

Item 3.1

Bolder Action on Gaming Machines Needed

File No: S051491

Minute by the Lord Mayor

To Council:

Despite years of commitments to reduce gambling harm, political parties and successive NSW Governments remain hooked on gambling donations and tax revenue from gaming machines, even as those machines continue to exploit our most vulnerable communities.

In 2023/24, NSW Government collected \$2.3 billion in gambling tax revenue, with revenue predicted to grow to \$3.8 billion in 2025/26. Gambling losses increase alongside revenue.

NSW has almost 90,000 gaming machines - nearly half the nation's total. Per capita, we only trail Las Vegas and Macau, 2 of the world's gambling capitals.

In 2025, people in NSW lost almost \$9.3 billion on gaming machines - the highest ever loss recorded in our state. The top 5 council areas for losses were Canterbury-Bankstown, Fairfield, Cumberland, Sydney (where over \$400 million was lost) and Blacktown.

In just the first quarter of 2026, over \$104 million was lost in the City of Sydney - forecast to total more than \$500 million by the end of the year. Shockingly, this does not include casino losses.

Gaming machines cause significant financial harm and are a serious public health issue. They damage relationships, families and communities, and are strongly linked to suicide, bankruptcy, family violence and other criminal behaviour. They also impact people's physical health – gaming rooms are the only place in NSW where people can smoke (in outdoor areas), drink alcohol and eat food to ensure they gamble for as long as possible.

Certain venues in NSW seeking more gaming machines are required to complete a Local Impact Assessment to determine the impacts on local communities and explain how the venue will make a positive contribution to the local community. This is governed by the Gaming Machines Act 2001 in NSW which sadly enables gaming machine harm to be mitigated by paying a contribution into the Responsible Gambling Fund or providing grants to community groups. This 'robbing Peter to pay Paul' logic ignores the harm those same machines cause. Rather than relying on individual venues to determine impacts alone, the NSW Government must understand the true impact of gambling harm to properly inform government policy.

City of Sydney action

I have a long history of opposing gambling and gaming machines in NSW, dating back to my opposition to the Casino Control Bill, which established the first casino in Pyrmont in 1992. In 1997, when gaming machines were first allowed in pubs and hotels by the then Labor Government, I vehemently opposed the move, along with the live music industry.

In 2022, Council unanimously supported my [Lord Mayoral Minute](#) about the proliferation of gambling in our state which called on the NSW Government to introduce a mandatory cashless gaming card and other harm minimisation initiatives.

Before the 2023 NSW election, Council urged all parties to introduce mandatory cashless gaming and establish a Special Commission of Inquiry into Gambling Harm.

In 2025, Council unanimously supported [Councillor Worling's motion](#) recognising the continued harm caused by gambling and gaming machines. We called on the NSW Government to ban smoking in outdoor gaming areas, give councils greater powers to regulate gaming machines, and introduce mandatory gaming room closing hours to reduce gambling harm. Unfortunately, the NSW Government has not committed to these actions.

NSW Government reforms

NSW Independent Liquor and Gaming Authority oversees approval and regulation of gaming machines, while legislation prevents planning instruments and development consent conditions from prohibiting or restricting gaming machines.

In 2024, the [Independent Panel on Gaming Reform](#) released its Roadmap for Gaming Reform. While the NSW Government has implemented some recommendations, progress has been slow and incomplete.

Reforms delivered to date include banning gambling advertising on public transport, prohibiting political donations from clubs with gaming machines, reducing cash input limits on new gaming machines from \$5,000 to \$500, banning external gambling signage, introducing Responsible Gaming Officers, and strengthening measures to combat money laundering in casinos. A cashless gaming trial was also conducted, but its limited scale found that voluntary cashless gaming systems are ineffective.

Casinos are now subject to strict regulation under the Casino Control Act 1992 after serious compliance failures, but pubs, clubs and hotels are not. Some NSW clubs have more than 700 machines, about half the number at The Star Casino, yet they do not face the same rules.

A 2022 NSW Crime Commission Report [into Money Laundering via Electronic Gaming Machines in Hotels and Clubs](#) found gaming machines in pubs and clubs are being used to launder criminal proceeds and AUSTRAC believes this could be the result of tougher casino regulations, which is funnelling crime into other venues.

The Crime Commission recommended mandatory cashless gaming in pubs and clubs, not just casinos, to make transactions traceable and reduce money laundering. Cashless gaming systems should go further by including built-in harm minimisation measures, such as default loss limits and breaks in play. The NSW Government has not implemented cashless gaming and has even delayed cashless gaming at Sydney's casinos until 2027.

Large venues where the operating model relies on the proceeds of gaming machines should be considered a casino and regulated as such under the Casino Control Act 1992. Further, exclusion programs should be managed by venues, not reliant on the voluntary actions of people who are addicted to gambling. Shockingly, it is not an offence for venues to permit patrons back into the very gaming machine rooms they have self-excluded from.

The NSW Government's Responsible Gambling Fund supports research, education and support services. All casinos must contribute to the fund and some venues must contribute if they are increasing the number of gaming machines or leasing gaming machine entitlements. However, we are concerned it is funded by gambling profits and that it is not being used to reduce harm at the source, rather to move responsibility on to individuals suffering from gambling addiction and harm. While all venues with gaming machines should be made to contribute to the fund, its use must focus on genuine harm minimisation and be reported transparently.

I note that the NSW Labor Party committed to take stronger action on gaming machines to the next election at its conference in July 2026. While the original motion was watered down, the final resolution includes a commitment to a moratorium on licences for new machines, higher taxes for clubs with profits of more than \$20 million on machines, and to significantly reduce the number of gaming machines in NSW over the next decade.

But it stops short of 2 of the most effective harm-reduction measures; introducing cashless gaming and a shutdown period for gaming machines. Research clearly shows that these measures would significantly reduce gambling harm by reducing losses. Imagine what people could be enjoying in late-night venues, if the gaming machines were switched off and people, art and music, not pokies, were the focus.

NSW has seen years of inquiries, promises and partial reforms, yet gaming machine numbers and losses continue to rise. We know what works: fewer machines and less access to them. The question is whether the NSW Government has the courage to act. Unfortunately, the NSW Government is reticent to invest money in gambling reform or compensation for venues that have come to rely on gaming machine profits to stay afloat.

Federal Government reforms

In May 2026, the Federal Government responded to the Murphy Report of the [inquiry into online gambling and its impacts on those experiencing gambling harm](#) – almost 3 years after the committee made its recommendations. Positively, they committed to removing gambling advertisements from stadiums, jerseys and during live sporting event broadcasts from 1 January 2027, among other things, but didn't commit to progressing all recommendations.

In July 2026, Coalition, Greens and independent senators referred the Government's draft legislation to a Senate inquiry into [Interactive Gambling Amendment \(Gambling Reform\) Bill 2026 and National Self-exclusion Register \(Cost Recovery Levy\) Amendment Bill 2026](#).

At the inquiry hearings, we heard heartbreaking and damning testimonials from people with lived experience of gambling harm and from organisations that respond to gambling harm. Particularly alarming are the incidents of people being offered inducements such as betting credits, hospitality and illicit substances to keep them gambling. The inquiry report made one simple recommendation to the Federal Government – pass the legislation.

Unfortunately, national political parties are also beholden to gambling profits, who collected over \$5.5 million in alcohol and gambling industry donations in the 2024/25 financial year.

This is an opportunity for the Federal Government to strengthen its legislation and ensure it responds to the recommendations in the Murphy Report. Legislation introduced last week does attempt to crack down on gambling advertisements and inducements, however, I, along with many others, am concerned it does not go far enough as it tries to appease the gambling industry.

Wesley Mission campaign

Wesley Mission has long provided crisis support to and advocated for people impacted by gambling harm. They see firsthand the consequences of vulnerable people gambling their wage or savings away, which is possible at almost every corner pub.

In June 2026, I met with Wesley Mission to discuss the impact gaming machines are having on the City of Sydney community and their request that the City supports Wesley Mission's campaign.

Wesley Mission's *Put Pokies in Their Place* campaign's key priorities are to:

- Introduce universal cashless gambling with harm reduction features such as pre-commitment limits and real time behavioural alerts
- Power down poker machines after midnight to reduce access during high-risk hours
- Establish and fund an independent, State-wide Self-Exclusion Register
- Give communities a say in the placement and density of poker machines
- Publish venue-level data on machine numbers, losses, and locations.

More than 60 organisations have joined Wesley Mission's *Put Pokies in Their Place* campaign; bringing councils and community together to tackle gaming machine harm.

In July 2026, Wesley Mission co-hosted the Sydney Summit on Poker Machine Harm with Inner West Council and NSW Council of Social Services. The summit brought together community organisations and support services, researchers, councils, as well as people with lived experience of gambling harm.

It showed us the unacceptable and increasing human and financial cost of gambling. It also showed us we know what action needs to be taken and there is momentum across political lines and across levels of government for real and meaningful reform.

Recommendation

It is resolved that:

- (A) Council endorse this motion to the Local Government NSW (LGNSW) Annual Conference
- (B) Council note:
 - (i) in 2025, people in NSW lost almost \$9.3 billion in gaming machines - over \$400 million was lost in the City of Sydney
 - (ii) in 2023/24, the NSW Government collected \$2.3 billion in gambling tax revenue which is predicted to grow to \$3.8 billion in 2025/26
 - (iii) the City of Sydney strongly supports Wesley Mission's Put Pokies in Their Place Campaign
 - (iv) at its July 2026 Conference, the NSW Labor Party unanimously supported taking action on gambling harm to the next election, but the NSW Government must take bolder action more urgently
- (C) the Chief Executive Officer be requested to investigate how the City can further contribute to gambling harm minimisation in the City's updated social policy: *A city for all - towards a socially just and resilient Sydney*

(D) the Lord Mayor be requested to write to:

- (i) the Mayor of Inner West Council, Darcy Byrne, to thank him for co-hosting the Sydney Summit on Poker Machine Harm and provide a copy of Council's position outlined in this Minute
- (ii) the NSW Premier, Treasurer, Minister for Gaming and Racing, Minister for Health, Minister for Finance, Minister for Better Regulation and Fair Trading and the Minister for Families and Communities asking for stronger action now, including to:
 - (a) act on the priorities in Wesley Mission's Put Pokies in Their Place Campaign
 - (b) regulate large venues whose operating model relies on the proceeds of gaming machines as casinos are under the Casino Control Act 1992
 - (c) fund a statewide social impact assessment of gambling to identify the true cost of gambling harm with recommendations to address it
 - (d) implement a mandatory cashless gaming scheme across all casinos, pubs, clubs and hotels with gaming machines including built-in harm minimisation measures, such as default loss limits and breaks in play
 - (e) mandate a shutdown period for gaming machines after midnight, with no exemptions
 - (f) require all pubs, clubs and hotels with gaming machines to contribute to the Responsible Gambling Fund to improve research and support services for people experiencing gambling harm and ensure its use is focused on genuine harm minimisation and reported transparently
 - (g) review the rules enabling smoking within outdoor gaming areas
 - (h) introduce an offence for venues that permit patrons who are self-excluded.

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Lord Mayor of Sydney