AUSTRALASIAN
Gaming Council

A GUIDE TO AUSTRALASIA'S GAMBLING INDUSTRIES

Facts, Figures and Statistics

CHAPTER SEVEN

The Contribution of Australia's Gambling Industries

2015/16

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A Guide to Australasia's Gambling Industries

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Chapter 7
The Contribution of Australia's Gambling Industries

Version Control

Version	Date	Explanation
2015-16 (1.0)	January 2017	2015-16 Edition.
2015-16 (2.0)	May 2018	2015-16 Edition updated with further industry data as available.

CONTRIBUTION TO THE AUSTRALIAN ECONOMY

Gross Domestic Product and Estimated Industry Value Added

The size of the Australian economy is usually described in terms of gross domestic product (GDP). GDP can be defined as the total value of all final goods and services produced in an economy in a given year. This includes the sum of private consumption, gross investment, government spending and exports minus imports.[1] Industry Value Added (IVA) is the market value of goods and services produced by the industry minus the cost of goods and services used in production. IVA is also described as the industry's contribution to GDP, or profit plus wages and depreciation.[2]

IBISWorld Pty Ltd[3] estimates that the following industry sectors (the majority of members of which provide gaming and/or wagering services and/or products) contributed significantly to the Australian economy in the 2015-16 period:

Table 7-1 Industry Sector Estimated Value Added and Share of the Economy (2015-16)

Industry Sector[4]	Revenue ($million)	Industry Value Added (IVA) ($million)	Share of the Economy (GDP) (%)
Casinos[5]	6,287.9	3,202.4	0.20
Gaming and Vending Machine Manufacturers[6]	285.9	120.9	0.01
Horse and Dog Racing[7]	1,501.6	367.4	0.02
Horse and Sports Betting[8]	3,718.2	1,089.7	0.07
Lotteries[9]	7,322.9	424.8	0.03
Pubs, Bars and Nightclubs[10]	16,758.5	6,625.0	0.41
Social Clubs[11]	10,852.9	4,922.4	0.30

Source: IBISWorld Industry Reports: R9201 Casinos in Australia, C2499b Gaming and Vending Machines Manufacturing in Australia, R9120 Horse and Dog Racing in Australia, R9209 Horse and Sports Betting in Australia, R9202 Lotteries in Australia, H4520 Pubs, Bars and Nightclubs in Australia and H4530 Social Clubs in Australia.

Gambling industry contributions also assist in maintaining economic sustainability and supporting jobs in related sectors. For example in 2015-16 Tabcorp returned $787 million to the Australian racing industry and a further $300 million was contributed to hotels and clubs with TAB facilities.[12]

[1] Allen Consulting Group (2009) *Casinos and the Australian Economy*: Report to the Australasian Casino Association.
[2] IBISWorld Industry Report R9201 *Casinos in Australia,* November 2013.
[3] http://www.ibisworld.com.au
[4] It should be noted that not all establishments may provide gaming and/or wagering services and/or products. Please see references defining the scope of each of the sectors listed.
[5] IBISWorld Industry Report R9201 *Casinos in Australia,* November 2013.The casino sector includes 13 casinos operating throughout Australia. Revenues include revenues from table games, EGMs and associated entertainment and accommodation facilities directly owned or operated by casinos.
[6] IBISWorld Industry Report C2499b *Gaming and Vending Machines Manufacturing in Australia*, December 2013. Companies in these industries primarily manufacture gaming machines and vending machines that dispense various packaged goods. Gaming machine manufacturers account for the majority of the industry sector, vending machine manufacturers account for a lesser group.
[7] IBISWorld Industry Report R9120 *Horse and Dog Racing in Australia*, October 2013. This sector includes horse and dog racing operators with horse racing including thoroughbred and trots racing. Breeding, wagering and other ancillary services are not included in this sector.
[8] IBISWorld Industry Report R9209 *Horse and Sports Betting in Australia*, October 2013. Businesses in this industry provide totalisator, betting and other gambling services, excluding casino and lottery operation. The industry includes TABs, on-course totes, bookmakers and wagering websites.
[9] IBISWorld Industry Report R9202 *Lotteries in Australia*, August 2013 Businesses in this category operate lotteries or sell lottery tickets and include lotto, traditional lottery draws, instant scratch tickets, soccer pools, bingo and keno.
[10] IBISWorld Industry Report H4520 *Pubs, Bars and Nightclubs in Australia*, February 2014. Operators in this industry sector operate licensed bars, hotels, nightclubs and wine bars with their main activities being the sale of liquor for consumption both on and off premise, the provision of meals and the provision of gaming and wagering facilities.
[11] IBISWorld Industry Report H4530 *Social Clubs in Australia,* February 2014. This sector includes clubs or associations in the gambling, sporting, social or recreational areas that generate income predominantly from the provision of hospitality services. Clubs that mainly provide sporting services (including racing clubs are not included). The sector covers both licensed and unlicensed clubs and clubs with gambling licences.
[12] Tabcorp Holdings Limited (2016) *Corporate Responsibility Report 2016*.

CAPITAL EXPENDITURE

Capital expenditure is spending made in acquiring or upgrading physical assets such as buildings and machinery. This spending contributes to GDP and creates third party employment outside of direct business employees.

Casinos

From 2002-03 to 2009-10, the capital expenditure of Australian casinos increased from $180 million to $739 million, with the majority of the capital expenditure ($464 million) in 2009-2010 dedicated to the expansion of facilities[13]. With new casino and integrated resort projects in both Queensland and Sydney, capital expenditure by this sector and contributions to growth can only be expected to increase.[14]

Table 7-2 Australian Casino Capital Expenditure (2002-03 to 2009-10)

Capital Expenditure	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
				$ million				
Expansion of facilities	89	73	33	99	71	139	302	464
Refurbishments, redevelopments	54	30	33	67	97	121	107	110
Other capital expenditure	37	60	81	47	123	61	100	165
Total	**180**	**162**	**146**	**213**	**291**	**321**	**510**	**739**

Source: Casinos and Resorts Australasia (2011) Casino Industry Survey 2009-10.

Clubs and Hotels

Since the introduction of EGMs clubs and hotels have increased capital expenditure and community sponsorship, as well as expanded and improved their food and meal offerings.

90% of the respondents to a survey undertaken by PricewaterhouseCoopers in 2009 for the Australian Hotels Association reportedly undertook capital expenditure to improve hotel facilities, with the average spend being approximately $2.3 million dollars.[15]

A more recent survey of the hotel industry in South Australia (2016) indicates that in the past five years $664 million in capital expenditure was invested to improve hotel facilities: $503 million (76%) on venues in the metropolitan area; and $161 million (24%) on non-metropolitan venues.[16]

Table 7-3 Average amount spent on building projects/facility improvements by hotels and clubs in Queensland (2006-07)

		Venue	
Venue size	**Clubs**	**Hotels**	**Total**
		($)	
Small	114,353	213,408	141,888
Medium	328,237	381,404	362,216
Large	1,031,460	874,784	943,828
Total	**492,468**	**578,697**	**535,767**

Source: Queensland Office of Liquor, Gaming and Racing (2009) Results of the 2007 Gaming Machine Venue Survey.

[13] Casinos and Resorts Australasia (formerly the Australasian Casino Association) (2011), *Casino Industry Survey 2009-10*.
[14] See for example: https://development.star.com.au/ and http://www.crownsydney.com.au/
[15] PricewaterhouseCoopers (2009) *Australian Hotels, More Than Just a Drink and a Flutter: An Overview of the Australian Hotels Industry*, *Report for the Australian Hotels Association*.
[16] South Australian Centre for Economic Studies, University of Adelaide (2016) *Economic Contribution of the Hotel Industry in South Australia*, commissioned by the Australian Hotels Association, South Australia.

EMPLOYMENT

National

Reliable employment estimates for Australia's gambling industries are often dated and/or difficult to source.

The Australian Bureau of Statistics (ABS) last completed a national survey of employment within selected gambling industries for the 2004-05 period.[17]

ABS statistics have been reproduced in earlier editions of this guide - but have not been included here due to their age.

IBISWorld Pty Ltd[18] estimates that various industry sectors (the majority of members of which provide gaming and/or wagering services and/or products) employed the following numbers for the 2015-16 period:

Table 7-4 Industry Sector Estimated Employment, Wages and Average Wages (2015-16)

Industry Sector[19]	Establishments	Employment[20]	Wages ($million)[21]	Average Wage($)
Casinos[22]	13	21,478	1,731.0	80, 594.10
Gaming and Vending Machine Manufacturers[23]	117	1,001	75.2	75,124.88
Horse and Dog Racing[24]	2,550	13,791	301.3	21,847.58
Horse and Sports Betting[25]	994	6,064	320.0	52,770.45
Lotteries[26]	4,452	4,898	157.6	32,176.40
Pubs, Bars and Nightclubs[27]	7,091	77,837	2,865.0	36,807.69
Social Clubs[28]	1,975	61,255	3,528.2	57,598.56

Source: IBISWorld Industry Reports: R9201 Casinos in Australia, C2499b Gaming and Vending Machines Manufacturing in Australia, R9120 Horse and Dog Racing in Australia, R9209 Horse and Sports Betting in Australia, R9202 Lotteries in Australia, H45020 Pubs, Bars and Nightclubs in Australia and H4530 Social Clubs in Australia.

Apart from the broad national sector estimates provided, some data is available from previous periods regarding specific gambling industries and employment numbers.

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17 Australian Bureau of Statistics (2006) 8687.0 *Clubs, Pubs, Taverns and Bars, Australia, 2004-05*.
18 http://www.ibisworld.com.au
19 It should be noted that not all establishments may provide gaming and/or wagering services and/or products. Please see references defining the scope of the sectors listed.
20 The number of permanent, part-time, temporary and casual employees, working proprietors, partners, managers and executives within the industry.
21 This refers to the gross total wages and salaries of all employees in the industry. Benefits and on-costs are included in this figure.
22 IBISWorld Industry Report R9201 *Casinos in Australia,* November 2013.The casino sector includes 13 casinos operating throughout Australia and associated entertainment and accommodation facilities directly owned or operated by casinos.
23 IBISWorld Industry Report C2499b *Gaming and Vending Machines Manufacturing in Australia*, December 2013. Companies in these industries primarily manufacture gaming machines and vending machines that dispense various packaged goods. Gaming machine manufacturers account for the majority of the industry sector, vending machine manufacturers account for a lesser group.
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27 IBISWorld Industry Report H4520 *Pubs, Bars and Nightclubs in Australia*, February 2014. Operators in this industry sector operate licensed bars, hotels, nightclubs and wine bars with their main activities being the sale of liquor for consumption both on and off premise, the provision of meals and the provision of gaming and wagering facilities.
28 IBISWorld Industry Report H4530 *Social Clubs in Australia,* February 2014. This sector includes clubs or associations in the gambling, sporting, social or recreational areas that generate income predominantly from the provision of hospitality services. Clubs that mainly provide sporting services (including racing clubs) are not included. The sector covers both licensed and unlicensed clubs and clubs with gambling licences.

Casinos

In 2013-14, Australian casinos reported direct employment of 19,657 people (FTE), which has been estimated to generate between 34,700 to 49,600 jobs in terms of consumption and production flow-on impacts.[29]

The casino industry is a major workforce training source for young people and indigenous Australians. Casinos and Resorts Australasia report that in the 2008-2013 period over 2,380 people commenced apprenticeships or traineeships with casinos around the country.[30]

Table 7-5 Casino employment by work type (2009-10)

Work Type	Number	Percentage (%)
Full time	12,807	51.8
Part time	5,508	22.3
Casual	6,399	25.9
Total	**24,714**	**100%**

Source: Casinos and Resorts Australasia (previously the Australasian Casino Association) (2011) Casino Industry Survey 2009-10.

Wages and salaries represent the largest expense for the casino industry, comprising 40 per cent of total operating expenditure in 2009-10.[31]

Owing to the diversity of the hospitality offer at most casinos and integrated resorts occupational groupings cover a wide range of roles.

Table 7-6 Casino employment by occupational grouping (2009-10)

Occupation	Number	Percentage (%)
Bar Managers and Attendants	1,256	5.7%
Chefs	1,235	5.6%
Cleaning Staff	861	3.9%
Housekeeping Staff	752	3.4%
Kitchen Hands	781	3.6%
Licensed Gaming Staff	**7,641**	**34.8%**
Maintenance Staff	480	2.2%
Managers and Administrators	2,135	9.7%
Other	100	0.5%
Other Clerical and Administrative Staff	2,344	10.7%
Security Officers and Surveillance Staff	1,250	5.7%
Waiters and Waitresses	3,133	14.3%
Total	**21,968**[32]	**100.0%**

Source: Casinos and Resorts Australasia (previously the Australasian Casino Association) (2011) Casino Industry Survey 2009-10. Please note that the total does not include staff at SKYCITY Darwin and Jupiter's Hotel and Casino as figures were unavailable at the time of survey.

[29] South Australian Centre for Economic Studies, The University of Adelaide (2015) *Responsible Gambling and Casinos*.
[30] Casinos and Resorts Australasia (2013) *Casinos and Resorts Australasia: Vital to our Visitor Economy*.
[31] Australasian Casino Association (2011) *Casino Industry Survey 2009-10.*
[32] Australasian Casino Association (2010) *Staff and Training Survey 2009-10* (excludes SKYCITY Darwin and Jupiters Hotel & Casino).

Clubs

A National Club Census, conducted in 2015, estimated clubs employ approximately 130,000 people across a variety of roles.[33]

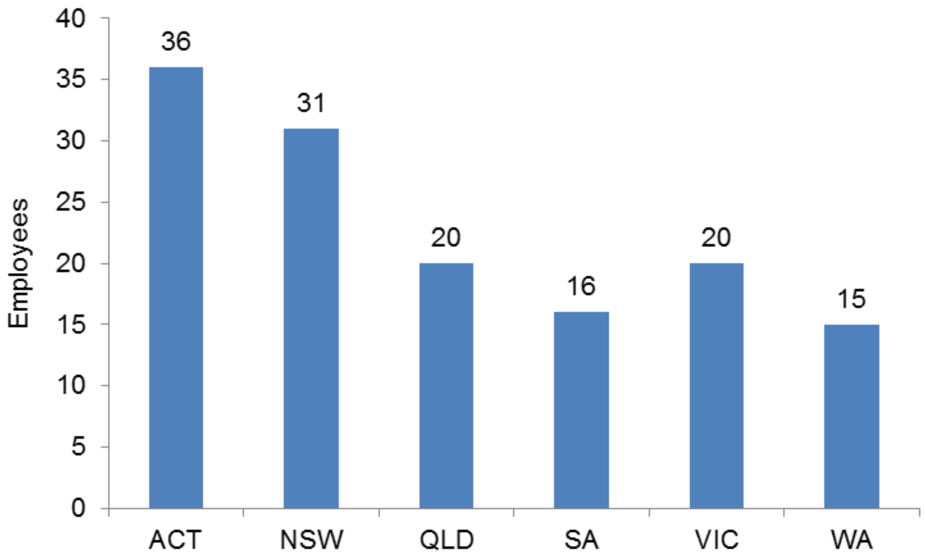
Table 7-7 Estimated employment at clubs in Australia by state/territory (2015)

Jurisdiction	No. of Clubs	Employees
Australian Capital Territory	49	1,745
New South Wales	1,300	40,700
Northern Territory	N/A	N/A
Queensland	1,111	22,164
South Australia	1,272	19,800
Tasmania	N/A	N/A
Victoria	1,430	27,900
Western Australia	975	14,900

Source: KPMG (2016) 2015 National Club Census: Detailed Report – Final, August 2016.

Tasmania and the Northern Territory are not included in the 2015 National Club Census due to an inadequate sample size for reporting purposes.

Figure 7-1 Average number of employees per club in Australia by state/territory (2015)



Source: KPMG (2016) 2015 National Club Census: Detailed Report – Final, August 2016.

[33] KPMG (2016) 2015 National Club Census: Detailed Report – Final, August 2016.

Hotels

Employment estimates were made available in an Australian Hotel's Association (AHA) National submission to the Productivity Commission's *Inquiry into Gambling* in 2009.

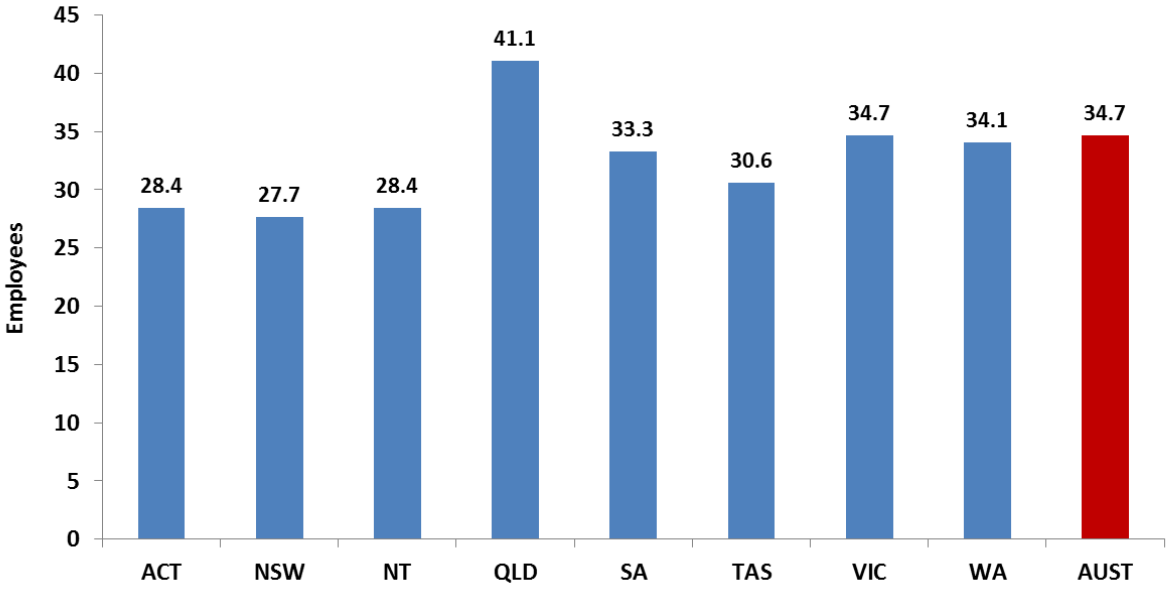
The AHA quoted research (conducted by Pricewaterhouse Coopers) noting that previous ABS statistical sets may have underestimated the level of employment within the hotel industry.[34]

Table 7-8 Estimated employment at hotels in Australia by state/territory (2009)[35]

Jurisdiction	Employees
Australian Capital Territory	1,448
New South Wales	54,803
Northern Territory	3,148
Queensland	38,691
South Australia	20,966
Tasmania	9,479
Victoria	35,750
Western Australia	24,563
Total	**188,848**

Source: PriceWaterhouse Coopers (2009) Australian Hotels, More Than Just a Drink and a Flutter: An Overview of the Australian Hotels Industry.

Figure 7-2 Average number of employees per hotel in Australia by state/territory (2009)

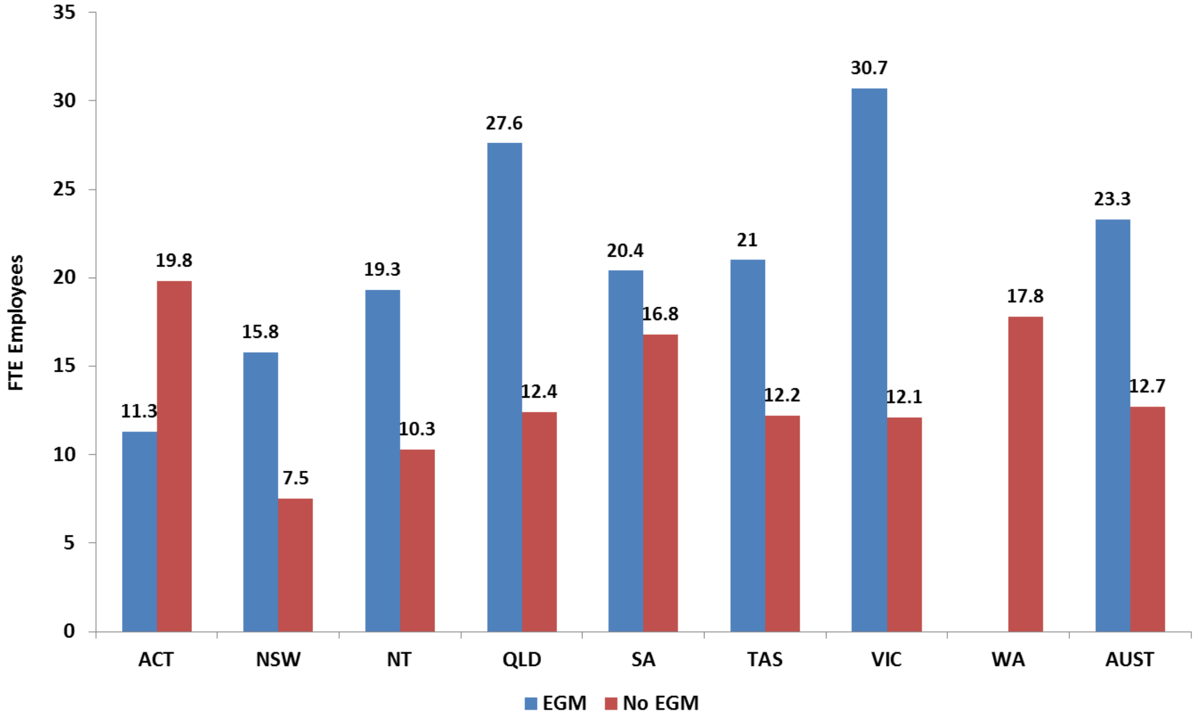


Source: PriceWaterhouse Coopers (2009) Australian Hotels, More Than Just a Drink and a Flutter: An Overview of the Australian Hotels Industry.

Pricewaterhouse Coopers survey results from 2009 indicate that in all states except the ACT, hotels that provided EGM gaming had more full-time equivalent employees (FTEs) than hotels without EGMs.

[34] PriceWaterhouse Coopers (2009) *Australian Hotels, More Than Just a Drink and a Flutter: An Overview of the Australian Hotels Industry.*
[35] Please note the total employment figure is derived using average employment per hotel and adjusting for the split between gaming and non-gaming hotels in New South Wales, Victoria and Queensland, where reliable data was able to be sourced. **The figure should be treated with caution, as it appears very high relative to other estimates**. It is, for example, substantially higher than the figure cited by the ABS for 2004-05 (81,675) and that of IBISWorld estimates for the 2012-13 period (78,620).

Figure 7-3 Employment at hotels in Australia by state/territory and EGM operation (2009)



Source: PriceWaterhouse Coopers (2009) Australian Hotels, More Than Just a Drink and a Flutter: An Overview of the Australian Hotels Industry.

The Hotel Industry in South Australia: A Case Study

Table 7-9 Estimated employment at hotels in South Australia by type and region (2015)

Type	EGMs Total Number Employed			No EGMs Total Number Employed			Total
	Metro	Non-Metro	Total	Metro	Non-Metro	Total	
Full-time (Permanent)	1,742	1,770	3,512	2,819	347	3,167	6,679
Part-time (Permanent)	281	156	436	3,088	116	3,204	3,640
Casual	5,570	7,107	12,677	2,251	1,004	3,255	15,932
Total	**7,593**	**9,032**	**16,625**	**8,158**	**1,467**	**9,625**	**26,250**

Source: South Australian Centre for Economic Studies, University of Adelaide (2016) Economic Contribution of the Hotel Industry in South Australia, commissioned by the Australian Hotels Association, South Australia.

The South Australian hotel industry had total employment of 26, 250 as at December 2015, representing 3.2 per cent of South Australia's total employment.[36]

Approximately 39.3% of all employees were engaged on a permanent full or part-time basis, and 60.7% on a casual basis.

Of those employed in the hotel industry, 15,751 (60%) were employed at hotels in the metropolitan area, and 10,499 (40%) in non-metropolitan areas.

[36] South Australian Centre for Economic Studies, University of Adelaide (2016) *Economic Contribution of the Hotel Industry in South Australia, commissioned by the Australian Hotels Association, South Australia.*

Table 7-10 Average number of employees at hotels in South Australia by region (2015)

Region	Average number of employees
Metropolitan	36.7
Non-metropolitan	30.6
Total average	**33.2**

Source: South Australian Centre for Economic Studies, University of Adelaide (2016) Economic Contribution of the Hotel Industry in South Australia, commissioned by the Australian Hotels Association, South Australia.

Note – The average figure excludes Category 10 hotels (large, accommodation venues).

Table 7-11 Estimated employment at hotels in South Australia by occupation and region (2015)

Occupation	EGMs Total Number Employed			No EGMs Total Number Employed			Total
	Metro	Non-Metro	Total	Metro	Non-Metro	Total	
Gaming staff	1,496	1,552	3,048	0	0	0	3,048
Other	6,097	7,480	13,577	8,158	1,467	9,625	23,202
Total	**7,593**	**9,032**	**16,625**	**8,158**	**1,467**	**9,625**	**26,250**

Source: South Australian Centre for Economic Studies, University of Adelaide (2016) Economic Contribution of the Hotel Industry in South Australia, commissioned by the Australian Hotels Association, South Australia.

In total, 11.6 percent (n=3,048) of all hotel employees in South Australia are classified as gaming staff.

Table 7-12 Estimated total wages and allowances paid to hotel employees in South Australia by region (2015)

Region	EGMs	No EGMs	Total
		$ Million	
Metropolitan	292	310	602
Non-metropolitan	339	17	356
Total average	**631**	**327**	**958**

Source: South Australian Centre for Economic Studies, University of Adelaide (2016) Economic Contribution of the Hotel Industry in South Australia, commissioned by the Australian Hotels Association, South Australia.

Racing and Wagering

In 2010 the Productivity Commission reported that jobs created by the racing and wagering industries include bookmakers, trainers, jockeys, racing stewards and breeders. Racing and wagering also provide employment for a wide range of staff required to run wagering and betting retail outlets, internet and phone bookmaking operations, racing clubs and racing authorities. [37]

The Commission found that racing industry sponsored research estimated the number of full time equivalent (FTE) jobs in the racing and wagering industry to be over 48,680 in 2004/05 – whereas the Commission itself estimated FTE jobs in a range between 12,500 and 15,000.

Subsequent reports to that of the Productivity Commission suggest a higher figure.

A 2013 report detailing the size and economic impact of the three major racing codes in Victoria (thoroughbred, harness and greyhound racing) found that the racing industry is directly responsible for sustaining more than 26,600 FTE jobs in the Victorian economy with estimates for each racing sector reported as 19,613 FTE (thoroughbred racing), 3,991 FTE (harness racing) and 3,015 FTE (greyhound racing).[38]

In 2016 a social and economic impact report commissioned by Racing and Wagering Western Australia (RWWA) concluded that the direct impact on employment generated by the activities of the racing industry in WA alone sustains more than 7,360 FTE positions each year. [39]

Available employment estimates from various years and sectors in racing and wagering are tabulated below.

Table 7-13 Estimated employment in Australian thoroughbred racing and associated industries (2004-05)

Employment Type	Estimated Number Employed
Bookmaker's Staff	1,400
Bookmakers	700
Breeders	9,000
Breeding Staff	17,990
Jockeys	1,000
Race Club/Course Staff	(1,500 F/T and 12,000 P/T) 13,500
TAB Wagering Staff	4,700
Trainers	4,700
Training Staff	3,100

Source: Australian Racing Board (2009) Submission to the Productivity Commission Inquiry into Gambling.

[37] Productivity Commission (2010) *Gambling, Report no 50*, Canberra p16.5
[38] IER (2013) *Size and Scope of the Victorian Racing Industry,* prepared for Racing Victoria, Harness Racing Victoria, Greyhound Racing Victoria and the Victorian State Government.
[39] IER (2016) *Western Australian Racing Industry: Economic and Social Impact Report - Highlights, prepared for Racing and Wagering Western Australia*.

Table 7-14 Estimated employment in select thoroughbred racing industry sector occupations in Australia (2015-16)

Type	Estimated Number employed
Amateur Jockeys	80
Apprentice Jockeys	270
Jockeys	523
Trainers	3,458

Source: Australian Racing Board (2016) Australian Racing Fact Book 2015/16.

Harness Racing Australia released a comprehensive report in 2013 that focussed on the size and scope of the harness racing industry – estimating that this racing sector alone provides some 13,000 FTE job opportunities.[40]

Table 7-15 Estimated employment in select harness racing industry sector occupations in Australia (2011-12)

Type	Number employed
Barrier/Stable Attendants and Track Maintenance	514
Breeders	5,554
Breeders Staff	4,929
Casual/Contractor Club Staff	1,733
Farriers	181
Full-time Club Staff	124
Industry Administration Staff	170
Industry Vets	477
Part-time Club Staff	140
Registered drivers	1,184
Stable Staff	2,533
Stewards	56
Trainers (all classes)	2,384

Source: Harness Racing Australia (2013) Annual Report.

Greyhounds Australasia provides the following figures regarding employment in specific occupations within the greyhound racing sector.

Table 7-16 Estimated employment in select dog racing industry sector occupations in Australia (2014)

Type	Number employed
Attendants	2,273
Trainers	5,316[41]
Total	**7,589**

Source: Greyhounds Australasia, 2016 (http://www.galtd.org.au)

[40] Harness Racing Australia (2013) *Annual Report 2013.*
[41] Excludes ACT.

The Gambling Industry in Tasmania: A Case Study

Table 7-17 Estimated employment in Tasmania's gambling industry 2017

Gaming Activity	Description	FTE Number	Percentage
Casino	Casino operations	483	48%
	Federal Group corporate	64	
EGMs and Keno	Network gaming	31.5	33%
	Keno	54	
	Management	38	
	EGM operators	240	
	Technicians	7.5	
Lotteries	Lottery employees	12.5	1%
Wagering	UBET corporate	4.5	18%
	Management and admin. support	6	
	Race meetings	14	
	Phone bets	10	
	UBET agencies	30	
	Hotels and clubs wagering	90	
	Betfair	49	
Total		**1,135**	**100%**

Source: ACIL Allen Consulting (2017) Fourth Social and Economic Impact Study of Gambling in Tasmania (2017): Volume 1 – Industry Trends and Impacts, 17 January 2018.

The study of gambling in Tasmania has changed its approach to how employment estimates are measured - reflecting the absolute Full Time Equivalent (FTE) rather than the total number of people employed in each sector of the gambling industry (ACIL Allen Consulting et al 2017). As noted in the report, "FTE estimates do not represent the number of people employed - the number of people employed will be higher due to non-full-time employment and employment for which only a proportion of time is related to gambling."[42]

The report states that the gambling industry in Tasmania employs an estimated 1,135 staff (FTE). The majority, approximately 48%, are employed in casinos, followed by 33% in the EGM and Keno gaming field, and 18% in the wagering segment of the industry. Employment by the Tasmanian gambling industry represents approximately 0.57% of the total Tasmanian FTE workforce of 199,700 people.[43]

Tasmania's Federal Group (operators of Tasmania's Wrest Point and Country Club Casinos as well as other gaming, hospitality and service industry interests in Tasmania) note in a 2017 Social and Economic Report to the Tasmanian Government that their combined interests make them the largest private sector employer in the state.[44]

[42] *ACIL Allen Consulting (2017) Fourth Social and Economic Impact Study of Gambling in Tasmania (2017): Volume 1 – Industry Trends and Impacts, 17 January 2018.*
[43] *ACIL Allen Consulting (2017) Fourth Social and Economic Impact Study of Gambling in Tasmania (2017): Volume 1 – Industry Trends and Impacts, 17 January 2018.*
[44] Federal Group (2017) *Fourth Social and Economic Impact Study: Submission by Federal Group*, 20/9/17.

TOURISM

Gambling venues in Australia are not only popular destinations for local residents; they also attract a number of interstate and international tourists, with the inflow of visitors having a positive impact on the local economy.

Direct tourism gross value added is measured as the value of the output of tourism products by industries in a direct relationship with visitors less the value of the inputs used in producing these tourism products.

Output is measured at 'basic prices', that is before any taxes on tourism products are added (or any subsidies on tourism products are deducted).

Taxes on tourism products include the GST, wholesale sales taxes and excise duties on goods supplied to visitors.

Direct tourism gross value added is directly comparable with estimates of the gross value added of 'conventional' industries such as mining and manufacturing that are presented in the national accounts.

Direct tourism GDP measures the value added of the tourism industry at purchasers' (market) prices. It therefore includes taxes paid less subsidies associated with the productive activity attributable to tourism.

Direct tourism GDP will generally have a higher value than direct tourism value added. Direct tourism GDP is a satellite construct to enable a direct comparison with the most widely recognised national accounting aggregate, GDP.

While direct tourism GDP is useful, the direct tourism gross value added measure should be used when making comparisons with other industries or between countries.[45]

Table 7-18 Direct Tourism Gross Value Added

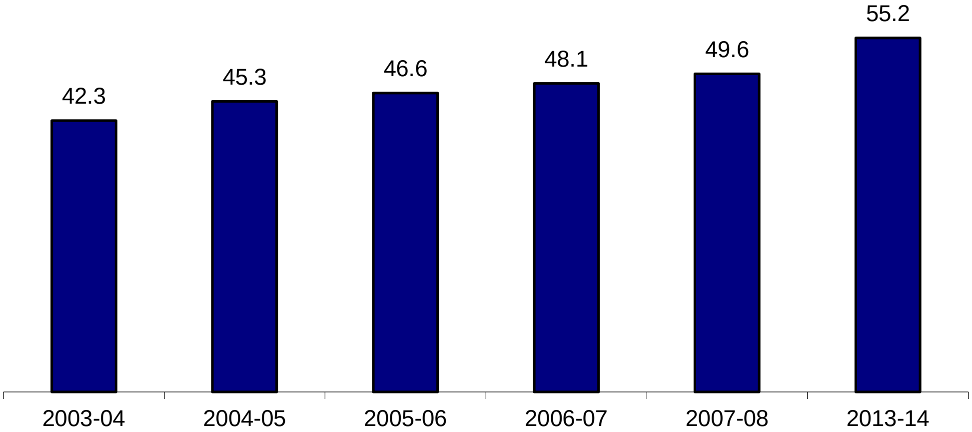
Tourism characteristic industries GVA	2011-12	2012-13	2013-14	2014-15	2015-16
Casinos and other gambling services	$467m	$480m	$497m	$486m	$524m
Pubs, Clubs, Taverns and Bars	$2,303m	$2,350m	$2,465m	$2,725m	$2,976m

Source: Australian Bureau of Statistics (2016) 5249.0 Tourism Satellite Account: 2015-16.

[45] Australian Bureau of Statistics (2014) *5249.0 Tourism Satellite Account: 2013-14* (Explanatory Notes).

Tourism: Casino visitors

Figure 7-4 Casino visitors (millions) in Australia (2003-04 to 2013-14)



Source: Allen Consulting Group (2009) Casinos and the Australian Economy: Report to the Australasian Casino Association, South Australian Centre for Economic Studies, The University of Adelaide (2015) Responsible Gambling and Casinos.

Table 7-19 Casino patrons by tourism designation in Australia (2003-04 to 2013-14)

Patron Type	2003-04	2004-05	2005-06	2006-07	2007-08	2013-14
			Million			
City/State	35.3	37.7	38.7	41.6	42.3	44.2
Interstate	5.2	5.6	5.7	4.2	4.9	7.1
International	1.8	2.0	2.2	2.3	2.4	3.9
Total	**42.3**	**45.3**	**46.6**	**48.1**	**49.6**	**55.2**

Source: Allen Consulting Group (2009) Casinos and the Australian Economy: Report to the Australasian Casino Association, South Australian Centre for Economic Studies, The University of Adelaide (2015) Responsible Gambling and Casinos.

In 2013-14 domestic visitors from within the same city/state made up 80% of casino patronage with interstate and international tourists comprising the remaining 20%.

Estimating precise numbers for casino gambling visitation can be difficult - visitation numbers generally include tourists attending multiple attractions offered at casino complexes such as hotels, function rooms, convention centres, restaurants, shops and other entertainment facilities.

Domestic Tourism Expenditure

Tourism statistics from 2015 to 2016 similarly show that gambling attracts a significant proportion of Australia's domestic tourism dollar.

Table 7-20 Expenditure by day visitors: Total trip expenditure by item of expenditure (2015-16)

Expenditure items	Trip expenditure ($million)	
	Year ending Sept. 2015	Year ending Sept. 2016
Alcohol, drinks (not already reported)	945	1,144
Convention / Conference / Seminar / Trade fair	n/a	104
Domestic airfares	523	649
Entertainment	731	904
Gambling	76	105
Groceries for self-catering	1,166	1,168
Long distance public transport	86	71
Organised Tours	39	75
Other expenditure nfd	893	981
Other local public transport	142	183
Package Tours	12	16
Petrol	4,486	4,435
Rental vehicles	62	97
Shopping / gifts /souvenirs	5,187	4,947
Takeaways and restaurant meals	3,588	4,345
Taxi	99	114
Vehicle maintenance/repairs	165	223
Total	**18,283**	**19,588**

Source: Tourism Research Australia (2016) Travel by Australians: Year Ending June 2016 from the National Visitor Survey.

Table 7-21 Expenditure by overnight visitors: Items of expenditure by main purpose of trip (2016)

Expenditure items	Holiday	Visiting friends & relatives	Business	Other	Total
	$				
Accommodation	8,194	1,651	5,026	520	15,391
Alcohol, drinks (not already reported)	2,031	955	538	103	3,628
Convention/Conference/Seminar fees	np	np	153	np	190
Domestic airfares	2,335	2,215	3,720	340	8,610
Education fees	np	np	np	np	85
Entertainment	1,276	279	74	np	1,648
Gambling	192	np	np	np	283
Groceries for self catering	2,116	932	382	135	3,565
Long distance public transport	153	83	np	np	278
Organised tours	402	np	np	np	482
Other expenditure, nfd	345	72	np	249	722
Other local public transport	143	82	np	np	308
Package tours	1,424	np	525	86	2,073
Petrol/Fuel	2,406	1,546	1,437	281	5,670
Rental vehicles	488	205	379	np	1,111
Shopping/Gifts/Souvenirs	2,449	1,505	502	236	4,692
Takeaway and restaurant meals	4,659	2,236	1,878	344	9,117
Taxis	203	124	549	np	900
Vehicle maintenance/Repairs	104	np	np	np	210
Total	**28,946**	**12,053**	**15,452**	**2,509**	**58,961**

Note: np - data is not publishable as the survey error is too high for practical purposes.
Source: Tourism Research Australia (2016) Travel by Australians: Year Ending June 2016.

International Tourism Expenditure

Gambling venues in Australia, particularly large integrated resorts offering a variety of entertainment and hospitality options, attract a great number of interstate and international tourists, with the inflow of visitors having a positive impact on the local economy.

It was reported in 2012 that Australia aimed to attract 860,000 Chinese visitors by 2020, a goal which if successful could create a tourism boom for hospitality and other industries worth up to $9 billion a year with restaurants, shopping, entertainment and accommodation a priority.[46]

Later figures from Tourism Australia report that visitors from China generated $9.2 billion in total tourism expenditure in 2016.

The Tourism 2020 Strategy now estimates that China has the potential to be worth up to $13 billion by 2020.[47]

International visitors' expenditure comparison

Table 7-22 Average expenditure for visitors by top 5 countries of residence & expenditure items (2016)

Country of residence	Total shopping ($)	Food, drink, & accommodation ($)	Gambling ($)	Entertainment ($)
China	1,552	2,102	721	236
United Kingdom	400	1,913	n/a	177
United States of America	304	1,505	n/a	137
New Zealand	377	799	n/a	130
Japan	357	1,144	n/a	n/a
Other	538	1,866	383	162
Total	**624**	**1,654**	**324**	**166**

Source: Tourism Research Australia (2016) International Visitors in Australia – June 2016 - Quarterly Results of the International Visitors Survey.

46 http://www.news.com.au/travel/news/australias-bush-push-for-chinese-tourists/story-e6frfq80-1226462618039
47 http://www.tourism.australia.com/en/markets-and-research/market-regions/greater-china.html

FACILITIES AND ENTERTAINMENT

Venues offering gambling often offer other entertainment and recreational activities.

Casinos for instance are often part of larger integrated resorts that offer restaurants, shopping, hotel accommodation, conference room facilities, cinemas and theatres – to name just some of the amenities available.

Likewise hotels and clubs offering gaming may also offer a variety of leisure options.

Table 7-23 shows that in Queensland hotels and clubs, gaming machine venues offer services such as food and catering, bars, sporting facilities, live entertainment/music and televised sporting events.

Table 7-23 Non-gaming services provided by venues in Queensland (2007)

	Clubs	Hotels	Total
		% of venues	
Accommodation	1.3	44.7	25.3
ATMs	72.7	84.7	79.3
Bar trade	97.7	98.7	98.3
Café-coffee lounge	30.3	29.7	30.0
Courtesy bus	35.0	16.6	24.9
Food and catering services	90.9	93.1	92.1
Function centre	55.6	26.4	39.5
Kids entertainment room	18.8	22.0	20.6
Live entertainment	61.6	62.0	61.8
Live sporting events	47.5	16.4	30.3
Sporting facilities	64.6	2.1	30.1
Takeaway alcohol	80.7	87.8	84.6
Televised sporting events	53.6	77.6	66.8
Vending machines	53.2	47.5	50.1
Other	18.2	18.3	18.2

Source: Queensland Office of Liquor, Gaming and Racing (2009) Results of the 2007 Gaming Machine Venue Survey.

The addition of gambling into hotels and clubs has had a positive impact on the availability of other recreational facilities and opportunities.

Hotels and clubs with gambling are more popular than venues without gambling and they experience significantly greater spending on other forms of entertainment. For instance, hotel operators with gambling spend 29% more on live entertainment than hotels without gambling facilities.

Hotel operators with gambling also attract almost twice the spending on meals than hotel operators without gambling, while club operators with gambling attracted nearly five times the meal spending of club operators without gambling.

A PricewaterhouseCoopers survey conducted for the Australian Hotels Association in 2009 found that, on average, those hotels identified as having EGMs were also more likely to host trivia nights, live music and community meetings.

Table 7-24 Comparison of takings and expenses between gambling and non-gambling facilities in Victoria (2004-05)

	Hotels		Clubs		Hotels and clubs	
With/without gaming	**With**	**Without**	**With**	**Without**	**With**	**Without**
			Average $ per venue			
Payments-live performances[48]	23,269	18,067	38,621	3,356	33,264	11,988
Takings from meals	311,530	203,487	331,125	203,642	319,225	203,520
Sale of liquor/other beverages	1,775,072	1,041,500	748,804	321,854	1,372,032	891,511
Takings from accommodation	44,477	22,668	27,440	27,841[49]	37,786	23,740

Source: Calculation based Australian Bureau of Statistics (2000, 2002, 2006) Clubs, Pubs, Taverns and Bars, Australia 2004-05, 2000-01, 1997-98, Cat. no 8687.0, ABS, Canberra.

Live Music

The Australasian Performing Rights Association (APRA) licences venues to provide live music entertainment and in 2011 released a report conducted by Ernst & Young assessing the economic contribution of venue-based live music performances in pubs/bars, clubs, restaurants, cafes and nightclubs in Australia.

The following table displays the number of venues by type and location in Australia that are licensed with APRA and provide live music (i.e. a license fee to APRA).

Table 7-25 Hotel and Club Venues licensed for live music in Australia by type and location (2010)

APRA venues licensed for live music	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUST
Hotels/Bars	12	491	19	495	193	58	477	227	1,972
Clubs (Registered Sport/Cultural)	23	703	19	321	74	16	195	56	1,407
Total	**35**	**1,194**	**38**	**816**	**267**	**74**	**672**	**283**	**3,379**

Source: Ernst & Young (2013) Economic contribution of the Venue-Based Live Music Industry in Australia, Report for the Australian Performing Right Association (APRA).

APRA report that on, average, the number of venue-based live music performances per week in the hotel sector is 1.8.

Table 7-26 Number of live music events per month at Australian hotels (2009)

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	AUST
Live music nights per month	6.6	5.9	6.8	4.1	9.5	5.9	2.5	10.5	6.7

Source: PriceWaterhouse Coopers (2009) *Australian Hotels, More Than Just a Drink and a Flutter: An Overview of the Australian Hotels Industry.*

[48] 1997-98.
[49] Estimate has a relative standard error of between 25% and 50% and should be used with caution.

Table 7-27 Total number of live music performances for one month in Adelaide by licence type (2015)

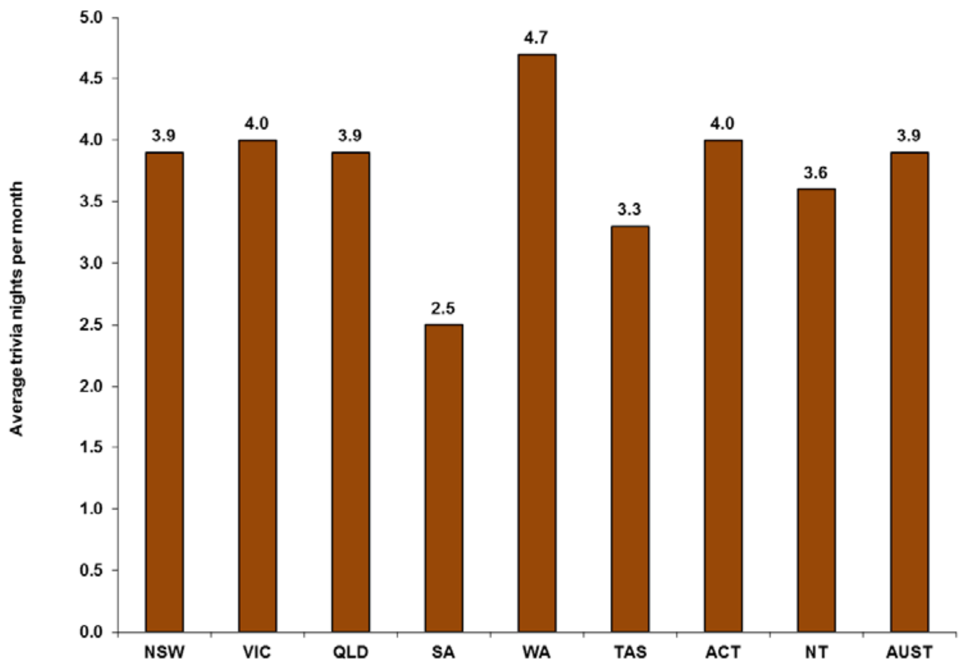
Licence type	Number of venues	Number of gigs	Percentage of total gigs
Club	8	39	4.1
Entertainment venue	3	17	1.8
Hotel	97	663	68.9
Limited club	4	11	1.1
Producer	3	7	0.7
Restaurant	6	17	1.8
Small venue	1	3	0.3
Special circumstances	35	205	21.3
Total	**157**	**962**	**100**

Source: South Australian Centre for Economic Studies, University of Adelaide (2016) Economic Contribution of the Hotel Industry in South Australia, commissioned by the Australian Hotels Association, South Australia (extracted from Adelaide Live Music Census 2015).

A recent census of live music in Adelaide found that hotels hosted 663 gigs across 97 venues in the month of May 2015, representing 69% of gigs for the month.

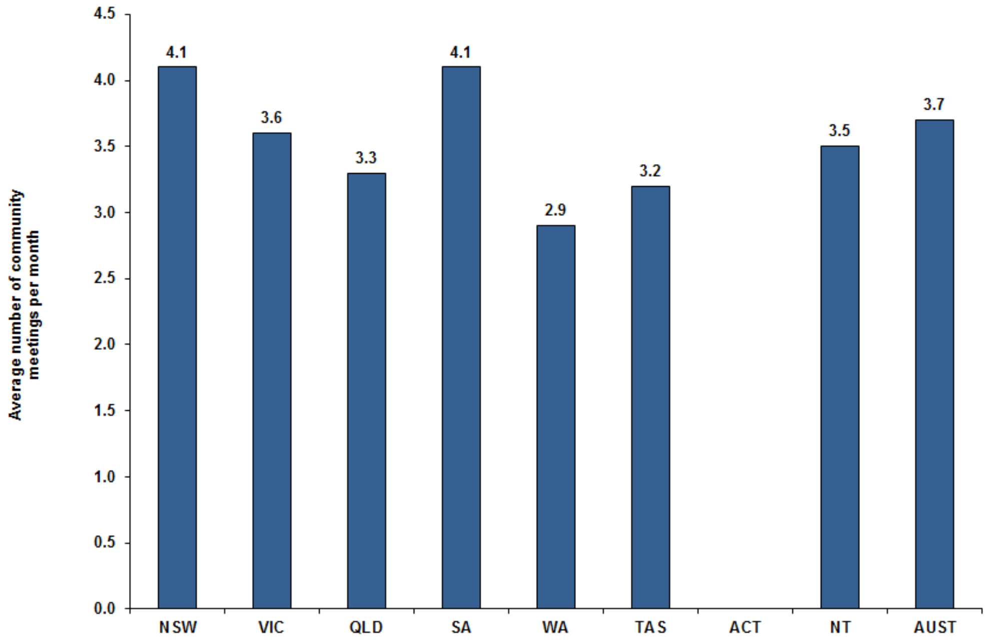
Other Entertainment/Community Events

Figure 7-5 Average number of trivia nights at hotels (2009)



Source: PriceWaterhouse Coopers (2009) More than just A Drink and a Flutter: An Overview of the Australian Hotels Industry.

Figure 7-6 Average number of community meetings at hotels (2009)



Source: PriceWaterhouse Coopers (2009) More than just A Drink and a Flutter: An Overview of the Australian Hotels Industry.

Additional Services and Facilities

The introduction of EGMs has also allowed hotels to expand the number and range of facilities on offer to their customers, as expressed in Table 7-28 below.

Table 7-28 Comparison of hotel facilities between EGM and non-EGM venues (2009)

	Hotels	
With/without EGMs	**With (%)**	**Without (%)**
Conference/meeting facilities	41.1	24.4
Entertainment venue	49.5	20.4
Pay TV (non-racing)	51.1	13.3
Pay TV (racing)	70.3	12.1
Pool tables	50.5	24.4

Source: PriceWaterhouse Coopers (2009) More than just A Drink and a Flutter: An Overview of the Australian Hotels Industry.

Conventions/Conferences

In 2007-08 Australian casinos hosted 2,276 conventions and conferences which attracted approximately 358,720 attendees.

Table 7-29 Conventions and Conferences at Casinos (2006-07 & 2007-08)

Response	2006-07	2007-08
Attendees	216,630	358,720
Number of conventions and conferences		
International	121	154
National	498	574
Local	1,381	1,548
Total	**2,000**	**2,276**

Source: Allen Consulting Group (2009) Casinos and the Australian Economy, Report to the Australasian Casino Association.

COMMUNITY CONTRIBUTIONS

Community Contributions and Community Benefit Programs

Most gambling sectors in Australia are legally required to make contributions to the community through various levies imposed on their operations. Resources are also provided to fund research into aspects of gambling in Australia.

Further to these sums, the industry makes a number of additional, significant voluntary contributions to a variety of local charities and community organisations throughout the nation as well as supporting involvement in volunteering activities and providing sponsorships.

National

Casinos

Australian casinos contribute funds via levies on gross profit to state government community benefit schemes established to support projects in local communities. In addition to these contributions, casinos voluntarily donate funds and resources via sponsorship and fundraising events to a broad range of community and sporting groups, charities and cultural events.

Australian casinos contribution to their local community also extends to employee initiatives and corporate partnerships with community organisations.

For example, Crown Resorts, working in conjunction with Reconciliation Australia, has created and implemented a Reconciliation Action Plan (RAP) that provides employment opportunities and support for indigenous businesses.[50] Crown Resorts is also a corporate partner of the National Centre of Indigenous Excellence (NCIE), a not-for-profit organisation that provides education, sporting and cultural programs for indigenous Australians.

Crown Resorts, through the Crown Resorts Foundation, is currently providing funding to over 85 community and education organisations and has additionally, in partnership with the Packer Family Foundation, launched a $25 million Melbourne and Perth Arts Education Initiative.[51]

Likewise, The Star Entertainment Group has relationships with a variety of different charities and community programs. In 2016 this group announced formal partnerships of $1.5 million each over three years with Barnardos Australia (support for services to disadvantaged families), Taronga Conservation Society Australia (support to wildlife conservation programs as well as key fundraising and volunteer initiatives) and Chris O'Brien Lifehouse - amongst a number of other community support initiatives.[52]

A non-exhaustive selection of examples of Australian casino charitable contributions, sponsorships and events throughout various Australian jurisdictions include:

- **Charities and Sponsorships** – National Breast Cancer Foundation, Starlight Children's Foundation, Ronald McDonald House Charities, The Smith Family, Foodbank WA; Surf Lifesaving Queensland, Gold Coast Hospital Foundation; Currumbin Wildlife Hospital Foundation, Open Your Hearts Program, Vinnies CEO Sleep-out, South Australian Tourism Industry Council, Brand South Australia, Flinders Medical Centre Foundation, Variety, Ozharvest Adelaide, Australian Red Cross.

- **Cultural events** – Brisbane International Mercedes Benz Fashion Festival, National Trust of Queensland Open House, Chinatown Adelaide Association Lunar New Year Festival.

[50] Crown Resorts (2014) *Crown Melbourne's Contribution to Victoria*.
[51] Crown Resorts (2016) *Corporate Social Responsibility Report*.
[52] The Star Entertainment Group (2016) *Annual Report.*

- **Special causes/events** – Autumn Ladies Lunch for the National Breast Cancer Foundation, My Room Ball for Paediatric Cancer Victoria, Starry Starry Night for The Alannah and Madeline Foundation, the Epworth Hospital Medical Foundation Dinner, Royal Children's Hospital Neonatal Unit's Celebration of Life. [53]

Wagering, Keno and Lotteries

Tabcorp - which is diversified across wagering and media services, gaming services and keno businesses - contributes funds in a number of Australian jurisdictions benefitting both the racing and broader community through various voluntary initiatives.

Racing community contributions in the 2015-16 period included:

- National Jockey's Trust;
- Teal Pants – an initiative that funded awareness of and donations to the Women's Cancer Foundation via Victorian, New South Wales and ACT Harness Racing in Feb-March 2016;
- TAB Great Chase – which supports local charities through Greyhound Racing Victoria;
- Australian Trainers Association – including support for the Australian Trainers Trust; and
- Thoroughbred Breeders Victoria.

Community contributions – managed via Tabcorp's community engagement program (Tabcare) included promotion, support, volunteering and matched fundraising with organisations such as:

- Ozharvest – food rescue and meal distribution in Victoria, NSW and ACT;
- FareShare – meals to Victorian communities;
- Conservation Volunteers – wildlife conservation projects in Victoria and New South Wales; and
- The Pyjama Foundation – supporting children's leaning in Queensland.

In the 2015-16 period Tabcorp provided $795,781 in community contributions - $718,089 in direct community contributions with an additional $77,692 leveraged support contributed by third parties (eg: additional donations raised from external parties). Further additional donations were made to the Steve Waugh Foundation, Physical Activity Foundation (ACT), Food Water Shelter Project (RAWCS) Tara Costigan Foundation, Juvenile Diabetes Foundation, Movember, Paceline, MND Australia, Cancer Council Australia and the Australian Red Cross. [54]

Tatts Group, which similarly operates across multiple jurisdictions and sectors – including wagering, gaming services and lotteries - operates the "Tatts Giving" program which includes workplace giving, volunteering, dollar matching programs and challenge-based fundraising.

A selection of Tatts community contributions include:

- National Jockey's Trust;
- Starlight Children's Foundation;
- Children's Hospital Foundation;
- Tatts Workplace Giving Program;
- Mates 4Mates;
- The Smith Family; and
- Various sponsorships including Gold Lotto Brisbane City Hall Light Spectacular and Sydney Harbour 2016 Australia Day celebrations.[55]

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[53] Sourced from various Australian casino websites, annual reports and corporate social responsibility reports. For further details see: https://www.starentertainmentgroup.com.au/annual-reports/; https://www.treasurybrisbane.com.au/about-us/corporate-social-responsibility; http://www.crownresorts.com.au/our-contribution/corporate-social-responsibility-reports; https://www.skycityentertainmentgroup.com/our-commitment/corporate-responsibility
[54] Tabcorp Holdings Limited (2016) *Corporate Social Responsibility Report*.
[55] Tatts Group Limited (2016) *Annual Report.*

Australian Capital Territory

Problem Gambling Assistance Fund (PGAF)

The Problem Gambling Assistance Fund requires gaming machine licensees to pay a levy of 0.75 per cent of gross gaming revenue and contributions on a voluntary basis from Tabcorp and Casino Canberra.[56]

Under the Gaming Machine Act 2004, licensed clubs are required to make a minimum level of community contributions equal to 8% of the club's Net Gaming Machine Revenue (NGMR).[57]

Total contributions to the PGAF from clubs for 2015-16 amounted to $1,006,133.

Total contributions by clubs to the ACT community was $11,735,971.

Registered Clubs

Table 7-30 Community contributions by registered clubs - ACT (2015-16)

Area	Total Contributions ($)
Charitable and Social Welfare	1,026,096
Community infrastructure	772,987
Non-profit activities	1,893,556
PGAF	1,006,133
Problem Gambling	71,516
Sport and recreation	6,609,600
Women's sport	356,083
Total	**11,735,971**

Source: ACT Gambling and Racing Commission (2016) Community Contributions made by Gaming Machine Licensees 2015-16.

Table 7-31 Community contributions by registered clubs – ACT comparison (2006-07 to 2015-16)

Financial Year	Total Approved Contributions $m (amended)	Total Club NGMR $m	Community Contributions as a % of NGMR[58]	% change of contributions from previous year
2015-16	11.736	94.235	12.45	-0.89
2014-15	11.841	94.109	12.58	-5.96
2013-14	12.591	95.779	13.15	-0.90
2012-13	12.791	99.473	12.86	+0.44
2011-12	12.735	101.964	12.49	+9.84
2010-11	11.594	100.935	11.49	-12.41
2009-10	13.236	97.635	13.56	-3.17
2008-09	13.669	98.647	13.86	-4.64
2007-08	14.334	100.253	14.30	+12.02
2006-07	12.796	109.406	11.70	+2.06

Source: ACT Gambling and Racing Commission (2016) Community Contributions made by Gaming Machine Licensees 2015-16.

[56] ACT Gambling and Racing Commission (2018) https://www.gamblingandracing.act.gov.au/community/problem-gambling-assistance-fund (accessed 14/6/18).
[57] ACT Gambling and Racing Commission (2018) https://www.gamblingandracing.act.gov.au/community/problem-gambling-assistance-fund (accessed 14/6/18).
[58] NGMR is Net Gaming Machine Revenue as defined by the *Gaming Machine Act 2004.*

Hotels and Taverns

Licensed gaming machine hotels in the Australian Capital Territory contributed $2,188 to the community in 2015-16 (GGMR of $329,712).[59]

New South Wales

Responsible Gambling Fund (RGF)

In New South Wales, the *Casino Control Act 1992* requires that the Sydney casino operator pay a responsible gambling levy of two per cent on gross gaming revenue.

The money generated by this levy is distributed by the NSW Responsible Gambling Fund to support responsible gambling initiatives, including the provision of counselling and support services, awareness and education activities, and to conduct research.

The fund is overseen by Trustees, with the support of the Office of Liquor, Gaming & Racing in NSW, who make recommendations to the Minister for Gaming and Racing.

The Responsible Gambling Fund distributes funds to a wide range of organisations to deliver problem gambling counselling and support services in NSW, including the following:

- 54 Gambling Help face-to-face counselling services in almost 276 suburbs and towns across NSW
- Eight multi-region Gambling Help services offering specialist assistance for people from culturally and linguistically diverse backgrounds
- Four Aboriginal specific Gambling Help services
- 24-hour Gambling Help Online counselling service.

In 2015-16, $10,901,024 was distributed in counselling and treatment grants, and $4,079,233 distributed for research and other purposes.[60]

ClubGRANTS Scheme[61]

The ClubGRANTS scheme (formerly known as the Community Development and Support Expenditure or CDSE Scheme) is a shared State Government - Club Industry program, funded by a gaming machine tax rebate provided by the State Government to those registered clubs with gaming machine profits in excess of $1 million per annum.

Under the scheme, the marginal tax rate on clubs' earnings above $1 million can be decreased by up to 1.85% if a club contributes an equivalent amount on eligible community development and support projects.

There are two classes of expenditure eligible for rebate under the scheme:

Category 1 – expenditure on specific community welfare and social services, community development, community health services and employment assistance activities;

and

Category 2 – expenditure on other community development and support services.

[59] ACT Gambling and Racing Commission (2016) *Community Contributions made by Gaming Machine Licensees 2015-16*.
[60] NSW Government, Department of Justice (2016) *Annual Report 2015-16.*
[61] Liquor and Gaming NSW (2017) *ClubGRANTS Guidelines: Gaming Machine Tax Act 2001*, August 2017.

To qualify for the total eligible rebate of 1.85% clubs must contribute at least 0.75% to Category 1 purposes, with the remainder allocated to Category 2 purposes (maximum 1.1%).

A third category was created from 1 September 2011, whereby a minimum of 0.40% of a club's gaming machine profits in excess of $1 million is allocated to the fund each tax year. This amount is automatically taken from the tax paid by clubs and transferred by the government on behalf of clubs into the fund.

Category 3 funding is pooled for state-wide purposes to support the development of large-scale sport, health and community infrastructure projects.

Northern Territory

Community Benefit Fund (CBF)

Under the *Gaming Control Act*, the Director of Licensing must maintain a Community Benefit Fund to account for funds to be directed towards:

- promotion of community awareness and education in respect of problem gambling and provision of counselling, rehabilitation and support services for problem gamblers and their families;
- research into gambling activity, including the social and economic impact of gambling on individuals, families and the general community in the Northern Territory;
- funding of general community projects and services of benefit to communities throughout the Northern Territory; and
- fund management and administrative support.

The Fund receives a 10% levy of gross profits from electronic gaming machines in casinos and licensed hotels, unclaimed prizes paid to the Director of Licensing and proceeds from items forfeited under the Gaming Control Act. These funds are directed to community development projects and the amelioration of problem gambling.

In 2015-16 the Community Benefit Fund received $10.36 million from the levy on electronic gaming machines in casinos and hotels, representing an increase in levy contributions of 350% as a consequence of revenue from casinos towards the fund (commenced 1 July 2015). [62]

Table 7-32 Northern Territory Community Benefit Fund Grants 2015-16

Area	$
Community Organisation Grants	1,628,934
Gambling Amelioration Grants	1,845,882
Gambling Research Grants	281,818
Major Community Grants	3,622,809
Quick Grants	433,273
Vehicle Gifts / Long Term Loans	220,399
Total Grants Allocated	**8,033,115**

Source: Northern Territory Government (2016) Community Benefit Fund Annual Report 2015-2016.

[62] Northern Territory Government (2016) *Community Benefit Fund Annual Report 2015-16*.

Queensland

Gambling Community Benefit Fund (GCBF)

On 20 May 2014, a Bill was passed to streamline and amalgamate the four community benefit funds previously operating in Queensland into one state-wide funding program, under the auspices of the Gambling Community Benefit Fund (GCBF). The GCBF replaced the Jupiters Casino Community Benefit Fund, Breakwater Island Casino Community Benefit Fund, Reef Hotel Casino Community Benefit Fund and the pre-existing Gambling Community Benefit Fund.[63]

Revenue for the GCBF is sourced from a percentage of the tax imposed on gambling operators, comprising lottery, wagering, keno and gaming machine operations. The funds are distributed to not-for-profit community groups on a quarterly basis, with the first grant application round under the new amalgamated program having commenced August 2014.

Grants are allocated to approved not-for-profit organisations to help provide services or activities that benefit the community. In 2015-16, more than $52.4 million dollars from the Gambling Community Benefit Fund was distributed to 2,360 approved applicants from local community organisations across Queensland.[64]

Health Services Levy

In Queensland hotels with gaming machines are required to pay a Health Services Levy, the percentage of which is based on monthly taxable metered wins over $100,000. The sole purpose of the fund it to benefit and support Queensland health services.

Table 7-33 Health Services Levy on Gaming Machines in Hotels 2016

Monthly Taxable Metered Win ($)	Health Services Levy (% Monthly Taxable Metered Win)
$0 - $100,000	Nil
$100,001 - $140,000	3.5%
$140,001 - $180,000	5.50%
$180,001 - $220,000	7.50%
$220,001 - $260, 000	13.50%
➢ $260,000	20.00%

Source: Queensland Government, Office of Liquor and Gaming Regulation (2016) Fee and Charges: Queensland Gaming Licensing (as at 1 July 2016).

Community Benefit Statement

In Queensland clubs with 51 or more gaming machines are required to submit a Community Benefit Statement to the Office of Liquor and Gaming Regulation as part of their annual reporting responsibilities.

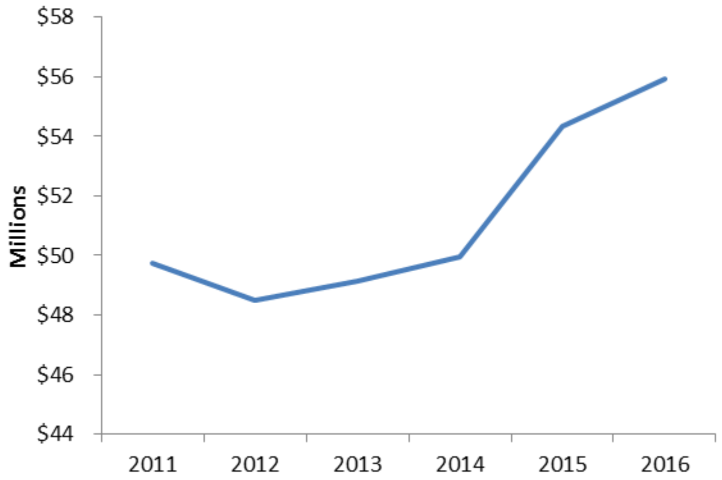
The purpose of the Community Benefit Statement is to formally identify and recognise the nature and extent of contributions made by clubs to charitable, sporting, recreational and other community purposes and initiatives. Contributions of both a cash and non-cash nature are identified with dollar values.

In 2015 Queensland clubs donated $40,462,730 in cash and $13,866,004 in non-cash contributions to community organisations – a combined total of $54,328,734.

[63] Queensland Government, Department of Justice and Attorney- General (2014) *http://www.justice.qld.gov.au/corporate/sponsorships-and-grants/grants/community-benefit-funding-programs/bill-to-amalgamate-queensland-community-benefit-funds*
[64] Queensland Government, Department of Justice and Attorney-General (2016) *Annual Report 2015-16.*

In 2016 Queensland clubs contributed $42,288,271 in cash and $13,659,144 in non cash contributions to community organisations – a total of $55,947,415.[65]

Figure 7-7 Total Community Benefit Contributions by Queensland Clubs (2011-2016)



Source: http://www.justice.qld.gov.au/corporate/publications/liquor-gaming/community-benefit-statements (accessed 20/6/2017).

South Australia

Gamblers Rehabilitation Fund (GRF)

The Gamblers Rehabilitation Fund (GRF) was established in 1994 to fund programs and initiatives which aim to minimise problem gambling and offer services to those affected by a gambling problem.

The GRF is recurrently funded by contributions from the Australian Hotels Association (SA), Clubs SA, Adelaide Casino and the South Australian Government.

The GRF is administered by the Office for Problem Gambling within the Department for Communities and Social Inclusion and supports the Gambling Help Services, the 24-Hour Gambling Help Line, community education programs, research and evaluation, and administrative costs.

Total funding for the 2015-16 financial year comprises the following[66]:

- $3.845 million from the SA State Government (fixed under the *Gaming Machines Act 1992*)
- $2.05 million from gaming machine licensees[67]
- $317,000 from the Adelaide Casino

Tasmania

Community Support Levy (CSL)

The Tasmanian Gaming Control Act 1993 requires a contribution of 4% of monthly gross profit derived from gaming machines in hotels and clubs to be paid to the Community Support Levy (CSL).

In addition, 4% of Tasmanian monthly betting exchange commission, derived from brokered wager events held in Australia, is paid to the CSL.[68]

[65] Queensland Government, Department of Justice and Attorney-General (2016) http://www.justice.qld.gov.au/corporate/publications/liquor-gaming/community-benefit-statements (accessed 14/6/2018).
[66] Independent Gaming Authority (2017) Annual Report 2015-16: Volume 1 – General and Financial.
[67] Noted in South Australian Independent Gaming Authority Annual Report as an "invited contribution".
[68] Tasmanian Gaming Commission (2016) *Annual Report 2015-16.*

Funds from the CSL are held in trust by the Department of Treasury and Finance, and administered by the Department of Health and Human Services through the Gambling Support Program.
Funds from the CSL are distributed in the following manner:-

- 25% for the benefit of sports and recreation clubs;
- 25% for the benefit of charitable organisations;
- 50% for the benefit of research, services and raising awareness in the area of problem gambling.

In 2015-16, $4,599,853 was paid into the CSL from the profits of gaming machines in clubs and hotels and from betting exchange commission.[69]

Table 7-34 Community Support Levy Expenditure – Tasmania (2015-16)

Area	$
Gambling Support Services	$1,829,717
Charitable Organisations	$1,195,554
Sport and Recreation	$1,420,184
Total	**$4,445,455**

Source: Tasmanian Gaming Commission (2016) Annual Report 2015-16.

Victoria

Community Support Fund (CSF)

Established in 1991 by the Victorian Government and enforced by the *Gambling Regulation Act 2003*, the Community Support Fund (CSF) was created to direct a portion of gaming revenue back to projects that benefit the community.

The fund receives revenue generated from electronic gaming machines (EGMs) located in Victorian hotels.

One day's revenue from the fund is paid to the Victorian Veterans Fund on 1 September each year. The remaining funds are then allocated to a variety of Government departments to support a range of community programs and projects.

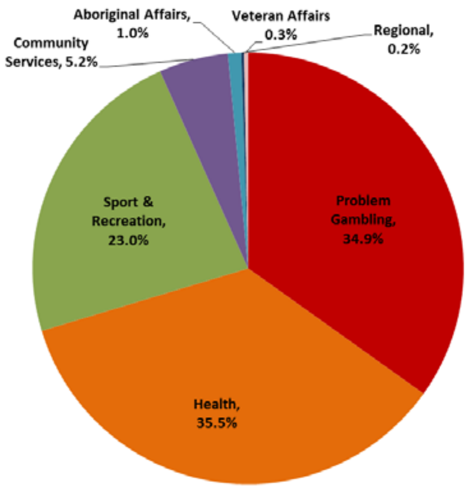
In 2015-16, the CSF received $98.3 million in revenue from gaming machines in hotels. A further $0.7 million was received in interest and $0.5 million of receipts from forfeited winnings.[70]

The majority of gaming revenue goes directly to key areas – such as Victoria's hospitals and Charities in the health sector. Other monies are distributed to Victorian Government departments and are invested in a range of community programs and projects.

Investments from the CSF are made based on community need - rather than being matched to gaming expenditure in any given area.

[69] Tasmanian Gaming Commission (2015) *Annual Report 2014-15.*
[70] Victorian Department of Treasury and Finance (2016) *Community Support Fund: Fact Sheet 2015-16*, and https://www.dtf.vic.gov.au/community-support-fund/community-support-fund-financial-overview-2015-16 (accessed 20/6/18).

Figure 7-8 CSF expenditure by portfolio 2015-16[71]



Source: Victorian Department of Treasury and Finance (2016) Community Support Fund: Fact Sheet 2015-16.

Table 7-35 Community Support Fund Expenditure by Portfolio – Victoria (2015-16)

Portfolio	Allocation Type	CSF Expenditure 2015-16 ($)
Gaming	Victorian Responsible Gambling Foundation	2,359,800
	Victorian Responsible Gambling Foundation (2015-16 to 2018-19)	34,215,000
	Pre-commitment Project	2,702,271
Health	Drug & Alcohol Education, Treatment and Rehabilitation	40,000,000
Sport and Recreation	Multiple Programs	25,905,500
Regional and Rural Development	Multiple Developments	252,000
Community Services	Multiple Programs	2,075,506
Emergency Services	New Life Saving Club	40,000
Planning	Community infrastructure	2,200,000
Aboriginal Affairs	Multiple Programs	1,128,725
Veterans Affairs	Spirit of ANZAC Prize	50,000
Women's Affairs	Our Watch Program	1,500,000
Total Program Expenditure		**112,428,802**
	ANZAC Day Revenue to Veterans Fund	264,399
	CSF Administration	322,591
Total Operating Expenditure		**113,015,794**

Source: Victorian Department of Treasury and Finance, Community Support Fund: Expenditure by program from 1 July 2015 to 30 June 2016.

Community Benefit Statement

In Victoria, a gaming venue operator with a club or racing club licence must lodge an annual audited Community Benefit Statement with the Victorian Commission for Gambling and Liquor Regulation (VCGLR).

The purpose of the Community Benefit Statement is to formally identify and recognise the work that clubs and club members have done for the wider local community.

[71] Victorian Department of Treasury and Finance (2016) *Community Support Fund: Fact Sheet 2015-16.*

Clubs are required to show that they contribute the equivalent of at least 8.33 per cent of the venue's gaming revenue as a community benefit each financial year.[72]

For the 2015-16 financial year, the VCGLR reported a total figure of $283,443,046 was received for community purposes or activities.[73]

Western Australia

Problem Gambling Support Services Committee (PGSSC)

The Problem Gambling Support Services Committee was formed in 1995 to bring together gambling industry and government representatives to address the social and economic issues that result from problem gambling in Western Australia.

As at 30 June 2016, members of the PGSSC include representative from:

- Crown Perth
- Racing and Wagering Western Australia
- Lotterywest
- WA Bookmakers Association
- Department of Local Government and Communities[74]

The PGSSC funds research projects and awareness campaigns related to problem gambling. Each member makes a voluntary financial contribution which is held in a gambling support fund administered by the Department of Racing, Gaming and Liquor.

The PGSSC funds counselling and support services for those affected by gambling problems in Western Australia. Those services are:

- Problem Gambling Helpline – 24 hour helpline;
- Gambling Help WA – a face-to-face counselling service; and
- Gambling Help Online – online counselling.

A total $857,500 was allocated to fund these counselling and support services in 2015-16.[75]

The Gaming Community Trust (GCT)

The Gaming Community Trust (GCT) was established in 2002 to provide advice and make recommendations to the Minister for Racing and Gaming on the distribution of funds and grants for the general benefit of the community.

Funds administered by the GCT are derived from unclaimed winnings from a variety of gambling forms throughout the state.[76]

[72] Victorian Commission for Gambling and Liquor (2018) https://www.vcglr.vic.gov.au/gambling/gaming-venue-operator/understand-your-gaming-licence/your-obligations/community-benefit (accessed 20/6/18).
[73] Victorian Commission for Gambling and Liquor (2017) *Combined Community Benefit Statement and Summary Figures for Local Government Area: 2015-16.*
[74] Gaming and Wagering Commission of Western Australia (2016) *Annual Report 2015-16.*
[75] Gaming and Wagering Commission of Western Australia (2016) *Annual Report 2015-16.*
[76] Gaming and Wagering Commission of Western Australia (2016) *Annual Report 2015-16.*

Lotterywest

The profits from the sale of lottery products in Western Australia are returned to the community in support of hospitals, the arts, sports and eligible not-for-profit community organizations.

The *Lotteries Commission Act 1990* mandates that 40% be allocated to the Hospital Fund, 5% to the Arts Lotteries Account and 5% to the Sports Lotteries Account. Funds are distributed to eligible organisations for charitable purposes and up to 5% reserved for the Perth International Arts Festival and the Western Australian commercial film industry.[77]

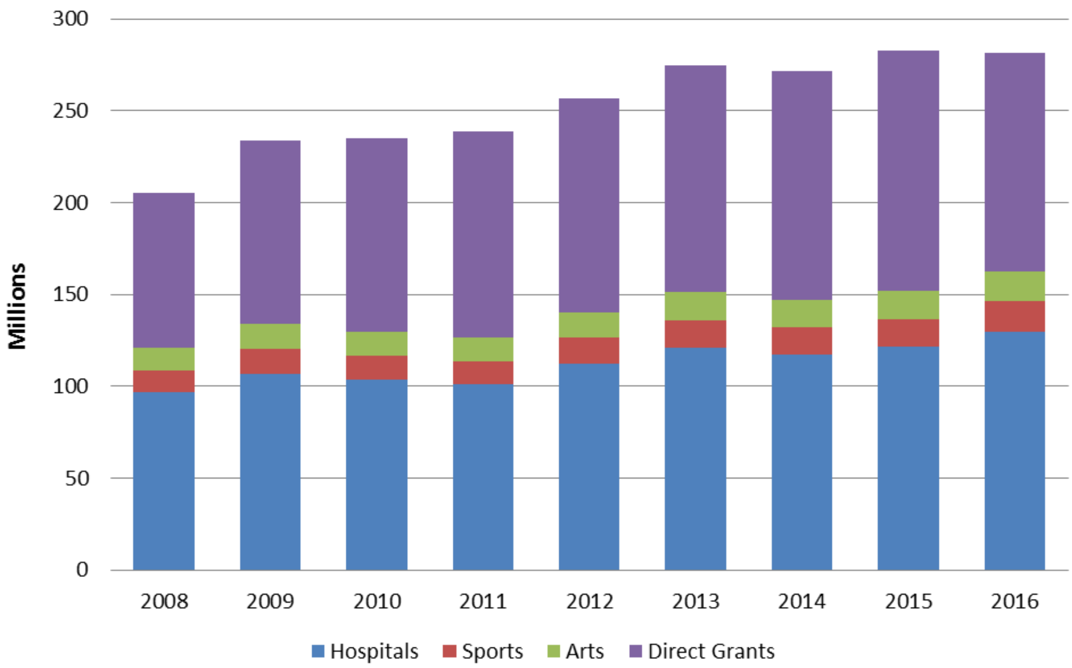
In 2015-16 Lotterywest provided $281.4 million worth of funding to the community.[78]

Table 7-36 Community funding by Lotterywest – Western Australia (2016)

Recipient	$ million
Hospitals and Health Services	$130
Culture and the Arts	$16.3
Sport and Recreation	$16.3
Direct Grants	$118.9
- $7.6 million for Perth International Arts Festival	
- $7.6 million for West Australian Screen Industry	
- $103.7 million for Charitable and Community Groups	
Total	**$281.4**

Source: Lotterywest (2016) Annual Report 2016.

Figure 7-9 Lotterywest Grants Expenditure by Expense Type 2008-2016



Source: Lotterywest (2016) Annual Report 2016.

[77] Lotterywest (2016) *Annual Report 2016.*
[78] Lotterywest (2016) *Annual Report 2016.*

ESTIMATING THE ECONOMIC AND SOCIAL BENEFITS AND COSTS OF GAMBLING

Productivity Commission

Productivity Commission 1999

The table below shows Productivity Commission estimates in relation to consumer surplus and net benefit or loss to the consumer in the context of various gambling forms. Consumer surplus refers to the difference between what a consumer is willing to pay for goods and the amount that they actually pay.

It should be noted that these figures relate to data collected more than a decade ago. As such, they should be treated as being of historical interest only and interpreted with caution in the current context.

No comparable nation-wide cost/benefit analysis has been carried out since this time.

Table 7-37 Estimated consumer benefits, social costs and net impacts of gambling, by type of gambling (1997-98)

Form of gambling	Consumer surplus[79]	Tax, licences, community contribution	Consumer loss[80]	Net consumer benefit	Social costs	Net benefit / (loss)
			$m			
Wagering	410-666	611	391-392	629-885	267-830	(201)-617
Lotteries	427-693	832	27-27	1,232-1,498	34-106	1,126-1,464
Scratchies	77-124	174	32-32	219-266	24-74	145-243
EGMs	1,404-2,281	2,365	2,152-2,155	1,617-2,491	1,369-4,250	(2,634)-1,122
Casino games	305-495	280	3-4	580-769	48-150	431-723
Other	129-210	51	77-77	103-184	57-176	(73)-127
All	**2,745-4,460**	**4,312**	**2,692-2,696**	**4,365-6,076**	**1,800-5,586**	**(1,221)-4,277**

Source: Productivity Commission (1999) Australia's Gambling Industries, Report No. 10, Canberra.

The Productivity Commission estimated that consumer benefits (enjoyment) of gambling may be valued at between $4.4 billion and $6.1 billion each year. The net benefit (surplus) comprises satisfaction or entertainment value, tax revenue for government, licence fees, community contributions and the consumer loss experienced by problem gamblers.

Consumer loss for problem gamblers refers to the direct dollar amount spent by problem gamblers based on the judgement that they did not receive 'value-for money' for their expenditure. Consumer loss does not take into account the indirect costs of gambling, such as problems that may be experienced by the individual, their family and the wider community.

The social costs of problem gambling are difficult to measure, but are required to make an estimate of the net impacts. In estimating these figures, the Productivity Commission focussed on a wide range of costs associated with gambling, such as financial costs (debts and bankruptcy), effects on productivity and employment, crime, personal and family impacts (relationship breakdowns and health issues) and treatment costs.

[79] For recreational gamblers.
[80] For problem gamblers.

Productivity Commission 2010

In 2010 the Productivity Commission updated their assessment of the costs and benefits of gambling. The same conceptual framework that was developed for the 1999 report was used.

2010 calculations take into account changes in expenditure, problem gambling prevalence, population, household income and inflation.

The table below shows the Productivity Commission's analysis of the benefits and costs of gambling with values for 1997-98 and 2008-09 with both high and low elasticity of demand for gambling.

Elasticity of demand is the level of effect of movements in price for a good or service and the impact that this has on demand.

Low elasticity suggest that price in increases will have a lesser effect on the level of demand while high elasticity suggests that demand for a good/service is highly sensitive to price.

Table 7-38 Productivity Commission – Gambling Benefits and Costs: the 'average' results

	1997-98		2008-09	
	High elasticity	Low elasticity	High elasticity	Low elasticity
	$m	$m	$m	$m
All Gambling				
Tax and recreational consumer benefits	8,772	7,057	14,672	11,470
Problem gambling cost				
High	8,282	8,278	9,771	9,765
Low	4,496	4,492	6,013	6,007
Net social benefits				
High	4,276	2,565	8,659	5,463
Low	490	-1,211	4,901	1,705
EGM Gambling				
Tax and recreational consumer benefits	4,652	3,773	8,807	6,397
EGM gambling – problem gambling cost				
High	6,405	6,402	7,720	7,715
Low	3,524	3,521	5,040	5,034
Net social benefit				
High	1,128	252	3,047	1,363
Low	-1,753	-2,629	367	-1,318

Source: Productivity Commission (2010) Gambling, Report no. 50, Canberra.

The Productivity Commission stated that for the majority of Australians who do not experience problems unavailability of gambling would mean a loss of an entertainment worth billions of dollars to them collectively. [81]

It was a finding of the Commission that the gambling industry makes various contributions of value to local communities, including through the provisions of secure, accessible venues.[82]

[81] Productivity Commission (2010) *Gambling, Report no. 50*, Canberra.
[82] Productivity Commission (2010) *Gambling*, *Report no. 50*, Canberra (Finding 6.1).

While it is not possible to be definite about the costs and benefits on gambling, the Commission estimated that in 2008-09:

- the benefits from tax revenue and enjoyment of gambling for recreational gamblers ranged between $12.1 and $15.8 billion;
- the costs to problem gamblers ranged between $4.7 and $8.4 billion
- the overall net benefits ranged between $3.7 and $11.1 billion

The Commission added that "the net benefits could be much larger if governments reduced the costs through effective prevention and harm minimisation policies".[83]

Casinos and Consumer Surplus

The Allen Consulting Group for the Australasian Casino Association also modelled both the gaming and non-gaming contribution of the casino industry using a number of price elasticity calculations. The findings of this analysis are outlined below.

Table 7-39 Estimated casino consumer surplus (2007-08)

	Gaming			Non-gaming	Total		
Price elasticity	-0.75	-0.87	-1	-1	-0.75	-0.87	-1
Consumer surplus ($m)	2,112	1,821	1,584	440	2,552	2,261	2,024

Depending on the price elasticity value used Allen Consulting estimates the consumer surplus from casinos in Australia to be between $1.6 billion and $2.1 billion.

[83] Productivity Commission (2010) *Gambling, Report no. 50,* Canberra (Finding 6.3).