

TREASURER TOM KOUTSANTONIS

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State Government to introduce place of consumption tax for betting companies offering services in SA

The State Government will introduce a place of consumption tax of 15 per cent on the Net Wagering Revenue (NWR) of betting companies offering services to South Australia, effective from 1 July 2017.

All bets placed in South Australia with Australian-based betting companies will be liable for the tax. South Australia will be the first Australian jurisdiction to introduce a wagering tax based on the place of consumption.

The Budget measure follows the SACOSS report *Losing The Jackpot: South Australia's Gambling Taxes*, which called for gambling tax reform and the implementation of a place of consumption tax on betting companies.

Background

The place of consumption tax will apply to bets on horse, harness and greyhound racing, and bets on sports such as AFL, cricket and soccer. It will also apply to other bets, such as those on the winner of the federal election or the Academy Awards.

Betting companies who will be liable to pay the tax include UBet, other South Australian licensed bookmakers, Authorised Interstate Betting Operators (including TABs in other states) and corporate bookmakers such as Sportsbet and Ladbrokes.

A tax-free threshold of \$150,000 NWR per year is proposed for all betting companies.

Based on 2014-15 data, the wagering tax is expected to raise \$9.2 million each year in new revenue. Of that, \$500,000 will be contributed annually to the Gamblers Rehabilitation Fund. This will be the first time that the betting industry has contributed to the Gamblers Rehabilitation Fund.

The racing industry will be no worse off as a result of the place of consumption tax.

Quotes attributable to Treasurer Tom Koutsantonis

The betting industry is rapidly changing and our tax regime needs to change with it.

If betting companies are making profits from South Australian punters they should be paying tax in South Australia, not in whichever jurisdiction their head office and servers happen to be located.



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By implementing a wagering tax based on the place of consumption, we are ensuring that businesses are paying taxes in the jurisdiction in which they are making their money.

It also enables a new \$500,000 contribution to be made to the Gamblers Rehabilitation Fund each year, which will be the first time the betting industry has contributed to the Fund.

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