



Northern Territory Department of Treasury and Finance

Revenue Discussion Paper

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Submission of Responsible Wagering Australia

Introduction

Responsible Wagering Australia (RWA) is grateful for the opportunity to make a submission to the Northern Territory Government's Revenue Discussion Paper.

RWA is the independent peak-body for the online wagering industry in Australia. Its membership includes leading NT-licensed wagering service providers (WSPs), bet365, Betfair, CrownBet, Sportsbet, Ladbrokes, and Unibet.

This submission is made with specific regard to '*Chapter 8 – Gambling Taxes*', however gambling taxation arrangements have significant implications for NT Government revenue and the economy more broadly.

Point of Consumption (POC) Taxation

RWA strongly supports the NT Government's opposition to unsustainable POC wagering taxes. The further unilateral introduction of unsustainable POC taxes as has occurred in South Australia will have a disproportionately deleterious effect on the NT.

As identified in the discussion paper, the wagering industry makes a significant economic contribution to the NT, valued in the order of \$42 million, a significant majority of which stems from RWA's membership.

In the 2016/17 Financial Year, RWA's members employed 240 people in the NT, with a wage bill of \$18.2 million and paid the NT Government almost \$2 million in payroll tax and more than \$5 million in bookmaker and betting exchange tax.

The unilateral introduction of unsustainable POC taxes by State and Territory governments places this significant economic contribution in direct jeopardy.

RWA recognises the desire of some States and Territories to receive a greater share of wagering taxation based upon the location a bet is placed. However, this cannot come at the expense of the industry's viability. Already the mere expectation of other States adopting South Australian-style POC taxes has contributed to one large WSP signaling its intention to leave the Australian market.

As alluded to in the discussion paper, the POC tax now operating in South Australia has led to double taxation of the online wagering industry by giving no consideration to the consumption tax that WSPs already pay (i.e. the GST).

Whilst some international jurisdictions, such as the United Kingdom, do have POC taxes operating with limited adverse consequences, they do not also levy a second consumption tax such as the GST on top of this, nor do they impose the significant product fee regimes like those that exist in Australia.

When taken together, these factors constitute a significant and completely unsustainable taxation burden. In the case of South Australia, it now has an effective wagering taxation rate triple that of the United Kingdom and has become one of the highest taxing jurisdictions for wagering globally. If Australia's online wagering industry and the thousands of jobs it currently directly provides nationwide is to be sustainable in the long-term, it cannot be double taxed.

Notwithstanding the NT Government's opposition to POC taxes, if the NT elected to implement a POC tax of its own in the future, the revenue raised would be significantly less than what current taxation arrangements bring in and easily be outstripped by the lost economic benefit to the NT.

A sustainable taxation burden is critical to the long-term viability of the online wagering industry, the jobs it supports and its economic contribution to the NT. RWA therefore strongly encourages the Northern Territory Government to continue to oppose the introduction of unsustainable POC taxes by other State and Territory governments.

Thank you again for the opportunity to make a submission, if further information would be of assistance, please do not hesitate to contact James Duncan at RWA on (03) 9621 2562.

Yours faithfully,



Stephen Conroy

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