The Bill amends the Payroll Tax Act to extend the 50 per cent rebate to wages paid or payable in the 2018-19 financial year. The amendments will also give retrospective legislative effect to the beneficial administrative arrangement under which the increased 50 per cent rebate for the 2016-17 and 2017-18 financial years has been administered.

The Bill also amends revenue legislation to support land tax administration from the 2018-19 financial year onwards.

The Bill amends the Land Tax Act and Land Tax Regulation to expand the scope of the longstanding primary production exemption. Currently, this exemption is available for land, or a part of land, used solely for the business of agriculture, pasturage or dairy farming.

Recognising that the concepts of agriculture, pasturage or dairy farming do not necessarily encompass contemporary concepts of primary production, the Office of State Revenue’s assessing practice has gradually evolved with the changing nature of primary production. The amendments will support the Office of State Revenue’s current assessing practice and provide administrative certainty for taxpayers and the Office of State Revenue by clarifying the types of land uses that qualify for the exemption. Landowners who currently appropriately qualify for the exemption will continue to benefit.

The Bill also amends the Taxation Administration Act and Taxation Administration Regulation to facilitate an online portal to administer land tax being introduced in 2018-19. The amendments will enable the Commissioner of State Revenue to give documents (including assessment notices) to taxpayers by making them available electronically via the new portal. Use of the portal will be voluntary and the Commissioner will only give documents via the portal if the taxpayer consents.

Finally, the Mineral Resources Act and the Petroleum and Gas (Production and Safety) Act will be amended to ensure the validity of assessments and determinations made before 1 July 2014, confirm that reassessments can be made of these prior period assessments, and ensure the proper mineral royalty value can be determined for prior periods, including to address artificial avoidance arrangements involving related party marketing entities.

In addition, evidentiary certificates regarding the making of royalty assessments may be given in proceedings.

Mr Speaker, I move that the Bill be now read a first time.

First Reading

Hon. JA TRAD (South Brisbane—ALP) (Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (2.32 pm): 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 Economics and Governance Committee

Mr SPEAKER: In accordance with standing order 131, the bill is now referred to the Economics and Governance Committee.

BETTING TAX BILL

Introduction

Hon. JA TRAD (South Brisbane—ALP) (Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (2.32 pm): I present a bill for an act to impose a tax on betting operators, and to amend this act, the Interactive Gambling (Player Protection) Act 1998, the Taxation Administration Act 2001, the Taxation Administration Regulation 2012, the Wagering Act 1998 and the legislation mentioned in schedule 2 for particular purposes. I table the bill and the explanatory notes. I nominate the Economics and Governance Committee to consider the bill.

Tabled paper: Betting Tax Bill 2018.

Tabled paper: Betting Tax Bill 2018, explanatory notes.

At the 2017 state election the government committed to introduce a point-of-consumption wagering tax for Queensland. Today I introduce to the parliament the Betting Tax Bill 2018, which delivers that commitment. Under the bill, from 1 October 2018 a betting tax will apply at a rate of 15 per cent of net wagering revenue of betting operators licensed in Australia from bets placed by customers in Queensland. This commencement timing allows for industry preparation for the tax.

Commonwealth and state governments have recognised that the increased use of digital technology, including smart phones, is rapidly changing consumer behaviour in the wagering and betting industry in Australia. Against this context, the traditional approach of taxation based on the location of a betting operator has become outdated.
The point-of-consumption based betting tax introduced by this bill, like the equivalent tax introduced in South Australia in 2017 and measures announced for Victoria, Western Australia and the Australian Capital Territory commencing in 2019, responds to this changing environment. I seek leave to have the remainder of my speech incorporated in Hansard.

Leave granted.

Point-of-consumption taxation upon betting represents a change from the traditional approach of taxation based on the location from which a betting operator is licensed. As other jurisdictions amend their legislation to move to point-of-consumption taxation, Queensland will continue to work with the other jurisdictions to maximise harmonisation in this tax and minimise the potential for double taxation. Consistent with this, existing tax imposed under the Wagering Act 1998 will cease to apply when the betting tax commences.

The taxing rate of 15% has been set by the Government after careful consideration of the context of bets made by customers in Queensland and the landscape nationally. The 15% rate is consistent with the rate imposed in South Australia, and as announced for Western Australia and the Australian Capital Territory.

Similarly, the context of bets made by Queensland customers has also informed the $300,000 annual tax-free threshold amount for the Queensland tax, applicable to all liable betting operators, under the Bill. This threshold is expected to ensure that smaller scale businesses are not subject to taxation, removing a potential barrier for smaller new market entrants. As the tax-free threshold will apply across a financial year, commencement of the Bill on 1 October 2018 means the commensurate threshold for the 2018-19 financial year will be $225,000.

The Bill takes a pragmatic approach to identifying taxable wagering revenue. Clear rules are provided which recognise the existing operating environment and its demonstrated capacity for evolution. Likewise, the Bill contains provisions to ensure operators can reasonably and practicably identify where a person making a bet with them is located for the purpose of the tax. Industry consultation has assisted in informing this approach.

Once enacted, the Betting Tax Bill will be a revenue law for the purposes of the Taxation Administration Act 2001. Under that Act, betting tax will be administered by the Commissioner of State Revenue, under the standard administration regime which also applies for duty, payroll tax and land tax, ensuring consistency across taxes, improved arrangements for taxpayers and their advisers and improved administrative efficiency. Consistent with other jurisdictions, this will include a system of registration and the obligation for betting operators to lodge returns with the Commissioner and pay tax monthly, in general.

The Queensland Government will continue to engage in interjurisdictional discussions of point-of-consumption taxation of betting, with a view to optimising its operation nationally. Government will be consulting with the racing industry and other stakeholders in the lead up to the 1 October implementation regarding appropriate measures to be funded from the point of consumption betting tax revenues including support for the industry, delivery of initiatives to enhance responsible gambling and community programs.

The Bill also removes a number of direct regulatory prohibitions under the Wagering Act 1998 and Interactive Gambling (Player Protection) Act 1998 to reflect the fact that:

- many Queenslanders currently undertake interactive wagering with interstate licensed betting operators through the telephone and internet; and
- interstate licensed betting operators have been extensively advertising into Queensland through television, radio and other advertising mediums.

However, it must also be noted that, although it is proposed to no longer directly prohibit such advertising under the Wagering Act 1998 and Interactive Gambling (Player Protection) Act 1998, advertising by Australian licensed wagering operators into Queensland will still be regulated under a mixture of Commonwealth and State legislation.

First Reading

Hon. JA TRAD (South Brisbane—ALP) (Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (2.34 pm): 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 Economics and Governance Committee

Mr Speaker: In accordance with standing order 131, the bill is now referred to the Economics and Governance Committee.