



A GUIDE TO AUSTRALASIA'S GAMBLING INDUSTRIES

Facts, Figures and Statistics

CHAPTER FIVE

Gambling Taxation in Australia

2019/20

A Guide to Australasia's Gambling Industries

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Chapter 5

Gambling Taxation in Australia

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Version Control

Revision	Date	Explanation
2016-17	October 2018	2016-17 Edition. Updated with statistics from Australian Gambling Statistics, 34 th Edition.
2017-18	January 2020	2017-18 Edition. Updated with statistics from Australian Gambling Statistics, 35 th Edition.
2018-19	July 2021	2018-19 Edition. Updated with statistics from Australian Gambling Statistics, 36 ^h Edition.
2019-20	January 2023	2019-20 Edition. Updated with statistics from Australian Gambling Statistics, 37 th Edition.

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 (2019-20)

Location	Gambling tax (\$m)	Gambling tax per adult (\$)
Australian Capital Territory	56	167.09
New South Wales	2,225	350.50
Northern Territory	75	407.26
Queensland	1,182	298.99
South Australia	337	242.21
Tasmania	84	196.59
Victoria	1,476	282.80
Western Australia	413	202.57
Total	5,847	293.88

Source: Queensland Government Statistician's Office, Queensland Treasury (2022) Australian Gambling Statistics 1994-95 to 2019-20 (37th 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 2019-20, gambling taxes in Australia amounted to approximately \$5.8 billion. On a per capita basis, gambling tax per adult was highest in the Northern Territory and lowest in the ACT.

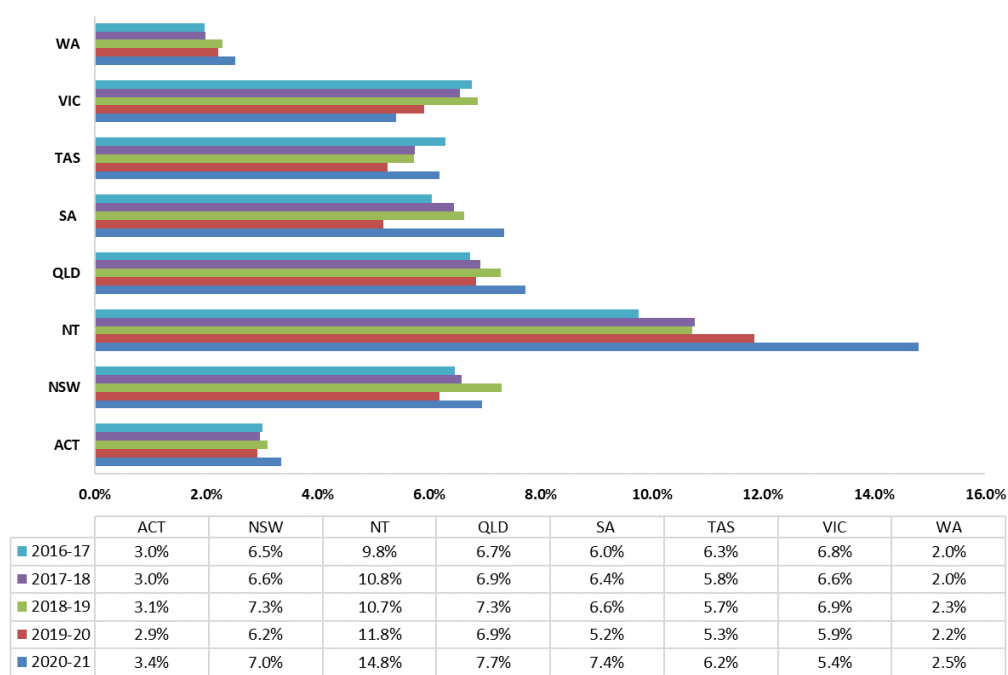
Table 5-2 Gambling tax as a proportion of total state tax revenue in Australia

Location	2016-17	2017-18	2018-19	2019-20	2020-21
Australian Capital Territory	3.0%	3.0%	3.1%	2.9%	3.4%
New South Wales	6.5%	6.6%	7.3%	6.2%	7.0%
Northern Territory	9.8%	10.8%	10.7%	11.8%	14.8%
Queensland	6.7%	6.9%	7.3%	6.9%	7.7%
South Australia	6.0%	6.4%	6.6%	5.2%	7.4%
Tasmania	6.3%	5.8%	5.7%	5.3%	6.2%
Victoria	6.8%	6.6%	6.9%	5.9%	5.4%
Western Australia	2.0%	2.0%	2.3%	2.2%	2.5%

Source: Extrapolated from ABS (2022) 5506.0 Taxation Revenue, Australia 2020-21.

Gambling taxes accounted for a significant proportion of total state and territory taxes.

Figure 5-1 Gambling tax as a proportion of total tax revenue in Australia by state/territory (2016-17 to 2020-21)



Gambling Tax as a % of Total State Tax

Source: Extrapolated from ABS (2022) 5506.0 Taxation Revenue, Australia 2020-21.

EFFECTIVE TAXATION

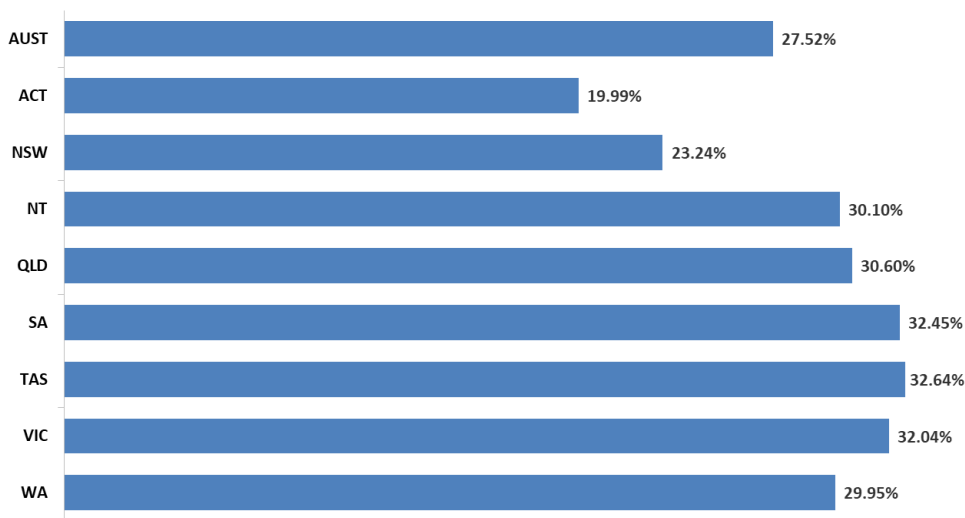
Table 5-3 Gambling tax revenue as a percentage of gambling expenditure in Australia by gambling form (2019-20)

Product	Expenditure (\$m)	Tax (\$m)	%
Gaming	16,676.1	5,358.597	32.1
Casino gaming	3,514.3	477.894	13.6
Gaming machines ¹	10,198.2	3,061.015	30.0
Interactive gaming	3.8	0.090	2.4
Keno	306.5	47.843	15.6
Lotteries ²	2,624.1	1,771.118	67.5
Minor gaming	29.2	0.637	2.2
Wagering	4,567.1	488.422	10.7
All Gambling	21,243.2	5,847.0	27.5

Source: Queensland Government Statistician's Office, Queensland Treasury (2022) Australian Gambling Statistics 1994-95 to 2019-20 (37th 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.

Please note. As a result of the introduction of point of consumption tax and subsequent changes to the way wagering data are collected, detailed breakdowns for wagering are no longer reported by Australian Gambling Statistics and represent a break in series for all states and territories. This is the first edition whereby Racing and Sports Betting data are combined under the one Wagering banner.

The level of taxation between types of gambling and jurisdictions varies. Of all gambling expenditure reported for the 2019-20 year, 27.5% was collected as tax by governments.

Figure 5-2 Gambling tax revenue as a percentage of gambling expenditure in Australia by state/territory (2019-20)

Source: Queensland Government Statistician's Office, Queensland Treasury (2022) Australian Gambling Statistics 1994-95 to 2019-20 (37th 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.

¹ Does not include gaming machines in casinos.

² Includes lotteries, lotto and instant scratchies. Pools was withdrawn from the Australian Lottery Market on 23 June 2018.

AGGREGATE TAXATION

Table 5-4 Aggregate gambling taxation in Australia by gambling type and state/territory (2019-20) - \$ million

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUST
	\$ million								
GAMING									
Casino gaming	2.011	168.841	7.748	84.282	11.650	14.267	149.353	39.742	477.894
Gaming machines ³	24.501	1,402.378	32.855	629.311	200.264	22.382	749.324	0.000	3,061.015
Interactive gaming	0.000	0.000	0.090	0.000	0.000	0.000	0.000	0.000	0.090
Keno	2.853	11.062	0.923	16.172	11.236	1.807	3.790	0.000	47.843
Lotteries ⁴	14.828	471.009	26.855	330.227	79.709	40.403	515.958	292.129	1,771.118
Minor gaming	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.637	0.637
TOTAL GAMING	44.193	2,053.290	68.471	1,059.992	302.859	78.859	1,418.425	332.508	5,358.597
WAGERING	11.485	172.041	6.638	121.578	34.400	4.712	57.395	80.174	488.422
ALL GAMBLING	55.678	2,225.331	75.109	1,181.570	337.259	83.570	1,475.820	412.682	5,847.019

Source: Queensland Government Statistician's Office, Queensland Treasury (2022) Australian Gambling Statistics 1994-95 to 2019-20 (37th 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.

Please note. As a result of the introduction of point of consumption tax and subsequent changes to the way wagering data are collected, detailed breakdowns for wagering are no longer reported by Australian Gambling Statistics and represent a break in series for all states and territories. This is the first edition whereby Racing and Sports Betting data are combined under the one Wagering banner.

³ Does not include gaming machines in casinos.

⁴ Includes lotteries, lotto and instant scratchies. Pools was withdrawn from the Australian Lottery Market on 23 June 2018.

PER CAPITA TAXATION

Table 5-5 Per capita gambling taxation in Australia by gambling type and state/territory (2019-20) (\$)

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUST
	\$ million								
GAMING									
Casino gaming	6.03	26.59	42.01	21.33	8.37	33.56	28.62	19.51	24.02
Gaming machines ⁵	73.53	220.88	178.15	159.25	143.82	52.65	143.59	0.00	153.85
Interactive gaming	0.00	0.00	0.49	0.00	0.00	0.00	0.00	0.00	0.00
Keno	8.56	1.74	5.00	4.09	8.07	4.25	0.73	0.00	2.40
Lotteries ⁶	44.50	74.19	145.61	83.56	57.24	95.04	98.87	143.40	89.02
Minor gaming	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.03
TOTAL GAMING	132.62	323.40	371.27	268.23	217.50	185.51	271.80	163.22	269.34
WAGERING	34.47	27.10	35.99	30.77	24.70	11.08	11.00	39.36	24.55
ALL GAMBLING	167.09	350.50	407.26	298.99	242.21	196.59	282.80	202.57	293.88

Source: Queensland Government Statistician's Office, Queensland Treasury (2022) Australian Gambling Statistics 1994-95 to 2019-20 (37th 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.

Please note. As a result of the introduction of point of consumption tax and subsequent changes to the way wagering data are collected, detailed breakdowns for wagering are no longer reported by Australian Gambling Statistics and represent a break in series for all states and territories. This is the first edition whereby Racing and Sports Betting data are combined under the one Wagering banner.

⁵ Does not include gaming machines in casinos.

⁶ Includes lotteries, lotto and instant scratchies. Pools was withdrawn from the Australian Lottery Market on 23 June 2018.

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 (2021), *Overview of state taxes and royalties 2019-20, 2020-21 and 2021-22*.

Please note that gambling taxation rates throughout the Australian states/territories are complex and can be detailed. The following section is designed as a brief guide to major rates/levies only. Information is for the 2019-20 period, with key changes to date highlighted as applicable. Detailed information regarding current 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 annual licence fee of \$891,877, adjusted for CPI movements, is payable for each 12-month period to 31 December, starting in 2019. The first payment (7 February 2020) was \$972,196. In 2021 it was \$980,563.

New South Wales

- Tax** 2019-20
- Base rate of 16.41% applies to gross revenue up to \$765 million.
 - Rate increases by one percentage point up 37.41% over 21 revenue bands.
 - Top rate of 38.91% applies to revenue above \$898.9 million.
 - 10% tax applies to high roller gaming revenue with a non-refundable minimum of \$6 million paid.
- 2020-21
- Star Casino
- Under traditional arrangements in place until 4 July 2021, a rate of 16.41% applies to 38.91% of gross revenue.
 - 10% tax applies to high roller gross gaming revenue.
- Crown Sydney
- Rates based on revenue for table games and high rollers.
 - Table games 17.91%
 - High roller tax 10%
- 2021-22
- Star Casino
- Table games 17.91% of non-rebate revenue
 - Electronic gaming machines 20.91%
 - High roller tax 10% of rebate revenue
- Crown Sydney
- Rates based on revenue for table games and high rollers.
 - Non-rebate gaming revenue taxed at 17.91%
 - Rebate gaming revenue at 10%

From 1 July 2023: *Intended casino duty rates casinos.*

The NSW Government has announced its intention to increase tax rates applied to casinos as follows:⁷

- Non-rebate table gaming revenue to rise from 17.91% to 20.25%
- High roller rebate gaming revenue to rise from 10% to 12.5%
- Electronic gaming machine revenue to rise from 20.91% to a tiered schedule as follows⁸:

Net Monthly Gaming Machine Revenue (per EGM)	Less than \$2,666	\$2,666 or more and less than \$6,667	\$6,667 or more and less than \$12,500	\$12,500 or more
Tax Rate	0.0%	46.7%	51.17%	60.67%

Licence

Star Casino

- A one-off payment of \$256 million was paid in 1995 for a 99 year licence and 12 year exclusivity. The exclusivity was extended to November 2019 for a fee of \$100 million.

Crown Sydney

- A \$100 million fee was paid in 2014 for a 99 year restricted gaming licence. Crown Sydney, also referred to as One Barangaroo, was opened in December 2020 (excluding gambling operations). A provisional permit to open the gaming floors was issued in June 2022 and commenced operations in August 2022.

Levy

A 2% responsible gambling levy applies to gaming revenue.

Northern Territory

Tax

Lasseters:

- 15% of gross profit on gaming machines increasing to 20% in 2022.
- Table games incur a GST rate.

Mindil Beach Casino Resort (Formerly Skycity Darwin Casino)

- 15% of gross profit on gaming machines.
- 10% of gross profit on Keno.
- Table games incur a GST rate.

Licence

Nil

Levy

A Community Benefit Levy of 10% on gross profits is payable.

⁷ NSW Government (2022) Intended casino duty rates [Intended casino duty rates](#) | NSW Treasury (accessed February 2023)

⁸ Electronic gaming machines operate at The Star Sydney casino.

Queensland

- Tax**
- Brisbane and Gold Coast (non-premium play)
- Table Games and Keno – 20% of gross revenue.
 - Gaming Machines – 30% of gross revenue.
- Townsville and Cairns (non-premium play)
- Table Games and Keno – 10% of gross revenue.
 - Gaming Machines – 20% of gross revenue.
- Premium Play – All Queensland Casinos
- 10% of gross gaming revenue.
- Licence**
- A licence fee is paid on a quarterly basis, indexed annually:
- 2018-19 \$254,700 per quarter;
 - 2019-20 \$260,400 per quarter;
 - 2020-21 \$265,100 per quarter;
 - 2021-22 \$269,600 per quarter.

South Australia

- Tax**
- Gaming Machines – 41%
 Table Games – 3.41%
 Automated table games – 10.91%
 Premium Gaming Machines – 10.91%
 Premium Table Games – 0.91%
- Licence**
- A one-off payment of \$20 million was paid in 2012 for a 23-year exclusivity period, expiring in 2035.

Tasmania

- Tax⁹**
- 25.88% of gross profit on electronic gaming machines.
 0.88% of gross profit on table games.
 5.88% of gross profit on Keno.
- From 1 July 2023: Proposed tax rates under Future Gaming Market Policy¹⁰*
- 10.91% of gross profit on electronic gaming machines.
 0.91% of gross profit on table games.
 0.91% of gross profit on (casino) Keno.
 20.31% state-wide Keno
- Licence**
- A monthly licence fee is paid, indexed annually:
- 2018-19 \$155,900 per month;
 - 2019-20 \$162,200 per month;
 - 2020-21 \$167,635 per month.
- Levy**
- From 1 July 2023, a 3% Community Support Levy will apply to monthly gross profits derived from gaming machines at casinos.¹¹

⁹ The data excludes the two Spirit of Tasmania licences as gaming operations have ceased aboard both vessels.
<https://www.treasury.tas.gov.au/liquor-and-gaming/publications-and-research/gambling-industry-data/gaming-and-wagering-industry-data>
 (accessed February 2023)

¹⁰ *Gaming Control Amendment (Future Gaming Market) Act 2021*

¹¹ *Ibid*

Victoria

Tax *Regular play:* 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 a base amount.

Commission-based play: 9% of gross revenue applies to dedicated gaming machine and table games.

Licence A \$200 million licence fee was paid in 1993, in addition to further monthly tax payments from July 1994 to December 1998 (\$158.4 million).

A new licence agreement was implemented in 2014 to allow for an increase in the number of EGMs and table games. An upfront payment of \$250 million was paid, with an additional \$250 to be paid in 2033. Under the agreement, two payments of \$100 million each are to be paid should casino revenue growth exceed 4% and 4.7% between 2013-14 and 2021-22. Amendments guarantee \$35 million a year from taxation from new gaming products.

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

Western Australia

Tax Electronic gaming machines – 12.42% of gross revenue
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

Licence A one-off payment of \$20.6 million was paid in 1985 for the casino licence, plus an annually indexed licence fee:

- 2017 \$2.82 million;
- 2018 \$2.88 million;
- 2019 \$2.93 million;
- 2020 \$2.98 million;
- 2021 \$3.00 million (provisionally).

In 2010 a one-off payment of \$20 million was paid allow for an increase in the number of electronic gaming machines and table games.

Levy Two percent of revenue from gaming machines, and 1% of gaming revenue from table games and ICB, are paid for the conservation of Burswood Park and the Swan/Canning River.

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: Gaming Machines Act 2004

The *Gaming Machine Amendment Act 2017* introduced a 50 per cent gaming machine tax (GMT) rebate for Gaming Machine licensees that meet the definition of a small or medium club/club group. The change enables clubs to claim a rebate of 50% of their gaming machine tax liability for the year, where gross revenue is less than \$4 million.¹²

The minimum community contribution that a club must make, as a percentage of net revenue, is 0.4% paid to the Commission and transferred to the Chief Minister's Charitable Fund, 0.4% is paid to the Gambling Harm Prevention and Mitigation Fund; and 8% made as a community purpose contribution.¹³

In addition, 0.75% of gross gaming machine revenue is liable to be paid towards the Gambling Harm Prevention and Mitigation Fund.¹⁴

New South Wales

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

Quarterly Profit	Up to \$250k	>\$250k- \$450k	>\$450k- \$1.25m	>\$1.25m to \$2.5m	>\$2.5m To \$5m	>\$5m
Tax Rate	0.0%	28.05%	18.05%	22.55%	24.55%	26.55%

Sources: New South Wales Government - Revenue, <https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/gaming-machine-tax> (accessed September 2022)

After the 31 August each year, NSW clubs can apply for an adjustment of their quarterly tax payments compared with annual profits from gaming machines, as follows:

Quarterly Profit	<\$1m	\$1m to \$1.8m	\$1.8m to \$5m	\$5m to \$10m	\$10m To \$20m	>\$20m
Tax Rate	0.0%	29.9% on amount over \$1m	19.9%	24.4%	26.4%	28.4%

Sources: New South Wales Government – Revenue, <https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/gaming-machine-tax> (accessed September 2022)

A minimum of 0.4% of a club's gaming machine profits in excess of \$250,000 is allocated to the ClubGRANTS fund each tax year.¹⁵

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 contribute the equivalent amount to eligible community projects.¹⁶

A GST rebate is available for clubs only.¹⁷

¹² ACT Government, Gaming and Racing Commission (2022) <https://www.gamblingandracing.act.gov.au/industry/gaming-machines/gaming-machine-tax-rebate> (accessed September 2022)

¹³ Gaming Machine Act 2004.

¹⁴ Ibid.

¹⁵ New South Wales Government - Revenue, <https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/gaming-machine-tax> (accessed September 2022)

¹⁶ Ibid.

¹⁷ Ibid.

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

Monthly Gross Profits	Tax Rate
\$0 – \$10,000	12.91%
\$10,001 – \$100,000	22.91%
\$100,001 – \$200,000	32.91%
>\$200,001	42.91%

Source: Gaming Machine Regulation 1995.

Licensed clubs are not subject to a fund contributions levy, but are required to make a direct contribution to community development and improvement, particularly in their geographic areas of influence.

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: Queensland Office of Liquor and Gaming Regulation (2022) Gaming licence fees and charges 2022–2023.

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

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	0.0%
\$75,001 – \$399,000	21%
\$399,001 – \$945,000	\$68,040 + 28.5% of excess NGR over \$399,000
\$945,001 – \$1,500,000	\$223,650 + 30.91% of excess NGR over \$945,000
\$1,500,001 - \$2,500,000	\$395,200 + 37.5% of excess NGR over \$1.5 million
\$2,500,001 – \$3,500,000	\$770,200 + 47% of excess NGR over \$2.5 million
>\$3.5 million	\$1,240,200.50 + 55% of excess NGR over \$3.5 million

Source: South Australian Consumer and Business Services (2022) South Australian Gambling Policy – Gaming Tax.

In South Australia, tax rates are based on annual Net Gambling Revenue (NGR); the total amount of all bets made on gaming machines in a gaming venue, less the total amount of all prizes won. Gaming machine taxes are calculated and paid monthly.

Tasmania¹⁸

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 annual gross profit.¹⁹

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

Under the Tasmanian Future Gaming Market policy, from 1 July 2023 the operation of electronic gaming machines (EGM) in hotels and clubs will move from the current single gaming operator model to an individual venue operator model.

As of 2023, it is proposed that the state tax on gaming machines in clubs will rise to 32.91% and will apply to monthly gross profit.

Furthermore, venues will pay a progressive annual licence fee of between \$1 000 and \$2 500 per EGM.²⁰

Victoria

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

Average Monthly Revenue per Machine	Tax Rate
Less than \$2,666	0.0%
\$2,666 – less than \$12,500	46.7%
>\$12,500	54.2%

Source: Victorian Justice and Community Safety (2022) <https://www.justice.vic.gov.au/safer-communities/gambling/gaming-machine-entitlements#tax-arrangements-from-august-2022> (Accessed September 2022)

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
Less than \$2,666	0.0%
\$2,666 – less than \$6,667	46.7%
\$6,667 – less than \$12,500	51.17%
>\$12,500	60.67%

Source: Victorian Justice and Community Safety (2022) <https://www.justice.vic.gov.au/safer-communities/gambling/gaming-machine-entitlements#tax-arrangements-from-august-2022> (Accessed September 2022)

¹⁸ The data excludes the two Spirit of Tasmania licences as gaming operations have ceased aboard both vessels. <https://www.treasury.tas.gov.au/liquor-and-gaming/publications-and-research/gambling-industry-data/gaming-and-wagering-industry-data> (accessed February 2023)

¹⁹ Tasmanian Department of Treasury and Finance (2022) <https://www.treasury.tas.gov.au/liquor-and-gaming/fees/gaming-and-wagering-tax-rates> (accessed September 2022)

²⁰ Tasmanian Department of Treasury and Finance (2021) *Hotel and Club Changes: Consultation fact sheet*.

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.

The minimum community contribution that a licensee that is not a club must make, as a percentage of the licensee's community contribution revenue (gross revenue less gaming machine tax), is 0.4% paid to the Commission and transferred to the Chief Minister's Charitable Fund; and 0.4% paid to the Gambling Harm Prevention and Mitigation Fund.²¹

In addition, 0.75% of gross gaming machine revenue is liable to be paid towards the Gambling Harm Prevention and Mitigation Fund.²²

New South Wales

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

Quarterly Profit	<\$50,000	>\$50,000 to \$250,000	>\$250,000 to \$1.25m	>\$1.25m
Tax Rate	0.0%	33.0%	36.0%	50.0%

Sources: New South Wales Government – Revenue. <https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/gaming-machine-tax> (accessed September 2022)

After the 31 August each year, NSW hotels can apply for an adjustment of their quarterly tax payments compared with annual profits from gaming machines, as follows:

Quarterly Profit	<\$50,00	>\$50,000 to \$250,000	>\$250,000 to \$1.25m	>\$1.25m
Tax Rate	0.0	33.0%	36.0%	50%

Sources: New South Wales Government - Revenue, <https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/gaming-machine-tax> (accessed September 2022)

Northern Territory

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

Monthly Gross Profits	Tax Rate
\$0 – \$10,000	12.91%
\$10,001 – \$100,000	22.91%
\$100,001 – \$200,000	32.91%
>\$200,001	42.91%

Source: Gaming Machine Regulation 1995.

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

²¹ Gaming Machines Act 2004.

²² Gaming Machine Act 2004.

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 a Health Services Levy, as outlined in Table 5-14.

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

Monthly Metered Win	Levy Rate
\$0-\$100,000	0.0%
\$100,001 - \$140,000	3.5%
\$140,001 - \$180,000	5.5%
\$180,001 - \$220,000	7.5%
\$220,001 - \$260,000	13.5%
>\$260,000	20.0%

Source: Queensland Office of Liquor and Gaming Regulation (2022) *Gaming licence fees and charges 2022–2023*.

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	0.0%
\$75,001 – \$399,000	27.5%
\$399,001 – \$945,000	\$89,100 + 37% of excess NGR over \$399,000
\$945,001 – \$1,500,000	\$291,120 + 40.91% of excess NGR over \$945,000
\$1,500,001 - \$2,500,000	\$518,170.50 + 47.5% of excess NGR over \$1.5 million
\$2,500,001 - \$3,500,000	\$993,170.50 + 57% of excess NGR over \$2.5 million
>\$3.5 million	\$1,563,170.50 + 65% of excess NGR over \$3.5 million

Source: South Australian Consumer and Business Services (2022) *South Australian Gambling Policy – Gaming Tax*.

In South Australia, tax rates are based on annual Net Gambling Revenue (NGR); the total amount of all bets made on gaming machines in a gaming venue, less the total amount of all prizes won. Gaming machine taxes are calculated and paid monthly.

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 annual gross profit.²³

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

Under the Tasmanian Future Gaming Market policy, from 1 July 2023 the operation of electronic gaming machines (EGM) in hotels and clubs will move from the current single gaming operator model to an individual venue operator model.

As of 2023, it is proposed that the state tax on gaming machines in hotels will rise to 33.91% and will apply to monthly gross profit. The Community Support Levy will increase to 5% for hotels.

Furthermore, venues will pay a progressive annual licence fee of between \$1 000 and \$2 500 per EGM.²⁴

²³ Tasmanian Department of Treasury and Finance (2022) <https://www.treasury.tas.gov.au/liquor-and-gaming/fees/gaming-and-wagering-tax-rates> (accessed September 2022)

²⁴ Tasmanian Department of Treasury and Finance (2021) *Hotel and Club Changes: Consultation fact sheet*.

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

Average Monthly Revenue per Machine	Tax Rate
Less than \$2,666	8.33%
\$2,666 – less than \$12,500	55.03%
>\$12,500	62.53%

Source: Victorian Justice and Community Safety (2022) <https://www.justice.vic.gov.au/safer-communities/gambling/gaming-machine-entitlements#tax-arrangements-from-august-2022> (Accessed September 2022)

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
Less than \$2,666	8.33%
\$2,666 – less than \$6,667	55.03%
\$6,667 – less than \$12,500	57.50%
>\$12,500	65%

Source: Victorian Justice and Community Safety (2022) <https://www.justice.vic.gov.au/safer-communities/gambling/gaming-machine-entitlements#tax-arrangements-from-august-2022> (Accessed September 2022)

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.

Queensland²⁵

Brisbane and Gold Coast casinos: 20% of gross revenue.

Townsville and Cairns casinos: 10% of gross revenue.

South Australia

Keno in South Australia is set at 41% of net gambling revenue, paid into the Hospitals Fund. As of 2021-22, the rate increased 61.1% of net gambling revenue.

Tasmania

Keno (casino and state-wide) tax is calculated at 5.88% of gross profit.

From 1 July 2023: Proposed tax rates under Future Gaming Market Policy²⁶

0.91% of gross profit on (casino) Keno.

20.31% state-wide Keno

Victoria²⁷

Keno entities pay a point of consumption tax from 15 April 2022.

Keno tax is calculated on the Net Keno Revenue (NKR) of a keno entity each month at the rate of 24.24%. This is GST inclusive. There is no tax-free threshold.

Western Australia

Keno is only available at Crown Perth casino. The tax rate is set at 9.37% of gross revenue.

²⁵ Government of Western Australia, Department of Treasury (2019) *Overview of state taxes and royalties 2018-19, 2019-20 and 2020-21*.

²⁶ *Gaming Control Amendment (Future Gaming Market) 2021*

²⁷ State Revenue Office of Victoria (2022) <https://www.sro.vic.gov.au/keno-tax> (accessed February 2023)

Lotteries

Australian Capital Territory

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

New South Wales

Tax is calculated at 76.918% of player loss on subscriptions and sales commissions (less GST).

Northern Territory

Under the *Gaming Control Act 1993*, agreements between a lottery licence holder and the Northern Territory, including details relating to fees and taxes, are commercial in confidence.

Queensland

In 2019-20 lotteries incurred a tax rate of 73.48% of gross revenue, and 45% for Golden Casket lotteries.

As of the period 2020-21 and 2021-22 lotteries incurred a tax rate of 73.48% of gross revenue.

GST credit is provided.

South Australia

41% of net gambling revenue from lotteries is paid into the Hospitals Fund.

In 2021-22, the rate increased to 48.9% with payments distributed the SA Recreation and Sport Fund, and the Hospitals Fund.

Tasmania

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

Victoria

Lotteries in Victoria are taxed at a rate of 79.4% of player loss where GST is payable, and 90.0% where GST is not payable.

Western Australia

12.50% of net subscriptions and any surplus funds for lotteries in Western Australia are distributed to eligible organisations by the Lotteries Commission.

Wagering

Australian Capital Territory

Racing Bets Levy	<p>The Racing Bets Levy is a fee for publication and use of race fields paid by betting operators to a controlling body, which is collected for the racing industry.</p> <p>Race field fees are not legislated for in the ACT but are set in commercial arrangements between wagering operators and the racing industry.</p>
Point of Consumption Wagering Tax	<p>A Point of Consumption Wagering Tax commenced on 1 January 2019. For the period 1 January 2019 to 30 June 2022, the determined rate of the tax was 15% of net wagering revenue on all bets placed in the ACT or by ACT residents. A tax-free threshold of \$150,000 applies.</p> <p>As of 1 July 2022, the self-assessed point of consumption tax is 20%, payable by all betting operators whose Net ACT Betting Revenue (NABR) from ACT bets exceed the tax-free threshold in a financial year.</p>
Totalisator Licence Fee	<p>A fixed annual, indexed totalisator licence fee is payable by Tabcorp. Licence fees were forecasted as follows:</p> <ul style="list-style-type: none"> • 2019-20 \$1.1 million; • 2020-21 \$1.129 million; • 2021-22 \$1.119 million.

New South Wales

Racing Bets Levy	<p>The Racing Bets Levy is a fee for publication and use of race fields paid by betting operators to a controlling body, which is collected for the racing industry.</p> <p>In New South Wales race field fees are set in commercial arrangements between wagering operators and the racing industry, with legislated caps in place.</p> <p>Race field fees are capped at 4% of turnover for totalisator-derived odds. A cap of 3% for other odds for race meetings with a prize of \$1 million or more, otherwise fees are capped at 2.5% of turnover.</p>
Betting Tax	<p>The NSW licensee pays a betting tax under the <i>Betting Tax Act 2001</i>. Under the Act 10% of Net State Wagering revenue applies, with a \$1,000,000 tax free threshold.</p>

Northern Territory

Wagering Tax Rates	<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>
Bookmakers Betting Tax	<p>Bookmakers and betting exchanges are taxed at 10% of gross racing profits with an indexed annual cap of 500,000 revenue units:</p> <ul style="list-style-type: none"> • 2019-20 \$605,000; • 2020-21 \$605,000.

For the period 2021-22, bookmakers and betting exchanges are taxed at 5% of gross betting profits with an indexed annual cap of 1,000,000 units:

- 2021-22 \$1.24 million.

Racing Bets Levy

The Racing Bets Levy is a fee for publication and use of race fields paid by betting operators to a controlling body, which is collected for the racing industry.

Race field fees are not legislated for in the Northern Territory but are set in commercial arrangements between wagering operators and the racing industry.

Point of Consumption Tax

A Point of Consumption Tax does not apply in the Northern Territory.

Queensland

Racing Bets Levy

The Racing Bets Levy is a fee for publication and use of race fields paid by betting operators to a controlling body, which is collected for the racing industry.

As of 1 December 2022, a new 5% racing levy rate was legislated to provide for a more sustainable funding model for Queensland's racing industry.²⁸

The racing levy rate of 5% was added to the betting tax (also known as the Point of Consumption tax), and broadened betting tax revenue to include:

- Free and bonus bets
- increasing the proportion of betting tax revenue that goes directly to the racing industry from 35 per cent 80 per cent.²⁹

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 commenced on 1 October 2018 and applies to taxable wagering revenue exceeding an annual tax free threshold of \$300,000.

South Australia

Racing Bets Levy

The Racing Bets Levy is a fee for publication and use of race fields paid by betting operators to a controlling body, which is collected for the racing industry.

In South Australia race field fees are set in commercial arrangements between wagering operators and the racing industry, with legislated caps in place where no commercial arrangement is in place.

Betting Operations Tax (Point of Consumption Tax)

Effective from 1 July 2017, the South Australian Government introduced the Betting Operations Tax, a consumption tax of 15% on net wagering revenue of licenced operators offering services to South Australia.

A tax-free threshold of \$150,000 per year applies.

South Australia was the first Australian jurisdiction to introduce a wagering tax based on the place of consumption.³⁰

²⁸ *Betting Tax Act 2018*

²⁹ Queensland Government (2022) *Greater certainty for Queensland country racing: Media Statement*, 6 June 2022.

[https://statements.qld.gov.au/statements/95322#:~:text=The%20Palaszczuk%20Government%20is%20delivering,a%20new%20sustainable%20funding%20model\(accessed February 2023\).](https://statements.qld.gov.au/statements/95322#:~:text=The%20Palaszczuk%20Government%20is%20delivering,a%20new%20sustainable%20funding%20model(accessed%20February%202023).)

³⁰ South Australian Government, Department of Treasury and Finance (2018) <https://www.revenuesa.sa.gov.au/taxes-and-duties/wagering-tax> (accessed April 2018).

Tasmania

Racing Bets Levy	<p>The Racing Bets Levy is a fee for publication and use of race fields paid by betting operators to a controlling body, which is collected for the racing industry.</p> <p>Race field fees are not legislated for in Tasmania but are set in commercial arrangements between wagering operators and the racing industry.</p>
Totalisator Wagering Levy	<p>A fixed, annual Totalisator Wagering Levy was in force up to 1 January 2020. With the introduction of a Point of Consumption Tax, the fixed levy was replaced by a lower Totalisator Wagering Levy - indexed annually. The levies paid are as follows:</p> <ul style="list-style-type: none"> • 2018-19 \$7.426 million; • 2019-20 \$7.614 million; • 2020-21 \$1.499 million.
Point of Consumption Tax	<p>The Tasmanian Government introduced a Point of Consumption Tax rate of 15% on net wagering revenue on 1 January 2020. From 1 January to 30 June 2020 the tax free threshold was \$75,000. Thereafter a tax free threshold of \$150,000 applies.³¹</p>

Victoria

Bookmakers' Betting Levy (Sports)	Nil.
Racing Bets Levy	<p>The Racing Bets Levy is a fee for publication and use of race fields paid by betting operators to a controlling body, which is collected for the racing industry.</p> <p>Race field fees are not legislated for in Victoria but are set in commercial arrangements between wagering operators and the racing industry.</p>
Point of Consumption Tax	<p>From 1 January 2019, the Victorian Government replaced its wagering and betting tax structures with a Point of Consumption Tax.</p> <p>The tax applied 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.</p> <p>On 1 July 2021 the tax rate was increased from 8% to 10% of net wagering revenue.</p>

³¹ Tasmanian Department of Treasury and Finance, <https://www.treasury.tas.gov.au/liquor-and-gaming/gambling/point-of-consumption-tax-on-wagering> (accessed August 2021)

Western Australia

Racing Bets Levy 1% ≤ \$3 million annual turnover.

Annual turnover > \$3 million incurs the following levy rates:

- 2% pari-mutuel bets on standard race meetings;
- 2.5% pari-mutuel bets on premium race meetings;
- 1.5% betting exchange bets on standard race meetings;
- 2.5% betting exchange bets on premium race meetings.

Non-exchange fixed odds bets on standard race meetings – the greater of 13.6% gross revenue or 2% of turnover.

Non-exchange fixed odds bets on premium race meetings – the greater of 22.7% of gross revenue or 2.5% of turnover.

Point of Consumption Tax A 15% point of consumption tax, on net wagering revenue for online betting companies offering their product in Western Australia, came into effect from 1 January, 2019. For the period 1 January 2019 to 30 June 2019 the tax free threshold was \$75,000 - thereafter the tax-free threshold of \$150,000 applies.

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 2016-17, the total taxes paid to the Commonwealth, state/territory and local governments by the casino industry reached nearly \$1.3 billion, which represents approximately 30% of the total revenue generated by the casino industry.³²

Table 5-18 Casino Non-Gambling Contributions to Government (2016-17)

Taxation Type	\$ Million
Fringe Benefits Tax	\$3.6
Rates and Land Tax	\$33.4
Community Benefit Levies/Charges	\$33.1
Payroll Tax	\$95.8
Gambling Taxes	\$804.8
Income Tax	\$107.7
GST	\$206.6
Other Taxes	\$13.4
Total	\$1,298.40

Source: Australasian Gaming Council – Australasian Casino Industry Survey 2015-16 & 2016-17

Clubs

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

Type of Taxation	\$ million
Payroll tax	42
Land Tax	23
Personal Income Tax³³	164
Company Tax³⁴	71
Other Taxes	10

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

³² Australasian Casino Association (2011) *ACA Economic Survey 2009-10*.

³³ Calculated using tax paid on average earnings.

³⁴ Calculated based on 30% company tax rate.

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).³⁵

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

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.³⁶

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*.

³⁵ KPMG (2016) New South Wales Club Census 2015.

³⁶ PriceWaterhouse Coopers (2009) *More than just a Drink and a Flutter: An Overview of the Australian Hotel Industry*.