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Tasmanian Government

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Ms Kristie Johnson MP
Committee Chair
Joint Standing Committee on Greyhound Racing Transition
greyhoundtransition@parliament.tas.gov.au

Dear Ms Johnson

Clarification on Point of Consumption tax sharing arrangements

Thank you for the opportunity to present to the Joint Standing Committee on Greyhound Racing Transition on 4 August 2026.

Following a review of the draft Hansard transcript, I wish to provide some clarification on the arrangement for sharing the Government's Point of Consumption Tax (POC tax) revenue with the racing industry, through Tasracing.

The POC tax was introduced in the 2019-20 financial year and a deed to share the tax revenue was agreed between the Government and Tasracing at that time. Under the original POC Tax Grant Deed, 80 per cent of the additional revenue collected by the Government each year was agreed to be paid to Tasracing as a grant. The additional revenue was calculated as the revenue raised by the POC Tax, plus the Annual Wagering Levy from UBET, less the Totalizator Wagering Levy that would have otherwise been paid if the POC tax had not been introduced.

Payments were to be made to Tasracing in any financial year related to the Government's POC tax revenue in the preceding financial year. This sharing arrangement resulted in between 42.3 per cent and 46.3 per cent of the POC tax revenue collected by Government being shared with Tasracing each year, for payments made to Tasracing over the period 2020-21 to 2023-24.

During the 2024 election campaign, on 28 June 2024, the Government released a racing policy package, "*Strengthening the Racing Industry*," which included a commitment to "ensure that funding received by the industry from the Point of Consumption Tax is maintained in real terms" among other policy positions.

This commitment was implemented by a change to the POC Tax Grant Deed, executed on 19 March 2025, and first applied to the payment to Tasracing in 2024-25. As discussed at the hearing, this means that POC tax funding to Tasracing is now delinked from the Government's POC tax revenue. Instead, POC tax funding to Tasracing is indexed annually, using an indexation rate that references the Consumer Price Index (All Groups) for the eight capital cities.

The POC tax payments to Tasracing have equated to an average of 49.8 per cent of the Government's POC tax revenue, over the two years since the payments to Tasracing were delinked from the POC tax revenue.

I trust that this information assists the Committee in its understanding of the POC tax revenue sharing arrangement with the racing industry.

Yours sincerely

[redacted]

Gary Swain
Secretary

21 August 2026