



Issues Paper: Proposal to amend Queensland's gambling Acts to implement particular harm minimisation measures

A submission to the:
Queensland Attorney-General and Minister
for Justice, Minister for Women, and Minister
for the Prevention of Domestic and Family
Violence

Prepared by:
yourtown, September 2021

Authorised by:
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yourtown services

yourtown is a national organisation and registered charity that aims to tackle the issues affecting the lives of children and young people. Established in 1961, **yourtown's** mission is to enable young people, especially those who are marginalised, to improve their quality of life.

yourtown provides a range of face-to-face and virtual services to children, young people and families seeking support. These services include:

- Kids Helpline, a national free 24/7 telephone and on-line counselling and support service for 5 to 25 year olds with special capacity for young people with mental health issues
- Employment and educational programs and social enterprises, which support young people to re-engage with education and/or employment, including programs specifically developed for those in long term unemployment
- Accommodation responses to young parents with children who are at risk and to women and children seeking refuge from domestic and family violence
- Young Parent Programs offering case work, individual and group work support and child development programs for young parents and their children
- Parentline, a telephone and online counselling and support service for parents and carers
- Mental health service/s for children aged 0-11 years old, and their families, with moderate mental health needs
- Expressive Therapy interventions for young children and infants who have experienced trauma and abuse or been exposed to violence.

yourtown is constituted as a Public Company Limited by Guarantee. Our organisation is currently one of the largest charitable youth services throughout Australia, employing over 700 staff across four states. We currently have 50 services in 36 locations across Queensland, New South Wales, South Australia and Tasmania in areas of high socio-economic disadvantage.

yourtown has a significant fundraising program, and has conducted charitable art unions for over 35 years. In the 2020-21 financial year, the income derived from community support through **yourtown** art unions exceeded \$80 million. Income generated from the conduct of charitable lotteries funds more than 60% of **yourtown's** costs in the delivery of services with the remainder derived from government fee for service contracts and grants. These services in turn generate significant social value. It is our charitable fundraising program that enables us to deliver quality and effective services in areas where government funding has been traditionally limited, and enables us to fund new, independent and innovative services.

yourtown welcomes the opportunity to provide feedback to the Queensland Government on their issues paper on reforming all Queensland gambling legislation to facilitate the mandating of specific harm minimisation measures. **yourtown** supports the Queensland Government's long-term aim to prevent and minimise gambling-related harm by ensuring gambling is conducted in a balanced and responsible way and is committed to protecting those participating from any such risk through compliance with the Queensland responsible gambling Code of Practice. **yourtown** also strongly supports the Queensland Government's goal to achieve the right balance between meeting community expectations around harm minimisation related to problem gambling. However, **yourtown** considers this should occur without placing unnecessary regulatory burden upon charities and not-for-profit organisations, particularly given the lack of evidence linking participation in charitable lotteries or Art Unions to gambling related harm. While charitable and not-for-profit lotteries should not be exempt from taking action on problem gambling (should it occur), they must be treated entirely differently given it is widely acknowledged within Australia and internationally, that there is an extremely low or negligible risk of problem gambling, and no substantive evidence of actual problem gambling, associated with participation in charitable or not-for-profit lotteries.

There is a significant risk that the 'capture all' approach proposed by the Queensland Government will negatively impact the charitable lotteries and Art Unions licenced under the *Charitable and Non-Profit Gaming Act 1999* (the Act) in resourcing, and reputation, and the inclusion of mandated harm minimisation measures within the Act will foster misinformation that participation in charitable lotteries is linked to problematic gambling. In response to a similar inquiry in the UK, the UK Chair of the All-Party Parliamentary Group on Gambling Related Harm noted in February 2021 that *'we must not allow a situation to arise where charity lotteries – and the charities they raise funds for – end up losing out because of regulatory action which is actually about solving issues which are mostly about betting companies'*¹

Recommendation:

- I. The *Charitable and Non-Profit Gaming Act 1999* be excluded from this proposal given:
 - a. the lack of evidence linking gambling related harm with participation in charitable lotteries and Art Unions;
 - b. the disproportionate regulatory burden that would be placed upon charities and not-for-profits to address problematic gambling behaviour that occurs in mainstream for-profit gambling, and
 - c. the resulting diversion of funds required to meet such proposed measures that would otherwise be spent on meeting social needs.

Lack of evidence of participation in charitable lotteries and gambling related harm

All gambling related reforms should be based in evidence and proportionate to addressing the risk of harm.

¹ Saxton, J., and Eberhardt S, 'Responsible Play. Charity Lotteries and gambling-related harms: a call for proportionate regulation' (Responsible Play report), February 2021, published by nfpsynergy at [Responsible Play - Charity Lotteries and gambling-related harms: a call for proportionate regulation \(nfpsynergy.net\)](https://nfpsynergy.net/Responsible-Play-Charity-Lotteries-and-gambling-related-harms-a-call-for-proportionate-regulation).

While there is research and evidence linking harm with gambling (such as betting), there is *no evidence* of gambling related harm linked to participation in charitable and not-for-profit lotteries. A recent study of the connection between charitable lotteries and gambling related harms conducted in the UK confirmed that charitable lotteries have none of the features that create problem gambling.²

Participation in Art unions (such as those run by **yourtown**) or charitable lotteries are completely different from gambling services targeted by these proposed reforms. Gambling is traditionally considered an activity where people risk money or belongings to win a prize, and there is an element of chance involved.³ Most people who gamble do not have a problem. However compulsive and problem gamblers engage in addictive behaviour where they lose control of their betting and it negatively impacts their life.⁴ The Australian Tax Office and Gambling Helpline⁵ both classify lotteries as a gambling activity, along with raffles, casino gambling, sports betting and gaming machines. However, *harmful* gambling (such as betting) generally involves the player seeking instant gratification through choosing a small and immediate reward, rather than waiting for a potentially larger reward at a later time. Problematic gambling generally involves compulsive behaviour where a person acts on impulse and continually chases bets that lead to losses, depletes savings, accumulates debt, and can even lead to criminal activities to support the addictive behaviour. Such behaviour is generally associated with a tendency to take risks, and the personal inability to delay gratification.⁵ In complete contrast to this, Art Unions or charitable lotteries involve delayed gratification, and there is *no evidence* that they attract problem gamblers given the lack of immediate gratification, thrill of risk taking, or quick returns. For this reason, charitable lotteries are categorised as very low risk activities when it comes to gambling related harm.

Therefore, given the lack of evidence of gambling related harm associated with participating in charitable lotteries or Art Unions, the *Charitable and Non-Profit Gaming Act 1999* should be excluded from the proposed legislative reforms.

Disproportionate regulatory burden

yourtown strongly supports regulation of charitable lotteries and Art Unions and their operation. However, **yourtown** considers that any harm minimisation measures should be directed towards protecting consumers from potentially bad practice carried out by betting companies or other gambling services. **yourtown** considers the inclusion of the *Charitable and Non-Profit Gaming Act 1999* within these proposed reforms places a disproportionate regulatory burden upon charities and not-for-profits to address gambling harm from participation in gambling activities other than participation in charitable lotteries or Art Unions.

Charities that operate across multiple jurisdictions already face a significant regulatory burden in order to comply with licensing and compliance requirements of each individual state and territory in which they operate, and these regulatory requirements are becoming increasingly complex, and duplicative in nature. In 2016, Deloitte Access Economics estimated that the annual regulatory

² *Ibid.*, Responsible Play report, page 18

³ <https://www.gamblinghelponline.org.au/understanding-gambling/what-is-gambling>

⁴ <https://www.healthdirect.gov.au/gambling-addiction>

⁵ For example BETA and DSS (2020). Applying behavioural insights to online wagering <https://behaviouraleconomics.pmc.gov.au/projects/applying-behavioural-insights-online-wagering>

burden associated with fundraising regulations was approximately \$13.3 million per year across the sector.⁶ **yourtown** currently operates its charitable lotteries nationally. To do so, we spend approximately \$192,000 annually to meet individual state jurisdictional licenses and requirements (Attachment A). This includes the cost of **yourtown** personnel and internal resources dedicated to administering the regulatory requirements. This is all money that **yourtown** could otherwise spend in meeting social needs, and supporting community programs or services to disadvantaged young people. For example, **yourtown's** Social Return on Investment Study on **Kids Helpline's** showed that for every \$1 invested in **Kids Helpline**, \$15 of social value was generated.⁷

Further, there is also the broader cost to tax payers to fund government to administer and monitor such harm minimisation measures.

While not currently proposed within the issues paper, **yourtown** considers that regulatory reform is needed; however, this reform should be directed towards reducing over-regulation of charitable lotteries and Art Unions, rather than disproportionately increasing the regulatory burden. Reducing the regulatory burden upon charities and not-for-profit will ensure money is directed towards social investment, rather than regulatory red-tape.

The purpose of charitable lotteries and Art Unions is to fund social needs

People engage in charitable and not-for-profit lotteries to support good causes. Art Unions operated in Queensland are licenced under the *Charitable and Non-Profit Gaming Act 1999*. They form a critical part of the economic fabric of Queensland society by being a source of income for many not-for-profit organisations, such as charities, sporting clubs, and social clubs and enable funding of essential services to vulnerable groups of people where no, or limited public funding is available. They are run by a variety of different charitable and not-for-profit organisations around Australia including **yourtown**, the Retired Services League, Mater Hospital, Surf Lifesaving, MS Society, Deaf Society and Endeavour Foundation, and are regulated by state and territory legislation.

yourtown's Art Union/s are critical to **yourtown's** ability to deliver services to disadvantaged young people not only in Queensland, but also throughout Australia. We deliver innovative programs and services to young people where government funding is limited, or not available. As one of the largest charitable youth services in Australia with 50 services in 36 locations across Queensland, New South Wales, South Australia and Tasmania, **yourtown's** fundraising through the Art Union, donations and corporate giving enables it to self-fund services and programs in areas of high socio-economic disadvantage. Currently, in Queensland this includes a domestic violence refuge, young parent programs, a youth offenders program; supplementing government funding to deliver **Kids Helpline**, **Parentline**, and delivery of a range of employment services to disadvantaged youth. However there are also hundreds of smaller charities and not-for-profit social clubs within Queensland that rely on different forms of lotteries, art unions and raffles to do

⁶ Deloitte Access Economics, *Australian Charities and Not-for-Profits Commission Cutting Red Tape: Options to align state, territory and Commonwealth charity regulation Final Report* 23 February 2016, pg 2 accessed at [deloitte-au-economics-cutting-red-tape-align-charity-regulation-230216.pdf](https://www.deloitte.com/au/economics-cutting-red-tape-align-charity-regulation-230216.pdf).

⁷ Kids Helpline, *Engaging Highly Disadvantaged Job Seekers, and Improving their Employment Outcomes: A Social Return on Investment Analysis* (2014)

‘social good’ in their communities. This includes schools, sporting groups and other community organisations that could be inadvertently captured by the legislative reforms.

Inclusion of the *Charitable and Non-Profit Gaming Act 1999* in the proposed reforms risks inadvertently damaging the ability of large and small charities and not-for-profit groups alike to raise funds for good causes. It has the potential for far-reaching and unforeseen impacts, and diversion of funds from social good in order to meet regulatory requirements that are not based in logical or probative evidence,

We would welcome the opportunity to explore these ideas with you further in more detail. Should you require any further information, please do not hesitate to contact Tracy Adams, Chief Executive Officer at **yourtown** via email at tadams@yourtown.com.au.

ATTACHMENT A

Estimated costs to yourtown associated with meeting regulation	
Item	Cost
Administration Fundraising coordination tasks and regulatory compliance	\$2,600.00
Total Fundraising	\$2,600.00
Draw Cost \$16 Draws at \$450 per Draw Independent scrutineer present at the Draw	\$7,200.00
Art Union Audit Financial audit after each draw to meet QLD, NSW, SA & VIC Regulation	\$10,080.00
Administration costs for permits application QLD, SA, VIC & ACT require individual permit	\$25,270.00
Prize Valuation Cost States have varying requirements regarding engineer reports and independent prize valuation	\$21,000.00
Advertising Costs This includes multiple versions of press/radio/TV advertising of the draw to meet terms and condition requirements of each jurisdiction	\$20,000.00
Collateral Costs Ensuring printed materials meet the requirements of each jurisdiction, including cost of proofing and regular research related to keeping up to date with regulations	\$30,000.00
Permit Application Costs 10 house and 6 car draws	\$18,450.00
Management costs	\$60,000
Total Art Union	\$192,000.00