

Gambling in Australia



Hotel and Club Gaming

Hotel and club gaming remains, by far, the most prevalent form of gambling in Australia in terms of turnover, revenue and tax paid to Government, while participation has shrunk over 20 years from over 35% of adults to less than 25%.

Growth has plateaued in nominal terms and the real value of the activity is in a very gradual decline but, nonetheless off a very high base. Advertising and promotion of this activity is relatively low key by reference to other forms of commercial gambling and the attraction, on an individual level, is dominated by local factors, such as proximity to work or home and relationships with venues.

Hotel and club gambling is the motivator of more than half of the problem gambling in Australia, particularly because of the potential for continuous and highly intensive play. However, the relationship between the venue and the activity presents good opportunities for intervention at the individual level.

Public Lotteries

Public lotteries have always been the most prevalent form of gambling in terms of the numbers of Australians participating, with annual play touching nearly 80% of adults. Public lottery monetary volumes are in a gradual decline consistent with the ageing of the customer base and the ever-present barrage of new online entertainment options (both gambling and otherwise).

Promotion of public lotteries is characterised by fantastic and comedic themes designed to sell the product by reference to dream of a very big win. While some products are continuous (Keno), the generally lower intensity of play makes public lotteries less of a risk for problem gambling than all other forms of commercial gambling and, with them being perceived as relatively benign, their promotion is more generally tolerated than that of other forms of commercial gambling.

Casinos

Casinos compete, to an extent, with hotel and club gaming, and otherwise enjoy a monopoly on the niche activity of table gaming.

Table games are a high value, high-intensity activity with table limits and minimum bets operating to limit participation to those who can afford the activity. Domestic table game play is under pressure world-wide by reason of higher labour requirements than for gaming machines, the relative price sensitivity of local players, the greater anonymity of gaming machines and what is, in any event, a relatively small target market.

Independent Gambling Authority

Within and outside Australia, “international” table game play has enjoyed significant growth, some of which is driven by the opening up of China, and Australian casino operators have sought to attract this business. International table game play is a risky business for Australian casinos due to the volatile nature of high stakes play and the significant investments in capital facilities and player incentives required to attract business.

Wagering

Wagering is in a state of flux.

Old monopolies in off-course totalisator betting, which focused on racing, were already stagnant, if not in actual decline, at the time of their privatisation from the mid-1990s onwards.

Once privatised, they were burdened with the payment of significant rents to the racing industry while their headline performance was impaired by the inability of the racing industry, from the 1980s onwards, to maintain its attractiveness as a pastime. This has been exacerbated by a series of convenience choices which made it not just possible, but unremarkable, to engage in betting without attending a race meeting or without even leaving home.

The ready availability of reliable, fast and cheap internet connections, initially on personal computers and then on wireless devices (from the early 2000s onward) led to the entry of new players, from low tax jurisdictions, who were not burdened with industry support obligations. These new players effectively created a national wagering market which was recognised by the High Court in the 2008 Betfair case.

Marketing themselves primarily as sportsbetting operators, the new players have competed ferociously for market share since the Betfair case (in which it was confirmed that they could advertise freely). Their activity has caused the market to grow somewhat, and for them to take significant turnover and revenue from the old monopolies.

While the initial growth in sportsbetting appeared exponential, this has now started to settle and it is clear that the new players will make their major income from racing.

The ferocious competition and the accompanying advertising has given wagering a profile well above what would be justified on prevalence measures alone, although it is logical to assume that the drive for account customers has been accompanied by collateral damage to the traditional high risk groups for gambling problems (which include young males) and other vulnerable members of the community easily drawn in by the marketing.