

Wagering Amendment Regulation (No. 1) 2013

Explanatory notes for SL 2013 No. 246

made under the

Wagering Act 1998

General Outline

Short title

Wagering Amendment Regulation (No. 1) 2013

Authorising law

Section 312 of the *Wagering Act 1998*.

Policy objectives and the reasons for them

The policy objective of the amendment regulation is to amend the *Wagering Regulation 1999* to provide that an investor may unconditionally cancel a race totalisator investment up until five minutes before the advertised starting time for a race.

Prior to the amendment, an investor could unconditionally cancel an investment on a race up until 40 minutes before the advertised starting time of a race. Within the 40 minute timeframe, if an investor advised within five minutes of making the investment that the investment was not the intended investment (i.e. made in error), then the authority operator had to also cancel an investment.

TattsBet sought to increase the timeframe allowed for investments to be cancelled unconditionally on race totalisator events to up until five minutes before the advertised starting time for a race.

The existing provision allowing the cancellation of bets made in error within five minutes of placing the bet will remain (albeit commencing from five minutes before the start of the race instead of 40 minutes before the race).

The 40 minute rule was originally introduced at the request of the wagering operator in 2000 to protect against pool manipulation by persons placing large or numerous bets and then cancelling those bets close to the race start time.

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Tattsbet advises that the rule is now largely redundant as most punters place their bets closer to the race start time and the company has stringent internal processes in place to alert TattsBet book managers of suspicious or unusual betting activity.

Significantly, Tattsbet advises that 90% of totalisator betting now occurs within two minutes of the advertised starting time, which means that the potential risk for pool manipulation has been substantially reduced.

It should also be noted that the current regulation does not allow for the cancellation of a wager made over the internet once it is accepted by the wagering system, nor does it allow the cancellation of a wager over the phone once a call has ended. This effectively limits the application of the proposed amendment to retail customers and further reduces the potential for pool manipulation.

A change to the regulation is justifiable as the risk of pool manipulation that the original 40 minute rule was designed to address, is no longer justifiable given the wagering behaviour of Tattsbet customers.

The Office of Liquor and Gaming Regulation (OLGR) advises that there have been no known cases of pool manipulation due to cancellation of an investment. In addition, pool manipulation is not in fact a breach of the legislation but is a risk that the wagering operator would have an interest in preventing.

TattsBet has advised that it closely monitors all bets for any sign of irregularity and that additional safeguards have been introduced since this regulation was originally put in place. This includes the Commonwealth money laundering legislation that necessitates the reporting of all financial transactions over \$10,000.

In addition, Tattsbet has the ability not to accept investments if there is some doubt or suspicion around a particular investor, in accordance with section 14 of the *Wagering Rule 2010*.

Achievement of policy objectives

The policy objective is achieved by amending section 15C(2) and (3) of the *Wagering Regulation 1999* to omit '40 minutes' and insert '5 minutes'.

Consistency with policy objectives of authorising law

The amendments in the regulation are consistent with the policy objectives of the authorising legislation, which is to ensure that on balance, the State and the community as a whole benefit from gambling.

Inconsistency with policy objectives of other legislation

The subordinate legislation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

There are no significant costs associated with implementation of these amendments.

Consistency with fundamental legislative principles

The amendment regulation is consistent with fundamental legislative principles as it does not affect the rights and liberties of individuals and does not erode the institution of Parliament.

Consultation

The Office of Best Practice Regulation was consulted in relation to the proposals and has confirmed a Regulatory Impact Statement is not required.

The Department of the Premier and Cabinet and Queensland Treasury and Trade have no objection to the five minute cancellation timeframe.