

THE POKIES PLAY YOU

NSW gambling revenue soars \$266m to record \$2.616 billion

Tuesday, June 18, 2019

The NSW Government is budgeting to pocket a record \$2.616 billion ([see p4-6 of budget papers](#)) from gambling taxes in 2018-19 as the world's most gambling-captured jurisdiction today unveiled rising revenues in all major gambling categories in the current financial year.

The Alliance for Gambling Reform's NSW campaigner Kate da Costa slammed the gambling revenue forecasts in today's NSW budget, saying it confirmed the government's do-nothing approach to reducing harm.

"When gambling tax revenues jump by \$266 million from \$2.35 billion in 2017-18 and then to a revised record forecast of \$2.631 billion in 2018-19, you know the government is addicted to the revenue and captured by the industry," Kate said.

"And the most disturbing aspect was the revised \$85 million increase in projected revenue from pokies pubs across the 4 year forward estimates, such that the \$793 million pocketed from pokies pubs in 2017-18 is now forecast to crack \$1 billion for the first time when it hits \$1044 million in 2022-23 - a jump of 31.6% in 5 years."

"A [record \\$6.815 billion](#) was lost on poker machines in 2018 and the government should be actively managing this figure down, when instead they are on a pathway to losses of more than \$8 billion a year by the end of the forward estimates."

The Alliance believes the [2018 Memorandum of Understanding](#) signed between Clubs NSW and the Berejiklian government is at the core of policy capture, locking in the hugely damaging 93,000 poker machines and prohibiting any meaningful legislative reform until at least 2022.

However, there were also surprising jumps in other gambling categories revealed in today's figures.

Lotteries: An unexpected \$99 million windfall ([see p4-6](#)) from lottery gambling has turned last year's lottery forecast revenue of \$359 million for 2018-9 into a revised figure of \$458 million.

Casino: Similarly, the government forecast Star Entertainment would deliver it \$296 million in casino revenue for 2018-19 in last year's budget but this latest budget puts the figure at \$371 million. However, the only likely drop in gambling across the forward estimates is attributed to The Star, primarily due to a forecast reduction in foreign high roller gambling losses.

Racing: the new point of consumption tax which started on January 1 this year is the major contributor to the forecast lift in overall "racing" revenue from \$128 million in 2018-19 to \$167 million in 2019-20. However, The Alliance is disappointed this hasn't been separately

reported from traditional wagering tax payments by Tabcorp, as occurs in most other states.

Club pokies: forecast to keep growing by 3% a year over the forward estimates, hitting a record \$878 million in 2022-23, even though NSW clubs have the lowest tax rate of any poker machine operators in Australia at just below 20% in 2018.

Transparency in the regulation of the NSW gambling industry is typically very poor and today's budget is no exception with a cursory two paragraph summary ([see p4-10](#)) of the revenue changes in the budget, no specific references to soaring poker machine revenue from pubs and no break out of the new point of consumption tax.

"With the government issuing all sorts of media statements about a variety of programs, it would be nice if the new Gambling Minister Victor Dominello came out and explained what is going with this record gambling tax haul and why the government is doing nothing to reduce gambling harm," Kate da Costa said.

"The budget documents mention drought 59 times, the police 22 times, and tolls 11 times. The words harm, prevention and addiction occur zero times. It's clearly a marketing exercise."

"A whole of government approach to framing gambling as a public health issue, and to prioritize harm prevention and minimisation is needed to protect NSW communities from an industry which takes [\\$18.7 million a day](#) just through poker machines. Instead, Treasury is depending on increased taxes on increased losses. This is not good government."

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[2018 Memo of Understanding between Coalition and ClubsNSW](#)