

THE POKIES PLAY YOU

NSW pokies losses soar by \$400m, Clubs still doing the most damage

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The Alliance for Gambling Reform today revealed shocking new data on the scale of poker machine losses in NSW as candidates for the September 9 NSW council elections got behind calls for substantial reforms.

NSW is Australia's most gambling industry captured jurisdiction and provides little transparency on poker machines losses. However, The Alliance has purchased data from the NSW Government, conducted analysis and can reveal the following:

- * Losses on poker machines in NSW jumped by \$400 million from \$5.7 billion in 2014-15 to a record \$6.1 billion in 2015-16 and the government is budgeting on this to surge through \$7 billion by 2018-19.
- * The 1140 NSW pokies clubs produced the most harm in 2015-16 generating \$3.952 billion in player losses from their 69,837 machines, equivalent to 64.76% of state-wide harm from 75.2% of the state's poker machines (excluding 1500 at The Star casino).
- * The 1548 hotels which host the maximum of 30 pokies each under state law generated \$2.15 billion in player losses from 23,033 machines, equivalent to 35.23% of the losses from 24.8% of the machines.
- * Fairfield City of Council was the worst affected local government area in Australia with 2015-16 losses across its 38 pokies venues totalling \$485 million. By way of comparison, the [worst hit council area](#) in Victoria in 2016-17 was City of Brimbank with annual losses of \$134.14 million.
- * The forced merger of Canterbury and Bankstown councils in 2016 will see Fairfield replaced at the top of the losses table when the 2016-17 data is belatedly released. The combined losses at Canterbury and Bankstown in 2015-16 were \$535.6 million.
- * In terms of venue numbers, City of Sydney is arguably the world's worst hit local government areas with a staggering 189 pokies pubs, in spite of Clover Moore's council supporting the [Proudly Pokies Free](#) campaign.
- * Sydney's western suburbs are well over-represented in the hardest hit areas, as is demonstrated by the recent Redcape Hotels prospectus released by Sydney Swans chairman Andrew Pridham, who is the CEO of Moelis Australia.

With 46 NSW Council elections on September 9, almost 100 candidates have so far signed The Alliance pledge to pursue policies which will cap annual NSW pokies losses at \$5 billion.

The Alliance is [calling on candidates](#) who are successful on September 9 to support the moving of a motion after the election for their council to develop a gambling policy, as more than 20 Victorian councils have done. Examples of Victorian gambling policies, programs and information currently run by Tier 1 members of The Alliance include [City of Monash](#), [City of Moreland](#) and [City of Greater Dandenong](#).

Below is a list of the 25 NSW local government areas which suffered the biggest losses in 2015-16, as revealed by The Alliance's analysis of the purchased NSW Government data:

Local Government Area (LGA)	Total losses	Total poker machine numbers	Venues	Losses per machine
1. Fairfield	\$485,773,980.93	3836	38	\$126,635.55
2. Sydney	\$319,618,423.08	3998	202	\$79,944.58
3. Bankstown	\$281,203,825.20	2732	37	\$102,929.66
4. Blacktown	\$255,436,219.75	2819	37	\$90,612.35
5. Canterbury	\$254,423,949.90	2200	31	\$115,647.25
6. Parramatta	\$201,809,595.07	2053	36	\$98,299.85
7. Auburn- Strathfield	\$180,510,961.79	1184	26	\$152,458.58
8. Penrith	\$175,893,680.83	2569	35	\$68,467.76
9. Wollongong	\$156,053,450.78	3145	68	\$49,619.54
10. Holroyd	\$153,510,281.56	1457	11	\$105,360.52
11. Wyong	\$149,635,514.91	2651	34	\$56,444.93
12. Liverpool	\$145,266,567.20	1443	22	\$100,669.83
13. Campbelltown	\$145,235,176.12	1909	23	\$76,079.19
14. Ashfield-Burwood	\$144,994,173.05	1477	21	\$98,168.03
15. Newcastle	\$143,385,678.71	3079	99	\$46,568.91
16. Botany Bay- Randwick	\$142,212,087.55	1788	46	\$79,536.96
17. Sutherland	\$118,215,848.11	2004	37	\$58,989.94
18. Gosford	\$115,446,261.59	2031	37	\$56,842.08
19. Pittwater- Warringah	\$115,096,626.00	1879	36	\$61,254.19
20. Hurstville	\$106,711,867.26	1037	15	\$102,904.40
21. Hunters Hill Lane Cove-Ryde	\$103,889,949.40	1267	27	\$81,996.80
22. Lake Macquarie	\$100,553,983.22	2483	64	\$40,496.97
23. Tweed	\$99,061,514.19	2072	33	\$47,809.61
24. Rockdale	\$95,411,914.57	1319	26	\$72,336.55
25. Kogarah	\$81,124,276.19	922	15	\$87,987.28

NSW GOVERNMENT PLANNING MORE POKIES HARM, NOT SHARING REVENUE WITH MOST HARMED COMMUNITIES

Despite deluging record levels of harm on local communities, the NSW Government is not sharing the revenue even remotely fairly with the worst affected areas, as Fairfield mayor Frank Carbone [recently told](#) *The Sydney Morning Herald*.

Similarly, a [recent press release](#) by Racing Minister Paul Toole, the former local government Minister, gloated that NSW Clubs would be able to divert more of their profits into their own facilities, rather than sharing them with the community. Incredibly, pokies clubs think it's fine to use this latest concession to push into aged care, child care and disability services.

NSW Clubs have the lowest pokies tax rates in Australia but the recent 2017 state budget is projecting an increase in overall pokies revenue, suggesting losses will rise even further. The combined government tax take from clubs and pubs is projected to soar from \$1.455 billion in 2015-16 to a record \$1.777 billion in 2020-21 – a jump of 22% or \$322 million.

The Alliance is particularly concerned by the growth in harm throughout NSW hotels with government revenue from pubs predicted to soar from \$680 million in 2015-16 to \$893 million in 2020-21 – a rise of 31.3% in just 5 years. The projected 5.1% annual compound growth in pokies revenue from pubs means pubs are now predicted to become more lucrative to the government than clubs for the first time in 2020-21 (\$884m vs \$893m).

The full budget forecast for gambling revenues are available on [page 7 of the revenue section](#) of the budget papers and here is some data comparing actual past NSW poker machine tax revenue with projected future revenues:

HISTORY OF NSW POKER MACHINE TAX REVENUE

2009-10: \$1065m (clubs \$640m, pubs \$425m)

2011-12: \$1150m (clubs \$660m, pubs \$490m)

2012-13: \$1177m (clubs \$669m, pubs \$508m)

2015-16: \$1455m (clubs \$775m, pubs \$680m) – this was \$130m ahead of the 2014 budget forecast and also \$102m ahead of the \$1353m forecast in the 2013 budget.

2016-17: budget forecast: \$1506m (clubs \$775m, pubs \$731m)

2017-18: budget forecast \$1566m (clubs \$800m, pubs \$766m)

2018-19: budget forecast \$1632m (clubs \$826m, pubs \$806m)

2019-20: budget forecast \$1703m (clubs \$855m, pubs \$848m)

2020-21: budget forecast \$1777m (clubs \$884m, pubs \$893m)

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