# Community benefits claimed by licensed clubs operating poker machines in the ACT

## Researchers

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## Summary

This research report examined the nature of contributions made to community organisations, charities and sporting organisations by clubs and hotels operating poker machines in the Australian Capital Territory (ACT). The study additionally determined the burden of harm attributable to poker machine gambling in the ACT and the distribution of this harm. The ACT Liquor and Gaming Commission (the Commission) is responsible for electronic gaming machines (EGMs) regulation in the ACT.

Expenditure on EGMs accounted for 80 per cent of the ACT’s total gambling expenditure of  
$207.8 million for the 2014-15 reporting period. The number of EGMs allowed to operate in the ACT is capped at 5,024. In the 2014-15 reporting period, 5,022 pokies operated in 58 licensed venues.

The following sources of data were used to analyse the nature of community contributions made by clubs and hotels operating EGMs in the ACT:

1. The ACT Liquor and Gaming Commission report on *Community Contributions made by Gaming Machine Licensees 2014-15.*
2. Data provided by the Commission itemising individual claims made within the five categories of allowable contributions in the 2014-15 period (Charitable and social welfare; Problem gambling; Sport and recreation; Non-profit activities; and Community infrastructure).

## Outcomes

The sum of contribution made to sport and recreation purposes is substantially higher than all other categories combined. Further analysis shows that a considerable proportion of these contributions involve administration costs and wages to support professional sporting entities rather than the development of grassroots sporting endeavours. The total value of contributions made for actual community purposes in the sport and recreation category is likely to be around $4.47 million, rather than the claimed $7.48 million.

Claimed contributions to sport and recreation account for 69.6 per cent of the total claimed for community contributions. Non-profit activities account for 16.6 per cent and charitable and social welfare categories account for 9.9 per cent of the total claimed. The contributions made to other community categories are also very modest.

Overall, the amount claimed for community contributions was 6.4 per cent of EGM losses in the ACT in 2014-15. The amount going to women’s sport was 0.12 per cent of EGM losses and that going to problem gambling was 0.04 per cent of that total.

If contributions to elite and professional sport are deducted, the community contributions for all categories would amount to about $7.7 million, or 4.6 per cent of EGM revenue in 2014-15. Further, if in-kind contributions are excluded, actual monetary contributions would be reduced to $4.7 million, equivalent to 2.8 per cent of EGM losses in the ACT in 2014-15.

Gambling harm is not limited to a small minority of the ACT community.  It impacts on gamblers, their families and friends, employers and colleagues, and the community generally through significant health costs, crime, absenteeism and lost productivity.

Analysis of the extent of harm attributable to gambling is close to that associated with harmful or dependent alcohol use, and on a level similar to major mental illness.

## Recommendations

Recommendations for legislative and policy changes include:

* Transparent disclosure and full publication of the club, amount, purpose and recipient/s of community contributions, on at least an annual basis, with full public access to all such details.
* Careful consideration by government of the existing pattern of community contributions by EGM clubs, their relevance to the purposes of the community contribution scheme, the extent to which those purposes are met by the scheme, and the extent to which they address priority areas for community support and intervention.
* Immediate review of the taxation arrangements for EGM gambling in the ACT.
* Immediate review of the monopoly position occupied by ACT clubs, and the effects this has had on government interaction with the EGM industry and policy development processes.
* Review and possible revocation of the 2012 Memorandum of Understanding with particular regard to the approach taken to gambling-related harm, and its impacts on the community.
* Consideration of a range of harm minimisation and harm prevention measures in order to address and respond to the widespread nature of gambling-related harm in the ACT.

[view the report](https://fare.org.au/wp-content/uploads/Community-benefits-claimed-by-licensed-clubs-operating-poker-machines-in-the-ACT-FINAL.pdf)

[view the media release](https://fare.org.au/wp-content/uploads/Media-Release-POKIES-COMMUNITY-FUND-RIGGED-IN-ACT-CLUBS-FAVOUR-Final.pdf)