




Speech By
Hon. Cameron Dick

MEMBER FOR WOODRIDGE

Record of Proceedings, 12 October 2022

BETTING TAX AND OTHER LEGISLATION AMENDMENT BILL

Message from Governor

 **Hon. CR DICK** (Woodridge—ALP) (Treasurer and Minister for Trade and Investment) (11.32 am): I present a message from Her Excellency the Governor.

Mr DEPUTY SPEAKER (Mr Hart): The message from Her Excellency the Governor recommends the Betting Tax and Other Legislation Amendment Bill. The contents of the message will be incorporated in the *Record of Proceedings*. I table the message for the information of members.

MESSAGE

BETTING TAX AND OTHER LEGISLATION AMENDMENT BILL 2022

Constitution of Queensland 2001, section 68

I, DR JEANNETTE ROSITA YOUNG AC PSM, Governor, recommend to the Legislative Assembly a Bill intituled—


A Bill for an Act to amend the Betting Tax Act 2018, the Payroll Tax Act 1971, the Racing Act 2002 and the Racing Regulation 2013 for particular purposes

GOVERNOR

Date: 12 October 2022

Tabled paper. Message, dated 12 October 2022, from Her Excellency the Governor recommending the Betting Tax and Other Legislation Amendment Bill 2022 [1622](#).

Introduction

 **Hon. CR DICK** (Woodridge—ALP) (Treasurer and Minister for Trade and Investment) (11.32 am): I present a bill for an act to amend the Betting Tax Act 2018, the Payroll Tax Act 1971, the Racing Act 2002 and the Racing Regulation 2013 for particular purposes. I table the bill, the explanatory notes and a statement of compatibility with human rights. I nominate the Education, Employment and Training Committee to consider the bill.

Tabled paper. Betting Tax and Other Legislation Amendment Bill 2022 [1623](#).

Tabled paper. Betting Tax and Other Legislation Amendment Bill 2022, explanatory notes [1624](#).

Tabled paper. Betting Tax and Other Legislation Amendment Bill 2022, statement of compatibility with human rights [1625](#).

I am pleased to introduce the Betting Tax and Other Legislation Amendment Bill 2022. The main purpose of the bill is to amend the Betting Tax Act 2018, the Racing Act 2002 and the Racing Regulation 2013, from 1 December 2022, to implement betting tax changes and provide for a more sustainable funding model for Queensland's racing industry. The bill also amends the Payroll Tax Act 1971 to make consequential amendments of an administrative, machinery and transitional nature in relation to the mental health levy provisions, which will commence on 1 January 2023.

In recent days there have been extensive discussions about revenue. However, let me say this: I am proud to serve in a government that keeps its promises. We promised the people of Queensland we would not raise their taxes, and we have kept that promise. For good reason, we did not make that same promise to the corporate bookmakers, the largest of which are principally foreign owned or foreign domiciled.

During COVID, whilst Queensland households were facing increased pressure and uncertainty, these multinational bookmakers were making mammoth profits. The \$14 billion company that owns Ladbrokes and Neds, the Entain Group, turned over nearly \$2 billion in global revenue last year. The \$26 billion company that owns Betfair, Flutter Entertainment, turned over more than \$2½ billion in global revenue last year. Our government will not raise taxes on the people of Queensland. Our government will make large multinational companies pay their fair share to Queensland.

Under the existing arrangement, which was introduced under the former Newman LNP government, funding for Queensland racing was disproportionately dependent on wagering revenues. Wagering revenues have been in significant decline, consequently putting the racing industry in Queensland at risk.

There are 125 racing clubs across Queensland. For 85 of those clubs, including in communities that the member for Nanango represents, a race meeting is the biggest or second biggest event in the community each year. A race meeting is a once-a-year event that is an unparalleled opportunity for people to get together. It is big companies that are making money out of regional Queensland. The bill ensures that multinational companies that are profiting from Queensland's thriving racing industry will also invest in its future.

Toowoomba Racing Club Chief Executive Officer Lizzy King joined me the day I announced these changes. In her words, 'It's a game changer. If we're able to access more funding, that just means the facilities we can provide not only our stakeholders but also our guests are absolutely fantastic.'

On 6 June 2022, the government announced changes to betting tax. The bill implements the announcement by amending the Betting Tax Act to: apply a five per cent racing levy to the betting tax; incorporate free bets into the calculation of betting tax; and provide for the hypothecation of 80 per cent of annual betting tax revenue to Racing Queensland. The bill will provide sustainability and certainty to the industry through a secure funding stream. Eighty per cent of revenue from the betting tax will go directly to the racing industry. If the size of the pie grows, so too will the industry's share.

It is the government's intention that these amendments will commence on 1 December 2022. As the amendments commence part way through the 2022-23 financial year, the bill contains transitional arrangements relating to the taxing rate and hypothecation of betting tax revenue. Betting operators pay betting tax monthly via their monthly returns. However, their betting tax liability for the financial year is calculated when their annual return is lodged. Accordingly, the bill provides a transitional taxing rate of 17.9 per cent, which applies to the annual liability for 2022-23. The transitional taxing rate is an average, reflecting an effective income for the first five months of 2022-23, coupled with a lower rate in the last seven months of 2022-23.

In relation to the hypothecation of betting tax revenue, the bill provides that for the 2022-23 financial year payments to Racing Queensland will be based on betting tax revenue attributable from December to June. Consistent with broader amendments to the Betting Tax Act, amendments to the Racing Act and regulation are intended to provide more sustainable funding for country racing. They will deliver greater certainty for this sector, recognising the critical role it plays in the economic and social fabric of communities across Queensland. To deliver this certainty, the bill provides a head of power in the Racing Act to hypothecate country thoroughbred racing funding. This will also allow for details of the associated funding amounts and indexation to be prescribed in the Racing Regulation.

The proposed minimum dollar amount of \$20 million is broadly equivalent to current annual funding for country racing. Indexation of two per cent per annum would be applied to this amount so that it increases over time. To ensure transparency about which clubs and meetings are covered by this funding, Racing Queensland will be required to publish an annual country thoroughbred racing calendar, in line with its responsibility to publish a calendar for each code of racing. As a further transparency measure, Racing Queensland will be required to report on country racing expenditure in its annual report. This aligns with current requirements under the Country Racing Program Funding Deed. Every dollar this bill raises goes to Queensland racing. The choice is clear for those who sit opposite me today. Does the LNP back country racing, or do they back foreign bookmakers? They cannot have it both ways.

The Revenue Legislation Amendment Act makes amendments to the Payroll Tax Act, with effect from 1 January 2023, to impose a mental health levy in relation to taxable wages paid or payable from that date, being part way through the financial year. Those amendments establish the framework for the mental health levy, including the thresholds at which it becomes payable, how the levy is to be calculated and the responsibility for payment of the levy and lodgement of returns. The explanatory note to the Revenue Legislation Amendment Bill 2022 noted that as the Queensland Revenue Office prepared for implementation of the mental health levy, it would be necessary to further develop administrative, machinery and transitional arrangements in relation to the levy. Consequential amendments to the Payroll Tax Act have now been identified to support an orderly transition to, and for appropriate ongoing administration of, the mental health levy from 1 January 2023.

The bill amends the Payroll Tax Act for this purpose, with effect from 1 January 2023. Importantly, none of the amendments alter the key elements of the mental health levy already contained in the Revenue Legislation Amendment Bill. These amendments do not alter the permitted use of the proceeds from the levy. This includes the provision of services and infrastructure that are consistent with the Mental Health Act 2016 or the guiding principles in section 5(2) to 5(5) of the Queensland Mental Health Commission Act 2013. The bill provides that conduct such as actual or attempted avoidance of the levy or the non-provision of information with reasonable excuse will be an offence or attract a penalty. This ensures similar sanctions apply for conduct in relation to the levy as currently apply in relation to payroll tax.

This bill delivers on two very important Queensland government initiatives. The bill provides for greater funding certainty and a long-term sustainable funding model for Queensland's racing industry. The bill also supports the implementation and administration of the mental health levy from 1 January 2023. I commend the bill to the House.

First Reading

Hon. CR DICK (Woodridge—ALP) (Treasurer and Minister for Trade and Investment) (11.40 am): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to Education, Employment and Training Committee

Mr DEPUTY SPEAKER (Mr Hart): In accordance with standing order 131, the bill is now referred to the Education, Employment and Training Committee.