
Greyhounds Australasia

Study of Taxation Generated and
Governments Funding Received



April 2025

ier

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About the Industry

A recent report commissioned by Greyhounds Australasia revealed that in 2022-23, the greyhound racing industry was responsible for generating close to \$2.45 billion in value-added contribution to the Australian economy. In all state and territory jurisdictions, this economic impact is most heavily driven by wagering revenues. However, the investment by the breeding and training sector is also a driver of direct and indirect economic impacts.

This economic activity was found to be responsible for supporting 14,694 jobs nationally. The actual number of jobs would be higher than this given the high ratio of part-time and casual roles that are supported within the sector.

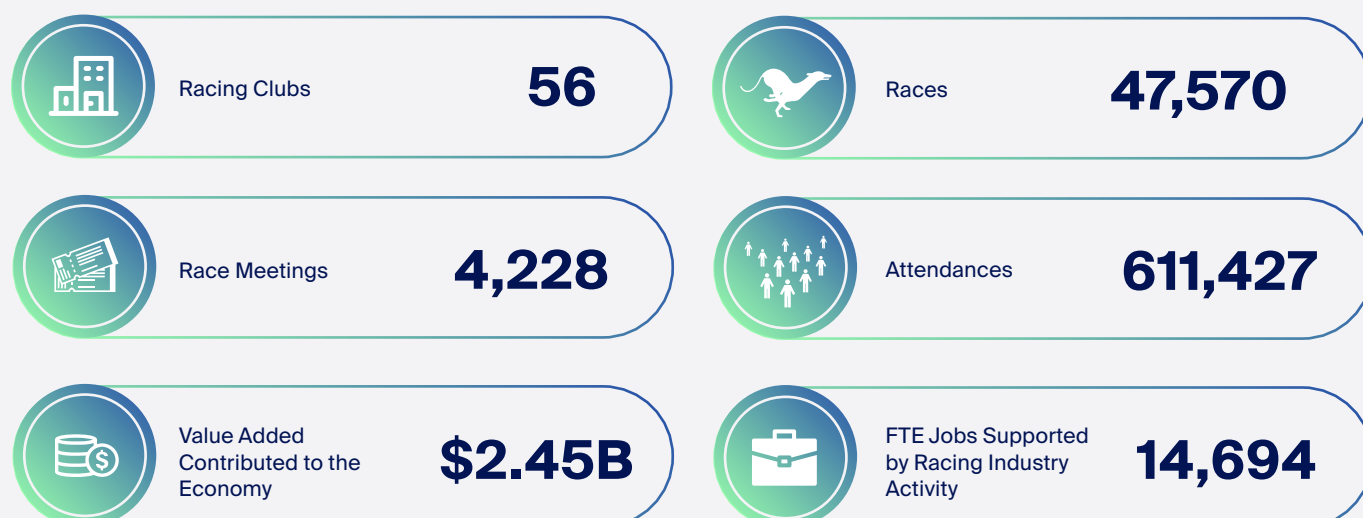
Controlling bodies, within each state and territory are charged with the responsibility of running their industry whilst racing clubs manage the day to day operation of the racing activities. There are 56 greyhound racing clubs throughout Australia.

In 2022-23, there were 4,228 race meetings held across Australia, hosting more than 47,500 races. On average there are approximately 12 race meetings held throughout Australia on any given day.

The racing program, in 2022-23, provided an opportunity for greyhounds to compete for approximately \$209 million in prizemoney across all racing jurisdictions in Australia.

Greyhound racing jurisdictions and racing clubs are charged with the responsibility of promoting greyhound racing. Some of these initiatives include the promotion of greyhounds as pets, marketing feature racing events and celebrating participants through a range of awards ceremonies.

2022-23 Greyhound Australasia Size and Scope Study (Australia Only)



Introduction

Purpose of this Study

IER was engaged by Greyhounds Australasia to undertake an assessment of the taxation impacts generated by the Australian greyhound racing industry. This study was designed to measure and illustrate the magnitude of the taxation impacts generated at federal, state and local Government level.

When considering the taxation impacts generated, IER has considered taxation from all facets of the greyhound racing industry. Specifically, this includes the taxes generated from the following sources:

- + Spending activity of the industry's state and territory peak bodies and wagering or betting tax in terms of point of consumption (POC) tax levied on wagering on greyhound racing product
- + Taxes levied on gaming machines for those clubs and controlling bodies providing this type of entertainment for their customers
- + Direct income taxes on those who are employed within the greyhound racing industry in Australia
- + Payroll and corporate income taxes levied on 'for profit' wagering organisations operating within the racing industry (to the extent that this is aligned with greyhound racing activity)
- + Payroll taxes levied on the industry's state and territory peak racing bodies
- + The 'net GST' generated by businesses operating within the Australian greyhound racing industry
- + Other taxes and levies such as fringe benefits tax, land tax and other wagering taxes/levies
- + The taxes generated from participants who spend money on their involvement in Greyhound Racing.

The report is based on an assessment of the taxation impacts generated in 2022-23 to align with the recent economic and social impact assessment undertaken by IER for the Australasian greyhound racing industry.

The main objectives and benefits of this study are:

- + To provide an independent and reliable assessment of the taxation impacts generated by all facets of the greyhound racing industry
- + To provide an estimate of the distribution of these impacts to federal, state and local Government authorities
- + To assess taxation impacts in context to the Government funding support received by the greyhound racing industry.

IER has also reported on funding that the industry receives from POC tax rebates, grants and other distributions to provide a balanced assessment of not just the tax generated, but also the benefit that the industry receives from the Government.

Introduction

Key Assumptions

For various reasons outlined earlier, IER needed to use some assumptions to develop this analysis. The key assumptions are outlined below:

- + For wagering companies that were unable to provide 'greyhound industry' specific taxation impacts, IER used the greyhound share of product fees as a proxy for splitting out the taxation impact related to the code
- + From a geographic perspective, some employee and business taxes were only provided as a national total. IER has used the share of workforce data as a proxy for splitting out the taxation impact related to each jurisdiction
- + Net GST by the breeding and training sector has been modelled on the expenditure model that IER has developed for these two sectors over the last decade.

Acknowledgements

IER would like to acknowledge the contribution of the following organisations and individuals:

- + Greyhounds Australasia
- + Controlling bodies in each jurisdiction
- + Greyhound racing clubs including Bendigo, Casino, Coonamble, Dubbo, Gawler, Goulburn, Hobart, Horsham, Ipswich, Launceston, Meadows, NSW Greyhound Breeders, Owners & Trainers Association clubs, Sale, Sandown, Shepparton, Traralgon, WA Greyhound Racing Association and Warragul
- + Wagering service providers such as Tabcorp, Entain & Responsible Wagering Australia
- + Participants who provided their financial data on breeding and training greyhounds

Disclaimer

IER Trading ("IER") has prepared this report using its best endeavours with the data that has been available. There are a number of challenges to sourcing this data which IER has had to work through. These include:

- + Data not in the public domain which IER has had to request from a variety of publicly listed and private companies
- + Data, for some companies, that is not recorded against jurisdiction nor racing code and for which assumptions have needed to be made.

IER has liaised with all of the businesses in this sector and has managed to extract enough information to be able to reliably develop the estimates contained within.

It is important to note that IER has accepted the figures provided by these organisations in good faith and without audit. Where possible, IER has attempted to triangulate data provided by assessing against other public information. However, ultimately, IER's main approach was to sense check the information provided against its extensive understanding of the industry (and in consultation with other industry experts).

In terms of the taxes generated by participants in the industry, IER has relied upon in depth interviews that it has undertaken over the last decade which has enabled the construction of a detailed model of the breeding and training sectors. This modelling has allowed IER to determine the expenditure and employment generated in pursuit of involvement in the greyhound racing industry.

Methodology

In order to develop the overall assessment of the taxation benefits generated, IER consulted various parts of the industry. The challenge with a study such as this is that there is no single source of information on this data and nor is there an obligation on key businesses within the industry to provide this data to Greyhounds Australasia. Notwithstanding this, IER worked closely with these organisations to gather the best and most detailed information possible to develop this estimate.

This consultation process included the following key participants:

- + Greyhounds Australasia - who provided detail on the taxation framework, point of consumption taxes and Government funding of greyhound racing in each jurisdiction
- + Controlling bodies - who provided detailed taxation relating to wagering and business related taxes as well as Government contributions to their individual racing jurisdictions
- + Tabcorp - who provided detail on various taxes albeit at an aggregated level
- + Responsible Wagering Australia - who provided detail on various taxes on behalf of their members. This was supplemented with direct data requests from wagering service providers who are not members of this body (such as Entain)
- + Greyhound Racing Clubs - who provided taxes related to employment, gaming and other operational aspects

Additionally, IER has leveraged the wider economic contribution study to estimate the taxation paid by the owners, breeders and trainers based on the direct expenditure incurred in the process of breeding and training greyhounds. The taxes estimated for this participant cohort include net GST, personal income tax withholding and rates.

These taxes were thoroughly reviewed and interrogated by IER as part of this study. Unfortunately, due to confidentiality restrictions, IER is not able to report on the taxes at an organisational level. Furthermore, some of the larger corporate entities were not willing (or able) to provide a breakdown of taxes by jurisdiction.

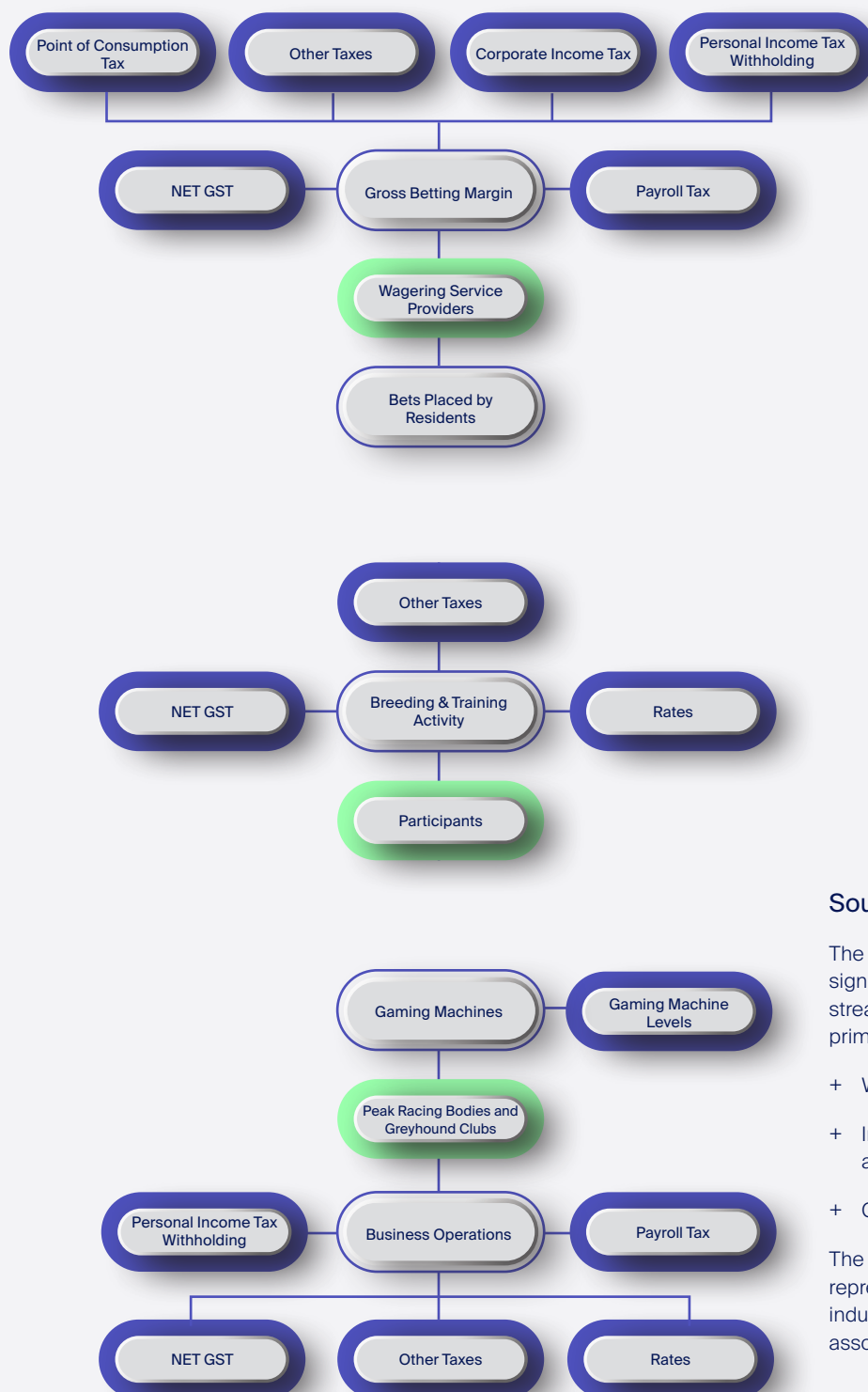
Within this report, IER has provided the following key outputs for analysis: -

- + Total direct taxation impact generated by the greyhound racing industry (as an aggregate and by jurisdiction)
- + Total taxation impact generated (direct and first-round) by the greyhound racing industry (overall and by jurisdiction)
- + An assessment of the net tax position of the industry, assessing the taxes generated and the funding received



Direct Taxation Generated

Overview of the Taxes Generated by the Australian Greyhound Racing Industry



Sources of Taxation in the Industry

The Australian greyhound racing industry contributes significantly to Government revenues through various streams of direct taxation. These contributions primarily originate from three key stakeholder groups:

- + Wagering service providers
- + Industry participants (including breeders, trainers, and owners)
- + Governing bodies and greyhound racing clubs

The adjacent diagram provides a visual representation of the internal financial flows within the industry and highlights the specific taxation channels associated with each of these sources.

Direct Taxation Generated

Wagering Taxes and Industry Funding

The most substantial contributor to direct tax revenue within the Australian greyhound racing industry is the Wagering or Betting Tax, also known as the Point of Consumption (POC) Tax. This tax plays a vital role in supporting state and territory Governments by capturing a substantial share of wagering activity linked to the industry and directing those proceeds into public revenue streams.

The introduction of POC tax was designed as a way for Governments to ensure that the local racing industry receives a fair share of revenue from wagering—particularly from bets placed online or through interstate operators. The aim is for POC taxes to:

- + **Provide Sustainable Funding:** By taxing bets in the jurisdiction where the punter is located, each state or territory can more reliably collect revenue. Part of that revenue is then directed back to racing, helping to support prizemoney, infrastructure, and day-to-day operations.
- + **Level the Playing Field:** The POC model aims to create a more even landscape among betting operators, regardless of where they're licensed. This approach helps prevent operators from relocating to lower-tax jurisdictions at the expense of local racing industries.

- + **Secure Racing's Future:** Because racing relies heavily on wagering turnover for funding, there is a strong hope that POC taxes will create a stable environment for the sport. By ensuring that Governments reinvest some of these tax receipts back into the industry, racing can continue to develop and remain attractive for participants and punters alike.

In each jurisdiction that collects POC taxes, the state or territory Government has established a funding agreement with the industry, financed by those POC tax receipts. The rate of funding support differs by jurisdiction depending on the agreement between the racing industry and the Government.



Direct Taxation Generated

In 2022-23, the Australian greyhound racing industry generated \$410.5 million in direct taxation for local, state and federal Governments. The primary sources of this taxation were:

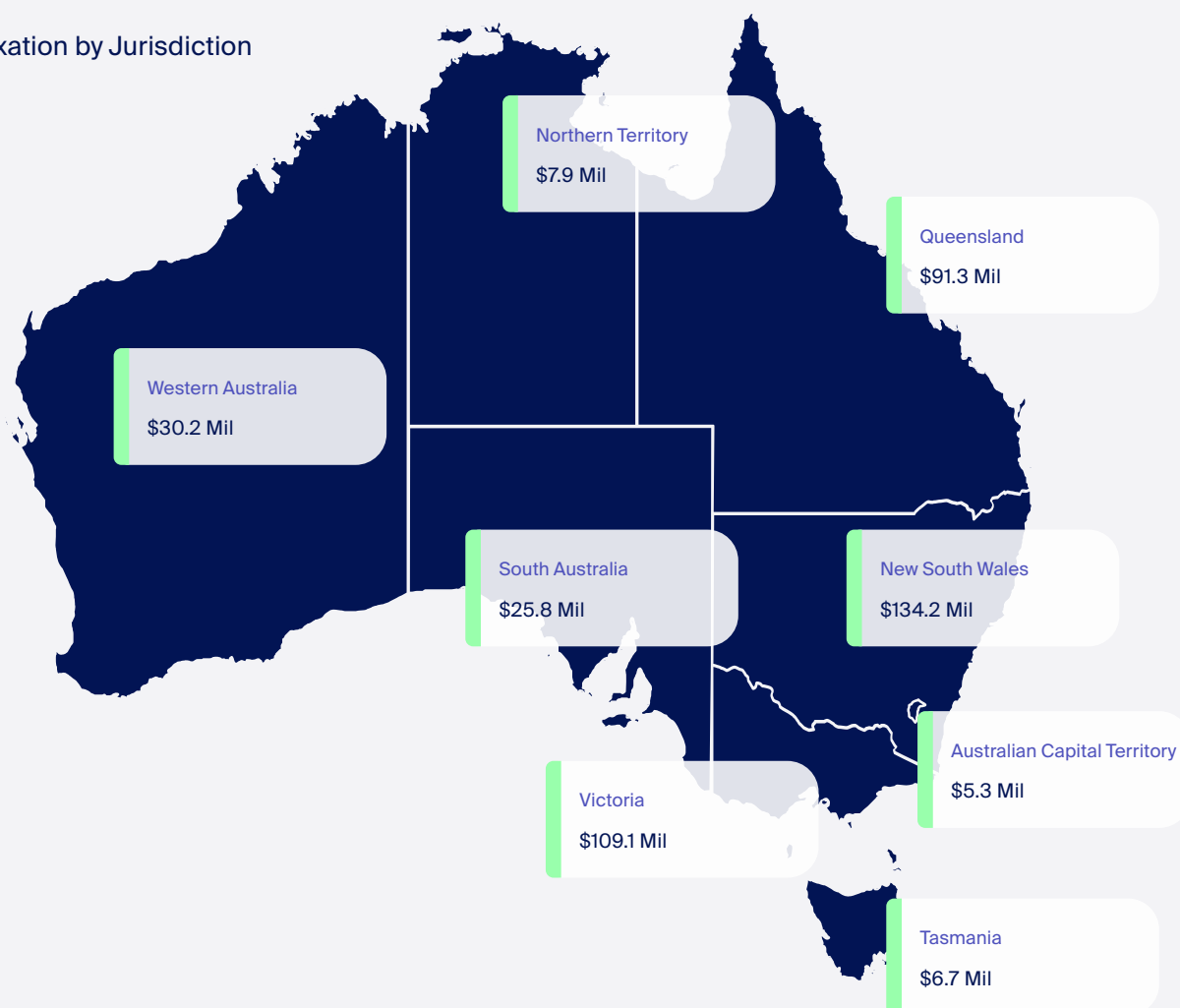
- + Wagering or betting taxes - spending activity of the industry's state and territory's peak bodies, in terms of point of consumption tax levied on wagering on greyhound racing product
- + Taxes levied on gaming machines for those clubs and controlling bodies providing this form of entertainment to their customers
- + Direct income taxes on those who are employed within the greyhound racing industry in Australia
- + Payroll and corporate income taxes levied on 'for profit' wagering

organisations operating within the racing industry (to the extent that this is aligned with greyhound racing activity)

- + The 'net GST' generated by businesses operating within the Australian greyhound racing industry
- + Other taxes and levies such as fringe benefits tax, land tax and other wagering taxes/levies
- + The taxes generated from participants who spend money in their involvement in greyhound racing.

Due to confidentiality and reporting limitations, IER is not able to provide a breakdown of the individual tax source contribution towards the total. The chart below illustrates the breakdown by individual racing jurisdictions:

Direct Taxation by Jurisdiction

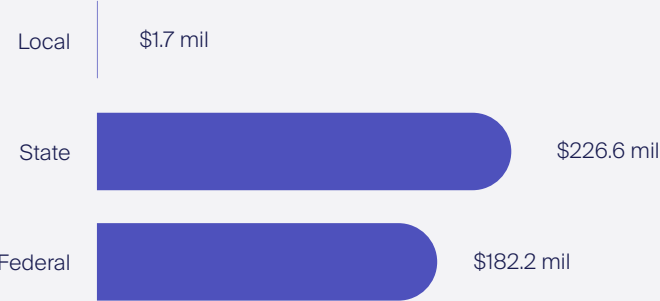


Direct Taxation Generated

Overall, more than \$226 million is generated by the Australian greyhound racing industry for state Governments whilst \$182 million is generated for the Federal Government. Tax revenue from GST, whilst collected by the Federal Government, is subject to a formula based redistribution back to the states that does not always follow the way in which the tax revenue was created.

It should be noted that wagering or betting taxes (POC Tax) is levied on betting based on the location of the punter. Therefore, in the ACT, where there is no greyhound racing industry, taxation revenue is still generated as a result of ACT residents betting on greyhound racing which is conducted outside of the ACT.

Direct Taxation Generated at each level of Government



Total Taxation Generated

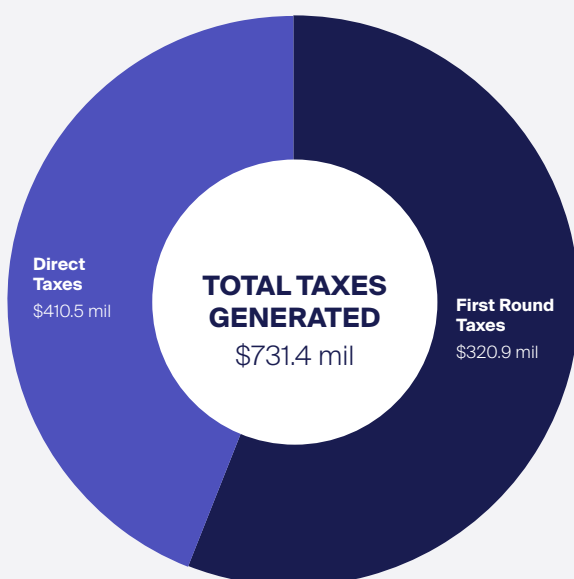
As previously outlined, the activities of greyhound racing in Australia are estimated to create a direct taxation impact of \$410.5 million. It is important to note, however, that there are additional taxation impacts that are created in the economy as a result of the industry activity.

In addition to the direct tax impact generated by greyhound racing, first-round suppliers also generate taxation benefits which are the result of the demand created by greyhound racing industry activity. Economic modelling of the expenditure profile of the industry provides outputs of initial (direct and first round) and induced (production and consumption) impacts.

It should be noted that under Department of Treasury and Finance guidelines, the assessment of impacts relating to an industry or sector is determined to be meaningful up to the first-round economic impacts. Whilst modelling can also provide an estimate of induced impacts (both production and consumption induced) the guidelines suggest that this should not be included.

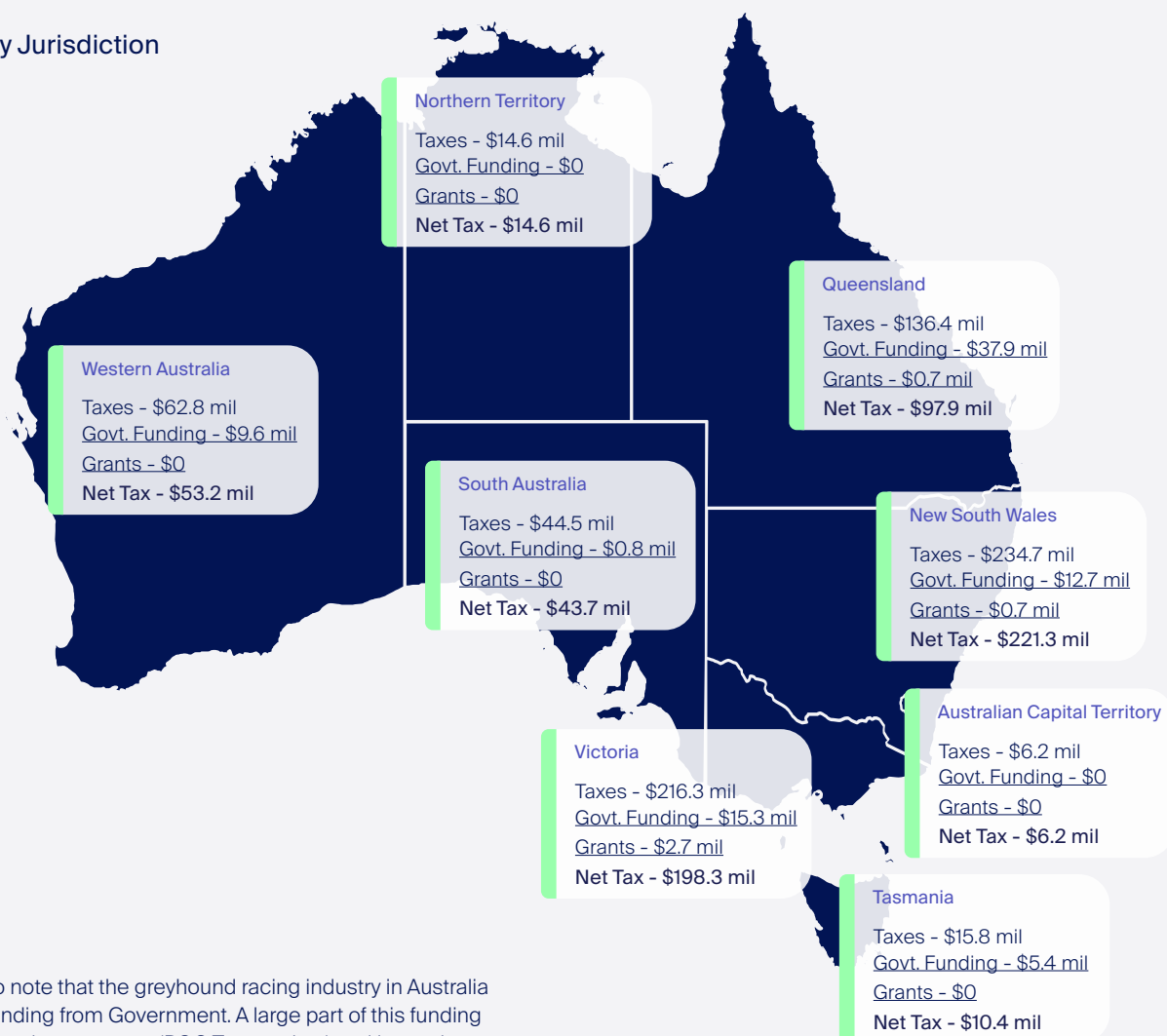
The first-round impact represents the taxes generated in businesses and operations supplying directly to the greyhound racing industry (reflecting the immediate impact of the greyhound racing industry on its supply chain). For example, the expenditure of a wagering operator with an advertising agency contributes to payroll and GST taxation revenues generated within that agency.

It is estimated that the activities of the greyhound racing industry in Australia is responsible for a direct and first round taxation impact of \$731.4 million.



Net Tax Outcomes

Net Tax by Jurisdiction



It is important to note that the greyhound racing industry in Australia also receives funding from Government. A large part of this funding comes from wagering revenues (POC Tax receipts) and is used to support operations, prizemoney and capital and infrastructure projects. It is estimated that the net taxation contribution of the Australian greyhound racing industry is \$645.8 million. This is based on the total taxes generated (\$731.4 million) less the funding received from Governments (\$85.7 million).

Total Government funding received by the industry combines regular recurring revenue linked to the wagering revenue (POC Tax receipts) in addition to one off grants made to the industry for a specific purpose. In 2022-23, \$81.6 million was associated with recurring revenue linked to the POC Tax receipts with the remaining revenue of \$4.1 million through grants and other distributions.

The illustration below shows the net tax generated by greyhound racing in each jurisdiction (considering both direct and first-round taxes generated). Funding returned to the industry is 'netted off' against the taxes generated to determine the net position.



Definitions

Corporate Income Tax

Corporate Income Tax in Australia is a tax levied on the profits of companies operating within the country. The standard corporate tax rate is 30%, but a reduced rate of 25% applies to businesses with an annual turnover of less than \$50 million. The tax is paid on the company's net income after allowable deductions and expenses.

Fringe Benefits Tax

Fringe Benefits Tax (FBT) in Australia is a tax paid by employers on non-cash benefits provided to employees, such as company cars, private health insurance, or low-interest loans. The tax is separate from income tax and is calculated based on the value of the fringe benefits provided. Employers are responsible for paying FBT, which is typically due annually, and the rate is currently 47% of the taxable value of the benefits.

Gaming Machine Levies

Gaming Machine Levies in Australia are taxes or fees imposed on businesses that operate gaming machines (pokies). These levies are typically paid to state or territory governments and are designed to regulate and generate revenue from the gaming industry. The rates and structure of gaming machine levies can vary by jurisdiction, but they are often based on the number of machines operated or the revenue generated.

Government Funding

In terms of this report, the various principal racing authorities have outlined the funds they each receive from state governments for the 2022-23 financial year. Calculating the funding nationally is complex as each state differs in terms of state government funding agreements and organisational structure (tri-code or greyhound exclusive racing authority).

Net GST

Net GST (Goods and Services Tax) in Australia refers to the tax that businesses collect on behalf of the government on most goods, services, and transactions. The standard rate is 10%. Businesses registered for GST must charge GST on their sales (output tax) and can claim credits for the GST paid on their business-related purchases (input tax). The "net" GST is the difference between the output tax collected and the input tax paid, which businesses either remit to or claim back from the Australian Taxation Office (ATO).

Payroll Tax

Payroll tax is a state-based tax that businesses must pay on the wages they provide to their employees, with rates and thresholds varying by state. It is only applicable when a business's total wages or full time employees exceed a certain threshold. The tax rate typically ranges from 4.5% to 6% depending on the state.

Personal Income Tax Withholding

Personal Income Tax Withholding in Australia refers to the system where employers are required to withhold a portion of an employee's salary or wages for tax purposes and remit it to the Australian Taxation Office (ATO) on their behalf. The amount withheld is based on the employee's income level, and the tax withheld is later credited against the employee's annual tax liability when they lodge their tax return.

Wagering or Betting Tax (Point Of Consumption Tax)

The Point of Consumption (POC) Tax in Australia is a tax imposed on the revenue generated from betting activities, at the point where the consumer places the bet. The tax is usually paid by the wagering operator and is based on the net revenue (wagering turnover minus payouts) generated from bets placed within a specific state or territory. This tax aims to ensure that the state or territory where the consumer places the bet receives the tax revenue, regardless of where the betting operator is located.

Rates

Council rates in Australia are taxes imposed by local government councils on property owners to fund local services and infrastructure, such as road maintenance, waste collection, and community facilities. The rates are calculated based on the value of the property (land and sometimes improvements) and are typically charged annually or quarterly. The amount varies depending on the property's location, size, and local council policies.

Other Taxes

In terms of this report, other taxes include Commercial Parking Tax (a tax imposed on commercial parking spaces, typically in major cities like Melbourne. It applies to businesses that charge for parking and is based on the number of parking spaces they provide) and other payments made by principal racing authorities, wagering operators and/or Clubs to one of the three levels of Government.

Appendix

About IER

IER has been conducting racing industry related assessments for more than 30 years throughout Australia, Asia and New Zealand.

In the last five years, IER has conducted the following industry level economic and social studies:

- + Asian Racing Federation
- + Australian Football League
- + Greyhounds Australasia
- + New South Wales greyhound racing industry
- + New South Wales harness racing industry
- + New Zealand racing industry (3 codes)
- + Northern Territory thoroughbred racing industry

- + Queensland racing industry (3 Codes)
- + Responsible Wagering Australia
- + Sportsbet
- + South Australian racing industry
- + Tasmanian racing industry (3 codes)
- + Victorian racing industry (3 Codes)
- + Western Australian racing industry (3 Codes)

IER has a strong understanding of the prevailing economic environment within each greyhound racing jurisdiction and the inter-related flow of funds within the sector.



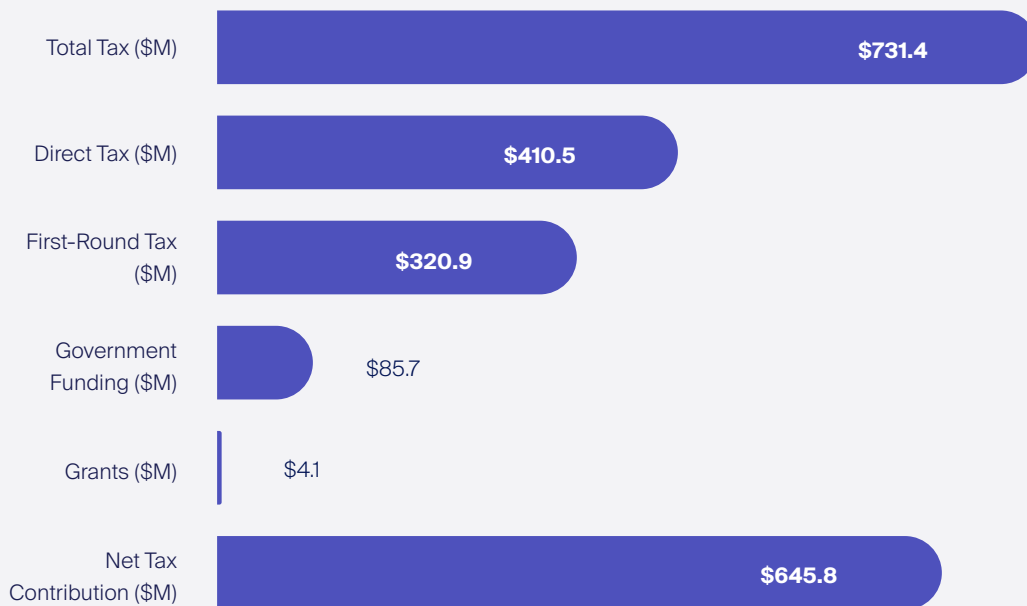
FY23 Taxation Report Data Summary

IER Data Summary

Jurisdiction	Total Tax (\$M)	Direct Tax (\$M)	First-Round Tax (\$M)	Government Funding (\$M)	Grants (\$M)	Net Tax Contribution (\$M)
Australia (Total)	\$731.4	\$410.5	\$320.9	\$85.7	\$4.1	\$645.8
New South Wales	\$234.7	\$134.2	\$100.5	\$12.7	\$0.7	\$221.3
Victoria	\$216.3	\$109.1	\$107.2	\$15.3	\$2.7	\$198.3
Queensland	\$136.4	\$91.3	\$45.1	\$37.9	\$0.7	\$97.9
Western Australia	\$62.8	\$30.2	\$32.6	\$9.6	\$-	\$53.2
South Australia	\$44.5	\$25.8	\$18.7	\$0.8	\$-	\$43.7
Tasmania	\$15.8	\$6.7	\$9.1	\$5.4	\$-	\$10.4
Northern Territory	\$14.6	\$7.9	\$6.7	\$-	\$-	\$14.6
Australian Capital Territory	\$6.2	\$5.3	\$0.9	\$-	\$-	\$6.2



Australian Greyhound Racing FY23 Taxation Contribution





New South Wales Greyhound Racing FY23 Taxation Contribution





Victorian Greyhound Racing FY23 Taxation Contribution





Queensland Greyhound Racing FY23 Taxation Contribution





Western Australia Greyhound Racing FY23 Taxation Contribution





South Australian Greyhound Racing FY23 Taxation Contribution





Tasmanian Greyhound Racing FY23 Taxation Contribution



NORTHERN TERRITORY
RACING COMMISSION



Northern Territory Greyhound Racing FY23 Taxation Contribution





ACT FY23 Taxation Contribution



