

# Costs of harm attributable to major gambling forms

## Overview

- When quantifying the cost of harm associated with gambling products, electronic gaming machines (EGMs) account for more than half of the total cost, followed by wagering and casino table games.
- While Victorians are 4 times more likely to gamble on lotteries or scratchies than on EGMs, only 4% of the cost of harm is associated with lotteries and scratchies.
- EGM gambling has the highest excess spend,<sup>2</sup> at \$2.6 billion, followed by wagering, at \$1.7 billion.

## \$11.6 billion in costs is attributable to harm from major gambling forms

The total cost of gambling to Victoria in 2023 was \$14.1 billion. This includes costs to people who gamble, affected others, the wider community and governments, and includes direct financial impacts and less tangible harms such as emotional and psychological suffering and productivity loss. The total includes costs associated with all forms of gambling, including illegal offshore wagering.

After excluding direct costs to the government for research, regulation and services, and costs associated with private, offshore and illegal forms of gambling, \$11.6 billion in costs can be attributed to harm on regulated products.

## EGMs accounted for more than half of the gambling harm-related cost

EGMs accounted for \$6.7 billion in costs, with \$2.6 billion linked to excess spending and \$4.1 billion to other costs. This amount is more than for every other regulated product combined (\$4.9 billion).

This contribution of EGMs to total harm-related costs occurred even though only one in 10 Victorian adults gamble on EGMs.

## Wagering and casino gambling accounted for most of the remaining cost

Wagering (betting on racing or sport) had the second-highest associated cost at \$3.1 billion, more than half of which was linked to excess spending by those participating in gambling (\$1.7 billion).

Casino table games accounted for \$1.0 billion in costs.

Table game gambling displays a similar per-person cost to wagering, with the difference in total costs due to the lower participation for table games (5% of Victorian adults) compared to wagering (15% of Victorian adults).

## Lotteries, scratchies and Keno contributed small proportions to total gambling costs

While lotteries and scratchies have much higher participation (40% of Victorian adults gambling at least once per year) than other gambling products, they accounted for just \$411 million in costs.

<sup>1</sup> Browne M, Tulloch C, Rawat V, Dellosa G, Russell AMT, Hing N, Rockloff M and Doran C (2025), *The social costs of gambling to Victoria, 2023*, State Government of Victoria, Melbourne.

<sup>2</sup> Excess spending refers to the amount of spending by those classified at any level of risk of problem gambling (low- and moderate-risk and problem gambling) by the Problem Gambling Severity Index, relative to those who gamble but are not considered at any level of risk.

Keno had the lowest associated cost (\$315 million), consistent with its small participation rate of 2%.

Figure 1 shows the attribution of costs for each gambling form, showing both the amount associated with excessive spending and those costs which exclude excess spend.

**Figure 1: Costs attributable to each major gambling form**

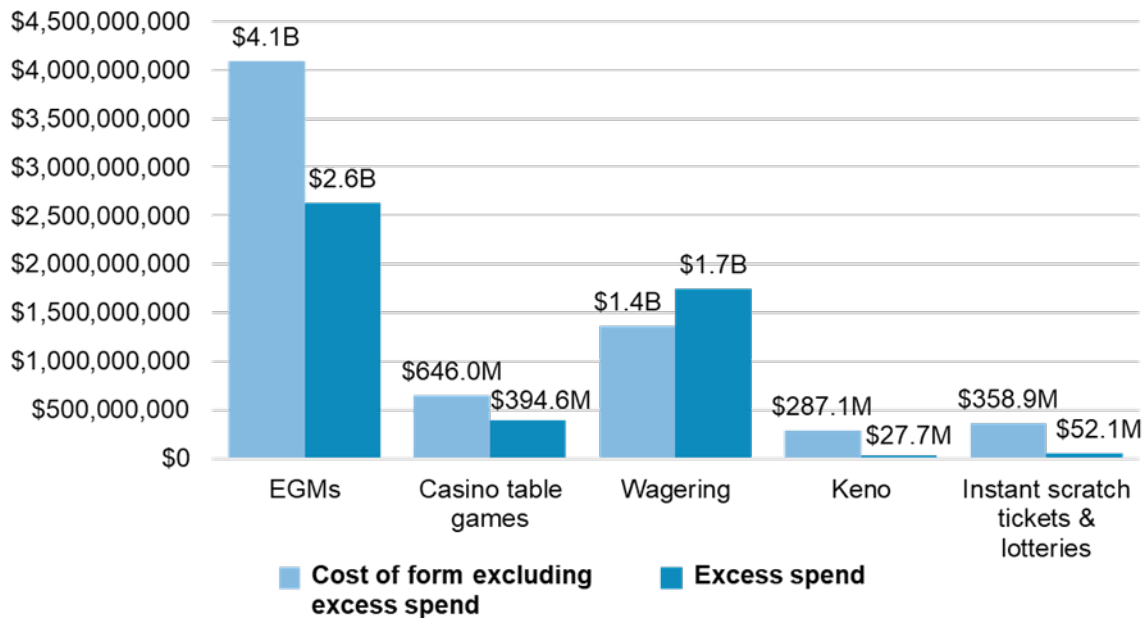


Figure 1 shows how costs from excessive spending contribute a significant proportion of the overall costs for EGMs, casino table games and wagering, with excessive spending being the larger contributor to total costs in the case of wagering.

It also identifies that not only are the total costs for Keno and Instant scratch tickets and lotteries less than for other forms of gambling, but the contribution of excessive spend to the costs from these products is also much less than for other products.