

# SA'S PROPOSED WAGERING TAX

A fair and reasonable tax to address the changing face of gambling in Australia

**In its 2016-17 Budget, the South Australian State Government announced the introduction of a place of consumption wagering tax of 15% on the net revenue made by bookies' from bets made in SA, effective from 1 July 2017.**

With the rise of online betting on sports and racing, international bookmakers have set up shop in virtual gambling tax havens. The revenue they get from South Australian punters is taxed in the Northern Territory or Norfolk Island where gambling taxes are capped at very low levels. That is not fair to local bookies who pay gambling taxes here, or to the South Australian community who miss out on the revenue which could pay for vital services – including the harm caused by gambling.

South Australia's proposed wagering tax closes this tax loophole and taxes bookies' winnings where the bets are made – not in whatever jurisdiction the corporation holds its bookmaking licence.

This place of consumption wagering tax would see the big online bookmakers, like Sportsbet and Ladbrokes, pay gambling taxes in SA for the first time.

Small bookies with net revenue of less than \$150,000 per year will be exempt from the tax.

\$500,000 per year from the wagering tax will go to the Gamblers Rehabilitation Fund to support problem gamblers. It is the first time that betting taxes will contribute to the Fund which has until now been supported by poker machine taxes.



**The SA Wagering Tax is expected to raise \$9.2m per year, that is:**

- **\$9.2m of tax revenue that does not have to be found from payroll, land or vehicle taxes; or**
- **\$9.2m of services for the South Australian community.**



**The wagering tax is a tax on bookies, not a tax on punters.**

**SACOSS supports the proposed wagering tax** because it is fair and will ensure that revenue from South Australian betting is taxed in South Australia, and the money raised can be directed to services for South Australians.

**Sportsbet, the leading corporate bookie in Australia is the Australian subsidiary of Irish bookmaker, Paddy Power**

**TAKINGS** in bets in Australia in 2015

 **\$4.15 billion**

**NET REVENUE**

 **\$470 million**

**GAMBLING TAXES PAID (NT)**

 **\$550,000**

**REVENUE INCREASE**

on previous year

 **41%**

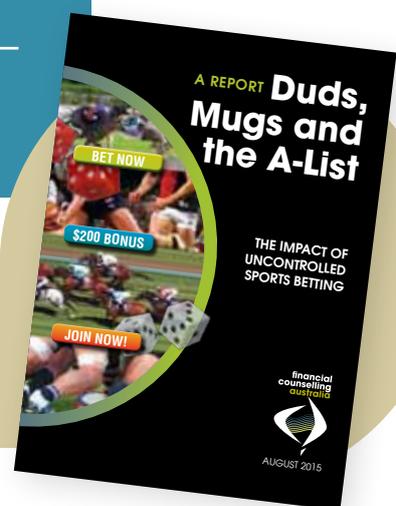
**GAMBLING TAX INCREASE**

on that Revenue Increase

**-\$0** (because they are registered in the NT which caps taxes)

**TOTAL GAMBLING TAXES PAID IN SA: \$0**

For case studies of the harm sports betting can cause, check out *Financial Counselling Australia's Duds, Mugs and the A-List: The Impact of Uncontrolled Sports Betting* at <http://www.safca.org.au/duds-mugs-and-the-a-list/>



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**SACOSS is calling on all parties in the state parliament to pass the Wagering Tax legislation without delay.**