The Impact of the Introduction of Gaming Machines on Charitable Fundraising

A Report prepared by the Program on Nonprofit Corporations, Queensland University of Technology for the Department of Family Services and Aboriginal and Islander Affairs.

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**EXECUTIVE SUMMARY**

The report was commissioned by the Department of Family Services and Aboriginal and Islander Affairs to assess the impact of the introduction of gaming machines in February 1992 on charitable fundraising. The study was conducted during the 1993 calendar year.

1. Impact on overall gross receipts and assets

There has not been a significant decrease in the income generated by charitable gaming or a downturn in donations. No decrease has been reflected in the majority of charitable bodies’ aggregated financial accounts registered under the Queensland Collections Act.

2. Impact on minor art unions

Variations in income from minor art union charitable gaming has been slight and attributed to factors other than the introduction of gaming machines.

Income from lucky envelopes appears to have suffered since the introduction of gaming machines and alterations to art union regulation.

3. Impact on major bingo

Short-term variations in income from major bingo charitable gaming has been substantial. For example, six major bingo operators suffered a verified initial $2.9 million (6%) loss of gross receipts over the first year of gaming machines, with one operator facing a 25% decrease.

This trend is reversing slowly for some operators. Successful operators anticipated increased competition from gaming machines and planned strategies to minimise its effects.

4. Impact on minor bingo

Decrease in gross income from minor bingo is substantial and sustained at between 12% and 25%.

5. General impact as perceived by fundraisers

Fundraisers claim that the introduction of gaming machines has had a negative impact on their fundraising from charitable gambling.

Fundraisers are concerned, as were other charity gaming operators, about the possible adverse effect on donations of the compulsory Gaming Machine Community Benefit Levy on club donations to charities.
6. Impact of government income from gaming machines

The Government is set to return up to $64.8 million to charities in the first three years through the Department of Family Services and Aboriginal and Islander Affairs and the Gaming Machine Community Benefit Fund.

Future amounts will mirror the increase or decrease in gaming-machine turnover.

7. Impact of club donations

There is evidence that club aggregate donations to charities have increased since the introduction of gaming machines and the proportion of donations to other club key financial indicators is fairly stable.