

(b) *Investments on the Doubles Totalisator:* Failure in transmission may occur between any totalisator agency or other office and the head office of the Board or between head office and the course. Estimates prepared by the Board show that unless 90 percent or thereabouts of the total investments received off course, including a like percentage of the details for the second race of the double, are recorded on the totalisator, there is real risk of heavy loss or substantial gain in paying the same dividend off course as is declared on the totalisator. The failure may occur either before the totalisator is closed for the first race of the double or subsequently and prior to the closing for the second race. In the latter event the off-course investments will be included in the pool on the totalisator. Accordingly, different provision is required having regard to the time and circumstances of the failure and it is therefore intended as follows:

*Failure Prior to the First Race of the Double—*

- (i) If an estimated 90 percent or more of such investments can be transmitted to the totalisator, they shall be so transmitted, and as to the remainder not transmitted the Board will pay, in respect of those investments on the winner of the first race of the double coupled with the winner of the second race of the double, dividends at the rate declared and paid by the totalisator in respect of that double. The moneys received for the investments not transmitted will be subject to such statutory deductions as are made from totalisator investments and the remainder be used so far as available or necessary for the payment of dividends as already provided in respect of those investments.

Provided that if in respect of such 90 percent or more of investments there is not an investment on every starter in the first race or if transmission to the course totalisator has commenced but there is a failure at any time before verification of the total investments intended to be transmitted has been received from the Board's representative at the totalisator, then in either such event the circumstances as set out in subclause (ii) hereof shall be deemed to apply.

- (ii) If it is estimated that less than 90 percent of the off-course investments on a double are available for transmission, or if 90 percent or more of the total of such investments cannot be transmitted to the totalisator, the Board will hold all off-course investments on the double and will establish a separate off-course pool in respect thereof. From all investments in the pool there shall be deducted and paid the same statutory deductions as would be due if the moneys had been invested on the totalisator and the balance shall be available in dividends to be determined in the same manner as applies for the determination of the doubles dividend on course.

*Failure Prior to the Second Race of the Double—*

- (iii) If details of the selections for the second race of the double in respect of 90 percent or more of the investments that were on the winner of the first race are available and can be transmitted to the totalisator, such shall be transmitted, and the Board will pay on all investments on the winner of the first race coupled with the winner of the second race of the double such dividends as are declared and paid by the totalisator.

Provided that if in respect of such 90 percent or more of investments there is not a selection for every starter in the second race or if transmission to the course totalisator has commenced but there is a failure at any time before verification of the total selections intended to be transmitted has been received from the Board's representative at the totalisator then in either such event the circumstances as set out in subclause (iv) hereof shall be deemed to apply.

- (iv) If less than 90 percent of the details for the selections for the second race of the double are available for transmission or if 90 percent or more cannot be transmitted to the totalisator before it closes for the second race of the double, the totalisator inspector will withhold the declaration of the dividend until there has been received either on the day of the races or subsequently all details necessary for the declaration of the dividend having regard to the provisions of this subclause and subclause (iii) hereof.

- (v) For the purposes of determining the percentages referred to in subclauses (i) and (ii), the Board will classify totalisator agencies and other offices or groups of either according to the amount or proportion of investments for the doubles totalisator received therein in respect of the first race of a double at previous race meetings conducted by the club, or in respect of previous race meetings in the same district.

- (vi) For the purpose of subclauses (i), (ii), (iii) or (iv) hereof the Board may increase or reduce the figure of 90 percent as it considers desirable in the light of experience.

Details to implement the above proposals will be set forth in rules to be promulgated by the Board.

The recording and verification of details of investments concerned and the calculation and declaration of dividends shall be subject to such requirements as are imposed by the Secretary for Internal Affairs or the Chief Inspector of Totalisators.

**(11) Special Provisions Relating to Investments on Races Outside New Zealand**

(a) The Board may accept investments on such horse race or horse races outside New Zealand as the Minister may from time to time approve. Such investments shall not be transmitted to any totalisator on course but shall be retained by the Board. The Board will calculate dividends on the amount of the investments notified to the principal collating centre for that race before the start of the race after deducting all refundable amounts and other lawful deductions irrespective of dividends payable on course or elsewhere. The calculation of the dividends will be made in the case of horse races in accordance with the relevant rules, regulations, or resolutions of the New Zealand Racing Conference and in the case of trotting races in accordance with the relevant rules, regulations, or resolutions of the New Zealand Trotting Conference.

(b) All the other provisions of the scheme in respect of investments off course on race meetings in New Zealand shall with all necessary modifications apply to investments for races outside New Zealand.

**(12) Special Provisions Relating to Special Doubles**

(a) The Board may accept special doubles investments on such horse races as the Minister may from time to time approve. Such investments shall not be transmitted to any totalisator on course but shall be retained by the Board.

The net pool available for doubles dividend or dividends shall be the amount of the investments notified to the principal collating centre for the special double before the start of the first race thereof after deducting all refundable amounts and other lawful deductions. The Board will calculate the dividend or dividends payable to investors in accordance with the amounts reinvested on the horse or horses in the second race of the double as notified to the principal collating centre for that race before the start of the second race. The calculation of the doubles dividend or dividends will be made when the second race is a horse race in accordance with the relevant rules, regulations, or resolutions of the New Zealand Racing Conference and when the second race is a trotting race in accordance with the relevant rules, regulations, or resolutions of the New Zealand Trotting Conference.

The dividend or dividends declared by the Board shall be the dividend or dividends irrespective of any dividend or dividends payable on course or elsewhere.

As in the case of off-course investments for transmission to the doubles totalisator the off-course investor may be required to nominate his selections in both the first and second races of the double simultaneously or as the Board may decide as separate selections in each race in the same way as on course in which case the Board will direct which rules of racing are to apply. Provision will be made in the rules of the Board for the investor to withdraw the investment and nominate a substitute if the selected horse is scratched from any race of the double. Where an investment is not withdrawn or a substitute nominated by the investor in respect of a horse scratched from the first race of the double then such an investment shall be refunded to the investor except in so far as is otherwise provided in the rules of the Board.

When an investment is not withdrawn or a substitute nominated by the investor in respect of a horse scratched from the second race of the double or the investor has not nominated his selection for the second race of the double separately when this applies and the horse selected in the first race of the double is the winner of that race the Board will arrange for the investment to be made in the second race of the double on a substitute horse in such manner as is provided in the rules of the Board.

(b) All the other provisions of the scheme in respect of investments off course shall with all necessary modifications apply to investments for special doubles.

**(13) Methods of Accounting Between Clubs and the Board**

Prior to each race meeting or race day the Board will establish with the club concerned, by cheque or other appropriate means, a credit in anticipation of the estimated off-course investments for that race meeting or race day. It shall be the responsibility of each club to deduct and account to the Government for all tax payable in respect of off-course investments recorded on the totalisator.

The investments for the day, the dividends derived, commission, "fractions" and other payments due to or from the Board shall be recorded in the form of an account, final settlement of which shall be made on agreement between the club or its duly appointed agent and the Board.

**(14) Adjustments of Differences in Units of Investment Off Course and On Course**

The Board will determine from time to time the method of adjustment of differences between the unit of investment on the totalisator and the unit of investment adopted by the Board.

**(15) Additional Forms of Investment**

In the event of any addition to or variation of the forms of investment at present accepted on totalisators on course, the Board shall be empowered in its discretion to accept like investments at any or all totalisator agencies and to make rules in respect thereof.