

MEDIA RELEASE
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States are becoming gambling addicts: report

Australian Governments have become 'gambling entrepreneurs' and are locked into a cycle of promoting new forms of gambling in order to maintain their revenue bases, according to a new report on gambling taxation published today by the Australia Institute.

Launching the report the Reverend Tim Costello said: "As long as the States are starved of funds by the Commonwealth, they will continue to be the biggest gambling addicts. The States are forced to act against the interests of their own citizens, especially the poorest ones."

The report argues that gambling taxation is regressive as it falls predominantly on gambling 'addicts' and their families, and the spread of casinos and gaming machines are adding to the negative impact because they are more accessible to lower income groups.

The Australian Tax Research Foundation was the principal sponsor of the study, with additional funding from the Australia Institute, the Interchurch Gambling Taskforce and other church groups.

The report says that up to a third of Australia's \$3.5 billion in gambling taxes is collected from a mere 200,000 heavy gamblers. Like addicts chasing gambling losses, governments have been drawn into 'chasing' a continuous flow of gambling profit. As a result they have developed undesirably close financial and regulatory relationships with the gambling industry. Gambling taxes now make up 11% of all State tax collections.

"The growth of gambling has let governments off the hook in dealing with pressing social, fiscal and economic issues. Gambling revenues have become a 'tax-reform avoidance scheme' for Australia's state and federal governments", said the report's author Julie Smith.

The study shows that gambling profits are substantially underwritten by gamblers debt, with around half of gambling spending funded from savings, investments or borrowing. The growth of gambling works against policies to increase national savings.

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