

17 April 2026

Senate Standing Committees on Economics  
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Australian Parliament House  
Canberra ACT 2600

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Dear Committee Members

## INQUIRY INTO THE TREASURY LAWS AMENDMENT (DELIVERING AN EFFICIENT AND TRUSTED TAX SYSTEM) BILL 2026

Tabcorp welcomes the opportunity to provide a submission to the Economics Legislation Committee (**Committee**) inquiry into the *Treasury Laws Amendment (Delivering an Efficient and Trusted Tax System) Bill 2026 (Bill)*.

The feedback contained in this submission is confined to Schedule 4 of the Bill – *Exclusion of tobacco and gambling related activities from the Research and Development Tax Incentive (R&D Tax Incentive)*.

### ABOUT TABCORP

Tabcorp is an iconic Australian company that operates well-known Australian brands such as TAB, Sky Racing and MAX, the largest Australian provider of gaming machine monitoring services on behalf of state governments.

Tabcorp employs approximately 3,500 Australians and our products support around 330,000 indirect jobs in the racing industry and pubs and clubs across Australia. We make an economic contribution in Australia of around \$1.5 billion per year, including over \$500m in taxes, \$850m in support to the racing industry, and over \$170m in commissions to local pubs and clubs, many of whom are small and family businesses.

We take a whole of company approach to harm minimisation, it is the key pillar of our organisational ethos. Safer gambling is at the heart of everything we do and we take our responsibilities to our customers and the local communities we operate in, seriously.

### TABCORP RESPONSE TO THE BILL

Tabcorp does not support the Bill in its current form. The Bill removes a longstanding incentive for legitimate Australian companies that has existed for almost forty years and will effectively remove Tabcorp's access to the R&D Tax Incentive for almost all of our research & development initiatives.

In the past decade, Tabcorp has contributed over \$415 million to the Australian economy through R&D investments and removing access to the R&D Tax Incentive will have an adverse effect on our operations, particularly our capacity for ongoing investment in the economy.

## GENERAL COMMENTS

Tabcorp firmly backs a sector neutral tax system that promotes innovation and job growth, helping boost Australia's position on the world stage and improve productivity nationwide.

Tabcorp invests significantly in high quality Australian research & development across a broad cross section, including:

- technological advancements
- cybersecurity and fraud detection;
- AML/CTF requirements and objectives;
- harm-minimisation and responsible wagering technologies (including 'Know your Customer' requirements);
- data and advanced analytics systems; and
- real-time monitoring and customer engagement tools.

Employing staff in these roles significantly benefits the Australian R&D ecosystem through training, mentoring, and skills transfer, as many employees later start their own businesses or join smaller firms. This process is crucial to Australia's R&D sector.

## SCOPE OF HARM MINIMISATION EXCLUSION

The Bill allows eligibility for activities aimed *solely* at harm minimisation. Tabcorp strongly supports this carve out as it recognises the importance of harm minimisation, but submits the exclusion is too narrow. It should be noted that effective safer gambling measures need to be integrated into core business systems, not developed in isolation.

Our investment plans already rely on the R&D Tax Incentive, including current projects. If the Bill in its current form proceeds, innovative project costs will rise, affecting initiatives that support harm minimisation, even if not dedicated solely to it.

For example, Tabcorp has recently completed R&D projects to improve online customer security which are essential both for e-security and minimising gambling harm.

Tabcorp respectfully submits that the Committee should recommend that the eligibility exclusion be broadened (see Recommendation 3, below) to include other public interest outcomes, such as consumer protection, anti-money laundering (AML), and counter-terrorism financing (CTF) systems.

## TABCORP RECOMMENDATIONS

Tabcorp put the following recommendations forward for the Committee's consideration:

### Recommendation 1

Tabcorp submits the Bill should adopt a transitional or phase in approach to the R&D Tax Incentive reforms. This will provide participants time to assess and evaluate how these changes will impact their organisation and take measures to minimise these impacts. Tabcorp also suggests that the Committee recommend that the R&D Tax Incentive reforms are the subject of industry awareness campaign to ensure all participants are adhering to the changes. To this end, Tabcorp proposes that the legislation should take effect from 1 July 2028 to allow for this engagement to occur.

### Recommendation 2

Tabcorp submits that the exclusion of eligibility be limited to research & development activities that have the "dominant purpose" of "exacerbating addiction and associated harms" per the original policy intent announced in the FY25 Mid-Year Economic and Fiscal Outlook.

Additionally, the Bill should permit supporting activities related to gambling research & development, as a significant portion of gambling-related research & development focuses on areas integral to consumer protection and regulatory compliance, such as anti-money laundering and counter-terrorism financing systems (i.e. 355-30(3) should be deleted).

### Recommendation 3

Tabcorp submits that the section about Harm minimisation purpose (i.e. the new 355-25(3)) be amended to allow activities so long as they are undertaken for a purpose of generating new knowledge about minimising harm from gambling services, rather than "**solely**". This change will encourage companies to develop technology that is intrinsically linked to harm minimisation, however may also serve other purposes (i.e. enhancing cyber security/Know Your Client checks).

### Recommendation 4

Tabcorp submits that legislation should include a mechanism to review potential unintended consequences or impacts arising after a period of time post-implementation. We suggest that the Committee recommends that the Bill is subject to such a review that includes consultation with affected parties for feedback on whether the objectives of the legislation and the broader R&D Incentive scheme remain fit for purpose within 3 years of commencement.

## CONCLUDING REMARKS

We all want a stronger, more competitive and more productive Australia but we view the removal of the R&D tax incentives for Tabcorp as a backwards step for our sector in this regard.

Tabcorp respectfully requests that the Committee consider Tabcorp's recommended changes to the Bill. At a minimum, Tabcorp is of the view that the Committee consider and recommend that the scope of the harm minimisation carve out is broadened to ensure companies such as Tabcorp continue to prioritise technology that is intrinsically linked to harm minimisation, however may also serve other purposes.

If you would like to discuss this submission further, please contact Stephen Nugent, Manager Government Affairs, on [REDACTED]

Yours sincerely,



MARK HOWELL

CHIEF FINANCIAL OFFICER