



INFORMATION, ANALYSIS  
AND ADVICE FOR THE PARLIAMENT

INFORMATION AND RESEARCH SERVICES

Research Paper  
No. 14 2001–02

## Gambling: An Australian Tradition on the Up!

ISSN 1328-7478

© Copyright Commonwealth of Australia 2002

Except to the extent of the uses permitted under the *Copyright Act 1968*, no part of this publication may be reproduced or transmitted in any form or by any means including information storage and retrieval systems, without the prior written consent of the Department of the Parliamentary Library, other than by Senators and Members of the Australian Parliament in the course of their official duties.

This paper has been prepared for general distribution to Senators and Members of the Australian Parliament. While great care is taken to ensure that the paper is accurate and balanced, the paper is written using information publicly available at the time of production. The views expressed are those of the author and should not be attributed to the Information and Research Services (IRS). Advice on legislation or legal policy issues contained in this paper is provided for use in parliamentary debate and for related parliamentary purposes. This paper is not professional legal opinion. Readers are reminded that the paper is not an official parliamentary or Australian government document. IRS staff are available to discuss the paper's contents with Senators and Members and their staff but not with members of the public.

Published by the Department of the Parliamentary Library, 2002

Research Paper  
No. 14 2001-02

## Gambling: An Australian Tradition on the Up!

Geoff Winter  
Statistics Group  
14 May 2002

## Enquiries

Information and Research Services publications are available on the ParlInfo database.

On the Internet the Department of the Parliamentary Library can be found at: <http://www.aph.gov.au/library/>

IRS Publications Office

Telephone: (02) 6277 2778

# Contents

Introduction . . . . .	1
Background . . . . .	1
Turnover . . . . .	1
Expenditure . . . . .	4
Revenues . . . . .	4
Conclusion . . . . .	8
Further reading . . . . .	8
Chronology . . . . .	9
Glossary . . . . .	11
Endnotes . . . . .	13

## List of Tables

Table 1. Turnover: All Forms of Gambling, Australia, 1972–73 to 1999–2000 . . . . .	2
Table 2. Selected Indicators: All Forms of Gambling, Australia, 1972–73 to 1999–2000 . . . . .	3
Table 3. Gambling Turnover: Per Head, 1999–2000 . . . . .	4
Table 4. Government Revenue: All Forms of Gambling, Australia, 1972–73 to 1999–2000 . . . . .	5
Table 5. Government Revenue: States and Territories, Australia, 1972–73 to 1999–2000 . . . . .	6
Table 6. Government Revenue: Australia, 1972–73 to 1999–2000 . . . . .	7



## Introduction

Gambling has been an inherent part of Australian culture from the beginning of European settlement.<sup>1</sup> In the beginning it was mainly horse-racing, then lotteries, then 'poker machines' in New South Wales in the 1950s and now, with legalised gambling facilities and opportunities having expanded greatly over the past 30-odd years, all known forms of gambling seem to be available. This has led to substantial increases in amounts wagered and net losses and has produced massive revenues for governments. This paper concentrates only on the financial aspects of gambling, showing that turnover, expenditure (losses) and revenues have increased substantially in real terms, especially for gaming activities. It does not discuss the political economy of gambling development which is quite complex,<sup>2</sup> nor does it address the social issues arising from gambling, whether illegal or legal.<sup>3</sup> Sources for further reading, a chronology showing how the facilities and opportunities for legalised gambling have expanded, and a glossary explaining all the terms used in this paper are provided at the end of the paper.

## Background

Control of gambling has generally been under State (and Territory) government jurisdiction in Australia. These governments have legislated to permit various forms of gambling in return for regulation and revenue-raising. The more 'traditional' forms of gambling in Australia have often also been conducted, but not exclusively, by governments, for example, on horse-racing through the various Totalisator Agency Boards (TABs) and lotteries through various commissions. Increasingly governments' role has been one of regulation only as previously publicly-owned bodies such as the TABs have been privatised. However, the revenues continue to come in, generally increasing year by year, sometimes to an alarming extent in the view of many commentators and policy-makers. Revenues are only proportions of the amounts people spend on gambling, and are again heavily regulated. Generally they derive from the various proportions of *turnover*, i.e. for the purposes of this brief the amounts people originally 'wager' or bet or 'invest', and not from proportions of how much they 'gamble' or lose (which for the purposes of this brief is defined as *expenditure*). (See the Glossary for the definitions of these terms.)

## Turnover

Turnover on gambling activities, i.e. the amount people actually bet, has risen dramatically in recent years. In 1972–73, the first year for which fully comprehensive figures were available, Australians gambled almost \$3.7 billion, mostly on racing (see Table 1). Even then almost half of all gambling was on gaming ('poker') machines, which was the single biggest form of gambling throughout the country even though they existed only in New South Wales. By then the other traditional form of gambling in Australia—lotteries—had been swamped in turnover terms by gaming machines and racing, and the first casino in Australia had only just opened in Tasmania. The changing patterns in Australian gambling can be seen from Table 1 and the Chronology.

**Table 1. Turnover: All Forms of Gambling, Australia, 1972–73 to 1999–2000**  
(\$ millions)

	Racing				Total	Gaming										Total all gambling	
	TAB	On-course book-maker	On-course totalisator	Off-course book-maker		Lotteries	Lotto, Tatts-lotto	Instant - lotteries, 'scratchies'	Pools	Casino	Minor gaming	Keno	Gaming machines	Inter-active gaming	Total		Sports betting
1972–73	973.8	942.1	172.2	39.1	2 127.2	116.1	12.1			9.8	3.5	1 419.5		1 561.0		3 688.3	
1973–74	1 145.7	1 101.8	190.2	43.1	2 480.8	124.0	35.9			29.1	10.6	1 694.5		1 894.1		4 372.9	
1974–75	1 456.4	1 384.5	235.4	35.5	3 111.8	151.0	74.1		4.8	31.0	14.8	2 396.7		2 672.4		5 784.1	
1975–76	1 609.2	1 556.2	267.7	8.1	3 441.3	163.6	124.2		24.5	34.4	20.5	2 780.5		3 147.8		6 589.1	
1976–77	1 740.1	1 717.6	285.2	8.3	3 751.2	177.5	188.7		28.0	38.6	28.0	3 094.4		3 555.2		7 306.4	
1977–78	1 899.2	1 827.2	341.3	7.7	4 075.4	184.8	237.1		33.4	40.6	47.8	3 325.3		3 869.0		7 944.3	
1978–79	2 025.8	1 969.6	376.2	33.4	4 405.0	193.0	288.7	19.5	46.8	48.3	75.0	3 664.3		4 335.6		8 740.6	
1979–80	2 212.4	2 159.0	446.4	31.2	4 849.0	188.6	409.6	21.0	57.9	80.0	97.3	4 098.3		4 952.7		9 801.7	
1980–81	2 447.6	2 271.9	479.4	39.6	5 238.6	192.9	526.6	17.1	43.7	87.2	120.3	4 725.3		5 712.9		10 951.5	
1981–82	2 711.2	2 461.0	553.7	37.5	5 763.5	176.9	663.0	90.0	28.5	126.4	138.9	5 046.5		6 270.3		12 033.8	
1982–83	2 957.5	2 484.3	621.6	37.1	6 100.5	146.0	732.1	262.2	37.8	146.9	150.3	5 056.1		6 531.4		12 631.8	
1983–84	3 367.4	2 636.5	706.4	44.7	6 755.0	140.6	862.6	285.1	36.0	179.9	186.3	5 332.7		7 023.3		13 778.3	
1984–85	3 700.9	2 648.0	745.0	51.6	7 145.4	134.0	1 002.1	368.9	34.2	204.6	193.7	5 712.2		7 649.7		14 795.2	
1985–86	4 263.5	2 920.1	838.1	8.9	8 030.6	141.2	1 011.6	375.2	60.9	722.4	217.7	6 035.3		8 564.3		16 594.8	
1986–87	4 633.7	3 017.8	888.9	9.7	8 550.0	143.9	1 170.1	389.9	50.6	1 286.6	230.3	6 787.6		10 058.9		18 608.9	
1987–88	5 318.1	2 936.5	998.8	11.4	9 264.7	142.6	1 300.5	420.7	39.2	1 573.6	246.8	7 644.0		11 367.4		20 632.1	
1988–89	6 262.0	3 015.8	1 068.6	9.8	10 356.2	151.6	1 405.9	467.8	28.8	2 187.4	293.9	9 789.0		14 324.4		24 680.6	
1989–90	6 959.9	2 975.1	1 109.4	9.7	11 054.2	173.9	1 614.9	569.8	26.3	2 948.0	347.1	10 753.1		16 433.0		27 487.2	
1990–91	7 392.6	2 690.1	1 155.3	8.2	11 246.2	175.9	1 781.8	621.6	22.0	2 721.1	630.9	12 552.7		18 506.1		29 752.3	
1991–92	7 646.4	2 287.5	1 100.7	7.9	11 042.4	162.7	1 880.6	650.1	20.7	2 894.8	658.0	13 987.4	128.8	20 383.1		31 425.5	
1992–93	7 934.1	1 946.8	1 061.1	6.0	10 948.0	174.0	1 825.1	652.0	21.2	3 216.2	685.2	19 169.4	236.5	25 979.5		36 927.5	
1993–94	8 382.4	1 864.5	999.5	5.1	11 251.4	168.2	1 958.9	636.2	29.7	4 491.4	682.3	29 259.7	334.2	37 560.5		48 811.9	
1994–95	8 561.4	2 020.4	964.6	4.6	11 551.1	147.1	2 149.9	600.2	18.4	8 313.1	647.1	473.3	37 849.3	50 198.4	108.4	61 857.9	
1995–96	8 726.2	1 839.0	949.9	3.5	11 518.7	163.6	2 269.1	559.8	19.7	12 066.1	640.0	504.0	44 663.4	60 885.8	143.5	72 548.0	
1996–97	8 866.1	1 601.7	912.0	3.0	11 382.9	161.0	2 200.7	551.3	15.9	15 043.6	500.8	519.1	49 809.9	68 802.4	216.3	80 401.5	
1997–98	8 987.0	1 619.9	891.3	1.8	11 500.0	161.9	2 316.4	585.1	15.3	23 640.1	653.9	701.3	57 676.2	85 750.2	351.5	97 601.6	
1998–99	9 417.3	1 497.9	800.3	1.7	11 717.2	175.5	2 443.9	602.9	16.0	20 350.1	701.9	724.3	66 036.0	91 053.2	461.4	103 231.7	
1999–2000	9 677.9	1 310.4	652.6	1.1	11 642.0	144.2	2 468.3	632.4	16.5	22 646.7	689.9	722.9	74 139.5	105.7	101 566.0	655.8	113 863.7

Source: *Australian Gambling Statistics*, various (Tasmanian Gaming Commission).

Table 2. Selected Indicators: All Forms of Gambling, Australia, 1972–73 to 1999–2000

Year	Total Racing					Total Gaming					Total All Gambling (a)					
	Turnover		Expenditure			Turnover		Expenditure			Turnover		Expenditure (b)			
	Actual (\$m.)	Real (c) (\$m.)	Actual (\$m.)	Real(c) (\$m.)	Real (c) per head (d) (\$ p.a.)	Actual (\$m.)	Real (c) (\$m.)	Actual (\$m.)	Real(b) (\$m.)	Real (c) per head (d) (\$p.a.)	Actual (\$m.)	Real (c) (\$m.)	Actual (\$m.)	Proportion of HDI (e) (%)	Real(c) (\$m.)	Real (c) per head (d) (\$p.a.)
1972–73	2 127.2	12 892.4	227.8	1 380.3	155.33	1 561.0	9 460.7	236.1	1 431.0	161.05	3 688.3	22 353.1	463.9	1.55	2 811.3	316.38
1973–74	2 480.8	13 337.6	265.3	1 426.5	157.38	1 894.1	10 183.5	291.3	1 565.9	172.76	4 372.9	23 510.4	556.6	1.51	2 992.4	330.14
1974–75	3 111.8	14 366.4	343.4	1 585.2	171.59	2 672.4	12 338.0	413.7	1 910.1	206.75	5 784.1	26 704.4	757.1	1.74	3 495.3	378.34
1975–76	3 441.3	14 072.4	379.5	1 551.7	165.18	3 147.8	12 872.5	504.1	2 061.5	219.45	6 589.1	26 944.8	883.6	1.72	3 613.3	384.63
1976–77	3 751.2	13 479.6	412.2	1 481.3	155.01	3 555.2	12 775.2	582.9	2 094.8	219.21	7 306.4	26 254.8	995.2	1.71	3 576.1	374.22
1977–78	4 075.4	13 374.0	455.7	1 495.4	153.63	3 869.0	12 696.7	648.4	2 127.9	218.61	7 944.3	26 070.7	1 104.1	1.72	3 623.3	372.25
1978–79	4 405.0	13 360.2	490.1	1 486.5	149.87	4 335.6	13 149.6	746.3	2 263.4	228.20	8 740.6	26 509.8	1 236.4	1.70	3 749.8	378.06
1979–80	4 849.0	13 345.7	539.3	1 484.2	146.79	4 952.7	13 631.0	872.5	2 401.4	237.49	9 801.7	26 976.7	1 411.8	1.75	3 885.6	384.28
1980–81	5 238.6	13 191.1	587.5	1 479.3	143.29	5 712.9	14 385.4	1 005.1	2 530.8	245.15	10 951.5	27 576.6	1 592.5	1.73	4 010.1	388.44
1981–82	5 763.5	13 133.8	649.9	1 481.0	140.26	6 270.3	14 288.6	1 131.5	2 578.5	244.20	12 033.8	27 422.3	1 781.5	1.71	4 059.5	384.46
1982–83	6 100.5	12 467.8	695.8	1 422.1	131.88	6 531.4	13 348.5	1 228.7	2 511.1	232.87	12 631.8	25 816.3	1 924.5	1.68	3 933.1	364.75
1983–84	6 755.0	12 938.7	792.6	1 518.2	138.34	7 023.3	13 452.6	1 348.2	2 582.3	235.30	13 778.3	26 391.2	2 140.8	1.66	4 100.5	373.64
1984–85	7 145.4	13 122.2	874.0	1 605.1	143.75	7 649.7	14 048.4	1 487.1	2 730.9	244.59	14 795.2	27 170.6	2 361.1	1.68	4 336.0	388.34
1985–86	8 030.6	13 604.9	991.5	1 679.7	147.65	8 564.3	14 509.0	1 681.2	2 848.1	250.35	16 594.8	28 114.0	2 672.6	1.73	4 527.8	398.00
1986–87	8 550.0	13 240.3	1 064.6	1 648.5	142.06	10 058.9	15 577.0	1 968.2	3 047.9	262.65	18 608.9	28 817.3	3 032.7	1.81	4 696.4	404.71
1987–88	9 264.7	13 371.1	1 194.3	1 723.7	145.47	11 367.4	16 405.6	2 184.0	3 151.9	266.02	20 632.1	29 776.7	3 378.3	1.82	4 875.6	411.49
1988–89	10 356.2	13 929.4	1 365.3	1 836.4	151.58	14 324.4	19 266.8	2 637.0	3 546.9	292.78	24 680.6	33 196.2	4 002.3	1.93	5 383.2	444.36
1989–90	11 054.2	13 766.9	1 469.3	1 829.8	147.82	16 433.0	20 465.7	2 962.6	3 689.7	298.07	27 487.2	34 232.6	4 431.9	1.91	5 519.5	445.89
1990–91	11 246.2	13 301.1	1 533.6	1 813.8	143.87	18 506.1	21 887.4	3 482.8	4 119.1	326.73	29 752.3	35 188.5	5 016.3	2.06	5 932.9	470.60
1991–92	11 042.4	12 816.5	1 548.5	1 797.3	140.31	20 383.1	23 657.9	3 755.1	4 358.4	340.25	31 425.5	36 474.4	5 303.6	2.08	6 155.7	480.56
1992–93	10 948.0	12 581.1	1 532.4	1 761.0	135.56	25 979.5	29 855.0	4 459.0	5 124.1	394.45	36 927.5	42 436.1	5 991.3	2.27	6 885.1	530.01
1993–94	11 251.4	12 701.2	1 600.1	1 806.3	137.29	37 560.5	42 400.3	5 369.8	6 061.7	460.75	48 811.9	55 101.5	6 969.8	2.53	7 867.9	598.05
1994–95	11 551.1	12 635.2	1 625.1	1 777.6	133.32	50 198.4	54 909.5	6 577.5	7 194.8	539.63	61 857.9	67 663.3	8 214.1	2.78	8 985.0	673.89
1995–96	11 518.7	12 091.8	1 636.1	1 717.5	126.94	60 885.8	63 915.5	7 933.6	8 328.4	615.55	72 548.0	76 158.0	9 582.7	3.02	10 059.5	743.50
1996–97	11 382.9	11 796.0	1 660.0	1 720.3	125.26	68 802.4	71 299.1	8 360.2	8 663.5	630.85	80 401.5	83 319.1	10 036.4	3.00	10 400.6	757.35
1997–98	11 500.0	11 917.3	1 642.1	1 701.7	122.21	85 750.2	88 861.9	9 677.9	10 029.1	720.28	97 601.6	101 143.4	11 344.8	3.28	11 756.4	844.33
1998–99	11 717.2	11 998.4	1 708.6	1 749.6	123.95	91 053.2	93 238.5	10 705.1	10 962.0	776.65	103 231.7	105 709.3	12 436.2	3.43	12 734.7	902.24
1999–2000	11 642.0	11 642.0	1 699.9	1 699.9	118.70	101 566.0	101 566.0	11 600.2	11 600.2	810.04	113 863.7	113 863.7	13 341.6	3.50	13 341.6	931.64

(a) Includes Sports betting. (b) Understated from 1995–96 as sports betting licence holders in the ACT are not required to provide expenditure information. (c) 1999–2000 prices, using the Consumer Price Index, 1989–90 = 100.0. (d) Aged 18 years and over. (e) Household Disposable Income.

Source: *Australian Gambling Statistics*, various (Tasmanian Gaming Commission).

By 1999–2000 Australians were wagering or 'investing' almost \$114 billion, over 30 times as much as in 1972–73. In real terms turnover overall had risen by a factor of more than five (see Table 2). Gaming machines by 1999–2000 contributed around 65 per cent of all gambling turnover, existing as separately identifiable facilities in all states and territories except Western Australia, where they exist only in the Casino and are included under Casino turnover. This situation no doubt contributed to the fact that WA had the lowest amount 'invested' per head of the population in 1999–2000: just over \$2100 compared with the national average of almost \$8000 and well over \$10 000 in Victoria and the Northern Territory (see Table 3). Table 3 also shows how 'little' is invested on lotteries now compared with other forms of gambling—only about \$10 per head nationally compared with well over \$1500 per head in casinos and well over \$5000 per head on gaming machines.

**Table 3. Gambling Turnover: Per Head(a), 1999–2000**

Form of gambling	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
TAB	778.04	716.33	580.44	540.43	584.74	558.25	504.23	479.11	675.81
<i>Total racing</i>	<i>940.59</i>	<i>843.72</i>	<i>656.37</i>	<i>648.62</i>	<i>753.72</i>	<i>618.76</i>	<i>1 362.57</i>	<i>579.01</i>	<i>812.96</i>
Lotteries	25.04	3.60	1.49	..	..	3.79	14.54	11.42	10.07
Casino	592.38	2 961.67	2 219.52	267.82	988.20	2 618.09	4 487.96	388.34	1 581.38
Gaming machines	8 006.19	6 224.84	2 415.11	3 615.14	..	1 695.73	2 096.13	6 842.66	5 177.16
<i>Total gaming</i>	<i>8 962.12</i>	<i>9 413.07</i>	<i>5 034.18</i>	<i>4 173.16</i>	<i>1 348.64</i>	<i>4 709.81</i>	<i>7 630.85</i>	<i>7 406.24</i>	<i>7 092.32</i>
<i>Total sports betting</i>	<i>29.95</i>	<i>20.43</i>	<i>5.08</i>	<i>4.90</i>	<i>9.79</i>	<i>5.07</i>	<i>1 780.57</i>	<i>705.26</i>	<i>45.79</i>
<b>Total all gambling</b>	<b>9 932.65</b>	<b>10 277.23</b>	<b>5 695.63</b>	<b>4 826.68</b>	<b>2 112.15</b>	<b>5 333.65</b>	<b>10 773.99</b>	<b>8 690.51</b>	<b>7 951.07</b>

(a) Aged 18 years and over.

Source: *Australian Gambling Statistics*, various (Tasmanian Gaming Commission).

## Expenditure

In 1972–73, Australians lost almost \$500 million, which was about 1.55 per cent of household disposable income (HDI, see Table 2). By 1999–2000 they were losing over \$13 billion, or over \$900 per head—almost three times as much as in 1972–73 in real terms and equivalent to about 3.5 per cent of HDI. Clearly the increased losses are associated with the increased availability of gaming activities as opposed to racing, which in 1972–73 contributed almost half of all losses on a per head basis in real terms but by 1999–2000 was contributing only about one eighth of all losses. Although loss rates have not been the same for all forms of gambling and tax rates have not been the same for all states and territories (for example, rates ranged from 0 per cent to 50 per cent on varying bases and for different venues for poker machine taxes in 1999–2000), overall expenditure has been much the same every year, with losses in the range of 11–17 per cent of turnover.

## Revenues

Gambling activities have always provided substantial revenues to governments in Australia, in the form of specific licence fees and gambling taxes. Table 4 shows from where the revenues have been derived. Clearly the contribution from racing has declined

significantly in recent years, both nominally and in proportion to the total. They were over half of all revenues in 1972–73 and by 1999–2000 were just over 10 per cent; revenue from gaming has increased dramatically.

**Table 4. Government Revenue: All Forms of Gambling, Australia, 1972–73 to 1999–2000**

(\$ millions)

Year	Racing			Gaming			Sports betting (b)	Total gambling
	TAB	All book-makers	On course totalisator	Total	Casino	Minor gaming		
1972–73	56.7	16.4	13.9	87.0	..	..	81.4	168.4
1973–74	70.5	19.5	15.7	105.7	..	..	99.5	205.2
1974–75	91.9	24.4	19.0	135.2	..	..	141.8	277.0
1975–76	109.2	29.9	22.8	161.9	..	..	176.0	337.9
1976–77	122.6	32.9	24.0	179.5	..	..	211.5	390.9
1977–78	133.4	31.2	29.0	193.6	..	..	238.9	432.5
1978–79	141.0	33.7	31.5	206.1	..	..	274.4	480.5
1979–80	154.1	36.6	36.7	227.4	..	..	335.6	563.0
1980–81	167.6	38.3	38.8	244.8	..	..	384.0	628.8
1981–82	180.3	37.1	43.8	261.2	..	..	453.3	714.4
1982–83	192.8	37.7	54.2	284.7	..	..	524.7	809.4
1983–84	217.7	39.6	66.0	323.3	..	..	603.3	926.6
1984–85	241.9	39.7	73.4	355.0	..	..	684.2	1 039.3
1985–86	277.4	43.1	81.4	401.9	..	..	740.7	1 142.6
1986–87	301.1	44.5	87.2	432.8	..	..	820.9	1 253.7
1987–88	342.7	42.1	101.7	486.4	56.3	11.4	922.8	1 409.3
1988–89	401.5	40.7	105.0	547.2	70.7	12.4	977.5	1 524.7
1989–90	449.0	39.4	116.4	604.8	80.3	14.5	1 202.2	1 806.9
1990–91	468.1	35.4	120.4	623.7	95.1	16.9	1 309.0	1 933.3
1991–92	483.2	29.1	114.4	626.7	98.4	18.1	1 379.0	2 005.7
1992–93	513.8	24.1	111.8	649.8	116.1	17.8	1 541.5	2 191.3
1993–94	529.5	23.0	111.1	663.6	151.0	16.3	1 850.7	2 514.3
1994–95	513.1	24.8	99.4	637.3	225.2	14.9	2 237.2	3.7 2 878.3
1995–96	522.6	22.6	78.5	623.8	353.9	14.8	2 610.9	3.1 3 237.8
1996–97	524.4	17.7	70.3	612.3	390.9	11.8	2 810.4	3.2 3 425.9
1997–98	490.7	18.1	61.3	570.0	459.7	8.4	3 217.3	4.0 3 791.4
1998–99	431.2	15.6	38.2	485.0	439.5	8.2	3 593.1	5.7 4 083.8
1999–2000	408.6	13.8	33.5	455.9	455.2	7.4	3 936.1	7.9 4 399.8

(a) Includes lotteries; lotto; instant lotteries; pools, gaming machines; keno and interactive gaming data for which are not available separately. (b) Sports betting commenced in 1994–95.

.. not available; included in total.

Source: *Australian Gambling Statistics*, various (Tasmanian Gaming Commission).

Table 5 below shows revenue derived in each State and Territory.

**Table 5. Government Revenue: States and Territories, Australia, 1972–73 to 1999–2000**

(\$ millions)

Year	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
1972–73	98.5	37.5	15.8	6.6	8.1	1.9	0.0	0.1	168.4
1973–74	114.0	50.7	19.2	7.9	10.0	3.2	0.0	0.2	205.2
1974–75	151.8	73.0	25.0	10.8	12.5	3.7	0.0	0.2	277.0
1975–76	181.7	95.2	28.5	13.3	15.1	3.8	0.0	0.3	337.9
1976–77	200.5	120.1	31.6	15.0	17.6	5.7	0.0	0.6	390.9
1977–78	217.6	138.8	32.5	17.3	18.7	6.7	0.0	1.0	432.5
1978–79	239.1	151.1	35.9	23.8	20.3	8.3	0.8	1.1	480.5
1979–80	288.4	175.0	38.9	26.0	21.6	9.9	1.9	1.2	563.0
1980–81	333.3	185.7	42.9	25.3	24.6	11.9	2.6	2.5	628.8
1981–82	366.0	210.6	56.2	27.9	28.2	16.9	3.7	5.0	714.4
1982–83	427.6	218.8	65.9	30.6	36.5	17.9	4.4	7.6	809.4
1983–84	478.6	253.7	71.8	38.6	48.7	20.7	5.5	8.9	926.6
1984–85	501.5	292.7	105.8	44.6	57.1	22.4	4.7	10.5	1 039.3
1985–86	556.2	302.8	117.7	59.7	64.6	23.3	6.0	12.3	1 142.6
1986–87	597.7	340.5	126.8	72.4	71.5	25.7	6.1	13.0	1 253.7
1987–88	665.9	374.1	112.9	83.6	119.5	28.4	9.2	15.7	1 409.3
1988–89	726.6	397.2	126.9	100.6	111.7	30.6	12.3	19.0	1 524.7
1989–90	812.3	463.9	208.0	114.7	138.0	34.8	11.5	23.8	1 806.9
1990–91	856.1	482.3	235.7	126.0	153.4	38.3	14.3	27.1	1 933.3
1991–92	871.3	496.6	267.5	127.8	156.2	41.3	13.9	31.1	2 005.7
1992–93	918.3	581.3	290.7	133.3	173.5	42.2	13.3	38.7	2 191.3
1993–94	1 010.3	744.6	335.7	131.8	186.0	45.0	13.5	47.4	2 514.3
1994–95	1 082.0	905.2	385.3	182.0	206.1	50.0	16.0	51.7	2 878.3
1995–96	1 189.3	1 051.3	416.7	225.8	229.3	52.1	20.2	53.0	3 237.8
1996–97	1 237.9	1 157.2	445.0	248.9	205.1	60.7	24.8	46.4	3 425.9
1997–98	1 350.1	1 296.4	502.7	284.1	216.9	62.6	28.3	50.3	3 791.4
1998–99	1 407.1	1 407.9	589.7	317.1	209.0	67.3	31.2	54.5	4 083.8
1999–2000	1 544.6	1 520.1	611.4	342.4	209.2	73.5	36.4	62.1	4 399.8

Source: *Australian Gambling Statistics*, various (Tasmanian Gaming Commission).

Table 6 shows that revenues have risen significantly in real terms, increasing by a factor of over four from 1972–73 to 1999–2000. However, despite much public comment suggesting that governments have become increasingly reliant on gambling revenues, the proportions of State and Territory governments' own taxation revenues derived from gambling has not increased substantially. In 1972–73 the proportion was 9.4 per cent, rising and falling until it reached a low point of 8.2 per cent in 1988–89, then rising to a high of 11.8 per cent in 1999–2000. Thus it may be that the increasing gambling revenues has 'allowed' governments to reduce some other taxes, i.e. adjust the mix of taxation,

rather than to increase revenues substantially overall. However, this may not necessarily be good policy, as arguably gambling is the most regressive form of taxation.

**Table 6. Government Revenue: Australia, 1972–73 to 1999–2000**

Year	Actual Amount (\$ m.)	Proportion of all State govt. own taxation revenues (%)	Real - 1999–2000 prices using CPI (1989–90 =100.0) (\$ m.)
1972–73	168.4	9.4	1 020.6
1973–74	205.2	9.2	1 103.2
1974–75	277.0	9.8	1 278.8
1975–76	337.9	9.6	1 381.7
1976–77	390.9	9.7	1 404.8
1977–78	432.5	10.0	1 419.4
1978–79	480.5	10.2	1 457.3
1979–80	563.0	10.0	1 549.5
1980–81	628.8	9.7	1 583.5
1981–82	714.4	9.4	1 628.1
1982–83	809.4	9.6	1 654.3
1983–84	926.6	9.9	1 774.8
1984–85	1 039.3	9.8	1 908.5
1985–86	1 142.6	9.8	1 935.7
1986–87	1 253.7	9.4	1 941.5
1987–88	1 409.3	8.9	2 033.9
1988–89	1 524.7	8.2	2 050.8
1989–90	1 806.9	9.1	2 250.4
1990–91	1 933.3	9.2	2 286.5
1991–92	2 005.7	8.9	2 328.0
1992–93	2 191.3	8.6	2 518.2
1993–94	2 514.3	9.4	2 838.3
1994–95	2 878.3	10.8	3 148.4
1995–96	3 237.8	11.3	3 398.9
1996–97	3 425.9	11.1	3 550.3
1997–98	3 791.4	11.7	3 928.9
1998–99	4 083.8	11.5	4 181.8
1999–2000	4 399.8	11.8	4 399.8

Source: *Australian Gambling Statistics*, various (Tasmanian Gaming Commission), *Government Financial Estimates, Australia*, various (ABS 5501.0).

## Conclusion

Australians have always been gamblers, and it appears that, over the last three decades, they have been increasingly so. As social norms have changed and it became increasingly difficult or futile to prevent gambling activities, such as casinos and sports betting, legislation has been extended or amended to allow some forms of gambling which had been illegal to become legal. This in turn has allowed proper regulation of the industry and therefore opportunities for revenue raising by governments (see Further reading below). Many different forms of legalised gambling have been introduced, including some which have become possible because of new technology (see Chronology). Increased access to continuous and repetitive forms of gambling, leading to relatively quick and high betting turnover and losses, has meant that the 'mix' of and access to gambling activities has consequently changed. By 1999–2000 gambling turnover (the amount wagered or bet or 'invested') was almost \$8000 each year—over \$150 each week—for every adult Australian, resulting in expenditure, the amount 'gambled' (losses), of over \$900 each year, about \$18 per week for every adult. As this equates to about 3.5 per cent of household disposable income, about one dollar in every thirty is spent on gambling. By way of comparison, more is spent gambling than is spent on sporting activities or cultural and entertainment activities.<sup>4</sup> As many people do not gamble at all, this means that a very substantial amount is gambled and lost each year by those who do gamble.

## Further reading

This paper has not dealt with any aspects of policy on gambling or the regulation of the industry. Discussion of these matters can be found in:

*Gambling Policy and Regulation*, a Department of the Parliamentary Library E-Brief, published in September 2001, available at

[http://www.aph.gov.au/library/intguide/SP/gambling\\_e-brief.htm](http://www.aph.gov.au/library/intguide/SP/gambling_e-brief.htm)

Wide-ranging discussions of all aspects of gambling, including its social impact, are available in the Productivity Commission's *Australia's Gambling Industries*, Report No. 10, AusInfo, Canberra, November 1999, available at

<http://www.pc.gov.au/inquiry/gambling/finalreport/index.html>

and Australian Institute for Gambling Research, *Australian Gambling: Comparative History and Analysis*, Victorian Casino and Gaming Authority, Melbourne, October 1999, available at

[http://www.gambling.vcga.vic.gov.au/domino/web\\_notes/vcga/austGamblingCompHistory.nsf/](http://www.gambling.vcga.vic.gov.au/domino/web_notes/vcga/austGamblingCompHistory.nsf/)

Further statistical information can be found in *Australian Gambling Statistics*, Tasmanian Gaming Commission (latest edition 1999–2000).

Additional information can be found in Australian Institute for Gambling Research, *Fact Sheets*, available at <http://www.aigr.uws.edu.au>

## Chronology

The amount of legalised gambling depends on the availability of the various forms of gambling. The list below shows the history of those forms of gambling in Australia from 1972–73.

- |         |  |
|---------|--|
| 1972–73 | First casino in Australia opened, in Tas.<br>Minor gaming introduced in SA   |
| 1973–74 | Lotto introduced in SA<br>Minor gaming introduced in Tas.  |
| 1974–75 | Pools introduced in Vic.<br>TAB introduced in Tas.   |
| 1975–76 | Pools introduced in NSW, Qld, Tas.   |
| 1976–77 | Lotteries introduced in ACT<br>Lotto introduced in ACT<br>Gaming machines introduced in ACT  |
| 1977–78 | Minor gaming introduced in Vic.<br>Off-course bookmakers phased out in Tas.  |
| 1978–79 | Instant lotteries introduced in SA<br>Lotto introduced in WA, NT<br>On-course bookmakers introduced in NT<br>Off-course bookmakers introduced in NT<br>Lotteries introduced in NT<br>Pools introduced in NT<br>Minor gaming introduced in NT |
| 1979–80 | Lotto introduced in NSW<br>Pools introduced in ACT<br>On-course totalisator introduced in NT<br>Instant lotteries introduced in NT<br>First casino opened in NT  |
| 1980–81 | Pools introduced in SA<br>Lotteries re-introduced in Tas.  |
| 1981–82 | Lotto introduced in Qld<br>Instant lotteries introduced in Vic., Tas., ACT   |
| 1982–83 | Instant lotteries introduced in NSW, WA  |

*Gambling: An Australian Tradition on the Up!*

1984–85	Instant lotteries introduced in Qld Pools introduced in WA
1985–86	First casino opened in Qld, SA, WA TAB introduced in NT
1988–89	Minor gaming introduced in WA
1989–90	Lotteries phased out in SA
1990–91	Gaming machines introduced in Vic., NT Off-course bookmakers phased out in NT Minor gaming introduced in Qld Minor gaming phased out in NT
1991–92	Gaming machines introduced in Qld Keno introduced in NSW, SA
1992–93	Lotteries phased out in WA Casino opened in ACT
1993–94	Keno introduced in Vic.
1994–95	Casino opened in Vic. Gaming machines introduced in SA Keno introduced in Tas. Sports betting introduced in NSW, Vic., SA, WA, Tas., NT
1995–96	Casino opened in NSW Minor gaming phased out in Vic. Sports betting introduced in Qld, ACT
1996–97	Gaming machines introduced in Tas.
1997–98	Keno introduced in Qld
1998–99	Interactive gambling introduced in NT
1999–2000	Interactive gambling introduced in Qld, Tas.

## Glossary

Several of the terms used in this paper have meanings additional to or different from their normally accepted usages. This glossary explains the meanings of all the terms used in this paper.

<b>ABS</b>	Australian Bureau of Statistics.
<b>Casino</b>	The amounts wagered on all activities conducted in casinos, whether also conducted elsewhere (such as gaming machines) or not. Turnover figures include casino 'handle'—the amount of money exchanged for gaming chips—and because of the nature of some casino activities, such as table games, the total amount 'wagered' can be difficult to determine.
<b>Expenditure</b>	The net amount <i>lost</i> from gambling, i.e. the amount wagered <i>less</i> any amount won. The amount actually 'gambled' as distinct from 'invested'.
<b>Gambling</b>	The lawful placement of a wager or bet on the outcome of a future uncertain event. The statistics presented in this paper are for legalised, regulated gambling for which accurate figures are available; there may be other forms of gambling which are not represented in the figures in this paper.
<b>Gaming</b>	All forms of gambling other than Racing and Sports betting.
<b>Gaming machines</b>	Also known as poker machines. These are machines which display combinations of playing cards or other symbols when operated by players, with certain prescribed combinations being winners. Data for machines operating in casinos are included under Casinos.
<b>HDI</b>	Household disposable income—total net income, whether in cash or in kind, after deduction of taxes, which is available to households for spending.
<b>Instant lotteries</b>	Also includes 'instant money', 'scratchies'. Purchasing of tickets where the player scratches off a coating to check whether the ticket is a winner. Prizes are paid according to set returns after costs, taxes and profits.
<b>Interactive gaming</b>	Any type of gambling activity conducted from a computer terminal.
<b>Keno</b>	A game where the player matches 20 different numbers they have selected against the 20 different numbers out of 80 randomly selected by a ball-drawing device or computer system. Where games are conducted in casinos, turnover and expenditure figures, etc., are included under Casinos.

<b>Lotteries</b>	Purchasing of tickets in a draw for which prizes are awarded, after deductions for costs, taxes and profits to the operator. Usually prizes are known beforehand and draws take place on fixed dates, so operators carry any loss incurred if all tickets are not sold.
<b>Lotto</b>	Also includes Tattsлото, Gold Lotto, X-Lotto, Powerball, depending on the jurisdiction. A game where the player purchases six different numbers out of a total of 40 or 45 numbered from 1 to 40 or 45, eight of which will be drawn from a ball device containing all of the 40 or 45 individually-numbered balls. Prizes are paid according to how many of the eight numbers the player has purchased.
<b>Minor gaming</b>	The collective name given to raffles, bingo, lucky envelopes, etc.
<b>Off-course bookmaker</b>	Wagering on racing (horses, greyhounds) away from the track with bookmakers, i.e. people who are licenced to accept bets, at odds set by the bookmaker.
<b>On-course bookmaker</b>	Wagering on racing (horses, greyhounds) at the track on the day of the racing with bookmakers, i.e. people who are licenced to accept bets, at odds set by the bookmaker.
<b>On-course totalisator</b>	Wagering on racing (horses, greyhounds) at the track on the day of the racing where players purchase 'units' in a pool (the 'totalisator') and winnings are paid in proportion to the units wagered, less deductions for costs, taxes and profits to the operator.
<b>Per head</b>	Calculations on the basis of the mean resident population aged 18 years and over.
<b>Pools</b>	A numbers game based on soccer matches in Australia and the United Kingdom, where players select six of the usually 38 pre-selected matches. The results are ranked according to a formula with the winners being those who have selected the six highest-ranked matches.
<b>Racing</b>	Betting on the outcomes of horse and greyhound races, and in recent times some other specified sporting events where the betting is conducted with the same operators as those who operate on horse and greyhound races.
<b>Real (amounts)</b>	Actual amounts deflated by the Consumer Price Index (CPI), eight capital cities, base 1989–90 = 100.0, in order to have the effects of inflation removed.
<b>Sports betting</b>	Wagering on all types of local, national or international sporting activities, other than established horse and greyhound racing, whether on-course, off-course, in person, by telephone or via computer terminal.

<b>TAB</b>	Totalisator Agency Board. Wagering on racing (horses, greyhounds) at outlets away from the track, where players purchase 'units' in a continuously increasing and instantly totalled 'pool' (the totalisator) and winnings are paid in proportion to the units wagered, less deductions for costs, taxes and profits to the operator.
<b>Turnover</b>	The total amount wagered, bet or 'invested' by people purchasing gambling products, i.e. gamblers or players, excluding commissions, etc. incurred at the point of purchase. Normally this amount would be total expenditure but not in the context of this paper.
<b>Wager(ing)</b>	Paying, providing or putting up money, or betting, for the purpose of increasing the amount by correctly predicting the outcome or result of an event on which gambling is allowed. In this paper it is not distinguished as one of the two categories of gambling, the other category being 'gaming'.

## Endnotes

---

1. See for example Australian Institute for Gambling Research, *Australian Gambling: Comparative History and Analysis*, Victorian Casino and Gaming Authority, Melbourne, October 1999.
2. *ibid.*
3. *ibid.*, and Productivity Commission, *Australia's Gambling Industries*, Report No. 10, AusInfo, Canberra, November 1999.
4. *Household Expenditure Survey, Australia, Detailed Expenditure Items, 1998–99* (Catalogue No. 6535.0), ABS, Canberra, September 2000.