

Betting Tax Bill 2018

Explanatory Notes

Short title

The short title of the Bill is the *Betting Tax Bill 2018*.

Policy objectives and the reasons for them

This Bill introduces, on and from 1 October 2018, a point-of-consumption (POC) betting tax on the wagering revenue of betting operators from betting transactions with customers in Queensland to:

- respond to rapidly changing technology and consumer behaviour in betting, and
- maximise national harmonisation and minimise double taxation as similar amendments occur in other jurisdictions.

South Australia introduced a POC tax on betting operations from 1 July 2017. Victoria Western Australia and the Australian Capital Territory have each announced an intention to introduce a POC betting tax in January 2019. New South Wales has undertaken public consultation upon the potential introduction of a POC betting tax.

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 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.

Achievement of policy objectives

The Bill seeks to harmonise with the policy of the South Australian POC tax, and announced Victorian measure including:

- Applying the tax to a betting operator's net revenue from bets made by customers in the taxing jurisdiction.
- Taxing regardless of whether the bets were made in person, or electronically at a distance, and regardless of whether the betting operator was in Queensland or elsewhere in Australia.
- Taxing all forms of betting, including totalisator, betting exchange and other betting, such as fixed odds betting.
- Requirements for registration of liable betting operators with the Commissioner of State Revenue (Commissioner), and standard monthly return obligations.

- Discontinuing the existing point-of-supply based wagering tax.

Scope of taxation

Taxation under the Bill applies broadly to revenue from bets or wagers made by persons in Queensland with or through betting operators licensed in Australia. The breadth of this approach is necessary to ensure that betting on any type of contingency or event with or through a licensed betting operator, is captured. This recognises that the categories of things which may be bet upon may change over time, and vary depending on where the operator is licensed, as may the way in which betting occurs, the revenue generation models of betting operators in the market, or the types of terms and conditions upon which bets are offered. The scope will, for example, include betting on the outcome of thoroughbred, harness and greyhound races, sporting events, and any other events for which the relevant betting operator's licence permits them to accept bets. The tax simply applies to taxable wagering revenue from bets in the context of activities of a licensed betting operator, as it finds them. The proper scope of betting activity available to a licensed operator is a regulatory matter, and not one to which the tax seeks to add any additional overlay.

The legislation clarifies that revenue from particular types of activity is not sought to be taxed. This is activity in the nature of customers participating in 'gaming' including gambling on the premises of a casino, playing poker machines or keno, buying a lottery ticket, and participating in non-profit fundraising activity like bingo and art unions. For the avoidance of doubt, a licensed betting operator who earns revenue from bets on the outcome of these games – for example bets on the outcome of a lottery or a keno game - fall within the scope of taxation.

Provision is made to ensure operators can reasonably and practicably identify for the purposes of the tax, where the person making the bet is located. A betting operator must take reasonable steps to identify the location of the person making the bet when they make it, with an offence applying if that requirement is not met. This is an important aspect of ensuring the operation of the tax as a point-of-consumption tax is achieved. However, in recognition of the practicalities of this exercise, operators are permitted to rely on specified address information given to them by customers (residential address for individuals; principal place of business for companies), as the indicator of their location in making bets, unless the betting operator knows or has reasonable grounds to suspect the address is not the location the customer is making bets from. Examples are provided in the legislation of where a betting operator could not rely on such an address – for example where an individual customer expressly discloses to the operator in making a bet that they are currently in Queensland, despite the residential address they had provided to the operator being outside Queensland.

The legislation imposes no conditions upon the mode by which a bet is made by a customer with an operator, for it to be taxable. Consequently, whether a bet is made by the customer in person, over the phone, online or otherwise, is irrelevant for the purposes of the tax.

An anti-avoidance provision will apply if a person enters an agreement, transaction or arrangement that has the effect of reducing, postponing or avoiding the liability of any person to the tax. The Commissioner will, in such cases, be permitted to make

decisions as to who should be treated as a betting operator, and what amounts are to be included in a betting operator's taxable wagering revenue for relevant periods. This power may, for example and without limitation, be used in circumstances of arrangements causing bets to artificially appear to be made in a location other than Queensland; reducing the amount of revenue the betting operator appears to receive from customers by directing payments to third parties; or inflating the amount of payments made by the betting operator in relation to Queensland bets to incorporate payments relevant to maintaining the broader operator/client loyalty relationship, rather than performance of the terms of a particular bet.

In addition, an administrative penalty provision will apply to any person who, by any act or omission, avoids or attempts to avoid tax under the Act. As with a similar provision under the *Payroll Tax Act 1971*, this provision underlines the importance of the role of the betting operator and participants in betting, in ensuring tax is accounted for on a point-of-consumption basis, and on the true net revenue of betting operators from relevant betting, to deliver the objectives of the tax.

Taxable wagering revenue

The Bill taxes the net revenue derived by an operator from relevant bets and wagers. That is, it is not a tax applied on a betting operator's unadjusted betting turnover – being the total amount of bets received by an operator. Rather, the taxable wagering revenue amount takes into account all amounts received by an operator for bets, reduced by appropriate payments made by the operator in giving effect to their customer's legal entitlements in relation to each relevant bet. In the context of reducing payments, rules apply to make clear that reductions are not permitted for expenses which relate to the broader business running costs of the operator (such as advertising, wages, goods and services tax and other overhead expenses). No reduction will apply for granting non-cash rewards (e.g. frequent flyer points or granting free bets). Payments which are not directly attributable to fulfilling a customer's entitlement on a bet, which are made at the discretion of the operator, which are made to a third party (with limited appropriate exceptions), or which are part of particular arrangements provided by the betting operator for the primary purpose of attracting, encouraging or promoting other betting, will also not be relevant for reducing taxable wagering revenue.

Revenue from a bet, however described or derived is taxed, regardless of the type of betting the operator conducts. For betting operator clarity, the Bill recognises the ways in which revenue is earned in established and recognisable forms of betting in the industry. For bets made in a totalisator and through a betting exchange, the Bill recognises that the operator derives revenue on these bets on a commission basis. For example, in a commission based environment, if a betting operator offers a discounted commission rate for particular bets, the revenue derived from those bets will reflect the discounted commission received by the operator, not what the commission would have been but for the discount.

In other betting (referred to as 'general betting' under the Bill, and which would include fixed odds betting), it is the amount paid for the bet, that represents the revenue received by the betting operator. While the legislation reflects the existing environment, in recognition that the betting industry is evolving and innovative, the Bill

also makes it clear that broadly, any other payments received by the betting operator for a bet will form part of the revenue received for taxable wagering purposes. If an operator derives revenue in more than one way, the tax applies on the total of all taxable wagering revenue, however derived, in the liability period.

It is irrelevant for the application of the liability whether the betting operator receives bets from a member of the general public, a sophisticated bettor, or even another betting operator seeking to lay-off risk. The purpose of the person making the bet with the operator is in this regard immaterial, and the betting operator receiving the bet must account for the revenue derived from it.

To the extent there are established and recognisable forms of payments which represent appropriate reductions of taxable wagering revenue, the legislation recognises these, subject to the conditions outlined above. In recognition of the evolving and innovative nature of the industry, a regulation making power is included so that if further appropriate payments for the reduction of taxable wagering revenue are identified, they can be prescribed.

The Bill provides clear rules around how free bet amounts are to be treated for taxable wagering revenue. It is recognised that, to the extent a bet is made using a free bet component, the betting operator does not receive that amount as revenue. Conversely, the provision of entitlements to free bet amounts to customers does not give rise to a right to reduce the taxable wagering revenue of the operator unless the operator actually makes a monetary payment to make good on the free bet amount (for example in meeting their legal obligations to pay, or ensure customers are paid, winnings on the amount). Other than for free bets, to the extent a bet is made other than in cash, a valuation provision ensures the value of the bet is counted for revenue in monetary terms. Provision is also made for the conversion of foreign currency.

In specifying revenue to be taken into account, it is actual amounts received and payments made which are relevant, for certainty, though inappropriate outcomes or arrangements may be subject to the general anti-avoidance provision.

Rate and Threshold

Betting tax is applied at a rate of 15% to taxable wagering revenue exceeding an annual tax free threshold amount (the 'annual threshold amount') of \$300,000. That is, no tax will be paid on a betting operator's revenue up to and including \$300,000 in a financial year. As the first financial year in which betting tax will apply is not a full financial year (1 October 2018 to 30 June 2019), a proportionate tax free threshold will apply for that period, in the amount of \$225,000.

To provide a capacity for the government to modify the tax collected, if appropriate, from time to time, a regulation making power permits adjustments of the tax rate, provided the rate of 15% established by the Bill is not exceeded.

For effective management of tax payment risk, betting operators will be obliged to lodge returns identifying their tax liability, and pay tax, on a monthly basis, unless they fall within particular categories for which solely an annual return is considered appropriate. (Discussed below). Calculation rules ensure no tax is payable until the

annual threshold amount is crossed in a year. In addition, returns are required at the end of the financial year (annual return) and upon the occurrence of a certain changes of status in their business during a year (such as appointment of an administrator, or cessation of operations with no intent to recommence) (final return). Annual and final returns involve a reconciliation of liability to the annual threshold amount. Return obligations are discussed further below.

Application of the *Taxation Administration Act 2001* (Taxation Administration Act)

The Bill provides that once enacted, it will be a revenue law for the purposes of the Taxation Administration Act. Under the Taxation Administration Act, the two Acts must then be read together as a single Act. The Commissioner of State Revenue (Commissioner) is responsible for the administration of the revenue laws to which the Taxation Administration Act applies. Other current revenue laws are the *Duties Act 2001*, the *Land Tax Act 2010* and the *Payroll Tax Act 1971*. A standard administration regime for revenue laws ensures greater consistency across taxes, realises improved arrangements for taxpayers and their advisers, and improves administrative efficiency.

The following summary outlines the main administration components of the Taxation Administration Act in their application to betting tax.

Assessments of tax

The Taxation Administration Act establishes a standard regime for the assessment of tax liability arising under a revenue law. The making of an assessment underpins tax liability and is the basis on which rights under the Taxation Administration Act flow such as rights of review and refund.

Assessments are made either under the self assessment process or by the Commissioner. For betting tax, the lodgement of a return by the betting operator will be a self assessment of the tax, similar to payroll tax. Under the Taxation Administration Act, all self assessments are deemed to be Commissioner assessments. The Taxation Administration Act also provides for the issue of default assessments and reassessments.

Payments of tax

Under the Taxation Administration Act, for self assessments such as self assessments of betting tax (like payroll tax), the tax must be paid on the date the return for a self assessment is required to be lodged. Payment methods, the allocation of payments and the Commissioner's power to recover debts are specified under the Taxation Administration Act.

Refunds of tax and other amounts

The Taxation Administration Act establishes a standard regime for refunds under a revenue law, linking entitlement to a refund to a reassessment of tax decreasing liability or where an assessment of tax is simply overpaid. Refunds of betting tax under the Taxation Administration Act are limited to these circumstances. However, the way

in which tax liability is reconciled to the annual threshold amount in final and annual returns means that there may be appropriate refunds as a consequence of these returns; essentially because tax may have been, upon reconciliation, effectively overpaid, though liable under earlier returns during the year. The potential for this – which is expected to be remote – would arise in circumstances where a betting operator experiences negative revenue months after first crossing the annual threshold amount in a year. For administrative simplicity, it is preferable not to adjust liability down in these circumstances and require a refund on a monthly return basis. Rather for monthly liability, such a month would simply result in a nil liability for the month. Consequently, where these specific circumstances for refund under an annual or final return arise, the Bill ensures the refund is available despite the standard limitations on refunds under the Taxation Administration Act.

The period within which a refund may be made (whether under the Taxation Administration Act or the additional provisions in the Bill for final and annual return refunds) corresponds to the five year period for making a reassessment or, in the case of simple overpayments, five years from the date of the overpayment.

The Taxation Administration Act, and Bill provisions in relation to the specific refund provisions for annual and final returns, enable a refund amount to be applied by the Commissioner to a current liability of the betting operator for betting tax or under another revenue law, or to hold the amount to be applied against a liability expected to arise within 60 days.

Unpaid Tax interest

The Taxation Administration Act provides for the imposition of unpaid tax interest (UTI) to encourage payment of tax on time and to compensate the State for periods during which tax is unpaid. UTI is imposed on a daily basis from the time when the tax was initially due until the tax is paid.

UTI accrues if either-

- payment is not made on lodgement of a return or by the due date of an assessment issued by the Commissioner;
- based on the facts at the time of payment, tax was underpaid; or
- liability is subsequently reassessed upwards.

The Commissioner may fully or partially remit UTI.

The rate of unpaid tax interest is set annually as the sum of the bank bill yield rate and 8 per cent.

Penalty Tax

The Taxation Administration Act establishes a standard penalty tax regime as an administrative sanction where betting operators have failed to comply with their tax obligations. Penalty tax may be imposed in the following cases.

- A default assessment is issued because a self assessment has not been made or the betting operator has not complied with an information or lodgement requirement issued by the Commissioner.
- There is a reassessment of a default assessment.
- On a reassessment, the primary tax assessed increases.

The maximum rate of penalty tax is 75% of the amount of primary tax assessed or reassessed, or of the increase in primary tax reassessed. The Commissioner may also fully or partially remit penalty tax. Penalty tax may be increased by up to 20% if either-

- the betting operator has hindered or prevented the Commissioner from becoming aware of the nature and extent of the tax liability; or
- a betting operator becomes aware that an assessment of the betting operator's tax liability was made for an amount lower than it should have been and the betting operator fails to notify the Commissioner.

Payment of interest by Commissioner

The Taxation Administration Act provides for the payment of interest by the Commissioner on refunds to betting operators by the Commissioner arising from court or tribunal decisions and orders, and from a reassessment giving effect to the Commissioner's decision on an objection.

Objections and appeals against assessments

The Taxation Administration Act enables betting operators to seek a review by the Commissioner of an assessment, including where the tax liability is self assessed, by lodging an objection. It also allows a betting operator to seek review by appeal to the Supreme Court or by application to the Queensland Civil and Administrative Tribunal, where a betting operator is dissatisfied with the Commissioner's decision on objection.

Any decisions or determinations leading up to or forming part of the making of an assessment of betting tax will be reviewable as part of the assessment to which the decision or determination relates. That is, the decision or determination will be reviewable once it has taxation consequences for the betting operator, such as upon lodgment of a return and the deemed making of an assessment. The Taxation Administration Act does not provide any separate rights of review under the *Judicial Review Act 1991* where the Taxation Administration Act provides review rights. However, where there are no rights of objection or appeal provided by the Taxation Administration Act, the *Judicial Review Act 1991* continues to apply except for limited classes of decisions declared in the Taxation Administration Act to be non-reviewable.

Investigations

The standard powers of investigation in the Taxation Administration Act will apply to betting tax including the power of the Commissioner or an investigator to-

- require the provision of information or documents;
- require a person to attend and provide information or documents;
- enter places and exercise various information gathering powers;

- seize or retain documents or other things; and
- authorise, conduct, or assist in the conduct of, interstate investigations.

Confidentiality

The Taxation Administration Act establishes an obligation of confidentiality for officials and certain other persons in particular circumstances while specifying the circumstances in which confidential information may be disclosed, as well as the consequences for disclosing information in breach of the provisions.

Record Keeping

Under the Taxation Administration Act, betting operators will generally be required to keep records that enable liability to tax to be determined until the later of five years after the record was made or obtained or five years after completion of the transaction or matter to which the record relates.

Enforcement and legal proceedings

The Taxation Administration Act establishes a number of offences of general application to the revenue laws to which it applies. In addition, where the Taxation Administration Act or those revenue laws impose obligations, specific offences are created for failure to comply. The Taxation Administration Act also specifies the arrangements for the institution and conduct of proceedings, prosecution actions, evidentiary matters, the time within which actions may be brought, how actions may be instituted and the orders which may be made by a court.

Existing offences under the Taxation Administration Act, which concern breaches of administrative requirements, will apply to the betting tax, as for other revenue laws. No new offences are added to the Taxation Administration Act by this Bill.

The period for commencing prosecution actions under the Taxation Administration Act of five years after commission of an offence will apply for betting tax. This standard period accords with the record retention period. The Taxation Administration Act makes an offence by an executive officer if the corporation commits an offence against an executive liability provision and the officer did not take all reasonable steps to ensure the corporation did not engage in the conduct constituting the offence. This encourages officers who can influence a corporation's conduct to ensure that all reasonable steps are taken to ensure compliance by the corporation. No new executive liability provisions within the meaning of the Taxation Administration Act are created in the Betting Tax Bill. (See discussion of offences below) The existing executive liability provisions in the Taxation Administration Act will however apply for betting tax liabilities:

- Section 112(1) – Other obligations about disclosure and use of confidential information.
- Section 119(1) – Willfully damaging records.
- Section 122(1) – False or misleading documents
- Section 123(1) – False or misleading information.

Giving and lodging documents

The Taxation Administration Act clarifies how and when documents must be given to or by the Commissioner. Additional methods of service can also be prescribed by regulation.

Registration

A betting operator will be required to register with the Commissioner at the end of the first month after commencement of the tax in which the operator's taxable wagering revenue in a financial year is equal to or more than the annual threshold amount. Registration must be made in the form approved by the Commissioner, within 7 days after the end of the relevant month. A system of registration is appropriate to ensure persons liable for betting tax are known to the Commissioner for compliance and oversight, are established as clients for the online lodgement and payment systems, and receive the benefit of client education and support initiatives. In this context, registration information allows the Commissioner to understand the nature of the betting operator's business as relevant to their taxation liability. Payroll tax similarly requires registration of liable parties (in that case employers).

Once registered, an operator will remain so unless and until they meet the criteria for cancellation of registration – including that they have ceased to be a betting operator, lodged all returns they were required to lodge, and paid all their liabilities in relation to those returns.

Returns, Liabilities and Refunds

Under the Bill, betting operators who are registered or required to be registered must calculate, lodge a return for, and pay their betting tax liability each month during the financial year, subject to particular exceptions. A monthly return is due to be lodged and paid, not later than 21 days after the last day of the month to which they relate.

If a liable betting operator is an on-course bookmaker as defined, they are exempted from the administrative obligation to lodge monthly returns and instead are required to only lodge and pay tax on an annual basis. This adjusted obligation recognises that the requirement to lodge monthly returns is, on balance, unduly onerous for these generally smaller scale businesses. However, if an on-course bookmaker wishes to change to monthly returns, for example to assist in managing their cashflows, they are entitled to make an election to opt in to monthly returns. If they do so, they are no longer able to reassert their prima facie right to return on an annual basis only because of their status as an on-course bookmaker. However, they may be able to obtain an exercise of the Commissioner's discretion under the paragraph below.

All betting operators (including on-course bookmakers who have previously opted in to monthly returns) may apply to the Commissioner to be permitted to lodge returns and pay tax solely on an annual basis. The Commissioner is given the discretion to allow this, and does so by giving notice to the betting operator. The discretion only applies where the Commissioner considers it would be unduly onerous to require the betting operator to lodge monthly returns. A compelling case would need to be made by the operator in support of such a request, as monthly returns are generally

considered to be reasonable in the context of this tax. Monthly returns are standard in the South Australian equivalent tax, and as proposed in the Victorian announced tax. The Commissioner has the power to revoke such a notice at any time.

For betting operators required to lodge monthly returns, the Bill removes the obligation to lodge the last monthly return for a financial year (that is, the monthly return for June). Taxable wagering revenue in this month will be incorporated in the annual return. This provision draws from learnings in a payroll tax returns context where, until similar provision was included in the *Payroll Tax Act 1971* in 2009 amendments, employers often incorrectly used their annual return payment reference codes for their June periodic payment, creating significant administrative work for reconciliation. The provision removes unnecessary duplication in administration for betting operators in needing to lodge both a June monthly return and an annual return at the end of each financial year.

All betting operators who are registered or required to be registered are required to lodge an annual return, and any applicable final returns, regardless of whether they are subject to, or exempt from, monthly returns. Final returns arise where a betting operator experiences a change of status during a financial year. These are major events which may affect a betting operator's ongoing betting tax liabilities and/or indicate it may have a changed capacity to pay those liabilities. A change of status includes the betting operator ceasing to be licensed, ceasing to conduct betting operations (with no intention to resume in the short-term), an administrator being appointed to the betting operator or an administrator's appointment ending. A final return must be lodged and paid not later than 21 days after the end day for the final period (identified by reference to the occurrence of the change of status). Annual returns are due to be lodged and paid not later than 21 days after the end of the financial year.

Returns will be made in a form approved by the Commissioner including elements relevant to the betting tax liability calculation for the betting operator. Reduced detail will be sought in the monthly returns to minimise the administration associated with those returns, with a detailed breakdown of taxable wagering revenue required in an annual or final return.

Where a betting operator is subject to monthly returns, the legislative provisions operate so that until they exceed the annual threshold amount, their monthly returns will be 'nil' returns. However, in the month they exceed the threshold (the qualifying month) in a financial year, their liability will be the total wagering revenue for the financial year to the end of the qualifying month (or in 2018-19 from 1 October 2018 to end of the qualifying month). For each month of positive taxable wagering revenue after that, their liability will be calculated on the taxable wagering revenue earned in the month (as they will have received the full benefit of the annual threshold amount in the qualifying month). In the event that, having reached a qualifying month, the betting operator's taxable wagering revenue subsequently falls below the annual threshold amount (e.g. a negative revenue month), they will be subject to a nil return for the month. For administrative simplicity, it is preferable not to adjust liability down in these circumstances and require a refund on a monthly return basis. Consequently, where these specific circumstances for refund under an annual or final return arise, the Bill

ensures the refund is available despite the standard limitations on refunds under the Taxation Administration Act.

Annual and final returns reconcile the betting operator's liability for the financial year to the date they are made (after taking account of tax paid or payable up to that date on previous monthly or final liabilities in the financial year). Any tax shortfall must be paid as a liability, and any overpayment will create an entitlement to a refund. Given the June monthly liability is, as outlined above, suspended for administrative simplicity so that only an annual return is due in July, in most cases there will be an annual liability. Where there is a refund payable, no application for the refund will need to be made. However, annual and final returns do not replace any returns which preceded them in the financial year. This is important to ensure that unpaid tax interest applies on returns as they arise, and betting operators are not incentivised to ignore their monthly return obligations by simply waiting to lodge an annual return.

Refunds are not available more than 5 years after the date of an assessment. This will not present an issue for betting operators who are complying with their returns obligations, and provides certainty for both the administrator and the betting operator. As for refunds under the Taxation Administration Act, the Commissioner also has the power to apply any such refund against a current or imminent liability of the betting operator which is yet to be paid. However, if the Commissioner doesn't apply the whole or part of the refund in this way within 60 days after the refund entitlement arises, the Commissioner must refund any amount not applied.

The Commissioner has a power to require a betting operator, or another person to lodge a return or a further or fuller return. This is appropriate in the context where the Commissioner may, to reduce administrative burden on monthly returning betting operators, require reduced detail in the monthly return, with a more detailed breakdown required in the annual return. The power allows the Commissioner to elicit further detail to support the proper administration of the revenue, where necessary, earlier than the annual return due date.

Commissioner assessment

The sequential nature of betting tax liabilities in a financial year under monthly returns and possibly multiple in-year final returns (e.g. when an administrator is appointed, and the appointment subsequently ended within the same financial year), culminating in an annual return, means that where a need arises for reassessment, there are multiple 'original' self-assessments potentially to be reassessed.

For administrative simplicity when the Commissioner is exercising a power to assess (either in reassessment or by way of default assessment), the Commissioner may simply assess the betting operator on an annual or particular final liability, as if none of the preceding monthly or final returns in the financial year (or the part of it relevant to the final liability being assessed) had been made or required. Attendant powers for the Commissioner to make refunds and apply them consistently with the Taxation Administration Act are provided.

Conversely, the Commissioner is also permitted in an assessment or reassessment to assess on a monthly liability basis, or require additional final returns, despite:

- the Commissioner having previously exercised a statutory discretion to exempt the betting operator from monthly returns upon satisfaction that monthly returns would be unduly onerous, if the discretion was exercised in reliance upon false or misleading information from the betting operator; or
- the Commissioner having previously exercised the power mentioned above to disregard previous monthly and final liabilities in a financial year when assessing an annual liability or final liability.

These provisions are similar to longstanding provisions in the *Payroll Tax Act 1971*, and provide flexibility in administration by the Commissioner, which are either betting operator beneficial or are appropriately constrained by conditionality on either simply returning the betting operator to the position they were in but for an earlier Commissioner assessment, or the occurrence of prosecutable conduct by the betting operator.

Offences

Four new offences will be created under the Bill.

The first is where a betting operator fails, when receiving a bet, to take reasonable steps to identify the location of the person making the bet. A clear method of compliance with this requirement is specified, allowing betting operators to rely upon particular addresses given to the operator by their customers, as reasonably indicative of location. In the context of regulatory obligations that commonly apply to operators potentially liable to the betting tax, such as the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cwlth) including various obligations to collect and maintain client information, this is considered to offer a pragmatic method for operators to determine location. However, an operator will not be able to rely on such an address given to them by the customer if they know or reasonably suspect the address is not the location of the person at the time they make a bet. Examples are provided in the Bill.

A maximum penalty of 100 penalty units for this offence is consistent with similar offences in other revenue laws where the offending conduct may not necessarily result in a reassessment and the imposition of unpaid tax interest and penalty tax, such that the offence may present the most appropriate means of addressing the behaviour. As noted above, this obligation and the attendant offence is an important aspect of ensuring the operation of the tax as a point-of-consumption tax is achieved.

An offence is also created for circumstances where a person, by any act or omission, avoids or attempts to avoid betting tax. The applicable maximum penalty is 20 penalty units and treble the amount of betting tax avoided or attempted to be avoided. The purpose of this provision is to deter egregious behaviour in the context of tax avoidance.

An offence will also arise if a betting operator who is not already registered with the Commissioner, fails to register with the Commissioner within 7 days after the end of a month in a financial year in which their taxable wagering revenue is equal to or more than the annual threshold amount. The offence is subject to a maximum penalty of

100 penalty units. It is an appropriate provision to ensure effective operation of the system of registration.

The above offences are also subject to the operation of clause 60 of the Bill. Clause 60 provides that, in particular circumstances, an executive officer of a corporation that commits one of the above three offences may also be liable as a party for the offence. This will only be relevant where the conditions in clause 60 concerning the executive officer's own role in the corporation's conduct constituting the offence is established (they authorised or permitted the conduct or were directly or indirectly knowingly concerned in the conduct). The provision does not create a separate offence for executive officers or involve any reversal of onus. It simply clarifies the circumstances in which an executive officer is, in effect, a party to an offence committed by a corporation, and able to be prosecuted in their own right. In this respect, the provision supplements the provisions of Chapter 2 of the Criminal Code, which deals with parties to offences, which likewise use language of "deemed" liability in the context of its party liability provisions.

Finally, a person who is appointed as administrator for a betting operator which is registered or required to be registered under the Bill, will be required to give the Commissioner written notice of their appointment. The notice must be given within 14 days after their being appointed as administrator. It is an offence if there is a failure to give this notice. This offence is consistent with a similar offence in the *Payroll Tax Act 1974*, and recognises that a final return liability arises on such an appointment. It is important that the Commissioner be made aware of these changes of status in a betting operator so revenue owing to the State for betting tax liabilities can be appropriately taken into account in the administration process. The 40 penalty unit maximum for this offence is commensurate with similar offences relating to third party (non-taxpayer) offences across the Taxation Administration Act and revenue laws.

Other

Other provisions, similar to those in other revenue laws, are included for normal administration including:

- A provision requiring a betting operator to give the Commissioner notice of a change of their address for service within 1 month after each change. Failure to do so will give rise to an offence under the Taxation Administration Act.
- Provision for cents to be disregarded in relevant calculations under the Act where 'part' cent results may be produced by the application of particular calculations under the Bill.
- Power for the Commissioner to approve forms.
- Regulation making powers for:
 - Providing the way of making an application to the Commissioner under the Act;
 - Providing that a return, application, notice, statement or form signed on behalf of a betting operator is taken to have been signed by the betting operator.
 - Providing for a maximum penalty of not more than 20 penalty units for a contravention of the regulation.

Transitional provisions

The legislative framework for registration, return and liability for the betting tax uses the concept of the financial year, to ensure these obligations appropriately have regard to the annual threshold amount for the tax. The Bill is introduced on the basis that the annual threshold amount for a full financial year will be \$300,000. However, as in the first financial year of its operation (2018-19) the betting tax does not commence until 1 October 2018, transitional provisions are included to adjust the obligations in the Act for the first financial year of the Bill's operation, to recognise this. So, for example, for 2018-19, references to 1 July (other than in the transitional provisions) are taken to be a reference to 1 October 2018, and the annual threshold amount for the 1 October 2018 to 30 June 2019 period of operation will be proportionately reduced to \$225,000.

Amendments to other legislation

Amendments are made to:

- the Taxation Administration Act and *Taxation Administration Regulation 2012* to establish the betting tax as a revenue law administered by the Commissioner of State Revenue under those laws.
- The *Wagering Act 1998* (Wagering Act) and *Wagering Regulation 1999* to discontinue the point-of-supply tax under that legislation.

The Bill removes the direct regulatory prohibition under the Wagering Act which prevents a person in Queensland from betting on a totalisator operating in another state or territory. Minor amendments are also made to ensure the currency of the Wagering Act.

The Bill also introduces the concept of an exempt game to *the Interactive Gambling (Player Protection) Act 1998* (Interactive Gambling (Player Protection) Act). An interactive wagering game is an 'exempt game' if it is conducted by an interstate betting operator who is licensed or otherwise authorised under a law of another State or the Commonwealth to conduct the game, and the betting operator does not directly or indirectly make available the telecommunication device used to place the wager.

The Bill removes certain direct regulatory prohibitions under the Interactive Gambling (Player Protection) Act for exempt games. Specifically, the Bill removes prohibitions which prevent:

- a person from conducting (including promoting) the interactive game in Queensland, or allowing another person who is in Queensland to participate in the interactive game;
- a person in Queensland from participating in, or encouraging or facilitating participation by another person in, the interactive game; and
- a person from advertising the interactive game in Queensland.

These amendments are made to reflect the reality of the existing interstate wagering situation.

Alternative ways of achieving policy objectives

The policy objectives of the Bill can only be achieved by legislative amendment.

Estimated cost for government implementation

Implementation of the betting tax by the Office of State Revenue will involve creation of supporting electronic lodgement and payment systems and business processes, client education initiatives and staff training. These costs will be met from the Office of State Revenue's operating budget.

Consistency with fundamental legislative principles

The Bill is generally consistent with fundamental legislative principles. An assessment of issues relevant to fundamental legislative principles follows below.

Sufficient regard to the rights and liberties of individuals

Legislation makes rights and liberties, or obligations, dependent on administrative power only if the power is sufficiently defined and subject to appropriate review – Legislative Standards Act 1992, section 4(3)(a)

The Commissioner of State Revenue (Commissioner) is provided a number of discretions under the Bill. These provisions may raise the fundamental legislative principle that rights and liberties only be dependent on administrative power if sufficiently defined and subject to appropriate review.

For the reasons noted below, in relation to these discretions, they are each considered to be appropriate and sufficiently defined.

- Clause 42 - The Commissioner may disregard particular arrangements and assess liability as it is considered to arise by operation of the Act, where arrangements for the avoidance of tax are identified. The provision allows the Commissioner to disregard such arrangements, and particular elements of them, to give effect to fresh assessments unaffected by the postponement, reduction or avoidance of liability arising from the arrangement. While a broad power, its application and operation is dependent on specified circumstances. This is an appropriate revenue protection provision of a nature commonly found in taxation legislation and other Queensland revenue laws. Without a provision of this nature, the Commissioner's power to enforce the appropriate operation of Betting Tax in accordance with the intention of Parliament is placed at risk. Decisions under this provision which lead to a default assessment or reassessment by the Commissioner imposing additional liability upon a betting operator as a consequence are subject to review under the objection and review and appeal provisions of the Taxation Administration Act.
- Clause 45(2) – The Commissioner may, without an application, register a betting operator that was required to apply for registration but failed to do so. The exercise of this power is not the source of tax liability, but simply enables

the Commissioner to better administer the tax base by registering those already liable to pay betting tax imposed following enactment of the Bill, despite their default in presenting themselves for registration. On becoming liable to pay betting tax, betting operators are required to apply for registration, and commit an offence in breaching this requirement to register.

- Clause 47(1) – The Commissioner may amend a betting operator’s registration by notice given to the betting operator. The Commissioner can only give notice within the scope of the operation of the Bill, which appropriately limits the operation of any discretion in this regard.

- Clause 50(5) and (6) – the Commissioner is given the discretion to allow an operator a longer time to lodge their monthly return than the normal 21 days after the last day of the month. Under the terms of the provisions, this taxpayer beneficial discretion allows the Commissioner to provide appropriate adjustment of these obligations where the Commissioner considers it would be unduly onerous for the betting operator to meet the required timeframe. An exercise of the discretion merely postpones the time for lodgement and payment, but the obligation to pay betting tax remains. It is reasonable for the decision to essentially require the taxpayer to make its case for exercise of the discretion. Similar discretion exists in other revenue laws and might, for example, be utilised where a natural disaster affects business continuity in the location from which the taxpayer runs its business, such that their ability to lodge returns is unavoidably interrupted. However, as the reasons for which the discretion may be exercised may be particular to the taxpayer’s circumstances, or be due to other factors of broader incidence, and may be transient or permanent, it is appropriate that the scope of what may be considered to be unduly onerous is left at large, and that the Commissioner is able to revoke such a notice at any time, by further notice to the betting operator.

- Clause 52(1), (2) and (5) - The Commissioner is given the discretion to allow a betting operator to lodge returns on an annual rather than a monthly basis, where monthly returns are considered to be unduly onerous for the betting operator. An exercise of the discretion merely postpones the time for lodgement and payment, but the obligation to pay betting tax remains. This is a taxpayer beneficial provision providing a concession to the taxpayer from the prima facie obligation to lodge returns monthly. It is reasonable to require the taxpayer to make its case for exercise of the discretion. The reasons for which an exercise of the discretion may be appropriate may be particular to the taxpayer’s circumstances or be due to other factors of broader incidence, and may be transient or permanent. It is appropriate therefore that the scope of what may be considered to be unduly onerous be left at large, and that the Commissioner is able to revoke such a notice at any time, by further notice to the betting operator. As a variation of the standard return obligations, a compelling case would need to be made for exercise of the discretion.

- Clause 55 – the Commissioner may require a betting operator or another person to lodge a return or further or fuller return. This is appropriate in the context where the Commissioner may, to reduce administrative burden on

monthly returning betting operators, require reduced detail in the monthly return, with a more detailed breakdown required in the annual return. The power allows the Commissioner to elicit further detail to support the proper administration of the revenue, where necessary, earlier than the annual return due date. It might also apply in circumstances where the anti-avoidance provisions under the Act are enlivened. A similar provision has been a longstanding inclusion in the *Payroll Tax Act 1971* and is appropriate to support proper administration of the tax.

- Clause 56 – the Commissioner may apply refunds of tax against other current tax liabilities or imminent tax liabilities of the operator. This reflects longstanding provisions in the Taxation Administration Act to similar effect, and ensures appropriate collection of liabilities of a taxpayer established under the terms of the Bill and other revenue laws. The Commissioner discretion is limited by a finite time of 60 days within which to apply the refund in this way, from when the betting operator's entitlement to refund arises, failing which the amount must be refunded.
- Clauses 58 and 59 – The Commissioner is given a discretion in assessing or reassessing for particular periods, despite the betting operator having returned their self assessment on a different basis. These provisions are similar to longstanding provisions in the *Payroll Tax Act 1971*, and provide appropriate flexibility in administration by the Commissioner. The discretion in clause 58 (where the Commissioner can assess on an annual or final return basis despite the betting operator having been obliged to lodge earlier monthly or final returns within the assessed or reassessed period) will generally operate beneficially to the betting operator. This is because removing earlier return obligations under that clause also reduces a betting operator's exposure to unpaid tax interest and penalty tax on those liabilities, by postponing the liability date.

The discretion in clause 59 (where the Commissioner may assess on a monthly or final basis in particular circumstances despite an operator having not previously been required to return on that basis) is an important revenue protection provision, that is limited by clear conditions applying to the exercise of the Commissioner's discretion. Under sub-clause (1)(a) the clause can apply where a betting operator has received an exemption from lodging monthly returns from the Commissioner under clause 52. However, sub-clause (3) ensures that the Commissioner can only disregard this exemption in assessing or reassessing if the betting operator gave the Commissioner false or misleading information upon which the Commissioner relied in granting the clause 52 exemption from monthly returns to the betting operator. In addition, under sub-clause 59(1)(b) the clause can also operate where the Commissioner has previously assessed or reassessed under clause 58 to disregard monthly or final return lodgement requirements which would otherwise have applied. In such cases, the operation of clause 59(2)(b) and (c) allows the Commissioner to assess on the basis that would have applied but for the previous application of clause 58, returning the betting operator to the normal lodgement obligations that the application of clause 58.

It is important that the Commissioner can move flexibly between clauses 58 and 59 as facts present themselves, given the impact of removing earlier monthly and final return obligations also reduces the unpaid tax interest and penalty tax obligations which may also have applied to those returns. New evidence can arise from time to time which casts an entirely different complexion upon previous taxpayer conduct, and justifies these adjustments in approach by the Commissioner.

As noted above, decisions under the Bill are subject to review within the scope of the Taxation Administration Act's objection and appeals framework. Any decisions outside that scope would be subject to the *Judicial Review Act 1991*.

***Legislation is unambiguous and drafted in a sufficiently clear and precise way
Legislative Standards Act 1992, section 4(3)(k)***

Legislation is required to have sufficient regard to the rights and liberties of individuals, including that the legislation be unambiguous and drafted in a sufficiently clear and precise way. In this context, it is noted that the Bill will impose betting tax on the taxable wagering revenue of betting operators licensed in Australia, from bets made by persons who are located in Queensland when the bet is made. Bet is defined inclusively and includes wagers.

'Bets' and 'wagers' are intended to take their ordinary meaning, and be able to follow the evolution of the dynamic betting industry. This approach recognises that the categories of things which may be bet upon may change over time, and vary depending on the where the operator is licensed, as may the way in which betting occurs, the revenue generation models of betting operators in the market, or the types of terms and conditions upon which bets are offered. Casting the definition in exhaustive terms would raise the potential for avoidance, and for unintended gaps in the operation of the tax.

Certainty is provided for taxpayers through defined contextual terminology including 'betting exchange', 'betting exchange bet', 'betting operations', 'betting operator', 'free bet', 'general bet', 'lay-off bet', 'Queensland bet', 'taxable wagering revenue' and 'totalisator bet'. In addition, specific exclusions from the meaning of 'bet' are laid out, to make it clear what is intended to be included for taxation. Examples have also been utilised in the Bill, where appropriate, to give further context.

Generally - offences

For the reasons outlined below, the operation of offences under the Betting Tax Bill, and through the application to it of the Taxation Administration Act, are considered to be appropriate to the context of imposition of tax and collection of State revenue, and to have sufficient regard to the rights and liberties of individuals.

Taxation Administration Act

Existing offences under the Taxation Administration Act, which concern breaches of administrative requirements, will apply to the betting tax, as for other revenue laws. No new offences are added to the Taxation Administration Act by this Bill. Notes are

included in the Bill where obligations for the Betting Tax Bill will be relevant to existing offence provisions under the Taxation Administration Act. See for example, clause 50(1) in relation to lodgement of monthly returns, noting that failure to lodge a monthly return is an offence against section 121 of the Taxation Administration Act, and similarly lodgement and notice obligations under clauses 53 (annual returns), 54 (final returns), 55 (further returns) and 62 (notice of change of address for service).

The period for commencing prosecution actions under the Taxation Administration Act of five years after commission of an offence will apply for betting tax. This standard period accords with the record retention period.

New Betting Tax Bill offences

Four new offences will be created under the Bill.

Clause 22 creates an offence where a betting operator fails, when receiving a bet, to take reasonable steps to identify the location of the person making the bet. A clear method of compliance with this requirement is specified, allowing betting operators to rely upon particular addresses given to the operator by their customers, as reasonably indicative of location. In the context of regulatory obligations that commonly apply to operators potentially liable to the betting tax, such as the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (including various obligations to collect and maintain client information), this is considered to offer a pragmatic method for operators to determine location. However, an operator will not be able to rely on such an address given to them by the customer if they know or reasonably suspect the address is not the location of the person at the time they make a bet. Examples are provided in the Bill.

A maximum penalty of 100 penalty units for this offence is consistent with similar offences in other revenue laws where the offending conduct may not necessarily result in a reassessment and the imposition of unpaid tax interest and penalty tax, such that the offence may present the most appropriate means of addressing the behaviour. As noted above, this obligation and the attendant offence is an important aspect of ensuring the operation of the tax as a point-of-consumption tax is achieved. For the purposes of comparison, an offence against the record-keeping requirements under Part 9 of the Taxation Administration Act would give rise to liability to a maximum of 100 penalty units. Similarly, breaches of record-handling requirements under sections 396 and 483 to 435 of the *Duties Act 2001* have a maximum penalty of 100 penalty units. These offences, like clause 22, ensure there is appropriate evidence maintained of the occurrence of liability to tax.

Clause 43 creates an offence for circumstances where a person, by any act or omission, avoids or attempts to avoid betting tax. The applicable maximum penalty is 20 penalty units and treble the amount of betting tax avoided or attempted to be avoided. The purpose of this provision, is to deter egregious behaviour in the context of tax avoidance.

Clause 44 makes it an offence if a betting operator fails to register with the Commissioner, within 7 days from the end of a month of a financial year in which their taxable wagering revenue is equal to or more than the annual threshold amount. The

offence is subject to a maximum penalty of 100 penalty units. This requirement and its maximum penalty are both consistent with section 53 of the *Payroll Tax Act 1971*. It is an appropriate provision to ensure effective operation of the system of registration. Registration ensures persons liable for betting tax are known to the Commissioner for compliance and oversight, are established as clients for the online lodgement and payment systems, and receive the benefit of client education and support initiatives.

The above offences are also subject to the operation of clause 60 of the Bill. Clause 60 provides that, in particular circumstances, an executive officer of a corporation that commits one of the above three offences may also be liable as a party for the offence. This will only be relevant where the conditions in clause 60 concerning the executive officer's own role in the corporation's conduct constituting the offence is established (they authorised or permitted the conduct or were directly or indirectly knowingly concerned in the conduct). The provision does not create a separate offence for executive officers or involve any reversal of onus. It simply clarifies the circumstances in which an executive officer is, in effect, a party to an offence committed by a corporation, and able to be prosecuted in their own right. In this respect, the provision supplements the provisions of Chapter 2 of the Criminal Code, which deals with parties to offences, which likewise use language of "deemed" liability in the context of its party liability provisions.

Clause 61 provides that a person who is appointed as administrator for a betting operator registered or required to be registered under the Bill, will be required to give the Commissioner written notice of their appointment. The notice must be given within 14 days after their being appointed as administrator. It is an offence if there is a failure to give this notice. This offence is consistent with a similar offence in the *Payroll Tax Act 1974*, and recognises that a final return liability arises on such an appointment. It is important that the Commissioner be made aware of these changes of status in a betting operator so revenue owing to the State for betting tax liabilities can be appropriately taken into account in the administration. The 40 penalty unit maximum for this offence is commensurate with similar offences relating to third party (non-taxpayer) offences across the Taxation Administration Act and revenue laws.

Sufficient regard to the institution of Parliament

This Bill ensures regard for the institution of Parliament by complying with recommendations of the former Scrutiny of Legislation Committee on taxation. That committee considered that primary legislation should impose tax liability. This view allows for primary legislation to set a maximum rate, or the method of calculating the maximum rate, limiting the possible effect of the subordinate legislation. On this basis, subordinate legislation may then set rates lower than the maximum.

Ensuring that maximum tax rates are set by primary legislation was addressed by the former Scrutiny of Legislation Committee in its annual report for 1997-98 and in its consideration of the Interactive Gambling (Player Protection) Bill 1998 (AD 2) and the Justice and Other Legislation Amendment Bill 2005 (AD 13). In 2017, the Senate Scrutiny of Bills Committee expressed a similar view in its annual report, preferring that primary legislation should set the maximum tax rate.

The Betting Tax Bill 2018 is consistent with the views of these scrutiny committees. As defined by the Dictionary under schedule 1, the 'taxing rate' permits a rate to be prescribed by regulation, however limits this power to a maximum rate of 15% of taxable wagering revenue.

An ability to provide for variation of the rate of taxation by regulation allows the government increased responsiveness to the industry and regulatory environment across Australia within limits of authority provided by the Parliament and subject to disallowance in the Parliament.

Clause 6(2) in specifying certain games that are not included in the meaning of bet, permits additional games of a similar nature to those listed in that provision to be prescribed. This ensures that if further games of a similar nature are identified, additional clarity can be provided on scope, but in a way that is constrained by the context already established in clause 6(2).

As noted under the heading 'Taxable Wagering Revenue' above, in recognition of the evolving and innovative nature of the betting and wagering industry, a regulation making power is included under clause 24(3)(c) so that if further appropriate payments for the reduction of taxable wagering revenue are identified, they can be prescribed. Any prescription of further payments will be beneficial to operators. The general rules for deductions established in the Bill will also apply to any such prescribed payments, making it clear that reductions are not permitted for expenses which relate to the broader business running costs of the operator (such as advertising, wages, goods and services tax and other overhead expenses). No reduction will apply for granting non-cash rewards (e.g. frequent flyer points or granting free bets). Payments which are not directly attributable to fulfilling a customer's entitlement on a bet, which are made at the discretion of the operator, which are made to a third party (with limited appropriate exceptions), or which are part of particular arrangements provided by the betting operator for the primary purpose of attracting, encouraging or promoting other betting, will not be relevant for reducing taxable wagering revenue.

Clause 65 specifies three further regulation making powers which include:

- Providing for the way of making an application to the Commissioner under the Bill as enacted. This is a normal regulation power in revenue laws, to give further direction on the form and content of applications permitted to be made under an Act.
- Providing that a return, application, notice, statement or form signed on behalf of a betting operator is taken to have been signed by the betting operator. This recognises normal business practices of actions via authorised officers, and is consistent with an existing regulation making power in section 97(2)(c) of the *Payroll Tax Act 1971*, for example.
- Providing for a maximum penalty of not more than 20 penalty units for a contravention of the regulation. This provision ensures that where appropriate, obligations permitted to be prescribed by regulation can carry the weight of a penalty for non-compliance. Twenty penalty units is a comparatively modest penalty and appropriate for an obligation prescribed in regulation. A similar

existing provision can be found in section 97(3) of the *Payroll Tax Act 1971* and section 154(2) of the *Taxation Administration Act*.

Consultation

At the 2017 general election, the Queensland Government announced an intention to apply a point-of-consumption betting tax to the wagering revenue of betting operators from bets made by customers in Queensland.

Industry Consultation

Formal consultation with the wagering industry was undertaken in relation to administrative implementation of the announced tax on:

- Application of the *Taxation Administration Act*
- Appropriate identification of bets placed by persons in Queensland
- Registration of betting operators with the Commissioner
- Lodgement of online returns on a monthly and annual basis.

Confidential submissions were received from a number of industry bodies and participants, and further engagement with those bodies was undertaken in relation to identification of net wagering revenue for the purposes of taxation. A number of participants sought, and were provided with an opportunity, to present their position in conference or teleconference. Contributors represented a cross-section of betting operators with racing, sports and other contingency betting knowledge, from within and outside Queensland.

Consultation feedback was considered in implementing the tax, and has formed the basis upon which:

- For clarity in the operation of the tax, the Bill expressly recognises the way revenue is earned under known and recognisable forms of betting is different (e.g. commission based calculations in totalisator and betting exchanges, compared to the traditional calculations of winnings and losses in fixed odds betting).
- Provides clear rules for the treatment of free bets to recognise they are neither real income received, nor in their granting appropriate for the reduction of taxable wagering revenue.
- Recognising some other payments, including some with a promotional impact, are appropriate reductions of taxable wagering revenue, beyond the standard matters of returning the stake and paying dividends on winning bets with appropriate conditions applying.

Feedback on the administrative effort associated with monthly returns has been addressed with provisions addressing where this may be onerous, as outlined above. Consultation feedback was also relevant in refining the approach to establishing location of persons placing bets, so that the importance of establishing that element was appropriately balanced with pragmatic compliance by betting operators.

Consistent with submissions seeking harmonised taxation across Australian jurisdictions, harmonisation has been pursued to the maximum extent practicable within the constraints of the policy purpose of the tax, and the Queensland legislative environment. Queensland Government will continue to engage in interjurisdictional discussions of POC wagering tax with a view to optimising its operation nationally.

No significant issues were raised with administration of the tax, and on balance the requirements of registration and returns, and the timing of those did not present as a significant concern. The Office of State Revenue will provide training and support for liable betting operators including web text, guidance material and webinars as part of implementation of the betting tax.

Consequently, industry feedback was valuable and meaningfully contributed to the shape of the Bill.

Government and statutory authority consultation

The Office of Regulatory Policy in the Department of Justice and Attorney-General worked alongside Queensland Treasury, and the Office of Parliamentary Counsel in the Department of Premier and Cabinet, in the drafting of the Bill.

Consultation was also undertaken with the Department of Justice and Attorney-General, the Department of Premier and Cabinet, the Department of Local Government, Racing and Multicultural Affairs, the Queensland Racing Integrity Commission, and Queensland's statutory authority for the racing industry, Racing Queensland.

Queensland Treasury engaged with counterparts in the other jurisdictions which have implemented, announced, or publicly consulted upon a POC tax with a view to advancing harmonisation, to the greatest extent possible.

It is noted that regulatory proposals that impose taxation are subject to an exemption from Regulatory Impact Assessment under The Queensland Government's Guide to Better Regulation, and that the Office of Best Regulatory Practice was consulted in confirming the application of that exemption to the Bill. However as outlined above, industry consultation was undertaken in the preparation of the Bill.

Consistency with legislation of other jurisdictions

South Australia introduced a POC wagering tax from 1 July 2017, under the *Authorised Betting Operations Act 2000* (SA). Victoria, Western Australia and the Australian Capital Territory have each committed to implement similar taxes from 1 January 2019. New South Wales has undertaken public consultation on the possibility of a POC wagering tax.

The Bill seeks to harmonise with the policy of the South Australian POC tax, and announced Victorian measure including:

- Applying the tax to a betting operator's net revenue from bets made by customers in the taxing jurisdiction.

- Taxing regardless of whether the bets were made in person, or electronically at a distance, and regardless of whether the betting operator was in Queensland or elsewhere in Australia.
- Taxing all forms of betting, including totalisator, betting exchange and other betting, such as fixed odds betting.
- Requirements for registration of liable betting operators with the Commissioner of State Revenue (Commissioner), and standard monthly return obligations.
- Discontinuing the existing point-of-supply based wagering tax.

Harmonisation has been pursued to the maximum extent practicable within the constraints of the policy purpose of the tax, and the Queensland legislative environment. However, the Queensland Government will continue to engage in interjurisdictional discussions of POC wagering tax with a view to optimising its operation nationally.

Notes on provisions

Part 1 – Preliminary

Division 1 - Introduction

Clause 1 allows for citation of the *Betting Tax Act 2018*.

Clause 2 provides for commencement on 1 October 2018.

Clause 3 provides for the Bill to apply both within and outside Queensland after enactment. The Bill as enacted will apply outside Queensland to the full extent of the legislative power of the Parliament of Queensland.

Clause 4 declares that the *Betting Tax Act 2018* does not contain all the provisions about betting tax, noting the application of the *Taxation Administration Act 2001* (Taxation Administration Act). Under section 3(3) of the Taxation Administration Act, the Bill when enacted must be read together with the Taxation Administration Act as if they formed a single Act.

Division 2 - Interpretation

Clause 5 provides for a dictionary in schedule 1.

Clause 6 provides guidance on the meaning of ‘bet’ for the purposes of the Bill. Sub-clause (1) provides a broad inclusive definition of bet that includes a free-bet, lay-off bet and wager. Bet (subject to clause 6) and wager take their ordinary meaning. Sub-clause (2) makes clear that certain games are not included within the meaning of bet for the purposes of the Bill. Sub-clause (3) provides definitions of ‘gaming Act’ and ‘relevant interstate game’ for clause 6.

Clause 7 provides the meaning of ‘free bet’ for the purposes of the Bill and includes an example. This term is relevant for establishing the amount of a betting operator’s

liability. Provisions which specify how free bets are treated for betting tax include clauses 6(1), 25(1)(a) and as part of the concept of a 'free component' also mentioned in clauses 7, 25(1)(d), 26(2)(a) and 28(2). See also clauses 24 and 25 generally in relation to the meaning of taxable wagering revenue. At a principles level, the betting tax seeks to recognise only the real revenue impacts of free bets. So, the Bill does not treat the granting of a free bet amount as a payment by the betting operator which reduces its taxable wagering revenue; recognises bets made wholly or partly using free components to be bets; does not count the free component of any bet stake amount by a customer as a payment received by the betting operator; does recognise the operation of the free component in the calculation of paid dividends; and does not treat a free stake amount as paid by the betting operator back to a customer on the outcome of a bet unless it is in fact paid.

Clause 8 provides the meaning of 'lay-off bet' for the purposes of the Bill. This term is relevant for establishing the amount of a betting operator's liability, and is included in the meaning of bet in clause 6. Lay-off bets are part of the revenue of the betting operator (Operator A) with whom the bet is made, and the revenue from them is included in Operator A's taxable wagering revenue, regardless of the fact that Operator A's customer, in placing the bet (Operator B), may have had to include in their taxable wagering revenue, the bet made with them by their customer (the risk of which they are seeking to lay-off by making a bet with Operator A). There are two separate taxable wagering revenue streams – that of Operator A and that of Operator B. The lay-off bet, like any other bet, becomes part of Operator A's relevant revenue for the purposes of the tax. The decision to lay-off risk by Operator B, and to accept bets from other betting operators by Operator A are business decisions for each operator, and any associated costs are simply a factor to be taken into account by the relevant operators in making those business decisions.

Clause 9 provides the meaning of 'betting exchange bet' for the purposes of the Bill. This links to the definition of 'betting exchange' in Schedule 1 of the Bill.

Clause 10 provides the meaning of 'general bet' for the purposes of the Bill. Traditional betting involving the payment of a stake on the outcome of an event, against application of odds provided by the betting operator, with the prospect of a dividend payment and return of the stake on a winning bet, would fall into this category. However, it is more broadly the residual category of all bets under the Bill in the evolving and innovative betting and wagering industry, other than the specific recognised forms of bets using a betting exchange or a totalisator which have discrete betting revenue generation models in the existing industry environment.

Clause 11 provides the meaning of 'totalisator bet' for the purposes of the Bill. This links to the definition of 'totalisator' in Schedule 1 of the Bill.

Clause 12 defines a betting operator for the purposes of the Bill, as a person who is authorised under a licence or other authority under a law of Queensland, another State (which includes Territories under the *Acts Interpretation Act 1954*) or the Commonwealth, to conduct betting operations from a place in Australia. Any person who under those same laws is exempted from authorisation requirements for conducting betting operations from a place in Australia is also a betting operator, in that they are also expressly contemplated within the regulatory regime for that activity.

Clause 13 provides that a person conducts betting operations for the purposes of the Bill if the person receives, pays, negotiates or settles bets, or operates a betting exchange (defined in Schedule 1 of the Bill), whether in person or through an agent or a telecommunication device. This covers all forms of betting – in person and remotely, such as online or over the telephone.

Clause 14 provides a meaning for ‘relevant betting operator’, being a betting operator who is registered or required to be registered under the Bill. ‘Relevant betting operator’ is used throughout the obligations to lodge returns and associated obligations, imposed under the Bill.

Clause 15 explains when a relevant betting operator has a ‘change of status’ during a financial year. This is relevant to obligations to lodge final returns and associated obligations imposed under the Bill. In sub-clause (1), the appointment of an administrator on 1 July does not give rise to a change of status because there is no previous period in the final year to be accounted for by final return, in that case.

Clause 16 makes provision for what constitutes the ‘final period’ for a person who has a change of status during a financial year. The provision is relevant to final liability and final return obligations for betting operators. There can be more than 1 final period in a financial year. Every final period starts on 1 July in the financial year (save for 2018-19, when it starts on 1 October 2018 by operation of the transitional provisions). Each final period ends on an end day prescribed by reference to the relevant change of status for the betting operator for that final period. Examples are provided.

Clause 17 is an interpretation provision which, in sub-clause (1), makes it clear that whatever mechanism or arrangements a betting operator utilises in its business to receive bets – e.g. agents or telecommunication devices – these bets are nonetheless ‘made with’ or ‘received by’ the betting operator for the purposes of the Bill. Sub-clause (2) recognises that while the operating model of a betting exchange does not involve the operator being part of the bet itself, but rather facilitating the bet being made through it, the operation of the Bill covers all those transactions.

Clause 18 is included to ensure that in the administrative simplification provided in clause 50(4) of not requiring a monthly return for the last month in a financial year, no other obligations of the betting operator under the Bill, or the Taxation Administration Act, in relation to that month (i.e. June each financial year) are in any way compromised. For example, provisions of the Taxation Administration Act relating to record keeping continue during June, regardless.

Part 2 – Liability for betting tax

Division 1 – Imposition of liability

Clause 19 provides for the imposition of betting tax on the taxable wagering revenue of betting operators for particular periods (set out in Part 2, Divisions 3, 4 and 5) at the taxing rate (as defined in Schedule 1 of the Bill).

Clause 20 provides when a liability for betting tax arises, being on the return date for lodgement by the betting operator (set out in Part 4).

Clause 21 provides who is liable for betting tax – the betting operator on whose taxable wagering revenue the tax is imposed.

Division 2 – Taxable wagering revenue

Subdivision 1 – Location of persons making bets

Clause 22 supports the nexus rules for establishing the betting tax as a point-of-consumption tax, based on bets made by persons located in Queensland at the time of making the bet. Under sub-clause (1), the betting operator bears the onus of identifying the location of the person making the bet with them, when they receive the bet. It requires the betting operator to take reasonable steps to identify the location of the person making the bet. 'Reasonable steps' is an objective and fair test and takes its ordinary meaning.

A range of actions by the betting operator may constitute reasonable steps, and betting operators should be prepared to confirm for the Commissioner of State Revenue on compliance reviews, how they have met this obligation. For example, operators who receive bets on a face-to-face basis with customers in Queensland, can rely on the fact that the customer is physically seen in Queensland when the bet is made. Betting operators who receive bets through remote means (e.g. online or on the telephone), may simply choose to establish the location of their clients by asking or requesting them to confirm where the customer is physically located when they make a bet with the operator. As long as the means of establishing location are reasonable, the operator will comply.

It is recognised that the State and federal regulatory context for betting operators mean they are generally expected to have reliable systems of collecting and maintaining accurate client information. Consequently, sub-clause (2) accepts that in the normal course, an operator will meet its obligations to take reasonable steps to identify the location of the person making the bet by relying upon the residential address (for an individual) or principal place of business address (for a company) provided by their customer. Nevertheless, clause (3) makes the appropriate qualification that this concessional rule cannot be relied upon if the betting operator knows, or has reasonable grounds to suspect, that the relevant address is not the location of the customer when the bet is made. Examples are provided to assist operators in meeting their obligations under this clause.

Given the location of the customer at the time of making the bet is an important part of a point-of-consumption tax, and that the betting operator is best placed to determine this, a maximum penalty of 100 penalty units may apply should the operator breach its obligations in this regard.

Subdivision 2 – Working out taxable wagering revenue

Clause 23 explains when a bet will be a Queensland bet. This concept is used in specifying the part of a betting operator's wagering revenue which relates to bets made by persons located in Queensland when the bet is made. Sub-clause (1) is an interpretive provision which ensures that whenever the Bill refers to a Queensland bet or a Queensland bet of a particular type (e.g. Queensland general bet) it means a bet of the relevant type made by a person located in Queensland when the bet is made. Sub-clause (2) is an avoidance of doubt provision confirming that a lay-off bet made by a betting operator who is located in Queensland (Operator B), in making the bet as a customer of another betting operator wherever located (Operator A), is a Queensland bet, and included in the taxable wagering revenue of Operator A. This is so, regardless of where the customer from whom Operator B received the original bet was located when they made the bet with Operator B.

Clause 24 is the leading calculation provision for determining the taxable wagering revenue of a betting operator, upon which betting tax is imposed. Sub-clause (1) establishes the basic calculation for identification of taxable wagering revenue as being total wagering revenue of an operator less total eligible payments of an operator. With regard to the fundamental legislative principles imposed upon statutes in Queensland by the *Legislative Standards Act 1992*, to ensure sufficient regard for the institution of Parliament, and the rights of individuals, sub-clauses (2) and (3) provide further specification of relevant payments received by and made by betting operators for particular types of bets. This further specification is based on the known and recognisable forms of bets and their operation in the existing environment. In this regard, the rules provided merely take the existing environment as they find it, and identify the genuine net revenue of the betting operator from the bet.

In the context of total wagering revenue, sub-clauses (2)(d) and (e) are broad residual provisions to ensure that the clarity provided in sub-clauses (2)(a) to (c) does not inadvertently limit the revenue of a betting operator from bets, which the betting tax is intended to apply to across all bet types and betting operators. Similarly, in sub-clause (3)(c), the regulation making power ensures that if further payments by betting operators are identified, which are appropriate reductions of the revenue from the bets made with customers, they can be prescribed. However, these would remain subject to the general rules for total eligible payments in clause 25. A limited exception to this is the particular payment for totalisators mentioned in clause 25(1)(b), where the third party payment condition is not a necessary limitation in the context of the specific nature of that payment which is clearly part of the payment of successful bets.

Clause 25 provides general rules and illustrative examples, concerning payments which may not, for any type of bet, be taken into account as total eligible payments for a betting operator.

Clause 26 provides clarification rules and formulae for determining total wagering revenue and total eligible payments for totalisator bets, based on the way those bets occur in the existing betting environment.

Clause 27 provides clarification rules for determining total wagering revenue for betting exchange bets, based on the way those bets occur in the existing betting environment. To the extent betting exchanges charge commission on a discounted basis, this would be reflected in their taxable wagering revenue as the amount of commission 'received'.

Clause 28 provides clarification rules for determining total wagering revenue and total eligible payments for general bets. It makes it clear that any free component of a bet is not included in the total wagering revenue of a betting operator receiving a general bet.

Clause 29 provides valuation rules where bets are made other than in cash. Sub-clause (1) provides that if a bet is made other than in cash, the amount of the bet includes the monetary value of the non-cash consideration comprising the bet at the time the bet is made. Examples are provided. Sub-clause (2) provides that sub-clause (1) is subject to sub-clause 28(2) in the latter's provision that the amount of a general bet does not include any free component of the bet. Sub-clause (3) provides rules for establishing the amount of a bet if it is made in a foreign currency.

Division 3 – Monthly liability

Clause 30 provides that Division 3 applies to a betting operator who is required under clause 50 to lodge a monthly return for a month.

Clause 31 provides a definition of 'qualifying month' for Division 3. A qualifying month is the first month of each financial year in which the taxable wagering revenue of the betting operator for the period starting on 1 July in the financial year and ending on the last day of the month is more than the annual threshold amount.

Clause 32 sets out how to identify a betting operator's monthly liability for betting tax each month. Sub-clause (2) provides that for any month of a financial year before the betting operator's qualifying month, their monthly liability is nil. Sub-clause (3) provides that for a qualifying month, the monthly liability amount is worked out by applying the taxing rate to the difference between the betting operator's taxable wagering revenue for the period starting on 1 July in the financial year and ending on the last day of the qualifying month, and the annual threshold amount. Sub-clause (4) provides that for any month in a financial year after the qualifying month, if the taxable wagering revenue of the betting operator is nil or a negative amount, their monthly liability is nil. Otherwise, their monthly liability will be the amount worked out by applying the taxing rate to the betting operator's taxable wagering revenue for the month. Sub-clause (5) makes sub-clauses (3) and (4) subject to clause 33.

Example – Operator X is a betting operator registered under the Bill as enacted. For the month of July 2019, X's taxable wagering revenue is \$200,000. As this was not more than the annual threshold amount, X's July return was for nil betting tax. In August 2019, X's taxable wagering revenue is a further \$230,000, such that from 1 July 2019 to 31 August 2019, its taxable wagering revenue is \$430,000. August is X's qualifying month for the 2019-20 financial year, and its monthly liability for August is \$19,500 (15% x (\$430,000 less the annual threshold amount of \$300,000)). In September, it earns further taxable

wagering revenue of \$110,000, and in its September return includes a monthly liability of \$16,500 (15% x \$110,000).

Clause 33 provides how monthly liability is worked out in circumstances where a final period for the betting operator ends during the month, and the month is either a qualifying month (provided the taxable wagering revenue of the betting operator for the final period is more than the annual threshold amount), or a month in the financial year after the qualifying month. Sub-clause (1) establishes that scope of operation. Sub-clause (2) provides that the betting operator's monthly liability for betting tax will be nil if the end day for the final period is the last day of the month (because it will have been accounted for in the final liability). Where that is not the case, sub-clause (2) goes on to provide that the monthly liability will be nil if the taxable wagering revenue of the betting operator for the 'reduced period' (that is, the remainder of the month following the end date for the final return) is nil or a negative amount.

However, if the taxable wagering revenue of the betting operator for the reduced period is not nil or a negative amount, the monthly liability will be the amount worked out by applying the taxing rate to the taxable wagering revenue of the betting operator for the reduced period. Under sub-clause (3), 'reduced period' for the purposes of the clause, in relation to a month during which a final period for a betting operator ends, means the period starting on the day after the end day for the final period and ending on the last day of the month. What this means is that if the betting operator continues to operate after a final period ends (for example if an administrator is appointed and the appointment ends with the business having returned to profitable operation) the monthly return accounts for only their post-final period liability for that month, thus ensuring the same revenue is not taxed twice (both in the final and in the monthly return).

Example – in the example above for clause 32, assume that on 14 August an administrator was appointed to X. This gives rise to a change of status, and a final period ending on 13 August, meaning that a final period is ending during X's qualifying month. The end day for the final period is not the end of the month. X continues to trade through administration. Of the total August taxable wagering revenue of \$230,000, \$120,000 of this was attributable to the period ending 13 August 2019. Consequently, for X's August return in these circumstances, the monthly liability will be calculated on the \$110,000 taxable wagering revenue from 14 August to the end of the month, being a liability of \$16,500. (The \$120,000 earlier in the month will be taken into account in the final return required to be lodged as a consequence of the change of status caused by appointment of the administrator). Note the final liability for 1 July to 13 August would be:

- *15% x total taxable wagering revenue for that period (\$200,000 + 120,000 = \$320,000) minus the annual threshold amount of \$300,000 = 15% x \$20,000 = \$3,000.*
- *Less the monthly liability for July (nil).*

So that final liability would be \$3,000. (For final liability see Part 2 Division 5).

If the final period ends during a qualifying month and the taxable wagering revenue of the betting operator for the final period is not more than the annual threshold amount, clause 33 does not apply. This would be the case where the betting operator's taxable

wagering revenue for the year exceeded the annual threshold amount at a later date in the same month as the end date for the final period. In that case, clause 32(3) would govern the monthly liability for the month.

Division 4 – Annual Liability

Clause 34 provides that Division 4 applies to a betting operator who is required under clause 53 to lodge annual returns for a financial year.

Clause 35 provides the definitions of ‘annual betting tax amount’ and ‘relevant liability’ for Division 4. ‘Annual betting tax amount’ is the amount worked out by applying the taxing rate to the amount by which the taxable wagering revenue of the betting operator for the financial year is more than the annual threshold amount. If the taxable wagering revenue equal to or less than the annual threshold amount, the annual betting tax amount is nil. ‘Relevant liability’ of a betting operator for a financial year means monthly and final liabilities of the betting operator during the financial year, for which they were obliged to lodge returns.

Clause 36 sets out how to identify the betting operator’s annual liability for betting tax for a financial year, by comparing their annual betting tax amount to their relevant liabilities (if any) for the financial year. Where the betting operator does not have any relevant liabilities (for example if they were exempt for the full financial year from the monthly return lodgement requirement, by reason of operation of clause 51 or 52), their annual liability is simply their annual betting tax amount for the financial year. If the betting operator’s relevant liabilities are equal to or more than the annual betting tax amount for the financial year, their annual liability will be nil (and clause 37 may apply). Otherwise, their annual liability is the difference between their annual betting tax amount for the financial year and the total amount of their relevant liabilities for the financial year.

Example – Continuing on from the example to clause 33 above. The appointment of the administrator for the betting operator ends on 10 October 2019. The administrator lodged the September monthly return before this, on taxable wagering revenue in September of \$110,000 (a monthly liability of \$16,500). From 1 October to 10 October, the operator’s taxable wagering revenue was \$50,000. The betting operator would be required to lodge a further final return for the period 1 July to 10 October 2019, due to the change of status when the administrator’s appointment ended. For that final return, the betting operator’s final liability would be calculated on 15% of its total taxable wagering revenue from 1 July to 10 October.

Consequently, for the final liability period ending 10 October 2019 (for final liability see Division 5), the operator:

- *Calculates betting tax at 15% on:*
 - *the total taxable wagering revenue from 1 July to 10 October of \$200,000 (July) + \$230,000 (August) + \$110,000 (September) + \$50,000 (to 10 October) = \$590,000;*
 - *minus the annual threshold amount of \$300,000.*

This equals 15% x \$290,000 = \$43,500.

- *Identifies the total of the previous liabilities (clause 39) from 1 July 2019 to 10 October 2019 – namely:*
 - *Monthly liabilities: \$0 for July; \$16,500 for August; \$16,500 for September; and*
 - *The previous final liability of \$3,000.**These total \$36,000.*
- *Works out the difference between the two figures to determine that the final liability for the final period ending 10 October 2019 will be \$7,500.00.*

From 11 October to the end of that month, the betting operator has taxable wagering revenue of \$200,000 (a monthly liability of \$30,000). The operator's taxable wagering revenue is \$200,000 and monthly liability is \$30,000 for each month from November 2019 to May 2020. It earns \$150,000 taxable wagering revenue in June 2020.

To calculate the betting operator's liability, it:

- *Calculates the annual betting tax amount at 15% on:*
 - *The operator's total taxable wagering revenue for the financial year: \$590,000 (to 10 October) + \$200,000 (remainder of October) + 7 x \$200,000 (November to May) + \$150,000 (June) = \$2.34M;*
 - *Minus the annual threshold amount of \$300,000.**This equals 15% x \$2.04M = \$306,000.*
- *Identifies the total of its relevant liabilities for the financial year (clause 35) – namely:*
 - *Monthly liabilities: \$0 for July; \$16,500 for August; \$16,500 for September; \$30,000 for October, and each of the next 7 months through to May (total: \$273,000); and*
 - *The first final liability of \$3,000 and the second final liability of \$7,500 (total: \$10,500).**These total \$283,500.*
- *Works out the difference between the two figures to determine the annual liability for the year to be \$22,500.*

No final or annual liability replaces an earlier liability in the financial year. They account for the extra liability which has arisen since the last preceding liability in the financial year. All the assessments giving rise to the relevant liabilities earlier in the year continue to be valid assessments, and if not paid, will attract unpaid tax interest.

Clause 37 sets out the circumstances in which a betting operator will be entitled to an annual refund amount. Sub-clause (1) provides the clause applies where the total amount of the relevant liabilities of a betting operator for the financial year is more than the annual betting tax amount for the betting operator for the financial year. Under sub-clause (2) the betting operator is entitled to a refund of an 'annual refund amount' being the difference between the total of the betting operator's relevant liabilities for the financial year, and the annual betting tax amount for the betting operator for the

financial year. Sub-clause (3) limits the entitlement to a refund under sub-clause (2), so that the refund does not apply more than 5 years after the assessment of the betting operator's annual liability for the financial year is made. This is to ensure that the operation of clause 37 supports the standard time limitations upon the Commissioner's powers to reassess and make a refund under the Taxation Administration Act. Sub-clause (4) specifies that the entitlement to an annual refund amount is subject to clause 56.

Sub-clause (5) provides that clause 37 does not apply in relation to a reassessment of the betting operator's annual liability for the financial year. It is not necessary for clause 37 to apply in that case as any refund which may arise on a reassessment will be payable in accordance with the provisions under the Taxation Administration Act. Clause 37 is only required as a special rule to achieve reconciled liabilities and refunds in an original annual assessment. Sub-clause (6) provides that the entitlement to refund under clause 37 applies despite section 36 of the Taxation Administration Act, which otherwise limits the availability of refunds to the provisions made for refunds under that Act.

Division 5 – Final Liability

Clause 38 specifies that Division 5 applies to a betting operator who is required under clause 54 to lodge a final return for a final period.

Clause 39 provides the definitions of 'adjusted betting tax amount' and 'previous liability' for Division 5. 'Adjusted betting tax amount' for a final period is the amount worked out by applying the taxing rate to the amount by which the taxable wagering revenue of the betting operator for the final period is more than the annual threshold amount. If the taxable wagering revenue is equal to or less than annual threshold amount, the adjusted betting tax amount for the final period is nil. 'Previous liability' of a betting operator for a final period means monthly and final liabilities of the betting operator during the final period, for which they were obliged to lodge returns.

Clause 40 sets out how to identify the betting operator's final liability for betting tax for a final period, by comparing their adjusted betting tax amount to their previous liabilities (if any) for the final period. Where the betting operator does not have any previous liabilities (for example if they were exempt for the full financial year from the monthly return lodgement requirement, by reason of operation of clauses 51 or 52), their final liability is simply their adjusted betting tax amount for the final period. If the betting operator's previous liabilities are equal to or more than the adjusted betting tax amount for the final period, their final liability will be nil (and clause 41 may apply). Otherwise, their final liability is the difference between their adjusted betting tax amount for the final period and the total amount of their previous liabilities for the final period. See some examples of the final liability provisions in the context of the examples provided for clauses 33 and 36 above.

Clause 41 sets out the circumstances in which a betting operator will be entitled to a final refund amount. Sub-clause (1) provides the clause applies where the total amount of the previous liabilities of a betting operator for the final period is more than the adjusted betting tax amount for the betting operator for the final period. Under sub-clause (2) the betting operator is entitled to a refund of a 'final refund amount'

being the difference between the total of the betting operator's previous liabilities for the final period, and the adjusted betting tax amount for the betting operator for the final period. Sub-clause (3) limits the entitlement to a refund under sub-clause (2), so that the refund does not apply more than 5 years after the assessment of the betting operator's final liability for the final period is made. This is to ensure that the operation of clause 41 supports the standard time limitations upon the Commissioner's powers to reassess and make a refund under the Taxation Administration Act.

Sub-clause (4) specifies that the entitlement to a final refund amount is subject to clause 56. Sub-clause (5) provides that clause 41 does not apply in relation to a reassessment of the betting operator's final liability for the final period. It is not necessary for clause 41 to apply in that case as any refund which may arise on a reassessment will be payable in accordance with the provisions under the Taxation Administration Act. Clause 41 is only required as a special rule to achieve reconciled liabilities and refunds in an original final assessment. Sub-clause (6) provides that the entitlement to refund under clause 41 applies despite section 36 of the Taxation Administration Act, which otherwise limits the availability of refunds to the provisions made for refunds under that Act.

Division 6 – Avoidance of betting tax

Clause 42 provides that the Commissioner of State Revenue may disregard agreements, transactions or arrangements entered into by a person that have the effect of reducing, postponing or avoiding the liability of any person to the assessment, imposition or payment of betting tax. Sub-clause (1) specifies the scope of application of the clause. Sub-clauses (2) and (3) set out particular actions the Commissioner may take to address the agreement, transaction or arrangement. Besides broadly disregarding the arrangement for one or more periods, the Commissioner may make decisions affecting the betting operator's total wagering revenue, total eligible payments and taxable wagering revenue. The actions permitted by the Commissioner go to negating the effect of the arrangement and identifying and imposing the appropriate amount of a betting operator's betting tax liability.

The provision would, for example and without limitation, allow the Commissioner to address arrangements for total wagering revenue to be paid to a third party rather than the betting operator to artificially reduce a betting operator's apparent taxable wagering revenue or manipulate the operation of the annual threshold amount; the loading of total eligible payments into a particular period to affect the normal operation of taxable wagering revenue, and delay a betting tax liability; and arrangements designed to channel customer bet making through intermediaries outside Queensland so as to manipulate the apparent location from which the bet was made.

Under sub-clause (4), the Commissioner must give the party a notice stating the decision with reasons. Notice means written notice under the Schedule 1 Dictionary. Decisions under this provision which lead to a default assessment or reassessment by the Commissioner imposing additional liability upon a betting operator as a consequence, are subject to review under the objection and review and appeal provisions of the Taxation Administration Act.

Clause 43 provides that a person commits an offence by avoiding or attempting to avoid betting tax, subject to a maximum penalty of 20 penalty units and treble the amount of betting tax that a person avoided or attempted to avoid.

Part 3 – Registration

Clause 44 requires a betting operator who is not already registered under Part 3 to apply to the Commissioner of State Revenue for registration in the approved form within 7 days after a month in which their taxable wagering revenue for the period from 1 July in the financial year, to the end of a month, is equal to or more than the annual threshold amount. Failure to do so is an offence, subject to a maximum penalty of 100 penalty units.

Clause 45, in sub-clause (1), provides that where a betting operator who is required to apply for registration under clause 44 does so apply, the Commissioner of State Revenue must register the betting operator. Sub-clause (2) allows the Commissioner to register a betting operator who is required to be registered under clause 44 even if the betting operator fails to make an application for registration.

Clause 46, in sub-clause (1), requires the Commissioner of State Revenue to give the betting operator a notice of registration including particular details as soon as practicable after registering them under Part 3. Notice is defined for the purposes of the Bill in Schedule 1 to mean written notice. Sub-clause (2) permits the notice to state other matters that are reasonably incidental to the performance of the betting operator's obligations under the Act or the Taxation Administration Act.

Clause 47 provides that the Commissioner of State Revenue may amend a betting operator's registration by notice to the betting operator. The notice must state what particulars of the registration are amended and the way they are amended. Notice means written notice under the Schedule 1 Dictionary.

Clause 48, sub-clause (1) requires the Commissioner of State Revenue to cancel the registration of a person as a betting operator under Part 3 if specified conditions are met by the betting operator, consistent with the betting operator having met all existing obligations under the Bill, and having no ongoing betting tax liabilities. Sub-clause (2) requires the Commissioner to give notice of the cancellation of registration to the person, specifying particular details, as soon as practicable after the Commissioner cancels their registration. Notice means written notice under the Schedule 1 Dictionary.

Part 4 – Returns

Division 1 – Monthly returns

Clause 49 provides that Division 1 applies to a betting operator who is a 'relevant betting operator' for all or part of a month. As defined in clause 14, this means a betting operator who is registered under Part 3 or required to apply for registration under Part 3, by operation of clause 44.

Clause 50, sub-clause (1) requires a betting operator to lodge a monthly return for their taxable wagering revenue for the month, not later than 21 days after the last day of the month. As a note to sub-clause (1), failure to lodge is an offence under section 121 of the Taxation Administration Act. Sub-clause (2) requires the monthly return to be in an approved form and state the betting operator's monthly liability for betting tax for the month. See Part 2 Division 3 for monthly liability. Sub-clause (3) confirms that a monthly return must be lodged even if the monthly liability is nil. Sub-clause (4) ensures that a betting operator need only lodge its annual return after June, not a monthly return for June as well. Sub-clause (5) gives the Commissioner of State Revenue a discretion to allow a betting operator an extended time for lodgement in sub-clause (1) for one or more monthly returns, if the Commissioner considers it would be unduly onerous to require the betting operator to lodge within 21 days after the last day of the month. See the discussion of the operation of this provision under the heading 'Consistency with fundamental legislative principles'. It is anticipated that the discretion will be used by exception, rather than as a matter of course. Sub-clause (6) allows the Commissioner to revoke a notice under sub-clause (5) by further notice to the betting operator. Notice means written notice under the Schedule 1 Dictionary. Sub-clause (7) provides that clause 50 is subject to clauses 51 and 52, which provide particular exemptions from the requirement to lodge monthly returns.

Clause 51 provides an exemption for the requirement to lodge monthly returns if a betting operator's primary betting operations are on-course bookmaking as defined. Sub-clause (1) specifies the conditions for the exemption. Sub-clause (2) provides the exemption. Sub-clause (3) clarifies that the effect of the exemption relates only to the obligation to lodge the return, and merely postpones the time for payment of betting tax; it is not an exemption from the imposition of betting tax. Sub-clause (4) allows a betting operator to whom clause 51(1) applies, to choose to relinquish the exemption from the obligation to lodge monthly returns in specified circumstances, by giving notice to the Commissioner of State Revenue. Notice means written notice under the Schedule 1 Dictionary.

Sub-clauses (5) and (6) provide necessary deeming rules to allow the monthly liability and returns provisions to operate appropriately where the betting operator relinquishes under sub-clause (4). An example is provided. Essentially, if but for the clause 51(1) exemption, the betting operator would already have reached their qualifying month at the time they give notice under sub-clause (4), the month immediately after they give notice to the Commissioner is taken to be their qualifying month. Otherwise, their qualifying month will be identified in the normal course of the operation of the definition of that term in clause 31. In either case, the operator becomes liable to lodge returns for their liabilities (even if they are nil returns) for the month after they give notice under clause 51(4) and thereafter. Sub-clause (7) makes clear that the Commissioner is not prevented from making a subsequent decision under clause 52, just because the on-course betting operator has previously relinquished their exemption under clause 51. Sub-clause (8) provides a definition of on-course bookmaking for the clause, which applies wherever the specified business is located in Australia. It further defines 'previous relevant period' for the purposes of the clause.

Clause 52, sub-clause (1), specifies that the provision applies if the Commissioner of State Revenue considers it would be unduly onerous to require the operator to lodge monthly returns. See the discussion under the heading 'Consistency with fundamental

legislative principles' on clause 52 in relation to the meaning of 'unduly onerous'. For the reasons outlined there, it is a discretion that will be considered by the Commissioner on a case by case basis. Sub-clause (2) permits the Commissioner to exempt a betting operator from the requirement to lodge monthly returns, when sub-clause (1) is satisfied, by notice to the betting operator. Notice means written notice under the Schedule 1 Dictionary. Sub-clause (3) confirms the betting operator is not required to lodge monthly returns while the notice is in effect. Sub-clause (4) clarifies that the effect of the exemption relates only to the obligation to lodge the return, and merely postpones the time for payment of betting tax; it is not an exemption from the imposition of betting tax. Sub-clause (5) empowers the Commissioner to revoke the notice given under sub-clause (2) at any time, by a further notice.

Division 2 – Other returns

Clause 53, sub-clause (1) specifies the clause applies to a betting operator who, on 30 June in a financial year, is a relevant betting operator. As defined in clause 14, this means a betting operator who is registered under Part 3 or required to apply for registration under Part 3, by operation of clause 44. Sub-clause (2) requires the betting operator to, not later than 21 days after the end of the financial year, lodge an annual return for the betting operator's taxable wagering revenue for the year. As a note to sub-clause (2), failure to lodge is an offence under section 121 of the Taxation Administration Act.

Sub-clause (3) requires the annual return to be in the approved form and state the betting operator's annual liability and any annual refund amount for the financial year. See Part 2 Division 4 in relation to these amounts. Sub-clause (4) clarifies that the obligation to lodge an annual return applies whether or not a betting operator was required to lodge monthly returns during the financial year, and even if the betting operator's annual liability for the financial year is nil. Sub-clause (5) provides a special rule relieving a betting operator from the obligation to lodge an annual return if they have lodged or were required to lodge a final return during the financial year, and did not conduct betting operations after the end day for the relevant final period. A note to sub-clause (5) makes it clear that the lodgement of a final return of itself does not affect a betting operator's obligation to lodge an annual return.

Clause 54, sub-clause (1) specifies the clause applies to a relevant betting operator who has a change of status in a financial year. As defined in clause 14, a relevant betting operator means a betting operator who is registered under Part 3 or required to apply for registration under Part 3, by operation of clause 44. Sub-clause (2) requires the betting operator to lodge a final return not later than 21 days after the end day for the final period to which the change of status relates. As a note to sub-clause (2), failure to lodge is an offence under section 121 of the Taxation Administration Act. Sub-clause (3) requires the final return to be in the approved form and state the betting operator's final liability and any final refund amount for the final period. See Part 2 Division 5 in relation to these amounts. Sub-clause (4) clarifies that the obligation to lodge a final return applies even if the betting operator's final liability for the final period is nil.

Clause 55, sub-clause (1) specifies that the clause applies in relation to a relevant betting operator or another person. Sub-clause (2) permits the Commissioner of State

Revenue, by notice given to the betting operator or other person, to require them to lodge, within the period stated in the notice, a return or further or fuller return. See the discussion of the operation of this provision under the heading 'Consistency with fundamental legislative principles'. Sub-clause (3) requires the further or fuller return to be lodged by the person who has been given notice by the Commissioner, within the period specified in the notice. As noted below sub-clause (3), failure to lodge is an offence under section 121 of the Taxation Administration Act.

Part 5 – Refunds

Clause 56 provides for how the Commissioner of State Revenue may apply the entitlement of a betting operator to an annual refund amount or a final refund amount ('relevant refund amount') arising on an original assessment of the betting operator's annual liability or final liability. This reflects long-standing provisions in the Taxation Administration Act to similar effect, and ensures appropriate collection of liabilities of a taxpayer established under the terms of the Bill and other revenue laws. Sub-clause (1) sets the scope for the provision. See clauses 37 and 41 in relation to entitlement to annual and final refund amounts. A note recognises the operation of the Taxation Administration Act in relation to refunds on reassessment. Sub-clause (2) permits the Commissioner to apply the whole or part of the refund amount as payment for particular existing or particular upcoming liabilities of the taxpayer.

Sub-clause (3) provides that any refund amount not applied as permitted under sub-clause (2) within 60 days after the betting operator's entitlement to the refund amount arises, must be immediately refunded to the betting operator by the Commissioner. Sub-clause (4) provides the clause applies despite section 36 of the Taxation Administration Act which otherwise limits the availability of refunds to the provisions made for refunds under that Act. Sub-clause (5) provides that section 39 of the Taxation Administration Act applies to a refund of an amount to the betting operator or an application of an amount as payment for the betting operator under clause 56. Section 39 of the Taxation Administration Act specifies requirements around refunds, in particular, circumstances where the Commissioner must be satisfied a taxpayer will pass on all or part of the refund to another person, before making the refund. Sub-clause (6) provides relevant definitions for the clause.

Clause 57 provides that a betting operator is not entitled to a refund of an amount of betting tax paid or purportedly paid under the Betting Tax Bill as enacted, other than through the operation of clauses 37, 41 and 56 of the Bill, or under Part 4, Division 2 of the Taxation Administration Act (concerning refunds).

Part 6 – Particular assessments and reassessments by commissioner

Clause 58 provides for circumstances in which the Commissioner of State Revenue may, in assessing or reassessing annual liability or final liability of a betting operator, disregard previous monthly or final liabilities which would otherwise apply during the period under assessment. It is a provision designed to simplify Commissioner assessment, in appropriate circumstances. Sub-clause (1) establishes the operation of the Commissioner's discretion in relation to assessments or reassessments of a

betting operator's annual liability to treat the betting operator as if certain monthly and final return obligations during the period being assessed, were not required under the legislation. Sub-clause (2) similarly establishes the operation of an equivalent Commissioner discretion in relation to assessments or reassessments of a betting operator's final liability for a final period.

Sub-clause (3) ensures that where the Commissioner exercises a discretion under sub-clause (1) or (2), the betting operator is treated as if no monthly or final liability arises for the relevant months or final periods the Commissioner has decided to disregard for the purposes of the assessment or reassessment of the betting operator's annual liability or final liability. Any previous assessment for those months or final periods are taken to not have been made, and the Commissioner is given power to apply amounts paid or payable for those liabilities towards other existing or specified upcoming betting tax liabilities of the betting operator (such as the liability arising under the assessment or reassessment in which the Commissioner is applying clause 58). Sub-clause (3)(d) puts beyond doubt that the application of clause 58 by the Commissioner does not prevent any subsequent reassessment by the Commissioner under clause 59.

Sub-clause (4) ensures clause 58 also operates if the basis upon which a betting operator was previously required to lodge monthly returns or final returns was through the operation of clause 59(2). Sub-clause (5) defines 'relevant betting tax liability' for the purposes of the Commissioner's ability to apply amounts under sub-clause 58(3)(c), as well as providing a definition of 'unpaid tax interest' for the clause.

Example - An audit uncovers that a betting operator has not lodged monthly returns in a financial year as required. The Commissioner may make an assessment for the betting operator's annual liability for the financial year as if the betting operator had not been required to lodge those monthly returns. The Commissioner is not required to issue separate assessments for each of the months in the financial year.

Clause 59 permits the Commissioner of State Revenue to assess or reassess particular 'relevant liabilities' on the basis that monthly or final returns were required to be lodged, in certain circumstances where they were otherwise not required to be lodged. Under sub-clause (1) the clause applies where a betting operator has received an exemption from lodging monthly returns from the Commissioner under clause 52. However, sub-clause (3) ensures that the Commissioner can only disregard this exemption in assessing or reassessing under clause 59 if the betting operator gave the Commissioner false or misleading information which the Commissioner relied upon in granting the clause 52 exemption from monthly returns to the betting operator.

In addition, the clause can also operate where the Commissioner has previously assessed or reassessed under clause 58 so as to disregard monthly or final return lodgement requirements which would otherwise have applied. In such cases, the operation of clause 59(2)(b) and (c) allows the Commissioner to assess on the basis that would have applied but for the previous application of clause 58, returning the betting operator to the normal lodgement obligations that the application of clause 58 overrode. Sub-clause (4) ensures monthly and final return obligations apply in

accordance with the Commissioner's assessment or reassessment of liability under sub-clause (2). It also confirms that the Commissioner remains entitled to apply clause 58 for a subsequent reassessment of the relevant annual or final liability to which a clause 59 treatment has been applied. Sub-clause (5) defines relevant liability for clause 59.

Example 1

The Commissioner exempted a betting operator from lodging monthly returns under clause 52 on the basis of information provided by the betting operator about particular aspects of the nature and scale of the operator's business. The Commissioner relied upon that information to be satisfied that it would be unduly onerous for the betting operator to lodge monthly returns. Upon audit, it is discovered that the information about the betting operator's business falsely represented its capacity to meet the obligation to return on a monthly basis, and the betting operator is in fact reasonably positioned to do so. Applying clause 59, the Commissioner may assess the betting operator's monthly liability for each month throughout the financial year, as if the betting operator had not been granted the exemption under clause 52. Interest and penalties may apply in respect of any betting tax that would have accrued for those monthly liabilities throughout the year.

Example 2

Following on from the Example for clause 58, further information obtained establishes that there was additional taxable wagering revenue for the financial year that the betting operator failed to disclose. The Commissioner may exercise the power in clause 59 to reinstate the betting operator's monthly liability and reassess the annual liability. Alternatively, the Commissioner may decide to reassess the employer's annual liability for the year on the basis that the employer had not been required to lodge any monthly returns (not exercising the discretion under clause 59). The approach taken may depend on the evidence as to the degree of the betting operator's culpability in failing to include the additional taxable wagering revenue, given the latter approach will generally result in a lower exposure to unpaid tax interest and penalty tax, for the betting operator.

Part 7 – Other Matters

Clause 60 clarifies the circumstances in which an executive officer of a corporation committing an offence will be effectively treated as a party to the offence, and able to be prosecuted on that basis. In this respect, the provision supplements the provisions of Chapter 2 of the Criminal Code, which deals with parties to offences. Sub-clause (4) specifies that it applies for the purposes of the offences established in clauses 22 (1) (Obligation of betting operator to identify person's location), 43 (Avoiding taxation) and 44(2) (Application for registration).

Clause 61 requires an administrator who is appointed for a relevant betting operator to give the Commissioner of State Revenue notice of their appointment within 14 days after the appointment. Failure to do so is an offence, with a maximum penalty of 40 penalty units. Under sub-clause (3), this provision applies instead of the notification obligations placed on administrators under section 48 of the Taxation Administration

Act. As defined in clause 14, a relevant betting operator is a betting operator who is registered under Part 3 or required to apply for registration under Part 3, by operation of clause 44. Notice means written notice under the Schedule 1 Dictionary.

Clause 62 requires a betting operator who is registered under Part 3 to give the Commissioner of State Revenue notice of each change of the betting operator's address for service within 1 month after the change. A note mentions that failure to give the notice is an offence against section 120 of the Taxation Administration Act. Sub-clause (2) provides a definition of address for service for a betting operator.

Clause 63 provides for cents to be disregarded where 'part' cent results may be produced by the application of particular calculations under the Bill. Disregarding cents in calculations has only a nominal effect on calculated liability, but simplifies the calculation. To be clear, the provision does not mean the amount of cents is disregarded on a bet by bet basis. It is also not relevant in relation to identifying monthly, annual or final liability amounts or refunds under Part 2, Divisions 3, 4 and 5. Rather, its operation relates to complex calculations involving proportionality and division of amounts such as is required in the formula provided for calculating 'Queensland revenue' for totalisators in clause 26(3).

Clause 64 gives the Commissioner of State Revenue power to approve forms for use under the Bill as enacted.

Clause 65 provides a number of standard regulation making powers to the Governor in Council.

Part 8 – Transitional provisions

Clause 66 provides a definition of 'transitional period' for Part 8, meaning the period starting on 1 October 2018 and ending on 30 June 2019.

Clause 67 provides rules for the application of the Betting Tax Bill as enacted to reflect the fact that it commences operation during the 2018-19 financial year, on 1 October 2018. Consequently, clause 67 ensures references to a financial year are taken for the 2018-19 financial year (other than in clause 67) to be a reference to the 'transitional period' as defined in clause 66. Further, in relation to the transitional period the Act applies as if a reference to 1 July in a financial year is taken to be a reference to 1 October 2018.

Clause 68 specifies that the annual threshold amount for the 1 October 2018 to 30 June 2019 period of operation will be proportionately reduced to \$225,000.

Part 9 – Amendment of legislation

Division 1 – Amendment of this Act

Clause 69 provides that Division 1 amends the Betting Tax Bill as enacted.

Clause 70 is a drafting provision which enables the long title of the Betting Tax Bill, as it continues once enacted (without the amendments to other legislation included in it), to be shortened appropriately.

Division 2 - Amendment of Interactive Gambling (Player Protection) Act 1998

Clause 71 provides that Part 9 Division 2 amends the Interactive Gambling (Player Protection) Act 1998.

Clause 72 inserts a new section 12A which defines the meaning of 'exempt game'.

Clause 73 amends section 16(1) such that the offence provision does not apply to a person who conducts an exempt game wholly or partly in Queensland or allows another person who is in Queensland to participate in an exempt game. The clause also amends section 16(2) such that the offence provision does not apply to a person in Queensland who participates in, or encourages or facilitates participation by another person in, an exempt game.

Clause 74 amends section 164(1) such that the offence provision does not apply to a person who advertises an exempt game in Queensland.

Clause 75 amends schedule 3 to include the term 'exempt game' in the dictionary.

Division 3 – Amendment of Taxation Administration Act 2001

Clause 76 provides that Division 3 amends the *Taxation Administration Act 2001*.

Clause 77 amends section 6 of the Taxation Administration Act to add the Betting Tax Act 2018 as a revenue law.

Division 4 – Amendment of Taxation Administration Regulation 2012

Clause 78 provides that Division 4 amends the *Taxation Administration Regulation 2012*.

Clause 79 amends section 4 of the Taxation Administration Regulation to include betting tax in its provisions for prescribed method of payment, and renumbers accordingly.

Division 5 - Amendment of Wagering Act 1998

Clause 80 provides that Part 9 Division 5 amends the Wagering Act 1998.

Clause 81 amends section 11A(b) to provide that a person must not bet on a totalisator other than under the Wagering Act or a law of another State. A reference to a totalisator includes a system that is substantially similar to a system mentioned in section 8(1) of the Wagering Act; and an instrument, machine or device under which such a system is operated.

Clause 82 amends the heading of Part 9 Division 2.

Clause 83 removes sections 165 to 167. These provisions relate to the existing wagering tax.

Clause 84 amends section 170(1) to remove the reference to ‘wagering tax’.

Clause 85 amends section 171 to remove the reference to ‘wagering tax’.

Clause 86 amends section 172 to remove the reference to ‘wagering tax’ and the provisions relating to wagering tax returns.

Clause 87 amends section 289 to replace references to section 172(1) with section 172. The clause also inserts a new note which specifies that the new section 340E should be referred to for the application of section 289 to offences against other provisions.

Clause 88 inserts a new Part 17 Division 7 which covers the transitional provisions. The new section 340B defines the term ‘former’. The new section 340C provides that the Wagering Act as in force from time to time before the commencement continues to apply in relation to a pre-commencement liability for wagering tax. However, section 172 as in force immediately before the commencement continues to apply after the commencement in relation to the evasion, after the commencement, of an amount payable as wagering tax (whether the amount was payable before or after the commencement). The new section 340D applies if a person is alleged to have committed an offence against former section 172(1) of the Wagering Act before the commencement or against section 172(1) as in force immediately before the commencement after the commencement, a proceeding for the offence may be continued or started, and the person punished for the offence. The new section 340E provides that section 289, as amended by the Betting Tax Act 2018, applies as if a reference in that section to an offence against section 172 included a reference to an offence against former section 172(1) of the Wagering Act, and an offence against section 172(1) as in force immediately before the commencement and as continued in effect under section 340C(3).

Clause 89 removes from the dictionary in schedule 2 the terms ‘designated person’, ‘gross revenue’, and ‘wagering tax’.

Part 10 - Minor and consequential amendments

Clause 90 provides that schedule 2 amends the Wagering Act and Wagering Regulation 1999.

Schedule 1 – Dictionary

Schedule 1 provides the dictionary referred to in clause 5 of the Bill, including definitions relevant to the betting tax.

Schedule 2 - Minor and consequential amendments

Schedule 2 makes a number of minor and consequential amendments to the Wagering Act and Wagering Regulation. These amendments include replacing all references to 'TattsBet' with 'UBET' throughout the Wagering Act, and removing sections 5A to 8 of the Wagering Regulation which relate to the wagering tax.