

THE POKIES PLAY YOU

Gambling industry political donations hit record \$3m in 2017-18

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The Alliance for Gambling Reform today called for a complete ban on political donations by licenced gambling operators after the latest belated disclosures revealed record contributions, including blatant industry funding to manipulate state election outcomes in Tasmania and South Australia.

With foreign contributions, financial services and developer donations all noticeably down, the gambling industry has once again climbed the league ladder of influence pedallers to now be near the top of the pile.

Alliance director and spokesman Tim Costello said Australia won't begin to address our world's worst levels of gambling harm until the political funding tap is completely turned off. Australians lost \$24 billion on legal gambling in 2016-17, with an estimated additional \$2 billion lost to illegal gambling.

"With the world's worst per capita losses of \$1000 a head, that's an awful lot of largesse for the industry to spread around and we've seen it again this year in the 2017-18 political donations data with gambling industry entities donating almost \$3 million. And that's only what we know about," Mr Costello said.

The league ladder of gambling donors was topped by the Labor Party's 1973 Foundation in the ACT division, which houses the profits made from the 4 Canberra pokies clubs which the party has operated in Canberra, starting back in 1979.

"It is ridiculous that Labor operates pokies dens in Canberra and Sydney and I call on Bill Shorten to not only ban gambling donations such as the \$789,197 siphoned to the ACT division from the '1973 Foundation', but also commit Labor to fully divest its poker machine operations," Mr Costello said.

After an initial inspection of the returns, The Alliance has identified the following \$2.867 million from gambling donors but this is by no means the full extent of the industry's political funding in 2017-18:

1973 Foundation: [\\$789,197](#) to ACT Labor in donations and loans (last year [\\$790,985](#))

AHA SA division: [\\$324,944](#) in 72 donations to Lib, Lab and Australian Conservatives

AHA NSW division: [\\$294,092](#) in 29 donations spread across major parties

AHA Tasmanian division: [\\$269,750](#) in 14 donations to Tasmanian Liberals

AHA Federal office: [\\$211,044](#) in 68 donations spread across various parties and divisions

Crown Resorts: [\\$180,638](#) in 24 donations (last year [\\$209,964](#))

Tabcorp: [\\$218,000](#) in 27 donations (last year [\\$200,000](#))

Clubs NSW and Clubs Australia: [\\$182,250](#) in 28 donations (Last year [\\$173,783](#))

The Star Entertainment Group: [\\$111,740](#) in 19 donations (last year [\\$145,000](#))

Tasmanian pokies operator Goodstone Group: [\\$80,000](#) to Tasmanian Liberals

Tasmanian pokies operator Kalis Hospitality: \$70,000 to Tasmanian Liberals

Tasmania pokies operators Federal Group: [\\$50,000](#) to Tasmanian Liberals

Tasmanian pokies operator EBC Leisure: \$44,000 to Tasmanian Liberals

ALH/Woolworths: [\\$41,737](#) in 20 donations spread across (last year [\\$27,133](#))

The Alliance commended the Federal ALP for voluntarily dropping their 2017-18 disclosure threshold from the \$13,500 legal requirement to just \$1000, providing transparency over \$10.27 million of the [\\$11.54 million](#) it received or some 89%.

However, it was disappointing that Liberal branches across the country opted for the minimalist disclosure, as did NSW Labor which only revealed \$4.52 million of the [\\$7.58 million](#) in total funding it received in 2017-18, leaving 40.3% of its funding or some \$3.06 million undisclosed.

“The NSW Labor division has been notoriously captured by the pokies industry and we are suspicious that a material amount of the \$3 million in undisclosed funding in 2017-18 has come from registered pokies clubs which are exempted from the ban on gambling donations in NSW,” Mr Costello said.

Mr Costello said it was disappointing to see the AHA and Clubs NSW collectively donating \$1.28 million across the country in 2017-18, with NSW once again featuring the largest share of donations from the pokies industry.

“Since the NSW Coalition first signed the notorious Memorandum of Understanding with Clubs NSW before the 2011 state election, when you include free or subsidised venue hire I suspect the clubs industry in NSW has delivered as much as \$5 million to the Coalition parties and their candidates, much of it undisclosed,” Mr Costello said.

The NSW Government has moved to ban developer and some gambling industry donations but there is a carve-out for not-for-profit entities and each of the 1400 registered pokies clubs in NSW can lawfully donate \$5000, which comes to a maximum contribution of \$7 million.

The NSW Liberals also noticeably minimised disclose to keep its funding sources dark. In 2015-16, the NSW Liberals disclosed \$21.13 million of total revenue but only identified \$9.64 million.

The Alliance suspects a material chunk of this undisclosed \$11.48 million came from gambling interests, particularly associates of those 1400 registered pokies clubs.

“It was a similar story in 2016-17 when the NSW Liberals received \$17.14 million but only revealed \$11.6 million,” Mr Costello said. “How much of the \$5.54 million of undisclosed revenue came from gambling interests? I call on the next NSW Government to ban all gambling donations and improve the disclosure regime.”

In 2017-18, the NSW Liberals received [\\$12.37 million](#) but only declared \$4.035 million or some 32.6%. This included disclosures of \$22,000 from The Star and \$20,000 from Clubs NSW, when the separate returns from these donor bodies revealed far higher levels of funding for the Liberal Party.

“Why can’t political parties reveal all donations from the gambling industry when the full extent of funding is usually revealed by the donors themselves?” Mr Costello asked.

In terms of revenue transparency, other state divisions were even worse than NSW with the Tasmanian Liberals only revealing the source of 22.2% of their revenue - \$925,159 out of [\\$4.168 million](#) – and the South Australian Liberals only disclosing \$4.033 million of the \$8.123 million it received in 2017-18, an election year for that state.

The SA Labor Party took a pro-pokies position to the election and only disclosed \$3.59 million of the \$6.39 million in revenue it received in 2017-18, with a further \$520,000 concealed through the Progressive Business cash for access program. The Alliance suspects there was considerable gambling

industry funding hidden in the \$3.32 million of “dark money” not disclosed by Labor’s SA division which failed to follow the lead of Federal Labor by adopting a disclosure threshold of \$1000.

The Alliance was also disturbed to see how much gambling cash was donated to the major parties in Victoria, after they conspired together in October 2017 to issue lucrative new 20 year pokies licences.

Sportsbet and Tabcorp both gave the Victorian Liberals \$30,000, whilst the AHA donated \$90,000. However, the full amounts from the industry will undoubtedly be larger because the Victorian Liberals only disclosed \$5.72 million of their [\\$12.92 million](#) in revenue.

Victorian Labor was equally bad only revealing \$3.887 million of the [\\$8.83 million](#) it received 2017-18 and \$735,000 of this was undisclosed through the “Progressive Business” cash for access program.

However, the most shocking revelations were clearly in Tasmania where the pokies industry effectively bought the election by spending million defeating Labor’s plan to remove pokies from pubs and clubs.

“We now know that the Tasmanian Liberals received at least \$603,000 in direct donations from pokies industry participants for its re-election campaign but we still have no disclosure of the amount spent by the likes of Federal Group and the Tasmanian division of the AHA conducting their own third party campaigns,” Mr Costello said.

“It was a similar story in South Australia where the pokies lobby, through the AHA, deluged \$324,944 in 72 separate donations to the Labor, Liberal and Australian Conservatives parties in order to see off the challenge by Nick Xenophon, who was proposing major curbs on the pokies industry.”

“What happened in Tasmania and South Australia in early 2018 was nothing short of disgraceful and now that we’ve seen the size of the pokies money that was poured into those campaigns, we need Labor and Liberal to agree to a complete ban on gambling donations similar to what they have done with tobacco,” Mr Costello said.

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