

## **Submission by Greyhound Racing NSW in response to NSW Government's Point of Consumption Tax on Wagering in NSW Consultation Paper**

Greyhound Racing NSW (**GRNSW**) makes this submission as an independent body established under the *Greyhound Racing Act 2009* to represent, fund and control the commercial operations of the greyhound racing industry in NSW.

GRNSW notes that the NSW Government has already clearly and publicly indicated its support for the work of the Council of Financial Relations on wagering tax reform, as well as its own intention to introduce a Point of Consumption tax (**PoCT**) in NSW.

GRNSW asks that in designing any such wagering tax model, the NSW Government consider the significant effects that the introduction of a PoCT would have on the industry – including its potential to hinder GRNSW's ability to meet obligations under the *Greyhound Racing Act 2017*, the GRNSW Operating Licence and the Government's own Ministerial Statement of Expectations.

GRNSW submits that the introduction of a PoCT would place GRNSW's primary sources of revenue – derived from the TAB under the Racing Distribution Agreement and Race Field Information Use fees primarily from the corporate bookmaker sector – at risk. GRNSW also shares concerns with industry colleagues in other states that a PoCT could negatively affect consumers and could influence the decision of some individuals to use illegal offshore operators.

GRNSW also submits that ultimately, if the NSW Government proceeds with introducing a PoCT, the NSW greyhound racing industry should be no worse off than before it was introduced – particularly given the restrictive funding arrangements that the industry is currently subjected to. Should a PoCT be introduced in NSW, a number of safeguards must be introduced to protect the long-term viability and sustainability of the greyhound racing industry in this State, and to cause the least possible harm to future racing industry revenues.

Those safeguards include:

- **Relative parity with Victoria:** It has been widely reported that the Victorian Government is considering a PoCT rate of 8-10 per cent as part of the Victorian Budget 2018/19. At an absolute minimum, the NSW PoCT rate should maintain relative parity with the rate introduced in Victoria.
- **A fair share for greyhound racing:** To ensure the future sustainability of greyhound racing in NSW, a proportion of returns garnered from the introduction of a PoCT should be distributed between each racing code in a fair, equitable and just manner – with GRNSW then able to further invest in Greyhounds As Pets and track upgrades.
- **Sustainable online wagering:** Any PoCT must ensure the Australian online wagering sector is viable over the long term.
- **Retail wagering:** The inclusion of retail wagering in a PoCT so as to not further disadvantage corporate bookmakers.

- **Timing:** A PoCT in NSW should occur after other Australian jurisdictions have introduced their respective taxes. Ultimately, the PoCT in NSW should ensure the State is the most competitive and attractive Australian jurisdiction for wagering operators to do business.
- **Review process:** The NSW Government should commit to a “no less favourable” position for all racing codes and conduct a review of the PoCT’s impact on the racing industry after 12 months.

GRNSW notes the experiences of the United Kingdom and South Australia to illustrate the potential industry impact of a PoCT introduced without the aforementioned safeguards, including wagering service provider consolidation, subsequent job losses, and reduced marketing and sponsorship funding.

GRNSW also highlights the significant economic contribution that the greyhound racing industry makes to the NSW economy in terms of both jobs and revenue – directly and indirectly supporting thousands of workers, volunteers and participants across the State.

Yours sincerely

A handwritten signature in dark blue ink, appearing to read "A Mestrov".

Tony Mestrov  
Chief Executive Officer  
Greyhound Racing NSW

15 May 2018