
M Gambling taxes

The taxation of gambling in Australia is complex. Tax arrangements vary greatly across states for the different gambling products. For some gambling activities, such as lotteries and racing, taxes are generally levied on gross *turnover*. For other products, such as poker machines and casinos, taxes are levied on *player loss* and, in some cases, *net profit*. In addition, gambling products are typically provided under some form of licensing arrangement for which licence fees are collected. The major forms of gambling taxes are summarised in table M.1. More details on the individual taxes in each jurisdiction on each of the major forms of gambling are presented in tables M.2 to M.5.

The same type of gambling may face various tax regimes within the same jurisdiction, with different tax rates or different tax bases for different operators. The most prominent of these is the contrasting taxation arrangements for gaming machines in clubs and hotels.

Some taxes are flat rate, but others have progressive scale structures which vary with the size of the operator. Moreover, the reference period for the payment of gambling taxes varies even on similar gambling products, with implications for compliance costs. For example, some gambling taxes are levied as up-front fees, but others are collected periodically — that is weekly, monthly, quarterly or annually.

Taxes on turnover persist in the older forms of gambling such as racing and lotteries. Newer forms of gambling are typically taxed on expenditure; that is, as a percentage of player loss. History plays an important part in the existence of turnover taxes, with government typically being the original owners of TABs and lottery providers. Governments set the amount that would be returned to players, retaining the remainder (in effect a turnover tax) out of which they pay for the cost of running the gambling operations.

Table M.1 Major forms of gambling taxation by gambling type

<i>Forms of taxation</i>	<i>Gambling activity</i>
Turnover tax	Bookmakers (racing) Bookmakers (sports betting) Totalisator wagering on racing Lottery subscriptions Draw card machines Keno
Tax on player loss	Totalisator wagering on racing Sports betting Poker machines in hotels, clubs, casinos Casinos TAB sports betting Keno
Net profits tax	Poker machines Off-course totalisator investment
Licence Fees	Casinos Poker machines Lotteries Racing Bookmakers Sports betting Minor gambling (bingo, raffles etc)

Where changes to existing taxes have been made, they have typically involved changing the base from turnover to expenditure.

- Taxes on turnover effectively act as a floor on the price of the gambling service — that is, by taking a share of the amount wagered, the government limits the amount that can be returned to those playing.
- Taxes on expenditure give gambling providers greater flexibility in setting the rate of return to the player.

The progressive tax structure in some jurisdictions is principally apparent in the taxation of clubs, where smaller clubs (those with less gaming machine revenue) are taxed at concessional rates.

Licence fees (other than those related to cost recovery for regulatory regimes) typically co-exist with exclusive marketing or other barriers to competition. Were such restrictions justified, a licence fee would have some merit. It enables the longer-term general tax structure to be set in place, while enabling the taxpayer to gain most, if not all of the (temporary) excess return available from restricted

competition. Competitive bidding for such licences also can provide governments with information on the expected impact of the restrictions that are put in place.

The following is a brief description of the key features of the taxes levied on different forms of gambling. This is followed by tables outlining the method and rate of taxation for each form of gambling in each jurisdiction.

Racing taxation

Totalisator racing

Taxes on totalisator racing are usually levied on the value of bets placed at TABs and are typically around 5 to 10 per cent of gross wagers. This is the net percentage that is retained by the government. If the proportion of revenue that is earmarked for the racing industry is included, gross deductions average 14 to 20 per cent of the amount wagered. The residual (net of these gross deductions) is distributed as winnings.

Gross deductions and government tax rates vary not only between on-course and off-course totalisator betting but often depend on the type of bet (such as, win/place, quinella, triffecta, superfecta etc) and whether a bet is in a combined totalisator pool scheme such as super TAB. Gross deductions and government tax rates are usually higher for quinella, triffecta, superfecta and other exotic bets.

Bookmaker's turnover tax

The tax on bookmakers' turnover on racing varies between states —ranging from one per cent in New South Wales and Queensland to two per cent in Victoria for most types of bets. However, in some jurisdictions tax rates vary depending on whether the bet is placed on a metropolitan or country race, local or interstate race and within or outside Australia. For example, in Victoria and South Australia the bookmaker's turnover tax is higher for bets placed on metropolitan than country races. Similarly, in South Australia and Tasmania the tax is higher for bets on interstate events than local events and, in the Northern Territory the tax rate is higher for bets within Australia than other bets. In New South Wales, Western Australia and the ACT the tax does not discriminate between courses.

There is also interstate variation in the allocation of revenue derived from bookmaker's turnover tax. For example, in Queensland revenue forms part of the consolidation fund while in states such as Victoria and South Australia some of the revenue is earmarked for specific purposes such as hospitals, charities, recreation

and sport development fund. In some cases, a proportion of the tax revenue is returned to racing clubs or sporting bodies holding the event.

Taxes on sports betting

The taxation of sports betting is similar to that of horse racing in that taxes apply to the amount wagered with the TAB. Gross deductions ranging from 17 per cent in Tasmania to 25 per cent in Queensland apply. The difference (net of these deductions) is paid out as winnings. The net percentage received by governments ranges from 4.5 in Tasmania to 10 per cent in Queensland. The remainder (gross deductions less government taxes) is usually divided between the TAB, the controlling sporting body and the Sport and Recreation Funds.

Bookmakers' tax for sports betting (that is, other than horse and greyhound racing) ranges from 1 per cent in Queensland to 2 per cent in Victoria and Western Australia. In Victoria, the tax rate is lower for country than metropolitan meetings. In Tasmania and the Northern Territory the tax rate is lower for bets from Australia and New Zealand than other bets.

Box M.1 Payments to the racing industry

All states and territories have arrangements for a proportion of the money spent on wagering to be paid to the racing industry. The arrangements in NSW and Victoria are outlined below.

New South Wales

In NSW, the TAB has, as a condition of its licence to run totalisator betting in NSW, entered into a Racing Distribution Agreement (RDA) with New South Wales Racing (NSWR) and the Racing Controlling Bodies. TAB is required to pay NSWR:

- a product fee (21.64 per cent of net wagering revenue. Net wagering revenue is essentially the total amount wagered less payouts of winnings)
- a Wagering Incentive Fee (25 per cent of wagering earnings. wagering earnings are essentially TAB's gross revenue from wagering less costs and state taxes but before commonwealth taxes); and
- a Gaming Incentive Fee (25 per cent of gaming earnings. gaming earnings are essentially TAB's revenues from gaming less costs and state taxes but before commonwealth taxes)

NSWR is also entitled to receive a contribution in respect of on-course totalizators. This contribution is 4.9 per cent of the total amount of wagers.

continued

Box M.1 continued**Victoria**

Tabcorp manages its wagering business on behalf of an unincorporated joint venture between Tabcorp Holdings Limited and VicRacing Pty Ltd (a company formed by the controlling bodies from thoroughbred, harness and greyhound racing in Victoria). The joint venture business has licences to conduct sports betting and Keno, and operates half of the electronic gaming machines (gaming machines) in Victoria (outside of the Casino).

VicRacing receives a 25 per cent share of the joint venture's total profit from gaming and wagering, described in the Tabcorp annual report as 25 per cent of all revenue and expenses, and Racing Products Victoria receives a product fee of 18.8 percent of net wagering revenue (basically the total amount wagered less winnings paid out), a \$2.5 million marketing fee, indexed to increases in net wagering revenue, and a \$50 million annual racing program fee for supplying the racing product. These funds are then distributed to the owners of these bodies, which are the controlling bodies of the three codes, the VCR, the HRB, and the GRCB.

Tabcorp's 1998 annual report said that \$188.2 million was provided to the Victorian racing industry. This is in addition to the \$444 million going to the State government in taxes. Unfortunately, the annual report does not divide this \$444 million into its racing and gaming components.

Source: TAB (1998), CIE (1998), Tabcorp (1998)

Tax on lottery subscriptions

With the exception of Tasmania, the Northern Territory and the ACT, each state runs its own lottery games. In Victoria lotteries are conducted by a private organisation — Tattersall's, and taxed by the government. In other states, lotteries are either run by public organisations or jointly with private companies. Where the lottery is publicly operated the profit obtained is in effect an implicit tax.

Because Tasmania, the Northern Territory and the ACT do not have their own lotteries, by agreement with the lottery providers, they receive a share of tax paid for lottery sales made in their jurisdictions.

In most states such as Victoria, Western Australia and South Australia, revenue from lotteries is earmarked for various activities such as hospitals, charities, sports and the arts. (In Western Australia some of the revenue goes to the Australian Commercial Film Industry.) In Queensland and New South Wales revenue is allocated to the Consolidated Fund.

Tax on keno

In New South Wales, the tax is based on a two-tier structure — 18 per cent on player loss less than \$86.5 million, thereafter taxed at 24 per cent. In South Australia, the tax averages 14 per cent of sales. In Queensland, keno held in casinos is taxed at the individual casino's rate and ranges from 11 to 21 per cent of gross gaming revenue (inclusive of community benefits levy). In Victoria, the tax of 33.33 per cent is based on player loss.

Taxes on poker machines

Taxes on poker machines in clubs and hotels are generally based on player loss (defined as poker machine revenue less amounts paid out in prize money). While jurisdictions will use different terms (gross profits, net cash balance, metered win, net gambling revenue, gross gaming machine revenue) they are essentially referring to the same thing. In all jurisdiction bar Victoria and the Northern Territory, taxes are based on a progressive scale structure, providing concessional tax treatment for smaller venues.

In most states, hotels pay higher taxes on poker machine revenue than clubs. For example, taxes of around 22 per cent of gross profit apply to clubs. Higher rates of around 30-50 per cent apply to hotel gaming machine profits. This is said to be justified by clubs' financial support for local charities or community projects and subsidised facilities for members. Community support levies are collected on all gaming machine operations in Tasmania, Queensland and Victoria, but apply only to clubs in Queensland and Tasmania.

Taxes on casinos

In addition to licence fees (see below) taxes are levied on the gross gaming revenue (player loss) of casinos derived from all gaming. Different rates of tax are typically levied on gaming machines at Casino venues.

The general casino tax for regular players ranges from 8 per cent of player loss in the Northern Territory to 20 per cent in New South Wales, Queensland, the ACT and 21.25 per cent in Victoria. However, different rates apply for commission-based or junket players except in Western Australia, Tasmania and the Northern Territory. These rates range from 8 per cent for Cairns and Townsville casinos in Queensland to 10 per cent in the ACT and Queensland Gold Coast casino. (In Western Australia

and Tasmania the same tax rate of 15 per cent of player loss applies to both regular and junket players.)

Net profit taxes

Taxes on net profit are not commonly applied to gambling activities. However, there are some instances where these taxes apply.

In Victoria Tattersall's pays an annual 30 per cent tax on net profit from poker machines located under licence in clubs and hotels, when its net profit exceeds \$117 million. This arises as part of a minimum licence fee of \$ 35 million (see below). In South Australia and the Northern Territory the TABs pay 45 and 50 per cent, respectively, of net profit on off-course totalisator racing expenditure.

Licence fees

Gambling is characterised by licensing arrangements that grant rights to operators with respect to specific gambling products and venues. For example, casinos, TAB, bookmakers, poker machine operators, lottery operators and minor gaming operators (eg bingo, calcuttas and raffles) pay licence fees to operate.

Casinos

All jurisdictions bar the Northern Territory impose casino licence fees. These fees are either paid as a once only lump-sum (such as \$376 million for New South Wales casino licence) or periodically as is the case in other jurisdictions. For example:

- in Victoria, a licence fee of \$200 million plus \$23.3 million committed to infrastructure outlays was paid by Crown at licensing. A further \$57.6 million was paid over two years up to 1996. A further licence fee of \$100.8 million will be paid over three years for the right to run extra tables;
- in Western Australia and the ACT casino licence fees of \$1.74 million and \$564 000 (1998-99) respectively, are paid annually; and
- in Queensland, licence fees of \$137 500 per casino are paid quarterly while in South Australia (\$5000) and Tasmania (\$60 800 per casino) licence fees are paid monthly.

Poker machines

In most states, licence fees for the granting or renewal of a poker machine licence are payable. For example, in Victoria Tattersall's pays a licence fee of \$35 million if that amount is less than or equal to 30 per cent of its net profits. The licence fee is 30 per cent of net profits when the amount exceeds \$35 million. Thus the licence fee is the combination of a fixed fee of \$35 million plus a tax on net profit when 30 per cent of net profit exceeds \$35 million. On privatisation, Tabcorp paid a value for the gaming licence estimated at \$420 million.

Table M2: Racing taxation by state

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
ON-COURSE TOTALISATOR								
Gross deduction from amount wagered	Maximum of 16% over the year	Maximum of 16% over the year	Win/place, quinella, forecast, 60/40 stakes return – 15% Doubles, trifecta, trebles, trio – 18%	Win/place: Supertab – 14.25%; non Supertab – 15.6% Favourite numbers – 25% Others – 20%.	Win/place – 14.25% Quinella – 14.5% Doubles – 16.5% Others – 20%	Win/place combined with Vic TAB – 15% Quinella – 15% Doubles, trifecta – 17% Quadralla – 19%	All pools combined with NSW TAB Win/Place - 14.25% Quinella – 15%; Trifecta – 19%; Doubles – 15%	Win/Place linked to Super TAB – 14.25% Trifecta - 19.00% Other - 15.00% Approximately 60% to 70% of Win/Place pools are Super TAB pools (ACT, NT, Vic, Tas, WA, SA).
Net % received by government	28.2% of player loss (minimum of 84% returned to players over the course of one year)	28.2% of player loss (minimum of 84% returned to players)	Win/place, quinella, forecast, 60/40 stakes return-3%; Other pools-6%	Abolished 28/6/96	Sliding scale, depending on the amount of bets placed. Range from 1% - 5.25%	Win/place: \$10001-\$50000 – 2.1%; >\$50000 – 4.2% Quadralla – 6.5% Others – 4.5%	50% of TAB profits	All pools - 4.24% In addition clubs receive 3.5% and RDF 0.5%.
OFF-COURSE TOTALISATOR TAX								
Gross deduction from amount wagered	As for on-course totalisators	As for on-course totalisators	Win/place, quinella – 15% Double, trifectas – 18% First four, trebles – 20% Others – 25%	As for on-course totalisators	As for on-course totalisators	As for on-course totalisators, except for win/place – 14.25%.	As for on-course totalisators	As for on-course totalisators
Net % received by government	As for on-course totalisators	As for on-course totalisators	Win/place, quinella – 6% Others – 7%	All pools – 5%	45% of TAB profits on racing investments.	Win/place – 4.2%, others as for on-course totalisators.	As for on-course pools	As for on-course pools
BOOKMAKER'S TURNOVER TAX – Net % received by government:								
Racing	All courses – 1%	Metro – 2% of turnover. Country – 1.5% of turnover	All courses – 1%	Racing – nil Sports – 0.25%	Metro: SA* – 1.57%, interstate – 2.17% Country: SA* – 1.4%, interstate – 1.97%. *1.4 per cent of turnover is subsequently returned to clubs	On-course: state events – 0.15%, interstate events – 0.3%.	All courses 1.55% for bets within Aus. Bets from overseas – 0.5%	All courses – 1.00%

Table M3: Gaming machine taxation by state

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
(Referred to in some states as "Poker Machine" tax.)		Tattersall's is required to pay annually for the duration of its licence (ending April 2012) 30% of its net profit or \$35m, whichever is higher. State limit of 27 500 machines. 50% to be allocated to clubs and 50% to hotels. 50% provided by Tattersall's and 50% provided by TABCORP		No gaming machines in clubs or hotels. Taxes on gaming machines in the Casino are included in casino taxation		Federal Hotels Ltd has exclusive rights to operate gaming machines. Tax is based on total annual gross profit from all gaming machines. From 1.1.97: 25% profits up to \$30m; plus 30% on profits between \$30m - <\$35m plus 35 per cent of profits in excess of \$35m: Federal Hotels must pay a minimum of \$21.4 million on gross profits on gaming machines in the casinos. A minimum of 1250 machines must be placed outside the casinos.	Government ownership of gaming machines. A limit of 350 machines to be introduced in the first year (1996-97) and an additional 330 machines in the second year (1997-98).	

Table M3: (continued)

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
Clubs:	<p>From 1.2.98: Levied on annual profits derived from gaming machines:</p> <p>0% on profits between 0-\$100,000</p> <p>plus:</p> <p>1% on profits between \$100,001-\$200,000</p> <p>plus:</p> <p>20% on profits between \$200,001-\$1m</p> <p>plus:</p> <p>26.25% on profits greater than \$1m (paid quarterly)</p> <p>No limit on the number of machines</p>	<p>33.33% of gross profit (net cash balance).</p> <p>Maximum of 105 machines per venue</p>	<p>Based on monthly metered win:</p> <p>10% of profits between \$0-\$10,000: plus</p> <p>27% of profits between \$10,001-\$75,000 plus</p> <p>30% of profits between \$75,001-\$150,000 plus</p> <p>33% of profits between \$150,001-\$300,000 plus</p> <p>35% of profits between \$300,001-\$1.4m plus</p> <p>45% of profits in excess of \$1.4m</p> <p>Of the money collected, 8.5% goes to a Community Benefit Fund.</p> <p>Maximum of 270 machines per venue to be increased to a maximum of 300 by 2001.</p>	No gaming machines	<p>Tax based on annual net gambling revenue in a financial year:</p> <p>\$0-\$399,000: 30%;</p> <p>\$399,001-\$945,000: \$119,700 + 35% of excess;</p> <p>>\$945,000: \$310,800 + 40% of excess.</p> <p>In addition, a 0.5% surcharge is imposed on each of the above percentage tax rates.</p> <p>Maximum of 40 machines per venue.</p>	<p>In addition to the tax paid by Federal Hotels Ltd, a community support levy of 2% of gross profit is levied.</p> <p>Maximum of 25 machines per venue.</p> <p>From 1 July 2000: 30 from 1 July 2001: 35 from 1 July 2002: 40</p>	<p>47% of gross profit of poker machines.¹</p> <p>Draw Card Machine Community Benefit Levy of 3% of turnover.</p> <p>No limit on the number of machines per venue.</p>	<p>1% of first \$8,000 gross monthly club gaming machine revenue.</p> <p>22.5% of revenue from \$8,000 to \$25,000 and 23.5% thereafter.</p> <p>No limit on the number of machines per venue.</p>

Table M3: (continued)

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
Hotels:	<p>Levied on annual profits derived from gaming machines:</p> <p>15% on profits between \$1-\$25,000 plus</p> <p>25% on profits between \$25,001-\$400,000</p> <p>plus</p> <p>35% on profits between \$400,001-\$1m</p> <p>plus</p> <p>40% on profits in excess of \$1m (paid quarterly)</p> <p>Maximum of 15 poker machines per venue. This can be increased to 30 if a permit is obtained (purchased). In October 1998 2,300 permits were issued (auctioned) at a price of \$50,000 per permit.</p>	<p>41.67% of gross profit (net cash balance), of which 8.33% is allocated to a CSF.</p> <p>Maximum 105 machines per venue.</p>	<p>50% of metered win. From 1 July 1998, 45% of metered win</p> <p>8.5% of the money collected goes to Community Benefit Fund.</p> <p>Maximum machines per venue: 30</p> <p>from 1 July 1999: 35</p> <p>from 1 July 2000: 40</p> <p>from 1 July 2001: 45</p>	<p>No gaming machines</p>	<p>Tax based on annual net gambling revenue in a financial year:</p> <p>\$0-\$399,000: 35%</p> <p>\$399,001-\$945,000: \$139,650 + 43.5% of excess</p> <p>>\$945,000: \$377,160 + 50% of excess</p> <p>In addition, a 0.5% surcharge is imposed on each of the above tax rates.</p> <p>Maximum of 40 machines per venue</p>	<p>In addition to the tax paid by Federal Hotels Ltd, a community support levy of 4% of gross profit is levied.</p> <p>Maximum of 15 machines per venue.</p> <p>From 1 July 2000: 20</p> <p>from 1 July 2001: 25</p> <p>from 1 July 2002: 30</p>	<p>47% of gross profit and a Community Benefit Levy of 25% of gross profit.</p> <p>Draw Card Machine – 6% of turnover (of which 3% is paid to charities and sporting clubs).</p> <p>Limit of 6 machines per venue.</p>	<p>35% of monthly gaming machine revenue (gross profit).</p> <p>Number and type of machines per venue depends on the number of residential rooms in the hotel.</p>
Reference Period:	Quarterly payments relating to the previous 3 months' transactions.	Weekly payments relating to the transaction of 2 weeks prior.	Monthly payments relating to previous months turnover.		Monthly payments relating to previous month's activity.	Payments relate to previous month's gross profit.	Quarterly payments relating to the previous 3 months' transactions.	Monthly payments related to transactions in the previous month.

Table M4: Casino taxation by state

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
Licence fee:	A once only non-refundable lump sum payment of \$376m.	Uprfront payment of \$200m, plus an additional tax of \$57.6m in '95 and 96. Crown agreed to pay a further \$100.8 million beginning Jan 1996 over 3 years, as an additional licence fee payment in return for the Government agreeing to increase the number of tables, lower rates of tax on Commission players and approval for expansions to the development proposals.	\$137,500 per quarter for each of the four casinos.	\$1.74 million p.a (indexed to CPI).	\$5,000 per month	\$60,800 per month, indexed to annual CPI changes.	Not imposed	Indexed annual licence fee. 1998-99, \$563,860

Table M4: (continued)

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
Tax Rate:	<p>Regular Players: 20% of gross revenue from table gaming and 22.5% of gross revenue from slots plus super tax on table revenue above \$225.6m pa at 1% per each \$5.64m to a maximum of 45%.</p> <p>Commission Players: 10% of gross commission revenue, or \$6m per annum, whichever is higher.</p>	<p>Regular Players: 21.25% of gross gaming revenue plus super tax of 1% for each \$20m of gross gaming revenue above \$500m (CPI adjusted from 1994) up to a maximum of 20% on gross gaming revenue over \$880m. The maximum total tax on marginal revenue is 41.25%.</p> <p>Commission Players: 9% plus a super tax (extra 1% for every \$20m) on gross gaming revenue above \$160m (CPI adjusted from 1994). The max tax on gross gaming revenue over \$380m is 21.25%.</p>	<p>Regular Players: 20% of gross revenue for Gold Coast and Brisbane casinos and 10% of gross revenue for Townsville and Cairns casinos.</p> <p>Commission Players: 10% of gross gaming revenue for Gold Coast and Brisbane casinos and 8% for Cairns and Townsville casinos.</p>	15% of gross revenue.	Table games at 10% of net gambling revenue, and gaming machines taxed at a single rate of 43.5% of net gambling revenue (equivalent to hotel EGM rate).	<p>Federal Hotels Ltd has exclusive rights to conduct casino operations and operate gaming machines in Tasmania. The tax is based on Federal Hotels' total gross profit earned in a financial year.</p> <p>Poker machines: <\$30m – 25%; \$30m-\$35m – 30% of excess; >\$35m – 35% of excess.</p> <p>Until 1999/2000 government revenue from gaming machines in the casinos is guaranteed at a minimum of \$21.4m.</p> <p>Keno and table gaming – 15% of gross revenue.</p> <p>Admirals Casino operates gaming on Bass Strait ferries. Tax are levied on gross profits:</p> <p>17% for keno 27% for gaming machines.</p>	<p>General casino tax of 8% of gross profit derived from all gaming other than gaming machines.</p> <p>EGM tax from July 97 to Jun 99 at the rate of 17.5% on gross profit.</p>	<p>Regular Players: 20% of gross revenue</p> <p>Commission Players: 10% of gross revenue</p>
Other state Charges:	Community benefit levy of 2% of gross non-commission gaming revenue.	1% of gross revenue (Community Benefit Levy).	1% of gross revenue to Community Benefit Fund.	1% of gross revenue (or \$1m, whichever is the greater) for upkeep of Burswood Park.				

Table M5: Lottery and other gambling taxation by state

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
LOTTERY TAXES								
(Unless otherwise indicated, the balance of subscriptions, after prizes is transferred to Consolidated revenue)	15% of subscriptions plus a fixed fee based on 14.7% of subscriptions in 1996-97 with the amount thereafter indexed to CPI.	35.55% on turnover (revenue paid from Consolidated Fund to Hospitals and Charities Fund and Mental Hospitals Fund.) Ticket Levy: 10c per card transaction (excl. instant lotto, Tatts 2, Super 66 and Soccer Pools)	62% of gross revenue for declared lotteries. 55% of gross revenue for Instant Scratch-Its. 45% of gross revenue for Golden Casket lotteries.	State Lottery, Lotto, Oz Lotto, Powerball and Instant: 40% of net income to Hospitals, 5% to the arts, 5% to sport and 12.5% to charities. Up to 5% in total to Festival of Perth and Aus commercial film industry	Lotto, Powerball and Super 66: Net operating surplus (@ 33% of gross sales) is paid to Hospitals Fund. Instant Scratchies: Net operating surplus (@ 19% of gross sales) is paid to Hospitals Fund.	No state lotteries. Tas. Receives a share of duty paid to the Vic. Govt for Tas subscriptions to Tattersall's lotteries: Lotto - 100% of duty received from Tas subscriptions; TattsKeno - 90%; other - 75%.	No state lotteries. Tas. Receives a share of duty paid to the Vic. Govt for Tas subscriptions to Tattersall's lotteries: Lotto - 35% of sale; Instant - 75% of 35% of sales (as well as Super 66). Territorial Lottery 10 per cent of sales	No state lotteries, participate in NSW and Vic lotteries: VIC: TattsLotto /Tatts extra/Oz Lotto/ Powerball – 32.5% of subscriptions; Super 66/Tatts 2/Instant: 24.375%; Vic Keno: 29.95% NSW: Lotto/Oz Lotto/Lotto Striker/ Powerball – 31.7% of subscriptions; draw lotteries – 26.3%; instant lotteries – 28.3%
Soccer Pools:	15% of subscriptions plus a fixed fee based on 14.7% of subs in 1996-97 and based, indexed to CPI thereafter	34% of turnover.	59% of gross revenue	as above	42.5% of net sales transferred to Dept of Recreation and Sport	34% of sales from Tas subscriptions.	34% of subscriptions to Tattersall's payable by the Vic govt.	34% from both Victorian and NSW collections.

Table M5: (continued)

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
OTHER GAMBLING TAXES								
Sports betting	<p>FootyTAB, Soccer TAB, SportsTAB, Sweepstakes: 28.2% of player loss (All of this to Sport and Recreation Fund).</p> <p>Sydney SportsTAB – 20% of gross win</p> <p>Head-to-head – 2%</p> <p>Off-course bookmakers – 1%</p>	<p>Totalisator sports betting – 28% of player loss.</p> <p>Fixed odds sports betting – 20% of player loss.</p>	<p>Bookmakers: 1%, with athletic betting exempt.</p> <p>FootyTAB: Amounts wagered combined with NSW pools.</p> <p>Gross commission of 25% deducted on QLD pools and paid as follows:</p> <p>10% to QLD Govt;</p> <p>14% to QLD TAB and 1% to NSW Sport and Recreation Fund.</p> <p>Old Tab pays NSW 2% on amalgamated pools with NSW.</p>	<p>Tax to govt – 5%.</p> <p>75% of sport betting receipts are dividends and the Minister makes the remainder (ie. net of the sports betting tax and after admin. expenses) available for allocation for Sport and Recreation.</p> <p>Bookmakers – 0.25%, for Sports and Recreation, Prof. foot racing – 2%</p>	<p>AFL & other sporting events – 20%. TAB admin. costs paid first, then 0.5% to Capital Fund and 0.5% to RIDA and the balance divided between the Rec and Sport Fund (RSF) and the SA. Football League, or to the body conducting the event and the RSF.</p> <p>Bookmakers: 1.75%</p>	<p>Footypunt – 17%, of which:</p> <ul style="list-style-type: none"> - 10% to TAB - 4.5% to Govt. - 2.5% to Controlling Authority. <p>Bookmakers: Telephone on-course – 0%, off-course Aus & NZ – 0.3%</p>	<p>0.5% bets from Australia and NZ.</p> <p>0.25% bets from overseas</p>	<p>1.25% of which 0.25% distributed to clubs.</p>
Keno:	<p>Club Keno:</p> <p>Taxed at 18% on player loss of <\$86.5 m; 24% on player loss >\$86.5m.</p>	<p>Club Keno:</p> <p>33.33% of player loss subject to a minimum player return of 75%</p>	<p>Jupiters Keno – 20% of gross revenue + 50% tax on profit.</p> <p>Brisbane and Gold Coast receive 25% commission on Jupiters Keno & pay 21% tax, incl. 1% CBL. Townsville & Cairns pay 11% incl. 1% CBL</p>	<p>Keno is restricted to Burswood Casino. Tax on Keno is included in the casino tax.</p>	<p>(operated by Lotteries Commission). Of total gross sales, 9% commission to agent, 72.8% return in prize money, 4.2% for operating costs, remainder (@ 14%) transferred to the Hospital Fund.</p>	<p>Tax Keno</p> <p>15% of gross revenue</p>	<p>NT Keno</p> <p>8% of gross profit (received through casino taxes)</p>	<p>Keno: refer to VIC Keno.</p>

Source: NSW Treasury 1999.