



Embargoed for release until 12:01am, Thursday 18 May 2017

POKIES COMMUNITY FUND RIGGED IN ACT CLUBS' FAVOUR

18 May 2017: A new study has exploded a myth perpetuated by licenced clubs that local communities benefit greatly from their financial generosity.

Community contributions from poker machine (electronic gaming machine) venues fail to offset the harm caused by poker machine gambling in the ACT, according to a new study recommending a complete overhaul of the existing community contributions scheme and an immediate review of the current taxation arrangements.

Poker machines deliver ACT Clubs and Hotels \$167.2 million annually, yet actual monetary contributions to genuine community concerns may be as low as two per cent of that revenue, and in the case of investment into problem gambling, as little as 0.04 per cent.

The study, *Community benefits claimed by licenced clubs operating poker machines in the ACT*, was funded by the Foundation for Alcohol Research and Education and carried out by the School of Public Health and Preventive Medicine, Monash University.

Under the *Gaming Machine Act 2004*, ACT Licensed Clubs must allocate eight per cent of their net gaming machine revenue to support local communities.

The study examined the nature and value of contributions made to community organisations, charities and sporting organisations by all clubs and hotels operating in the ACT, and also investigated the likely burden of harm attributable to poker machine gambling, and its distribution in the ACT.

It found gambling harm was widespread throughout the ACT community, with a level of harm close to those associated with dependent alcohol use and major mental illness, with up to 160,000 Canberrans affected by gambling harm to some degree. Between 22,000 and 44,000 of these affected are to a significant degree.

Lead investigator, Dr Charles Livingstone says these harms are neither addressed nor offset by the community contributions scheme.

“Far from a generous gift from a benevolent local organisation, the very existence of the community contributions scheme is an acknowledgement of gambling’s significant social, psychological, physical and emotions cost to society. So it is troubling that very little of the eight per cent of the net gaming machine revenue earmarked for the community is being directed to identified priority areas such as problem gambling,” Dr Livingstone said.

In fact, the contributions made to sport and recreation (\$7.48 million) account for almost 70 per cent of all community contributions, with a considerable proportion of those contributions identified as administration costs and wages to support professional sporting entities, rather than the development of grassroots sporting endeavours.



Foundation for Alcohol
Research & Education

If contributions to elite and professional sport, together with in-kind deductions were deducted, actual monetary contributions would be reduced to \$4.7 million, equivalent to only 2.8 per cent of poker machine revenue, less than a third of the statutory requirements.

Dr Livingstone says the community contributions scheme is deeply flawed and not a substitute for well-considered government spending, nor is it an appropriate vehicle for funding community needs.

Prior to forming Government following last year's ACT election, the Labor Party and the Greens signed off on a formal Parliamentary Agreement, which included a commitment to review the current community contribution scheme.

In light of the study's findings, Dr Livingstone believes the review should commence now, and has called on the Government to crackdown on the current EGM tax arrangements, which are currently well below the national average rate.

"The ACT electronic gaming machine tax rates at 19.9 per cent sit well below the national average of 29.9 per cent. Industry has long argued that it deserves a lower tax rate because of the existence of the community contributions scheme, yet as this study makes clear: the benefits of the scheme are illusory and insubstantial," Dr Livingstone said.

Dr Livingstone is available for interview.

Media contact: Jeremy Henderson 0425 559 710

The **Foundation for Alcohol Research and Education (FARE)** is an independent, not-for-profit organisation working to stop the harm caused by alcohol. Alcohol harm in Australia is significant. Over 5,500 lives are lost every year and more than 157,000 people are hospitalised making alcohol one of our nation's greatest preventive health challenges.

For over a decade, FARE has been working with communities, governments, health professionals and police across the country to stop alcohol harms by supporting world-leading research, raising public awareness and advocating for changes to alcohol policy. In that time FARE has helped more than 750 communities and organisations, and backed over 1,400 projects around Australia.