

## Betting Tax and Other Legislation Amendment Bill 2022

**Submission No:** 8  
**Submitted by:** Tabcorp Holdings Ltd  
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**Attachments:**  
**Submitter Comments:**

21 October 2022

Ms Kim Richards MP  
Committee Chair  
Education, Employment and Training Committee  
Parliament House  
George Street  
BRISBANE QLD 4000

## Tabcorp Submission: *Betting Tax and Other Legislation Amendment Bill 2022*

Dear Chair

Thank you for the opportunity to respond to the *Betting Tax and Other Legislation Amendment Bill 2022* (the Bill).

**Tabcorp Holdings Ltd (Tabcorp) supports the changes contemplated in this Bill**, and the Queensland Government's decision to increase the Point of Consumption Tax (POCT) which will help ensure foreign-owned bookmakers, who are not licensed in Queensland, pay their fair share of wagering taxes and fees in Queensland.

Tabcorp's position is outlined in detail in this submission and is summarised here for ease of reference:

- These reforms are in the best interest of the Queensland racing industry.
- These reforms support Queensland pubs and clubs, which pay for wagering infrastructure and footage that foreign-owned bookmakers benefit from at no cost.
- Other states will (and have already)<sup>1</sup> followed the Queensland Government's lead to make the system fairer and to level the playing for wagering operators.
- Foreign-owned bookmakers are shipping record profits offshore at the expense of Queensland small businesses and the local wagering licensee (Queensland TAB).
- Foreign-owned bookmakers pay less fees/ taxes than the Australian TAB, which pays commissions to pubs and clubs.
- Around 50% of Racing Queensland's funding currently comes from TAB turnover yet foreign-owned bookmaker's market share is growing rapidly, they now account for over 60% of Australian betting market share<sup>2</sup>; racing is overexposed to a declining revenue stream.
- We have serious concerns about the conduct of foreign-owned online bookies in Queensland and the outdated licensing and regulatory regime that has allowed some of this to go unchecked.

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<sup>1</sup> NSW Govt: [revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/point-of-consumption-tax](https://revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/point-of-consumption-tax) and ACT Govt: [revenue.act.gov.au/betting-operations-tax](https://revenue.act.gov.au/betting-operations-tax)

<sup>2</sup> Source: [publishingservices.racingaustralia.horse/otherpublications/FactBook2019-2020/](https://publishingservices.racingaustralia.horse/otherpublications/FactBook2019-2020/)



There is also one omission in the Bill relating to the incorporation of free bets into the calculation of betting tax, which we believe will need to be addressed to achieve the intention of the Bill. Our submission specifically addresses the section in the Bill on free/general bets<sup>3</sup> for fixed odds betting.

## **Tabcorp in Queensland**

As background, **Tabcorp is the sole wagering licensee and wagering service provider (WSP)** in Queensland.<sup>4</sup> Tabcorp has the exclusive rights to offer retail in-venue and on-course wagering for sport and racing until 30 June 2044. Tabcorp has paid a significant sum for this exclusive retail wagering licence in Queensland. However, the current state-based licensing and regulatory regimes for wagering in Australia were established in the 1990's. Since then, the internet and changes in consumer preferences, especially betting on mobile phones, and the rapid growth of foreign-owned bookmakers has materially changed the wagering environment. These trends were accelerated during the COVID-19 pandemic.

## **Tabcorp Has Always Been a Responsible Contributor**

- Australian company with a heritage dating back to **1961**.
- Paid taxes **since 1994**, including **more than \$8.3 billion** in licence fees and wagering taxes since 2005.<sup>5</sup>
- Paid **\$2.4 billion** in state and Commonwealth taxes in 2020-21, including Lottery, wagering, Keno, GST, and company taxes.<sup>6</sup>
- Major funder of the Australian racing industry **since 1994**, including more than **\$1.1 billion** in payments in 2020/21.<sup>7</sup>
- Currently employs more than **3,000 Australians** across every capital city and employs **over 650** people in Queensland alone.<sup>8</sup>
- Paid commissions to pubs, clubs, and TAB agencies – many of whom are small and family businesses **since 1994**, including more than **\$700 million** in commissions in 2020/21.<sup>9</sup>

## **Tabcorp Response to the Bill**

Tabcorp supports this Bill as it is in the best interest of the racing industry, and it will provide a level playing field for fees and taxes for all WSPs operating in Queensland.

**Tabcorp supports the Government's proposal to remove the exclusion of any free component of a bet.** However, the current draft Bill does not achieve this outcome. The Bill removes the exclusion of any free component in respect of **general bets** (i.e., any bet that is not a tote bet or an exchange bet) but not in respect of **totalisator bets**.<sup>10</sup> Tabcorp believes this does not achieve the intended purpose of the Bill, which is to remove the exclusion of any free component of all bets:

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<sup>3</sup> TAB FAQs Bonus Bets: [help.tab.com.au/s/article/Bonus-Bets-FAQs](https://help.tab.com.au/s/article/Bonus-Bets-FAQs)

<sup>4</sup> Queensland Government, Business Queensland: [Gambling Licensing](#)

<sup>5</sup> Source: Tabcorp

<sup>6</sup> Source: Tabcorp

<sup>7</sup> Source: Tabcorp Annual Report 2020-21

<sup>8</sup> Source: Tabcorp

<sup>9</sup> Source: Tabcorp

<sup>10</sup> **Queensland bet** - a bet made by a person located in Queensland when the bet is placed. This includes totalisator bets, betting exchange bets and general bets: [business.qld.gov.au/industries/hospitality-tourism-sport/liquor-gaming/gaming/betting-tax/getting-started/glossary](https://business.qld.gov.au/industries/hospitality-tourism-sport/liquor-gaming/gaming/betting-tax/getting-started/glossary)

*“The bill implements the announcement by amending the Betting Tax Act to apply a five per cent racing levy to the betting tax; **incorporate free bets into the calculation of betting tax**; and provide for the hypothecation of 80 per cent of annual betting tax revenue to Racing Queensland.”<sup>11</sup>*

**INTRODUCTORY SPEECH – TREASURER THE HON. CAMERON DICK MP – 12 OCT 2022**

To achieve the stated purpose of the Bill, wagering operators should be prevented from deducting the value of free bets from taxable wagering revenue in respect of both **general bets** and **totalisator bets**. To effect this, two new provisions need to be added to Part 2 (Amendment of *Betting Tax Act 2018*):

**Clause 5                    Amendment of Section 25**

- (1) Section 25(3) –  
*omit.*

**Clause 6                    Amendment of Section 26 (Amounts for totalisator bets)**

- (1) Section 26(2)(a) –  
*omit*  
(2) Section 26(2)(b) –  
*renumber as Section 26(2)*

This change will achieve the intended purpose of taxing all free bets, not just **fixed odds** bets.<sup>12</sup> RQ supports this change, it fits with the intention of the Bill, and it was explicitly referenced in the Treasurer’s Introductory Speech in Parliament and in the Government’s announcement on 6 June 2022.<sup>13</sup>

## Remaining provisions

There are two other relevant clauses of the Bill:

1. The taxing rate in respect of POCT increases to 20% and
2. That RQ is allocated 80% of the revenue derived from POCT.

Tabcorp supports these clauses.

## **Foreign-Owned Bookmakers are Shipping Record Profits Offshore at Australia’s Expense**






Since 2014, overseas-owned online-only gambling companies licensed in the Northern Territory (NT) have rapidly grown their market share in Queensland (currently almost **75%**). **Nearly all foreign-owned bookmakers in Australia are licensed in the NT and go to market in Queensland via the internet** (see **Table One**).

<sup>11</sup> Qld Parliament Hansard: **Treasurer’s Introductory Speech**, *Betting Tax and Other Legislation Amendment Bill 2022*, 12 Oct 2022

<sup>12</sup> Fixed Odds means a bet made at a fixed price with TAB on a fixed-price racing or sports event via any approved TAB betting medium. Fixed Odds allow our customers to secure a given price at the time of placing their bet. This price will not be subject to any future fluctuations; however, there may be deductions applied in the event of scratching’s: [help.tab.com.au/s/article/Fixed-Price-is-now-called-Fixed-Odds](http://help.tab.com.au/s/article/Fixed-Price-is-now-called-Fixed-Odds)

<sup>13</sup> **Greater certainty for country racing**: [statements.qld.gov.au/statements/95322](http://statements.qld.gov.au/statements/95322)

**Table One: Where are the online bookies domiciled?**

Brand	Australian Wagering Licence Location(s)	Global Parent Company	Estimated size of Global Parent (\$AUD) <sup>1</sup>	Global HQ	Country HQ
<b>Sportsbet</b>	Northern Territory	Flutter Entertainment Plc	\$30.14 billion <sup>2</sup>	Dublin	
<b>Ladbrokes</b>	Northern Territory	Entain Plc	\$15.11 billion <sup>3</sup>	Isle of Man	
<b>Neds</b>	Northern Territory	Entain Plc	\$15.11 billion <sup>4</sup>	Isle of Man	
<b>bet365</b>	Northern Territory	bet365	<i>Private company</i>	Stoke-on-Trent	
<b>TAB</b>	Queensland, NSW, Victoria, ACT, Tasmania, Northern Territory, South Australia	Tabcorp Holdings Ltd	\$2.01 billion <sup>5</sup>	Melbourne	

**Foreign-Owned Bookmakers Fees / Taxes**

Sportsbet is domiciled in Dublin, where the corporate tax rate is 12.5%,<sup>14</sup> and Ladbrokes and Neds are domiciled in the Isle of Man, where the corporate tax rate is 0%.<sup>15</sup> While competition is part of a healthy marketplace, there is an unlevel playing field when it comes to wagering taxation. For example:

- In some jurisdictions, foreign-owned bookmakers, like Sportsbet and Ladbrokes, still pay less fees / taxes than Australian TAB (see **Table Two**).
- Wagering products have one of the **lowest tax rates for gambling products** in Australia (see **Table Three**), and Australia has one of the lowest wagering tax rates in the world (Sports betting taxes in the USA are up to **36 per cent** – more than double the tax rates that foreign-owned bookmakers pay in some states in Australia).<sup>16</sup>

This is not a productive, equitable, community-focused redistribution model.

<sup>14</sup> PWC: [taxsummaries.pwc.com/ireland/corporate/taxes-on-corporate-income](https://taxsummaries.pwc.com/ireland/corporate/taxes-on-corporate-income)

<sup>15</sup> Isle of Man Government: [gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/business-and-corporations/](https://gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/business-and-corporations/)

<sup>16</sup> State of the States 2021: **The AGA Survey of the Commercial Casino Industry**

**Table Two: TABs vs Online Corporate Bookmakers**

	TAB	Online bookies
Ownership		
Licence Fees Paid	+\$1 billion	~\$1 million p.a.
Online Market Share	25%	75%
Total Market Share	35%	65%
To Racing Industry	\$6*	\$3
To Pubs & Clubs	\$2	\$0
Generosities	\$310 million	~\$2 billion
Comparative tax rates	Up to 65% (Pokies tax rate) Up to 42% (Keno tax rate) 41-63% (Lotteries tax rate)	10-20% (Wagering Tax)

*\*Tabcorp fund the racing industry in excess of \$1 billion annually*

**Table Three: Gambling taxes in Australia**

Gambling Product	Tax rate <sup>17</sup>
Current POCT in VIC	10%
Current POCT in NSW, QLD, SA, TAS, and WA	15%
Current POCT in ACT	20%
Keno tax in NSW, QLD, SA, and VIC	Up to 42%
Lotteries taxes (across Australia)	41%-63%
Pokies taxes (across Australia)	Up to 65%

**Reforms Are Fair, Reasonable and Will Benefit the Queensland Racing Industry**

The beneficiaries of the status quo are foreign-owned bookmakers like Sportsbet and Ladbrokes. There is a clear gap; foreign-owned bookmakers can and should be paying more tax and contributing more to the community, and they have explicitly outlined their ability to absorb any further increase in taxes:

<sup>17</sup> Tax rate refers to specific rate on gambling product and does not include GST or income tax or industry supply fees such as racefields. Lotteries rates have been adjusted to reflect inclusion of agent commission for ease of comparison.

*“Sportsbet is very profitable, and that profitability continues to increase. Even in years like 2019, when we incurred \$140m in additional POC Taxes, profitability didn’t decline because of the scale of the business and the flywheel effect that we’ve been able to implement.”*

NATHAN ARUNDEL – SPORTSBET CFO – 22 SEPT 2021

*“Our Australian business continues to go from strength to strength with excellent performances from both the Ladbrokes and Neds brands throughout the ... half...given the scale and strength of our business in Australia, we are confident in our ability to mitigate a proportion of the ... impact [of tax increases].”*

ENTAIN STATEMENT – LADBROKES/NEDS – 11 AUG 2022

Some of these companies – like Sportsbet, Ladbrokes and Neds – have been making super-profits<sup>18</sup> (including during the COVID-19 pandemic when other Queensland businesses, including TABs, were challenged). They have used the NT’s low-cost and favourable regulatory landscape and changes in technology and consumer behaviour to attract customers from gambling in retail venues across Queensland. The regulatory environment has not kept pace with these underlying structural changes.

Currently, the majority of RQs funding comes from Tabcorp. This funding model is outdated and was struck under a previous Government when most people bet in physical retail TAB outlets. That is no longer the case, as most Queenslanders bet online with foreign-owned bookies licensed in the NT. Queenslanders are missing out.

The biggest winner in this is the Queensland racing industry, which will now have a sustainable funding stream and certainty for the future.<sup>19</sup> While Tabcorp will remain the exclusive retail wagering licensee in Queensland, we have agreed to end on-course advertising exclusivity, meaning race clubs around the state can go to market and secure the most competitive sponsorship deal possible, maximising their potential value and bargaining power.

### **The Reforms Help Support Queensland Pubs and Clubs**

The wagering infrastructure in Queensland pubs, clubs, and TABs (i.e. Sky Racing media, betting terminals, form guides, etc.) is licensed, regulated, and paid for by Australian pubs, clubs, and TABs. However, **63%** of people who bet in venue on a mobile device are betting with foreign-owned bookies.<sup>20</sup> This means that foreign-owned bookies like Sportsbet and Ladbrokes are benefiting from the wagering facilities installed at venues, such as form guides and Sky Racing media, at no cost. This allows them to profit and advertise even more (see **Attachment A** for further information).

Queensland TABs, pubs, and clubs also miss out on a commission every time a person bets in a venue on a mobile device with a foreign-owned bookie, like Sportsbet and Ladbrokes (see **Table Four**).

<sup>18</sup> See [Online gambling boom sparks call to ban sports betting ads smh.com.au/politics/federal/online-gambling-boom-sparks-call-to-ban-sports-betting-ads-20210405-p57gmc.html](https://www.smh.com.au/politics/federal/online-gambling-boom-sparks-call-to-ban-sports-betting-ads-20210405-p57gmc.html)

<sup>19</sup> Greater certainty for country racing: [statements.qld.gov.au/statements/95322](https://statements.qld.gov.au/statements/95322)

<sup>20</sup> Based on market research conducted throughout May and June 2021.



**Table Four: Est Ave Contribution of a Bet**

	Estimated average contribution from a bet	Total in FY 2021
Australian TABs (ex-WA)	2% <sup>23</sup>	Over \$150 million
Foreign-owned bookies	nil%	\$nil

**Queensland Has Lead the Nation**

These reforms have already set a powerful precedent for other state governments. After Queensland announced it was increasing the POCT, NSW increased their POCT from 10% to 15%,<sup>21</sup> and the ACT Government went from a 15% POCT to a 20% POCT.<sup>22</sup> After the success of the Queensland, NSW and ACT funding arrangements, Tabcorp expects other states will be under pressure to follow Queensland’s lead.

**Conduct of NT Licensed Bookmakers**

We have noted with concern the uptick in aggressive advertising from foreign-owned bookmakers, breaches of responsible gambling laws and AUSTRAC’s investigation into Entain for potential breaches of AML laws (see **Appendix One**, for example). These operators are now deeply entrenched in the Queensland wagering market and aggressively advertise to Queensland customers.

They are not subject to the same strict regulatory oversight as Tabcorp, which is licensed and regulated by the Queensland Office of Liquor and Gaming. The wagering licensing and regulatory environment are beyond the reach of any state or territory, and only a single national regulator would enable all states and territories to act harmoniously to bring their regulations in line with the modern economy.

As the only Australian operator licensed and regulated in seven jurisdictions, Tabcorp is uniquely placed to understand the inequities. To remedy this lack of harmonisation in regulations, we firmly believe the Queensland Government should consider advocating for a **single national wagering regulator** to ensure integrity and consistency in the application and enforcement of regulations for betting on sports and racing across Australia, especially in the online environment which is beyond the reach of any one State or Territory government. This could involve a single agency (based in Queensland, for example) exclusively administering the licensing and regulation of online bookies to ensure adequate integrity arrangements and consumer protections.

**Conclusion**

Thank you again for the opportunity to respond to the Bill. We look forward to working with the Queensland Parliament to ensure that racing in Queensland remains strong, small businesses such as pubs and clubs are supported, and gambling continues to be delivered responsibly in the community.

<sup>21</sup> [revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/point-of-consumption-tax](http://revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/point-of-consumption-tax)  
<sup>22</sup> [revenue.act.gov.au/betting-operations-tax](http://revenue.act.gov.au/betting-operations-tax)



**Tabcorp**

Please do not hesitate to contact **Tom Callachor**, Chief Industry and Corporate Affairs Officer, on [REDACTED] or at [REDACTED] or **Lydia Deutscher**, General Manager of Government and Industry Affairs on [REDACTED] or at [REDACTED] should you require anything further or have additional questions for Tabcorp. We are very willing to make ourselves available to Committee members at any stage of the inquiry.

Yours sincerely



**ADAM RYTENSKILD**

Tabcorp CEO & Managing Director

**APPENDIX ONE: Recent Incidents/ Breaches Foreign-Owned Bookmakers**

- **2018**
  - Entain (**Ladbrokes and Neds**) repeatedly breached the National Consumer Protection Framework (**NCPF**) and their NT licence:
    - [abc.net.au/news/2021-11-28/gambling-company-entain-fined-for-bonus-bet-breach-neds/100655456](https://www.abc.net.au/news/2021-11-28/gambling-company-entain-fined-for-bonus-bet-breach-neds/100655456)
- **2019**
  - **Ladbrokes** further breach of NCPF and subsequent fine:
    - [Ladbrokes tests limits of new bookmaking code \(afr.com\)](https://www.afr.com/ladbrokes-tests-limits-of-new-bookmaking-code-20190828)
- **2021**
  - NT Regulator fined Entain (**Ladbrokes and Neds**) for breaching the Code of Conduct by allowing its representatives to promote QR codes to activate a series of bonus cash promotions.
    - [focusgn.com/asia-pacific/entain-fined-for-breaching-code-of-practice-in-australia](https://www.focusgn.com/asia-pacific/entain-fined-for-breaching-code-of-practice-in-australia)
- **2022**
  - Entain (**Ladbrokes and Neds**) fined more than **\$28 million** by the UK Gambling Commission for what the Commission's chief Andrew Rhodes described as "completely unacceptable anti-money laundering and safer gambling failures."
    - [theguardian.com/society/2022/aug/17/entain-settlement-failing-rules-make-gambling-safer-crime-free](https://www.theguardian.com/society/2022/aug/17/entain-settlement-failing-rules-make-gambling-safer-crime-free)
    - [afr.com/rear-window/ladbrokes-owner-screwed-on-eve-of-licence-bids-20220818-p5bavt](https://www.afr.com/rear-window/ladbrokes-owner-screwed-on-eve-of-licence-bids-20220818-p5bavt)
  - Entain (**Ladbrokes and Neds**) and Sportsbet held Queensland race clubs deprioritised Queensland racing on their apps in response to the announcement regarding the 5% levy ([Courier Mail](#)).
  - **Ladbrokes** under investigation by AUSTRAC for potential breaches of anti-money laundering laws.
    - [austrac.gov.au/news-and-media/media-release/austrac-commences-investigation-entain-group-pty-ltd](https://www.austrac.gov.au/news-and-media/media-release/austrac-commences-investigation-entain-group-pty-ltd)
  - Multiple potential NCPF breaches reported to the NT regulator, plus the AUSTRAC inquiry, caused the NT regulator to conduct their own investigation into Entain (**Ladbrokes and Neds**).
  - Queensland Attorney General receives written complaint about Entain's (**Ladbrokes and Neds**) conduct in Queensland.
  - **Sportsbet** (a subsidiary of Irish betting behemoth Flutter Entertainment) is handed a record fine by Australian Communications and Media Authority (ACMA) for breaches of the Spam Act after they sent 150,000 marketing text messages and emails to over 37,000 consumers who had tried to unsubscribe.
    - [theguardian.com/australia-news/2022/feb/10/sportsbet-to-pay-37m-in-fines-and-penalties-for-sending-150000-unwanted-gambling-ad-](https://www.theguardian.com/australia-news/2022/feb/10/sportsbet-to-pay-37m-in-fines-and-penalties-for-sending-150000-unwanted-gambling-ad-) [REDACTED]



# The facts

## Where are some of the biggest bookies from?

Brand	Australian Wagering Licence Location(s)	Global Parent Company	Estimated size of Global Parent (\$AUD) <sup>1</sup>	Global HQ	Country HQ
Sportsbet	Northern Territory	Flutter Entertainment Plc	\$30.14 billion <sup>2</sup>	Dublin	
Ladbrokes	Northern Territory	Entain Plc	\$15.11 billion <sup>3</sup>	Isle of Man	
Neds	Northern Territory	Entain Plc	\$15.11 billion <sup>4</sup>	Isle of Man	
bet365	Northern Territory	bet365	Private company	Stoke-on-Trent	
TAB	Queensland, NSW, Victoria, ACT, Tasmania, Northern Territory, South Australia	Tabcorp Holdings Ltd	\$2.01 billion <sup>5</sup>	Melbourne	

## How well have foreign-owned bookies performed in recent years and during COVID?

The market share of foreign-owned bookies is growing at a record pace and they now account for **over 60% of Australian betting market share**<sup>6</sup>. This growth accelerated during COVID-19 when Australian pubs, clubs and TABs were forced to close.

### Sportsbet (Flutter)

Sportsbet's profit for the year ending June 2021 was a **record \$710m**.<sup>7</sup>

Sportsbet's profit was \$297m in 2018, \$297m in 2019, \$588m in 2020, and for the first six months of 2021 has been \$361m – **they earned more in the first six months of 2021, than they did for the entire 2019 year**.<sup>8</sup>

The parent company of Sportsbet, Flutter Entertainment Plc - based in Ireland - is **worth more than 15 times** Australian-based Tabcorp Holdings Ltd.<sup>1</sup>

### Ladbrokes / Neds (Entain)

Entain – the owner of the Ladbrokes and Bwin brands – said it had achieved “**23 consecutive quarters of double-digit online growth**” in its online business in the three months to the end of September 2021.<sup>9</sup>

The parent company of Ladbrokes and Neds, Entain Plc - based in the Isle of Man - is **worth more than seven times** Australian-based Tabcorp Holdings Ltd.<sup>1</sup>

### Bet365

“bet365 boss Denise Coates took home Britain's **biggest ever pay packet of £469 million (\$A851 million) last year [2020]** – equivalent to around £1.3 million (\$A2.3 million) each day”<sup>10</sup>



### What have foreign-owned online bookies said about their performance in recent years and during COVID?

*“Sportsbet is very profitable, and that profitability continues to increase. Even in years like 2019 when we incurred \$140m in additional POC Taxes, profitability didn’t decline because of the scale of the business and the flywheel effect that we’ve been able to implement.”<sup>11</sup>*  
***“[Sportsbet] benefited from the continuation of horse racing (behind closed doors) and retail remaining shut. This has led to an acceleration in the migration of retail customers to online...”<sup>12</sup>***

### What are the tax rates for gambling products in Australia?

Foreign-owned bookies pay a point of consumption tax (POCT) for online wagering in all jurisdictions, except in the Northern Territory (NT) where at November 2021 **they pay a wagering tax capped at c\$1.24 million per year<sup>13</sup>** (e.g. they only pay \$1.24 million of wagering tax in the NT even if they make \$500 million in profits).

Foreign-owned bookies pay between 10 and 15% tax rates – one of the lowest tax rates for gambling products in Australia:

Gambling Product	Tax rate <sup>14</sup>
POCT in VIC (i.e. tax for online bookies)	10% <sup>15</sup>
POCT in ACT, NSW, QLD, SA, TAS and WA	15% <sup>16</sup>
Casino table games	Up to 29% <sup>17</sup>
Keno tax in NSW, QLD, SA and VIC	Up to 41% <sup>18</sup>
Lotteries taxes (across Australia)	41% - 63% <sup>19</sup>
Pokies tax	Up to 65% <sup>20</sup>

Sports betting taxes in the USA are up to 36% - **more than double the tax rates that foreign-owned bookies pay** in Australia.

### Approximately how much money from a bet goes to the Australian racing industry?

On average, the Australian racing industry receives around **twice as much from a bet with the TAB** than a bet with a foreign-owned bookie, like Sportsbet and Ladbrokes.

	Estimated average contribution from a bet	Total in FY 2021
Australian TABs	6%	Over \$1 billion
Foreign-owned bookies	3%	\$700 million



**Approximately how much money from a bet struck in a local pub or club goes to that pub or club?**

The wagering infrastructure in Australian pubs, clubs and TABs (i.e. Sky Racing media, betting terminals, form guides etc) is licensed, regulated and paid for by Australian pubs, clubs and TABs. However, 63% of people who bet in venue on a mobile device are betting with foreign owned bookies.<sup>21</sup> This means that **foreign-owned bookies like Sportsbet and Ladbrokes are benefiting from the wagering facilities installed at venues, such as form guides and Sky Racing media, at no cost.**

Australian pubs and clubs also miss out on a commission every time a person bets in a venue on a mobile-device with a foreign-owned bookie, like Sportsbet and Ladbrokes.

	Estimated average contribution from a bet	Total in FY 2021
Australian TABs (ex-WA)	2% <sup>22</sup>	Over \$150 million
Foreign-owned bookies	nil%	\$nil



## Sources

1. Based on market capitalisation as at 1 June 2022 using exchange rates as at 1 June 2022. Future amounts may change depending on fluctuations in the stock market and exchange rates.
2. Source: Capital IQ
3. Source: Capital IQ
4. Source: Capital IQ
5. Source: Capital IQ
6. Source: <http://publishingservices.racingaustralia.horse/otherpublications/FactBook2019-2020/>
7. Source: CreditSuisse Research Bulletin, August 10, 2021
8. Source: Sportsbet Investor Presentation, 22 September 2021, slide 67
9. Source: <https://entaingroup.com/newsrelease/q3-trading-update-3>
10. Source: <https://www.news.com.au/finance/work/at-work/uk-bet365-ceo-denise-coates-made-851-million-last-year-giving-herself-a-52-per-cent-pay-rise/news-story/bedcdbc0cd071dd2b79a8a613657a259>
11. Source: Nathan Arundel, CFO – Sportsbet, Sportsbet Investor Presentation, 22 September 2021 – <https://media.idigitalcontents.com/media/f/flutter/Sportsbet-Investor-Day-22-Sept-2021.mp4>
12. Source: <https://www.flutter.com/media/hjfhjaje/flutter-q2-to-date-trading-update-28-05-2020.pdf>
13. From 1 July 2021 the \$1 million cap increases by CPI each year.
14. Tax rate refers to specific rate on gambling product and does not include GST or income tax or industry supply fees such as racefields. Lotteries rates have been adjusted to reflect inclusion of agent commission for ease of comparison.
15. VIC: <https://www.sro.vic.gov.au/wagering-and-betting-tax>
16. ACT: <https://www.revenue.act.gov.au/betting-operations-tax>  
 NSW: <https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/point-of-consumption-tax/calculate>  
 QLD: <https://www.business.qld.gov.au/industries/hospitality-tourism-sport/liquor-gaming/gaming/betting-tax/getting-started/registering>  
 SA: <https://www.revenuesa.sa.gov.au/betting-operations-tax>  
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18. Source: [https://www.treasury.sa.gov.au/data/assets/pdf\\_file/0005/518558/Annual-Report-2019-2020.pdf](https://www.treasury.sa.gov.au/data/assets/pdf_file/0005/518558/Annual-Report-2019-2020.pdf)
19. Source: <https://www.treasury.nsw.gov.au/sites/default/files/2018-04/TRP18-01%20Interstate%20Comparison%20of%20Taxes%202017-18.pdf>
20. Source: <https://www.cbs.sa.gov.au/file/3888/download?token=FOEVMFip>
21. Based on market research conducted throughout May and June 2021.
22. Contributions from bets vary by bet type.