

The real cost of Class 4 gambling in New Zealand

PGF Group and the Salvation Army commissioned the New Zealand Institute of Economic Research (NZIER) to investigate what the potential effects on the retail sector might be if consumers did not engage in Class 4 gambling (pokies in pubs, clubs and TABs).

This fact sheet provides a glimpse at the key findings of that report.

COST

\$445 million

The cost to retail industry sales of Class 4 gambling is estimated to be \$445 million for 2018/19.

JOBS

1,127 FTE

The increased retail sales from diverted pokie spending would create an additional 1,127 full time equivalent jobs for 1,724 workers.

GST

\$58.01 million

Taking into account the new sales generated for the retail sector, the GST revenue expected is estimated to be \$58.01 million.

TAX

\$7 - 7.6 million

Income tax collected from additional retail sector workers is expected to be between \$7 million and \$7.6 million.

With the retail and hospitality sector still hurting from the COVID-19 lockdown, it is time to acknowledge that Class 4 gambling not only has a significant social cost, but is also a drain on the wider economy.

Over \$939 million was lost on pokies in pubs, clubs and TABs in 2019, coming from some of the most deprived communities in New Zealand. With losses on pokie machines trending upwards year by year, this report shows how the economy could benefit from diverting those gambling losses into spending elsewhere in local communities.

Download the full report at www.pgfnz.com/costofpokies