



**ALLIANCE FOR  
GAMBLING REFORM**

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Alliance For Gambling Reform  
Policy Position Paper - **\$1 Maximum Bets**

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# Contents

Executive Summary..... 1

Recommendations..... 1

Introduction..... 2

Background..... 2

Key issues..... 3

Conclusion..... 3

References..... 3

## ■ Executive Summary

The maximum bet (also known as the maximum wager by the National Gaming Machine Standards) for Electronic Gaming Machines (EGMs) determines the maximum amount of money that can be lost in one spin, or press of a button. The current maximum limits vary by jurisdiction in Australia and can be anywhere from \$5 to unrestricted.

Research has shown that reducing the maximum bet will be effective in reducing gambling related harm. Reducing maximum bets on EGMs to \$1 will reduce the pace at which someone can lose money in a short period of time. In some states this will see a reduction **of potential losses** from \$1200 an hour to \$120 an hour.

The Productivity Commission 2010 recommended that the maximum bet be \$1. The Alliance for Gambling Reform (the Alliance) strongly supports this approach as consistent with managing growing harms and losses related to EGM use.

## ■ Recommendations

- Electronic Gaming Machines (EGMs) must be programmed so that the maximum allowable bet is \$1 per spin.
- An acceptance from governments that there will be a reduction in taxes due to decreased losses, however there must also be recognition that the social costs of harm will also decrease along with associated costs
- An independent investigation into claims made by the industry as to why reducing the maximum bet is expensive and difficult such as altering machine technology and proof of non-harmful gambling expenditure decline.

## ■ Introduction

When EGMs were first introduced in New South Wales in 1956, they were designed to only allow one coin to be used to place a bet each time. Over the years the technology behind EGMs has rapidly evolved and become much more harmful and addictive with the addition of note acceptors, more advanced technology (from physical reels to electronic computers and programmed algorithms) and increased load up limits (Livingstone, 2017).

The maximum bet for EGMs varies by jurisdiction in Australia, it also varies significantly between hotels and clubs or the casinos.

In pubs and clubs, a \$5 maximum bet applies to Victoria, Tasmania, South Australia and Queensland. In the Northern Territory, New South Wales and Australian Capital Territory a maximum bet of \$10 (note that the ACT is currently reviewing their maximum bet). In New Zealand the maximum bet is \$2.50 in clubs and hotels.

## ■ Background

### **Key research findings informing this paper are outlined below:**

- A Queensland prevalence study showed higher risk and 'problem gamblers' use EGMs longer and spend more per button push (Productivity Commission, 2010).
- Utilising EGM data for loyalty card members at a large Australian casino, it was found 45% of self excluded patrons had an average bet of more than \$1 in the lead up to their self exclusion (Productivity Commission, 2010).
- The Productivity Commission (2010) highlighted anecdotal evidence from gambling counsellors that people can progressively increase their bets when 'chasing wins or losses.'
- Few gamblers bet above \$1 per button push, and those that do are much more likely to be experiencing high levels of gambling harm. Overall, there would be a minimal impact on most people who use poker machines if there were a reduction in the maximum bet, however there would be a considerable reduction of harm for those who are vulnerable/ being harmed.
- In 2001, over 20 years ago, a study was conducted in a venue and funded by the gambling industry, and that study also found a reduction in the bet limit was one of the only effective mechanisms likely to reduce harm (Błaszczynski et al. 2001)

## ■ Key Issues

- Poker machine users betting \$10 per button push loose \$1,200 an hour, on average. This is due to spin rates being, on average, 4.4 seconds. This makes it easy for gamblers to lose money beyond their financial capacity. However, in Hotels and Clubs the spin rate can be as quick as 2.14 seconds which means losses can be much higher than \$1,200 an hour. Worryingly, in casinos, the spin rate can be even quicker.
- Nine in ten recreational gamblers bet below \$1, whereas half of gamblers experiencing high levels of harm (otherwise known as ‘problem gamblers’) bet above \$1, making a bet limit effective at targeting gambling harm while not impacting many non-risk gamblers.
- Lowering the maximum bet to \$1 is an effective way to reduce financial harm for people who are at high risk of harm, and was recommended by the Productivity Commission in 2010.
- The gambling industry has estimated there would be a 39% revenue reduction in hotels if maximum bets were implemented (2001). Although quite outdated estimates, it is a significant drop in revenue which would be losses from the most vulnerable in our communities. The social and health benefits from such a drop in EGM losses would far outweigh the revenue loss for hotels.

## ■ Conclusion

Reducing maximum bets to \$1 on EGMs is a common sense reform which will have minimal impact on most who gamble on poker machines without harm but a significant impact on those that are at risk or experiencing gambling harm.

The Alliance is of the view that the health and social benefits of reducing the maximum bet far outweigh the economic impacts on the highly profitable gambling industry.

## References

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**ALLIANCE FOR  
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**Contact Us**

Our Community House,  
552 Victoria St, Wurundjeri Country,  
North Melbourne 3051, VIC  
p. (03) 9999 7372 | f. (03) 9347 9933  
e. [info@agr.org.au](mailto:info@agr.org.au)

**Media**

For all media enquiries, please contact  
0491 209 436 | [media@agr.org.au](mailto:media@agr.org.au)

