

Level of funding directed toward veteran support by Returned and Services League venues operating electronic gambling machines

What this research is about

The gambling industry has worked with the government and other stakeholders to promote gambling as a means to benefit charities and community causes. Unfortunately, this approach may also distract attention from the harmful effects of gambling. Furthermore, when gambling revenue is used to fund not-for-profit (NFP) organizations, there is concern that these groups will become dependent on commercial gambling.

Returned and Services League (RSL) venues are the leading organizations for veterans in Australia. RSL venues are highly respected charities. They provide health and welfare services to service members and their families. Some RSLs in Australia are licensed to operate gambling, including electronic gambling machines (EGMs). Unlike other jurisdictions, all such venues in the state of Victoria are owned by the RSL.

According to the RSL's constitution, the majority of their community support must be directed toward support for former service members. Yet, there is debate about the extent to which licensed RSL venues adequately provide support to veterans. Further, the introduction of gambling at these venues, especially electronic gambling machines (EGMs), goes against their role of supporting the health and welfare of veterans. In addition, some studies have suggested that RSL funds are being used for commemoration activities, rather than supporting living veterans.

The overall goal of this study was to assess the scale of financial contributions that licensed RSL venues make to support veterans through gambling revenue. The researchers examined records submitted by these venues to the government

What you need to know

In recent years, the gambling industry has made considerable effort in promoting the notion that gambling revenue can fund charities and 'good causes.' In Australia, Returned and Services League (RSL) venues are tasked with providing health and welfare services to veterans. However, the extent to which this occurs, as well as the role of gambling revenue in benefiting veterans, is poorly understood. The present study examined financial contributions that RSL venues make to support veterans through gambling revenue. The researchers assessed the funds provided to support the health and well-being of living veterans, commemorate fallen veterans, and reduce gambling harms among veterans. Overall, it was found that under 10% of funds were directed toward supporting veterans. Moreover, only a small proportion of funds was used to address gambling harms among veterans. The results indicate that most funds raised through gambling by RSL venues are not directed toward the veteran community.

regulator. The key outcomes of interest were the amount directed toward supporting the health and well-being of living veterans; the amount directed toward commemorating fallen veterans; and the amount allocated for services to manage gambling harms.

What the researchers did

The researchers focused on RSL venues in Victoria, the second most populated state in Australia. Victoria has 235 NFP clubs operating EGMs, with 22% being RSL venues. To be eligible for tax concession,

clubs report information on community support claims in an annual report. The claims are available on the regulator's website. There are 24 types of claims, labelled as 'direct' and 'indirect'. Direct claims include donations and sponsorships made to the community. Indirect claims include business operating costs.

The researchers conducted two stages of analyses on these claims. First, they examined records from 2009 to 2019, adjusted for inflation. Next, they examined in detail the claims made by all licensed RSL venues for a three-year period from 2016–17 to 2018–19.

What the researchers found

First, the initial analysis found that \$579.5 million was recorded as community contributions. This represents 27.6% of the total gambling revenue (from people's losses to EGMs). The largest proportion of contributions (79%) was listed as 'indirect' business operating costs, and 21% were 'direct' donations, sponsorships, or other types of support to veterans or the community. The researchers then examined three years of data in more detail. First, it was found that the overall pattern of claims was similar to that of the ten-year data analysis.

Next, the researchers looked at the amount of funds that were directed toward veteran support in the three-year period. Overall, less than 10% of contributions were directed toward supporting veterans. This suggests that claimed business expenses exceeded funds directed toward veteran support by a ratio of 12:1. Furthermore, donations provided to the community (e.g., sports clubs, scholarships) far exceeded the amount given to veteran support programs by 77%. Finally, the researchers found that only \$3,500 (roughly 0.002% of claims) was directed toward programming to help address gambling-related harms among veterans.

The researchers concluded that RSL venues ultimately redirect only a small proportion of the funds they raise from gambling to support programs for veterans. Similarly, little funding is focused on minimizing gambling harms among veterans.

How you can use this research

The findings help clarify the role that gambling plays in funding support programs for veterans in licensed RSL venues. The results could be relevant to policy makers and researchers interested in assessing the costs/benefits of gambling revenue among NFPs.

About the researchers

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Citation

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