



# PULL THE PIN ON POKIES

THE  
GREENS

## **Gambling is out of control in NSW. The state has nearly half of Australia's poker machines and loses more per person to gambling than anywhere else in the world. It's time to bring gambling under control in NSW.**

Tens of thousands of people in NSW experience harm caused by gambling each year<sup>1</sup>, devastating individuals and families across NSW causing housing insecurity, homelessness, food insecurity, relationship breakdown, domestic violence and suicide.

Successive governments have allowed gambling to invade all parts of life. Pubs and clubs across the state are jammed full of poker machines, often in areas that can least afford it.

The powerful gambling lobby wields enormous influence on the major parties via political donations made by the more than 1,000 local clubs across the state. The leaders of the Liberal, National and Labor parties also enter into agreements with ClubsNSW before each election which ties the hands of any future Government to raise gambling taxes or to take genuine action to reduce gambling harm.

The Greens will stand up to the powerful gambling industry with a plan to pull the pin on pokies in NSW.

### **THE GREENS WILL:**

- ▲ Create a pokies 'super tax' and reparation fund for affected communities.
- ▲ Phase out poker machines from pubs in 5 years and clubs in 10 years
- ▲ Introduce a mandatory cashless gambling card
- ▲ Reduce gambling harms with \$1 bet limits, midnight to midday pokies curfews and prohibiting addictive features and advertising
- ▲ Reduce the social costs of pokies to NSW by \$87 billion over ten years
- ▲ End the grip of the gambling industry on our democracy by prohibiting gambling donations

[https://www.responsiblegambling.nsw.gov.au/\\_data/assets/pdf\\_file/0008/881279/NSW-Gambling-Survey-2019-report-FINAL-AMENDED-Mar-2020.pdf](https://www.responsiblegambling.nsw.gov.au/_data/assets/pdf_file/0008/881279/NSW-Gambling-Survey-2019-report-FINAL-AMENDED-Mar-2020.pdf)

## MAKE PUBS AND CLUBS PAY FOR THE POKIES PAIN

Pubs and Clubs take massive pokies profits from communities and with poker machines set to make them nearly \$8 billion in profit this financial year. Pokies losses are often the worst in low income areas. Canterbury-Bankstown and Fairfield saw the highest losses in NSW last year at \$562 million and \$527 million respectively while being the two LGAs with the lowest median income in Sydney .

Clubs try to cover up the damage they cause by returning a small portion of their profits to the community in the form of club grants. The ClubGrants scheme has handed out \$1 billion in grants to the community since 1998. That's just over \$41 million per year or less than 1% of the estimated profits that clubs make each year. To top it off, the government gives clubs a tax break on their already low pokies taxes for handing out the grants<sup>2</sup>.

It's time to make the gambling industry pay for the damage it has caused communities across NSW. Currently pubs pay between 0% and 50% tax while clubs only pay a maximum of 28.05%.<sup>3</sup>

The Greens will introduce a flat 'Pokie Tax' of 60% across all pubs and clubs, increasing by 5% per year to produce an additional \$3.4 billion in revenue over 5 years<sup>4</sup>. This additional revenue will be dedicated to a 'Poker Machine Repairs Fund' which will be used to replace the ClubGrants scheme, fund gambling harm reduction services and invest in the communities most impacted by gambling harms.

The majority of the fund will be invested in a 'perpetual community fund' to produce at least \$100m in revenue per year to fund these services long after poker machines have been phased out.

### POKER MACHINE REPAIRATIONS FUND

- ▲ Replace the ClubGrants scheme by providing community grants of \$70m per year directly from the fund.
- ▲ Invest 20% of windfall taxes into the communities most impacted by gambling harm - between \$100m and \$150 m per year over 5 years.
- ▲ Establish an independent Gambling Harm and Research Advocacy Institute for \$4m per year
- ▲ Establish a Gambling Harm Legal Service for \$4m per year.
- ▲ Invest \$6.5m per year into gambling harm reduction services including First Nations & Culturally and Linguistically Diverse services, Community Educators and Counselling Services.
- ▲ Invest the majority of the tax windfall into a 'perpetual community fund' to produce at least \$100m in revenue per year after 5 years to fund services after poker machines are phased out.<sup>5</sup>

<sup>2</sup> [Liquor and Gaming - Gaming Machine Taxes](#)

<sup>3</sup> <https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/gaming-wagering-tax/gaming-machine-tax>

<sup>4</sup> This accounts for the decrease in poker machine profitability as a result of the policy, see [figure 1 of the appendix](#).

<sup>5</sup> See [figure 2](#) of the appendix for full costings

## PHASING OUT POKER MACHINES

Users of poker machines in NSW lose \$4,500 on average per year, a total of \$5.4 billion per year. The people of NSW have lost more to poker machines than any other state, losing \$135 billion over the last 30 years to poker machines, twice that of Victorians.

Pubs and clubs do not need to rely on pokies profits to survive. Western Australia has no poker machines outside of casinos but still has 1,000 clubs<sup>6</sup> and nearly 600 pubs<sup>7</sup>

It's time to end the pokies pain, the Greens will:

- ▲ Place a moratorium on new poker machines and set a goal to phase out all poker machines in pubs by 1 July 2028 and clubs by 1 July 2033.
- ▲ Establish an independent expert panel to develop a pokies licence buyback scheme to facilitate the phase out.
- ▲ Require the panel to consult local councils on the reduction of pokies licences in their areas.
- ▲ Help small pubs and clubs that want to phase out their poker machines earlier, \$200 million will be allocated from the reparations fund towards providing financial assistance to help them establish alternative revenue streams.

## MANDATORY CASHLESS GAMBLING CARD AND EXCLUSION REGISTER

A cashless gambling card has been recommended by the NSW Crime Commission to nip money laundering through poker machines in the bud. It would also be a powerful tool to reduce gambling harm in NSW.

<sup>6</sup> <https://www.clubswa.com.au/about/>

<sup>7</sup> <https://publocation.com.au/facts>

A cashless card would be required by anyone who wanted to use a poker machine. The card could provide a user information on their total losses as well as allowing them to set total spending and time limits.

The card could also be used by persons who want to reduce their gambling harm by excluding themselves for a period of time of their choosing.

The Greens will:

- ▲ Introduce a mandatory cashless gambling card for all forms of gambling.
- ▲ Create a Statewide self-exclusion register covering all venues.
- ▲ Ensure the card and register are administered by the Government, not the gambling industry.
- ▲ Place mandatory player-set time and spending limits on all gambling cards.

## REDUCING GAMBLING HARMS

Clubs, pubs and casinos have been allowed to get away with taking in mega-profits from their addictive machines for too long.

Losses to poker machines are higher than any other form of gambling because they are designed to draw people in and gamble more.

The Greens will reduce gambling harms by introducing simple measures that are proven to work, including:

- ▲ A \$1 bet limit on all poker machines.
- ▲ Reducing the maximum deposit to \$500.
- ▲ Place a curfew on poker machines between midnight and midday.
- ▲ Prohibit addictive features like flashing lights, sounds and losses disguised as wins.

- ▲ Prohibit the advertising of poker machines or VIP rooms outside of pubs.

## REDUCING THE SOCIAL COSTS OF GAMBLING

The harms caused by gambling are often hidden. Poker machine losses often lead to family and relationship breakdown as well as loss of employment and housing, with severe mental and physical health repercussions.

Victorian research has shown that for every \$1 lost to gambling approximately \$1.20 of social harm is caused.<sup>8</sup> This means that the harms caused by gambling will cost NSW around \$9 billion this year, far more than the less than \$2 billion the state receives in pokies tax each year.

While the Greens plan to pull the pin on pokies would reduce tax revenue to the Government, it will ultimately save money by reducing the social costs of poker machines by \$4 billion in the first year and at least \$87 billion over ten years<sup>9</sup>.

## BREAKING THE POWER OF THE GAMBLING INDUSTRY

The gambling industry has a long history of supporting the Liberal-National and Labor parties through political donations and influence.

For the last decade, the NSW Coalition has signed formal agreements with Clubs NSW to protect industry profits with Labor making similar commitments.

The Greens will:

- ▲ Make agreements between the Government and the gambling industry that prevent gambling reform illegal.
- ▲ Ban donations from any organisation that profits from poker machine revenue.
- ▲ Ban former politicians and their staff, senior public servants and parliamentary staff from working in the gambling industry for 4 years after they leave the job.

## HOW THE GREENS HAVE BEEN FIGHTING FOR YOU

**In the last parliament, it was the Greens who:**

- ▲ Increased fines for online gambling companies that break the law.
- ▲ Made it harder for online gambling companies to advertise to customers.
- ▲ Moved to prohibit clubs from donating to political parties.

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<sup>8</sup><https://responsiblegambling.vic.gov.au/resources/publications/the-social-cost-of-gambling-to-victoria-121/>

<sup>9</sup> See [figure 1](#)

# Appendix

## FAQ

### **Won't the government lose money by reducing the amount of pokies?**

Over the first five years the Greens plan is expected to produce over \$3 billion in additional revenue. The Greens will invest \$2.1 billion of that into a perpetual community fund to produce over \$100m in revenue per year to fund community grants and gambling harm reduction services.

In the long term, the plan will result in the loss of tax revenue from poker machine profits. The state will ultimately save money however once the social costs of gambling harm, of \$1.20 for every dollar lost, is factored in. In other words, the tax revenues that the NSW Government receives of around \$2 billion per year, are more than offset by the nearly \$9 billion in social costs incurred by poker machine harm.

### **Won't pubs and clubs shut down if they lose pokies?**

No. Western Australia has no poker machines outside of casinos but still has 1,000 clubs<sup>10</sup> and nearly 600 pubs<sup>11</sup>. That's also why the Greens plan includes financially supporting venues to transition away from pokies.

### **What about all the money clubs put into the community?**

While \$1 billion for community organisations might sound impressive, the ClubGrants scheme has only given \$42 million per year since it was established in 1998. This is a small fraction of the \$136 billion NSW has lost to poker machines over the last 30 years.

It's even less than the \$7 billion clubs and pubs are expected to make in profits from poker machines this year and the \$9 billion in social costs those losses are expected to create.

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<sup>10</sup> <https://www.clubswa.com.au/about/>

<sup>11</sup> <https://publocation.com.au/facts>

## Figure 1. Phase Out/High tax Scenario vs Business as Usual

The phase out scenario assumes a 40% reduction in pokies profits in the first year and 5% per year after as a result of instituting these policies. At least 59% of poker machine profits come from persons experiencing gambling harms<sup>12</sup>. While data on the effectiveness of some harm reduction measures is limited a South Australian trial found that pre-commitment reduced high risk spending by 56%<sup>13</sup> while a midnight curfew on poker machines decreased spending in Nova Scotia by 5-9%<sup>14</sup>. These measures would indicate revenues would decrease by a minimum of 40% in the first year.

Future pokies profits are based on assumptions in the NSW Budget which assumes a 3% p.a. growth in pokies taxes from clubs and 7.2% p.a. growth from hotels.

		1st year	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year	9th year	10th Year
		2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030	2030 - 2031	2031 - 2032	2032 - 2033
<b>Business as Usual</b>	Clubs Profit	\$4.5B	\$4.7B	\$4.8B	\$5.0B	\$5.1B	\$5.3B	\$5.4B	\$5.6B	\$5.8B	\$5.9B
	Clubs Tax	\$909.0M	\$937.0M	\$966.0M	\$995.0M	\$1.0B	\$1.1B	\$1.1B	\$1.1B	\$1.2B	\$1.2B
	Hotels Profit	\$3.7B	\$3.9B	\$4.2B	\$4.5B	\$4.8B	\$5.2B	\$5.5B	\$5.9B	\$6.3B	\$6.8B
	Hotels Tax	\$1.3B	\$1.4B	\$1.5B	\$1.6B	\$1.7B	\$1.8B	\$1.9B	\$2.0B	\$2.2B	\$2.3B
	Total Profit	\$8.2B	\$8.6B	\$9.0B	\$9.5B	\$9.9B	\$10.4B	\$11.0B	\$11.5B	\$12.1B	\$12.7B
	Total Tax	\$2.2B	\$2.3B	\$2.4B	\$2.6B	\$2.7B	\$2.8B	\$3.0B	\$3.2B	\$3.3B	\$3.5B
<b>Phase Out Scenario</b>	Clubs Profit	\$2.6B	\$2.5B	\$2.4B	\$2.3B	\$2.1B	\$2.0B	\$1.9B	\$1.8B	\$1.7B	\$1.7B
	Clubs Tax	\$1.6B	\$1.6B	\$1.8B	\$1.9B	\$2.0B	\$2.1B	\$2.3B	\$2.4B	\$2.5B	\$2.6B
	Hotels Profit	\$2.0B	\$1.9B	\$1.8B	\$1.7B	\$1.6B					
	Hotels Tax	\$1.2B	\$1.2B	\$1.3B	\$1.4B	\$1.5B					
	Total Profit	\$4.6B	\$4.4B	\$4.2B	\$4.0B	\$3.8B	\$2.0B	\$1.9B	\$1.8B	\$1.7B	\$1.7B
	Total Tax	\$2.8B	\$2.9B	\$3.1B	\$3.3B	\$3.5B	\$2.1B	\$2.3B	\$2.4B	\$2.5B	\$2.6B
<b>Windfall</b>	Clubs Tax	\$673M	\$691M	\$788M	\$884M	\$979M	\$1.1B	\$1.2B	\$1.3B	\$1.4B	\$1.4B
	Hotel Tax	-\$67M	-\$124M	-\$127M	-\$134M	-\$149M	-\$1781M	-\$1906M	-\$2039M	-\$2182M	-\$2335M
	Total Tax	\$606M	\$567M	\$660M	\$749M	\$831M	-\$707M	-\$739M	-\$779M	-\$830M	-\$892M
<b>Social Costs</b>	Business as Usual	\$9.9B	\$10.3B	\$10.9B	\$11.4B	\$11.9B	\$12.5B	\$13.2B	\$13.8B	\$14.5B	\$15.2B
	Phase out	\$5.6B	\$5.3B	\$5.0B	\$4.8B	\$4.5B	\$2.4B	\$2.3B	\$2.2B	\$2.1B	\$2.0B
	Savings	\$4.3B	\$5.1B	\$5.8B	\$6.6B	\$7.4B	\$10.1B	\$10.8B	\$11.6B	\$12.4B	\$13.3B

<sup>12</sup>[https://aifs.gov.au/sites/default/files/publication-documents/rr-gambling\\_activity\\_in\\_australia\\_0\\_0.pdf](https://aifs.gov.au/sites/default/files/publication-documents/rr-gambling_activity_in_australia_0_0.pdf)

<sup>13</sup> <https://aifs.gov.au/media/full-pokies-pre-commitment-systems-needed>

<sup>14</sup>[https://www.responsiblegambling.nsw.gov.au/\\_data/assets/pdf\\_file/0011/881453/shutdown-periods-egm-snapcracker-report-2020.pdf](https://www.responsiblegambling.nsw.gov.au/_data/assets/pdf_file/0011/881453/shutdown-periods-egm-snapcracker-report-2020.pdf)

## Figure 2. Pokies Reparation Fund

60% of the tax windfall to be invested into the Perpetual Community Fund to replace the ClubGrants system in perpetuity.

5% investment returns minimum assumption based on 5y P.A returns for:

- Future Super 5.07%<sup>15</sup>
- NSW Financial Management Growth Fund 6.59%<sup>16</sup>
- Australian Ethical super fund 5.3%<sup>17</sup>

	Year 1 - 23-24	Year 2 - 24-25	Year 3 - 25-26	Year 4 - 26-27	Year 5 - 27-28
<b>Tax Windfall</b>	\$606.1M	\$567.1M	\$660.1M	\$749.4M	\$830.6M
<b>Community Grants</b>	\$70.0M	\$70.0M	\$70.0M	\$70.0M	\$70.0M
<b>Community Reparations</b>	\$121.2M	\$113.4M	\$132.0M	\$149.9M	\$166.1M
<b>Research Institute</b>	\$4.0M	\$4.0M	\$4.0M	\$4.0M	\$4.0M
<b>Legal Service</b>	\$4.0M	\$4.0M	\$4.0M	\$4.0M	\$4.0M
<b>CALD Service</b>	\$2.5M	\$2.5M	\$2.5M	\$2.5M	\$2.5M
<b>First Nations service</b>	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M
<b>Community Educators</b>	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.0M
<b>Counselling Services</b>	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.0M
<b>Phase Out</b>	\$40.0M	\$40.0M	\$40.0M	\$40.0M	\$40.0M
<b>Perpetual Community Fund</b>	\$360.4M	\$329.2M	\$403.6M	\$475.0M	\$540.0M
<b>Investment returns</b>	\$18.0M	\$35.4M	\$57.3M	\$83.9M	\$115.1M

<sup>15</sup> <https://www.futuresuper.com.au/performance-and-returns/>

<sup>16</sup> <https://www.tag.nsw.gov.au/sites/default/files/2022-08/2206%20FM%20Growth%20Fund%20Fact%20Sheet%20FINAL.pdf>

<sup>17</sup> <https://www.australianethical.com.au/managed-funds/performance-and-prices/>