the age of 70 years.

A new category has been added, in that a person who is warned off or disqualified or whose name is on the forfeit list, under the Rules of Racing, is not eligible for membership of the Queensland Principal Club. This amendment was necessary to ensure acceptance by the Australian Conference of Principal Clubs.

Clause 7 amends Section 20A by providing that a person who is ineligible to be a member of the Queensland Principal Club is also ineligible

to be a member of a racing association. As racing associations nominate members to the Queensland Principal Club it is logical that these members should be subject to the same qualifications.

Clauses 8, 10 and 12 amend Sections 22, 62 and 103 respectively and insert new Sections 23, 63 & 104. These sections provide that clubs (of all three codes of racing) must not conduct meetings of any sort unless they are allotted to the club by the Racing Industry Co-ordinating Committee.

Clauses 9, 11 and 13 amend Sections 28, 68 and 109 respectively. These sections provide for the procedure where a club proposes to conduct a phantom meeting. A phantom meeting is where races were intended to be conducted but due to unforeseen circumstances the meeting is postponed or abandoned. The Act provides that betting is allowed to continue at the racing venue on the day with the prior approval of the Racing Industry Advisory Committee. It has proven difficult for clubs to obtain the necessary permission from the Committee. This amendment will allow the relevant control body of each code (that is, the Queensland Principal Club, the Greyhound Board and the Harness Racing Board) to give approval for the holding of a phantom meeting.

Clause 14 inserts a new Section 115AB. The functions of the Racing Industry Coordinating Committee have been expanded to include the allocation of betting meetings. This will allow betting to occur at racing venues on occasions when races are not conducted at the venue. This will encourage the fuller use of expensive facilities and improve the financial viability of clubs. It is consistent with the Government's strategy to deter unlawful bookmaking.

The Committee is also responsible for co-ordinating the meetings of the three codes of racing and the activities of the Totalisator Board. The Committee is authorised to impose conditions on the allocation of these meetings.

The Committee no longer has the function of recommending to the Minister the use of funds from the Racing Development Fund. The industry consider this to be an unnecessary duplication of functions as the Department of Tourism, Sport and Racing also has a role in this area.

Clause 15 alters the composition of the Racing Industry Co-ordinating Committee. It is no longer necessary for the Chairperson of the Harness Racing Board the Greyhound Board and the Queensland Principal Club to be on the Racing Industry Co-ordinating Committee. The new provision

provides that two persons are to be nominated by the Queensland Principal Club, one person by the Greyhound Board, one person by the Harness Racing Board and one by the Totalisator Board. This has decreased the representation from the Totalisator Board by one. The new provision will allow greater administrative flexibility for the Boards and the Club.

Clause 16 amends Section 141(5). A new subsection is inserted providing for a system of telephone bookmaking. Bookmakers at racing venues will be able to take bets by telephone in certain circumstances. The bet must be made through an approved telephone bookmaking system. On such a system all telephone calls will be recorded and the supervising body will have established procedures to ensure it adequately supervises the systems.

In each betting transaction the bettors consent to the recording must be obtained before the transaction starts. This is to ensure that no breach of Commonwealth telecommunications legislation occurs.

Details of the bet are to be confirmed with the bettor including such details as the betting ticket number, account number and amount of the bet.

The amount of the bet to be taken must be at least \$250 or the amount of possible winnings from the bet, at least \$2,000.

The existing subparagraph (5) provides for a system for bookmakers to “lay off” bets. This system will no longer be necessary as bookmakers can take advantage of the telephone system to “lay off” bets.

Clause 17 of the Bill amends Section 210 by providing the amount of totalisator tax to be paid at a betting meeting. This is a higher rate than that paid where a totalisator operates at a meeting at which races are conducted. The rate is the same as that paid by the Totalisator Board.

Clause 18 amends Section 211 of the Act by providing the rate of Racing Development Fund levy to be paid at betting meetings. Again the rate to be paid is the same as that paid by the Totalisator Board and is higher than the rate paid at meetings where races are actually conducted.

Clause 19 amends Section 212 which provides for the deduction and retention of commission from dividends from monies paid into a class of totalisator. The rate paid at a betting meeting is that paid by the Totalisator Board which is higher than the rate paid at a race, trotting or greyhound meeting.

Clause 20 inserts a new Part 8—Transitional Provisions into the Act.

New Section 258 provides a mechanism for the vacation of the existing Queensland Principal Club and the appointment of the reconstituted Club. The section provides that the shortened term of office of the current member of the Club is taken to be a full term of office for the purposes of Section 11I(3).

New Section 259 is a transitional provision for the Racing Industry Coordinating Committee.

New Section 260 ensures that a reference to the Racing Industry Advisory Committee in a document is taken to be a reference to the Racing Industry Co-ordinating Committee.

Schedule 1 of the Bill contains consequential amendments upon the change of name of the Racing Industry Advisory Committee to the Racing Industry Co-ordinating Committee.

Schedule 2 contains minor and consequential amendments. Parliamentary Counsel have taken the opportunity to make amendments that reflect current drafting practice, omit redundant provisions and update references which have been affected by amendments to other Acts.

The delegation power in the Act is updated to take into account the provisions of the *Acts Interpretations Act 1954*.

References to “order in council” and prescribed forms have been modernised in accordance with current practices.