

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.

Reprinted 1999

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ISBN 0 72426394 2

ACKNOWLEDGEMENTS

We wish to acknowledge the assistance of the Fundraising Institute Australia, Registered and Licensed Clubs Association, Endeavour Foundation, Lifeline, Bingo Sales Pty Ltd and National Council for Voluntary Organisations (UK). Several government organisations have been very patient with our requests. They were the Australian Securities Commission, Associations Incorporation Department, Art Unions Division, machine Gaming Division, Friendly Societies Registry and Department of Family Services and Aboriginal and Islander Affairs. We also thank Dr Jan McMillen for her assistance throughout the project and the cooperation of AIGR's *Study into the Social Impact of Gaming Machines in Queensland*. We also acknowledge the assistance of Thu Ngyen of the Faculty of Business, QUT, for the final preparation of the report, and Margot Lewthwaite who assisted with data collection.

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CONTENTS

Executive Summary.....	vii
1. Introduction.....	2
1.1 Overview of report.....	2
1.2 Issues in nonprofit research.....	4
1.3 Summary of trends in other jurisdictions	5
2. Financial Structure of Charities.....	7
2.1 Methodology.....	7
2.2 Data	8
3. Impact on Minor Art Unions	18
3.1 Methodology.....	18
3.2 Results of survey of charitable organisations sent through Treasury	19
3.3 Results of PONC survey of charitable organisations	22
3.4 Unsolicited minor gaming data.....	25
4. Impact on Minor and Major Bingo Operators	29
4.1 Description of bingo centre characteristics and experiences.....	29
4.1.1 Attendance at centres	30
4.1.2 Attendee characteristics.....	31
4.1.3 Centre takings from bingo	31
4.1.4 Regional variations	31
4.1.5 Centre cost structures, profit margins and staff	32
4.2 Perceptions about contextual factors impacting upon centre operations and profits.....	32
4.2.1 Perceptions about competition.....	32
4.2.2 Factors limiting centres' capacity to compete	35
4.2.3 Factors contributing to centres' capacity to compete.....	35
4.2.4 Other contributory factors	36

4.3 Strategies adopted in response to contemporary circumstances	36
4.3.1 Varying the product mix.....	36
4.3.2 Additional products or services	37
4.3.3 Promotions	37
4.3.4 Sponsorship	38
4.3.5 Reciprocal arrangements.....	38
4.3.6 Advertising	38
4.3.7 Centre atmosphere	38
4.3.8 'Professional' approach.....	38
4.3.9 Cost-cutting	39
4.3.10 Market analysis	39
4.4 Minor bingo operators.....	39
 5. Fundraisers	 42
5.1 Perceptions about the impact of gaming machines	42
5.2 Perceptions about the effect of the Gaming Machine Community Benefit Levy.....	42
 6. Government income from gaming machines	 45
6.1 Charitable income raised from gaming machines	45
6.2 Application of taxation revenue from gaming machines through Queensland Treasury to the Department of Family Services and Aboriginal and Islander Affairs and Machine Gaming Benefit Fund	 48
 7. Club Donations.....	 52
7.1 Introduction.....	52
7.2 Survey of audited club accounts 1989–1993	53
7.2.1 Methodology.....	53
7.2.2 Analysis of annual financial statements	54
7.2.3 Analysis of non-recorded donations	57
 8. Conclusions	 59

9. Appendices.....62

Appendix A. Trends in Other Jurisdictions62

Appendix B. Submissions by Charities64

Appendix C. Gaming Machine Community Benefit Fund Grants for 30 June 1994.....70

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.