

THE POKIES PLAY YOU

UK slashes max bet on gaming machines, why don't we?

Friday, May 18, 2018

The Alliance for Gambling Reform today called on Australian states and territories to follow the bold overnight move by the UK Government and dramatically reduce maximum bets on their lucrative but highly dangerous poker machine empires.

Alliance spokesman and director Tim Costello said if the UK government could slash the maximum bet from 100 pounds to just 2 pounds on Britain's 33,611 fixed odd betting terminals (FOBTs) across more than 8000 high street betting shops, then Australia's most gambling captured state, NSW, could at least follow the lead of other territories and reduce its maximum bet from \$10 to \$5.

"The Productivity Commission has twice recommended \$1 maximum bets, Victoria, South Australia and Queensland have cut their maximums from \$10 to \$5, yet pokies-captured NSW and the ACT remain stubbornly on \$10," Mr Costello said.

"The UK Government has clearly prioritised public health over tax revenue with this bold reform and there is no reason why the Coalition Government in NSW and the Labor Government in the ACT shouldn't at least cut the maximum bet to \$5, as a start."

"All Australian politicians should read this comprehensive [62 page consultation paper](#) produced by the British Government, along with [this statement](#) overnight explaining the rationale behind a 50-fold reduction in the maximum bet."

Australians are the world's biggest gamblers with \$25 billion expected to be lost in 2018, more than half of which comes highly addictive electronic gaming machines.

NSW is Australia's most pokies saturated state with losses now approaching \$7 billion a year from its 95,000 poker machines, a loss rate which is worse than any other jurisdiction in the world, excluding gambling destinations Macau and Las Vegas.

And it's getting worse. The [2017-18 NSW budget](#) forecast that pokies taxes from clubs and pubs would soar from \$1.455 billion in 2015-16 to a record \$1.777 billion in 2020-21 – a jump of 22% or \$322m – but this growth could be halted by slashing the maximum bet.

Mr Costello also welcomed the UK plan to help pay for the lost revenue from FOBTs by increasing the point of consumption tax on the online gambling sector, which is currently 15% in the UK.

“NSW is the last mainland state to show its hand on an Australian point of consumption tax and should announce a decisive move in next month’s budget,” Mr Costello said.

“Foreign bookmakers have been deluging Australians with advertising whilst paying pathetically small licence fees to the Northern Territory and nothing to the states where they are making all their money.”

“These are the same companies (Ladbrokes, William Hill and Sportsbet’s parent Paddy Power Betfair) which have been preying on the British public with more than 30,000 FOBTs across 8000 high street betting shops.”

“If Britain is going to lift its 15% point of consumption tax, then the Australian states should at least move to 15% as well, higher than the 8% rate announced by the Victorian government last week.”

Mr Costello pointed out that the 1.8 billion pounds lost annually on FOBTs in Britain is dwarfed by the \$13 billion-plus Australians will lose on 193,000 high intensity gambling machines in 2018.

“And at least UK betting shops were limited to 4 FOBTs per outlet, in NSW there is no venue limit on poker machines with several big clubs each having more than 600 on a single site,” Mr Costello said.

“The saturation of poker machines in the community are a national disgrace in Australia, equivalent to guns in America, and this bold move by the British Government should finally trigger some decision regulatory action in Australia.”

BACKGROUND ON UK FOBTs DECISION

[Statement](#) released by UK government last night announcing decision

[62 page consultation paper](#) produced by the British for the triennial review

[Video](#) created by UK MPs arguing the case for change, led by Welsh MP Carolyn Harris.

[Briefing paper](#) for MPs by the House of Commons library

[Statement](#) by SNP MP Ronnie Cowan, who led the reform push

[2014 video](#) by *The Guardian* explaining the history of FOBTs in Britain

Statements in response to decision by the 3 biggest UK bookmakers: [GVC](#) (owner of Ladbrokes), [Paddy Power Betfair](#) (owner of Sportsbet) and [William Hill](#).

[Alliance press release](#) on Victoria’s point of consumption tax move.

Media contact: Stephen Mayne: stephen@agr.org.au 0412 106 241