

PEOPLE BEFORE POKIES

PUTTING 'PEOPLE BEFORE POKIES' IN NSW

NSW is addicted to poker machines. NSW loses more money per person to gambling than any other jurisdiction in the world, has over half of Australia's poker machines and is second only to Las Vegas when it comes to machine numbers.

Each year, NSW citizens lose over \$6 billion to poker machines and these losses are set to rise. For many, an addiction to poker machines manifests itself in housing insecurity, homelessness, food insecurity, relationship breakdown, domestic violence and suicide.

The people of NSW never made a decision to have poker machines in every community. The accessibility and density of poker machines in NSW clubs and pubs, with over 92,000 machines, is at odds with the rest of the world where these addictive and damaging machines are mostly restricted to casinos.

This came about because of the long history of political support for the pokies industry smoothed by political donations and influence peddling by the clubs and hotels industry. The NSW Coalition even has signed a formal agreement with Clubs NSW to protect industry

profits, and if NSW Labor wins government a similar agreement is almost certain to be signed.

The NSW Greens have a plan that puts people before pokies and recognises the harm that all forms of gambling causes to people, families and communities. As gambling losses continue to grow along with the political influence of gambling interests, there is an immediate need for bold action on gambling reform and to get poker machines out of our communities.

NSW GREENS' 'PEOPLE BEFORE POKIES' PLAN

1. **Establish an independent Special Commission of Inquiry into the influence of the gambling lobby on NSW politics.** It is time to remove the deep conflicts of interests that come with the unacceptably close relationships

between the gambling industry and both major parties in NSW.

2. **Introduce a \$7 billion transition package to phase pokies out of our communities.**

Pokies in pubs will be phased out over five years and pokies in clubs will be phased out over 10 years with a support package for clubs and communities.

3. **Give communities the right to say no to pokies.** Councils will have the power to cap machine numbers in their local area.

4. **Ban gambling advertising on public transport and in sport.** These are exposing the next generation to lifetime of harm.

5. **Redesign the ClubGRANTS program.** This will become a more transparent Community Grants Trust Fund, using revenue from a 5% flat tax rate from clubs to add over \$1 billion to the Fund over the course of the 10 year phase out.

6. **Get gambling out of politics.** No government should sign a MOU with industry that guarantees harm from poker machines, or accept political donations from the gambling industry.

7. **Remove tax exemptions and financial loopholes.** The tax system is set up for the benefit of big gambling businesses and pub empires, to the detriment of live music venues and local bars and pubs.

8. **Change machine features and the gaming environment.** Introduce \$1 bets and put an end to club loyalty programs that seduce and manipulate players.

DETAILS

1. ESTABLISH A COMMISSION OF INQUIRY INTO THE INFLUENCE OF THE GAMBLING LOBBY ON NSW POLITICS.

It is time to remove the deep conflicts of interests that come with the unacceptably close relationship between the gambling industry and both major parties in NSW. Despite media reporting over the last 12 months of serious unconscionable conduct by NSW pubs and clubs relating to the operation of poker machines, their behavior continues unchallenged.

Woolworths-owned ALH Group were exposed by whistleblowers who revealed that pub staff collected and shared data about poker machine players to manipulate and maximise player losses.¹ The consequences of this type of systemic behaviour was seen in the tragic suicide of a gambling addicted player on Sydney's Northern Beaches in June.²

These investigations have dragged on while the clubs and hotels engaged in this conduct continue to profit. At the same time the NSW Coalition signed a new agreement with Clubs NSW that protects poker machine profits.

This close relationship was borne out in the Opera House 'Everest' promotion, when the direct financial support for the horse and greyhound racing industries infuriated the NSW community who sensed, and were outraged by, the special treatment for gambling interests in NSW.

This history of special treatment is no wonder, given the Australian Hotels Association, Clubs NSW and the Star Entertainment Group are some of the major parties' biggest donors. These groups expect a return on their investment when they donate hundreds of thousands to both major parties in NSW every year.

We need an independent inquiry into the extent of influence of the gambling and racing industry on NSW politics.

2. \$7 BILLION PACKAGE TO PHASE POKIES OUT OF OUR COMMUNITIES

The only way to reduce the harm of poker machines is to take them off our streets. The proliferation of pokies in NSW is at odds with the rest of the world, with only 12 other countries allowing poker machines in non-gaming venues.⁴ In WA, poker machines are restricted to the Perth casino only. Here, local clubs and pubs continue to thrive despite not being able to generate profits from poker machines.

The NSW Greens would create \$7 billion package to support pubs and clubs transition to a business model that does not rely on poker machine revenue. This money will be sourced from estimated gaming tax revenue for the NSW Government over the next 10 years.

Details:

1. Pubs to phase out poker machines within five years (currently 22,654 machines in pubs).
2. Clubs to phase out poker machines within 10 years (currently 69,314 machines in clubs).
3. \$7 billion support package for pubs and clubs to trade in their poker machines sourced from:
 - a. Redirecting gaming tax revenue from consolidated revenue to industry adjustment over the next 10 years (approximately \$6.7 billion in tax revenue over 10 years assuming steady phase out rate).
 - b. Increasing the levy on the casino as they will receive a commercial benefit from the phase out (a 2% levy similar to Responsible Gambling Fund will bring in over \$20 million per year).

4. This \$7 billion support package will be directed to:

- a. \$5 billion to provide financial incentives for pubs and clubs to surrender machines, with greater financial incentives to venues that surrender machines early.
- b. \$1.5 billion loan pool to provide low-interest loans to clubs transitioning to a business model without pokies.
- c. \$250 million in financial and business advice to clubs changing their business model.
- d. \$50 million in re-training and support for club staff.
- e. \$200 million in grants to community and sporting clubs, to supplement ClubGRANTS fund (more details on community grants below).

3. GIVE COMMUNITIES THE RIGHT TO SAY NO TO POKIES

In the absence of a clear commitment to phase out of poker machines from communities, communities must be empowered to take local steps to reduce the harm caused by poker machines.

Communities that are suffering from the impacts of poker machine gambling must be given the right to say how many machines they are prepared to accept in their local area. Communities must also be given greater agency through understanding the local impacts and movements of poker machines.

Details:

- Give power to councils to cap the number of machine in their local government area.
- All applications to increase the number of gaming machines should require a Local Impact Assessment to be undertaken and require consent of local government.

- Require all Local Impact Assessments to consider social impacts, such as domestic violence, alcohol abuse and impacts on local industry.
- Make real-time data on poker machine losses by venue available online for free so that communities are informed of the impact in making these decisions.

4. BAN GAMBLING ADVERTISING ON PUBLIC INFRASTRUCTURE AND IN SPORT

The public were dismayed at the government's decision to allow the 'Everest' horse race to be advertised on the sails of the Opera House. This is just the latest example of public space being increasingly given over to gambling promotions. Martin Place and other major public gathering places are often used for major gambling promotional events each year and gambling advertisements and promotions are commonly run in train stations across the city.

At the same time cross promotional advertising of gambling in sport has proliferated with entire codes, clubs and TV rights linked to gambling businesses. Children following their favourite sporting clubs and heroes are regularly exposed to gambling promotions.

The Greens want to see gambling advertisements removed from public spaces and in sport.

Details:

- NSW publicly owned infrastructure including public buildings like the Opera House, train stations, trains and buses would be prohibited from being used for gambling advertising
- Venues, codes and clubs playing at NSW

Government owned or controlled stadiums or sports grounds would be prohibited from displaying gambling promotions.

5. REDESIGN CLUBGRANTS TO BENEFIT THE COMMUNITY

Currently, a small proportion of poker machine profits to clubs is paid as ClubGRANTS to community organisations. This represents less than 2% of club profits and furthermore attracts a gaming tax rebate for the club.

The way ClubGRANTS are set up are essentially a form of institutional bribery used to buy community goodwill for a toxic and damaging industry.

Details:

- Redefine ClubsGRANTS as a Community Grants Trust Fund to be run by a an independent community board supervised by the Department of Premier and Cabinet.
- Increase the ClubGRANTS requirement to a flat 5% of all profits (applying the same to all category 1, 2 and 4 ClubGRANTS) with no gaming machine tax rebate payable.
- This will bring in over \$1 billion over the 10 year phase-out to be used for:
 - a. anonymous, statewide grants to community and sporting organisations
 - b. supporting individuals, families and communities in the areas worst impacted by pokies through programs and initiatives to address gambling harm
- The fund will be managed to continue beyond the 10 year phase-out of poker machines using interest generated.

6. GET GAMBLING MONEY OUT OF POLITICS

Successive governments have failed to address the problem of poker machine gambling. The current NSW Government has a written Memorandum of Understanding with Clubs NSW which ties them to decisions that lock in profits for industry and locks in community harm. Both major parties at state and federal levels also continue to take political donations from the gambling industry.

Details:

- No political party or future government should sign a Memorandum of Understanding with ClubsNSW, or any associated industries or entities.
- Non-for-profit clubs, as well as any individual or entity involved in gambling activities, should be added to the prohibited donor list to remove their ability to influence politics.
- MPs to be banned from being involved in staged media events relating to the expenditure of poker machine profits, such as sporting facilities paid for by ClubGRANTS.
- A central register of ClubGRANTS records, including grant amounts, recipients and source club, should be kept by the NSW Government and made available for free, online on a timely basis.
- Non-profit clubs should be required by law to report in their Annual Report on ClubGRANTS distributed, the amount and recipients, with information published online.

7. REMOVE TAX EXEMPTIONS AND FINANCIAL LOOPHOLES

While the Greens ultimately want pokies out of clubs and hotels, in the meantime tax loopholes need to be closed to reduce the attractiveness

of poker machines and ensure more resources are available to deal with the harm caused. Currently, large hotel-owning companies like Woolworths (ALH Group) and clubs are benefiting from tax exemptions and loopholes.

Details:

- Gaming machine tax must be charged on the profits of a group owner as a single entity, rather than individual venues.
- This loophole allows companies like Woolworths to claim no/low tax thresholds for each individual hotel while making hundreds of millions of dollars in annual poker machine profits.
- Remove non-for-profit status of clubs that are involved in poker machines.
- Reforming ClubGRANTS to set a 5% flat rate to be paid into the new Community Grants Trust Fund with ClubGRANTS no longer attracting a gaming machine tax rebate.

8. CHANGE MACHINE FEATURES AND THE GAMING ENVIRONMENT

The losses suffered from poker machines exceeds other forms of gambling because they are designed for addiction. These machines and the environment around them need to be regulated to limit the harm inflicted on people and to allow people the chance to walk away.

Details:

- Introduce \$1 maximum bet per spin and maximum loss of \$120 per hour.
- Ban poker machine promotions and club loyalty programs where non-monetary prizes are used to encourage people to stay and gamble.
- Remove features designed for addiction

including losses disguised as wins, linked jackpots and free spins.

- Require machines to turn off after one hour of play.
- Introduce mandatory pre-commitment technology, requiring people to place a binding limit on how much they could lose.
- Reduce gaming room opening hours.
- Remove ATMs and eftpos facilities from gaming rules and limited withdrawal in other areas of the venue to \$250.

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