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The Chairman
Productivity Commission Inquiry – “Australia’s
Gambling Industries, 1999”
P O Box 80
Belconnen ACT 2616



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Email: gambling@pc.gov.au) forwarded by mail.

(Attention: Mr John Williams).

**Submission to the Inquiry by BoysTown
Family Care ARBN 010 976 360**

Following our reading of the draft Report Volumes 1 and 2, and our attendance at the Commission’s Hearings in Brisbane on 30 September and 1 October, 1999, BoysTown Family Care has some misgivings and observations (about the Inquiry and Report) to place before the Commission.

About BoysTown Family Care (BFC)

2. Boystown Family Care (BFC) is an organisation operating under the auspices of the Trustees of the De La Salle Brothers. BFC is directed by a Board under the Chairmanship of Brother Paul Smith, AM., fsc.

BFC consists of five divisions

- Kids Help Line)
- Link Up services) Welfare divisions
- BoysTown Beaudesert)
- Community Fundraising) Fundraising
- BoysTown Lotteries) divisions

3. Attached for the information of the Commission are

- An introduction to BoysTown Services
- The current annual report
(N.B. Our financial year is the calendar year; therefore the reports are current to 31 December 1998).

Brief History

4. Today's BFC has its origins in 1960 when the De La Salle Brothers were invited to establish/direct a residential facility in the Beaudesert area of Queensland for boys at risk. From that beginning the range of welfare support services offered today, operate in accordance with legislative requirements, Christian principles of care and rehabilitation, and in co-operation with Federal and State Government agencies as required or advisable, and with generous support from the Australian Community.
5. The mainstream of funding for BFC welfare services derives from the BoysTown Lotteries which have been operating now since 1961. As indicated in the attached Annual Report BoysTown Lotteries in 1999 are offering 10 major Lifestyle Prizes (valued at \$1 million approximately), on the sale of approximately 200,000 tickets per lottery at \$15 per ticket; as well as 5 car Lotteries where 100,000 tickets at \$5 are offered for sale.

The Commission's Report – Australia's Gambling Industries

6. The comments that follow are written from the perspective of **BoysTown Lotteries**, one of Australia's largest charitable Lottery operators. However, it should be noted that our comments could have application to our competitive charitable Lotteries whom we would regard as:-

- The Endeavour Foundation
- The RSL
- The Mater Hospital (Brisbane)
- The Multiple Sclerosis society
- The Australian Lifesavers Association
- And there are other smaller Lotteries, doubtless known to the Commission

7. The attachment at 'A', photocopied from **The Courier Mail** of 11 July, 1998, provides an indication of the '**Minor Gambling**' operators available to the Queensland public, (and provides interesting if not somewhat inaccurate statistics about the odds of winning!)

The Inquiry's Terms of Reference (TOR)

8. We at BoysTown Lotteries believe that the Treasurer's TOR were sufficiently broad to allow coverage of the charitably based gambling sector (see Vol I., page XI, under the sub-heading '**Background**'

“..... a better understanding of the performance of the gambling industries and their economic and social impacts....”;

Again under the ‘Scope of Inquiry’

“(a) the nature and definition of gambling and the range of activities incorporated within this definition”; and

“(b) the participation profile of gambling”;

Similarly, **paragraphs (c), (e) and (h)** if applied to the charitably based gambling sector could have provided valuable and relevant information to all sectors – governmental, charitable, commercial, church and community, health and welfare - without changing the emphasis of the major concerns of the Inquiry.

“The Gambling Industries – What are they?”

9. The summary of the Report (Vol 1),. At page XVI acknowledges clearly that **“The Commission has focussed predominantly on.... the principal gambling forms – gaming, wagering and lottery products.... and those organisations that provide these services – including casinos, clubs, hotels, sports betting enterprises and lottery organisations.”**

Any ambiguity about “lottery products”, and “lottery organisations” is then dispelled by the following dot point

“• Minor gambling activities (art unions, raffles) have been taken into account only where most relevant.....”.

On the contrary BoysTown Lotteries is of the view that ‘Minor Gambling’ has not been taken into account at all in terms of useful social, economic, welfare, or beneficial importance. From that point in the summary, any use of the term “Lotteries”, excludes major charitable Lotteries such as conducted by Boystown and some other organisation;(see Box 1, page XVII Summary Vol.1).

10. It is unfortunate, but the terms ‘Lottery’ and ‘Art Union’ are either ambiguous or synonymous to many people who may read or be influenced by the report. Furthermore some regulatory definitions (eg. Queensland and Victorian current legislations) have dissimilar definitions of the terms, or have definitions that lack clarity.

“Why Do People Gamble?”

11. Table 2, page XXIV shows that 27% of respondents gambled for **Charity**, a significantly high proportion when backed up by the extent of participation overall in charitably based lotteries; (again see attachment A). On page XXI under **“2. Who gambles and How Much?”**, the Report indicates that **“... 60% participating in lotteries....”**. Could the respondents have been reliably referring to lotteries of the Golden Casket or Tattersalls type, or responding in regard to their

support of Charitable Lotteries? We wonder at the ambiguity that might have occurred here.

“Historical and Social Context”

12. Of interest is the fact that most forms of gambling covered in the report because of their actual or potential ‘impacts’, are relatively new concepts, particularly those that are electro-mechanical or electronic devices/forms of gambling.

Section 2.1 and Box 2.2 verify the initial (from 1916 with Queensland’s Golden Casket), and the continuous motivation of charitable support (27% of respondents today) as being the justification for gambling through the Lottery/Art Union/Raffle method.

As your report confirms within the 3rd paragraph of Section 2.1 (Vol 1):-

“Other States introduced their own lotteries and permitted charitable organisations to conduct minor gaming..... and the association with welfare gave gambling a new respectability”.

13. Given this ongoing prominence of charitable welfare as a justification or motive for gambling, BoysTown Lotteries considers that an opportunity has been missed by the Commission to produce the statistical analysis and coverage of welfare and charity based gambling that would make the report more complete, and useful to those involved or participating in it, including Governments.

14. Having such coverage and information available would seem to sit well with the Prime Minister’s establishment in March, 1999 of the **Prime Minister’s Community Business Partnership**. In part the Prime Minister said:

“ The creation of a new social coalition does not involve winding back government support for individuals or families in need “.

“ Rather it builds on public resources by enlisting committed volunteers, professionals and business operators who have a special insight into the impact of social problems.”.

“ Of course community organisations themselves are essential partners in the social coalition. Many organisations already, are providing imagination and leadership in developing local solutions to problems, and in strengthening community resilience to pressure”.

15. It seems to us that such important ongoing traits and aspirations ought to have a focus in the Commission’s Inquiry. Regrettably the Commission’s Report to date has missed the opportunity to provide the social research data, that would facilitate the progress of such a coalition and its component sectors.

“National Gambling Survey”, (Vol 2; Section F).

16. Emphasising our concern that significant charity based gambling, and public contribution has been largely excluded from the drafted collected data, is the commission’s admission in its introduction to this section, that

“ The only so-called ‘national’ gambling survey previously undertaken for Australia was carried out in 1991-92 in only a limited sense.....”

17. The development of the Questionnaire, (F2) seemed to favour total inclusion of **all forms** of gambling

- “• What activities do people gamble on?**
- How frequently...**
- How much time...**
- How much money...”**

The final two dot points of the eleven listed on page F3 also allowed for comprehensive inclusion

- “• Community perceptions about aspects of gambling**
- Personal characteristics of respondents”.**

18. The reader (or consumer) of the draft Report becomes brutally aware of the intention of the Survey and its Questionnaire at Section F3, (page 5 Vol. 2):-

“Two key objectives of the survey were to obtain an:

- Estimate of problem gambler prevalence; and**
- An adequate set of data on problem gamblers”.**

From this point the Survey, and by extension the Report itself becomes more specifically focussed, and therefore not as complete as the TOR would have allowed.

“The Questionnaire” (F.10).

19. From our interpretation of the Questionnaire, it appears that any inclusion of the ‘Charity gambler’, as defined by “Bought raffle tickets” on Page 2 of the Questionnaire, ceased at that point.

Proposition

20. To enable the Report to provide similar comprehensive detail on the significant charity motivated sector, BoysTown Lotteries proposes that:-

- 1) A modified and simpler Questionnaire be developed
- 2) This modified Questionnaire be addressed to all of, or a realistic, reliable sample of those respondents who following question SQ2A, were “.....coded 11 or 98 at SQ2A”.

21. The aim of the modified and simple Questionnaire would be to gather as much historical through to contemporary information as possible about charitably motivated gambling, as was envisaged in

- a) The Terms of Reference
- b) The inclusive points in the "Development of the Questionnaire".

In addition to the qualitative and quantitative data that would be gathered in terms of demographic, economic and social dimensions, other useful research could include employment, welfare and comparative legislative information of value to stakeholders.

Conclusion

22. We would be pleased to clarify or elaborate any point of our contentions that

- The draft Report has omitted any detailed focus on the charitable gaming sector;
- The charitable gaming sector has importance for Governments, commerce/employment, welfare and the community;
- If at all possible, further survey questioning should be directed at the 27% responding sector whose (minor) gambling is motivated towards charitable causes.

Our contact officers are the undersigned (Ph. 07 3867-1210 or pfitzgerald@boystown.com.au), or Gail Jefferies (07-3867-1291 or gjefferies@boystown.com.au); our Fax is 07 3368-1599.

Thank you,



PAUL FITZGERALD
GENERAL MANAGER CORPORATE SERVICES

Odds against winning major prizes

Game	Odds against	Approx. payout
Keno 6 out of 6 numbers	7753-1	\$1800-1
Multiple Sclerosis art union	10,000-1	\$3500-1
Keno 7 out of 7 numbers	40,979-1	\$9000-1
Spastic Welfare League art union	70,000-1	\$14,000-1
Asthma Foundation art union	90,000-1	\$27,500-1
Horizon Foundation art union	130,000-1	\$26,000-1
Leukaemia Foundation art union	140,000-1	\$26,000-1
Sporting Wheelies art union	150,000-1	\$35,000-1
Mater Children's Hospital art union		\$95,000-1
Endeavour Foundation art union	200,000-1	\$100,000-1
BoysTown lottery	200,000-1	\$66,666-1
Paraplegic & Quadraplegic Ass. art union	200,000-1	\$43,000
Keno 8 out of 8 numbers	230,115-1	\$50,000-1
Powerball Div 3	274,896-1	Varies
Old Deaf Society art union	360,000-1	\$75,000-1
Pools 2nd Division	461,114-1	Varies
Casino Stud Poker Royal Flush	549,000-1	\$250-1
Super 66 Div 2	555,556-1	\$6666-1
RSL art union	600,000-1	\$240,000-1
Gold & Oz Lotto 2nd Division	678,755-1	Varies
Super 66 Div 1	1,000,000-1	About \$90,000-1
Powerball Div 2	1,249,527-1	Varies
Keno 9 out of 9 numbers	1,380,688-1	\$140,000-1
Pools 1st Division	2,760,681-1	Varies
Gold & Oz Lotto 1st Division	8,145,060-1	Varies
Keno 10 out of 10 numbers	8,911,700-1	\$2,000,000-1
Powerball Div 1	54,979,155-1	Varies

Keno odds

One number selected	Two numbers selected	Three numbers selected	Four numbers selected	Five numbers selected	Six numbers selected	Seven numbers selected	Eight numbers selected
Odds against winning	Odds against winning	Odds against any win	Odds against any win	Odds against any win	Odds against any win	Odds against any win	Odds against any win
3-1	15.63-1	5.55-1	2.86-1	9.84-1	5.19-1	3.23-1	8.77-1
Payout	Payout	Odds against top win	Odds against top win	Odds against top win	Odds against top win	Odds against top win	Odds against top win
2-1	11-1	71.07-1	325-1	1549-1	7762-1	40978-1	230,114-1
		Payout for top win	Payout for top win	Payout for top win	Payout for top win	Payout for top win	Payout for top win
		43-1	119-1	599-1	1799-1	8999-1	49,999-1

The size of Lotto, Pools and Powerball dividends varies depending on the number of players in each game. The odds given for art unions are approximate and vary slightly from draw to draw. Ticket prices also vary. The column on the right gives the approximate payout for a national \$1 bet.



How the House wins in the end

Game	House's winning edge
Blackjack	from 0% to 20%
Baccarat	from 1.2% to 14.1%
Craps	from 1.4% to 16.7%
Roulette	about 2.5%
Pokies: casino	8%
Pokies: clubs & pubs	8% to 15%
TAB: win, place & quinella	15%
On-course bookies	about 15%
TAB: treble & double	18%
TAB: other sports	25%
Keno	about 33%
Lotto	40%
Pools	40%
Scratch-its	40%
Art unions *	about 50%

* The prize offered by major art unions must be worth at least 20% of the value of the tickets printed. Not all tickets need be sold.

Nine numbers selected

Odds against any win 5,53-1
 Odds against top win 1,380,688-1
 Payout for top win 139,999-1

Ten numbers selected

Odds against any win 14,47-1
 Odds against top win 89,170-1
 Payout for top win 199,999-1

Gold & Oz Lotto

One chance in:

Chance of Div 1 (6 numbers) 8,145,060
 Chance of Div 2 (5 + 1 of 2 supps) 678,755
 Chance of Div 3 (5 numbers) 36,690
 Chance of Div 4 (4 numbers) 733
 Chance of Div 5 (3 + 1 of 2 supps) 298

Pools

One chance in:

Chance of Div 1 (6 numbers) 2,760,681
 Chance of Div 2 (5 + supp) 461,114
 Chance of Div 3 (5 numbers) 14,843
 Chance of Div 4 (4 numbers) 372
 Chance of Div 5 (3 + supp) 297

Super 66

One chance in:

Chance of Div 1 1,000,000
 Chance of Div 2 555,556
 Chance of Div 3 5556
 Chance of Div 4 556
 Chance of Div 5 56

The payback to punters from Queensland's State-controlled lotteries is fixed by law at exactly 60 percent.