



A GUIDE TO AUSTRALASIA'S GAMBLING INDUSTRIES

Facts, Figures and Statistics

CHAPTER FIVE

Gambling Taxation in Australia

2015/16

A Guide to Australasia's Gambling Industries

Published and Prepared by the Australasian Gaming Council (AGC).



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Chapter 5

Gambling Taxation in Australia

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Version Control

Revision	Date	Explanation
2015-16 (1.0)	November 2016	2015-16 Edition.
2015-16 (2.0)	July 2018	2015-16 Edition updated with statistics from Australian Gambling Statistics 33rd Edition; and updates from the Governments of Western Australia and New South Wales of state taxes and royalties for 2017-18.

OVERVIEW

Revenue from gambling in Australia is derived primarily from state and territory direct taxes, licence fees and mandatory contributions.

The industry is subject to relatively high taxes with a percentage returned to the community to provide information programs, problem gambling prevention programs and assistance to those experiencing gambling-related problems.

Table 5-1 Overview of gambling taxation revenue in Australia by state/territory (2015-16)

Location	Gambling tax (\$m)	Gambling tax per adult (\$)
Australian Capital Territory	50.39	164.78
New South Wales	2,173.15	364.44
Northern Territory	75.02	414.44
Queensland	1,139.62	309.73
South Australia	380.80	283.56
Tasmania	84.79	209.94
Victoria	1,680.81	358.17
Western Australia	384.09	191.25
Total	5,968.66	321.25

Source: Government Statistician, Queensland Treasury and Trade (2017) *Australian Gambling Statistics 1990-91 to 2015-16* (33rd edition). Total gambling revenue is incomplete due to some unavailable revenue figures that are used to derive this number. Refer to *Australian Gambling Statistics Explanatory Notes* for further information.

In 2015-16, gambling taxes in Australia amounted to approximately \$6 billion. On a per capita basis, gambling tax per adult was highest in the Northern Territory and lowest in the ACT.

Table 5-2 Gambling tax as a proportion of total state tax revenue in Australia

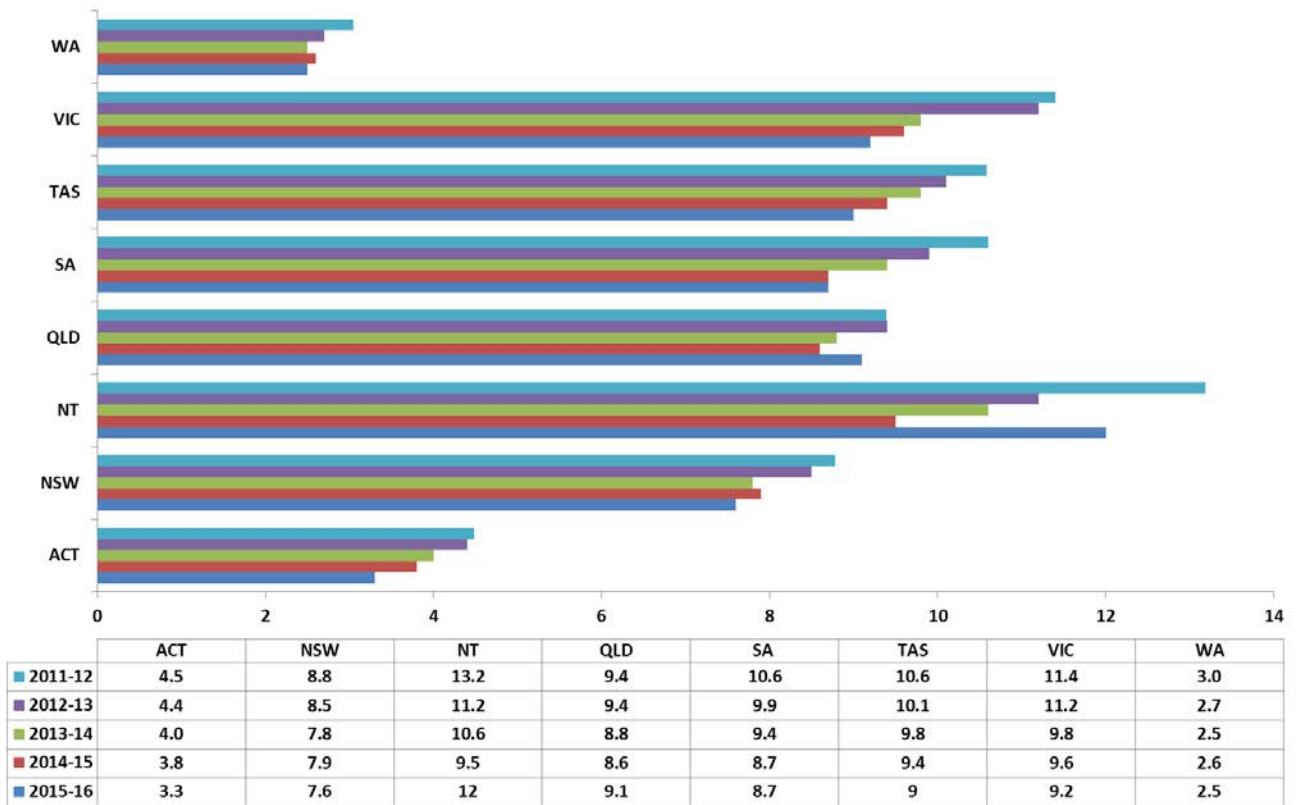
Location	2011-12	2012-13	2013-14	2014-15	2015-16
	%				
Australian Capital Territory	4.5	4.4	4.0	3.8	3.3
New South Wales	8.8	8.5	7.8	7.9	7.6
Northern Territory	13.2	11.2	10.6	9.5	12.0
Queensland	9.4	9.4	8.8	8.6	9.1
South Australia	10.6	9.9	9.4	8.7	8.7
Tasmania	10.6	10.1	9.8	9.4	9.0
Victoria	11.4	11.2	9.8	9.6	9.2
Western Australia	3.0	2.7	2.5	2.6	2.5

Source: Extrapolated from ABS (2017) 5506.0 *Taxation Revenue, Australia 2015-16*.

Gambling taxes in the 2015-16 financial year accounted for a significant proportion of total state and territory taxes.

In Western Australia gambling revenue accounted for a smaller proportion of total revenue (2.5%). The restriction in Western Australia prohibiting gaming machines at clubs and hotels explains, to a large extent, this relatively low proportion.

Figure 5-1 Gambling tax as a proportion of total tax revenue in Australia by state/territory (2011-12 to 2015-16)



Gambling Tax as a % of all State-Owned Tax

Source: Extrapolated from ABS (2017) 5506.0 Taxation Revenue, Australia 2015-16.

EFFECTIVE TAXATION

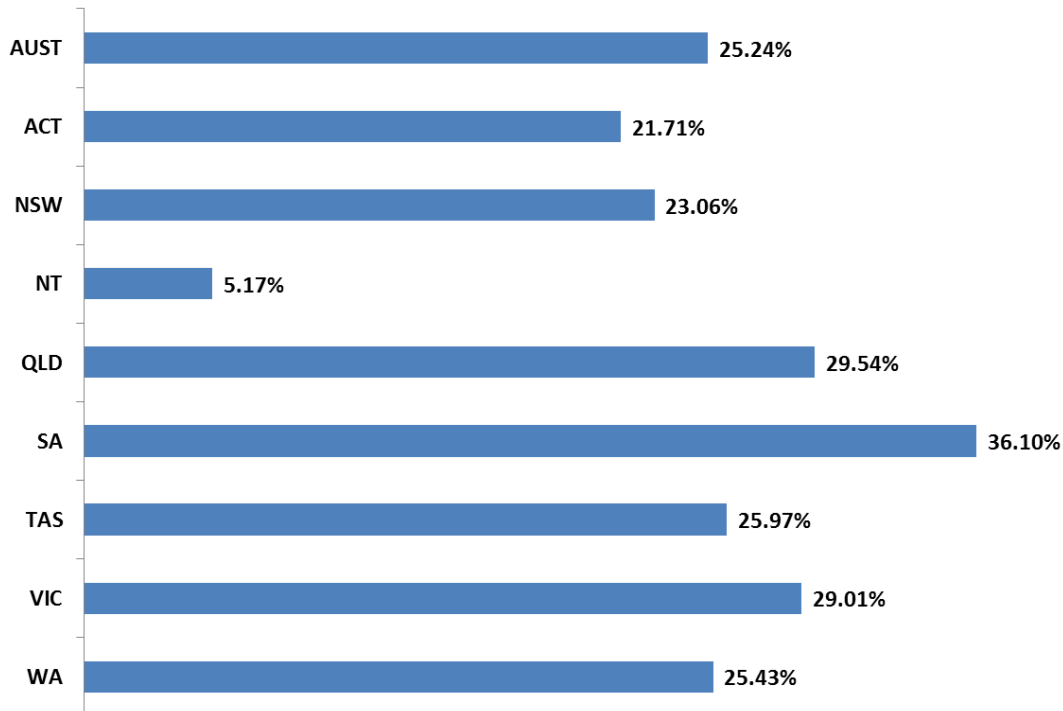
Table 5-3 Gambling expenditure as a percentage of gambling tax revenue in Australia by gambling form (2015-16)

Product	Expenditure (\$m)	Tax (\$m)	%
Gaming	19,785.0	5,750.8	29.1
Casino gaming	5,194.9	671.2	12.9
Gaming machines ¹	12,074.2	3,609.3	29.9
Keno	345.8	0.0	n/a
Lotteries and pools	2,138.3	1,469.6	68.7
Minor gaming	31.8	0.8	2.4
Racing²	2,942.8	182.1	6.2
Sports betting	920.7	35.7	3.9
All Gambling	23,648.4	5,968.7	25.2

Source: Government Statistician, Queensland Treasury and Trade (2017) *Australian Gambling Statistics 1990-91 to 2015-16* (33rd edition). Total gambling revenue is incomplete due to some unavailable revenue figures that are used to derive this number. Refer to *Australian Gambling Statistics Explanatory Notes* for further information.

The level of taxation between types of gambling and jurisdictions varies. Of all gambling expenditure reported for the 2015-16 year, 25.2% was collected as tax by governments.

Figure 5-2 Gambling tax revenue as a percentage of gambling expenditure in Australia by state/territory (2015-16)



Source: Government Statistician, Queensland Treasury and Trade (2017) *Australian Gambling Statistics 1990-91 to 2015-16* (33rd edition). Total gambling figures are incomplete due to unavailable data in some states. Refer to *Australian Gambling Statistics Explanatory Notes* for further information.

¹ Does not include gaming machines in casinos.

² Racing figures incomplete as data not available in all States.

AGGREGATE TAXATION

Table 5-4 Aggregate gambling taxation in Australia by gambling type and state/territory (2015-16) - \$ million

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUST
	\$ million								
GAMING									
Casino gaming ³	2.3	237.2	14.4	100.1	18.5	20.0	218.6	60.0	671.2
Gaming machines ⁴	33.4	1,474.2	28.6	768.8	283.8	31.5	988.8	-	3,609.3
Interactive gaming	-	-	-	-	-	-	-	-	-
Keno ⁵									
Lotteries and pools ⁶	14.7	357.1	24.8	259.7	78.0	30.3	423.4	281.4	1,469.6
Minor gaming	-	-	-	-	-	-	-	0.8	0.8
Total	50.4	2,068.6	67.9	1,128.7	380.4	81.8	1,630.9	342.2	5,750.8
RACING⁷									
Bookmakers	-	-	5.2	-	-	2.5	-	-	7.7
On-course totalisator	-	-	0.2	-	-	-	2.4	-	2.6
TAB	-	91.9	1.7	10.8	-	-	35.1	32.2	171.8
Total	0.0	91.9	7.1	10.8	0.0	2.5	37.6	32.2	182.1
SPORTS BETTING⁸									
Bookmaker and other Fixed Odds	-	-	-	-	-	0.5	-	-	0.5
Bookmaker and other Pool Betting	-	-	-	-	-	-	-	-	-
TAB Fixed Odds	-	12.2	-	0.1	0.4	-	12.2	9.6	34.6
TAB TOTE Odds	-	0.5	-	0.0	0.0	-	0.1	0.1	0.7
Total	0.0	12.7	0.0	0.2	0.4	0.5	12.4	9.7	35.7
ALL GAMBLING	50.4	2,173.1	75.0	1,139.6	380.8	84.8	1,680.8	384.1	5,968.7

Source: Government Statistician, Queensland Treasury and Trade (2017) Australian Gambling Statistics 1990-91 to 2015-16 (33rd edition). Some totals and total gambling revenue are incomplete due to data being unavailable. Please note that some columns may not add due to rounding. Refer to Australian Gambling Statistics Explanatory Notes for further information.

³ Casino Gaming – includes government revenue for Community Keno in the NT.

⁴ Gaming machines - includes government revenue for Keno NSW, VIC, QLD and TAS.

⁵ Please note that government revenue (tax collected) figures are unavailable for Keno. Government revenues for Keno are included within the figures provided for Lotteries (SA and the ACT) and Gaming Machines (NSW, VIC, QLD and TAS). Government revenue for Community Keno is included under the figure for Casino Gaming in the NT.

⁶ Lotteries and pools - includes government revenue for Keno in the ACT and SA.

⁷ Racing data incomplete as figures not available for some States.

⁸ Sports betting data incomplete as figures not available for some States.

PER CAPITA TAXATION

Table 5-5 Per capita gambling taxation in Australia by gambling type and state/territory (2015-16) (\$)

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUST
					\$				
GAMING									
Casino gaming ⁹	7.52	39.78	79.64	27.20	13.81	49.62	46.59	29.87	36.13
Gaming machines ¹⁰	109.09	247.24	158.27	208.95	211.34	78.03	210.72	-	194.25
Interactive gaming	-	-	-	-	-	-	-	-	-
Keno ¹¹	-	-	-	-	-	-	-	-	-
Lotteries and pools ¹²	48.17	59.89	137.12	70.59	58.08	75.00	90.23	140.13	79.09
Minor gaming	-	-	-	-	-	-	-	0.38	0.04
Total	164.78	346.91	375.03	306.75	283.23	202.65	347.54	170.38	309.52
RACING¹³									
Bookmakers	-	-	28.91	-	-	6.17	-	-	0.42
On-course totalisator	-	-	0.87	-	-	-	0.52	-	0.14
TAB	-	15.40	9.63	2.94	-	-	7.48	16.06	9.25
Total	0.00	15.40	39.41	2.94	0.00	6.17	8.00	16.06	9.80
SPORTS BETTING¹⁴									
Bookmaker and other Fixed Odds	-	-	-	-	-	1.12	-	-	0.02
Bookmaker and other Pool Betting	-	-	-	-	-	-	-	-	-
TAB Fixed Odds	-	2.04	-	0.04	0.33	-	2.61	4.78	1.86
TAB TOTE Odds	-	0.09	-	0.01	-	-	0.02	0.03	0.04
Total	0.00	2.13	0.00	0.04	0.33	1.12	2.63	4.81	1.92
ALL GAMBLING¹⁵	164.78	364.44	414.44	309.73	283.56	209.94	358.17	191.25	321.25

Source: Government Statistician, Queensland Treasury and Trade (2017) Australian Gambling Statistics 1990-91 to 2015-16 (33rd edition). Some totals and total gambling revenue are incomplete due to data being unavailable. Please note that some columns may not add due to rounding. Refer to Australian Gambling Statistics Explanatory Notes for further information.

⁹ Casino gaming – includes government revenue for Community Keno in the NT.

¹⁰ Gaming machines – includes government revenue for Keno in New South Wales, Queensland, Tasmania and Victoria.

¹¹ Please note that government revenue (tax collected) figures are unavailable for Keno. Government revenues for Keno are included within the figures provided for Lotteries (SA & ACT) and Gaming Machines (NSW, VIC, QLD & TAS).

Government revenue for Community Keno is included under the figure for Casino Gaming in the NT.

¹² Lotteries and pools – includes government revenue for Keno in ACT and South Australia.

¹³ Racing data incomplete as figures not available for some States.

¹⁴ Sports betting data incomplete as figures not available for some States.

¹⁵ Total gambling revenue incomplete due to unavailable revenue figures that are used to derive this number.

GAMBLING TAXATION RATES

Information for this section on gambling taxation rates has been sourced largely from the following:

- Government of Western Australia, Department of Treasury (2018), *Overview of state taxes and royalties 2017-18*

https://www.treasury.wa.gov.au/uploadedFiles/Treasury/Publications/Overview_of_State_Taxes_and_Royalties2017-18.pdf

- New South Wales Treasury (2018) *Interstate comparison of taxes 2017-18: Research & information paper, TRP 18:01.*

<https://www.treasury.nsw.gov.au/sites/default/files/2018-04/TRP18-01%20Interstate%20Comparison%20of%20Taxes%202017-18.pdf>

Please note that gambling taxation rates throughout the Australian states/territories are complex and can be detailed. The following is designed as a brief guide to major rates/levies only. Information is for the 2017-18 period. Detailed information regarding State and Territory taxes should be sourced from the relevant Acts and regulations of Parliament.

Casinos

Australian Capital Territory

Tax A tax rate of 10.90% applies to gross revenue from general gaming operations and 0.90% from Commission-based operations.

Licence An up-front licence fee of \$4,459,385 was payable by 7 February 2015 for the five year period ending 6 February 2020.

An annual licence fee of \$891,877, adjusted for CPI movements, is payable thereafter (with the first payment due by 7 February 2020).

New South Wales

Tax A single progressive rate scale (indexed annually) applies to gross revenue from both table games and electronic gaming machines.

In 2017-18, a base rate of 16.41% applies to gross revenue up to \$739.5 million. The rate increases by one percentage point up to a rate of 37.41% over 21 revenue bands. A top rate of 38.91% applies to revenue above \$869 million.

A 10% tax applies to high roller gaming revenue, with a minimum of \$6 million paid in two \$3 million instalments each year.

Licence One off payment of \$256 million paid in 1995 for exclusive 12 year licence.

Exclusivity agreement extended for 12 years from November 2007 for a fee of \$100 million.

Levy A Responsible Gambling Levy of 2% of gross gaming revenue is payable.

Northern Territory

- Tax** Both casinos incur a tax of the GST rate on table games gross profit.
- Lasseters: 11% of gross profit on gaming machines.
- Lasseters gaming machine tax rate is set to increase to 13% from 1 July 2018; 15% from 1 July 2019, and 20% from 1 July 2022.
- SKYCITY: 15% of gross profit on gaming machines. 10% of gross profit on keno. Commission-based games incur a tax of the GST rate on gross profit.
- Licence** Nil
- Levy** A Community Benefit Levy of 10% on gross profits is payable.

Queensland

- Tax** *Brisbane and Gold Coast casinos:* 20% of monthly gross table gaming and keno revenue and 10% of premium junket gross gaming revenue. The tax rate on gaming machines is 30% of monthly gross revenue.
- Townsville and Cairns casinos:* 10% of monthly gross table gaming and keno revenue and 10% of premium junket gross gaming revenue. The tax rate on gaming machines is 20% of monthly gross revenue.
- Licence** \$246,100 per quarter, indexed annually.

South Australia

- Tax** A tax rate of 3.41% of net gambling revenue applies to table games. The tax rate for gaming machines is 41% of net gambling revenue.
- Automated table games are taxed at 10.91% of net gaming revenue.
- Premium gaming machine revenue is taxed at a rate of 10.91% and a rate of 0.91% applies to premium table games revenue.
- Licence** A one-off payment of \$20 million was paid in 2012 for a 23 year exclusivity right, expiring in 2035.

Tasmania

Tax¹⁶ A single flat tax rate of 25.88% applies to annual gross profit from gaming machines.

0.88% of annual gross table game profit.

5.88% of annual gross keno profit.

Licence \$155,800 per month (2017-18), indexed annually.

Victoria

Tax *Regular players:* 31.57% of gross revenue from gaming machines and 21.25% of gross table games revenue, plus super tax.

The super tax is calculated on gross gaming revenue (gaming machines and table games) above the base amount. The base amount for the 2017-18 period was \$975.6 million.

Specifically, super tax is 1% for gross revenue up to \$20 million over the base amount, rising in 1% increments for each \$20 million bracket to a maximum of 20% on gross gaming revenue over \$380 million above the base amount.

Commission-based players: 9% of gross revenue applies to dedicated gaming tables.

Licence A new licence agreement was implemented in 2014 to extend the casino licence to 2050 and allow for an increase in the number of EGMs and table games. Under the agreement, up to \$910 million will be paid to the government by way of lump sum payments, instalments and additional tax revenue. Amendments guaranteed \$35 million a year from taxation from new gaming products.¹⁷

Levy One per cent of gross gaming revenue from regular and commissioned based play is earmarked for the Community Benefit Levy.

¹⁶ Gaming is also offered on Spirit of Tasmania ships (TT-Line - Admirals Casino). Gaming machines are taxed at 17.91% of gross profit and all other forms of gaming at 7.91% of gross profit (*TT-Line Gaming Act 1993*).

¹⁷ Crown Resorts (2014) *Crown reaches agreement with the Victorian government on a licence reform package to boost tourism and jobs: Media Release*, 22 August 2014.

Western Australia

Tax	Gaming machines – 12.42% of gross revenue ¹⁸ Fully Automated Gaming Machines (FATG) – 12.92% of gross revenue Table games and Keno – 9.37% of domestic gross revenue International Commission Business (ICB) – 1.75% of gross revenue (a minimum of \$45.25 is to be paid for the period 1 July 2014 to 30 June 2019)
Licence	One-off payment of \$20.6 million was paid in 1985 for the licence, plus an annual licence fee. One-off payment of \$20 million was paid in 2010 to allow for an increase in the number of EGMs and table games. Approximately \$2.82 million (2017) per annum, indexed annually to CPI.
Levy	2% of gross revenue from gaming machines and 1% of gross gaming revenue from table games and ICB for upkeep of Burswood Park and Swan/Canning River conservation.

¹⁸ Western Australian Government (2016) Casino (Burswood Island) Agreement Act 1985.

Electronic Gaming Machines - Clubs

Australian Capital Territory

Table 5-6 Current tax rate on gaming machines in clubs – Australian Capital Territory

Monthly Gross Revenue	Tax Rate
< \$25,000	0.0%
> \$25,000 - < \$50,000	17.0%
> \$50,000 - < \$625,000	21.0%
> \$625,000	23.0%

Source: New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

An additional Problem Gambling Assistance Fund levy of 0.75% of gross gambling machine revenue is also charged.¹⁹

New South Wales

Table 5-7 Current tax rate on gaming machines in clubs – New South Wales

Annual Gross Revenue	>\$1m	\$1m to \$1.8m	\$1.8m to \$5m	\$5m to \$10m	\$10m To \$20m	>\$20m
Tax Rate ²⁰	0.0	29.9	19.9	24.4	26.4	28.4

Sources: New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

Current tax on gaming machines in NSW clubs are paid quarterly and based on the previous 3 months transactions.²¹

The ClubGRANTS scheme (formerly known as the Community Development and Support Expenditure Scheme), was established in September 2011 to provide registered clubs with tax rebates of up to 1.85% of their gaming machine profits over \$1 million when they spend an equivalent amount on eligible community projects.

A minimum of 0.4% of a club's gaming machine profits in excess of \$1 million is allocated to the ClubGRANTS fund each tax year. These amounts are automatically taken from the tax paid by clubs at the end of each taxation year.²²

GST rebate payments are also paid to registered clubs on the first \$200,000 of gaming profits.

Northern Territory

Table 5-8 Current tax rate on gaming machines in clubs – Northern Territory

Monthly Gross Profits	Tax Rate
\$0 – \$5,000	12.91%
\$5,001 – \$50,000	22.91%
\$50,001 – \$150,000	32.91%
>\$150,001	42.91%

Source: New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

¹⁹ ACT Government, Gambling and Racing Commission (2018) <https://www.gamblingandracing.act.gov.au/community/problem-gambling-assistance-fund>, (accessed 27/4/18).

²⁰ Tax rates specified do not take into account tax rebates under the CDSE / ClubGRANTS scheme.

²¹ New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

²² Office of Liquor, Gaming and Racing NSW (2017) *Registered club tax rates*.

Queensland

Table 5-9 Current tax rate on gaming machines in clubs – Queensland

Monthly Metered Win	Tax Rate
Up to \$9,500	0.0%
\$9,501 - \$75,000	17.91%
\$75,001 - \$150,000	20.91%
\$150,001 - \$300,000	23.91%
\$300,001 - \$850,000	25.91%
\$850,001 - \$1.4 million	30.91%
>\$1.4 million	35.00%

Source: New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.
 Note: These tax rates are post-GST.

Tax rates are based on the monthly metered win (i.e. the amount bet less payout to players) and paid monthly.

The Queensland Office of Liquor and Gaming Regulation distribute revenue from gaming taxes collected to various not-for-profit community groups throughout Queensland via the Gambling Community Benefit Fund (GCBF).

South Australia

Table 5-10 Current tax rate on gaming machines in clubs – South Australia

Annual Net Gambling Revenue (NGR)	Tax Rate
\$0 – \$75,000	0%
\$75,001 – \$399,000	21.00% of excess
\$399,001 – \$945,000	\$68,040 + 28.50% of excess
\$945,001 – \$1,500,000	\$223,650 + 30.91% of excess
\$1,500,001 - \$2,500,000	\$395,200.50 + 37.50% of excess
\$2,500,001 – \$3,500,000	\$770,200.50 + 47.00% of excess
Above \$3.5 million	\$1,240,200.50 + 55.00% of excess

Source: New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

In South Australia, tax rates are based on annual net gambling revenue in a financial year. However, the tax is calculated and paid for on a monthly basis by club venue operators.

Tasmania²³

The Federal Group has the exclusive rights to conduct casino operations and operate gaming machines in Tasmania.

On and from 1st July 2013, a tiered approach to taxation on gaming machines was replaced by a flat tax rate of 25.88% of monthly gross profit.²⁴

An additional 4% Community Support Levy is derived from the gross profit on gaming machines.

²³ Gaming is also offered on Spirit of Tasmania ships (TT-Line - Admirals Casino). Gaming machines are taxed at 17.91% of gross profit and all other forms of gaming at 7.91% of gross profit (*TT-Line Gaming Act 1993*).

²⁴ New South Wales Treasury (2018) *Interstate Comparison of Taxes 2017-18: Research & Information Paper*, trp 18-01.

Victoria**Table 5-11 Current tax rate on gaming machines in clubs – Victoria**

Average Monthly Revenue per Machine	Tax Rate
\$0 - \$2,666	0.0%
\$2,667 - \$12,500	46.7%
\$12,501 -	54.2%

Source: New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

Taxation rates in Victoria are based on a progressive scale that applies to each venue's average monthly revenue (or player loss) per gaming machine.

From August 2022, the current three tax brackets will be replaced by four brackets as follows:

Average Monthly Revenue per Machine	Tax Rate
\$0 - \$2,665	0.0%
\$2,666 - \$6,666	46.7%
\$6,667 to \$12,499	51.17%
\$12,500 -	60.67%

Source: Victorian Department of Justice (2018) *Tax Arrangements from August 2022*, <http://www.justice.vic.gov.au/home/safer+communities/gambling/gaming+machine+entitlements> (accessed 21/6/18).

Electronic Gaming Machines – Hotels

Australian Capital Territory

Tax on gaming machines in hotels is set at a rate of 25.9% of monthly gross revenue. In addition, a Problem Gambling Assistance Fund levy of 0.75% of gross gaming machine revenue is applied.²⁵

New South Wales

Table 5-12 Current tax rate on gaming machines in hotels – New South Wales

Annual Gross Revenue	\$0 to \$200,000	\$200,001 to \$1m	>\$1m to \$5m	> \$5m
Tax Rate	0.0%	33.0%	36.0%	50.0%

Source: New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

Current tax on gaming machines in NSW hotels are paid quarterly and based on the previous 3 months transactions.²⁶

Northern Territory

Table 5-13 Current tax rate on gaming machines in hotels – Northern Territory

Monthly Gross Profits	Tax Rate
\$0 – \$5,000	17.91%
\$5,001 - \$50,000	27.91%
\$50,001 - \$150,000	32.91%
>\$150,001 -	42.91%

Source: New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

A Community Benefit Levy of 10% of gross profits is also applied.

Queensland

A tax rate of 35.00% applies to hotel gaming machines, based on monthly metered wins. In addition, hotels with monthly metered wins of more than \$100,000 must pay the levy outlined in Table 5-14.

Table 5-14 Health Services Levy on gaming machines in hotels – Queensland

Monthly Metered Win	Levy Rate
\$100,001 - \$140,000	3.5%
\$140,001 - \$180,000	5.5%
\$180,001 - \$220,000	7.5%
\$220,001 - \$260,000	13.5%
Over \$260,000	20.0%

Source: New South Wales Treasury (2018) *Interstate comparison of taxes 2017-18: Research & information paper*, trp 18-01.
Note: These tax rates are post-GST.

²⁵ ACT Government, Gambling and Racing Commission (2018) <https://www.gamblingandracing.act.gov.au/community/problem-gambling-assistance-fund>, (accessed 27/4/18).

²⁶ New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

South Australia**Table 5-15 Current tax rate on gaming machines in hotels – South Australia**

Annual Net Gambling Revenue (NGR)	Tax Rate
\$0 – \$75,000	Nil
\$75,001 – \$399,000	27.50% of excess
\$399,001 – \$945,000	\$89,100 + 37.00% of excess
\$945,001 – \$1,500,000	\$291,120 + 40.91% of excess
\$1,500,001 - \$2,500,000	\$518,170.50 + 47.50% of excess
\$2,500,001 - \$3,500,000	\$993,170.50 + 57.00% of excess
Above \$3.5 million	\$1,563,170.50 + 65.00% of excess

Source: New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

Tasmania

Federal Hotels Ltd has the exclusive right to conduct casino operations and operate gaming machines in Tasmania.

From 1st July 2013, a tiered approach to taxation on gaming machines was replaced by a flat tax rate of 25.88% of monthly gross profit.²⁷

An additional 4% Community Support Levy is derived from the gross profit on gaming machines.

Victoria**Table 5-16 Current tax rate on gaming machines in hotels – Victoria**

Average Monthly Revenue per Machine	Tax Rate
\$0 - \$2,666	8.33%
\$2,667 - \$12,500	55.03%
\$12,501 -	62.53%

Source: New South Wales Treasury (2018), *Interstate comparison of taxes 2017-18: research & information paper*, trp 18-01.

Taxation rates in Victoria are based on a progressive scale that applies to each venue's average monthly revenue (or player loss) per gaming machine.

From August 2022, the current three tax brackets will be replaced by four brackets as follows:

Average Monthly Revenue per Machine	Tax Rate
\$0 - \$2,665	8.33%
\$2,666 - \$6,666	55.03%
\$6,667 to \$12,499	57.50%
\$12,500 -	65%

Source: Victorian Department of Justice (2018) *Tax Arrangements from August 2022*, <http://www.justice.vic.gov.au/home/safer+communities/gambling/gaming+machine+entitlements> (accessed 21/6/18).

²⁷ New South Wales Treasury (2018) *Interstate Comparison of Taxes 2017-18: Research & Information Paper*, trp 18-01.

Keno

Australian Capital Territory

Keno tax is calculated at 2.53% of turnover.

New South Wales

Club and Casino: 8.91% of player loss where player loss is less than or equal to \$86.5 million
14.91% thereafter.

Hotels: 8.91% of player loss where player loss is less than or equal to \$37.7 million
14.91% of player loss thereafter.

Northern Territory

The Keno tax rate is set at 10% of gross profit, reduced by the GST amount.

Queensland

Jupiters Keno

(Statewide)

Keno tax of 29.40% of gross monthly revenue, less casino commissions. GST credit provided.

South Australia

Keno in South Australia is set at 41% of net gambling revenue, paid into the Hospitals Fund.

Tasmania

Keno tax is calculated at 5.88% of gross profit.

Victoria

Keno tax is calculated at 24.24% of player loss subject to a minimum player return of 75%.

Western Australia

Keno is only available at Crown Perth casino. Tax rates are set at 9.37% of domestic player loss, and 1.75% of international player loss.

Lotteries

Australian Capital Territory

Lottery subscriptions are collected on behalf of the ACT by Victoria and New South Wales.

The ACT receives 76.918% of player loss from New South Wales' lotteries sold in the ACT, less GST.

The ACT receives 79.4% of player loss from Victorian lotteries sold in the ACT, except soccer pools of which the rate is set at 57.52% of player loss.

New South Wales

Tax is calculated at 76.918% of player loss on subscriptions and sales commissions (less GST), subject to a minimum player return of 60%.

Northern Territory

Agreements between a lottery licence holder and the Northern Territory, including details relating to fees and taxes, are commercial in confidence.

Queensland

Lotteries:	73.48% of gross revenue 45% for Golden Casket lotteries
Instant scratch-its:	55% of gross revenue
Soccer pools:	67.6% of gross revenue

GST credit is provided.

South Australia

41% of net gambling revenue from lotteries and instant scratch tickets is paid into the Hospitals Fund.

41% of net gambling revenue from soccer pools is paid into the Recreation and Sport Fund.

Tasmania

Tasmania receives 100% of duty paid to the Victorian and Queensland Governments for Tasmanian subscriptions to Tattersalls and Golden Casket Lotteries.

Tasmania receives 100% of duty paid to the Victorian Government for Tasmanian soccer pools subscriptions.

Victoria

Lotteries:	79.4% of player loss where GST is payable. 90.0% of player loss where GST is not payable.
Soccer Pools:	57.52% of player loss where GST is payable 68.0% of player loss where GST is not payable
AFL Footy	58.41% of player loss where GST is payable
Tipping	67.50% of player loss where GST is not payable

Western Australia

Funds from net subscriptions are distributed to various organisations as follows:

- 40% to State Pool;
- 5% to the Arts and
- 5% to Sport.

In addition, up to 5% is paid to support the Festival of Perth and the WA Film Industry.

12.50% and any extra funds are distributed amongst other eligible organisations as deemed fit.

Wagering

Australian Capital Territory

Fixed Odds (Racing, TAB)	Nil
Fixed Odds (Sports, TAB)	Dependent on event
Totalisator (Sports)	Nil
Totalisator (Off Course Racing)	A fixed Totalisator Wagering Levy is paid by the licence holder, indexed annually. In 2016-17 the levy was \$1,031,000.
Totalisator (On Course Racing)	A fixed Totalisator Wagering Levy is paid by the licence holder, indexed annually. In 2016-17 the levy was \$1,031,000.
Bookmakers' Betting Levy (Sports)	Nil
Racing Bets Levy	1.5% of turnover. Revenues are collected directly by the racing industry. Rates were increased from 1 October 2015 as follows: 2% of turnover on fixed odds bets, 2.5% on non-totalisator bets, and 1% on bets placed at betting exchanges. Rates are increased on Black Opal Stakes Day to 2.5% on totalisator bets, 3% on fixed odds bets, 3.5% on non-totalisator bets, and 2.0% on bets placed at betting exchanges.
Point of Consumption Wagering Tax	A Point of Consumption Wagering Tax will commence on 1 January 2019. The tax will apply at a rate of 15% of net wagering revenue on all bets placed in the ACT or by ACT residents. ²⁸

²⁸ ACT Treasury (2018) *ACT Budget 2018-19: Gaming and Racing Fact Sheet*.

New South Wales

Fixed Odds (Racing, TAB)	7.43% of player loss
Fixed Odds (Sports, TAB)	7.43% of player loss
Totalisator (Sports)	13.50% of player loss
Totalisator (Off Course Racing)	13.50% of player loss
Totalisator (On Course Racing)	13.50% of player loss
Bookmakers' Betting Levy (Sports)	Nil
Racing Bets Levy	Up to 4% of turnover plus GST for totalisator derived odds. A rate of 2.5% for other odds, going up to 3% of turnover for race meetings with a prize of \$1 million or more for a single race.
Point of Consumption Tax	A Point of Consumption Tax will take effect from 1 January 2019. The tax will be applied at a rate of 10% on net wagering revenue generated from all wagering and betting activity of NSW residents. A tax-free threshold for operators of \$1,000,000 will apply. ²⁹

Northern Territory

Fixed Odds (Racing, TAB)	<p>Dependent on event. Tax rates are 40% of the licensee's commission on thoroughbred, harness and greyhound racing, and 20% of the licensee's commission on other races, events, sports and activities held in Australia.</p> <p>A tax rate of 10% of the licensee's commission applies to international races and sporting events.</p>
Fixed Odds (Sports, TAB)	<p>Dependent on event. Tax rates are 40% of the licensee's commission on thoroughbred, harness and greyhound racing, and 20% of the licensee's commission on other races, events, sports and activities held in Australia.</p> <p>A tax rate of 10% of the licensee's commission applies to international races and sporting events.</p>
Totalisator (Sports)	<p>Dependent on event. Tax rates are 40% of the licensee's commission on thoroughbred, harness and greyhound racing, and 20% of the licensee's commission on other races, events, sports and activities held in Australia.</p> <p>A tax rate of 10% of the licensee's commission applies to international races and sporting events</p>

²⁹ NSW Government (2018) *NSW Budget 2018: NSW to close online wagering loophole: Media release*, 19 June 2018.

Totalisator (Off Course Racing)	Dependent on event. Tax rates are 40% of the licensee's commission on thoroughbred, harness and greyhound racing, and 20% of the licensee's commission on other races, events, sports and activities held in Australia. A tax rate of 10% of the licensee's commission applies to international races and sporting events.
Totalisator (On Course Racing)	Dependent on event. Tax rates are 40% of the licensee's commission on thoroughbred, harness and greyhound racing, and 20% of the licensee's commission on other races, events, sports and activities held in Australia. A tax rate of 10% of the licensee's commission applies to international races and sporting events
Bookmakers' Betting Levy (Sports)	10% gross profit. Applies to internationally sourced bets with a maximum of \$575,000 per annum. Not applicable for domestic sourced bets.
Racing Bets Levy	Tax of 10% of gross monthly profits to a maximum of 500,000 revenue units (equivalent to \$575,000 in 2017-18).
Betting Exchange	Annual licence fee of 200,000 revenue units. 10% of gross monthly profit, capped at 500,000 revenue units per financial year.

Queensland

Fixed Odds (Racing, TAB)	10% of commission.
Fixed Odds (Sports, TAB)	10% of commission.
Totalisator (Sports)	14% of commission, plus \$222,900 quarterly wagering licence fee.
Totalisator (Off Course Racing)	14% of commission, plus \$222,900 quarterly wagering licence fee.
Totalisator (On Course Racing)	14% of commission, plus \$222,900 quarterly wagering licence fee.
Bookmakers' Betting Levy (Sports)	Nil.
Racing Bets Levy	Fees for using race fields information is a commercial arrangement between the racing industry and the person using that information. ³⁰
Point of Consumption Tax	The Queensland Government has implemented a 15% point of consumption tax on the net wagering revenue of betting operators licenced in Australia from bets placed in Queensland. The tax rate will commence 1 October 2018 and applied to taxable wagering revenue exceeding an annual tax free threshold amount of \$300,000. ³¹

³⁰ Western Australia Department of Treasury (2018) *Overview of State Taxes and Royalties 2017-18*.

³¹ Queensland Treasury (2018) *Budget strategy and outlook 2018-19: Revenue*.

South Australia

Fixed Odds (Racing, TAB)	15% of Net Wagering Revenue (NWR). Tax-free threshold of \$150,000.
Fixed Odds (Sports, TAB)	15% of Net Wagering Revenue (NWR). Tax-free threshold of \$150,000.
Totalisator (Sports)	15% of Net Wagering Revenue (NWR). Tax-free threshold of \$150,000.
Totalisator (Off Course Racing)	15% of Net Wagering Revenue (NWR). Tax-free threshold of \$150,000.
Totalisator (On Course Racing)	15% of Net Wagering Revenue (NWR). Tax-free threshold of \$150,000.
Bookmakers' Betting Levy (Sports)	15% of Net Wagering Revenue (NWR). Tax-free threshold of \$150,000.
Racing Bets Levy	Rates vary throughout the year and are dependent on wagering operator revenues. Funds are paid directly to the racing industry.
Betting Operations Tax	Effective from 1 July 2017, the South Australian Government introduced the Betting Operations Tax, a consumption tax of 15% on the Net Wagering Revenue (NWR) of betting companies offering services to South Australia. All bets placed in South Australia with Australian based betting companies will be liable for the tax. A tax free threshold of \$150,000 NWR per year applies. South Australia is the first Australian jurisdiction to introduce a wagering tax based on the place of consumption. ³²

Tasmania

Fixed Odds (Racing, TAB)	A fixed Totalisator Wagering Levy is paid by the licence holder, indexed annually. In 2017-18 the levy was \$7,285,000.
Fixed Odds (Sports, TAB)	A fixed Totalisator Wagering Levy is paid by the licence holder, indexed annually. In 2017-18 the levy was \$7,285,000.
Totalisator (Sports)	A fixed Totalisator Wagering Levy is paid by the licence holder, indexed annually. In 2017-18 the levy was \$7,285,000.
Totalisator (Off Course Racing)	A fixed Totalisator Wagering Levy is paid by the licence holder, indexed annually. In 2017-18 the levy was \$7,285,000.
Totalisator (On Course Racing)	A fixed Totalisator Wagering Levy is paid by the licence holder, indexed annually. In 2017-18 the levy was \$7,285,000.
Bookmakers' Betting Levy (Sports)	Nil.
Racing Bets Levy	1.5% of turnover (plus GST). The rate increases to 2% for the months of January and February for thoroughbred racing only. A 1% levy on customer winnings applies to betting exchanges (plus GST). Fixed odds betting is levied at the higher of either 20% net revenue (plus an additional 5% of revenue on thoroughbred racing during January and February) or 2.0% net turnover (plus GST).

³² South Australian Government, Department of Treasury and Finance (2018) <https://www.revenuesa.sa.gov.au/taxes-and-duties/wagering-tax> (accessed 27/4/18).

Betting Exchange	Annual licence fee of 300,000 revenue units.
	5% of monthly commission on events – held in Australia or internationally.
	4% of monthly commission on events held in Australia is paid into the Community Support levy.
	Note. Betfair moved to the Northern Territory licensing regime in September 2016 after betting exchange platforms were legalised by the NT Government in April 2016.

Victoria

Fixed Odds (Racing, TAB)	4.38% of player loss
Fixed Odds (Sports, TAB)	4.38% of player loss
Totalisator (Sports)	7.6% of player loss
Totalisator (Off Course Racing)	7.6% of player loss
Totalisator (On Course Racing)	7.6% of player loss
Bookmakers' Betting Levy (Sports)	Nil.
	Note. Victoria receives 10.91% of player loss on simulated racing (Trackside).
Racing Bets Levy	Fees for using race fields information is a commercial arrangement between the racing industry and the person using that information. ³³
Point of Consumption Tax	From 1 January 2019, the Victorian Government will replace the current wagering and betting tax structures with a Point of Consumption Tax. The tax will apply at a rate of 8% of the net wagering revenue derived from all wagering and betting activity by customers located in Victoria, for those operators whose annual net wagering revenue exceeds a threshold of \$1,000,000. ³⁴

³³ Western Australia Department of Treasury (2018) *Overview of State Taxes and Royalties 2017-18*.

³⁴ Victorian Department of Treasury and Finance (2018) *Point of Consumption Tax: Fact Sheet*, May 2018.

Western Australia

Fixed Odds (Racing, TAB)	2% of turnover
Fixed Odds (Sports, TAB)	0.5% of turnover
Totalisator (Sports)	5% of turnover
Totalisator (Off Course Racing)	11.91% of gross revenue
Totalisator (On Course Racing)	Nil
Bookmakers' Betting Levy (Sports)	0.5% of turnover (racecourses); 1.5% of turnover (sporting events)
Racing Bets Levy	1% ≤ \$3 million turnover and 1.5% > \$3 million turnover
	Premium race meetings with over \$3 million in turnover incur a rate of 2.5%. Fixed odds bets placed at non betting exchanges with over \$3 million in turnover are levied at 2% for standard race meetings and 3% for premium race meetings. A rate of 2% applies for monthly turnover above \$3 million between 1 November and 1 January each year for thoroughbred racing.
Point of Consumption Tax	The West Australian Government will introduce a 15% tax on the net wagering revenue of online betting companies offering their product in Western Australia. The point of consumption wagering tax is set to be introduced from 1 January, 2019. ³⁵

Other Gambling Taxes

Tasmania

<i>Internet Gaming:</i>	With the abolition of sports betting and fixed odds wagering taxes the following Internet Gaming Endorsement applies -
	<i>Within Australia:</i>
	≤\$10 million gross profit – 20%
	\$10 million - \$20 million – \$2m +17.5%
	>\$20 million – \$3.75m + 15%
	<i>Outside Australia:</i>
	4% of total gross profits

³⁵ Government of West Australia (2017) *Reform of wagering taxation: Introduction of a point of consumption tax- Media Statement, 7/9/17.*

NON GAMBLING TAXATION CONTRIBUTIONS

While gambling taxes constitute, for the most part, the most significant taxation burden on the gambling industry there are several other taxation levies to which gambling providers may be subject including:

- Federal Government Taxes – such as company income tax, good and services tax (GST) and fringe benefits tax (FBT); and
- Other State/Local Government taxes – including payroll tax, stamp duties on property transfers and various local government rates and levies.

(Please note that the available data for the casino industry is more current than that available for hotels and clubs and therefore cannot be directly compared).

Both Clubs Australia and the Australian Hotels Association in their submissions on the 2009 Productivity Commission Draft Report into gambling made comment on the non-gambling taxation contributions of the club and hotel industry.

Casinos

In 2009-10, the total taxes paid to the Commonwealth, state/territory and local governments by the casino industry reached nearly \$1.16 billion, which represents approximately 30% of the total revenue generated by the casino industry.³⁶

Table 5-18 Casino Non-Gambling Contributions to Government (2009-10)

Taxation Type	\$ Million
Fringe Benefits Tax	\$4.0
Rates and Land Tax	\$19.0
Payroll Tax	\$54.0
Income Tax	\$236.0
GST	\$112.0
Other Taxes	\$45.0

Source: Australasian Casino Association (2011), ACA Economic Survey 2009-10.

Clubs

Table 5-19 Club Non-Gambling Contributions to Government (2006-07)

Type of Taxation	\$ million
Payroll tax	42
Land Tax	23
Personal Income Tax ³⁷	164
Company Tax ³⁸	71
Other Taxes	10

Source: Clubs Australia (2009) Submission to the Productivity Commission Inquiry into Australia's Gambling Industries.

In 2015 Clubs in NSW were calculated to have paid approximately \$1.4 billion in taxes (a figure which includes state gaming and other taxes, GST, FBT, Income tax, Payroll tax and sundry council rates and levies).³⁹

Australian clubs paid \$2.6 billion in taxes to local, state and federal revenue authorities.

³⁶ Australasian Casino Association (2011) ACA Economic Survey 2009-10.

³⁷ Calculated using tax paid on average earnings.

³⁸ Calculated based on 30% company tax rate.

³⁹ KPMG (2016) New South Wales Club Census 2015.

Hotels

Hotels pay various taxes to the local, state and Commonwealth governments.

Pricewaterhouse Coopers surveyed average expenditure on land tax, payroll tax and council rates in 2009 for the Australian Hotel's Association.⁴⁰

Table 5-20 Hotel Non-Gambling Contributions to Government (2009)

Location	Average Tax Expenditure		
	Payroll Tax	Land Tax	Council Rate
Australian Capital Territory	\$63,111	\$3,814	\$9,378
New South Wales	\$47,385	\$32,580	\$19,531
Northern Territory	\$50,860	-	\$22,077
Queensland	\$58,528	\$25,816	\$39,014
South Australia	\$49,236	\$36,166	\$37,768
Tasmania	\$52,205	\$15,369	\$38,764
Victoria	\$65,636	\$59,611	\$30,603
Western Australia	\$53,849	\$21,768	\$29,099
Australia	\$56,164	\$38,324	\$31,051

Source: Pricewaterhouse Coopers (2009) *More than Just a Drink and a Flutter: An Overview of the Australian Hotel Industry*.

⁴⁰ PriceWaterhouse Coopers (2009) *More than just a Drink and a Flutter: An Overview of the Australian Hotel Industry*.