

THE POKIES PLAY YOU

Pokies losses soaring again in NSW, Queensland and Victoria

Friday, June 22, 2018

The Alliance for Gambling Reform today condemned the Victorian, NSW and Queensland Governments for presiding over heavy increases in poker machine losses despite Australians already being the world's biggest gamblers in per capita terms. The latest figures confirm total gambling losses are expected to top \$25 billion in 2018, with more than \$13 billion of this coming from Australia's 200,000 poker machines in 5000 venues.

Figures [released in Victoria](#) at 11am today confirm that calendar year 2018 is on track for an increase of more than \$100 million in poker machine losses – something not seen for more than a decade. The monthly losses in May 2018 were \$227.24 million, a 7% per cent increase or a rise of \$14.81 million on the \$212.43 million lost in May 2017.

And this comes shortly after the NSW and Queensland Governments released budgets predicting big increases in pokies tax revenue which means gambling harm is still increasing.

Alliance director and NSW spokesperson Allison Keogh said the NSW budget was particularly disturbing because the government added \$106 million to its four year forecast of tax revenue from pokies pubs, as opposed to forecasts just 12 months ago.

“Proving that the recent NSW legislation will do nothing to reduce gambling harm, the government is heartlessly budgeting for a 24.4% increase in pokies tax from hotels over 5 years from \$730 million in 2016-17 to \$966 million in 2021-22,” Ms Keogh said. “Pokies losses in pubs are rising so quickly that pubs are now projected to pay more pokies tax than NSW clubs for the time in 2017-18 (\$793m vs \$781m). Twelve months ago, this wasn't expected to happen until 2020-21.”

“The NSW Government, led by partners such as Woolworths, are deluging misery on communities with increasingly sophisticated and addictive machines which are draining world record levels of losses causing family break downs, suicide, crime and bankruptcy.”

Below are the forecasts for pokies tax paid by the 1550 NSW hotels from last year's 2017-18 NSW budget, with the updated figures from last week's 2018-19 budget displayed in brackets, showing the size of the revenue write-up:

2016-17: \$731m (\$730m)

2017-18: \$766m (\$793m)

2018-19: \$806m (\$833m)

2019-20: \$848m (\$874m)

2020-21 \$893m (\$919m)

The Alliance was disturbed by the growth in NSW losses predicted last year (see [release](#)) but now the situation is even worse as outlined on [p8 of the revenue section](#) of the 2018-19 NSW budget papers.

“Over the next 4 years, the NSW government is expecting to collect a record \$7 billion in poker machine taxes from pubs and clubs, and that’s despite having the lowest tax rate on clubs of any Australian state,” Ms Keogh said.

Total losses on the 95,000 poker machines in NSW are expected to top \$7 billion for the first time in 2018, including the expected \$350 million in losses on the 1500 machines at The Star.

“Official NSW data is opaque and out of data but we know losses on poker machines (excluding The Star) jumped by \$400 million from \$5.7 billion in 2014-15 to a record \$6.1 billion in 2015-16 and clearly the budget forecasts show the government wants this growth rate to continue,” Ms Keogh said.

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).*
2016-17: *\$1502m (clubs \$772m, pubs \$730m)*
2017-18: *budget forecast \$1574m (clubs \$781m, pubs \$793m)*
2018-19: *budget forecast \$1636m (clubs \$803m , pubs \$833m)*
2019-20: *budget forecast \$1701m (clubs \$827m, pubs \$874m)*
2020-21: *budget forecast \$1773m (clubs \$854m, pubs \$919m)*
2021-22: *budget forecast \$1847m (clubs \$881m, pubs \$966m)*

VICTORIAN LOSSES ON THE RISE AGAIN

The situation in Victoria isn’t as bad, although the failure of the Andrews Government to tackle harm minimisation measures in the legislation passed late last year has coincided with a sudden surge in monthly losses. The May figures were [released at 11am](#) this morning by the VCGLR and showed monthly losses of \$227.24 million, up from \$212.43 million in May 2017. So far in 2018, losses are up from \$1039 million in the first 5 months of 2017 to \$1099 million in 2018, a gain of \$60 million or 5.8%.

Alliance director and spokesman Tim Costello called on the two major parties to make Victorian election commitments which will reverse the rising losses.

“The Victorian Parliament had no mandate to legislate for new 20 year pokies entitlements and now losses are rising again, after several years of relative stability, such that 2018 is now headed for a record of more than \$2.7 billion in pokies losses,” Mr Costello said.

“We know that pubs are twice as ruthless as clubs in the losses they extract, so this will only get worse if the Victorian Gaming Minister allows hotels to snap up lapsed club entitlements, ending the mandatory 50-50 split which had been in place for 25 years.”

MONTHLY POKIES LOSSES IN VICTORIA (\$m)

	2015/16	2016/17	2017/18
July	\$230	\$233	\$230
August	\$231	\$231	\$234
Sept	\$219	\$224	\$225
Oct	\$224	\$228	\$227
Nov	\$216	\$218	\$222
Dec	\$222	\$223	\$234
Jan	\$218	\$209	\$222
Feb	\$202	\$194	\$203
Mar	\$217	\$213	\$227
April	\$216	\$211	\$220
May	\$214	\$212	\$227
June	\$208	\$212	

QUEENSLAND ALSO PREDICTING RISING REVENUES

Finally, The Alliance also condemned the Queensland Government for failing to address gambling harm with budget forecasts predicting a 20% increase in revenue over the forward estimates. See [p7 of the revenue section](#) of the 2018-19 budget papers:

2016-17: \$684 million

2017-18: \$718 million

2018-19: \$750 million

2019-20: \$784 million

2020-21: \$819 million

Unlike NSW, Queensland does not provide a break-down between club and pub pokies tax receipts, but the annual state wide pokies losses in 2017 were \$2.3 billion, before considering the additional losses on poker machines at the state’s 4 casinos.

“With total pokies losses in Queensland headed for \$3 billion, the government should not be pursuing two new casino licences in Cairns and the Gold Coast,” Mr Costello said.

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