

Gambling Taxation

Gambling revenue from gambling in Australia is derived primarily from state and territory direct taxes, licence fees and mandatory contributions. The gambling industry is subject to relatively high taxes compared to other industries, with a percentage put back into the community to assist in reducing the incidence and prevalence of problem gambling.

Aggregate gambling taxation revenue in Australia by state/territory (2005-06)¹

State/territory	\$m
NSW	1,522
VIC	1,460
QLD	835
SA	408
WA	283
TAS	75
ACT	55
NT	55

Per capita gambling taxation revenue in Australia by state/territory (2005-06)¹

State/territory	\$
NSW	292
VIC	375
QLD	275
SA	339
WA	184
TAS	203
ACT	218
NT	380

In 2005-06, gambling taxes in Australia amounted to \$4.69 billion. On a per capita basis, gambling was taxed at \$375 per adult in Victoria, followed by the Northern Territory (\$380) and South Australia (\$339). In contrast, per capita taxation was lowest in Western Australia (\$184), Tasmania (\$203) and the ACT (\$218).

Gambling tax as a proportion of total tax revenue in Australia (2005-06)²

State/territory	%
NSW	9.6
VIC	13.4
QLD	11.5
SA	13.4
WA	2.8
TAS	11.2
ACT	6.0
NT	15.1

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Gambling taxes accounted for a significant proportion of total state and territory taxes in 2005-06, particularly in the Northern Territory (15.1%), South Australia (13.4%) and Victoria (13.4%).

In Western Australia (2.8%) and the ACT (6.0%), gambling revenue accounted for a smaller proportion of total revenue than the other states and territories. The restriction in Western Australia prohibiting gaming machines at clubs and hotels explains, to a large extent, this relatively low proportion.

In 2004-05 New South Wales, Queensland, South Australia, the ACT and the Northern Territory all recorded increases in gambling tax as a proportion of total state-own tax revenue compared with the previous financial year. In 2005-06 New South Wales and Victoria were the only two jurisdictions to see an increase in gambling tax revenue as a proportion of total state-own tax revenue.

Gambling expenditure as a % of gambling tax revenue in Australia by gambling form (2005-06)¹

Gambling form	%
Racing	17.3
Gaming	28.3
Lotteries and pools ³	64.9
Minor gaming	15.9
Casino gaming	12.3
Gaming machines ⁴	26.9
Interactive gaming	10.5
Sports betting	6.5
All gambling	26.7

The amount of gambling revenue collected by the government as a proportion of expenditure provides a guide to the level of taxation on various forms of gambling. The level of taxation between types of gambling and jurisdictions tends to vary quite markedly. Of all gambling expenditure reported in 2005-06, 26.7% was collected as tax by governments. Lotteries and pools were generally taxed at the highest level (64.9%), followed by gaming machines (26.9%), racing (17.3%) and casino gaming (15.9%).

¹ Office of Economic and Statistical Research (2008) Australian Gambling Statistics 2007.

² Extrapolated from Office of Economic and Statistical Research (2008) and various state/territory budget and financial statements.

³ Includes keno in South Australia and the ACT.

⁴ Includes keno in New South Wales, Victoria, Queensland and Tasmania.