

IX. REPORT OF INSPECTOR OF TOTALIZATORS.

30th September, 1921.

I have the honour to submit my third annual report on the inspection of totalizators for the racing-year which ended on the 31st July last.

The number of days on which the totalizator was used during the year was 288. Up to the time of the passing of the Gaming Amendment Act, 1920 (No. 2), the statutory number of days was limited to 281, but section 3 of the above-mentioned Act granted the sixteen hunt clubs in the Dominion the privilege of using the totalizator once every year instead of once every second year. The Woodlands Hunt Club, which has since ceased to exist, did not exercise its privilege. The 288 days were used as follows: Racing clubs, 214 days; hunt clubs, 15 days; trotting clubs, 59 days.

Although trotting clubs held only 59 days' trotting, there were 105 trotting events included in racing and hunt clubs' programmes, equal to over 13 full days' trotting.

Totalizator clubs have the right to run eight races, but on 26 days' racing, 3 days' hunting, and 4 days' trotting only seven races were held. Thus there were 2,271 races held, equal to just on 284 full days' racing. The sum of £10,121,212 10s. was passed through the totalizator during the year, as against £8,792,570 the previous year, an increase of £1,328,642 10s., equal to 15·11 per cent. During the previous year the increase was 53·38 per cent. The investors received back in dividends £8,834,203 7s. The difference of £1,287,009 3s. was disposed of as follows: The Government received £481,640 3s. 9d., of which £253,030 6s. 3d. represented 2½ per cent. on the total investments, £227,687 13s. was the dividend-tax of 6d. in the pound, and £922 4s. 6d. fractions for the month of July. The clubs received the balance of £805,368 19s. 3d., which is made up of £759,090 18s. 9d., being 7½ per cent. on the totalizator turnover and £46,278 0s. 6d. fractions.

Section 25 of the Finance Act passed last session provided that from the 1st July, 1921, all moneys received from investments on the totalizator at any race meeting and not disposed of pursuant to section 35 of the Gaming Act, 1908, shall, within seven days after the conclusion of the race meeting, be paid into the Public Account, and shall form part of the Consolidated Fund.

During the year racing clubs paid in stakes £485,170 and trotting clubs £125,505, making a total of £610,675, as compared with £502,225 for the previous year and £383,070 for the year before that. The average stake per race given by racing and hunt clubs was £269·09, and by trotting clubs £268·17, as compared with £229·58 and £206·77 respectively the previous year. In addition to the above figures, racing and hunt clubs gave cups, bracelets, plate, &c., to the value of £2,157 15s., and trotting clubs £675. The 1 per cent. tax paid to the Government on stakes amounted to £6,106 15s.

In addition to the £481,640 3s. 9d. totalizator-tax, dividend-tax, and fractions, and the £6,106 15s. tax on stakes, paid to the Government by racing and trotting clubs, those clubs also pay 2½ per cent. tax on gate receipts, sale of privileges, &c., also amusement-tax on gates and members' subscriptions, as well as land-tax and income-tax. What those amount to I am not in a position to say.

In my last report I commented upon the inadequate totalizator accommodation provided by many clubs, and it is with pleasure I now report that most of the clubs have attended to this important matter. Several clubs have during the year installed electric totalizators, and I would strongly urge all clubs having four days' racing or over to install electric totalizators. In my last report I purposely abstained from commenting on them, as I was not then satisfied as to their accuracy. During the past year, however, I have satisfied myself that although they are not absolutely accurate, the variations, owing to the improvements effected in them, are now so small as to be outweighed by the obvious advantages to the club and to the public of the use of such machines.

A few clubs—and I am pleased to say there are only a few—which have an inside and an outside totalizator still adhere to the antiquated system of showing the totals on each machine separately. This is not altogether fair to the investor, who should be able to determine on looking at the totalizator what his dividend will probably amount to. While, generally speaking, the investments on the outside machine on the different horses are in much the same ratio as on the inside machine, I regret to say that a few instances have come under my notice in which large single investments have been made on the outside machine. Whether such investments were made on the outside machine with the intention of misleading the public on the inside I am not prepared to say, but any system that permits of such a possibility should be abolished. The two totalizators can easily be synchronized by telephone and the same totals shown on each machine.

A totalizator inspector was present at every meeting held during the year, and I desire to thank the clubs sincerely for the many courtesies extended to myself and my deputies, and also for the manner in which clubs have accepted any suggestions made in regard to the working of the totalizator.

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Inspector of Totalizators.

The Under-Secretary, Department of Internal Affairs, Wellington.