

1 September 2015

The Coordinating Officer

Lotteries and Art Unions Act Review
Liquor and Gaming NSW
GPO Box 7600
SYDNEY NSW 2001

Email: [REDACTED]

Dear Coordinating Officer

REVIEW OF THE LOTTERIES AND ART UNIONS ACT 1901

Thank you for providing Contact Centres Australia with the opportunity to make a submission in response to Liquor and Gaming NSW's Review of the *Lotteries and Art Unions Act 1901* ("the Act").

Contact Centres Australia is one of Australia's leading business process outsourcing companies, delivering call centre campaigns on behalf of a wide range of clients from the public, private and not-for-profit sectors. Further details about Contact Centres Australia can be found in Attachment 1.

We welcome Liquor and Gaming NSW's interest in encouraging public policy debate about the regulation of community lotteries and trade promotions, as well as its desire to create a simpler regulatory framework. It is reassuring to know we are operating under a proactive and engaged authority that values stakeholder feedback.

Contact Centres Australia believes there are three aspects of the model proposed by the Discussion Paper for NSW that can be further refined. First and foremost, the rule proposed for the 'total value of prizes' poses a significant risk for the fundraising goals of charitable organisations. Requiring benefitting organisations to spend at least 20 per cent of estimated gross proceeds on prizes will mean that charities must spend a lot more on Games in order to generate an equivalent return to that which they receive under the current regime. Such an outcome would be in direct conflict with section 2(3)(e) of the Act, by harming the bottom line of charitable and other not-for-profit organisations.

Second, Contact Centres Australia believes a reformed model should require organisations interested in conducting community lotteries to be licenced. We acknowledge this runs counter to Liquor and Gaming NSW's broad intention to cut red tape, however, in this instance, the benefits outweigh the drawbacks. A licencing scheme would give Liquor and Gaming NSW greater oversight of the community gaming and lottery activity industry, and ensure only trustworthy organisations are allowed to conduct games, promoting the integrity and fairness of lottery activities, ensuring the probity of those involved in their conduct, and minimising the potential for harm.

Third, we believe the model also misses an opportunity to require gaming and activity providers to abide by a Code of Conduct, which would have similar benefits to a licencing scheme.

We encourage Liquor and Gaming NSW to more closely align the proposed NSW model with the Victorian framework, which we consider to be the most sensible approach to regulation.

Thank you again for the opportunity to make a submission to this Review. We trust our comments will be informative. Please do not hesitate to contact me directly on [REDACTED] or via email at [REDACTED] should you require any further input.

Yours sincerely



Peter Thomson
Director

ATTACHMENT 1

WHAT YOU NEED TO KNOW ABOUT CONTACT CENTRES AUSTRALIA

Contact Centres Australia has been working alongside public, private and not-for-profit (“NFP”) sector clients in Australia for more than 14 years, facilitating 20 million conversations between charities, businesses and consumers annually.

Founded in 2002, Contact Centres Australia has established itself as the leading contact service provider in Australia. As of 2016, we employed more than 900 staff across three countries, providing job opportunities for workers from a variety of backgrounds.

Using modern call centre infrastructure equipped with cutting-edge technologies, Contact Centres Australia works on behalf of a wide range of clients, from those who only require small-volume inbound call services, through to clients who require more than 30,000 calls per day.

Contact Centres Australia’s rapid growth has been achieved through a demonstrated ability to produce outstanding results, made possible by our unwavering commitment to working in partnership with clients. This collaborative approach is underpinned by a clear understanding of the expectations and values of our clients, and an alignment with their goals.

Many of our NFP clients in particular rely on us to help further their cause, reaching audiences that would otherwise be beyond their reach. Indeed, this submission is itself an indication of our collaborative approach, with our feedback largely made in the interests of our charitable partners.

Led by an experienced, hands-on team, Contact Centres Australia’s mission is to adapt to an ever-changing community gaming and lottery landscape with agility and creativity. Our clients rely on us to devise fundraising campaigns that span a variety of formats, including raffles, regular giving, direct marketing, merchandise, community fundraising and major gifts.

Contact Centres Australia specialises in providing an end-to-end fundraising campaign service on behalf of our clients, with particular expertise in charitable raffles. Our raffle model sees our team contacting the Australian public via telemarketing campaigns, banking all funds raised directly into the bank accounts of our NFP clients.

Importantly, Contact Centres Australia operates Australia-wide. We are therefore well placed to provide feedback for this Review, because of our intimate knowledge of multiple jurisdictional frameworks.

We strongly believe that community gaming and lottery activities should be guided by a strong statutory framework. As a major representative of not-for-profit clients, Contact Centres Australia’s primary interest is to ensure that this framework supports charitable organisations’ fundraising goals.

ATTACHMENT 2

CONTACT CENTRES AUSTRALIA

SUBMISSION TO LIQUOR AND GAMING NSW

REVIEW OF THE LOTTERIES AND ART UNIONS ACT 1901 (NSW)

KEY RECOMMENDATIONS

Recommendation 1: Require the licencing, declaration and/or pre-registration of organisations conducting lottery activities by LGNSW with the exception of Trade Promotions.

Recommendation 2: Require organisations conducting lottery activities to submit a report to LGNSW within three months of the finalisation of the activity.

Recommendation 3: All provisions giving effect to section 2(3)(e) of the Act, including LGNSW's *Games of Chance: Raffles* fact sheet, should be preserved unchanged in the new NSW model.

Recommendation 4: Create three categories of Games rather than two.

Recommendation 5: Differentiate these three categories of Games based on the value of prizes rather than gross proceeds.

Recommendation 6: That the requirement at least 20 per cent of estimated gross proceeds be spent on prizes be removed from the proposed model.

Recommendation 7: That all organisations conducting lottery activities be required to abide by a Responsible Gambling Code of Conduct.

Please see Attachment 3: Recommended NSW Model for how a model incorporating these recommendations might look.

KEY ISSUES FOR STAKEHOLDER COMMENT

1. DO THE OBJECTS OF THE ACT AS SET OUT IN SECTION 2 REMAIN VALID?

The Discussion Paper clarifies Liquor and Gaming NSW's ("LGNSW") position that the community gaming and lottery activity industry should be regulated under a principles-based regime enshrined in legislation. The question is, which principles should be considered?

Contact Centres Australia strongly believes all of the objects set out in section 2 of the *Lotteries and Art Unions Act 1901* ("the Act") are appropriately adapted to the regulation of community lotteries and trade promotions in NSW. For this reason, it is our opinion that these objects should continue to serve as the guiding principles of a modernised scheme.

However, we also believe that the current regulatory framework in NSW – comprised of the Act, the *Lotteries and Art Unions Regulation 2014* ("the Regulation"), and a series of rules – does not adequately meet all of the objects set out in section 2. This Review therefore provides a valuable opportunity to develop an improved regulatory model that better satisfies the objects of the Act.

In order to assist in the development of this new model, Contact Centres Australia makes the following comments in relation to section 2 of the Act:

1.1 Subsection 2

Contact Centres Australia believes the best way Liquor and Gaming NSW ("LGNSW") can satisfy the objects set out in subsection 2 of the Act is to require all organisations conducting community gaming and lottery activities to be licenced, declared and/or pre-registered, similar to what is required in Victoria.

Recommendation 1

Require the pre-registration, declaration and/or licencing of organisations conducting lottery activities by LGNSW with exception of Trade Promotions.

Note: See Section 2.3 of this submission for further discussion about licencing.

(a) ss (2)(a)

It is important that Liquor and Gaming NSW preserve the object of restricting who may conduct and benefit from lottery activities. We suggest the most efficient way of achieving this object is to require organisations conducting lottery activities to be licenced, declare and/or pre-registered.

This licencing scheme does not need to be onerous, nor should it be designed to be prohibitive. However, it should be aimed at ensuring only reputable, trustworthy and transparent organisations are approved to conduct lottery activities in NSW.

Crucially, once licenced, we do not suggest service providers should then also require further licences to conduct individual campaigns. We would only suggest individual approvals be required for campaigns offering prizes valued at greater than \$30,000.¹

(b) ss (2)(b)

Charitable and NFP organisations rely heavily on lotteries for funding their operations. Lotteries are immensely important for some of Australia's most important organisations. Our clients rely heavily on fundraising from raffles, which accounts for a significant portion of each of their total annual income.

¹ Please see Section 2.2 for a further discussion about Contact Centres Australia's recommendation that Games be categories according to the value of prizes on offer.

In order for lottery activities to be able to continue delivering valuable outcomes for charities and the community, the Australian public must have faith in their integrity and fairness. Unless the public believes these activities are conducted transparently and honestly, they will not continue to partake. If the community knows that only organisations that have been approved by LGNSW as fit and proper to conduct lottery activities are operating, then they can be confident in the integrity and fairness of the industry. This is why we are of the opinion that (i) this object should be preserved as part of a modernised framework for NSW, and (ii) that the best way to ensure this object is delivered is to require the licencing, declaration and/or pre-registration of providers of lottery activities.

(c) ss (2)(c)

Liquor and Gaming NSW does not need to be told how important it is to ensure the probity of those involved in the conduct of lottery activities.

As stated above, lottery activities are an immensely valuable fundraising mechanism for organisations from the NFP and charitable sectors. However, LGNSW must be mindful of the potential for organisations with less altruistic motivations to exploit the industry for private gain. This would jeopardise the viability of the industry as a vehicle for fundraising for charities and NFPs whose activities contribute positively to the community.

In order to ensure the probity of those involved in the conduct of lottery activities, Contact Centres Australia reiterates its recommendation that organisations be licenced, declared and/or pre-registered with LGNSW. This would ensure that only organisations with sound motivations for conducting games, as determined by LGNSW, would be approved. Second, it would provide LGNSW with greater oversight of the industry, as only known organisations would be allowed to participate. As a result, the probity of those involved in the conduct of lottery activities would be better ensured.

(d) ss (2)(d)

We appreciate the model proposed for NSW is designed to reduce the regulatory burdens faced by those conducting community gaming and lottery activities. However, Contact Centres Australia strongly believes the best way LGNSW can minimise the potential for harm from lottery activities is to require providers to be licenced. The Victorian model seems the most aware of this, requiring licences for almost all types of activities.

Our hope is that a licencing scheme would prevent organisations tempted to conduct lottery activities in a manner that may pose a risk of harm to the community from operating. In addition, licenced organisations would be more mindful of minimising the potential for harm from their lottery activities because they would be known to LGNSW, meaning it would be easier for them to be penalised for targeted for disciplinary action if LGNSW discovered they were acting in a manner that harmed or risked harming members of the public.

1.2 Subsection 3

(e) ss (3)(a)

The NSW Government's role as regulator means it has a responsibility to set and maintain appropriate standards and levels of accountability. This duty should absolutely be preserved in the creation of a new regulatory model. We are pleased to see LGNSW has acknowledged as much in stating the proposed model will ensure compliance with the requirements of the Act, Regulation and any rules in order to maintain integrity and public confidence.

In order to give force to this, Contact Centres Australia encourages LGNSW to consider options for requiring organisations conducting lottery activities to submit a report within three months of the completion of each activity (e.g. from the date a raffle is drawn). This would come under the 'Requirements' row of the proposed model.

We understand this recommendation may be interpreted as creating more red tape. However, Contact Centres Australia is confident that legitimately motivated lottery providers will willingly comply with any

such reporting requirement, and would understand it is necessary to ensure providers are held accountable for the conduct of lottery activities.

It is also worth noting that a reporting scheme would support all of the objects outlined in subsection (2)(a)-(d) of the Act. In particular, it would allow LGNSW to monitor the integrity and fairness of lottery activities and ensure they have been conducted in a manner that minimises risks of harm.

Note: Please see Section 2.4 for further discussion about reporting requirements.

Recommendation 2

Require organisations conducting lottery activities to submit a report to LGNSW within three months of the finalisation of the activity.

(f) ss (3)(b)-(c)

Contact Centres Australia believes subsection (3)(b) remains valid because it ensures the community gaming and lottery activity industry operates in the public interest, rather than as a means for private gain.

Lotteries conducted on behalf of NFP and charitable organisations provide significant benefits to the community, because the organisations they fund almost always operate in the public interest. As part of this Review, LGNSW should be mindful not to create a regulatory environment in which it is easier for for-profit or non-charitable organisations to exploit lottery activities for their own private interests.

Contact Centres Australia wishes to stress the fact it is not itself a charity, and thus, our recommendations are not necessarily being made in our own commercial interests. However, we are committed to ensuring the public is the ultimate beneficiary of the State's community gaming and lottery activity industry.

(g) ss (3)(d)

Please see section 1.2(b) of this submission.

(h) ss (3)(e)

Subsection (3)(e) seeks to assist the ongoing viability of organisations conducting lottery activities that have developed in the public interest and contribute positively to the community. The most obvious organisations that fit this description are charitable and other NFP organisations.

We interpret this object as seeking to ensure any model implemented in NSW supports the fundraising efforts of charities. This object should remain of paramount importance in the design of the NSW model. Contact Centres Australia believes subsection (3)(e) of the Act and all regulations and/or rules giving effect to that object should be preserved unchanged in the new NSW model.

Recommendation 3

All provisions giving effect to section 2(3)(e) of the Act, including LGNSW's *Games of Chance: Raffles* fact sheet, should be preserved unchanged in the new NSW model.

2. DOES THE PROPOSED MODEL REPRESENT A SENSIBLE APPROACH, OR IS THERE ANOTHER APPROACH THAT MIGHT BE MORE SUITABLE FOR REGULATING COMMUNITY GAMING AND LOTTERY ACTIVITIES IN NSW?

Contact Centres Australia applauds Liquor and Gaming NSW's initiative to streamline the regulation of community gaming and lottery activities in NSW. The current regime, comprised of a mix of statute,

regulation and rules is ultimately quite effective, however we agree with the statement that it lacks clarity and logical flow and can be confusing.

The model proposed at page 10 of the Discussion Paper is an improvement on the current regulatory scheme. In particular, Contact Centres Australia considers the model to be simpler and easier to understand, because it seeks to collate key points in a central, easy-to-understand fact sheet. This should streamline the administration of lottery activities for LGNSW as well as providers.

However, Contact Centres Australia does not yet think the model is ready for implementation. We encourage LGNSW to consider our following comments, which we believe would result in the proposed model better promoting the objects of the Act:

2.1 Types of Games

Contact Centres Australia believes the proposed NSW model would be even more effective if provided for three categories of Games, rather than two, and differentiated these categories on the basis of the prize pool on offer, rather than the limit of gross proceeds. We otherwise agree with creating a separate category for trade promotions.

The problem with differentiating Games on the basis of gross proceeds is that these proceeds are inherently difficult to predict because of the large number of factors that can affect each Game. This could create significant problems for providers of Games. For example, a provider may be seeking to conduct a Game that generates less than \$25,000 however, for whatever reason, the Game ends up raising significantly more. Theoretically, this provider may then be liable for not complying with any additional rules set down in relation to Games of greater than \$25,000 gross proceeds.

Categorising Games based on the value of the prize(s) on offer would be a more sensible approach for LGNSW to adopt. This can be determined with absolute certainty at the start of the Game, meaning providers will know precisely which rules they have to comply with. We recommend Games categories as follows:

- Category 1: Games whose total value of prizes is less than \$2,000
- Category 2: Games whose total value of prizes is up to \$30,000
- Category 3: Games whose total value of prizes is greater than \$30,000
- Trade Promotions: As per proposed

Recommendation 4

Create three categories of Games rather than two.

Recommendation 5

Differentiate the categories of Games based on the value of prizes rather than gross proceeds.

2.2 Total value of prizes

Contact Centres Australia's greatest concern regarding the proposed model is with the 'Total value of prizes' row. The proposal to require at least 20 per cent of estimated gross proceeds be spent on prizes will mean that charities will have to significantly increase their expenditure on Games in order to generate similar returns to those under the current regime. If a charity does not have the budget to increase their expenditure – and most do not – then they will simply raise less overall, harming their bottom line and ultimately the portion of the community whose interests they represent. As such, we recommend this row be removed from the model entirely.

The Discussion Paper directly acknowledges the importance of community lotteries and trade promotions as a source of funding for charities. Under the current rules in NSW, benefitting organisations receive at least 40 per cent of proceeds of each raffle. This current arrangement works

well – charities are guaranteed to receive a large amount of any proceeds raised, while providers are able to cover the costs of conducting the lottery. However, as explained above, these returns would be difficult to achieve if charities and other NFPs had to factor in an additional consideration of a minimum prize value.

As such, Contact Centres Australia believes this proposal would represent a step backwards from the currently regulatory framework, to the detriment of our charitable and NFP clients, the very organisations whose ongoing viability should be foremost in LGNSW's mind. We also believe this proposal does less to support the objects of section 2(3)(e) of the Act than the current rules.

Contact Centres Australia assumes this proposal is based on the Queensland framework. Whilst we are encouraged to see LGNSW looking towards other jurisdictions as potential examples of best practice, in this instance, we believe Queensland actually lags behind NSW. Were the Queensland model to be introduced, it is likely that the only organisations that would be able to afford to conduct Games would be large entities such as registered clubs. These organisations have the budgets to put on campaigns with prizes valued at 20 per cent of estimated proceeds and still receive a worthwhile profit. However, many charities do not. Whilst we take no issue with such organisations participating in the community gaming and lottery activity industry, this should not be at the expense of other community- and public interest-focused bodies. In effect, we believe this proposal could jeopardise the current level playing field for the provision of community gaming activities between charities and registered clubs.

Recommendation 6

That the requirement at least 20 per cent of estimated gross proceeds be spent on prizes be removed from the proposed model.

2.3 Who can conduct & Licence required

This submission has already raised Contact Centres Australia's belief that licences should be required for organisations that wish to conduct lottery activities in NSW. Subsection 1.1 above clearly addresses why a licencing scheme supports the objects of the Act as well as the interests of the public more generally.

We appreciate that this Review is seeking to reduce the regulatory burdens on providers of community gaming and lottery activities. However, cutting red tape should not be at the expense of ensuring the integrity and probity of those activities. A more stringent licencing scheme, under which only licenced organisations would be permitted to conduct lottery activities, would better support the objects of the Act and the public's faith in the industry. This is ultimately an area in which LGNSW must retain oversight to ensure community lotteries and trade promotions are properly conducted and scrutinised.

We recommend the following matters be taken into account when considering the design of this licencing scheme:

- Charities and other NFP organisations wanting to conduct community games should, at minimum, be required to be registered with the Australian Charities and Not-for-Profits Commission ("ACNC") as a charity.
- Other organisations, known as "commercial organisers", wanting to conduct raffles/art unions on behalf of a registered charity should be licenced by LGNSW to conduct these Games.
- Commercial organisers should not have to apply for licences for individual Games. Their licence with LGNSW should be sufficient approval. However, Contact Centres Australia is open to the suggestion individual licences be required for Games whose prize(s) are valued above a certain threshold.
- Commercial organisers should be authorised by a registered charity to conduct the game.

Adopting these recommendations would eliminate unscrupulous service providers and promotes transparency and accountability, especially if coupled with simple reporting requirements following the conduct of a Game.

The Victorian model is a good example of a simple, workable scheme that still maintains strict licencing standards. By coupling a largely self-regulatory approach with a licencing scheme, there is a greater incentive for licenced service providers to comply with their obligations, lest they risk losing their licence. Another successful trait of the Victorian framework is that, as a result of the licencing scheme, only nine service providers are approved to conduct Raffles in the state. We believe such a number strikes a balance between not restricting competition and business, and ensuring only trustworthy organisations participate in the industry. This number also makes it easier for the Victorian Commission for Gambling and Liquor Regulation to maintain oversight of the industry.

For these reasons, Contact Centres Australia encourages LGNSW to amend the proposed NSW model to require greater licencing requirements.

Alternatively, if LGNSW strongly believes a licencing scheme similar to that in Victoria is too onerous, Contact Centres Australia hopes that it would at least limit the organisations that can conduct games to those that are declared and/or pre-registered. This approach has also been adopted in Victoria. While these would be a less robust means for ensuring probity and accountability than licencing, it is nevertheless preferable to the minimal approach such as that proposed for NSW, which has no pre-registration or declaration requirements, and minimal licencing requirements.

2.4 Requirements

Contact Centres Australia would like LGNSW to consider requiring organisations conducting community lotteries to submit a report of their activity following each activity. We believe this would promote transparency and accountability, ensure integrity and fairness, and enforce the probity of those conducting lottery activities.

Section 1.2(e) of this Submission addressed some of the reasons why a reporting regime would supports the objects of the Act. Contact Centres Australia would like to further elaborate on what sort of information we believe should be reported. We recommend this report require the organisation to detail the:

- benefitting organisation's name
- commercial fundraiser's name
- date on which, and place where, the lottery winner(s) was announced
- total income raised
- expenses associated with the activity (including cost of prize(s))
- total deposited into benefiting organisation's nominated account
- activity prize and winner(s) details

3. DOES THE PROPOSED MODEL ADEQUATELY ADDRESS THE RISK OF HARM TO THE COMMUNITY ARISING FROM COMMUNITY LOTTERIES AND TRADE PROMOTIONS?

Contact Centres Australia believes this Review presents a unique opportunity to minimise the risk of harm to the community arising from community lotteries and trade promotions. We do not currently feel the proposed model adequately addresses these risks. However, with minor amendments, this can change.

We propose the following risk-minimisation measures be introduced to the proposed model:

3.1 Code of Conduct

A simple way to minimise the risk of harm posed by community lotteries to the community is to require organisations conducting those lotteries to abide by a Responsible Gambling Code of Conduct.

Contact Centres Australia voluntarily abides by its own Code of Conduct, something that our staff and management are wholly committed to upholding in the interests of the Australian public. In our experience, this Code has fostered a company-wide commitment to responsible gambling, and we are confident it would have a similar effect elsewhere too.

A Responsible Gambling Code of Conduct could require organisations conducting lottery activities to abide by the following rules:

- that the organisation have access to gambling help information for customers who display signs of a gambling problem
- that the correct information relating to terms and conditions always be provided to customers
- that minors are not allowed to participate in games
- that all advertising is not misleading and deceptive, indecent, offensive, false etc.

This requirement could easily be introduced the 'Requirements' row of the proposed NSW model.

Recommendation 7

That all organisations conducting lottery activities be required to abide by a Responsible Gambling Code of Conduct.

3.2 Licencing

This submission has already discussed why a stricter licencing regime than that suggested by the proposed model would better ensure the probity of those involved in the conduct of lottery activities. If the only organisations that can conduct lottery activities are known to, and approved by, LGNSW on the basis of (for example) they have been deemed fit and proper, the industry will be better regulated, and standards and levels of accountability will be easier to enforce.

This is critical for minimising the risk of harm to the community arising from community lotteries and trade promotions. We believe the proposed NSW model does not adopt the necessary level of strictness in relation to who can conduct these activities, exposing the community to operators who may not act in the public interest, or who may exploit vulnerable persons.

3.3 Reporting Requirement

Contact Centres Australia's proposal that organisations conducting community lotteries be required to submit a report following each activity will also be useful for minimising risks of harm.

First, the report would require organisations to disclose their conduct of the Game, including expenditure. This will promote transparency and discourage risky behaviour that may pose a threat to the community.

Second, the report would detail raffle prizes and winners, ensuring draws are being conducted properly and on the date advertised, thereby preventing potentially unscrupulous operators from defrauding participants.

4. WHAT MEASURES COULD BE TAKEN TO REDUCE THE REGULATORY BURDEN PLACED ON PROVIDERS OF COMMUNITY LOTTERIES AND TRADE PROMOTION ACTIVITIES, WITHOUT SACRIFICING THE INTEGRITY AND PROBITY OF THESE ACTIVITIES?

Contact Centres Australia strongly supports LGNSW's efforts to reduce the regulatory burden placed on providers of community lotteries and trade promotion activities. Indeed, we applaud the organisation for its initiative and leadership in this space.

Notwithstanding our acknowledgment of the value of reducing red tape, we do believe the only way to preserve the integrity and probity of these activities in a modernised scheme is to ensure an appropriate level of regulation is maintained.

Our recommendations under Issue 3, for a Code of Conduct, licencing scheme and reporting regime, do involve the imposition of regulatory requirements on providers. However, they are not designed to be burdensome, nor do we believe they are excessive. Instead, we believe that legitimately motivated providers acting in the public interest will understand the need for these requirements, and will willingly comply.

The short term pain of the recommendations we have made in response to Issue 3 will ultimately contribute to a safer, simpler, fairer, more predictable and more transparent community lottery and trade promotion industry in NSW.

5. ARE THERE ANY ADDITIONAL SERVICES OR SERVICE IMPROVEMENTS THAT GOVERNMENT COULD PROVIDE TO ASSIST ORGANISATIONS AND BUSINESSES CONDUCTING LOTTERY ACTIVITIES AND TRADE PROMOTION LOTTERIES TO UNDERSTAND AND MEET THEIR REGULATORY OBLIGATIONS?

Contact Centres Australia makes the following comments in relation to this issue:

- LGNSW currently provides fact sheets online, which assist with the conduct of Games by providing summaries of the relevant laws in layman's terms. We recommend all organisations that become licenced to conduct games be provided with links to these fact sheets as well as with hard copies.
- LGNSW could consider developing easy to understand reference guides or a frequently asked question ("FAQ") site.
- LGNSW (or another suitable authority) could administer a "Games Hotline" to answer questions and provide answers in relation to the conduct of community games and lottery activities.

These services should be provided with the goals of eliminating confusion about regulatory requirements, and making sure that obligations of charities and providers are very clear. Ultimately, LGNSW should approach its provision of services with a view to educating charities and providers about their regulatory responsibilities, duties and obligations.

6. SHOULD CONSIDERATION BE GIVEN TO A CIVIL PENALTY REGIME? IF SO, WHICH OF THE CURRENT CRIMINAL OFFENCES, IF ANY, SHOULD BE ADDRESSED VIA CIVIL PENALTIES?

Contact Centres Australia does believe LGNSW should consider adopting a penalty regime of some kind, to be implemented in instances where providers act in demonstrably wrong ways. We note that the enforceability of a penalty regime would be greater if providers were required to be licenced, or at least declared to or pre-registered with, LGNSW. Furthermore, if providers were required to submit a report following each game, it would be clearer when breaches occur. Indeed, this requirement for a report may encourage greater levels of compliance, with providers aware that instances of non-compliance will be raised in the course of the report and penalised.

7. ARE THERE ANY OTHER MATTERS THAT SHOULD BE CONSIDERED IN THIS REVIEW OF THE ACT AND REGULATIONS?

Contact Centres Australia does not have any other matters to raise apart from what is stated in this paper.

ATTACHMENT 3

RECOMMENDED NSW MODEL

Contact Centres Australia fully supports Liquor and Gaming NSW's attempt to create a simplified and modern approach to regulation community lotteries, and believes the proposed NSW model is a significant improvement on the State's current regulatory scheme.

The key differences between the proposed NSW model and our preferred framework are that:

- there is an additional Category
- categories are defined by the total value of prizes
- there is no limit of gross proceeds
- the total value of prizes adopts a different measure
- organisations must be licenced with LGNSW to conduct Games
- once licenced, organisations do not have to obtain further licences to conduct individual campaigns unless the total value of prizes in that campaign is greater than \$30,000
- there are additional reporting requirements for Category 2 and 3 Games and Trade Promotions.

	Category 1	Category 2	Category 3	Trade Promotions
Types of Games	<ul style="list-style-type: none"> • Raffles and art unions • Sweeps • Calcutta sweeps • Football doubles • Lucky door prizes • Bingo • Chocolate wheels • Housie • Football doubles 	Same as Category 1	Same as Category 1	Draws conducted to promote goods and services with the winner determined by chance
Who can conduct	Associations/businesses and Individuals	Associations and businesses only	Associations and businesses only	Associations and businesses only
Total value of prizes	Less than \$2,000 per game	Up to \$30,000 per game	Greater than \$30,000	No limit
Licence required to conduct individual campaign	No	No	Yes	Yes, if total prize value exceeds \$10,000 in any 12 month period.
Licensing of organisation with regulator to conduct Games generally ²	Yes	Yes	Yes	No
Requirements ³	Must ensure that the games are conducted in the public interest and operated with fairness and integrity. Must comply with requirements in the Act, Regulations and relevant	Same as Category 1, however individuals can receive a benefit for conducting the games.	Same as Category 1, however individuals can receive a benefit for conducting the games.	Same as Category 1, however individuals can receive a benefit for conducting the games.

² Please see Section 2.3 for a discussion of licencing, declaration and pre-registration.

³ Please see Section 2.4 for reporting requirements.

	rules. Individual must not receive any benefit for conducting the games. and be as simple as stating, "Organisations must abide by a suitable Code of Conduct in relation to the conduct of community gaming and lottery activities".	Must submit a report within three months of finalisation of the game.	Must submit a report within three months of finalisation of the game.	Must submit a report within three months of finalisation of the game.
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This model is preferable to the proposed NSW model because it better delivers on the objects of the Act, by:

- promoting the integrity and fairness of lottery activities
- ensuring the probity of those involved in their conduct of lottery activities
- maintaining appropriate standards and levels of accountability
- assisting the ongoing viability of organisations that have developed in the public interest and contribute positively to the community.

As discussed in Section 2.1, this model removes the 'Limit of gross proceeds' row of the proposed NSW model. Proceeds should not be the determining factor of the requirements of a category, because they are inherently unpredictable. Distinguishing categories on the basis of their prize pool would be a more sensible measure.