

Regulatory Impact Statement

Totalizator Regulation 2022

Public Consultation

This Regulatory Impact Statement (RIS) has been prepared to inform the consultation process for the making of the proposed Totalizator Regulation 2022.

Before the proposed Regulation can be made, consultation with stakeholders is essential, and must occur in line with the requirements under the Subordinate Legislation Act 1989.

Notice of the availability of a public consultation draft of the proposed Regulation, together with the RIS, has been provided to relevant Government agencies and stakeholder groups. A full list of stakeholders notified is included at Annexure A.

Notice has been published in The Sydney Morning Herald, the Daily Telegraph and in the NSW Government Gazette at http://nsw.gov.au/gazette. Public comment has also been invited via Liquor & Gaming NSW's website and the NSW Government's 'Have your say' public consultation website.

Call for submissions and feedback

Interested individuals and organisations are invited to give feedback or provide a formal submission on any matter relevant to the Totalizator Regulation 2022, whether the matters are addressed specifically in this RIS. Participation is available on the Have Your Say consultation website, through the survey or a written submission in an 'accessible' format.

Accessibility is about making documents more easily available to members of the public who have some form of impairment (visual, physical, cognitive). More information on how you can your submission accessible is available on the WebAIM http://webaim.org/techniques/word.

You can provide feedback about the proposed Regulation in one of the following ways:

- Completing the online survey on the <u>NSW Government: Have your say</u> website.
- Uploading your written submission on the NSW Government: Have your say website.
- By mail: 2022 Remake of the Totalizator Regulation

Liquor & Gaming NSW

GPO Box 7060 SYDNEY NSW 2001

Closing date for submissions: Wednesday, 22 June 2022

All submissions may be published, unless the submission indicates that it is to be treated as confidential.

Requests for submissions to be treated as confidential must be accompanied by supporting reasons. They will be considered in light of Government principles and requirements relevant to the public release of, and access to, information, including those established by the Government Information (Public Access) Act 2009. Should such a request not be granted, appropriate opportunity will be provided for the submission to be withdrawn.

© State of New South Wales through the Department of Enterprise, Investment and Trade, 2022

You may copy, distribute, display, download and otherwise freely deal with this work for any purpose, provided that you attribute the Department of Enterprise, Investment and Trade as the owner. However, you must obtain permission if you wish to (a) charge others for access to the work (other than at cost), (b) include the work in advertising or a product for sale, or (c) modify the work.

This document has been prepared for general information purposes. While every care has been taken in relation to its accuracy, no warranty is given or implied. Further, recipients should obtain their own independent advice before making any decisions that rely on this information (May 2022).

Table of contents

Pub		missions	i			
1 In	troduc 1.1 1.2	Ction Title and proponents of the proposed Regulation Why is the proposed Regulation being made?	1 1			
	1.3	Status of the proposed Regulation	1			
2.	Legi	slative Background - Totalizator Act 1997 and regulatory instruments	2			
3.	Need for Government Action					
4.	Obje	ectives of the Proposed Regulation	3			
5.		essment of Options to Achieve Objectives	4			
	5.1	Option 1 - Make the proposed Regulation	4			
	5.2	Option 2 – Allow the current Regulation to lapse	4			
	5.3	Option 3 – Industry self-regulation or co-regulation	4			
	5.4	Option 4 – Address matters in the Act, not by Regulation	5			
	5.5	Option 5 – Address matters through administrative procedures	5			
	5.6	Recommendation	5			
6.	-	act Assessment of the Proposed Regulation	6			
	6.1	Parliamentary Counsel's approach to regulation drafting	6			
	6.2	Part 1 – Preliminary	6			
	6.3	Part 2 – Responsible gambling practices	7			
	6.4	Part 3 – Miscellaneous	7			
	6.5	Schedule 1 – Notification of change of circumstances	9			
	6.6	Schedule 2 – Penalty notice offences	9			
7.	Sum	nmary of the proposed changes	11			
ANN	NEXUF	RE A List of Stakeholders notified	12			
ANN	ANNEXURE B Draft Proposed Regulation					

1 Introduction

1.1 Title and proponents of the proposed Regulation

The Totalizator Regulation 2022 ('the proposed Regulation'), to be made under the *Totalizator Act 1997* ('the Act'), has been developed by Liquor & Gaming NSW ('L&GNSW') in conjunction with the Office of the Parliamentary Counsel (PCO). The Act and the Totalizator Regulation 2012 ('the current Regulation') are administered by the Minister for Hospitality and Racing, the Hon. Kevin Anderson, MP ('the Minister'). The Minister is proposing the remake of the current Regulation. The Minister is proposing the remake of the current Regulation with minor amendments that improve clarity, condense related legal concepts and apply current drafting practices.

1.2 Why is the proposed Regulation being made?

Section 10 of the *Subordinate Legislation Act 1989* provides for statutory rules to lapse after a set period. In most cases, Regulations are automatically repealed after five years (or a longer period where this has been approved). The current Regulation is due for automatic repeal on 1 September 2022.

When a Regulation is due for repeal, the responsible agency must review the Regulation, its social and economic impacts to determine whether there is a need for the Regulation or whether it should lapse. The results of this review are typically required to be published in a Regulatory Impact Statement ('RIS'), with submissions invited from the public.

This RIS has been prepared to inform public consultation on a draft of the proposed Regulation.

1.3 Status of the proposed Regulation

The proposed Regulation (ANNEXURE B) is a draft for the purpose of consultation. It has been released with this RIS so interested parties can review and provide any comments and suggestions. All submissions received will be considered and may result in amendments to the proposed Regulation. It is intended that the proposed Regulation will be finalised and published on the NSW Legislation website to enable it to commence on 1 September 2022.

2. Legislative Background

Totalizator Act 1997 and regulatory instruments

The Totalizator Act 1997, which commenced on 6 March 1998, was part of a legislative package together with the *Totalizator Agency Board Privatisation Act 1997*, which were enacted to provide for the privatisation of the New South Wales TAB and for a modern framework for long-established prohibitions on certain totalizator gambling activities.

When first proclaimed in 1998, the Totalizator Regulation 1998 solely dealt with exemptions from the provisions of the *Totalizator Act 1997* restricting the total number of voting shares in TAB Limited that a person may hold.

With the enactment of the *Gambling Legislation Amendment (Responsible Gambling) Act 1999*, the Government introduced landmark gambling harm minimisation amendments. This Act promoted gambling harm minimisation and responsible gambling across all forms of gambling. In 2001 the Regulation was amended to include these gambling harm minimisation measures.

The gambling harm minimisation provisions deal with responsible gambling practices such as the display of problem gambling information brochures, counselling signage and problem gambling warnings.

The proposed Regulation, which was developed in consultation with the racing and wagering industries, recognises that for most Australians gambling is an enjoyable pastime, but for some, gambling has negative social consequences.

The proposed Regulation represents a key element of the statutory framework which aims to regulate the racing and wagering industries in a manner which is of mutual benefit to industry participants, the Government and the community, while fostering the responsible conduct of gambling across the State's TAB outlets.

3. Need for Government Action

Under the provisions of the *Subordinate Legislation Act 1989*, the current Regulation will lapse on 1 September 2022 unless the NSW Government takes action to replace it.

Many of the regulatory and procedural matters provided under the Act are required to be dealt with by regulation to ensure the efficient operation of the Act. Failing to make a regulation would leave these matters unspecified and impair the legislative framework of the Act. The loss of provisions designed to promote industry integrity and standards, and protect the community would jeopardise public confidence in the operation of totalizators.

4. Objectives of the Proposed Regulation

The principal objective of the proposed Regulation is to give full and proper effect to the Act and help secure the policy objectives of the Act by providing the necessary legislative support and administrative detail as required or permitted under the Act.

The proposed Regulation has the following specific objectives:

- totalizator betting is conducted in the public interest and to the highest standards of integrity,
- the provision of an exemption from section 33 of the Act, which prohibits a person from being entitled to more than 10% of the total number of voting shares in the licensee under that Act (being TAB Limited),
- harm minimisation principles are maintained and the potential for gambling related harm is minimised,
- the prescription of certain persons as key employees in relation to the conduct of a totalizator for the purposes of the Act,
- prescription of certain offences for the purposes of section 103A (Remedial orders) of the Act,
- penalty notice offences are prescribed for the purpose of section 100A of the Act where appropriate and reflect the seriousness of the offence,
- the prescription of, for the purposes of section 10 of the Regulation and section 59 of the Act, changes that trigger notification of a change of circumstances and the particulars to be notified, and
- the prescribing of matters of a savings or machinery nature.

The proposed Regulation has been prepared in accordance with the following criteria:

- to retain matters that are necessary and appropriate for the effective and efficient operation of the Act,
- > to make amendments that are necessary as a result of changes to the Act, and
- to make amendments necessary to maintain consistency with other relevant gaming legislation.

5. Assessment of Options to Achieve Objectives

5.1 Option 1 – Make the proposed Regulation

The proposed Regulation provides for the administrative and machinery matters contemplated by the Act. The proposed Regulation offers the best option to support a rigorous, risk-based regulatory approach that can also be flexible and responsive to changes in community expectations.

The proposed Regulation includes only those sections necessary to give effect to the proper administration of the Act, ensure the implementation of gaming harm minimisation measures, and impose appropriate controls on the conduct of totalizator betting.

Without the proposed Regulation, there would be much less clarity and transparency about what is required to support the objectives of the Act.

The regulatory framework for the administration and oversight of the conduct of totalizator betting in NSW through the Act and regulations is already in place. Therefore, the governmental costs of the proposed Regulation are low. Many matters not dealt with through the proposed Regulation will continue to be managed administratively where that is possible, in support of government policy to minimise the number and complexity of regulations.

5.2 Option 2 – Allow the current Regulation to lapse

Failing to remake the current Regulation in advance of its repeal on 1 September 2022 would impair the efficient operation of the Act.

The Act is written in a form that requires many of the matters necessary for its effective operation to be dealt with by regulation. The absence of a regulation to specify the related requirements would undermine the capacity of Government to fulfil the policy objectives of the Act and carry out its regulatory responsibilities under the Act.

Allowing the current Regulation to lapse without replacement would reduce transparency and accountability for government, community and industry stakeholders, which would not have access to clear statutory rules about crucial matters relating to the responsible conduct of totalizator betting on or off a racecourse in NSW.

This option would lead to the loss of provisions designed to promote industry integrity and standards as well as community protection measures, and may pose significant threats to public confidence in the conduct of totalizator betting.

While the absence of a regulation would remove regulatory compliance costs in NSW, the potential costs to the community arising from an absence of mandatory gambling harm minimisation measures, or measures to ensure that the proper conduct of totalizator betting remains in the public interest, are significantly greater.

5.3 Option 3 – Industry self-regulation or co-regulation

This option would involve a system of industry self-regulation. While a self-regulation approach would reduce the regulatory compliance costs, the totalizator licensee would have to meet the cost of developing appropriate codes of practice and implementing systems to ensure compliance with those codes.

Another factor to be considered is that self-regulation does not have the force of law. There is a community expectation that there will be effective and appropriate controls where totalizator betting is concerned.

The aim of maintaining the integrity of totalizator conducted by a licensee would be difficult to achieve through self-regulation. Self-regulation would hinder the statutory powers of the regulator (L&GNSW), and the NSW Government generally, regarding the oversight of totalizator betting.

Co-regulation could involve the industry developing and administering similar arrangements, with the government providing legislative backing to enable the arrangements to be enforced.

The costs of this option are high for the matters addressed by the proposed Regulation. The Act does not envisage, or provide for, self-regulatory or co-regulatory approaches as a primary regulatory method to achieve its objectives.

5.4 Option 4 – Address matters in the Act, not by Regulation

To avoid significant deregulation, standards and requirements in the proposed Regulation could alternatively be stipulated in the Act to ensure they could be enforced. However, it is far more complex, costly and time-consuming to address the types of matters contemplated by the proposed Regulation through an Act of Parliament. It would greatly limit opportunities for government policy to adapt and be responsive to totalizator related issues affecting the public and the industry; changing expectations and needs; and to respond to genuine concerns raised by stakeholders.

Furthermore, it is clear from the Act that it was not Parliament's intention to include machinery and procedural matters in the Act, and these matters were to be dealt with through regulations.

5.5 Option 5 – Address matters through administrative procedures

This option would address matters through administrative procedures rather than through the proposed Regulation.

This approach has been adopted as far as possible. Matters that may be properly controlled by administrative and accounting procedures, have been identified. However, there are limits to the matters that can be dealt with administratively, as the Act requires that regulations be made in some circumstances.

Administrative procedures could provide some greater flexibility to adapt to changes in circumstances, as future administrative changes can be more readily approved and implemented than regulatory changes. However, any benefits are likely to be greatly outweighed by decreased legal certainty and non-compliance.

5.6 Recommendation

The preferred option for supporting the objectives and provisions of the Act is to make the proposed Regulation (Option 1). It is considered that this is the only option that will provide a net social and economic benefit, based on the evaluation of the respective impacts on government, community and industry stakeholders and overall comparison of options below.

Option	Costs	Benefits	Overall Benefit
Option 1	Medium	High	Positive
Option 2	High	Low	Negative
Option 3	High	Low	Negative
Option 4	Medium	Low	Negative
Option 5	Medium	Low	Negative

6. Impact Assessment of the Proposed Regulation

This section of the RIS will discuss the provisions of the proposed Regulation and weigh up the costs and benefits of the proposed Regulation on the government, the licensee and the general community.

Like most gambling legislation, the Act and the proposed Regulation generally aim to minimise negative social impacts such as problem gambling and to ensure integrity of the gambling activity.

Accordingly, the object of the Act is to make provision for the proper conduct of totalizator betting in the public interest and to minimise any harm associated with such betting.

This object is consistent with the following community expectations:

- that there must be a balance between the freedom of choice for individuals to pursue leisure and entertainment activities, which includes gambling, and
- that Government and the gambling industry have a responsibility to provide appropriate and responsibly delivered gambling services.

The object recognises the balance between the vast majority of those in the community who participate in gambling as an enjoyable and harmless pastime, and those for whom gambling causes significant problems.

The proposed Regulation is broken up into Parts and each of the Parts will be analysed separately below.

6.1 Parliamentary Counsel's approach to regulation drafting

PCO is the NSW Government body responsible for drafting legislation and regulations. While L&GNSW has sought a 2022 Regulation that essentially remakes the 2012 Regulation with minor amendments, current PCO drafting practice is to approach every regulation from first principles and draft them anew.

As such, while the proposed 2022 Regulation shares common elements of the 2012 Regulation, the proposed 2022 Regulation should be read as a new Regulation.

L&GNSW also notes that PCO has also refreshed its approach to drafting style and structure, with the goals of improving clarity, condensing related concepts and applying current drafting practices.

As a result, multiple individual provisions in the regulation have been collapsed into a single provision. The policy of Plain English language has been applied, and the structure of the regulation has also changed to improve comprehension and flow.

Furthermore, the term 'section' is now being used to describe provisions in both the Act and to the Regulation. Previously, 'clause' referred to a provision in the Regulation, and 'section' to a provision in the Act.

6.2 Part 1 – Preliminary

Part 1 provides essential machinery and procedural provisions. Section 1 specifies the name of the proposed Regulation as the Totalizator Regulation 2022 and Section 2 provides for the commencement of the proposed Regulation on 1 September 2022. Section 3 contains definitions of terms used throughout the proposed Regulation.

There are no economic and social costs or benefits associated with Part 1 of the proposed Regulation. These are machinery matters that are necessary for a proper understanding and functioning of the proposed Regulation. There are no proposed amendments.

6.3 Part 2 – Responsible Gambling practices

Sections 4 to 7 – gambling information brochures, notices and ATMs

These provisions are part of a comprehensive gambling harm minimisation regulatory framework that applies to all forms of gambling in NSW such as gaming machines in clubs, hotels and the casino, lotteries, two-up and to bookmaker and totalizator betting on racing and events. These provisions are consistent with the legislative requirements placed on the other forms of gambling.

The provisions contained in the proposed Regulation are intended to ensure that patrons using totalizator betting are well informed and provide players with additional information to discourage problematic gambling behaviour, including unrealistic expectations of winning significant amount of money.

These provisions have been included to provide robust consumer protection and safeguards. Counselling signage and notices also need to be displayed at all times.

The gambling harm minimisation sections ensure a flexible and evolving approach to mandatory signage as well as to player information brochures. The recent removal of specific wording contained in the sections and streamlining the provisions provide an opportunity to move away from the prescriptive regulatory approach and would allow the Secretary to change the wording as the evidence base in this field progresses.

Assessment of costs and benefits of sections 4 to 7

The provision of free information to players of all forms of gambling concerning the risks associated with gambling and the availability of counselling services are important from a gambling harm minimisation and responsible gambling perspective. These measures can help reduce the social and economic costs that arise from problem gambling.

Providing counselling services for problem gamblers, and potential problem gamblers is an important gambling harm minimisation strategy. Alleviating problem gambling and reducing the risk of individuals becoming problem gamblers provides a considerable benefit to the community.

Some provisions impose no cost on the licensee conducting totalizator betting but provide a social benefit by ensuring that information standards are maintained. In relation to other sections of Part 2, the cost of complying with the regulatory requirements is not considered to be significant in the context of the annual turnover of the licensee.

6.4 Part 3 – Miscellaneous – Proposed miscellaneous provisions

This Part sets out the miscellaneous provisions of the proposed Regulation.

Section 8 - Prescription of Key employees

The prescription of "key employees" is an important tool for the purpose of probity checks of certain employees of a licensee to be undertaken. The integrity expected of the key employees of a licensee holder are paramount. The current provisions reflect the importance the legislation places on the probity of the licensee, its management and its staff.

Similar provisions exist in casino and gaming machine-related legislation to ensure the integrity of betting activities and strengthen the community's confidence in such activities.

The provisions are an effective means to identify senior management and staff within the employment of a licensee or associated with a licensee, whom would be closely involved in the conduct of the totalizator betting activities.

The prescription of key employees of a licensee for probity purposes is in keeping with community expectations that betting activities should be closely supervised.

Section 9 – Disregarding relevant interest in shares – Exemptions from Shareholding Restrictions

An original 5 percent shareholding limitation was adopted at the time of the privatisation of the NSW TAB in 1998 as part of the Government's policy. It ensured that TAB shares were widely held, and to prevent any individual shareholder or group of shareholders from obtaining control or a significant influence over TAB Limited.

Since that time the market changed and the shareholding limitation was increased to 10% to attract institutional investors, both domestic and offshore. This amendment was made with the intention of increasing the value of TAB shares for all shareholders, while retaining adequate safeguards in the Regulation to ensure that individual investors are not adversely affected.

Section 33 of the Act refers to a prohibited shareholding in the licensee – TAB Limited, which was acquired by Tabcorp Holdings Pty Ltd in 2004. The intent of section 33 is reflected in the conditions of the totalizator licence issued to TAB Limited; i.e., it is a condition of the licence that there be no prohibited shareholding interest in the licensee.

Section 31(7) of the Act provides that the regulations may make provisions for, amongst other things, exemptions from the prohibited shareholding interest provisions.

Section 9 of the Regulation provides an exemption for institutional investors. This is retained from the current Regulation.

Assessment of costs and benefits of sections 8 and 9

There are no economic and social costs or benefits associated with this provision as these sections cover machinery matters necessary for the proper functioning of the legislation.

Section 10 – Notification of change of circumstances

Section 59 of the Act provides that the regulations may prescribe the type of changes in circumstances of which a licensee or contractor must notify the Minister. Schedule 1 of the proposed Regulation sets out the type of change and the particulars to be notified. These include such things as any change in name of the licensee or the licensee's business, a change in corporate governance of the licensee, any civil or criminal proceedings involving the licensee and any judgement made against the licensee.

The requirement in section 10 is to inform the Minister of matters which may go to the integrity or probity of a licensee or contractor and is designed to enhance oversight of conducting totalizator betting.

The grant of a licence to conduct totalizators not only imposes contractual obligations on licensees and their contractors but requires the Government to ensure that the NSW public and customers who participate in totalizator betting are protected from persons who are unfit to be involved in the conduct of this gambling activity.

Assessments of costs and benefits of section 10

These provisions impose a level of red tape and administrative cost to licensees and contractors in complying with the requirements. However, the Government is committed to ensuring that totalizator betting is conducted with integrity and some level of red tape will inevitably come with achieving this goal.

The need for licensees to report these changes in circumstances provide an important means of monitoring the activities of licensees and regulating the proper conduct of this betting activity. The provisions are consistent with the objectives of the Act.

Sections 11 to 13 - Various

These sections provide for various provisions that support the regulatory framework related to totalizator betting, including:

provision of offences for which the court can issue remedial orders, and

provision for prescribed percentages of tax reduction amount for the purpose of section
 70 of the Act.

These sections are carried forward from the current Regulation.

Assessment of costs and benefits of sections 11 to 13

There are no economic and social costs or benefits associated with these provisions as these sections cover machinery matters necessary for the proper functioning of the totalizator legislation.

6.5 Schedule 1 – Notification of change of circumstances

For the purpose of section 59 of the Act and in accordance with section 10 of the proposed Regulation Schedule 1 details the changes and the particulars that are the subject of notification provided to the Minister in writing.

Assessment of costs and benefits of Schedule 1

Schedule 1 has been assessed in line with section 10 (detailed above) and no significant additional economic and social costs or benefits associated with this Schedule have been identified.

6.6 Schedule 2 - Penalty Notice Offences

In March 2018, the NSW Government introduced the Liquor and Gaming Legislation Amendment Bill 2018. This package of reforms has ensured that the regulatory arrangements for liquor and gaming remain relevant amid changes to the liquor and gaming industries.

These reforms further allow for certain offences under the Act and Regulation to be prescribed in the Regulation as penalty notice offences (PNOs) and penalty infringement notices (PINs) to be issued.

While the regulator may still opt to take serious breaches of the gaming laws to court, the ability to issue fines for infrequent, inadvertent or lower-risk breaches provides a lower-cost and more flexible and efficient alternative to prosecution, which can benefit both the regulator and industry.

Consistent with these practices across regulated industries in NSW, the majority of prescribed PNOs have been set at 10 percent of the maximum penalty for each offence. For more serious offences, including those around advertising and inducements, PNOs have been set at 50 percent for individuals and 25 percent for corporations. This recognises the seriousness of these offences and the need for penalties to be sufficient deterrents to non-compliance.

The following table lists the offences prescribed under section 100A of the Act as offences for which a penalty notice may be issued, and the amount payable for the penalty notice.

Act / section	Short title	Desired outcome from prescribing PNO	Amount		
Offences under the Gaming and Liquor Administration Act 2007 as applied by the Act, section 91E					
Section 34(4)			\$1,100		
Offences under the Totalizator Act 1997					
Section 35(1)	Substantial shareholders to give notice to Minister	Provision is technical and procedural in nature and can be addressed effectively by PN in initial instances	\$1,100		
Section 35(2)	Substantial shareholders to give notice to Minister	Provision is technical and procedural in nature and can be addressed effectively by PN in initial instances	\$1,100		

Section 7	Gambling information and warnings	As for 4(1)	\$550
Section 6(1)	Counselling and gambling help notices to be displayed	As for 4(1).	\$550
Section 5(1)	Problem gambling information brochures	Lower-risk offence suitable for prescribing as PNO; efficiency of industry regulation.	\$550
Offences und	er the Regulation		
Section 89(1)	Restriction on transmission of bets	Efficiency in action without requiring escalated enforcement action such as prosecution.	\$550
Section 88(1)	Laying totalizator odds or dealing in totalizator tickets an offence	Efficiency in action without requiring escalated enforcement action such as prosecution.	\$550
Section 87	Offence of unauthorised use of betting accounts	Efficiency in action without requiring escalated enforcement action such as prosecution.	\$550
Section 86	Offences in respect of bets, tickets etc	Efficiency in action without requiring escalated enforcement action such as prosecution.	\$550
Section 84 (3)	Minor not to bet on totalizator	PN most appropriate form of enforcement to deter this conduct.	\$550
Section 84 (1)	Minor not to bet on totalizator	PN most appropriate form of enforcement to deter this conduct.	\$220
Section 83(1)	Person not to bet on a totalizator on behalf of minor	Provision relates to a person placing a bet for a minor. PN most appropriate form of enforcement to deter this conduct.	\$550
Section 82(1)	Bet not to be accepted from minor	Provision relates to an employee taking a bet from a minor. PN most appropriate form of enforcement to deter this conduct.	\$550
Section 81	Credit betting prohibited	Provision relates to an employee taking a credit bet. PN most appropriate form of enforcement to deter this conduct.	\$220
Section 80B	Gambling inducements	Efficiency in action without requiring escalated enforcement action such as prosecution.	for an individual-\$2,750 for a corporation-\$13,750
Section 80AA(2)	Prohibition on direct marketing	Efficiency in action without requiring escalated enforcement action such as prosecution.	for an individual-\$2,750 for a corporation-\$13,750
Section 80AA(1)	Prohibition on direct marketing	Efficiency in action without requiring escalated enforcement action such as prosecution.	for an individual-\$2,750 for a corporation-\$13,750
Section 80A(2)	Totalizator advertisements during sporting fixtures	Efficiency in action without requiring escalated enforcement action such as prosecution.	for an individual-\$2,750 for a corporation-\$13,750
Section 80(5)	Prohibitions on totalizator advertisements	Efficiency in action without requiring escalated enforcement action such as prosecution.	for an individual-\$2,750 for a corporation-\$13,750
Section 80(4)	Prohibitions on totalizator advertisements	Efficiency in action without requiring escalated enforcement action such as prosecution.	for an individual-\$2,750 for a corporation-\$13,750
Section 80(1)	Prohibitions on totalizator advertisements	Efficiency in action without requiring escalated enforcement action such as prosecution.	for an individual-\$2,750 for a corporation-\$13,750
Section 59	Licensees and contractors to inform Minister of changed circumstances	Provision is technical and procedural in nature and can be addressed effectively by PN in initial instances	\$550

Assessment of costs and benefits of Schedule 2

No significant additional economic and social costs or benefits associated with this Schedule have been identified.

7. Summary of the proposed changes

Current Regulation	Proposed Regulation	Reason for Change
Part 1 – Preliminary	Part 1 – Preliminary	No change.
Part 2 Relevant interests in shares	Part 3 Miscellaneous	Parts re-ordered for improved logic and flow of the Regulation
4 – Exemption from prohibited shareholding interest provisions	9 – Disregarding relevant interests in shares	To improve clarity, condense related concepts and apply current drafting practices
Part 3 – Responsible gambling practices	Part 2 - Responsible gambling practices	Parts re-ordered for improved logic and flow of the Regulation
5 – Approval of gambling information brochures	5(2) - Problem gambling information brochures	To improve clarity, condense related concepts and apply current drafting practices
6 – Provision of problem gambling information brochures	5(1) - Problem gambling information brochures	To improve clarity, condense related concepts and apply current drafting practices
7 - Provision of community language problem gambling information brochures	5(1)(c) - Problem gambling information brochures	To improve clarity, condense related concepts and apply current drafting practices
8 – Gambling information and warnings	7 - Gambling information and warnings	Minor changes to improve clarity
9 – Counselling signage	6(1)(a)-(b) & (2)-(3) - Counselling and gambling help notices to be displayed	To improve clarity, condense related concepts and apply current drafting practices
10 - ATM and EFT signage	6(1)(c) & (2)-(3) - Counselling and gambling help notices to be displayed	To improve clarity, condense related concepts and apply current drafting practices
10A – Advisory statement	4 - Advisory statement	Minor changes to improve clarity.
14 – Key employees	8 - Key employees	To improve clarity, condense related concepts and apply current drafting practices
15 - Remedial orders	12 - Remedial orders	Minor administrative changes only
15A – Apportionment of tax reduction amount	11 – Apportionment of tax reduction amount	No change
15C - Penalty notices	Schedule 2 – Penalty Notice Offences	To improve clarity and apply current drafting practices.
16 - Savings provision	13 - Savings	No change
N/A	10 - Notification of change of circumstance	New section to enhance oversight of conducting totalizator betting
17 – Transitional-Gambling Legislation Amendment Regulation 2021	N/A	Removed. Provision is no longer relevant.

ANNEXURE A List of Stakeholders notified

The organisations that have been informed of the release of this RIS and the consultation draft of the proposed Regulation include:

Industry and Community Organisations:

- Alliance for Gambling Reform
- Anglicare
- Aristocrat
- Catholic Care
- Financial Counselling Australia
- Gambling Help NSW
- Gambling Impact Society
- NSW Council for Social Services (NCOSS)
- Red Cross
- Relationships Australia NSW
- Responsible Wagering Australia
- St Vincent de Paul
- Tabcorp
- The Salvation Army
- Wesley Mission

Government Agencies:

- Department of Premier and Cabinet
- NSW Police