

Fake concern about gambling addiction emerges in Australian state election

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28 February 2023

In the lead-up to the New South Wales (NSW) state election on March 25, amid an intensifying cost-of-living crisis in the working class, the two ruling parties—Liberal-National Coalition and Labor—are suddenly professing some concern about problem gambling.

Under the guise of curbing gambling addiction, however, they are proposing policies that will do nothing to limit its impact, let alone address the underlying and deepening social crisis that drives the growth of gambling in working-class areas.

NSW, Australia's most populous state, is also the state whose governments are most reliant on taxation revenue derived from poker machines, or "pokies" as they are called in Australia.

For decades both Coalition and Labor governments have collaborated with the clubs and hotels industry to deliberately bleed working-class households of billions of dollars.

Australia has around 200,000 or 20 percent of the world's Electronic Gaming Machines. NSW alone has 86,747 in operation, with 96,178 permits issued, according to a recent report by the NSW Crime Commission (NSWCC).

In 2017, Australia ranked first in the list of the countries with the highest gambling losses per head of adult population. Australians lost \$US958 per adult per year, ahead of the runner-up, Hong Kong, on \$768.

It was the former NSW Labor Premier Bob Carr whose government allowed pokies into hotels in 1997. Prior to that they were only permitted in clubs and casinos. Since then, per capita gambling losses per year have more than doubled in NSW from \$635 to \$1,508 in 2020.

Approximately \$95 billion in cash flows through the NSW gaming machines each year. Last year the NSWCC conducted an investigation into the extent that pokies were used in laundering the proceeds of crime. It found that while money laundering was minimal, billions of

dollars of "dirty" proceeds of crime are put through the machines each year.

Because it is mostly in cash, it is difficult for governments to follow, regulate or determine these money flows. The NSWCC recommended that the government introduce cashless "gambling cards" that gamblers would have to use, linked to a specific bank account. NSW Liberal-National Premier Dominic Perrottet endorsed the proposal.

This is a significant shift in policy, falsely painted by Perrottet and the media as dealing with the problem of gambling addiction created by the proliferation of pokies across the state. It is nothing of the sort.

Perrottet is responding to the demands by sections of the ruling elite that the \$95 billion per year should be regulated. His proposal for a betting cap of \$1,000 to \$1,500 per day would clearly not stop most addicted gamblers plummeting into financial distress.

There is a clear connection between social stress and gambling problems. Losses from gambling machines in the NSW state capital, Sydney, are highest in its western suburbs where a large proportion of the working-class population live.

In the local government area of Canterbury-Bankstown, \$1.8 million is lost through gambling every single day. Just further west in the Fairfield council area, \$1.7 million is lost per day and in the neighbouring Cumberland council \$1.2 million is lost daily. With just over one-seventh of Sydney's population, these three adjacent areas account for one third of the city's poker machine gambling losses.

The median income in each of these working-class communities is significantly below the NSW average. For example, the median weekly household income in Fairfield is \$1,390 compared to the state average of \$1,829. The figures for Canterbury-Bankstown and Cumberland are \$1,556 and \$1,678 respectively.

By contrast, in the wealthier area of Mosman on Sydney's north shore, the median household income is significantly higher, at \$2,892 but the gambling losses are much lower, at \$170,000 per day.

Enormous profits are being made from social misery. The state's gaming machine tax, which is paid on the metered profits of poker machines in clubs and hotels, is forecast to raise \$2.03 billion in 2022-23, about \$500 million more than the previous year, and \$2.4 billion by 2025-26. That's just over 5 percent of the tax collected directly by the NSW government.

Ever in bed with the gaming industry, the Labor Party has opposed the government's gambling card plan. Labor leader Chris Minns has proposed a 12-month trial of cashless gambling on 500 machines across the state, with hotels and clubs to be compensated for any losses. This would cover less than 1 percent of the pokies.

Charles Livingstone, head of gambling research at Monash University, told the *Sydney Morning Herald*: "This is a trial set up to fail. It certainly won't collect any more data than we already have."

The clubs lobby argues that the income it receives from pokies is returned to the community through financial support for sporting and other community activities.

This is fraudulent as well. The Bankstown Sports Group, which operates the Bankstown Sports Club as well as others in Bankstown, Auburn, Birrong and Baulkham Hills, raised \$73 million of its total \$101 million revenue from its gaming machines. But it gave out just \$1.75 million in funds to community sporting groups.

More fundamentally, sporting, cultural and other activities should not depend on exploiting working people desperate for a way out of their financial straits. Instead, amenities should be expanded, improved and fully funded by governments as a social right and democratically controlled by workers themselves.

This is part of a broader fight. As the Socialist Equality Party (SEP) says in our election statement, hundreds of billions of dollars must be poured into public education, healthcare, housing and other essential services, instead of militarism and war and billionaires profiteering on the back of workers.

The gambling industry is a blatant example of the domination of the dictates of private profit over working people in every aspect of life. The pokies are centred in the poorer working areas because it is there that people are under worsening financial stress and are deprived of other recreational and entertainment outlets.

The SEP is standing in the NSW election to take

forward the fight against the program of war, austerity and "let it rip" COVID policies supported by every other party, which are all rooted in the capitalist profit system itself.

As our election manifesto states: "The SEP advances a socialist program to reorganise society to meet the pressing social needs of the vast majority, not the private profits of the super-rich. Nothing can be solved as long as society's resources, created by the working class, are controlled by a corporate oligarchy."

The billions made by the gambling industry are won through the broken lives of people who have been trapped by increasing financial burdens and machines designed to create addiction, as well as through the low wages and poor conditions of hotel and club workers.

The posturing about cashless gaming cards is a cynical diversion. No amount of regulation and control are going to address this social disease because the conditions that give rise to it are central to the operations of the profit system. It is not a matter of enacting reforms but of the complete transformation of society along socialist lines to end the poverty and financial stress that is endemic to capitalism, and provide for the development of an all-rounded human culture that is not centred on the worship of wealth.

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