

States hopelessly compromised on pokie reform

The South Australian Council of Social Service today drew attention to the large elephant in the room at today's national Gambling Ministers' meeting, which will be discussing poker machine reform. State and territory governments collectively receive about \$3b in tax revenue each year from pokies, creating a fundamental conflict in their regulation of the industry (see state figures below).

SACOSS Senior Policy Analyst, Dr Greg Ogle, said:

"State and territory governments are among the biggest pokie addicts in Australia. They are heavily reliant on income streams generated from poker machines and so it is disappointing but not surprising that they are reluctant to support mandatory pre-commitment for pokies."

"But with 40% of this \$3b in state revenue coming from problem gamblers, state and territory governments cannot be allowed to sabotage much needed reform."

"We are pleased that the Federal government is looking at legislating for a mandatory pre-commitment scheme if the states won't come on board. We hope that the Federal government will maintain this tough stance and not be compromised by negotiations with states addicted to pokie revenue. Agreeing to anything less than a mandatory pre-commitment system will be an expensive system that simply won't work to prevent gambling harm."

"We are calling on the Federal government to recognise the inherent conflict of interest underlying the position of the states and territories, and to legislate for mandatory pre-commitment over the top of the states if necessary."

SACOSS was the lead agency in developing the submissions of the national network of Councils of Social Service to both the Productivity Commission's inquiry into gambling, and the recent Federal Joint Parliamentary Committee inquiry into pre-commitment.

SACOSS supports mandatory pre-commitment as a vital part of a public health and consumer protection approach to gambling regulation. Mandatory pre-commitment increases the safety of high intensity machines that can take up to \$1500 an hour, and gives all gamblers a tool to manage their gambling expenditure.

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State Revenue from Electronic Gaming Machines (pokies)

State and territory governments around the country currently receive over \$3b in revenue each year from poker machines.

Estimates for each state/territory are as follows and as there is no one set of national data, two different methods are used (see notes below):

STATE	2008/09 Pokie Revenue (A) \$m	2009/10 Pokie Revenue (A) \$m	2009/10 Pokie Revenue (B) \$m
NSW	1091.6	1141.7	1079*
Victoria	988.0	998.3	985
Queensland	605.1	653.9	518
South Australia	286.9	292.7	283
Western Australia	55.9	58.5	58.5
Tasmania	33.9	35.3	52.9
ACT	30.1	30.7	33.4
Northern Territory	27.1	26.0	26
Total	3,118.7	3,237.4	3,035.8

Notes:

The “Revenue A” figures

These figures are SACOSS calculations based on data in the Productivity Commission report. The figures are calculated from total gambling revenue in those two years but using 2006/07 figures for poker machines' share of total gambling revenue from 2006/07. These were the only figures available in the Productivity Commission report, but the shares are not likely to change much and the total figures would be a fairly robust estimates.

The “Revenue B” figures

The Revenue B figures are drawn from the respective states and territories' budget papers, except for Western Australia and the Northern Territory which did not contain figures. In these cases, the amount derived from the Productivity Commission estimates is used (in italics). The NSW figures are an underestimate as they do not include revenue from poker machines in casinos.