

Media Release

The Hon Anthony Carbines MP
Minister for Police
Minister for Crime Prevention
Minister for Racing



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SUPPORTING VICTORIA'S RACING INDUSTRY

The Andrews Labor Government is ensuring Victoria's wagering taxes are in-line with other states and that the Victorian racing industry has a framework to ensure long-term sustainability with the decision to increase the point of consumption tax paid by betting companies.

Under legislation introduced to Parliament today, the Point of Consumption Tax (POCT) will be increased from 10% to 15% of net wagering revenue effective from 1 July 2024, bringing the state into line with the rates that already apply to wagering and betting activity in New South Wales, Western Australia, South Australia and Tasmania.

The majority of the increase will be passed through to the racing industry, with the racing industry's share of revenue to be 7.5% of the 15% POCT.

The balance of revenue from the POCT will continue to be distributed to the Hospitals and Charities Fund.

Victoria introduced a POCT to replace a "place of supply" tax in January 2019. The POCT ensures that wagering and betting companies pay their fair share of Victorian taxes regardless of where they are headquartered, and better aligns Victoria's tax system with the growing digital betting environment.

The Government is also removing the "no less favourable" requirement which has required the wagering and betting licence holder to enter arrangements with the racing industry that are no less favourable than those in place under the previous licence.

Changes in the wagering market triggered by the way people gamble mean this amendment is required to enable the awarding of a new licence when the current licence expires in August 2024.

The long-term certainty provided via the wagering and betting taxes is one key element of a proposed new industry funding framework supported by an MOU between industry and Government that will be delivered by the renewal of the State Wagering and Betting Licence which expires in August 2024.

The Victorian racing industry is a significant contributor to the state, adding \$4.7 billion annually in economic activity and providing more than 35,000 full-time equivalent jobs.

Racing is particularly important to regional Victoria, where more than 100 clubs are supported by more than 70,000 participants and provide \$2.45 billion annually in economic value each year.

Quotes attributable to Minister for Racing Anthony Carbines

"These changes provide vital long-term certainty for the industry and ensure that it continues to be funded from wagering generated on its product – helping the industry to back jobs and events that bring in millions of dollars each year to communities right across the state."

"This latest increase to the point of consumption tax strikes the right balance and brings us into line with other states and provides long-term certainty for Victoria's vibrant racing industry."

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