

# Wagering Amendment Regulation (No. 1) 2014

Explanatory notes for SL 2014 No. 315

made under the

*Wagering Act 1998*

## General Outline

### Short title

*Wagering Amendment Regulation (No. 1) 2014*

### Authorising law

Sections 165,166 and 312 of the *Wagering Act 1998*

### Policy objectives and the reasons for them

The objective of the amendment regulation is to:

- reduce the wagering tax rate for totalisator sports and racing wagering; and
- reduce the wagering tax rate for fixed odds sports and racing wagering.

Under section 165 of the *Wagering Act 1998* (*Wagering Act*), the race wagering licensee, the sports wagering licensee and oncourse wagering permit holders<sup>1</sup> must pay wagering tax to the chief executive for each month for the wagering authority.

Section 166 of the *Wagering Act* outlines the method for calculating wagering tax, and section 6 of the *Wagering Regulation 1999* (*Wagering Regulation*) outlines the relevant rates. The current rates of wagering tax are as follows:

- where the wagering is conducted by means of a totalisator, the gross wagering tax for a month is the sum of:
  - 20% of the commissions received on wagers; and
  - 20% of winning bets that have not been claimed within 1 year;
- where the wagering is conducted on a fixed odds basis, the gross wagering tax for a month is 20% of the gross revenue made on wagers.

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<sup>1</sup> Oncourse wagering permit holders are not liable for wagering tax if the total amount invested in their totalisator is less than \$2,000 for a month.

In June 2014, Racing Queensland and the State of Queensland accepted a proposal and racing industry funding package put forward by Tatts Group Limited (Tatts), under which Tatts is to be granted the right to be the exclusive Queensland retail sports and wagering licensee until 2044. The acceptance of the proposal is subject to the preparation and execution of a formal agreement reflecting the key terms contained in the proposal and terms sheet. One of the key terms of the proposal is that wagering tax rates are to be reduced to 14% for totalisator (pari-mutuel) wagering, and 10% for fixed odds wagering.

Therefore, amendments are being progressed to section 6 of the Wagering Regulation to reflect these new rates.

## **Achievement of policy objectives**

The policy objectives are achieved by:

- amending section 6 of the Wagering Regulation to provide that, where the wagering is conducted by means of a totalisator, the gross wagering tax for a month will be the sum of:
  - 14% of the commissions received on wagers; and
  - 14% of winning bets that have not been claimed within 1 year; and
- amending section 6 of the Wagering Regulation to provide that, where the wagering is conducted on a fixed odds basis, the gross wagering tax for a month will be 10% of the gross revenue made on wagers.

## **Consistency with policy objectives of authorising law**

The *Wagering Amendment Regulation (No. 1) 2014* is consistent with the policy objectives of the Wagering Act.

## **Inconsistency with policy objectives of other legislation**

The *Wagering Amendment Regulation (No. 1) 2014* is consistent with the policy objectives of other legislation.

## **Benefits and costs of implementation**

There are no implementation costs associated with the amendments, and there will be no adverse impact on the Queensland Government's overall revenue.

## **Consistency with fundamental legislative principles**

The *Wagering Amendment Regulation (No. 1) 2014* may be considered inconsistent with fundamental legislative principles, on the basis that it does not have sufficient regard to the rights and liberties of individuals due to imposing obligations retrospectively.

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However, as the amendment regulation is reducing wagering tax rates, it will not adversely affect taxpayers. Tatts is the only entity currently paying wagering tax, and it commenced paying the reduce rates from 1 July 2014, in accordance with its accepted proposal. Therefore, the retrospective commencement only confirms the existing arrangement.

### **Consultation**

The Department of Premier and Cabinet and Queensland Treasury and Trade (via Projects Queensland) were consulted on the amendments, and had no specific concerns regarding the amendments.

The Office of Best Practice Regulation has been consulted in relation to the amendments and has advised that a Regulation Impact Statement is not required.