Wagering Amendment Regulation (No. 2) 2013

Explanatory notes for SL. 2013 No. 279

made under the

Wagering Act 1998

General Outline

Short title

Wagering Amendment Regulation (No. 2) 2013

Authorising law

Sections 163(1) and 312 of the *Wagering Act 1998*

Policy objectives and the reasons for them

The *Wagering Act 1998* (the Act) enables the use of totalisator gaming by a licensed entity. It is predominantly for thoroughbred, harness and greyhound racing.

A totalisator is a pool of money comprised of investments made by persons wagering on the outcomes of events. Dividends are paid out to winning investors based on the total pool of money in the totalisator minus the amount paid to the operator as commission. The final dividend is continuously updated prior to the race as betting takes place and is not finalised until betting closes. This differs from fixed odds betting, where the odds are known at the time the bettor places their bet.

The Act allows Queensland's only wagering operator (TattsBet) to deduct commission out of the total amount invested in each totalisator class it conducts (e.g. win, place, trifecta, quinella).

At present, commission rates are fixed for individual totalisator bet types and prescribed under the *Wagering Regulation 1999* (Wagering Regulation).

The policy objective of the amendment regulation is to amend the Wagering Regulation to introduce a flat maximum commission rate of up to 25% across all totalisator bet types.

The Australian wagering market is a highly competitive market, with totalisator products not only competing with each other but also directly with fixed odds products offered by interstate operators, including corporate bookmakers. The amendments to the Wagering

Regulation will simplify the Regulation and provide greater flexibility for the Queensland wagering authority operator to deduct an amount up to 25% in a competitive market environment, based on what market forces will allow.

Achievement of policy objectives

The policy objectives are achieved by–

- omitting Schedule 1A of the Wagering Regulation to remove the individual commission rates for totalisators;
- amending section 5(1)(b) of the Wagering Regulation to apply a new flat maximum commission rate of 25%; and
- amending section 3 of the Wagering Regulation to remove the definitions for the individual classes of totalisators. There will only be one flat maximum rate applicable to all bet types, therefore the current definitions are not required. Definitions for individual totalisator bet types are clearly provided in the Queensland Wagering Rule 2010.

Consistency with policy objectives of authorising law

The amendment regulation is consistent with the policy objective 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 amendment regulation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

There are no significant implementation costs associated with the amendments.

The amendments will reduce red tape burden for both industry and government by simplifying the existing prescriptive regulatory framework that requires ongoing amendment to adjust the maximum allowable commission rate prescribed for each specific bet type.

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

Consultation was undertaken with TattsBet, Racing Queensland, the Department of National Parks, Recreation, Sport and Racing, Queensland Treasury and Trade, and the

Department of the Premier and Cabinet. These agencies have indicated support for the proposal.

The Office of Best Practice Regulation (OBPR) was consulted regarding RIS requirements and advised that a Consultation Regulatory Impact Statement (RIS) should be prepared. However, given the minor nature of the amendments and the known impacts of the proposal, a RIS has not been undertaken.