

Guidelines

Licensed Wagering Operators' Authority to Use Queensland Race Information

1.0 Background

Applicants are invited to make application to the Relevant Control Bodies under the Race Information Legislation in relation to their use of Queensland Race Information.

It is the Applicant's responsibility to obtain information about the Applicant's potential obligations under the Race Information Legislation and to be familiar with the Conditions of any Authority issued.

2.0 Information to be provided in Application

The Approved Forms for applications are available on each Control Body website:

- (a) Queensland Racing Limited – www.queenslandracing.com.au
- (b) Greyhounds Queensland Ltd – www.greyhoundsqueensland.com.au
- (c) Queensland Harness Racing Limited – www.harness.org.au/qld

or by contacting the Relevant Control Body directly.

The Applicant must provide the following details on the Approved Form:

- (a) Applicant's details – including certificate of incorporation
- (b) Wagering Licence details
- (c) Details of Bodies Corporate related to the Applicant
- (d) Details of any Controlling wagering operator
- (e) Details of any Controlled wagering operator
- (f) Details of the Applicant's wagering operations and turnover including a statement from an independent Auditor and audited financial statements (if required - see Approved Form for more details).

The Applicant must also ensure that the Application Fee and documents referred to on the Approved Form are enclosed with the application.

3.0 Decision Making Process

An Applicant will be advised by the Relevant Control Body in writing of the outcome of its application. In some instances, before making a decision, a Control Body may seek further information from the Applicant which may be presented in writing or in person as requested by the Control Body. A Relevant Control Body will assess the application in the way required by the

Race Information Legislation and may impose Conditions on its approval which are permitted by the Race Information Legislation.

Applicants who are authorised to use Queensland Race Information will be issued an Authority for the use of Queensland Race Information containing Conditions for such use.

4.0 Applications

All applications must be made on the Approved Form and be signed by a person authorised to make an application. A declaration must be made by the authorised person that the information provided by the Applicant is true and correct and not misleading in any particular.

Applications should be addressed to:

*Queensland Racing Limited; OR
Greyhounds Queensland Ltd; OR
Queensland Harness Racing Limited*
C/- Ms Vikki Hooper
Secretary
Authorisation Committee
Queensland Race Information
PO Box 63
SANDGATE QLD 4017

Ms Hooper, Secretary of the Authorisation Committee (Queensland Race Information) is the contact for all 3 Control Bodies for the purpose of applications.

5.0 Duration

The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date) unless otherwise provided in the Conditions to the Authority. The Relevant Control Bodies will communicate the standard term of an Authority to each Licensed Wagering Operator holding an Authority at least 12 months prior to expiration of the Initial Authority Period.

In all other circumstances the Authority commences on the Effective Date and ends on the Expiration Date unless cancelled prior to the Expiration Date. The date from which Race Information Fees are to be paid will be determined during the Approval Process for Applicants.

6.0 Permitted Types of Use of Queensland Race Information

For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator.

7.0 Grounds for Cancelling a Race Information Authority

Each of the following is a ground for a Relevant Control Body to cancel an Authority under the Race Information Legislation:

- (a) the Licensed Wagering Operator contravenes any Condition of the Authority.
- (b) the application for the Authority contained a false or misleading statement, representation or declaration or omitted a material statement.
- (c) a Licensed Wagering Operator which is licensed in a country other than Australia or New Zealand is found not to be suitable to hold the Authority, having regard to the matters mentioned in s.4 of the Racing Regulation 2003.

8.0 Fees

A Licensed Wagering Operator must pay any Race Information Fees required to be paid to a Relevant Control Body as a Condition of the Authority granted by that Control Body.

8.1 What fees will I have to pay to the Relevant Control Bodies and how will those fees be invoiced?

The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.

The Relevant Control Bodies have determined that a supply of Queensland Race Information made under an Authority constitutes a Taxable Supply under the GST Act. GST is therefore payable in addition to the Race Information Fee.

For the purposes of the Race Information Fee the following definitions apply:

“Net Assessable Turnover” means the Wagering Turnover less the Exempt Turnover Threshold.

“Wagering Turnover” means the total wagering on the backer’s side of wagers made on all Queensland thoroughbred, harness and greyhound races made by the Licensed Wagering Operator for a Financial Year. It does not include genuine Bet Backs made solely for the purpose of lowering the risk incurred on a bet already laid with a customer.

“Exempt Turnover Threshold” means the first \$5,000,000 of the Wagering Turnover of the Licensed Wagering Operator in any Financial Year and, where the Wagering Turnover is less than \$5,000,000 in any Financial Year, the amount of the Wagering Turnover. For monthly calculation purposes this is \$416,666.66.

“Bet Backs” means wagering transactions made for the purpose of laying off or reducing risk.

Pro rata calculations

When determining the Exempt Turnover Threshold and Net Assessable Turnover for a Licensed Wagering Operator which is issued with an Authority during a Financial Year, the Exempt Turnover Threshold and Net Assessable Turnover will be pro rata based on the number of days from the date when the Applicant is granted an Authority until the end of the Financial Year. However, if an Authority is granted for the Financial Year ending on 30 June 2009, the Exempt Turnover Threshold and Net Assessable Turnover will be pro rata based on the number of days from 1 September 2008 until the end of that Financial Year, unless a Relevant Control Body has decided a different Effective Date and communicates this to the Applicant (see Guideline 5.0).

Where Recipient Created Tax Invoices can be issued

For a Licensed Wagering Operator which can prepare Recipient Created Tax Invoices, the Race Information Fee will be paid by way of self assessment based on Net Assessable Turnover. The Licensed Wagering Operator must provide each of the Relevant Control Bodies with a statement setting out its Wagering Turnover for the month by the 21st day of the following month. The Race Information Fee payable to each Relevant Control Body must accompany the statement. That statement must set out the Wagering Turnover and the apportionment of the Wagering Turnover between the 3 Codes. The amounts in each of the Recipient Created Tax Invoices and the payment made to each Relevant Control Body must be in the same proportions as the Licensed Wagering Operator's Wagering Turnover is apportioned between the 3 Codes during the relevant period.

Where Recipient Created Tax Invoices cannot be issued

Where there is no determination that a Licensed Wagering Operator or a group of them may prepare Recipient Created Tax Invoices, those Licensed Wagering Operators must, within 5 Business Days of the end of a month in an Authority Period, deliver to each Relevant Control Body a statement setting out the amount of Wagering Turnover and the apportionment of the Wagering Turnover between the 3 Codes. Where a Race Information Fee is payable for that month, each relevant Control Body must, within 3 Business Days of receiving that statement, issue a Tax Invoice for payment to the Licensed Wagering Operator. The Tax Invoice must be paid by the Licensed Wagering Operator by the 21st day of the month in which the Tax Invoice is issued.

Wagering Turnover \$5,000,000 and below annually

Where the Wagering Turnover of the Licensed Wagering Operator does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.

8.2 When payments are to be made

Payments are to be made in accordance with the Conditions of a Queensland Race Information Authority:

- By way of self assessment via a monthly return based on Net Assessable Turnover. The return will be in the form of a Recipient Created Tax Invoice which will be issued to each Relevant Control Body by the 21st day of the following month.
- If a Licensed Wagering Operator cannot prepare Recipient Created Tax Invoices, Tax Invoices will be issued by the Relevant Control Bodies and payments made as set out in Guideline 8.1 above.
- The Race Information Fee must be paid to the Relevant Control Bodies separately.
- The time frame for any payments by a Licensed Wagering Operator or a Relevant Control Body which must be made because of end of Financial Year adjustments is set out in Guideline 8.2.3.

8.2.1 Monthly calculation

The amount payable by a Licensed Wagering Operator for each month will be calculated by following steps 1 – 4 below.

1. Wagering Turnover for the month – \$416,666.66 = Net Assessable Turnover

\$416,666.66 is 1/12th of the Exempt Turnover Threshold
2. Net Assessable Turnover x 1.5% = Race Information Fee
3. Race Information Fee + GST = Race Information Fee inclusive of GST (Total Fee)
4. The amount that is the Total Fee is then divided between the 3 Codes in the same proportion that the Licensed Wagering Operator's Wagering Turnover is apportioned between the 3 Codes.

If a Licensed Wagering Operator does not have a Wagering Turnover in excess of \$416,666.66 for a month, no Race Information Fee will be payable for that month to any Relevant Control Body.

An example calculation is provided below.

Example Calculation

The Licensed Wagering Operator has Wagering Turnover of \$5,000,000 for the month of January divided between the 3 Codes as follows:

- (a) thoroughbred – 70%
- (b) greyhound – 20%
- (c) harness – 10%

The Licensed Wagering Operators monthly Race Information Fee is calculated as follows:

1. $\$5,000,000 - \$416,666.66 = \$4,583,333.40$
 2. $\$4,583,333.40 \times 1.5\% = \$68,750.00$
 3. $\$68,750.00 + \text{GST} = \$75,625.00$
 4. $\$75,625.00 \times 70\% = \$52,937.50$ – fee payable to thoroughbred Control Body including GST
- $\$75,625.00 \times 20\% = \$15,125.00$ – fee payable to greyhound Control Body including GST
- $\$75,625.00 \times 10\% = \$7,562.50$ – fee payable to harness racing Control Body including GST

8.2.2 Information to provide

The Licensed Wagering Operator must provide each of the Relevant Control Bodies with a statement of its Wagering Turnover for the month which sets out the Wagering Turnover and the apportionment of the Wagering Turnover between the 3 Codes.

This statement is required regardless of whether the Licensed Wagering Operator must pay a Race Information Fee for that month.

The deadline for providing this statement will depend upon whether or not the Licensed Wagering Operator can prepare Recipient Created Tax Invoices. If it cannot, then the deadline is within 5 Business Days of the end of the relevant month. If it can, then the deadline for providing the statement is the 21st day of the following month.

8.2.3 Annual Statements and adjustments

The Licensed Wagering Operator must submit an Annual Statement setting out its Wagering Turnover for a Financial Year to each of the Relevant Control Bodies within 60 days of the end of the Financial Year.

The Annual Statement of the Licensed Wagering Operator must set out the Wagering Turnover and the apportionment of the Wagering Turnover between the 3 Codes for the relevant Financial Year.

If the total of the payments made by the Licensed Wagering Operator during the Financial Year to a Relevant Control Body were more or less than the Race Information Fee which is payable to that Control Body for the Financial Year, an adjustment will be required.

Adjustments for Licensed Wagering Operators who can prepare Recipient Created Tax Invoices

The Licensed Wagering Operator must issue a Recipient Created Adjustment Note to each Relevant Control Body in respect of the adjustment when submitting its Annual Statement.

If the adjustment is a debit, the shortfall must be paid to each Relevant Control Body when sending the Recipient Created Adjustment Note for the adjustment amount.

If the adjustment is a credit, a refund must be paid by each Relevant Control Body within 30 days of the date of receipt of the Recipient Created Adjustment Note for the adjustment amount.

Licensed Wagering Operators who cannot prepare Recipient Created Tax Invoices

If a Licensed Wagering Operator cannot prepare Recipient Created Tax Invoices, adjustment notes will be issued by the Relevant Control Bodies for any adjustment amount within 10 Business Days of receiving the Annual Statement.

If the adjustment is a debit, the shortfall must be paid to each of the Relevant Control Bodies within 30 days of receiving an adjustment note.

If the adjustment is a credit, the refund must be paid by each of the Relevant Control Bodies to the Licensed Wagering Operator when sending the adjustment note.

Wagering Turnover below \$4 million

The Annual Statement must be certified as true and correct by the Licensed Wagering Operator and verified by an Accountant if the Wagering Operator had, for any of the 3 previous Financial Years, a Wagering Turnover of less than \$4,000,000 per annum.

Wagering Turnover above \$4 million

The Annual Statement must be certified as true and correct by the Licensed Wagering Operator and verified by an independent Auditor if the Wagering

Operator had, for any of the 3 previous Financial Years, a Wagering Turnover of at least \$4,000,000 per annum.

A Relevant Control Body has the right to engage an independent Auditor to verify the Wagering Turnover and Race Information Fees if it is not satisfied with the content of the return as submitted.

9.0 Credit Terms

All Tax Invoices issued by the Control Bodies will contain the date for payment.

In respect to Recipient Created Tax Invoices issued by a Licensed Wagering Operator, the Race Information Fee is payable by the 21st day of the month following the month to which the Race Information Fee relates.

If payment has not been received by the due date, overdue amounts can be netted off from any payments made.

For Race Information Fees unpaid after the stipulated timeframe in the relevant Tax Invoice, a \$27.50 (Inc GST) administration charge will be added to any account to cover the administrative costs in recovering the outstanding Race Information Fees and form part of the Race Information Fees payable.

Debts that remain outstanding more than 30 days from the due date may in each Relevant Control Body's absolute discretion be referred to the nominated Debt Collection Agency and/or proceed with a Default Listing with a Credit Report Agency.

10.0 Payment Options

Payments of all Tax Invoice or Recipient Created Tax Invoices must be remitted to the Relevant Control Body by the due date.

A Licensed Wagering Operator may remit payment using one of the following options:

10.1 Option One - Cheque/Money Order

Forward your cheque/money order, payable to the Relevant Control Body. For a Licensed Wagering Operator which has issued a Recipient Created Tax Invoice, the cheque or money order should be attached to the Recipient Created Tax Invoice. For other Licensed Wagering Operators, ensure that your client code is enclosed with payment.

10.2 Option Two - Internet Deposit

Deposit funds directly into the Relevant Control Body's Bank Account:

Queensland Racing Limited
ABN: 93 116 735 374
Address: PO Box 63
SANDGATE QLD 4017
Bank: Westpac Banking Corporation
BSB: 034-041
Account Number: 000-002
Reference: Client Code (printed on invoice)
Email Address: finance@queenslandracing.com.au
Fax Number: (07) 3269 9304

Queensland Harness Racing Limited
ABN: 97 128 036 000
Address: PO Box 252
ALBION 4010
Bank: Westpac Banking Corporation
BSB: 034 041
Account Number: 237-771
Reference: Client Code (printed on invoice)
Email Address: accounts@qld.harness.org.au
Fax Number: (07) 3262 7363

Greyhounds Queensland Limited
ABN: 87 128 067 247
Address: P O Box 250
ALBION QLD 4010
Bank: Westpac Banking Corporation
Branch: Hamilton
BSB: 034-041
Account: 149-755
Reference: Client Code (printed on invoice)
Email Address: akumar@greyhoundsqueensland.com.au
Fax Number: (07) 3262 7809

For a Licensed Wagering Operator which pays by way of self assessment, at the same time as making the internet remittance, the Licensed Wagering Operator must fax to the Relevant Control Body at the fax numbers set out above, the Recipient Created Tax Invoice for that Control Body.

10.3 Banking Details

Please make sure your banking details are provided to the relevant Control Body as the Control Bodies make payments only by EFT and not by cheque (eg where it is necessary to make an annual adjustment which is a credit, as referred to at Guideline 8.2.3).

Change of banking details must be provided in writing.

11.0 GST

11.1 Amounts exclusive of GST

- (a) Unless expressly included, the consideration for any Taxable Supply under or in connection with these conditions or an Authority does not include GST.
- (b) As each supply made under or in connection with these Conditions or an Authority is a Taxable Supply and GST is not expressly included in the Race Information Fees specified, the Licensed Wagering Operator must pay, in addition to the Race Information Fees payable under the Authority, an amount (additional amount) equal to the amount of those Race Information Fees multiplied by the rate at which GST is imposed in respect of the Taxable Supply. The recipient must pay the additional amount at the same time as the Race Information Fees to which it is referable.

11.2 Recipient Created Tax Invoices

Each Control Body will agree that it will not issue Tax Invoices provided the Licensed Wagering Operator issues the Recipient Created Tax Invoice in accordance with the Authority and the Guidelines.

11.2 GST Registration

Each Control Body is registered for GST at the time the Authority for the use of Queensland Race Information is issued and will notify the Licensed Wagering Operator if it ceases to be registered.

Each Licensed Wagering Operator acknowledges that it is registered for GST at the time of applying for an Authority and it will notify the Relevant Control Body if it ceases to be registered.

Each Licensed Wagering Operator and each Control Body acknowledges that a Tax Invoice for a supply of Queensland Race Information belongs to a class of Tax Invoice that the Commissioner of Taxation has determined in writing may be issued by the recipient of a Taxable Supply.

12.0 Privacy

Personal or financial information provided by Licensed Wagering Operators in connection with an application for Approval will be regarded as confidential and will not be disclosed to other Licensed Wagering Operators or publicised. This will be subject to exceptions of the kind which commonly apply in relation to confidentiality obligations such as where the disclosure is required by law or is relevant to an investigation by a regulatory body.

13.0 Enquiries

All enquiries in the first instance should be directed to Ms Vikki Hooper, Secretary, Authorisation Committee on (07) 3869 9743.

14.0 References to Time

If an event is scheduled to occur on a day that is not a Business Day, the occurrence of the event is deferred to the next Business Day.

15.0 Definitions

Accountant

Means:

- (a) a member of CPA Australia who is entitled to use the letters 'CPA' or 'FCPA'; or
- (b) a member of The Institute of Chartered Accountants in Australia who is entitled to use the letters 'CA' or 'FCA'; or
- (c) a member of the National Institute of Accountants who is entitled to use the letters 'MNIA', 'FNIA', 'PNA' or 'FPNA'.

Annual Statement

Means the statement of a Licensed Wagering Operator which sets out its combined Wagering Turnover for the 3 Codes and the apportionment of the Wagering Turnover between the 3 Codes for the relevant Financial Year.

Applicant

Means the person or entity named in section 1 – Applicant Details of the Approved Form.

Application Fee

Is the fee payable by an Applicant when lodging its Approved Form and as set out on the Approved Form. Currently the lodgement fee is \$75.00 per Relevant Control Body.

Approved Code

Means a Code for which the Licensed Wagering Operator holds an Authority to use Queensland Race Information.

Approved Form

Means the form in which all applications must be submitted to the Relevant Control Bodies as available on each Control Body website (set out in 2.0 of these Guidelines).

Approval Process

Means the process adopted by the Relevant Control Body for the consideration of all applications received for the use of Queensland Race Information pursuant to the Race Information Legislation.

Each of the Control Bodies may delegate the application processing to a committee to be named the Authorisation Committee which may make recommendations to the Relevant Control Body on each application.

Auditor

Means a person registered as an auditor under the *Corporations Act 2001* (Cth).

Authority

Means a written race information authority issued by a Control Body allowing a Licensed Wagering Operator to use Queensland Race Information on the Conditions of the Authority and pursuant to the Race Information Legislation.

Authority Period

Means a period for which a Licensed Wagering Operator holds an Authority.

Bet Backs

Means wagering transactions made for the purpose of laying off or reducing risk.

Business Day

Means a day that is not a Saturday, Sunday or public holiday in Brisbane.

Code

Means the thoroughbred racing code in Queensland or the harness racing code in Queensland or the greyhound racing code in Queensland or any one or more of them as the case may require.

Conditions

Means conditions attaching to an Authority as set out in the Authority.

Control Body

Means Queensland Racing Limited for the thoroughbred Code, Queensland Harness Racing Limited for the harness Code and Greyhounds Queensland Limited for the greyhound Code.

Controlling wagering operator

If the Applicant is a body corporate and has the control of another Licensed Wagering Operator the Applicant is a 'controlling wagering operator'.

Controlled wagering operator

If the Applicant is a body corporate and under the control of another Licensed Wagering Operator the Applicant is a 'controlled wagering operator'.

Controlling wagering operator and Controlled wagering operator

Control means the capacity of an entity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of another entity so as to enable that other entity to operate with it in achieving the objectives of the controlling entity.

Exempt Turnover Threshold

Means the first \$5,000,000 of the Wagering Turnover of the Licensed Wagering Operator in any Financial Year and, where the Wagering Turnover is less than \$5,000,000 in any Financial Year, the amount of the Wagering Turnover. For monthly calculation purposes this is \$416,666.66

Financial Year/s

Means the period beginning on 1 July in one calendar year and ending on 30 June in the following calendar year.

Initial Authority Period

Means the period from 1 September 2008 until 30 June 2010.

GST

Has the same meaning as in the GST Act.

GST Act

Means the A New Tax System (Goods and Services Tax) Act 1999.

Licensed Wagering Operator

Has the same meaning as in section 113A of the Racing Act 2002.

Net Assessable Turnover

Means a Licensed Wagering Operator's Wagering Turnover less the Exempt Turnover Threshold.

Queensland Racing Events

Means events for the Codes scheduled by Control Bodies.

Queensland Race Information

Has the same meaning as in section 113A of the Racing Act 2002.

Race Information Fee

Means the fee imposed by a Relevant Control Body as a condition of the granting of the Authority.

Race Information Legislation

Means Part 6 of Chapter 3 of the Racing Act 2002 and the Racing Regulation 2003.

Recipient Created Tax Invoice

A Tax Invoice belonging to a class of Tax Invoices that the Commissioner has determined in writing may be issued by the recipient of a taxable supply (as per the GST Act). For further explanation please refer to GSTR 2000/10.

Related body corporate

Where a body corporate is:

- (a) a holding company of another body corporate; or
- (b) a subsidiary of another body corporate; or

(c) a subsidiary of a holding company of another body corporate; the first - mentioned body and the other body are related to each other.

Relevant Control Body

Means a Control Body from which an Applicant is required to obtain an Authority under the Race Information Legislation, because it uses that Control Body's race information for the conduct of the operator's wagering business (see the relevant provisions of the Race Information Legislation).

Taxable Supply

Has the same meaning as in the GST Act.

Tax Invoice

Has the same meaning as in the GST Act

Wagering Turnover

Means the total wagering on the backer's side of wagers made on all Queensland thoroughbred, harness and greyhound races made by the Licensed Wagering Operator for a Financial Year. It does not include genuine Bet Backs made solely for the purpose of lowering the risk incurred on a bet already laid with a customer.