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**IMPACT OF THE INTRODUCTION
OF MACHINE GAMING IN QUEENSLAND
ON MINOR AND MAJOR BINGO**

**WORKING PAPER NO. 52
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**PROGRAM ON NONPROFIT CORPORATIONS
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BRISBANE**

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INTRODUCTION

Material for this paper comes from a report commissioned by the Department of Family Services, Aboriginal and Islander Affairs. The report is the result of a multi-strategy research project designed to assess the impact of gaming machines on the fundraising capacity of charitable and community organisations in Queensland. The study was conducted during the 1993 calendar year.

The first Queensland gaming machine was commissioned on the 11 February, 1992 at 11.30 am in Brisbane at the Kedron Wavell Services Club. Eighteen more clubs followed that week. Six months later there were gaming machines in 335 clubs, and 250 hotels and taverns, representing a state-wide total of 7,974 machines in operation. The 10,000 gaming machine was commissioned on the 18 March, 1993 and the 1,000 operational gaming machine site was opened on 18th February, 1994.

In June 1994 there were:

- 616 clubs operating 12,129 gaming machines;
- 421 hotels/taverns operating 3,363 gaming machines.

It is estimated that since the introduction of gaming machines clubs have embarked on a \$179.3 million dollar building program (a conservative estimate), a likely result of the increased revenue accruing to them from gaming machines coupled with their increased ability to borrow. This expansion of capital works and increased employment opportunities has been hailed as an important fillip to the Queensland economy. While the clubs experienced a period of growth largely as a result of the introduction of 'pokies', concerns have been raised about the impact of the same gaming machines on the fund raising capacities of charitable organisations.

This paper examines the effect of gaming machines on bingo. The initial consensus of the charitable sector was that this would be the most effected form of charitable gambling.

These statistics can be located in the Gaming Machine Newsletter produced by the Gaming Machine Division, Queensland Treasury.

Advice from Machine Gaming Division, Queensland Treasury.

Machine Gaming Newsletter, December, 1993, Vol.3, Issue 6, p.6.

See, for example, 'Pokies Jackpot for Qld', *The Courier Mail*, Thursday, 17 June 1993.

A "minor bingo" game is where each session's gross proceeds is less than \$1,000. A "major bingo" game is where each session's gross proceeds is more than \$1,000. This section presents the results of the interviews conducted with operators of major bingo centres and games, minor bingo operators plus the suppliers of bingo related goods. The researchers focused on bingo operations as it constitutes an example of wide spread charitable gambling and was expected to be affected by the introduction of gaming machines.

The data for bingo is organised around four themes:

- SECTION 1* * *Descriptions of major bingo centre characteristics and experiences.*
- SECTION 2* * *Perceptions about contextual factors impacting upon major centre operations and profits.*
- SECTION 3* * *Strategies adopted in response to contemporary circumstances.*
- SECTION 4* * *Minor bingo operators*

SECTION 1: Description of Major Bingo Centre Characteristics and Experiences

The major bingo centres support a range of charitable, sporting and other community endeavours:

- Service Clubs,
- Red Cross,
- Athletic and Sports Clubs,
- Schools,
- Churches,
- Aged and disability services.

Some dedicate their profit to a particular organisation or consumer group. Others operate as consortia, in which 10 to 20 charitable or nonprofit organisations form an independent incorporated association to operate the bingo centre and distribute surpluses from sessions or allocate the right to operate sessions to the member organisations.

Section 15-16, Art Unions and Public Amusements Act, 1992.

In total, 15 interviews with key informants at major bingo centres were conducted.

1.1 ATTENDANCE AT CENTRES

Centre capacity and average session attendance varies considerably between centres. All centres are limited by the actual seating capacity in their facility. In addition, weekly variations were noted. Monday, for example, is and was a poor session, while Wednesdays, Fridays and Saturdays are well attended. The distribution pattern of attendances during the week also varies according to the demographic characteristics of the area. Some centres outside the metropolitan area, for example, experience surges during certain weekdays as opposed to the weekend.

The bulk of centres interviewed reported that they had experienced a drop in the numbers of people attending bingo sessions. Specifically, for example, one reported that at its peak (before poker machines) average weekly attendance was around 2,300. Currently, average attendance is 1,700. Estimations of the drops in attendance varied; for example 6%, 15%, 17%, 30%, 37%.

Confirmation of this came from Bingo Sales Pty Ltd (the main supplier of bingo related equipment) who, while noting regional variations, reported that their sales have dropped from between 15% to 25% across Queensland. North Queensland sales of bingo related sales, for example, have dropped 25% from \$45,000 per month to \$30,000 per month.

Most centres argued that the decline in attendances became most noticeable in 1992. On occasion, interviewees claimed that the drop in attendance began in early 1991. A few centres however were doing better, reporting increases in attendance particularly over the last 18 months to two years. Those games which reported an aggregate decline in attendances often made the point that while there may have been fluctuations and slight increases, attendances had not returned to pre-slump levels.

1.2 ATTENDEE CHARACTERISTICS

Again, the profile of people who attended bingo varied slightly with the area, generally reflecting variations in demographic profiles in the regions concerned. Those on the south side of Brisbane, for example, reported a more ethnically mixed crowd, while those attending in Brisbane bayside areas were predominantly elderly Anglo-Australian women. The most common profile reported was of a predominantly female clientele of middle to

upper age brackets. Several centres reported that more younger people of both sexes currently attend bingo.

Most centres indicated that their clientele were largely pensioners or income security beneficiaries. Of the latter category, the most commonly cited were supporting parent beneficiaries. The catchment area for clients also varies between centres. The larger and more successful centres attract people from all over the metropolitan area whereas the smaller centres cater to a specific local clientele.

1.3 CENTRE TAKINGS FROM BINGO

As with attendances, variations in the pattern of takings from bingo were evident. With the exception of two successful centres, the bulk reported that their gross and net takings had decreased, with estimates varying on average from 4% to 15%. Some centres reported declines in gross takings of between 30% and 60% between 1991/92 and 1992/93. Several other centres reported that an initial drop in takings in 1991/92 appeared to have bottomed out, their more recent takings showing a slight recovery but not to previous levels.

A survey by the Art Union Division of Queensland Treasury in early 1993 of the gross income of five major bingo associations and a federated charity which operated bingo in over twenty sites generally supports these contentions. Gross income from bingo of these centres between 1992 and 1993 decreased by an average of six percent, representing \$2.9 million in gross income. Only one centre had managed an increase (4.5%) and another centre had suffered a sustained down turn of 24.5 percent. Attendances had dropped dramatically after the introduction of gaming machines.

1.4 REGIONAL VARIATIONS

As indicated earlier, we interviewed Bingo Sales Pty Ltd, a company with 90% market share of bingo related equipment in Queensland. The respondent in that interview was able to give a clear summary picture of what was happening in some regional areas.

1. Townsville.

At one point, there were 5 to 6 games a day operating in Townsville, many operated by minor art union licence holders. Currently, all the small bingo has ceased to operate leaving two major bingo centres in operation.

2. Rockhampton/Bundaberg.

While no large bingo centres operate in these towns, the larger games are experiencing reduced numbers. Both these areas has had a slight recovery in the last six months.

3. Mt Isa.

Bingo has virtually ceased to exist. In 1991/92, Bingo Sales Pty Ltd turnover were \$6,000 per month in Mt Isa, currently their sales are \$1,000 per month.

1.5 CENTRE COST STRUCTURES, PROFIT MARGINS AND STAFF

Most centres report that operational overheads have moved in line with inflation. However, the cost structures vary between centres depending upon whether they have to pay rent or salaries and wages. Several centres indicated that their centre operations were largely funded from non-bingo products or services (canteen, Lucky Envelopes). Some centres pay no rent and operate entirely or predominantly on voluntary labour. It should be noted however, that of the two most 'successful' centres, one was entirely voluntary and paid no rent while the other employed paid staff and paid rent. Most centres, however, have one or two full-time staff members and a number of permanent casual employees. Several centres reported that the numbers of casual staff had decreased. In general, the centres indicated that they had made efforts to reduce overheads, thus changing the relationship between gross and net takings. However, in centres experiencing serious decline, the cost savings have not been sufficient to offset losses.

SUMMARY:

- It appears that overall attendances and receipts have fallen, while costs and clientele profile have remained relatively stable.

SECTION 2: Perceptions About Contextual Factors Impacting Upon Centre Operations and Profits

In the interviews, respondents were asked about their perceptions of contextual and environmental factors which had impacted on their centres' operations, profits and losses. A number of common themes emerged.

2.1 PERCEPTIONS ABOUT COMPETITION

There was near unanimous agreement that their bingo games were in competition with other gambling products or events. An interesting feature which emerged was that to some extent, perceptions diverged as to which product or event constituted the main competition.

Other Bingo Centres

Most respondents indicated that they were in competition with bingo games offered in other venues or centres. This perception varied on location of the game. That is, those in the northern and southern Brisbane suburbs indicated nearby or relatively nearby centres. Similarly, those in the larger provincial cities also indicated that they were competing with other bingo centres or games. However, some indicated that there was little competition for their product given the relative isolation of their community.

Club Bingo

The most frequently cited competitor was bingo offered by licensed clubs. Many respondents argued that clubs, with their superior facilities especially the provision of alcohol, choice of gambling products (ie gaming machines), and willingness to lure potential players with non-cash as well as cash prizes posed the most substantial threat.

A common scenario portrayed was of players attending the club, playing bingo for fruit or meat trays, eating a mid-day meal and moving on to play the gaming machines. One respondent argued that the ability and willingness of Queensland clubs to offer a variety of services and products was as yet largely undeveloped. This respondent believes that clubs will rapidly develop their services and products following the example of New South Wales clubs, and in doing so will continue to enlarge their market share.

Gaming Machines

Opinion diverged about the extent to which gaming machines were in competition with bingo. A number of respondents argued that they were in direct competition. In general, it was felt that potential players were either expending all their 'gambling' money on the gaming machines (leaving none for bingo), or, were availing themselves of the product mix available at the clubs. However, other respondents did not draw such direct links between the gaming machines and themselves while nevertheless indicating that competition probably was occurring.

Some respondents argued that the market was beginning to stabilise. That is, the initial novelty of gaming machines was wearing off and bingo consumers were returning to bingo, albeit in smaller numbers. Most respondents implicitly or explicitly distinguished between types of consumers: the 'gamblers', who consumed that gambling product irrespective of type which they felt gave them the best return; and, the 'social gamblers' who, while being attracted by potential winnings also consumed the non-tangible 'social' by-product of bingo games. Overall, as the previous section indicated, concern was felt about the club bingo which is attempting to offer both tangible and non-tangible products - winnings and a 'social' atmosphere.

Other Gambling Products

Several respondents noted that the availability of alternative gambling products had widened dramatically over the past five years. Other than gaming machines, the most frequently mentioned competing product were 'scratchies'. However gaming machines and club bingo were perceived to constitute the most significant competition.

Competition Between Clubs and Hotels

A number of respondents argued that the clubs and the hotels were in direct competition, and, that the clubs had the winning edge with their capacity to offer cheaper alcohol. One side effect of this competition on charities was noted. Several respondents reported that charities which had previously conducted raffles in the hotels (or who had lucky envelope machines in hotel premises) no longer did so, either because it was unprofitable or because they were asked to remove the lucky envelope machines. It should be noted that similar requests to remove lucky envelope machines had also been made by clubs.

Instant Golden Casket lottery tickets.

SUMMARY:

- Bingo centres, bingo games and other charitable art unions are in a competitive situation. The data presented would indicate that the introduction of gaming machines exacerbated a situation which was already beginning to become competitive. Gaming machines seem to have provided a stimulus to organisations to engage in competitive behaviour.

2.2 FACTORS LIMITING CENTRES' CAPACITY TO COMPETE

Limited Accumulations for Jackpots

Almost every respondent argued that one major problem facing centres and games experiencing decreasing profits was their incapacity to offer sufficiently large prizes and jackpots. The situation was usually described as a 'vicious circle'. Those with limited accumulations were forced to lower their prizes which placed them in an uncompetitive position resulting in lower accumulations, which in turn further limited their capacity to offer attractive prizes. Consequently, the situation for 'failing' centres or games continues to deteriorate.

Furthermore, it was repeatedly argued that the changes to the art union legislation to enable bingo to expand and compete, changes which lifted the jackpot ceiling to \$2000 favoured those games already successfully competing with sufficient accumulations to offer the increased jackpots. Generally, it was described as 'too little, too late'. Less successful games which try to compete with the successful games by offering the large jackpots are often unable to sustain a high jackpot for long enough to encourage consumers to their game, or to keep them coming back. One or two unsuccessful sessions with large prizes appears sufficient to start a centre or game on a downward spiral.

Regulatory Environment

A commonly cited reason for centres' incapacity to compete, particularly with other gambling products and services offered by the clubs, is the restrictions on the promotion of bingo. Bingo promotion is limited by legislation to the advertisement of jackpots offered. Unlike the clubs, bingo centres believe they are unable to advertise non-cash inducements, engage in mutually beneficial trade promotions or other promotional activity. Given the legislated

limitations to the percentage of profits re-directable into recurrent overhead expenditure, the advertising capacity of the centres is constrained. These two factors have placed the centres in a position which severely limits their capacity to compete with the clubs, particularly those offering similar products.

Other problems cited were the changes made to the legislation regarding lucky envelope machines, creating costs for lucky envelope operators at a time when their income making capacity from lucky envelopes was declining. Furthermore, as previously indicated, the timing of the relaxed jackpot ceiling level coincided with the introduction of poker machines, limiting the struggling centres' capacity to establish a relatively stable market share.

2.3 FACTORS CONTRIBUTING TO CENTRES' CAPACITY TO COMPETE

Large Accumulations

Clearly some centres and games have sufficient accumulations to compete successfully with competitors. These centres are able to continuously offer high jackpots over a period of time. However, as indicated, these centres were in a good position to take advantage of the relaxed regulations on jackpots.

Limited Overheads

Some centres or games are in the enviable position of having limited overheads; that is, they pay no rent and the labour involved is voluntary. Such centres are in a good position to maximise accumulations for jackpots.

Good Management

It became apparent that the successful centres were managed by people with considerable marketing expertise and a capacity to respond to a competitive situation. Such centres had responded to the challenge of competition early and had developed a range of strategies to

respond. As a consequence, the introduction of gaming machines as such has had little long term impact on the operations.

'Desirable' Features of Successful Bingo

Several factors or features of 'desirable' bingo games were mentioned. For example, one centre had developed a simple, highly visible technique for showing the consumers that the conduct of the game was 'honest' and 'above board'. Other features mentioned were the availability of refreshments; the capacity to give an impression of 'efficiency' and 'expertise'; the capacity to create an atmosphere which is experienced as sociable, comfortable and physically safe.

2.4 OTHER CONTRIBUTORY FACTORS

Characteristics of Location

The location of the game or centre was considered to be of considerable importance. Factors included: the seating capacity of the hall, the availability of parking, proximity to transport and no major roads nearby (difficult for people to cross). Restricted seating capacity was the most often cited reason for limits to profitability.

Economic Recession

Nearly all respondents mentioned the impact of the economic recession over the past several years. Many argued that their one regular client group, superannuants, had less income due to sustained low interest rates.

Co-operative Arrangements Between Clubs and Bingo Operators

Several respondents reported that one successful strategy adopted was working co-operatively with clubs; that is, using club premises (either free or rented) for the conduct of bingo games.

SECTION 3: Strategies Adopted in Response to Contemporary Circumstances

Respondents indicated a range of strategies adopted in response to the current circumstances. Not all strategies were equally effective.

3.1 VARYING THE PRODUCT MIX

The most common response made by all centres were changes to the prizes, call numbers and jackpots. Nearly all the respondents clearly made the point that the primary draw card of bingo was the level of the prizes - bingo is a 'money game'. Most centres attempted to offer a range of circumstances (that is, 'limited' and 'unlimited calls') and jackpots to their clientele. For example, many offer several mid-sized prizes on limited calls and one larger jackpot on either 90 calls or unlimited. Usually, the centres attempted variations in the product mix over the week and over a number of weeks. Most had experimented with a number of different formats in an attempt to find the most attractive. The general feeling however was that the product mix had to vary constantly in response to fluctuations in attendances. If, for example, numbers were down, a change to the format would be made in an attempt to attract and hold players. In addition, a number of centres had made use of 'high roller' sessions with mixed success.

Overall, the centres with sufficient accumulations were more likely to gain benefits from this strategy. One respondent noted that what has become common practice of offering a jackpot in 90 calls was impacting negatively upon many centres. It may be that varying the product mix as a collective strategy over time has shaped the expectations of consumers and shifted upward the 'bottom line' of an acceptable product. This process appears to have resulted partially in further limitations on the capacities of less successful games to accumulate sufficient money to sustain the 'new' level of product.

3.2 ADDITIONAL PRODUCTS OR SERVICES

Most centres reported that they had increased the range of available gambling products. The most common response was raffles (small electrical goods, hams, fruit and meat trays etc). Some centres paid for the raffles themselves, some used donated goods. In most centres, raffles are run in tandem with every session and game. The contribution of raffles to profits varied: some centres reported that raffles contributed a substantial part of the centre income, others indicated that raffles paid for themselves and acted predominantly as a promotion or inducement to attendance. A number of centres reported that they used lucky

envelope machines, again with substantial variations in impact of profit levels, both negative and positive.

The most common type of non-gambling product or service offered was availability of a canteen run either in association with or by the centre. Canteen facilities are limited for many operations because of the location of the games in public halls without appropriate catering facilities. The inability to sell alcohol is also an impediment to expanding catering.

Several respondents offering games in clubs noted that the availability of club meals and alcohol acted as a popular inducement. While many centres had tried to use free transport (usually buses) as an inducement, it has met with mixed success. Most centres reported that it was an expensive and risky venture. One bingo operator reported that selling second-hand clothes proved to be a successful strategy to promote attendance.

3.3 PROMOTIONS

In many cases, the distinction between promotions and other gambling products is very fine. It is a common practice in bingo centres to advertise trade sponsored donations such as a weekend away, or a restaurant meal as a prize in a raffle. Many but not all of these 'raffles' however were free, in that a player 'enters' at each session they attend until such time as the prize is drawn. While the format of how promotions are staged varies, the common theme appears to be that a successful promotion involves the transfer of either small or large electrical goods, food hampers, meals, or small holidays to the players. As the regulatory environment around advertisements of promotions is tight, most centres are not able to take full advantage of promotions, while being forced to offer them as a standard part of the bingo 'package'.

3.4 SPONSORSHIP

Most centres go to considerable effort to attract sponsorship from business. Usually, sponsorship involved the donation of a substantial prize in return for the promotion of the business name in the bingo centre.

3.5 RECIPROCAL ARRANGEMENTS

A related strategy used by a number of centres was to negotiate a reciprocal deal whereby the centre received a benefit (such as circulation of advertising material) in return for business promotion in the centre. Another strategy often employed was reciprocal arrangements between clubs and bingo operators, whereby the club offers free premises, tea and coffee, and occasionally free transport in return for the patronage the bingo game brings to the clubs. In general, such arrangements were regarded positively by bingo centres and operators as it reduces their own overheads and minimises the impact of competition with the gaming machines (that is, players play both rather than one or the other). Other reciprocal arrangements reported were between local schools and bingo centres, in which the local school is invited to run a raffle in the bingo centre in return for which the centre is advertised in the school magazine.

3.6 ADVERTISING

Most centres and operators reported that they had used various forms of advertising: print media (particularly local papers), printing and distribution of fliers, and radio. Many reported that advertising is both very expensive and of dubious benefit, while several others claimed that it is central to their success. The majority argued that in-house advertising and word of mouth is the most successful.

3.7 CENTRE ATMOSPHERE

Several centres discussed attempts they make to induce a 'warm' and 'sociable' atmosphere in their centre, arguing that it contributes to the attractiveness of the game. Strategies used included decor arrangements, friendly staff, allowing or encouraging 'personalised' seating arrangements, celebrating birthdays, responding to personal 'needs'. Nearly all the operators commented on the 'social' nature of bingo, indicating that players consume social interaction along with a gambling product or products.

3.8 'PROFESSIONAL' APPROACH

Several respondents commented that they went to considerable efforts to promote an image of 'honesty' and 'professionalism' via a number of strategies, for example complex cross checking arrangements and staff appearance and behaviour.

3.9 COST-CUTTING

The majority of respondents indicated that a significant strategy over the past several years was to explore ways in which to cut overheads. A common method employed was to change advertising methods (less use of the print medium and a move towards in-house marketing), or, cutting out expensive promotions (such as free bus transport).

3.10 MARKET ANALYSIS

Only one respondent indicated ongoing market analysis as a strategy. This respondent made considerable effort to seek out and understand the 'competition' local area, to conduct market surveys, and to develop pre-emptive strategies in response.

SECTION 4: Minor Bingo Operators

From a list of minor art union licence holders in Brisbane generated by the Art Union Division of Treasury, we selected twenty two charitable organisations devoted specifically to the provision of human or social welfare services. Of these, we were unable to contact four. Of the remainder, twelve organisations did not use their minor art union licence to run bingo games (in fact, quite a few did not use their licence at all). We conducted interviews with the eight organisations in the sample which used their minor art union licence to conduct bingo. Several of the organisations interviewed conducted their bingo games under the auspice of the large bingo centres.

Two of the eight organisations reported that there had been increases in attendances, gross and net takings since the introduction of poker machines. Both of these organisations were located in areas of Brisbane which, for geographical reasons, are relatively isolated. The remaining six organisations all reported decreases in attendances, gross and net takings, usually between 12 to 20% when gaming machines were introduced.

However, three of the six claimed that their attendances were starting to pick up. The reasons given for this were twofold. Firstly, the interviewees claimed that patrons believed they 'got a better deal' from bingo, and secondly, that bingo is 'social' in nature, a

A "minor bingo" game is where each session's gross proceeds is less than \$1,000. Section 15, Art Unions and Public Amusements Act, 1992.

characteristic appreciated and desired by patrons. None of the organisations interviewed in this group had taken any remedial or strategic action to respond to the decline.

Seven of the eight organisations believed that they were in a competitive situation. Competitors nominated in decreasing order of frequency were: gaming machines in clubs (5), other bingo games (4), and state sponsored gambling products such as Lotto, Scratch-its, TAB (3).

All interviewees were reasonably happy with the regulatory environment surrounding their bingo operations. However, two claimed that "they hadn't looked at the regulations `for years".

Finally, three organisations interviewed made reference to the impact of the Gaming Machine Community Benefit Levy on clubs, a theme which was also heavily stressed by the professional fundraisers. The perception was that the levy imposed on the clubs would lead to clubs cutting their direct discretionary donations to local community groups. There was a strong fear that the proceeds of the levy would not be distributed back to them or even back to the local area which had previously received club donations. Whether these perceptions are factual will only be verifiable after a passage of time.

SUMMARY:

- Most major bingo operators suffered an immediate downturn in attendance and receipts on the introduction of gaming machines.
- The downturn appears to have steadied for most major bingo operators with some operators reporting increases.
- A major bingo operator's capacity to respond to competition is based on access to capital, management and marketing expertise. These are proactive rather than reactive strategies.
- There has been considerable downturn in minor bingo operations on the introduction of gaming machines.
- The downturn appears not to have steadied for most minor bingo operators. In the long

term the downturn in minor bingo may be moderated by the social nature of bingo.

- There is a deal of concern about the ultimate effects of the Gaming Machine Community Benefit Levy on club donations among minor bingo operators.

CONCLUSION

This paper has outlined the results of interviews with major bingo operators among others to determine the impact of the introduction of charitable gaming machines. The results indicate that while there has been a down turn in bingo receipts, it cannot be blamed on gaming machines alone. Indeed, the paper indicates that the major source of impact has been an increase in alternative gambling products creating a competitive environment. Furthermore, centres vary in their capacity to compete. Those able to apply business marketing principles to their operations, thus responding proactively to increased competition, have maintained or increased their market share. This paper indicates the strategies adopted by these successful centres.

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13	<p>Upholding the Integrity of Art Unions and Beyond: The Workings of The Art Unions and Public Amusements Act 1992</p> <p>The paper examines the workings of the new Art Unions Act in Queensland. Art Unions have been a substantial source of revenue to charities but these funds have been threatened by competition in the gambling market by the recent introduction of casinos and poker machines. The Art Unions Act was altered to assist charities to compete with such new forms of gambling. The paper begins the debate on how successful these alterations to the Act have been.</p>	Michele Robinson
14	<p>Public Fundraising Charities in Queensland</p> <p>This paper is the results of a survey of the financial records of charities registered under the Queensland Collections Act between 1989 and 1992. The survey analyses gross income and assets in both periods as well as the growth of specific organisations between 1989 and 1992. A number of organisations were then selected for detailed financial analysis. An initial analysis of the data is offered in relation to contemporary theories of the state and the nonprofit sector.</p>	Myles McGregor-Lowndes Catherine McDonald David Dwyer
15	<p>The Challenge from Within. Organisational Commitment in Voluntary Human Service Organisations</p> <p>A survey of Queensland employees of 400 nonprofit organisations was conducted to ascertain their organisational commitment. Drawing upon organisational theory, nonprofit theory and social welfare literature, a range of proposed antecedents to organisational commitment were tested. These fall into four distinct categories: organisational structure, participant demographic features, individual and organisational normative frameworks, and job or work related characteristics. Addressing each in turn, the aspects of organizational structure measured were participation in decision making and hierarchy of authority (centralisation), and job codification (formalisation). The paper concludes by discussing whether nonprofit organisations can make a successful transition from relatively unmanaged organisations with fluid social relations to 'managed' organisations with crystallised social relations without placing at jeopardy an element of their uniqueness.</p>	Catherine McDonald
16	<p>Board Members' Involvement in Nonprofit Governance</p> <p>A study of the attributes of board members of organisations registered as charities under the Queensland Collections Act was undertaken. It sought to ascertain the current status of and ability of nonprofit boards to fulfil their governance functions plus the</p>	Catherine McDonald

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	implications for this for welfare services delivery, and, prescriptive indications for maximising the governance capacity of nonprofit boards and organisations.	
17	<p>Gifts, the Law and Functional Rationalism</p> <p>This paper examines the legal facilitation (or rather lack of facilitation) of gifts. The emerging western political ideology of welfare is based on the premise that nonprofit organisations are to play a far greater role in the delivery of welfare services. This role will be enabled in part by increased gifts. The ideology has not addressed the fundamental hostility of the law to the facilitation of gifts. The nature of the legal obstruction of such gifts is compared to equivalent commercial transactions, the reasons given for this obstruction are analysed and the appropriateness of such nonfacilitation is challenged.</p>	Myles McGregor-Lowndes
18	<p>Community Services Development: A New Approach to Government/Non-Government Sector Relations</p> <p>This paper examines the context of Community Service Development achievements and point to major challenges ahead. It is intended that the paper contributes to the development of theory and understanding from a practice vantage point. The focus of this paper is limited to the program context of Community Services Development. As such, it illustrates an approach to the relationship between government and non-government sectors which has contributed to significant new strategies and reform.</p>	Jan Williams
19	<p>An Analysis of the Differences in Audit Processes Used in the Audit of Nonprofit and Profit Organisations</p> <p>There is little formal research addressing the role of audits in nonprofit organisations. Before models can be developed for the production of nonprofit auditing information, it is necessary to examine the present conduct of nonprofit audits. This research investigates the process by which the audit of nonprofit organisations is conducted and whether it differs from the process used in profit organisations. The research involves the collection of accounting information for 22 Queensland charities. The auditors of these organisations were requested to complete questionnaires addressing their overall approach to the audit of nonprofit organisations. For eleven of these nonprofit organisations, a matched (by annual revenue) profit organisation signed by the same auditor was compared using attributes of the audit process. Attributes tested were the use of engagement and management letters, materiality, components of audit risk, extent of compliance testing, staffing levels, and time spent. The results indicate that parts of the audit process used are statistically different for nonprofit and profit organisations.</p>	Renee Radich
20	<p>The Application of Financial Ratios in Analysing Nonprofit Organisations</p> <p>Historically ratios have been used to assess the financial standing of profit organisations. This paper examines ratios of a group of nonprofit organisations and assesses the applicability of the traditional profit-based ratios to nonprofit organisations. Financial statements of a sample of charities registered in Queensland are analysed. The traditional profitability, liquidity and financial stability ratios are analysed and calculated wherever practicable and compared to the typical benchmarks used in profit analysis. The traditional ratios and their benchmarks (used in the profit sector) calculated from the financial statements prepared within the present reporting framework are largely inappropriate to the nonprofit sector. Alternative benchmarks useful for the nonprofit sector are suggested.</p>	Ros Kent
21	<p>Competition Between Nonprofit and For-Profit Organisations in the Marketplace: A Case Study of the Mailing Industry</p> <p>Competition between nonprofit and for-profit organisations has been an issue raised consistently in debates in America about nonprofit taxation. It is claimed the nonprofits when competing with for-profits have an unfair advantage because of taxation exemptions. This paper examines the mailing house industry in Brisbane, Queensland and competition between nonprofit and for-profit mailing houses.</p>	Irene Tutticci David Dwyer Myles McGregor-Lowndes
22	<p>Resources of Space, Age, People</p> <p>As business practice in the 90's focuses on mission rather than goals and embraces process rather than plans, marketing concepts</p>	Nell Arnold

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	have adjusted toward vision instead of image. Profiling, projection and positioning have become the strategies more prominent than promotional tactics and product endorsement. Places of distribution are newly regional rather than international. Pricing now reflects diversification of resources. This paper merges western marketing experience with eastern bonding practices, and illustrates the emergence of a development model for nonprofit organisations.	
23	<p>Market Orientation in the Nonprofit Sector</p> <p>As the nonprofit sector moves into a more competitive environment it is being required by the community to become more efficient and effective. One response is for nonprofit organisations to become market oriented, which is the familiar response in the for-profit sector. Two components of market orientation, that is market segmentation and customer oriented products, fit well within the peculiarities of a nonprofit organisation. This is usually accompanied by the desire to obtain a competitive advantage causes problems for various stakeholders within the organisation. This paper contends that three factors, management, scarcity of resources, and conflict between organisational objectives and market orientation, are major influences on the adoption of a market oriented culture for a nonprofit organisation.</p>	David Dwyer
24	<p>Recruitment and Training of Board Members for the 90's and Beyond</p> <p>This paper presents the findings from a research project which involved analysing the mission and objectives of selected arts organisations in Queensland and thereby developing a performance profile for Board Members; interviewing Board Members, General Managers and Artistic Directors to establish information flow, roles and responsibilities of directors and executives, and recruitment and training practices for Board Members; and through observation at Board Meetings assessing performance in relation to selection and training methods. The conclusion recommends guidelines for selection and orientation or training procedures for Board Members of arts organisations.</p>	Jennifer Radbourne
25	<p>Power Through Influence: The Evolution of Arts Management in Australia</p> <p>The purpose of this paper is to frame effective models of arts management for Australia in the nineties and beyond based on an analysis of historical practices. The evolutionary process of government subvention of the arts through non-profit arts organisations provides a clear statement of the role of power and influence. In particular the ascendancy of arts organisations and their management constitute a background against which to study other non-profit corporations.</p>	Jennifer Radbourne
26	<p>Nonprofit Organisations and Value Added (GST) Taxation</p> <p>The subject of this paper is the changes in the taxation of nonprofit organisations which seem to be more or less inherent in the value added taxes. The Australian federal Coalition's proposed goods and services tax will be part of the discussion.</p>	Ole Gjems-Onstad
27	<p>Nonprofit Organisations Face a Restructuring State: The Case of Local Social Services in the Hunter Region of New South Wales</p> <p>This paper is concerned with certain of the characteristics of local social services, and their role in a restructuring Australian welfare state. I am particularly concerned with the distinctive gender characteristics of these organisations, because in comparison with most other organisations they have a feminised quality. This partly mirrors women's traditional role of undertaking the major part of the caring labour of society. However, simultaneously work in these organisation deviates from more traditional patterns where employed women occupy subordinate positions. In many community organisations, women occupy leadership roles. The analysis here is concerned with the apparently paradoxical nature of these organisations in their capacity to entrench traditional gender roles and to challenge these by allowing women to fill management positions. It is also concerned to examine whether changes that have been occurring in the community services sector over the last two decades are likely to enhance women's general position in the society, or diminish the power exercised by women. The paper draws in a preliminary way on a study of</p>	Lois Bryson

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	local services in the Hunter Region of NSW undertaken in the latter half of 1992. These preliminary findings are set against the broader picture of developments in the contemporary welfare state.	
28	"Money Pouring Out of Its Ears" — On the Taxation of Really Profitable Nonprofit Organisations in Australia Under current law Australia appears to be a tax haven for certain non-governmental institutions. Millions of ordinary business income may go untaxed and the deductibility for donations is unlimited - both are very generous tax measures in an international context. The basic problems of most Australian nonprofit organisations are not taxation; they are just that: nonprofit. Anybody interested in the non-governmental sector should be willing to face the question: What is an equitable tax treatment? The short-term tactic of ducking the question may not be the best or most beneficial long term strategy.	Ole Gjems-Onstad
29	Sport and the Law Implications for the Nonprofit Corporation This paper examines the growth of Sports Law and examines the flexibility of present corporate forms to deal with the growing size and importance of sporting activities.	Hayden Opie
30	Career Paths in the Third Sector: Implications for Human Resource Management This paper discusses the following questions. What is the structure of the third sector labour market? What is the staff structure of third sector organisations? Is it true that career paths are unavailable, either within organisations or within the sector? If none exists, why do workers stay in the field? What motivates them? If there is a high turnover of staff, is this the reason? What are the implications of all this? If some sort of career path does exist, why do workers deny having a career? What do we mean by 'career' anyway?	Jenny Onyx
31	Inquiries, Empirical Research and Regulatory Failure The paper review charity inquiries that have been held in England, United States of America, New Zealand and Australia. The analysis of the primary literature identifies common issues and suggested remedies pertaining to the regulatory failures of charities. The issues may well be appropriate for consideration by the forthcoming Industry Commission and participants.	Myles McGregor-Lowndes
32	The Meaning of Effectiveness This paper reviews the concept of effectiveness in relation to the operations of nonprofit organisations. It reviews the major strands of thought on the issue and poses some questions for consideration and reflection.	Catherine McDonald
33	Case Study of Queensland State Taxation Recent developments concerning the taxation of nonprofit organisations by the Queensland State Government are reviewed. These include stamp duty amendments and land tax.	Berkeley Cox
34	Charities Overview of Federal Taxation This paper is a concise introduction to the state of Commonwealth taxation of nonprofit organisations. It discusses exemption from taxation and income tax deduction of donations.	Richard Friend Mary Stephen
35	A Select and Annotated Bibliography of Nonprofit Taxation This paper was prepared to assist those who might be considering making a submission to the Industry Commission on the taxation of charities. It contains a core bibliography of tax material in Australia, England, Europe and America. Major Australian Taxation Inquiries are also noted and annotated.	Myles McGregor-Lowndes Sandra Carr
36	Effect on Charitable Bodies of Taxation Alterations	Sandra Carr

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	This paper examines the effect on charitable organisation's finances if exemptions under Section 23 of the Income Tax Act or deductions under Section 78 were abolished. A simple model is provided to assist organisations to calculate their own position. Seven diverse charitable organisations are subjected to the model and results noted.	
37	Social and Community Services and the Future - Some Issues, Some Questions This paper provides an overview of the current policy environment of social and community service organisations. It examines erosion of the tax revenue base, changes in inter-governmental relations and the possible consequences of the Industry Commission Inquiry.	John May
38	Sport Management from a Legal Perspective This paper examines a wide variety of legal issues in sports management. The paper includes comments on legal liability of players, clubs, spectators, coaches, insurance, drugs in sport and alternative dispute resolution.	Anthony Podosky
39	Civil and Criminal Liability of Players This paper examines the latest developments of civil and criminal liability of sport participants.	Anthony Podosky
40	A Note on the Industry Commission Terms of Reference on Charitable Organisations A note reviewing the development and structure of the terms of reference of the Industry Commission.	Myles McGregor-Lowndes Catherine McDonald
41	A Comment on the Industry Commission Issues Paper on Charitable Organisations This comment examines the data presented in the February issues paper of the commission on charitable organisation. It also comments about issues that are or are not raised in the Commission's paper.	Myles McGregor-Lowndes Catherine McDonald
42	Halos, Fractures, Rigour Mortis, Cloning, External Instruments & Co Ltd by Guarantee An examination of the National Safety Council Collapse and its consequences.	Myles McGregor-Lowndes
43	Making The Commission Transparent - Volume 1 Comments on Freedom of Information Documents from the Industry Commission.	Myles McGregor-Lowndes Catherine McDonald
44	Making The Commission Transparent - Volume 2 Comments on Freedom of Information Documents from the Industry Commission.	Myles McGregor-Lowndes Catherine McDonald
45	A Taxing Definition — A Comment on The Industry Commission's Draft Proposals for Defining Community Social Welfare Organisations An examination of the proposed Industry Commission draft report definition of CSWO for inclusion in section 78 ITAA. The paper draws attention to the consequences of linking the definition to the common law definition of charity.	Myles McGregor-Lowndes
46	An Italian Legal Case Note: Administrative Court of Lombardy (Italy), District of Brescia, 30 November 1992, N.1285 Parco Castelli S.R.L. Versus Lombardy Local Government A case note on a recent Italian case involving the definition of a nonprofit organisation.	Alceste Santuari
47	Charities and the Industry Commission An overview of the taxation implications of the draft report on charitable organisations by the Industry Commission.	Sandra Rodman
48	The Industry Commission Inquiry into Charitable Organisations: The Draft Report, Implications for the Future of	John May

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	<p>Community Services A considered analysis of the draft report on charitable organisations by the Industry Commission. The paper critically examines the processes of the Commission, the terms of reference and draws attention to matters not considered by the draft report.</p>	
49	<p>Retaining Charity Tax Exemptions — A Stitch in Time Saves Nine The draft report on charitable organisations by the Industry Commission recommends strongly that the Australian Tax Office institute a review of the tax exempt status of all charities. The paper describes a number of matters that such organisations should consider concerning their tax affairs in order to place themselves in the best position for a possible audit by the Australian Tax Office.</p>	Sandra Rodman Myles McGregor-Lowndes
50	<p>Index to Industry Commission Draft Report on Charitable Organisations The draft report on charitable organisations by the Industry Commission is a long document without a detailed subject index. This paper includes index of boxes, figures, tables, organisations and a detailed alphabetical subject index. Those who require detail reference to the draft report will find this paper of assistance.</p>	Myles McGregor-Lowndes Catherine McDonald Ted Flack
51	<p>Charitable Grants and Donations from Machine Gaming Revenue: Does It All Work Out in the Wash Up? This paper traces the revenue derived from Machine Gaming by the Queensland Government, gaming hotels and clubs flowing through to community organisations. It seeks to quantify the level of monies flowing to community organisations from such revenues.</p>	Myles McGregor-Lowndes Catherine McDonald David Dwyer