

2nd September 2016

Lotteries and Art Unions Act Review

Liquor & Gaming NSW

GPO Box 7060

SYDNEY NSW 2001

Re: Submission by Learning Links

Thank you for the opportunity to provide this submission and for the extension granted to the submission deadline (to the 2nd September) as per email advice from Policy Advisor [REDACTED] on 15th August 2016.

In this submission we outline our support for the Lotteries and Arts Unions Act Review and welcome a number of suggested policy changes in the Liquor & Gaming NSW (L&GNSW) discussion paper.

The submission also details Learning Links' concerns with key components of the model proposed by L&GNSW and makes recommendations to address these issues and further improve the regulatory framework for the operation of charitable fundraising in NSW.

In preparing this submission, we have discussed the matter with Mr Mark Coure MP Member for Oatley who has offered his support. A letter of support has also been provided by Mr David Coleman MP Federal Member for Banks. It has been attached to this submission.

Executive Summary

Learning Links welcomes the review of the NSW Lotteries and Art Unions Act (the Act). We acknowledge and support the need for a modernisation of the Act in order to reduce the administrative burden of regulations on both participating organisations and government.

Learning Links appreciates the cost of the current level of compliance. As a charitable not for profit organisation supporting children with learning difficulties, we have conducted Charity Housie (Housie) for over 20 years and run sessions in 36 clubs across NSW.

This has required Learning Links to divert considerable resources to undertaking compliance activities, some of which have no demonstrable benefit to the rigor of the regulatory system.

Reforms to the Act should seek to remove unnecessary red tape and make it easier for charities to engage in fundraising and their core tasks of providing services to communities in NSW.

However, these efforts to streamline the regulatory system must not come at the expense of the integrity and probity of charitable fundraising activities.

Learning Links' chief concern is that key Objects of the Act are maintained and Housie continues to be exclusively linked to fundraising purposes. Charities such as Learning Links rely on the fundraising income from Housie to make significant contributions to NSW communities.

Learning Links understands there is no intention to change this basic premise, however notes the New Proposed Model in the discussion paper does not make this sufficiently clear. Amendments should be made to clarify this point and ensure no unintended consequences arise from the review process.

Changes to the Act should also specify that individuals are excluded from conducting Housie sessions.

Learning Links also believes there is scope to bolster the integrity of the regulatory system for charitable fundraising through the introduction of a pre-registration process for organisations conducting Housie sessions. In addition, Learning Links sees merit in maintaining a cap on Housie prizes to ensure a level playing field and the game's community and recreational nature. This submission is structured in three main sections; Objects of the Act: Fundraising for Community Benefit; The Proposed New Model: Safeguarding and Simplifying, and; A Level Playing Field: Suggestions for Change.

About Learning Links

Learning Links is a not-for-profit charitable organisation established in 1972 by parents concerned about the lack of appropriate education services to meet their children's special needs. Based in Sydney and NSW, we work to prevent learning difficulties from causing disadvantage. The children we support are affected by conditions such as ADHD, autism, dyslexia, fine and gross motor delays and dyscalculia. Learning Links supports these children, their families and schools by offering early intervention services focussed on literacy, numeracy, social-emotional well-being, communication and motor skills.

Learning Links has been providing Charity Housie for over 20 years. Through Housie sessions in 36 registered clubs across NSW, Learning Links raises funds to support and enable our community-based work in schools and centres across Sydney and NSW.

Objects of the Act: Fundraising for Community Benefit

Learning Links is of the strong view that changes to the Act should reaffirm the requirement that community gaming activities such as Housie be conducted in the course of a Fundraising Appeal, as set out in the Charitable Fundraising Act 1991.

Organisations such as Learning Links rely on funding streams from activities such as Housie to continue providing vital services to communities in NSW.

During 2015/16, Learning Links supported more than 3,000 children in NSW who were falling behind in learning and offered over 20,000 free occasions of service, including reading support and sessions with provisional psychologists.

The charity sector is becoming increasingly competitive and market-based mechanisms favour larger charities. Within this context, the importance of Housie to smaller charities in particular is increasing.

Learning Links understands from discussions with L&GNSW that there is no intention to change the requirement for Housie to be conducted in the course of a fundraising appeal. The proposed model does not make this sufficiently clear. In the discussion paper, “Associations and Businesses” are listed as permitted conductors of these activities.

This inclusion creates needless ambiguity regarding requirements for the conduct of community gaming activities and may lead to the possibility of misinterpretation and divergence from the Objects of the Act. This issue could be avoided by clarifying that Housie must be conducted in the course of a Fundraising Appeal.

Recommendation 1

That the new legislation and New Proposed Model sets out that Housie under the Lotteries and Art Union Act shall be permitted only if it is conducted in the course of a Fundraising Appeal as defined by the Charitable Fundraising Act 1991.

The Proposed New Model: Safeguarding and Simplifying

The New Proposed Model simplifies community lotteries under the Act into two main categories. This is a positive step forward and will make it easier for organisations to access and interpret the conditions that apply to them in the course of conducting community lotteries.

Reducing the complexity of the regulatory framework will ease the compliance burden on charitable organisations.

Amendments to the Act should provide greater clarity around who can conduct community charities and explicitly exclude individuals from doing so. Only organisations with the necessary systems and capabilities to ensure compliance with the requirements of the Act should be permitted to conduct activities such as Housie.

Individuals would not have the resources to meet this benchmark and allowing them to conduct Housie games, irrespective of gross proceeds, would pose an unacceptable risk to the integrity of the game and public confidence in the regulatory system.

Adding this caveat, along with the requirement contained in Recommendation 1, would help strengthen the New Model and protect the critical connection between charitable purposes and community gaming.

Recommendation 2:

That Individuals are excluded from conducting Housie.

License Required

Learning Links welcomes the proposal to replace the current permit system with a licence application process for games with gross proceeds exceeding \$25,000. The current system requires a permit for each Housie session conducted.

These arrangements are cumbersome and costly to administer for both government and charities.

The need to obtain a permit for changes to minor aspects of the session, such as changes to the time of day when a game takes place, imposes another needless level of regulation and consumes precious resources.

These reforms can be strengthened through two policy additions. Firstly, the new model should specify that the threshold of \$25,000 maximum proceeds applies to an individual session, as opposed to a conductor.

Secondly, a preregistration process should be implemented to introduce safeguards for Housie sessions with gross proceeds below \$25,000. A simple one-off preregistration process of an organisation that wishes to conduct Housie on an ongoing basis would ensure compliance with regulatory requirements and provide greater transparency to community fundraising participants. This is consistent with Learning Links' view that efforts to streamline the Act should uphold sufficient regulatory oversight.

Recommendation 3:

That a Fundraising License (Authority to Fundraise) is required by the charity conducting Housie or by the charity benefitting from the proceeds of the Appeal conducted in its interest.

That the maximum proceeds of \$25,000 is defined as per individual session.

That a one-off preregistration process is in place for the organisation conducting Housie.

Recommendation 4:

That Charities, Associations and Businesses wishing to conduct Housie must pre-register in order to demonstrate that they understand and meet regulatory requirements. This is required as a one-off registration only, and must be supported by a valid Fundraising License (Authority to Fundraise).

A Level Playing Field: Suggestions for Change

As part of the terms of reference, the Review sets out to consider how the new regulatory approach can best facilitate a level playing field for the provision of community gaming activities by charity-based providers and registered clubs.

Housie sessions bring significant patronage to clubs and are therefore of mutual benefit to both the clubs and the charity conducting the game. Increasingly, charities conducting Housie and registered clubs are competing with casinos for patronage.

Casinos are regulated by the Casino Control Act 1992, which permits relevant license holders to offer significant prizes in their Housie games.

Larger prizes can attract patrons, who otherwise would have supported local clubs and the charities.

Protecting the original purpose of Housie gaming, to support charities and not-for-profit organisations in NSW, should be a priority of this Review process.

Retaining a cap on Housie prizes is important in order to maintain the community and recreational nature of Housie and to minimise the risk of harm. For Housie to continue to be compatible with its charitable and public benefit purpose, prizes should remain modest.

Learning Links understands that maintaining tight restrictions on prizes may, over time, undermine the competitiveness of Charity Housie. Learning Links thus suggests that these restrictions be revisited on an intermittent basis to ensure a continued balance between encouraging competition and participation and protecting the recreational and community fundraising nature of Housie.

Recommendation 5:

That prizes be retained per individual game at a maximum of \$200; that Jackpots be capped at \$5000 (now \$2000); that Super Jackpots be capped at \$10,000 (now \$5000;) and Super Jackpot be allowed 20 times per year (currently capped at 5 per year per organisation).

Next Steps

Learning Links appreciates the opportunity to provide feedback on this important review.

Learning Links would be pleased to provide further information in relation to this submission and would value the opportunity to work with Liquor and Gaming as the regulatory framework is further refined and finalised.

Please contact Birgitte Maibom, CEO on [REDACTED] or [REDACTED]



DAVID COLEMAN MP

Federal Member for Banks



The Hon. Troy Grant
Minister for Justice and the Police
Lotteries and Art Unions Act Review - Liquor & Gaming NSW
GPO Box 7060
Sydney NSW 2001

31 August 2016

Dear Minister Grant,

I am writing regarding proposed changes to the NSW Lotteries and Art Unions Act. I recently met with Ms Birgitte Maibom, CEO of Learning Links regarding this matter.

Learning Links is a very important organisation in my electorate. It works to improve the literacy, numeracy and wellbeing outcomes for children who have learning difficulties.

The Federal Government recently recognised this and provided a grant to Learning Links in Peakhurst in order to assist with replacing furniture and equipment, and purchasing new desks, cupboards, chairs and therapy equipment.

Learning Links would like clarification that there is no intention to change the requirement for Charity Housie (Housie) to be conducted in the course of a fundraising appeal.

Housie is a key funding stream for Learning Links and its capacity to continue this important work relies on its ability to fund its operations through Housie fundraising.

Ms Maibom has stressed that demand for the services of Learning Links is increasing. Safeguarding this funding channel is very important for the organisation.

I am pleased to support the submission placed by Learning Links regarding proposed changes to the NSW Lotteries and Art Unions Act.

Yours sincerely,

David Coleman MP
Federal Member for Banks