

The totalizator accommodation provided by many of the clubs both for the receiving of investments and the paying of dividends is totally inadequate, with the consequent result that thousands of pounds have been shut out of the totalizator. As, however, the majority of those clubs had donated their profits during the war to patriotic funds, no action was taken, but it is to be hoped that now that the full number of days racing has been restored the clubs referred to will provide the increased totalizator accommodation necessary both for the public and the totalizator staff.

While on this subject I desire to express my surprise at the large number of clubs which do not work the totalizator themselves, but allow contractors to do so for them. While I must candidly admit that some of the contractors run their machines much better and smarter than clubs generally speaking do, yet I contend the principle is bad. More particularly is this so when contractors receive *half the fractions* in addition to the $1\frac{1}{4}$ per cent. or $1\frac{1}{2}$ per cent. of the totalizator investments. Clubs would find it to their advantage to run the totalizator themselves. The services of the contractors who now run their machines so successfully could no doubt be secured by clubs provided they paid them an adequate fee, and in my opinion it would pay the clubs to do so.

Only on three occasions during the year were races started prior to the final figures being exposed on the dial of the totalizator. In each case the mistake was due to a misunderstanding regarding the signal to be given. Steps were immediately taken in each case to prevent a recurrence. Clubs would be well advised to adopt the uniform practice of *hoisting* a signal to show that all is clear. My reason for suggesting this course is this: One club was in the habit of *lowering* the balloon as the signal. One day it was very windy and the balloon was blown away after the totalizator had closed but before the figures had been balanced. Immediately the race started I declined to allow the totalizator figures to be altered, and the dividends were calculated and paid out on such figures in accordance with the law on the subject. Fortunately the club did not lose on the race, but it may have happened to have lost a considerable sum.

On one occasion only during the year was a dividend short-paid. In this case it was the dividend on the second horse, and my deputy, who was rather new to the work, did not discover that the dividend was being short-paid 6d. until after some tickets had been paid out. The totalizator officials did not correct the error, and the matter was reported to the Minister, who directed that the club was to reap no advantage from the error and that the total amount short-paid—viz., £15 14s.—was to be paid over by the club to the local Hospital and Charitable Aid Board before a further totalizator license would be issued to that club. The club expressed its regret for the error and cheerfully paid the amount to the local Hospital and Charitable Aid Board.

The Gaming Act throws the onus on clubs of keeping their racecourses clear of bookmakers and undesirables, but I regret to say some clubs do not take the matter very seriously, and consider that having once passed regulations providing for the exclusion of bookmakers and undesirables their responsibility ends. This is, however, not the case, and clubs must understand that they are required to appoint efficient racecourse detectives to keep their racecourses clear. It will not do for such clubs to nominally appoint some local person who does not know the bookmakers and undesirables and then place him, as has happened in some cases, on the gate leading to the bird-cage. I notice that, although the question of appointing racecourse detectives by the Racing Conference has been before that body on several occasions, no action has yet been taken in that direction. This, I think, is much to be regretted, as I am of opinion that if racing is to maintain its high standard some effective means must be taken to keep the racecourses clear of bookmakers and undesirables. If the question of the cost is stopping this much-needed reform, then I desire to express the opinion that the increased totalizator turnover which would result from the effective exclusion of bookmakers and their agents from racecourses would more than recoup clubs for the increased expense.

I wish it to be known that any complaints which the public may have to make regarding the administration of the totalizator, either in regard to wrong tickets, wrong change, wrong dividends, &c., should be made to the Totalizator Inspector, who will be found in the totalizator-house, and it will be his duty to inquire into all such complaints.

I append hereto a return in connection with the licenses to use the Totalizator issued during the year ended 31st ultimo, from which it will be seen that the totalizator was used on 236 days—viz., 186 days racing and 50 days trotting. The full number allowed by statute is 281 days, but up to the 1st February last that number was reduced by one-third in consequence of the war. The amount paid in stakes by racing clubs was £308,885, and by trotting clubs £74,185, making a total paid in stakes of £383,070.

The sum of £5,732,479 10s. was passed through the totalizator, and investors received back in dividends £5,002,772 12s. The difference—viz., £729,706 18s. was disposed of as follows: The Government received £272,313 4s. 3d., of which £143,311 19s. 9d. represented $2\frac{1}{2}$ per cent. tax on the total investments, and £129,001 4s. 6d. was the dividend-tax of 6d. in the pound. The clubs received the balance of the £729,706 18s.—viz., £457,393 13s. 9d.—which is made up of £429,935 19s. 3d., being $7\frac{1}{2}$ per cent. of the totalizator turnover and £27,457 14s. 6d. unpaid fractions.

I desire to call your attention to the large sum the fractions amount to—viz., £27,457 14s. 6d.—equal to over £116 for each day's racing. In my opinion clubs have no just claim for such fractions, and they should be paid into the Consolidated Fund and the money earmarked for some good purpose.

In conclusion I desire to thank clubs for the many courtesies extended to myself and my deputies when attending their meetings.

I have, &c.,

P. J. KELLEHER,
Inspector of Totalizators.

The Under-Secretary, Department of Internal Affairs.