



# GAMBLING TAX WINNERS AND LOSERS

Last year gambling taxes in SA raised \$388m - which constituted 9% of state revenue and helped fund vital services like hospitals, schools, roads and police.

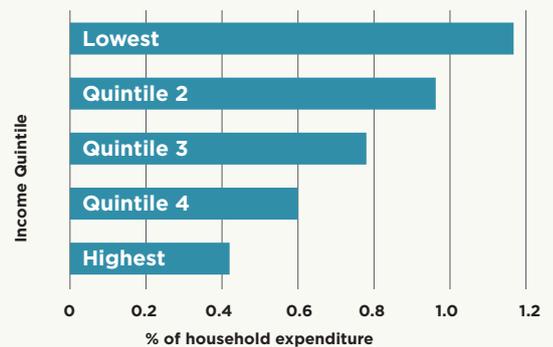
## Who pays the price?

Gambling tax is regressive. It falls most heavily on the lowest income earners - who pay more as a proportion of household income. For example, did you know that the average person in the lowest income quintile\* pays twice as much, proportionally, as someone earning an average income?

For the lowest 40% income earners, gambling tax is a greater cost than car rego, insurance duties or the emergency services levy.

\*A quintile is 20% of the population.

Who Pays Gambling Taxes



## Pokies and taxes

### Breakdown of gambling taxes in SA

“Playing the pokies” is the largest gambling activity in SA. South Australia has a heavier reliance on pokies tax than all other states.



# 1992

Gaming machines (or pokies) were **legalised in SA** in 1992.

# \$289m

Last year the **SA government** collected \$289m in pokies taxes.

# 71%

Pokies account for 71% of gambling expenditure in SA and **almost 3/4 of all gambling tax collected.**



## The pokies play you!

It is important to know that pokies addiction is not simply individual failure. It is driven by sophisticated psychological and marketing techniques by large corporations aimed precisely at encouraging addictive over-expenditure.

The Alliance for Gambling Reform have made a video about this called “Poison Apples”, which can be viewed at [www.pokiesplayyou.org.au](http://www.pokiesplayyou.org.au)

# POKIES: THE TRUTH

DESIGNED TO CREATE  
**ADDICTION**





## A conflict of interest

We know that gambling can be addictive and lead to debt. We also know that a large portion of gambling taxes comes from the losses of addicted and problem gamblers.

**This creates a conflict of interest for governments.** On the one hand they rely on gambling tax revenue but at the same time governments perform a regulatory role to prevent harm from gambling.



According to the Productivity Commission, **40% of pokies tax comes from problem gamblers.**

## How much pokies tax goes to help problem gamblers?



**Less than 12%** of pokies tax goes directly towards fixing the problems created by gambling.



The real value of the support for these programs has **declined by 25%** over the last decade.



**RECOMMENDATION** The amount going to gambling-related community support funds should be indexed to maintain their real value over time.



### Pokies

Pokies taxes are levied on pokies providers as a **percent of gamblers' expenditure** (losses) with the scale increasing in six brackets from a tax-free threshold of \$75,000.

**Non-profit clubs pay a different rate** - between 6.5% and 10% less than hotels pay. This discount comes at an \$8m cost to the SA budget.

The casino pays an average tax rate for ordinary poker machines and a **heavily discounted rate** for premium gaming machines.

## How are gambling taxes calculated?

### Casino table games

The Adelaide Casino pays 3.41% of net gambling expenditure (gamblers' losses).

### Sports betting

SA bookmakers pay 6% of net gambling expenditure.

### Horse racing and greyhounds

There is no gambling tax but levies are paid to support industry.

