

FUNDING ANNOUNCEMENT



What are the impacts on tax reform for the Queensland racing industry?

Racing Queensland

A variety of complex wagering and industry funding arrangements will be streamlined to a single Government source, with RQ securing 80% of Point of Consumption Tax (POCT) receipts to help fund the industry.

RQ will no longer have an exclusive wagering partner, as every Wagering Service Provider (WSP), including Queensland TAB (QTAB), will be required to pay POCT and Race Field Fees. WSPs will also be able to sponsor races, events and race clubs.

RQ will make further announcements relating to prize money increases, infrastructure investments and industry funding before the proposed implementation on December 1, 2022.

TAB

RQ will settle its Supreme Court litigation with Tabcorp, which has been ongoing since 2019, once the tax reform has been implemented.

Tabcorp will be required to make a \$150 million settlement payment to the State and RQ, which has been disclosed to the ASX, and this will be utilised to further invest into the long-term sustainability of the Queensland racing industry. As a part of the settlement, Racing will benefit from a \$50 million injection into the Racing Infrastructure Fund via Queensland TAB's retail exclusivity agreement with the State.

As a result of the litigation settlement, the Queensland Product and Program Agreement between TAB and RQ will cease and QTAB will commence paying POCT and Race Field Fees consistently with all WSPs.

Participants

Long-term funding certainty provides RQ with opportunities to increase prize money, enhance infrastructure, and provide better training facilities.

Over the past four years, payments to participants has increased by more than \$110 million (+64%), while prize money has increased by \$76.4 million (+51%).

RQ will make further announcements relating to prize money increases, infrastructure investments and industry funding prior to the proposed implementation on December 1, 2022.

Clubs

At present, Queensland racing clubs are restricted from entering into sponsorship agreements, unlike interstate jurisdictions, with any WSP other than TAB.

As part of reforms, Queensland clubs will be free to negotiate signage and on-course advertising with every WSP to maximise the commercial returns.

With increased commercial opportunities, Queensland clubs will be able to improve their viability, while at the same time reinvesting in to enhance their racing, patron and membership facilities.

The Media Rights Agreement between clubs, RQ and Sky Racing will remain in place other than to allow WSP sponsorship and signage.

With funding certainty, RQ will also be able to further invest into its 125 clubs across the state.

Country racing

Funding for the sector is now secured with the existing Country Racing Program scheduled to conclude at the end of FY23.

In conjunction with the Country Advisory Panel, RQ will make further announcements on prize money, industry funding and infrastructure investments ahead of the December 1 implementation date.

Country clubs will be free to negotiate signage and on-course advertising with every WSP to maximise the commercial returns.