



RFSA

NSW Rural Fire Service Association Incorporated
www.rfsa.org.au
[REDACTED]
ABN 65 291 969 153

PO Box 845, Penrith BC NSW 2751
Phone: [REDACTED]
Fax: [REDACTED]

The Co-ordinating Officer
Lotteries and Art Unions Act Review
Liquor and Gaming NSW
GPO Box 7060
Sydney NSW 2001

1 September, 2016

Dear Sir/Madam

Review of the Lotteries and Art Unions Act 1901 Discussion paper

As the holder of charitable fundraising licences, it was disappointing to learn about the **Review of the Lotteries and Art Unions Act 1901 Discussion paper** by default and to realise that there was no program of consultation with, or communication to existing licence holders about this document and review process from Liquor and Gaming NSW.

The NSW Rural Fire Service Association implements a diverse range of support and representation programs to the 75,000 members of the NSW Rural Fire Service without any Government funding.

Monies to implement scholarships, to sponsor training and skills development exercises, and to grant equipment and support items in a state-wide scheme, are all primarily provided via fundraising raffles conducted via the organisation's fundraising licences.

As such, the Association has significant consternation about the impact the suggested model for NSW outlined in the Discussion paper will have on our organisation and its ability to continue to provide the same level of support to members of the NSW Rural Fire Service.

In the quest to reduce red-tape for community fundraisers, other ramifications have been created including the possible altering of the motivation of support and philanthropy in purchasing fund raising raffle tickets to the value of a possible win. Unfortunately, it would appear that genuine attempts by *not-for-profit* charities to fundraise by conducting raffles etc. are deemed as games-of-chance and as such emphasis is being placed on the possible addictive disposition of the subscriber (ticket purchaser) rather than the purpose for which the fundraising activity is being undertaken.

Supporting Our Members To Protect The Community

[REDACTED]



RFSAA

Responses to the specific key issues for stakeholders to comment on as outlined in the Discussion paper are attached.

If I can provide you with further background on the Association's responses please contact me on [REDACTED] or at [REDACTED] or alternatively contact Bernard Cox, Chief Executive Officer on [REDACTED] or at [REDACTED].

Yours sincerely,

Ken Middleton
President



RFSA

NSW Rural Fire Service Association Incorporated
www.rfsa.org.au
[REDACTED]
ABN 65 291 969 153

PO Box 845, Penrith BC NSW 2751
Phone: [REDACTED]
Fax: [REDACTED]

Review of the Lotteries and Art Unions Act 1901 Discussion paper

Key Issues for stakeholder comment

1. Do the Objects of the Act as set out in section 2 remain valid?

Yes.

The specific objectives outlined in section 2 of the Act pertaining to standards and levels of accountability, reasonable net benefits for supporters, the integrity and professionalism of activities etc. remain relevant.

It is important that organisations that conduct fundraising are regulated and accountable. This is important in instilling confidence in supporters. The RFSA agrees that the development of one document that outlines all necessary regulatory components would be beneficial in providing clarity to both providers and participants.

2. Does the proposed model at page 10 represent a sensible approach, or, is there another approach that might be more suitable for regulating community gaming and lottery activities in NSW?

No.

The NSW Rural Fire Service Association does not support the proposed NSW model outlined on page 10 of the Discussion paper. The RFSA's primary objection is the proposal in Category 2 game types that at least 20% of the estimated gross proceeds be provided as the total value of prizes.

When the aim of a fundraising raffle is providing support to a not-for-profit organisation, the participant's motivation is predominantly to support the aims, objectives and programs of the fundraiser. The focus is not on the value of the prize they may win through the support provided.

The RFSA, like many not-for-profit organisations in NSW, utilises a registered call centre to contact participants in an effort to market the Association and offer raffle tickets on its behalf, as this is not the Association's core business, nor does it have the expertise to meet all of the legislative requirements applicable to operations of this nature. This has an associated cost which impacts upon the net return of the fundraising activities.

Supporting Our Members To Protect The Community

[REDACTED]

A requirement for the value of prizes to be at least 20% of the estimated gross proceeds would significantly decrease the amount of funds that could be made available to implement the Association's programs for the members of the NSW Rural Fire Service.

The RFS believes that the prize value should be determined by the organisation sponsoring the fundraising activity.

3. Does the proposed model adequately address the risk of harm to the community arising from community lotteries and trade promotions?

No.

Whilst the outlined requirements ensure that Category 1, Category 2 and Trade Promotion Games are conducted in the public interest, operated with fairness and integrity and must comply with the requirements in the Act, regulations and relevant rules, it is noted that Category 1 will no longer be required in this model to be licensed. This could be detrimental in that it could attract unauthorised games and make the applicability of regulations and relevant rules difficult to monitor.

Another matter of concern is the motivation of increasing the prize stakes in Category 2 games. If the intent is to reduce the harm of problem gambling then increasing the prize (stakes) has the potential of attracting people seeking recompense rather than supporting the charity.

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 those activities?

Based on the number of charities in NSW, the level of reported complaints of non-compliance is relatively low. The proposals outlined in the paper with regard to reducing the regulatory burden are sufficient. However a concerted effort should be made by the regulatory authorities to prosecute non-compliance and publicise results in order to reduce the opportunities for scams to operate.

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?

In addition to the creation of one document pertaining to all regulatory requirements, a community education program could be undertaken engaging the charitable organisations focusing on the requirements and examining case studies resulting in prosecutions.

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?

Yes.

There should be penalty provisions within the legislation for fraud, impersonation, and misrepresentation. Currently NSW lacks a well-publicised reporting mechanism for non-compliance and investigation. There needs to be greater visibility of court proceedings and outcomes as well as penalties imposed for regulatory non-compliance.

7. Are there any other matters that should be considered in this review of the Act and regulations?

It may be beneficial for the community to be provided with an overview of fundraising activities undertaken by the licensee. For example if a search was conducted on the Service NSW site for the RFSA licence, a paragraph (written by the RFSA and approved by the site) would also be provided detailing the campaigns conducted and the programs supported by the fundraising.

RFSA specifics:

- The Association has been running fundraising raffles for more than ten years.
- The prize pool value has always been well received due to participant's motivating factor being the endorsement of the Association's objectives and support programs.
- On many occasions, when notifying a participant that they have won a prize in the raffle draw, they comment they didn't purchase the tickets with the view to winning a prize.
- The motivation of participants is a gesture of recognition of the valued role the members of the NSW Rural Fire Service provide in protecting the community of NSW and of the Association's objectives to members.