

RACING REGULATION AMENDMENT (RACE FIELDS) AMENDMENT BILL 2009

SECOND READING SPEECH

THE HON. JAMES COX, MP, MINISTER FOR POLICE AND EMERGENCY MANAGEMENT

THE HON. MICHAEL AIRD, MLC, MINISTER FOR RACING

MR SPEAKER/MADAM PRESIDENT:

I move that the Bill now be read a second time.

In August 2008, this Parliament passed the *Racing Regulation Amendment (Race Fields) Act 2008*. The legislation provides for the appropriate racing authority to formally approve the use of race fields information by wagering operators, and to impose conditions and fees upon that use.

While the Bill received Royal Assent on 16 September 2008, a decision was made not to

implement the legislation immediately, in order to monitor developments in other jurisdictions.

This decision was based, in part, on a number of active legal challenges to race fields legislation that were being pursued by wagering operators at the time in other states.

Mr Speaker/Madam President, by way of background, I should remind the House that the rationale for race fields legislation is to prevent the exploitation of racing industry intellectual property by wagering operators using racing events as a platform for their gambling services from which they profit without contributing to the cost of staging the events.

Income from race fields has been identified as a future funding source for the industry which, it is envisaged, will help safeguard the industry's sustainability over the longer term in an increasingly competitive market.

A decision of the New South Wales Supreme Court in September 2008 in relation to that State's race fields

legislation prompted this Government to seek the advice of the Solicitor-General as to any amendments to the *Racing Regulation Amendment (Race Fields) Act 2008* considered necessary.

Mr Speaker/Madam President, the result of that advice is embodied in the legislation before the House today.

The changes include:

- clarifying the meaning of 'Tasmanian Race Field';
- broadening the definition of 'publication' so that it captures race field information relayed to a person - regardless of whether the person already knew the information - and also captures written or electronic records; and
- limiting the operation of the legislation to wagering operators, rather than to persons generally, as is currently the case.

These amendments will address legal issues that have arisen with respect to interstate race fields legislation.

Mr Speaker/Madam President, racing is an important contributor to the State in terms of economic benefits, particularly in the areas of employment and tourism.

Introduction of race fields legislation will enable Tasmania to impose its own product fees, generating a significant source of additional income for the State's racing industry.

It has been estimated that income of \$4.8 million a year will be generated once the legislation is implemented.

This income will be in addition to the \$27 million a year which will be provided by the Government to the racing industry in accordance with a 20-year deed of agreement.

Tasmania's race fields legislation will provide for the imposition of a fee based on a percentage of a wagering operator's gross revenue. The mechanism for charging this fee and the quantum of the fee will be contained in the regulations supporting the *Racing Regulation Amendment (Race Fields) Act 2008*.

The introduction of Tasmanian race fields legislation will also strengthen the capacity of the Director of Racing to effectively monitor the wagering activities of wagering operators, thus enhancing the integrity of the racing product and, arguably, increasing turnover and consequent returns to the Tasmanian racing industry.

Mr Speaker/Madam President, the national landscape with respect to race fields continues to evolve. The past 12 months has seen the majority of States enacting legislation to either introduce a race fields regime in their respective jurisdiction or amend their existing race fields legislation as a consequence of litigation.

Whilst the preferred option would have been to implement the Tasmanian legislation sooner, the decision to delay has proven to be a prudent one, having regard to the litigation that has been undertaken in other jurisdictions.

It is with this in mind that the Government is signaling its intention to quarantine the income generated from the publication of Tasmanian race field information until such time that the active legal challenges have been adequately resolved.

The mechanism for quarantining this income will be through a provision in the legislation that enables the Treasurer to defer payment of the income to Tasracing for such period as the Treasurer determines.

This will only be an interim measure, and once advice is received from the Solicitor General that the finalisation of interstate legal action has not provided any impediments, the income will be released.

Contingent on the successful passage of this legislation through the Parliament during the current

session, I anticipate that the race fields regime will commence on 1 July 2009.

Mr Speaker/Madam President, the Government is of the firm view that race fields legislation will help safeguard the Tasmanian racing industry's sustainability over the longer term and enhance the overall integrity of the industry.

I commend the Bill to the House.