



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
 Date Referred: 7/01/2015

Proposal No: A039
 Date Published: 23/03/2015

Proposal Title: **RACING INDUSTRY TAX REFORM - CUT WAGERING TAXES BY 60 PER CENT FROM 1 JAN 2016**

Cluster: Trade and Investment, Regional Infrastructure and Services

General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					-
Depreciation					-
Less: Offsets					-
Revenue		(46,994)	(95,398)	(96,509)	(238,902)
Net Operating Result:	-	(46,994)	(95,398)	(96,509)	(238,902)

Capital Expenditure					-
Capital Offsets					-
Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	(46,994)	(95,398)	(96,509)	(238,902)
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Net Financial Liabilities:	-	46,994	142,392	238,902	
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Total State Sector Impacts

Net Financial Liabilities:	-	46,994	142,392	238,902	
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Notes and costing assumptions

Implementation date of policy is 1 January 2016.

Baseline estimate of racing revenue is calculated from actual revenue reported in Office of Finance and Services 2013-14 Annual Report plus estimated annual growth over the forward estimates. Baseline revenue is expected to reduce in real terms by 1 per cent per annum over the forward estimates, consistent with long term industry trends reported in Racing NSW's Strategic Plan October 2014.

The costing request assumes that foregone tax revenue is returned to the racing industry, which would result in increased industry investment and a long run increase in wagering turnover. The costing accordingly builds in a small increase in baseline revenue over the forward estimates of 0.1% in 2015-16 rising to 0.5% in 2017-18.

Any changes to administrative costs associated with this policy will be minimal and not material to the costing.