

Betting Tax and Other Legislation Amendment Bill 2022

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Mr Rob Hansen
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BY ONLINE LODGMENT:

<https://qldparlcomm.snapforms.com.au/form/eetc---betting-tax-and-other-legislation-amendment-bill-2022>

Dear Mr Hansen

**Inquiry into Betting Tax and Other Legislation Amendment Bill 2022
Submission of Racing Queensland**

Thank you for allowing the Racing Queensland Board (“**Racing Queensland**”) to make submissions to the Inquiry into the Betting Tax and Other Legislation Amendment Bill 2022 (“**the BTOLA Bill**”). Racing Queensland welcomes the proposed reforms to the *Betting Tax Act 2018* (“**the Betting Tax Act**”) along with the subsequent amendments to both the *Racing Act 2002* (Qld) (“**the Racing Act**”) and the *Racing Regulations 2013* (Qld) (“**the Racing Regulations**”). Racing Queensland believes that these changes will benefit racing in Queensland.

Part 2 – Amendment of the Betting Tax Act

Racing Queensland supports the proposed amendments to the Betting Tax Act. Amongst these amendments is a requirement that 80% of the betting tax revenue for each financial year is paid to Racing Queensland. These changes enable the racing industry in Queensland to benefit directly from what it creates.

Our comments on the specific wording of this Part 2 are as follows:

A. Cl. 26(2) of the Betting Tax Act unamended

In its June 6, 2022 announcement, the State Government stated that the BTOLA Bill would “incorporate free bets into the calculation of betting tax”.

The BTOLA Bill achieves this in respect of “Queensland general bets” through section 4 of the BTOLA Bill omitting section 28(2) of the Betting Tax Act.

The BTOLA Bill however does not appear to make any equivalent change or amendment when calculating the “taxable wagering revenue” of “Queensland totalisator bets”.

Racing Queensland considers that to achieve the goal of “incorporating free bets into the calculation of betting tax”, the BTOLA Bill should also amend how “taxable wagering revenue” is calculated in respect of “Queensland totalisator bets”. This amendment should remove the ability for a betting operator to reduce its “total wagering revenue” by the amount paid by the betting operator during the period into a totalisator pool on account of the free component of any Queensland totalisator bets made with the betting operator in the pool. This change would be able to be achieved by: omitting section 26(2)(a) of the Betting Tax Act. As a consequence of this change, section 25(3) of the Betting Tax Act could also be



omitted. This is materially the same change as has already been implemented by the BTLOA Bill in respect of "Queensland general bets".

Racing Queensland considers that this change would result in a higher "taxable wagering revenue" being calculated for "Queensland totalisator bets" and consequently, result in a higher quantum of betting tax being raised.

B. Cl. 11 of the BTOLA Bill

In the explanatory memorandum to the BTOLA Bill, it is stated on page 8 under the heading "Amendment of the Betting Tax Act" that "legislating hypothecation of betting tax revenue to Racing Queensland will provide certainty of funding".

Certainty is critically important to Racing Queensland as it underpins our ability to discharge our statutory functions. This includes, without limitation, preparing and implementing plans and strategies for developing, promoting and marketing the commercial operations of the three codes of racing.

With this context, Racing Queensland notes that the proposed definition of "taxing rate" is to be inserted into Schedule 1 to the Betting Tax Act by section 11 of the BTOLA Bill provides as follows:

taxing rate means the rate that is the total of-

- (a) either-
 - (i) the rate, of not more than 15%, prescribed by regulation; or
 - (ii) if a rate is not prescribed under subparagraph (i)-15%; and
- (b) the racing levy rate.

Racing Queensland's view is that the ability to adjust the "taxing rate" via regulatory change diminishes the certainty that we have around what the "taxing rate" will be. Racing Queensland considers that it would be beneficial to both Racing Queensland and the racing industry if the ability for the "taxing rate" to be prescribed by regulation was removed.

Racing Queensland submits that paragraph (a) of the definition of "taxing rate" proposed in the BTLOA Bill should be amended to remove any reference to this rate being able to be prescribed by regulation.

The consequence of this amendment is that the "taxing rate" would only be able to be changed by amending the Betting Tax Act itself, and not solely through regulatory change.

Contact Details

Please contact Racing Queensland for any clarifications sought in relation to this submission. Our contact details are:

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Yours sincerely,



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