

Treasury Laws Amendment (Delivering an Efficient and Trusted Tax System) Bill 2026

Schedule 4 — Gambling and Public Innovation Support

17 April 2026

Executive Summary

The Alliance for Gambling Reform supports Schedule 4 of the *Treasury Laws Amendment (Delivering an Efficient and Trusted Tax System) Bill 2026*, which excludes gambling-related activities from eligibility for the Research and Development (R&D) Tax Incentive.

Schedule 4 represents a principled and deliberate policy decision by the Government to withdraw public innovation subsidies from activities whose profitability is causally linked to social harm.

It also establishes an important precedent for ensuring coherence across Commonwealth tax and innovation policy settings.

Recommendations

To support the effective implementation of Schedule 4 and its underlying intent, the Alliance for Gambling Reform recommends that the Committee consider the following recommendations:

1. The Committee notes that Schedule 4 reflects a clear policy judgment that public innovation subsidies should be directed toward activities that deliver net public benefit.
2. The Committee considers that the principles underpinning the exclusion of gambling-related activities from the R&D Tax Incentive are relevant to the administration of other Treasury-managed innovation, grant, and co-investment programs.
3. The Committee encourages the Government to ensure consistency across Commonwealth innovation support mechanisms, to avoid circumstances in which activities excluded from tax incentives continue to receive public support through alternative funding channels.
4. The Committee emphasises that aligning eligibility criteria across programs does not prohibit lawful activity, but strengthens the coherence, integrity, and credibility of public subsidy frameworks.

Submission

A sound policy decision

The Explanatory Memorandum accompanying the Bill makes clear that the exclusion of gambling-related activities from the R&D Tax Incentive is normative rather than technical in nature.

By explicitly aligning gambling with tobacco, the Government has drawn a clear policy distinction between:

- Lawful economic activity; and
- Economic activity that warrants taxpayer-funded innovation support.

The position reflected in Schedule 4 may be summarised as follows:

- Gambling remains legal;
- However, it is not socially beneficial in a way that justifies public subsidy; and
- Tax concessions intended to support innovation and public benefit should not be used to underwrite the development or optimisation of gambling products.

This framing aligns with long-standing public finance principles and reinforces trust in the tax system.

A structural shift

Schedule 4 marks a shift from regulating gambling primarily through consumption-focused mechanisms to examining the role of government support structures embedded in fiscal policy.

Rather than focusing on individual behaviour, the Bill addresses whether the Commonwealth should actively subsidise innovation in industries associated with significant and well-documented social costs. This represents a more systemic and public health framed approach to policy.

Treasury-administered innovation programs

Schedule 4 should be viewed as a foundational decision with implications for other Treasury-administered innovation and co-investment programs.

To avoid mixed signals, if gambling-related activities are excluded from one form of public support (the R&D Tax Incentive) they should be excluded for other forms of public support through administrative or program-level settings.

Extending the logic of Schedule 4 across related programs would:

- Promote policy coherence;
- Enhance public confidence in government decision-making; and
- Avoid undermining the intent of the Bill through parallel funding streams.

Such alignment does not require legislative amendment. In many cases, eligibility criteria for innovation grants, co-investment schemes, and public-private R&D partnerships are set through guidelines and administrative decisions.

Aligning these program settings with Schedule 4 would therefore constitute a logical implementation step, rather than a new reform agenda.

Schedule 4 as a precedent

By excluding gambling from a major discretionary tax incentive, Parliament has affirmed that:

- Public subsidy is not an entitlement of lawful activity;
- Demonstrable public benefit is a legitimate criterion for access to tax concessions; and
- Harm-based exclusions are compatible with an efficient and trusted tax system.

This principle has ongoing relevance as the Commonwealth reviews and administers innovation, industry assistance, and tax expenditure programs.

Conclusion

Schedule 4 of the Bill represents a measured and principled recalibration of Commonwealth tax policy. It recognises that while gambling may remain lawful, it does not warrant taxpayer-funded innovation support.

Ensuring that this logic is applied consistently across Treasury-administered innovation and co-investment programs will strengthen public trust, avoid policy inconsistency, and reinforce the objectives of an efficient and trusted tax system.

Alliance for Gambling Reform

The Alliance is the only national peak body working to reduce gambling harm. We have over 60 supporting organisations in our network and 23 leadership local councils in Victoria who have an interest in reducing the exponential level of gambling harm in Australia.

We are a registered health promotion charity and are 100% funded by donations from individuals, foundations, trusts, local government and other sources that do not have ties to the gambling industry. We are not affiliated with any political party.

The Alliance for Gambling Reform has long advocated for public health reforms that are evidence-based and community-backed with the sole purpose of reducing and preventing gambling harm in Australia. Online gambling is increasingly becoming one of the biggest health issues we are facing as a country.



**ALLIANCE FOR
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