

The Coordinating Officer
Lotteries and Art Unions Act Review
Liquor & Gaming NSW
GPO Box 7060
SYDNEY. NSW. 2001

Email: [REDACTED]



24/08/2016

**RE: REVIEW OF THE LOTTERIES AND ART UNIONS ACT 1901
SUBMISSION BY BSG AUSTRALIA IN RESPONSE TO THE DISCUSSION PAPER**

Dear Sir/Madam,

About BSG Australia

BSG Australia is the leading supplier of bingo and fundraising products in Australia and New Zealand. The company has supplied such products to clubs, hotels, bingo centres, 'not for profit' associations and charitable organisations within the NSW market for over 40 years.

BSG Australia works closely with and assists all stakeholders to promote their bingo/housie and other fundraising activities throughout New South Wales always mindful of preserving the integrity of the industry. This in turn ensures not for profit organisations such as clubs, sporting bodies and charities benefit over the long term from their fundraising pursuits.

Proposed NSW Model

BSG Australia support the proposed changes to the Lotteries and Art Union Act and offer the following commentary. We appreciate the opportunity to raise any concerns and issues we believe require further consultation and discussion.

BSG Australia is well positioned to understand and provide insight into:

1. The level of impact political, regulatory and social changes have on the viability of the bingo and fundraising industry
2. The changes and trends in other markets and jurisdictions which have been adopted to preserve both the integrity and viability of their respective industries
3. The trend of operators, regulators and customers to embrace technology as a means to ensure a higher standard of integrity, accountability and operator efficiency.

Charity Housie Bingo

We see the key areas for further review are:

(a) When May A Charity Housie Session Be Conducted

The proposal to remove the need for a permit to run Category (1) Housie Games will hopefully address the following issues;

Firstly, the current stipulation that “you may only conduct a major housie session on the specified dates or the specified day and times shown on the permit”.

Secondly the requirement for measures such as a 2 hour break between each charity housie session and the requirement of a 30-minute break between a Charity Housie and Club Bingo session.

All of these requirements create issues for organisations running their sessions without achieving any necessary outcome and we propose these restrictions be removed.

(b) Expenses that may be incurred

The current list of reasonable expenses should be maintained. To further ensure the integrity of the game and the associated revenue raised for eligible charities and organisations, we propose clearer regulation around the role of third party promoters.

(c) Maximum Ticket Price

We suggest letting market competition determine ticket prices.

(d) Benefiting Charity Representative

This requirement is adding unnecessary cost to the charitable organisation. Changes in technology allow electronic verification of winners thus eliminating the need for a representative to be physically present for this purpose. The caller now uses a computerised calling system to verify all winning tickets and display the outcome to all present. A representative of the charity should instead be responsible for overseeing the management of record keeping and revenue distribution of each charity housie session.

(e) Financial Returns

An audited annual Statement of Income and Expenditure would be sufficient to regulate the industry. The annual return should be categorised by month and include gross receipts, total expenses, prizes paid, net proceeds and the balance of each jackpot pool at the end of each month.

Other jurisdictions also require the operator to keep a ticket register and accurate running sheets for each session.

(f) Conducting Charity Housie on Computerised Systems

Any equipment used to conduct bingo should meet compliance standards. To be compliant, equipment should be reviewed and recommended by an approved testing house. Any state government approval where suitable testing is conducted should also be acceptable. Approved electronic calling and verification equipment allows transparency to all involved and improves accurate record keeping.

(g) Maximum value of prizes

For the purpose of section 4A(3)(b) of the Act, the prescribed amount that the total value of the prizes in any one game of chance conducted by a charity must not exceed is \$5,000.

For the purpose of section 4A(3)(e) of the Act, the prescribed amount of money awarded as a prize in any one game of chance must not exceed \$5,000.

This amount was set over 20 years ago and requires review to restore value and allow charities to compete for the fundraising dollar.

We believe the reference to Super Housie sessions and the \$3,000 accumulated jackpot reference should be removed and replaced with general guidelines for prize distribution, similar to the Queensland model where a maximum of 75% of gross proceeds from the session may be paid out in prizes.

In the interest of harm minimization and healthy competition, this guideline should be regulated by a prize limit that states a prize more than \$20,000 cash is prohibited in a game of bingo. Jackpot prizes can only be paid from funds set aside for that purpose from the proceeds of earlier sessions except where the charity is offering its initial jackpot which is limited to a maximum amount of \$5,000.

Club Bingo

We see the key areas for further review are:

(a) Maximum charge for entry

The regulated maximum sell price of club bingo tickets has not changed in over 20 years. During this time the regulated maximum prize value has been indexed however the maximum sell price of a club bingo ticket has remained at \$0.05.

It should also be noted that the cost of running club bingo games has more than doubled over this period.

(b) Conduct of game

Regulation notes that a game of club bingo must not take place unless it is conducted in the presence of and under the supervision of 2 or more persons engaged in the conduct of the game or the management of the registered club.

This requirement is adding unnecessary cost. Changes in technology have led to electronic verification of winners which eliminates the need for two supervisors. A computerised calling system can be used to verify all winning tickets. This means key information such as ticket range in play, numbers called and validity of the winning ticket can be on display to all present.

Accordingly BSG Australia recommends an amendment to allow one supervising staff member to conduct bingo with the provision that an approved electronic device is in use.

Trade Promotions

We submit that the bingo industry has been adversely affected by various external factors including changes to smoking laws, gaming machines, online gambling and sports betting. The bingo industry needs regulatory support to encourage the promotion of bingo, and the bingo industry generally.

Conducting bingo as a trade promotion is a valuable tool to assist in promoting the game of bingo which in turn creates revenue for charities and other non-profit organisations.

We respectfully request the below clause be amended so that a supplier of bingo product may conduct bingo as a trade promotion.

120 Conduct of other lotteries in conjunction with club bingo

(c) a lottery or game of chance for the promotion of trade may be conducted subject to compliance with section 4B of the Act, provided the right of entry into the lottery or game of chance is not based predominantly on a person's participation in a game or session of club bingo.

The words “provided the right of entry into the lottery or game of chance is not based predominately on a person’s participation in a game or session of club bingo” needs to be removed.

Additionally, the requirement to apply for a licence for promotions which exceed a total prize pool of \$10,000 in any 12-month period is too restrictive. We suggest the proposed model increases this figure to \$200,000 in any 12 month period.

No Draw Lotteries

Current legislation is so restrictive that the sale of lucky envelopes or no-draw lottery tickets in NSW is unworkable.

The key areas for review are:

(a) Maximum Series Size and Maximum Ticket Price

The fact sheet currently limits the price per ticket to \$2 and the maximum number of tickets in a no-draw lottery is limited to 3,000. Essentially this allows the operator to turn over \$6,000 in revenue less prizes and costs. In reality, tickets that fit within this regulation are not available as it differs considerably from other jurisdictions.

We recommend increasing the size of the series allowed to 5,000 tickets.

(b) Return to Player

To allow greater flexibility and increase attractiveness of this product to the end user we recommend that the return to player be no more than 70%, the same as other jurisdictions.

No-Draw Lottery Ticket Vending Machines

With proper regulation we believe technology can assist operators to achieve a higher standard of integrity, accountability and efficiency. The fact sheet notes that coin-operated machines cannot be used for the sale of no-draw lottery tickets or cards.

We respectfully request this restriction be removed and the implementation of vending machines be regulated so that machines meet requirements such as providing a separate and lockable cash box, a coin reject mechanism to prevent them from accepting coins without dispensing a ticket, plus measures to prevent tampering such as electronic meters.

Vending machines should clearly display the prize board on offer, the price per ticket being vended as well as identify the beneficiary of the proceeds.

All tickets dispensed need to have a unique serial number per series and be overprinted with the name of the beneficiary.

A vending machine provides reporting plus accountability and reduces the cost of labour allowing not for profit organisations to raise funds efficiently.

(c) Multiple Series

The rules require that not more than one no-draw lottery is to be conducted by or on behalf of the benefiting organisation at one time. This requirement is unique to New South Wales and restricts this type of fundraising in a way that makes it impractical especially for organisations fundraising in multiple sites.

We suggest this requirement be reviewed so that either this restriction is removed completely, or amended so that a charity can run multiple no-draw lotteries per location.

Conclusion

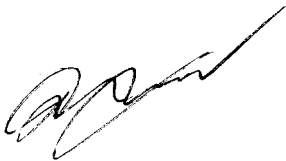
Thank you for the opportunity to provide this submission.

It is important that the new framework maintains the integrity of the industry but also encourages innovation and growth for each industry stakeholder.

BSG Australia as a major stakeholder wants to contribute to and support the well-being of the industry and ensure its ongoing success.

We respectfully request your consideration on the matters raised.

Yours faithfully,



Dennis Lever
Chairman
BSG Australia

BSG
AUSTRALIA EST Everything bingo & fundraising plus
a diverse range of general printing.
www.bsg.com.au

NATIONAL FREE CALL 1800 657 565

BBB
AUSTRALIA EST Australia's largest provider of
secure themed underwritten live
& probability link bingo games.
www.bigbucksbingo.com.au

WINPRINT
INTERNATIONAL EST A broad range of customised
secure print promotional products.
www.winprintinternational.com