



August 22, 2016  
Como Tower  
Level 20, 644 Chapel Street  
South Yarra, Victoria 3141  
ABN: 97 008 005 212  
Phone: [REDACTED]

**Telads Australia Pty Ltd Submission for the Review of consumer protection in Trade promotion regulations / Lotteries and Art Unions Act 1901.**

Telads Australia has been an active participant in the trade promotion space since 1983. Regulation is covered by each State and Territory Governments and are in place to ensure any Australian resident entering promotions are protected when an entity provides an incentive to purchase products or services. Importantly the regulations for Trade Promotions contain specific protection measures under issued licences. Australian consumers are very aware of the protection measures imposed via permits with all promotion advertising containing approved permit numbers.

Telads has been in a unique position within the trade promotion space as we provide competition entry mechanisms via premium rate 190 / sms numbers, including approved electronic draw procedures. We have held a number of board positions for consumer protection, specifically for premium rate telephone competition entry numbers (1900 / SMS numbers). The Telephone Information Services Standards Council (TISSC), introduced and monitored strict industry and consumer protection measures for entering promotions and providing consumers with sufficient information to make informed choices about cost of entry for trade promotion services.

As an active participant in creating promotions and obtaining permits (Telads) on behalf of 100's of small, medium and large corporates, have encountered zero complaints from clients and or from consumers against the current permit allocation process model. We have never received any complaints from our clients in regard to the cost of obtaining NSW permits, nor have we experienced any unscrupulous behaviour from trade promotion providers. The protection measure (by regulation and allocation) via NSW has ensured promotions are required to be approved and are approved under licence. Given Victoria has now removed the threshold of \$5000, NSW has by default become a consumer safety net for national promotions. The current process sets appropriate consumer safety standards controlling (under permit conditions) appropriate T&C's, approved point of sale material, approved entry data collection and importantly approved supervised draw procedures.

There should be a clear distinction between Trade Promotions and fund raising / charities. The review should create a more accessible and clear regulatory framework for community organisations (fund raising / charities), however businesses (trade promotions) should remain within the current guidelines. Trade promotions are created for and on behalf of corporations to increase sales and

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revenue. It is our view, the removal of sound consumer protection could, in some circumstance, introduce unscrupulous operators with unsupervised, unfair draws.

The discussion surrounding red tape with the current NSW online and or paper application are difficult to understand, as the NSW systems are extremely easy to follow and the allocation of Trade Promotion Permits are extremely fast. The expertise and wait time from the NSW department is second to none. We cannot think of a faster and more efficient system than the current service levels.

Any removal of the regulatory framework is thwart with danger and requires careful consideration prior to removing or changing the threshold, specifically related to Trade promotions. We currently have individual states that still require permits at particular thresholds (ACT / SA / NT) so it makes little sense the largest state (NSW) would reduce the threshold which would affect consumer protection. With recent changes to the Victorian approval process (higher fines for non-compliance) leaves NSW as the national promotions safety net. We note since Victoria dropped the requirements on permits there has been very little oversight to ensure trade promotions are conducted and scrutinised. The VCGA would regularly attend draws in Victoria, however we note since the removal of the permit process, the VCGA have not attended one of our 50 promotional draws. Any removal of the permit allocation is certainly not in the public's interest.

The NSW trade promotion permit allocation process is world's best practice. NSW should be proud of their current legislative framework and consumer protection measure and perhaps should look at increasing the trade promotion fees for corporates who wish to conduct a Trade promotion. The current NSW charges are very low and could easily accommodate a 50% / 100% increase. Changing the fee structure rather than the threshold will maintain the current safety net for consumers and would create additional revenue to cover NSW processing costs.

Should the review find change appropriate, we suggest NSW consider an increase to the threshold to \$1000 or as high as \$3000 (in-line with ACT). Should a threshold of \$10,000 be adopted, we would also encourage an appropriate time frame for change, i.e. a 12 month notice period. The introduction of any change requires an appropriate timeline, as any change will result in loss of jobs and business closure for many businesses that have been established to process permits on behalf of small, medium and large corporations within the Trade Promotions sector.

Should you require any further information or clarification please do hesitate make contact

Regards

Adam Rowbottom

Level 20, Como Tower,  
644 Chapel Street  
South Yarra  
VIC 3141  
Email: [REDACTED]

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