

Pokies Cause Harm: Key Facts



A brief history

Pokies were introduced into Tasmania's casinos in 1986 and into pubs and clubs in 1997. In both cases, this happened with no community consultation.

Federal Hotels currently own every poker machine in the state and rent them to pubs and clubs. The pokies license expired in June 2018 but its term was extended until June 2023.

The Liberal Government plans to introduce legislation to provide licenses to individual pubs and clubs as well as the casinos to run pokies for a further 20 years, until 2043.¹

Tasmanians have always voiced their opposition to pokies. In every poll, 80% of Tasmanians have said they see no benefit from pokies and want their numbers reduced.²

In 2015, a coalition of community organisations, including Anglicare, led a community campaign to have pokies restricted to the 2 casinos. We presented a petition to the Premier signed by nearly 7,000 people calling on him to remove pokies from their communities. Hundreds of people wrote personal messages about the impacts of pokies on their lives.

Right now, the community can tell Parliament not to pass the legislation that would keep pokies in our communities for a further 20 years.

How many pokies are there in Tasmania?

Tasmania has 3,530 poker machines.³

- 1,185 are in the 2 casinos.
 - 2,345 are in 94 pubs and clubs.
 - There are also 36 poker machines on the 2 Spirit of Tasmania vessels.
-

How are poker machines rigged to win?

Pokies are computers designed by psychologists and mathematicians to ensure that, over time, the machine always comes out on top.

- \$5 can be bet every 3.5 seconds.
 - With each press of the button, the machine keeps about 15% of the bet amount.
 - On average you can lose \$40 in just 4 minutes, or \$600 in an hour.⁴
-

How much money do pokies take from Tasmanians?

Each year, pokies take \$175 million from Tasmanians.⁵

- \$110 million of this comes from pokies in pubs and clubs.
- At least 40% of the money taken by pokies comes from people who are addicted.⁶

In addition to the money lost to pokies, the cost of gambling across the Tasmanian community for both state-funded services and personal costs is estimated at \$100m per annum. 80% of this cost is caused by pokies.⁷ This includes the cost of gambling-related health problems, loss of employment, family difficulties and dealing with gambling-related crime.

How many people are addicted to poker machines in Tasmania?

Tasmanian Government studies state that 2,000 Tasmanians are seriously harmed by gambling. They gamble 3 or 4 times a week resulting in average yearly losses of \$14,000.⁸

A further 21,000 Tasmanians gamble weekly and lose \$3,000 or more each year.

The vast majority of Tasmanians who are harmed by gambling are using poker machines. Polling shows that 1 in 3 Tasmanians personally know someone who has a serious problem gambling on pokies.⁹

Who receives the profits from pokies?

The Government's poker machine policy will see individual pubs and clubs keep about 50% of the money put into pokies. A small percentage would go to Federal Hotels to run the monitoring system and the remainder would go to the Government.¹⁰

At least 40% of money that the Government and any business gets from pokies is taken from people who cannot control their gambling and are experiencing harm.¹¹

Jobs will be created if poker machines are confined to casinos. Independent economic modelling shows that removing pokies from pubs and clubs would not only boost the local economy, but also create hundreds of jobs.¹²

“Gambling expenditure on poker machines in Tasmania does not perform well as a vehicle of [positive] economic impact.... It is almost completely displacement spending, taking away from other potential spending in the domestic economy... [and] does little to stimulate intermediate production in other areas of the Tasmanian economy.” Professor John Mangan, University of Queensland

What about online gambling?

It is important that the damage caused by pokies does not get sidelined by claims about online gambling and sports betting.

Although online gambling and sports betting is growing, the total money spent remains significantly lower than what is spent on pokies. Sports betting currently stands at \$3 million a year compared to pokies in pubs and clubs at \$110 million.¹³

Although there are high-profile cases of young men experiencing harm from sports betting, 70% of people seeking help for gambling say they are there because of poker machines.¹⁴

While the gambling industry claims that the removal of pokies would direct people towards online gambling, Tasmanian Government-funded research shows that less than a quarter of people who currently use pokies would continue to gamble if poker machines were not available.¹⁵

Good public policy and consumer protection can and should be put in place regarding all forms of gambling. But regulation of online gambling and sports betting happens at a Federal level.

Regulation and licencing of pokies happens at a State level and we have a specific opportunity to reconsider our approach here in Tasmania.

What happens elsewhere?

Most states in the world do not permit poker machines in their communities.

Western Australia

In Western Australia, pokies are only permitted in their casino.

While gambling in Western Australia and Tasmania is at a similar level (each between \$600 and \$700 lost per person to table games, pokies, Keno, lotteries and lotto), 70% of Tasmanian losses are to pokies.¹⁶ Regular use of pokies exposes people to a high risk of addiction.

In contrast, 70% of the losses in Western Australia are on forms of gambling that cause few problems such as lotto and Keno.¹⁷

Tasmania has faster pokies with a spin speed of 3.5 seconds compared to Western Australia's 5 seconds. This makes people lose money faster.¹⁸

Not surprisingly, Western Australians spend less of their household disposable income on gambling than Tasmanians.¹⁹

Other countries

Australia ranks 6th in the total number of pokies machines by country, behind Japan, USA, Italy, Germany and Spain, all of which have much bigger populations. On a per capita loss basis, Australia is only behind casino resort destinations such as Monaco and Macao.²⁰

Not all states and countries permit pokies. Eight American states do not permit pokies anywhere while some permit them only in casinos. Two of Canada's 13 provinces have banned pokies altogether.²¹

Compared to other states and countries where pokies are permitted in community venues, Tasmania has higher bet limits and higher maximum payouts.

In the UK, pokies that are in pubs and clubs have a maximum bet limit of less than AUD\$2 (Tasmania allows \$5) and maximum payout of less than AUD\$200 (Tasmania allows up to \$60,000).²²

In New Zealand the maximum bet limit is AUD\$2.35 and maximum payout AUD\$939.²³ It is therefore not surprising that Tasmanians lose more per person to pokies in non-casino venues than New Zealanders and Brits.²⁴

References

1. Tasmanian Liberals, *The Future of Gaming in Tasmania*
2. Roy Morgan Research 2000, 2005; SACES 2007; EMRS 2009, 2015
3. <https://www.treasury.tas.gov.au/liquor-and-gaming/legislation-and-data/gambling-industry-data>
4. Tasmanian Gaming Commission submission to Tasmanian Parliamentary Inquiry on Future Gaming Markets
5. Tasmanian Gaming Commission Annual Report
6. Productivity Commission Report No. 50, *Gambling*
7. Second Social and Economic Impact Study of Gambling in Tasmania
8. Third Social and Economic Impact Study of Gambling in Tasmania
9. 2016 Anglicare Tasmania poll
10. Tasmanian Liberals, *The Future of Gaming in Tasmania*
11. Productivity Commission Report No. 50, *Gambling*
12. John Mangan, *Removing poker machines from hotels and clubs in Tasmania: Economic considerations*
13. Fourth Social and Economic Impact Study of Gambling in Tasmania
14. Fourth Social and Economic Impact Study of Gambling in Tasmania
15. Third Social and Economic Impact Study of Gambling in Tasmania
16. Queensland Treasury, *Australian Gambling Statistics*
17. Productivity Commission Report No. 50, *Gambling*
18. Queensland Treasury, *Australian Gambling Statistics*
19. Queensland Treasury, *Australian Gambling Statistics*
20. Gaming Technologies Association, *The World Count of Gaming Machines*
21. Gaming Technologies Association, *The World Count of Gaming Machines*
22. Gaming Technologies Association, *The World Count of Gaming Machines*
23. <https://www.economist.com/graphic-detail/2015/09/02/betting-the-house>

Pokies Cause Harm

Together we can get poker machines out of our local communities.
Join us and take action today.

[Send an email to your Legislative Council member](#)