



Victoria Gambling Regulations 2026

A submission to the Victoria
Department of Justice and
Community Safety

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Introduction

yourtown welcomes the opportunity to provide feedback on the Victorian Government's consultation on the proposed Gambling Regulations 2026.

This consultation occurs at a critical point. Despite longstanding concerns raised by charitable organisations, the Government has signalled a preference for minor or technical amendments, even as evidence continues to emerge that existing legislative settings are being actively exploited by for-profit operators. **yourtown's** view is that a light touch approach does not reflect the seriousness of the risks now present in Victoria's lottery environment and will not adequately protect consumers, charities, or the broader community.

yourtown encourages the Government to listen carefully to the experience of the charitable lotteries sector, particularly where current settings are being used in ways that were never intended. A more responsive approach will help ensure the Regulations protect consumers, maintain integrity, and support genuine community benefit.

Outdated regulatory settings have enabled the ongoing misuse of trade promotion lotteries in ways that appear inconsistent with the intent of the legislation. In practice, some commercial operators are running large-scale, high-frequency lottery-style products while avoiding the consumer protections, transparency requirements, and harm minimisation obligations that apply elsewhere in Victoria's gambling framework. This has created a fundamentally uneven regulatory environment, where compliant charitable Art Unions are subject to significantly higher regulatory scrutiny than commercial operators whose business models rely on regulatory exemptions.

Targeted amendments within the Gambling Regulations 2026 are both necessary and achievable within the current regulatory remake. These reforms can close identified loopholes, restore regulatory integrity and fairness, and strengthen consumer protections before the Regulations commence in June 2026.

yourtown's position

yourtown supports regulatory reform that:

- clearly distinguishes genuine charitable Art Unions from for-profit lottery activity
- closes existing loopholes,
- ensures that all lottery products operating in Victoria are subject to meaningful consumer protections and regulatory scrutiny.

Stronger regulation is necessary to protect consumers, maintain confidence in charitable fundraising, and ensure Victoria's gambling regulatory framework remains fair, credible, and fit for purpose.

Summary of **yourtown's** key recommendations:

Recommendation	Proposed action	Purpose/impact
Act decisively within the current regulatory window	Finalise the Regulations with targeted amendments before commencement in June 2026 to close identified loopholes and prevent further proliferation of unregulated lottery-like activity.	Avoids deferring reform into a future cycle, reduces the risk of further market distortion and harm, and strengthens regulatory certainty from commencement.

Recommendation	Proposed action	Purpose/impact
Publish guidance to communicate policy intent and support enforcement	Publish clear guidance alongside the remade Regulations explaining the intended scope of trade promotion lotteries, the types of subscription or membership-based prize draw models that fall outside that scope, and the compliance expectations for high-scale promotions.	Reduces regulatory avoidance by making intent explicit, supports consistent decision making.
Move beyond a light touch approach	Amend the Regulations to introduce targeted reforms that prevent trade promotion lotteries being used as de facto lotteries, while preserving legitimate trade promotions.	Ensures the regulatory framework responds to the current operating environment and reduces the risk of entrenched harm from loophole-driven lottery-like activity.
Restore fairness and regulatory integrity	Regulate lottery-like activity based on substance and risk, not legal form, to address the imbalance between highly regulated charitable Art Unions and unregulated for-profit lottery activity.	Re-establishes a level playing field, strengthens incentives for compliance, and improves public confidence in the gambling regulatory framework.
Protect consumers from harm	Apply proportionate safeguards, transparency requirements and oversight to all lottery-like products operating in Victoria.	Reduces consumer harm and confusion by ensuring consistent protections regardless of product label, particularly where scale and marketing increase risk.
Strengthen transparency and accountability	Introduce consistent disclosure and record-keeping requirements for lottery-like products, including clear information about draw processes and outcomes and sufficient reporting to enable regulatory oversight and enforcement.	Improves consumer confidence, deters misuse, and strengthens enforceability by ensuring operations and benefit flows are visible and verifiable.
Safeguard charitable fundraising and community services	Close regulatory loopholes that enable unregulated for-profit lottery-like activity to compete unfairly with compliant charitable Art Unions.	Protects charitable fundraising capacity that supports community services and reduces downstream pressure on government-funded systems when charitable revenue is eroded.
Prevent criminal exploitation and protect integrity	Strengthen integrity protections for lottery-like activity by ensuring products operating in substance as lotteries are subject to appropriate probity, transparency, record-keeping and oversight measures.	Reduces exposure to fraud, money laundering and organised crime risks by closing loopholes that allow large-scale lottery-like activity to operate without expected safeguards.
Adopt targeted regulatory amendments	Adopt the targeted regulatory amendments set out in Appendix A to clarify that trade promotion lotteries must promote the promoter's own genuine business, prevent subscription or membership-based prize draw models operating as lotteries in substance, and include a limited authorisation pathway for genuine edge cases.	Provides an implementable pathway to close the loophole without a permit-heavy system, strengthens enforceability, restores regulatory integrity, and protects consumers and charitable fundraising from regulatory arbitrage.

Acting decisively within the current regulatory window

Victoria is in the final stages of remaking the Gambling Regulations ahead of the June 2026 sunset. Incorporating targeted amendments now will strengthen enforceability, restore clarity and reduce the risk of further market distortion.

Proceeding without addressing known loopholes would likely result in continued expansion of lottery-like activity operating outside meaningful oversight, while compliant charitable operators remain subject to higher regulatory obligations. Acting now provides certainty, protects consumers and supports the integrity of Victoria's gambling framework.

Recommendation: Finalise the Gambling Regulations 2026 with targeted amendments that close identified loopholes enabling unregulated lottery-like activity, so the Regulations commence in June 2026 with clearer boundaries, stronger enforceability, and reduced risk of entrenched harm.

Recommendation: Publish clear guidance alongside the remade Regulations that explains the intended scope of trade promotion lotteries and the types of subscription or membership-based prize draw models that fall outside that scope, to deter regulatory avoidance and support consistent enforcement.

The need for decisive reform

Charitable organisations have been advocating for reform in this space for some time. The timing of this consultation, so close to the sunset of the Regulations and with a limited consultation window, does raise concern as to whether the issue is being treated with appropriate urgency.

However, meaningful reform may not require wholesale legislative change. It requires targeted regulatory amendments that clarify boundaries, close existing loopholes and ensure lottery-like activity operates within appropriate safeguards. These changes are feasible within the current regulatory timeframe and are necessary to protect consumers, charities and the broader community.

Recommendation: Amend the Gambling Regulations 2026 to move beyond a light-touch approach by introducing targeted reforms that close loopholes enabling trade promotion lotteries to operate as de facto lotteries, while preserving legitimate trade promotions and ensuring that all lottery-like products are subject to appropriate safeguards, transparency, and regulatory oversight.

Restoring fairness and regulatory integrity

Victoria's current regulatory framework treats compliant charitable Art Unions and unregulated for-profit lottery activity very differently, even though some for-profit models now operate in ways that closely resemble regulated lotteries. Charitable Art Unions are subject to licensing, governance, probity, reporting, and oversight requirements, while certain for-profit operators can run high-profile lottery-like products outside those controls. This imbalance undermines fairness, weakens regulatory integrity, and creates perverse incentives that reward avoidance rather than compliance.

Charitable Art Unions and regulatory integrity

Charitable Art Unions have a long and legitimate history in Victoria as a fundraising mechanism that delivers direct community benefit. They operate within a robust regulatory framework and are subject to licensing, governance, probity, reporting, and oversight requirements designed to safeguard consumers and maintain public trust.

By contrast, current settings allow some commercial operators to conduct lottery-like activity without the licensing, probity, transparency and oversight controls that apply to charitable

Art Unions. This is a regulatory integrity problem. It rewards avoidance, disadvantages compliance, and weakens public confidence in the regulatory framework.

When charities lose the capacity to support the community, unmet need does not disappear. It shifts to government systems that must then step in to fill the gap.

Distinguishing charitable lotteries and trade promotion lotteries

A clear and consistent distinction between charitable lotteries and trade promotion lotteries is fundamental to the integrity of Victoria's gambling framework.

Charitable lotteries, including Art Unions, are specifically designed to raise funds for charitable purposes and deliver demonstrable community benefit. They operate within a well-established regulatory framework that includes licensing requirements, probity and governance standards, reporting obligations, and oversight mechanisms. These controls are designed to protect consumers, safeguard fundraising integrity, and ensure that proceeds are directed to genuine charitable outcomes.

Trade promotion lotteries serve a different and much narrower purpose. They are intended to be incidental marketing tools that promote the sale of a promoter's own goods or services, rather than as revenue-generating activities in their own right. They are not designed to generate profit through the operation of lotteries, nor to substitute for regulated gambling products. For this reason, trade promotion lotteries have historically been subject to lighter regulatory treatment on the assumption that they are low risk, limited in scale, and ancillary to a genuine underlying business activity.¹

In practice, this distinction has become increasingly blurred. Some current models operating under the trade promotion category are structured around subscription or membership fees, promoted as "loyalty" or "rewards" clubs, where participation is primarily driven by access to frequent high-value prize draws rather than genuine use of the underlying goods or services. Marketing may emphasise accumulating entries over time, which can create a misleading impression that a person's chances of winning improve simply by remaining subscribed. This type of model is materially different from incidental, low-risk trade promotions and should be treated as lottery-like activity for regulatory purposes.

Some operators are now using trade promotion structures to conduct large-scale, frequent prize draws involving high-value prizes, including multimillion dollar homes and cash. These activities resemble lotteries in substance, but operate without the consumer protections, transparency requirements, probity controls, and oversight that apply to charitable lotteries and other regulated gambling products. The Regulations should therefore clarify that a trade promotion lottery must promote the promoter's own genuine business and should not be used to operate subscription or membership-driven prize draw models in substance. This regulatory mismatch undermines the intent of the framework and has created the imbalance addressed throughout this submission.

Taken together, these issues demonstrate why the Regulations should restore a level playing field by ensuring that like activities are regulated in like ways. Regulatory settings should distinguish between genuine charitable Art Unions, which operate to deliver public benefit and are already subject to extensive safeguards, and for-profit lottery activity that functions in substance as gambling. Addressing this imbalance does not require increasing the regulatory burden on charities. It requires ensuring that commercial lottery-like activity cannot sit outside the regulatory framework simply by relying on form rather than substance. Fairness and integrity depend on rules that apply consistently to the actual risk and impact of the activity.

The need for reform is evident in how the current framework operates in practice. Charitable organisations that have operated for decades and demonstrated compliance are held to a higher standard than newer or opportunistic operators that use complex business and

promotional structures to avoid oversight. This undermines public confidence in the regulatory system and risks eroding trust in charitable fundraising more broadly. When regulation appears inconsistent or arbitrary, it damages confidence not only in the sector but in government's ability to maintain a credible and fair gambling framework. Addressing this imbalance is essential for public confidence and sector sustainability.

Recommendation: Amend the Gambling Regulations 2026 to restore fairness and regulatory integrity by ensuring that lottery-like activities are regulated based on their substance and risk, not their legal form. This should address the imbalance between highly regulated charitable Art Unions and unregulated for-profit lottery activity, while continuing to recognise and protect the long-standing role of charitable lotteries in delivering community benefit.

Protecting consumers from harm

Current settings allow consumers to participate in lottery-like products without consistent safeguards, which in turn creates avoidable harm and undermines confidence in lawful lottery products. Some products now resemble gambling in substance, yet sit outside requirements designed to protect consumers, including transparency about odds, independent draw controls, limits on participation, and clear accountability when things go wrong. This creates an uneven consumer protection landscape where risk is determined by regulatory classification rather than by the nature and impact of the product. At scale, transparency is not optional. It is a minimum requirement for consumer protection and regulatory credibility.

The scale and sophistication of some lottery models currently operating in Victoria present clear risks to consumers and the broader community. Risks include:

- misleading representations
- unclear benefit flows to charities
- opaque prize structures
- limited accountability
- reduced capacity to identify or respond to consumer harm

Allowing lottery-like products to operate outside regulatory safeguards weakens consumer protections and undermines confidence in lawful lottery products and creates avoidable integrity risks. Risk should be determined by the nature and impact of the activity, not by its regulatory label.

To address this gap, the Regulations should ensure that all lottery-like products are subject to appropriate and proportionate consumer protections. This requires a substance-based approach that focuses on how products operate in practice, rather than the label attached to them. Regulatory safeguards should apply wherever consumers are encouraged to participate in prize draws involving payment or ongoing financial commitment, particularly where marketing, scale, or frequency increases the risk of misleading conduct or consumer harm.

The central risk is not incidental trade promotions operating as intended. The risk is the emergence of large-scale lottery-like models operating under the trade promotion category that avoid safeguards and create consumer harm through scale, frequency, and diminished transparency. The need for reform is evident in the way some current products are presented to the public. High-value prizes, repeated draws, and sophisticated promotional strategies can blur the line between lawful promotion and gambling, while consumers are left without the protections that apply in licensed lottery environments. Inconsistent safeguards undermine consumer confidence and create avoidable risks, particularly for people who may not fully understand the terms of entry, the true odds of winning, or how proceeds are used. A regulatory framework that allows these inconsistencies to persist does not

adequately meet the government's stated objectives of harm minimisation and consumer protection.¹

Recommendation: Amend the Gambling Regulations 2026 to ensure that all lottery-like products operating in Victoria are subject to appropriate consumer safeguards, transparency requirements, and regulatory oversight, based on the substance and risk of the activity rather than its formal classification.

Strengthening transparency and accountability

The current settings allow lottery-like products to operate with uneven transparency, creating a consumer protection and integrity gap. When participants cannot easily verify how draws are conducted, how many entries exist, what the true odds are, or where proceeds flow, consumers are exposed to misleading impressions of value and fairness. A framework that permits lottery-like activity to operate with limited visibility undermines confidence in both charitable fundraising and gambling regulation.

The Regulations should strengthen transparency requirements so that all lottery-like products are subject to clear, consistent disclosure and record keeping obligations proportionate to their scale and risk. This should include minimum standards for draw integrity, publication of outcomes, and accessible information that enables consumers to understand how the product operates and to make informed decisions. Transparency requirements should also support regulatory oversight by ensuring the regulator can obtain meaningful information about operations, compliance, and any emerging risks. Minimum safeguards typically expected of regulated charitable lotteries are not consistently applied to trade promotion models operating at scale.² Key differences include:

- **Draw integrity:** Clear, accessible disclosure of how winners are selected, including independent or audited draw controls and verifiable draw procedures.
- **Publication of outcomes:** Transparent publication of outcomes, consistent winner notification requirements, and clear conditions for claiming prizes, including any potential fees.
- **Entry controls:** Practical limits or controls on entry issuance, along with disclosure of the number of entries (or a workable proxy) to support transparency of odds at scale.
- **Recordkeeping:** Robust recordkeeping requirements that allow regulatory scrutiny of entries, prize allocation, and prize delivery.
- **Reporting and audit:** Routine reporting, financial transparency, and audit expectations that support regulator oversight and public confidence.
- **Consumer protections:** Consistent consumer protections covering prize delivery, dispute resolution, and overall integrity of the promotion.

The need for reform is evident in the current trade promotion environment. Trade promotion lotteries do not require a permit, which reduces the data available to regulators and the public about how these products operate at scale.¹ This permit-free setting creates a structural data gap, limiting the regulator's ability to monitor scale, detect emerging risks, and assess whether regulatory objectives are being met. Where lottery-like activity expands under low-visibility settings, it can also distort the evidence base used for gambling participation and harm minimisation planning. Evidence provided by industry associations shows that professional trade promotion operators avoid transparency and consumer protection controls that apply to regulated lottery operators, including controls relating to independent draw procedures, limits on ticketing, and reporting.² Strengthening transparency is therefore a practical safeguard that supports consumer confidence, deters

¹ Regulatory Impact Statement: Gambling Regulations 2026, Section 8.2, DJCS, 2026

² Charitable Lotteries Association (CLA), Response to Regulatory Impact Statement: Gambling Regulations 2026, Corrs Chambers Westgarth, March 2026.

misuse, and improves enforceability without imposing unnecessary burden on legitimate trade promotions.

These transparency requirements can be applied proportionately and are not intended to disrupt routine, low-risk promotions run by legitimate businesses. The objective is to ensure that large-scale prize draw models operating like lotteries cannot rely on minimal disclosure settings, while genuine incidental trade promotions remain workable and low burden.

Recommendation: Amend the Gambling Regulations 2026 to strengthen transparency by requiring consistent disclosure and record keeping for lottery-like products, including clear information for participants on draw processes and outcomes and sufficient reporting to enable effective regulatory oversight and enforcement.

Safeguarding charitable fundraising and community services

Weakening the integrity of charitable lottery fundraising has direct consequences for the Victorian community. When regulatory settings allow unregulated for-profit lottery-like activity to undercut compliant charitable Art Unions, it reduces charities' capacity to fund essential services and shifts demand onto government systems. This is not a theoretical risk. It creates a predictable pipeline from reduced charitable revenue to increased pressure on publicly funded health, mental health, child protection and family support services. If government continues to ignore these warnings and fails to act, it will bear responsibility for the loss of critical charitable services and the increased burden on public systems. The consequences of inaction will be felt by the most vulnerable children, young people, families, and communities in Victoria.

The Regulations should protect and strengthen the conditions for legitimate charitable fundraising by closing loopholes that divert revenue from compliant charitable Art Unions to unregulated commercial operators. This is a practical fairness measure and a service system measure. It preserves a critical community funding stream while ensuring that lottery-like activity is subject to consistent rules that protect consumer confidence and sustain long term community benefit.

Unregulated for-profit lottery-like activity also drives progressive market erosion in charitable fundraising. Commercial operators can scale rapidly, invest heavily in marketing, and promote high-value prizes without the compliance costs borne by charitable Art Unions. Over time, this crowds out charitable lotteries, drawing consumer participation away from regulated fundraising models that return proceeds to the community. This is not a level market response. It reflects a regulatory distortion that rewards avoidance and disadvantages organisations operating transparently and lawfully. Left unaddressed, this erosion weakens the viability of charitable lotteries as a sustainable funding mechanism and permanently reduces the pool of funds available for community services. If this trajectory continues, the charitable lottery model is progressively weakened, and government will be faced with having to fund services that charitable fundraising currently helps sustain.

Charitable lotteries fund services that government systems rely on to absorb demand, especially in prevention and early intervention. **yourtown** operates charitable Art Union lotteries in full compliance with regulatory requirements. These lotteries are designed to transparently raise funds to support **yourtown's** charitable purpose and to deliver direct benefit to children, young people, and families facing vulnerability. Revenue raised through charitable lotteries helps fund a range of essential services in Victoria, including:

- Kids Helpline - a free, confidential 24/7 counselling service for children and young people aged 5 to 25,
- Kids Helpline @ School - virtual early intervention and prevention education sessions delivered to classrooms,

- My Circle - a clinically moderated online peer support platform for young people aged 12 to 25, as well as other early intervention, prevention, and support programs.

This support is particularly critical in circumstances where children and young people cannot safely access help through traditional pathways or need to access support outside standard business hours. Protecting the integrity and sustainability of charitable fundraising is therefore inseparable from protecting access to community supports.

yourtown's experience illustrates this connection. **yourtown** delivers Kids Helpline, a free, confidential 24/7 counselling service used by Victorian children and young people at significant scale, including substantial after-hours demand and crisis support that helps balance load across the broader mental health ecosystem. Over the past five years, **yourtown** has self-funded more than \$78 million (approximately 58% of total costs) to maintain Kids Helpline nationally, with the annual cost of service delivery in Victoria alone approaching \$10 million. Despite this investment and the service's integration across Victorian government websites and referral pathways, the Victorian Government does not provide ongoing financial support for Kids Helpline. Past support has been limited to one-off emergency payments during events such as COVID-19 and natural disasters.

In 2024–25, Kids Helpline recorded almost 36,000 contacts from Victoria, with 69% requiring counselling support, the highest proportion nationally. Our counsellors undertook 1,124 duty of care actions for young Victorians in crisis, including 40% related to suicide attempts and 29% to child abuse. Almost three-quarters (73%) of Victorian contacts occurred after hours, when other services are closed. Kids Helpline @ School and My Circle also reach tens of thousands of Victorian students and young people, providing early intervention and peer support at scale.

When legitimate charitable fundraising is undermined by unregulated for-profit lottery-like activity, it directly threatens the sustainability of services like Kids Helpline that support children and young people and increases downstream pressure on government-funded systems. Protecting charitable fundraising capacity is a practical measure to support the resilience of Victoria's service systems, with implications that extend well beyond the charitable sector. If government does not act to protect charitable fundraising, it will face growing demand and higher costs as public systems are forced to absorb the needs currently met by services like Kids Helpline. Failure to act now will result in increased government expenditure and service gaps for vulnerable children, young people, and families.

Recommendation: Amend the Gambling Regulations 2026 to safeguard charitable fundraising and the community services it supports by closing regulatory loopholes that enable unregulated for profit lottery-like activity to compete unfairly with compliant charitable Art Unions, recognising that preserving charitable fundraising capacity reduces downstream pressure on government systems.

Preventing criminal exploitation and protecting regulatory integrity

Lottery-like products operating at scale without licensing, probity checks, or effective oversight create an integrity vulnerability, including exposure to fraud, money laundering and organised crime influence. The current settings for trade promotion lotteries do not sufficiently mitigate exposure to organised crime and money laundering, particularly where operators can offer very high value prizes and run frequent draws without the controls expected of regulated lottery operators. This weakens the integrity of the broader gambling framework and increases the likelihood of fraudulent misuse. Where oversight is limited, the likelihood of integrity incidents increases and confidence in fair draws and reliable prize delivery is reduced, particularly for products operating at scale.

Examples of integrity incidents and criminal risk include fraudulent misuse of prize draws, misleading marketing that encourages ongoing payments, and reports of professional operators issuing unlimited tickets to associates or failing to deliver prizes. The absence of probity checks and oversight has also been linked to concerns about money laundering and organised crime influence.²

Victoria should address this risk through targeted regulatory amendments that ensure lottery-like activity is subject to appropriate integrity safeguards, including requirements that deter regulatory avoidance and enable meaningful regulatory scrutiny. This includes closing loopholes that allow subscription or membership-based prize draw models to operate as de facto lotteries while avoiding the probity, transparency and reporting requirements applied to regulated products. Targeted changes can be implemented within the current regulatory remake and can be designed to avoid unintended impacts on legitimate trade promotions.

The need for stronger integrity settings is supported by the evidence base underpinning Victoria's gambling regulation framework. The Regulatory Impact Statement recognises that gambling products can be vulnerable to criminal exploitation and that integrity controls are a core purpose of the Regulations, including reducing opportunities for money laundering.¹ Sector material provided to government also highlights that some professional trade promotion operators are now offering multimillion dollar prize homes and large cash draws without the regulatory safeguards expected of regulated lottery operators, and notes indicators of heightened integrity risk, including exposure to fraudulent misuse and concern about organised crime influence.² Government should also consider whether current penalties and enforcement tools provide an adequate deterrent given the scale and commercial returns associated with some lottery-like models operating under the exemption.

Recommendation: Amend the Gambling Regulations 2026 to strengthen integrity protections for lottery-like activity by closing loopholes that enable unregulated trade promotion models to operate at scale, and by ensuring that products functioning in substance as lotteries are subject to appropriate probity, transparency, record keeping and oversight measures that mitigate risks of organised crime, money laundering and fraud.

Proposed regulatory amendments to address misuse of trade promotion lotteries

Government should adopt the targeted amendments in Appendix A as the implementable pathway for closing the loophole within the current regulatory remake. These amendments should be designed to preserve legitimate trade promotions while ensuring that business models operating as lotteries in substance cannot rely on the trade promotion category to avoid oversight.

Summary of proposed amendments

Using the Corrs Chambers Westgarth Solicitors' drafting instructions approach³, the Regulations should be amended to:

- **Tighten the purpose test** so trade promotion lotteries can only be run for the purpose of promoting the promoter's own genuine business, not as a stand-alone prize draw business model.
- **Prevent third-party purchase structures** by prohibiting trade promotions that involve participants purchasing goods, services, or membership rights from a third party, where that purchase is effectively the price of entry into a lottery-like product.

³ Annexure A: Drafting Instructions, Corrs Chambers Westgarth, 2026.
Annexure B: Complaint Letter, Corrs Chambers Westgarth, 2022.

- **Define “promoter’s business” clearly**, including an explicit exclusion for subscription or membership-fee prize draw models unless authorised. This is the key substance-based boundary that draws a firm line between incidental promotions and lottery-like business models.
- **Create a limited authorisation mechanism** to allow the regulator to authorise edge cases where a legitimate business may be unintentionally affected, without introducing a broad permit system.
- **Strengthen enforceability by shifting the onus onto high-risk operators** to demonstrate compliance or seek authorisation, rather than relying on reactive surveillance and investigation to establish non-compliance.

These amendments would:

- **Restore a level playing field** by ensuring organisations conducting lottery-like activity are regulated based on substance and risk, not legal form.
- **Strengthen consumer protections** by reducing the scope for lottery-like products to operate without the transparency and integrity safeguards expected of regulated lottery operators.
- **Improve enforceability and reduce regulatory burden on the regulator** by shifting the onus onto questionable operators to demonstrate compliance or seek authorisation, rather than relying on surveillance and reactive enforcement.
- **Protect the integrity of charitable fundraising** by preventing regulatory arbitrage that diverts consumer participation away from highly regulated charitable Art Unions and into lightly regulated commercial prize draw models.
- **Provide regulatory certainty** for legitimate businesses by clarifying what trade promotion lotteries are for, and what conduct falls outside the category.

Preserving legitimate trade promotions

These proposed amendments are targeted at business models that use trade promotion structures to operate as lotteries in substance. They are not intended to disrupt legitimate trade promotions that are genuinely incidental to promoting a promoter’s own goods or services. The proposed authorisation pathway is a practical safeguard to manage edge cases and avoid unintended consequences, while still ensuring the core loophole is closed.

Proposed drafting and appendix cross-reference

Detailed drafting instructions, propose wording to give effect to these amendments, and supporting correspondence are provided in Appendix A. This includes Corrs Chambers Westgarth Solicitors’ legislative recommendations and the original complaint letter.³

Conclusion

Victoria has a clear opportunity to act decisively through the Gambling Regulations 2026 to close a known loophole undermining consumer protection, regulatory integrity, and lawful charitable fundraising. Targeted amendments, clear policy communication, and regulation based on substance and risk will protect consumers, restore fairness, and safeguard community services. Acting now will prevent further harm, reduce pressure on government systems, and position Victoria as a leader in integrity and fairness.

We would welcome the opportunity to discuss our experiences as part of ongoing consultations. Should you require further information, please contact Tracy Adams, CEO of **yourtown**, at advocacy@yourtown.com.au.

Appendix A: Supporting legal materials and evidence

This appendix provides the full legal drafting instructions and supporting correspondence from the Charitable Lotteries Association (CLA), as referenced in the body of this submission. These annexures offer detailed legislative recommendations and evidence of the misuse of trade promotion lotteries, supporting the case for targeted regulatory reform.

Annexure A: Drafting instructions (Corrs Chambers Westgarth, 2026)

This annexure contains the legislative drafting instructions prepared by Corrs Chambers Westgarth on behalf of the Charitable Lotteries Association. The instructions set out targeted amendments to the Gambling Regulations to address misuse of the trade promotion lotteries exemption. Key elements include a clear “promoter’s business” definition, conditions for trade promotion lotteries, and a limited authorisation mechanism to ensure legitimate business promotions are not unintentionally affected. The drafting is designed to close regulatory loopholes, restore a level playing field, and align with the objects of the Act while minimising regulatory burden.

Annexure A: Drafting Instructions

Gaming Regulation Act 2003 (Victoria)

Gaming Regulations 2015: Drafting Instructions for additional regulations in respect of the operation of Trade Promotion Lotteries.

Prepared by Corrs Chambers Westgarth Solicitors

Set out below are drafting instructions for legislative reform to the operation of Trade Promotion Lotteries conducted under the Gaming Regulation Act 2003 (**Act**) through the inclusion of new regulations in the Gaming Regulations 2015 (**Regulations**) to address the concerns initially raised by the Charity Lotteries Association's letter to the Victorian Gambling and Casino Control Commission (**Commission**) dated 20 September 2022 (**Letter**).

Background

The proposed amendments have been drafted in a manner that seeks to:

- minimise the amendments to the Regulations and to avoid the need to amend the Act;
- have no, or very limited impact, on other businesses that rely on the trade promotion lotteries exemption that are not the subject of the Charitable Lotteries complaint as specified in the Letter; and
- create a level playing field for all organisations that are in the business of running lotteries..

In undertaking this exercise the following approaches were considered and rejected:

- Introducing a permit system, such as the one used in South Australia, due to the material burden this would place on the Commission.
- Introducing maximum prize values as many businesses offer large prize give aways as part of promoting their business.
- Capping the number of trade promotions that can be allowed as many businesses run a regular stream of trade promotions.

The current promoters that are the subject of the Charity Associations complaint offer a membership subscription model whereby tickets are issued as part of the members' benefits (**Discount Schemes**). Many other organisations operate on a membership model including sporting clubs, the RACV and trade union organisations. The proposed amendments are designed to ensure that these organisations, which may run legitimate regular trade promotions, are not impacted.

Proposed Regulations

To assist with our ongoing discussions with the Department of Justice and Community Safety and the Commission the following legislative drafting instructions have been prepared:

1. The "ill" that needs to be addressed is the misuse of the 'trade promotion lotteries' exemption provided by section 5.7.1 of the Act by entities wishing to

avoid authorisation and other regulatory controls applicable under the Act. Specifically, the Act should exclude from the ambit of 'trade promotion lotteries' the running of games that:

- (a) are for the generation of profit for the promoters, rather than for charitable or community benefit;
- (b) are not for the promotion of the promotor's own goods or services, as was clearly intended by the light touch regulation for businesses wishing to promote their own business;
- (c) require membership fees to be paid where the cost of membership is significantly greater than the value of any discounts or other benefits associated with the membership;
- (d) are promoted in a way that misleads the public as to their actual chances of winning the prizes on offer to members by, for example, indicating that a member's chances of winning a prize increase with the issuing of more tickets to the member based on the duration or value of their membership, when in fact the member's actual chances of winning are diminished by reason of the overall increase in issued tickets resulting from an increase in membership numbers; and
- (e) are not subject to regulation to ensure that prizes are awarded fairly and transparently.

2. Excluding games having those characteristics from the ambit of 'trade promotion lotteries' under the Act would be entirely consistent with the objects of the Act and would require the current promoters of those games to comply with the regulatory requirements that already apply to many charitable organisations that seek to generate funds for charitable purposes. In other words, by excluding games having the characteristics set out in paragraph 1 from the ambit of 'trade promotion lotteries' in the Act would create a level playing field, as well as being consistent with the objects of the Act.

3. The overarching objects of the Act include:

- a. to foster responsible gambling in order to:
 - i. minimise harm caused by problem gambling; and
 - ii. accommodate those who gamble without harming themselves or others;
- b. to ensure that other forms of gambling permitted under this or any other Act are conducted honestly and that their management is free from criminal influence and exploitation;
- c. to ensure that:
 - i. community and charitable gaming benefits the community or charitable organisation concerned;
 - ii. practices that could undermine public confidence in community and charitable gaming are eliminated¹.

¹ Section 1.1(2) of the Act.

4. That balance is achieved by, amongst other matters, providing for the conduct under licence of public lotteries and the conduct of trade promotion lotteries².
5. Trade promotion lotteries under the Act are not subject to the same level of regulation or control (including licensing) that apply to other categories of games under the Act. Any trade or business can run a trade promotion lottery³.
6. Trade Promotion Lottery is currently defined as “a lottery for the promotion of a trade or business”⁴.

Drafting instructions

7. To address the issues identified in paragraph 1 above while being mindful of the need to minimise changes to the current Act and Regulations, and so as not to place any additional regulatory burden on the Commission, the following amendments to the Regulations are proposed:
 - (a) Include a new regulation 59(j) that has the effect of including the following new conditions on persons conducting a trade promotion lottery:
 - (i) must only conduct a trade promotion lottery for the purpose of promoting the ‘promotor’s business’; and
 - (ii) must not involve the purchase by participants in the game of goods or services, (including, for example, rights of membership to a club or organisation), from a party other than from the owner or operator of the *promotor’s business*.
 - (b) Include a new definition of ‘*promotor’s business*’ in regulation 5 to the effect that a ‘*promotor’s business*’ means:
 - (i) a business through which the promoter of a trade promotion lottery offers goods or services made or sold by that business for the financial benefit of that business; and
 - (ii) unless authorised by the Commission, does not include a business that offers entry into one or more prize draws in return for payment of a membership fee, subscription fee, or similar fee.

² Section 1.1(3) of the Act.

³ Definition of Trade Promotion Lottery in section 1.3 and section 5.7.1 of the Act.

⁴ Ibid

Explanatory Notes

Promoter's Business

The new definition of 'promoter's business' excludes a business conducted to offer entry into one or more promotions in return for payment of a membership fee, subscription fee, or similar fee, whether or not that fee provides the payer of the fee with a chance to win a prize or benefit (including, for example, a discount on the goods or services of a third party).

The proposed change will not impact other membership-based organisations (such as sporting clubs and trade unions) as these organisations are not operating 'trade promotion' businesses but have a clear and distinct business to which any trade promotion is ancillary.

A mechanism that will enable the Commission to authorise any organisation that may consider it is adversely affected by these changes has been included. This has been for two reasons.

Firstly, a legitimate business offering promotions may, on a conservative view, conclude that their proposed trade promotion may not constitute a promotion falling within the operation of the new 'promoter's business' definition. The proposed authorisation process would provide such an organisation with a simple means by which to ensure compliance. We expect that, with appropriate guidance from the Commission, there would be very few requests for an authorisation and hence little additional regulatory burden placed on the Commission.

Secondly, the authorisation mechanism gives the Discount Schemes a simple and cost-effective method to validate that their proposed trading model complies with the Act, rather than the current model that assumes compliance unless the Commission finds otherwise following surveillance, investigation and enforcement action undertaken by Commission at its own initiative and cost. Should a Discount Scheme not seek authorisation, then the Commission's first step would be to request the Discount Scheme do so. This will avoid the need for the Department to embark on costly investigations and places the onus on the Discount Scheme to show compliance rather than the Commission having the burden of showing non-compliance.

The wording of this section is also designed to avoid the Commission having to argue that the promoter is operating a lotteries business rather than a 'discount club' business. Simply the Commission only needs to consider if the business is one that is conducted to offer entry into promotions in return for payment of a membership fee or the like. This will be apparent from the trading operations of the business and a simple test to perform.

Penalties

If the proposed draft changes are implemented and promoters of Discount Schemes are non-compliant, then the offence committed would be the conduct of unauthorised gambling. This currently results in a maximum penalty of 1,000 penalty units (currently \$197,590). The Government could consider the adequacy of the current penalties as part of these reforms, given the large profits being made from the commercialisation of promotional games by the Discount Schemes.

Annexure B: 2022 Letter of Complaint (Corrs Chambers Westgarth, 2022)

This annexure is the original complaint letter sent by Corrs Chambers Westgarth to the Victorian Gambling and Casino Control Commission on behalf of the Charitable Lotteries Association. The letter details the business models used by professional trade promotion operators, outlines the risks of consumer and community harm, and provides evidence of market distortion and regulatory avoidance. It includes specific examples, a comparison of regulatory requirements, and recommendations for legislative reform to prevent further misuse of the trade promotion lottery category.

20 September 2022

By email: Peter.azagra@vgccc.vic.gov.au
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Victorian Gambling and Casino Control
Commission
GPO 1988
Melbourne VIC 3001

Special Counsel
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Dear Sir/Madam

Complaint regarding trade promotion lotteries in Victoria

Corrs Chambers Westgarth is writing to you on behalf of each organisation listed in Annexure 1 (together the Charity Lottery Association or Association).

The Association is concerned that a growing number of unlawful lotteries are being conducted by certain businesses under the guise of trade promotion lotteries, without the necessary permit, and to the detriment of consumers, genuine charities, and the community.

Specifically, the Association is concerned about the activities of:

- (a) Motor Culture Australia Pty Ltd (ABN 34 643 349 357) trading as Motor Culture Australia;
- (b) B Torque Pty Ltd (ABN 63 648 568 334) trading as B Torque;
- (c) Classics for a Cause Pty Ltd (ABN 53 636 124 162) trading as Classics for a Cause;
- (d) Hello Lifestyle Australia Pty Ltd (ABN 81 648 448 524) trading as Hello Lifestyle;
- (e) Vincere Australia Pty Ltd (ABN 86 650 863 577) trading as Vincere;
- (f) Xclusive Tech Pty Ltd trading as LMCT Plus (ABN 93 627 297 474) trading as LMCT+;
- (g) Car Hub Australia (ABN 90 645 365 251) trading as Car Hub Australia;
- (h) The Supreme Society (ABN 39 647 090 711) trading as The Supreme Society;
- (i) the Trustee for Top Blokes Foundation (ABN 37 905 538 438) trading as Top Blokes Foundation; and
- (j) Ignite HQ Official (ABN 73 647 868 102) trading as Ignite HQ

(each a Trade Promoter and collectively the Trade Promoters).

2 Misuse of the trade promotion lottery exemption

2.1 Requirements of a trade promotion lottery

While each State has its own legislative framework,¹ the regulation of trade promotion lotteries are similar in each State, and the regulations seek to minimise the regulatory burden for low value and low consumer risk raffle like promotions. Typically, to meet the criteria for trade promotion lotteries:

- (a) participation must be at no cost (although the requirement to purchase a qualifying product at normal cost is permitted). In Victoria, the cost of entry must not exceed \$1;² and
- (b) the promotion must be to promote the business or its goods or services. It appears that the intent of each State's legislation is that trade promotion lotteries conducted by an organisation should be ancillary to its core business of providing goods or services.

Trade promotion lotteries are generally only required to comply with prescribed conditions to ensure these promotions are conducted fairly, and that prizes are distributed quickly.

2.2 Trade Promoters Business Model

The Trade Promoters market themselves as being a 'Loyalty Club' that offers a wide range of discounts to members which are accessed through a 'Loyalty Platform'. Each 'trade promotion lottery' is then run to promote the Loyalty Club and its discounted services, gain new members, and new merchant partners. We have set out the LMCT+ and the Classics for a Cause business models below as examples of the business model used by all of the Trade Promoters.

LMCT+

Xclusive Tech Pty Ltd trading as LMCT Plus (ABN 93 627 297 474) operates a membership model whereby members of the public are able to obtain tickets in a trade promotion lottery by paying a membership fee. LMCT+ operates from Level 9, 440 Collins Street, Melbourne VIC 3000.

The trade promotion lotteries are marketed on the LMCT+ website as follows:

For just \$19.99 per month you'll gain access to the LMCT+ platform where you'll receive exclusive discounts from over 600 businesses, 1000 stores across automotive, trade, homeware & lifestyle partners Australia Wide.

LMCT+ appears to operate several trade promotion lotteries on a continual basis in order to provide entries in return for each monthly fee. Membership options include:

- (a) Entry: \$19.99 per month (entitles members to one accumulating bonus entry per month);

¹ In Victoria, trade promotion lotteries are governed by the *Gambling Regulation Act 2003 (Act)* and *Gambling Regulations 2015*. Under the Act, Australian organisations and individuals over the age of 18 are permitted to conduct a trade promotion lottery without having to obtain a licence. Section 1.3 of the Act provides that the trade promotion lottery must be a lottery for the promotion of a trade or business only. Under section 5.7.2(2)(a) of the Act, the cost for entry into a trade promotion lottery must not exceed \$1 (the amount most recently published in the Victorian government gazette).

² Section 5.7.2(2)(a) of the Act.

- (b) Premium: \$49.99 per month (entitles members to four accumulating bonus entries per month); and
- (c) Elite: \$99.99 per month (entitles members to ten accumulating bonus entries per month).

Classics for a Cause

Classics for a Cause Pty Ltd (ABN 53 636 124 162) operates a membership model whereby members of the public are able to obtain tickets in a trade promotion lottery by paying a membership fee. Classics for a Cause operates from 2/53 Douglas Street, Milton QLD 4064.

The trade promotion lotteries are marketed on the Classics for a Cause website as follows:

The VIP Loyalty Rewards Club provides members with monthly entries into every active giveaway we are running. Never again will you have to make the hard choice of which car to enter into the draw for. As a VIP Loyalty Rewards Club member, you will gain entry into all active giveaways each month.

You will gain an additional entry into every draw for every month you remain a member of the VIP Loyalty Rewards Club. Stay a member for 2 months, and gain 2 additional entries for all of the current giveaways; stay a member for 6 months, and you will gain 6 additional entries for all the actives giveaways, in that month, for a fixed monthly fee.

Classics for a Cause appears to operate several trade promotions on a continual basis in order to provide entries in return for each monthly fee. Membership options include:

- (a) Entry: \$24.95 per month (entitles members to one accumulating bonus entry per month);
- (b) Premium: \$49.95 per month (entitles members to two accumulating bonus entries per month); and
- (c) Elite: \$99.95 per month (entitles members to five accumulating bonus entries per month).

The Trade Promoters purport to provide members with access to certain membership discounts from various merchants, primarily aligned to the automotive industry, although these discounts are typically not advertised by the Trade Promoters. If the provision of these discounts form the core business of the Trade Promoters, then we would expect that the trade promotion lotteries would only occur on a seasonal basis, instead of occurring on a continuous monthly basis (as evidenced by the monthly membership fees). The Association suggests that the discounts offered by the Trade Promoters are not the primary business of the Trade Promoters, as evidenced by the monthly membership fees being grossly excessive for the discounts that an ordinary consumer could be expected to redeem. The Association considers that the amount of the membership fees can only be explained as the price a consumer is paying to purchase a ticket in the lotteries on offer.

On the surface, the lottery activities of the Trade Promoters appear to meet the requirements to be regulated as a 'trade promotion lottery' in Victoria, so that the Trade Promoters are not required to obtain a licence. However, each Trade Promoter appears to

be carrying on a lotteries business, by selling lottery tickets for profit and without any other discernible income sources of any substance or offering any goods or services of value that equate to the price of entry into the lottery. Rather, the subscription fee varies with the number of entries being provided, instead of additional goods or services being purchased. A ticket price for Classics for a Cause is \$24.95 per ticket for one ticket, \$24.975 per ticket for two tickets, or \$19.99 per ticket for five tickets. As a price is being charged for each ticket, the Association's view is that these promotions are not a 'trade promotion lottery' within the meaning of section 1.3 of the Act.

2.3 Failure to comply with requirements of a trade promotion lottery

The Association's view is that the Trade Promoters' trade promotion lotteries will not comply with the State's laws for the following reasons:

- (a) to be a trade promotion lottery within the meaning of section 1.3 of the Act, there must be no cost of entry. Without the lottery activity, the Association considers it highly unlikely that access to the Loyalty Club discounts and other minor benefits would retail for \$24.95 per month (being the lowest minimum subscription level entry fee price for Classics for a Cause promotions described above). The Association's view is that the bulk of the monthly subscription fee is in reality the cost of a ticket for the relevant lottery. This view is supported by the promotional advertising. For example, the Classics for a Cause website indicates:
stay a member for 6 months, and you will gain 6 additional entries for all the active giveaways, in that month, for a fixed monthly fee;
- (b) it appears each Trade Promoter only receives revenue from the promotional gaming activity it undertakes. Each Trade Promoter appears to be a body established or carried on solely or principally for the purpose of conducting a lottery or of gaming or wagering. This is because the Trade Promoters' business model appears to require the Trade Promoter to use the monthly subscription payments to pay for the purchase price for future lottery prizes, rather than the supply of the Loyalty Club service offerings. It appears the Trade Promoters have no other source of revenue to fund its activities, including to purchase future prizes and to pay for the current prize offering;
- (c) in accordance with the Act, the cost for entry to a trade promotion lottery must not exceed \$1³ and the promoter must not directly or indirectly receive all or part of the amount contributed towards the entry cost. The Trade Promoters' business model appears to be entirely dependent upon the income generated through the promotional gaming activity rather than being ancillary to another business purpose. The trade promoters are operating lottery businesses;
- (d) we note the Act is similar to the lotteries laws in New South Wales (NSW). NSW's regulatory guidance indicates that a trade promotion must genuinely promote goods or services apart from offering participation in the promotional gaming activity. Where the value of the prize far exceeds the value of the services being acquired and the only means the Trade Promoter has of recouping the Trade Promoter's cost of purchasing the prize is via the money paid by the consumer

³ Section 5.7.2(a) of the Act.

- that relates to the entries being obtained, then the Association's view is that the purpose of the trade promotion is to fund the promotion and is not a genuine trade promotion. We consider the NSW regulatory guidance is consistent with your own guidance and will apply equally to Victorian laws;
- (e) similarly, Tasmania's regulatory guidance indicates that if making a purchase is necessary to enter a trade promotion, then the cost of the goods or services must not exceed its prevailing market price, and determination of the market price lies with the Tasmanian Gaming Commission. Whilst Victoria has no equivalent price determination mechanism, the Act has the requirement of entry being 'free' and that the promoter must not receive any part of the amount contributed towards the entry cost. The Association considers it unlikely that the Tasmanian Gaming Commission would consider the market price for the Loyalty Club services to be equal to or more than the price being paid for membership;
 - (f) while the Association has not investigated the discount offers being provided, the Association considers it highly unlikely that any member will obtain a benefit from the discounts received from partnering merchants in excess of the monthly subscription fee;
 - (g) the Association considers that the trade promotions are advertised in a manner where a consumer would view the monthly fee as being primarily the cost of buying an entry into the lottery. From a consumer's perspective, the fee being paid is to buy a ticket in the lottery, not to acquire access to the discount services which appear to be advertised as a secondary or incidental benefit (see Annexure 2). The consumer is unlikely to consider that they are being provided with a 'free entry'. Further, the 'cumulative entries' marketing strategy appears to be specifically designed to ensure consumers continue to value their ongoing payments and membership for the cumulative number of entries they have over time rather than the discount offers that are available, notwithstanding that the true value of those entries may be diminishing over time as more entries are 'sold' or given to new and existing members; and
 - (h) each Trade Promoter is running a continuous stream of lotteries with high value prizes, indicating that each Trade Promoter is in the business running lotteries rather than being a loyalty discount club. The so called 'trade promotion lotteries' appear to be the core business of each Trade Promoter.

If the lotteries being conducted by the Trade Promoters do not satisfy the criteria for a 'trade promotion lottery' as set out in the Act (and which the Association considers to be the case), then each Trade Promoter may be engaging in unlawful activity (ie conducting public lotteries without holding the necessary licence).⁴

3 Consumer harm

The Association considers that there is a genuine risk of consumer harm that may arise from the marketing strategies employed by the Trade Promoters.

⁴ Section 5.3.2 of the Act.

The sales model of providing 'cumulative entries' is particularly concerning as the Association considers it likely that consumers will consider the value of remaining a member increases with every month that they remain a member, as the number of entries they have in each trade promotion lottery increases over time. This gives the appearance of having a higher chance of winning the longer the consumer remains an active member.

However, if every member is getting additional entries, then the chances of winning are not really changing as more entries are issued to every member in a similar proportion to the monthly fee. This is an over simplification as chances of winning are different for each membership category and time the member has been enrolled. However, it does not alter the likely perception that members will consider that they have a much greater chance of winning the longer they are members due to having more entries than when they started, rather than a marginally increased chance as all members get more tickets (or a decreased chance due to more members joining), which leads a member to consider the value of remaining a member is higher than it is in reality.

For example, a standard member of Motor Culture Australia will start with two entries in the relevant trade promotion at that time. After 12 months the member will have 24 entries in the current trade promotion lottery giving the illusion of being 12 times more likely to win in month 12 than in month one. But if every standard member is getting the same increased entries then the real benefit of the cumulative entries is nil. For a member to obtain a materially increased chance of winning would require the membership base to reduce, particularly by long term members leaving. The Association's concern is that cumulative entries give the illusion of value, making long term members reluctant to leave due to the large number of entries they have in each promotion. This 'traps' members into staying in the promotion cycle.

4 Community harm

4.1 Lack of contribution to the community

Charitable lotteries have been conducted for decades and are the basis for fundraising activities for a range of non-profit organisations and associations including hospitals, disability and disadvantaged care and vocational programs, schools and sporting clubs. Several charities conduct regular raffles or lotteries as an ongoing program of support for the community.

The Association considers that advertising (examples of which are set out in Annexure 2) appear to represent the Trade Promoter as a charity or representing a charitable cause, which may mislead a consumer into concluding that the Trade Promoter is a charity rather than a for profit organisation. LMCT+ claim to have donated \$1.2m to charities and its *business partners*. LMCT+ claim to own the Little Legends Foundations and funds raised go to supporting this charity. The Little Legends Foundation is listed with the Australian Charities and Not-for-Profits Commission (ACNC). According to the ACNC website, the Little Legends Foundation financial information indicates that the charity received \$216,215 in donations and had expenses of \$64,989 in 2021. Only \$24,671 in grants were made during that year with the bulk of donations (\$151,226) retained by the Little Legends

Foundation. In another example, Motor Culture Australia state on their website that 1% of their profit is donated to The Smith Family to help those in need.

If the Trade Promoters are marketing their promotions as being fund raising for charity and the funds raised are not being provided to those charities, then the community is not obtaining the benefit of the funds being raised. Further, the Trade Promoters are competing with genuine charitable lotteries and taking sales away from these genuine charity fund raising activities, diminishing the level of community support that genuine charities are able to provide. Rather than the community benefiting from the Trade Promoters' activities as advertised by them, the community is actually worse off as the community is receiving less charitable support.

For example, members of the Association have witnessed a significant growth in the past two years of 'for-profit' entities using trade promotion permits as a way of conducting a lottery. These have grown in the number and the size of the prizes on offer, with some for-profit organisations now offering homes on the Gold Coast as first prize and directly competing with charitable lotteries in the prize home space (refer Annexure 2, example 1).

4.2 Lack of consumer protection

Table 1 below sets out in further detail the different requirements applying to charitable lotteries and trade promotion lotteries where consumers are not protected.

Table 1: Different requirements applying to charitable lotteries and trade promotion lotteries

Requirements under Victorian legislation	Lottery	Trade Promotion Lottery
Annual audit of books, accounts and financial statements ⁵	Yes	No
Cost to seek the permit	Fee is not published	Nil
Transparency	Published accounts on the ACNC website	No published accounts

4.3 Harm to the charitable lotteries sector

By operating with the appearance of having a charitable purpose, the activities of the Trade Promoters have the potential to cause significant harm to the charitable lotteries sector, and to the operators of genuine charitable lotteries, including:

- (a) if the general public discovered that the Trade Promoters are not actually providing material donations to charities or that the Trade Promoters retain a significant portion of revenue generated from entry fees, then the adverse publicity from the activities of the Trade Promoters may cause a public misconception that charities are operating under a similar model and discontinue purchasing entries

⁵ Section 4.8.5(2) of the Act.

to genuine charitable lotteries. Given the significance of the revenue which is generated by charitable lotteries, the loss of revenue caused by such adverse publicity may lead to a significant loss in revenue to charitable groups, and the amount of proceeds which may be used to support the charitable purposes for which they were established; and

- (b) costs incurred by operators of genuine charitable lotteries are increasing as they now compete everyday with Trade Promoters for digital advertising associated with lottery activities (rather than automotive discount loyalty clubs), causing charitable lotteries to incur significantly higher operating costs. This is already decreasing the funds available for the charitable purposes for which they were established.

5 Regulatory action

The Association requests that the Victorian Gambling and Casino Control Commission (**Commission**) consider investigating the matters raised in this letter, and take such regulatory enforcement action in respect of the Trade Promoters' activities, as the Commission determines appropriate.

Given the activities of the Trade Promoters are occurring in each State, the Association is writing to the relevant regulator in each State. The Commission may wish to coordinate its investigation of the Trade Promoters' activities with the other State regulators, given each State has similar legislation on trade promotion lotteries and, if the Association's view is correct, the Trade Promoters' activities will be considered unlawful in each State.

6 Legislative reform

The Association's view is that the Trade Promoters are using an overly broad interpretation of 'trade promotion lottery' to engage in activities which appear, on the surface, to be legitimate, but are unlikely to meet the legal requirements of a 'trade promotion lottery' or the underlying intent of the legislation. In order to prevent further misuse of the laws governing trade promotion lotteries, the Association considers that minor legislative reform is needed to prevent further misuse of the 'trade promotion lottery' category. This could be done by way of amending the definition of 'trade promotion lottery' to exclude a trade promotion lottery that is conducted by any person in the business of carrying on trade promotion lotteries.

Please contact a member of the Association as listed in Appendix 1, or Peter Anderson via the contact details listed below, if you have any queries or comments on the matters raised in this document. Members of the Association are happy to make themselves available to you if required, to discuss the matters raised in this letter.

20 September 2022
Office of Liquor and Gaming
Complaint



Yours faithfully
Corrs Chambers Westgarth

Peter Anderson
Special Counsel

yourtown is a trusted provider of services for young people, with a focus on mental health and wellbeing, parenting and early childhood development, long-term unemployment, prevention of youth suicide, child protection, and support for those experiencing domestic and family violence. **yourtown** has evolved to helping hundreds of thousands of young people each year through a range of service offerings, supporting them through many difficult challenges.

Our services

- Kids Helpline, providing professional counselling and support 24x7 to 5–25-year-olds across Australia since 1991
- Domestic and family violence refuge, transitional housing, and therapeutic supports for women and their children, including post-refuge support
- Accommodation and therapeutic supports for young parents and their children at high risk
- Early intervention mental health services for children aged 0-18 years old and their families
- Parentline, a telephone and online counselling and support service for parents and carers in the Northern Territory and Queensland
- Young Parents Program providing parenting support to help with child development, life skills and health and wellbeing activities in safe, supportive environments
- Employment, education, and social enterprise programs to support young people at risk of long-term unemployment to re-engage with education and/or employment.

Kids Helpline

yourtown's Kids Helpline is Australia's only free and confidential 24/7 phone and online counselling service for those aged 5 to 25. It offers children and young people a range of care options that are right for their needs and circumstances. Our commitment to being there anytime, and for any reason, has meant that we have responded to more than 9 million contacts from children and young people nationally in the 35 years since our service was first established, while also providing tens of millions of self-help interactions via our website and social channels. In 2025, our Kids Helpline counsellors responded to 128,992 contacts from children and young people across Australia, including 5,190 crisis responses for children and young people at imminent risk of harm.

Kids Helpline @ School

Kids Helpline @ School is **yourtown's** national early intervention and prevention education program, delivered virtually into classrooms by professional counsellors. The program designed to normalise help-seeking behaviours and equip students with tools for lifelong mental health and wellbeing. In 2024, 79,527 primary school children were reached by Kids Helpline @ School sessions from 537 schools across Australia, and 70,508 high school students were reached by Kids Helpline @ School sessions from 134 schools across Australia. These sessions help children and young people build emotional literacy, resilience, and help-seeking behaviours, while addressing topics such as bullying, mental health, relationships, and online safety. The program continues to be a vital support for educators and families, offering a proactive approach to mental wellbeing in school communities.

My Circle

My Circle is a free, confidential, and clinically moderated online peer support platform for young people aged 12–25, developed by **yourtown's** Kids Helpline in partnership with the Bupa Foundation. In 2024, 3,558 young people actively engaged with My Circle, accessing support for mental health, relationships, identity, and wellbeing. The platform offers a safe digital space for young people to connect with peers and build coping strategies under the guidance of trained moderators. It is particularly valuable for those in rural and remote areas who face barriers to traditional services.

Parentline

Parentline offers free confidential phone and webchat counselling and support for parents and carers of children in Queensland and the Northern Territory. It offers a safety net for families by providing support when it is most needed. This includes after hours and weekends, where families feel isolated and where

local services are unavailable. In 2025, there were more than 7,000 counselling contacts with parents and carers in Queensland and the Northern Territory.

Family and Domestic Violence Refuge and Transitional Housing

yourtown's Family and Domestic Violence Refuge provides safe, supported accommodation for women and children for up to 12 weeks, or longer depending on individual needs. The refuge is staffed by a specialised, trauma-informed team where families can begin to rebuild their lives. The service is designed to foster empowerment, restore self-agency, and support women and children to reconnect with their strengths, aspirations, and sense of control.

Families exiting the refuge may transition into **yourtown's** Transitional Housing Program, which offers continued safety and stability for up to 12 months. This program is a critical bridge to long-term, independent living and includes wrap-around support tailored to each family's goals. This includes assistance with legal and financial matters, employment pathways, education access, therapeutic support, and helping children settle into school and community life. The refuge also offers an Outreach Program at exit, enabling families to maintain connection with the refuge and receive ongoing support after their stay. This continuity of care ensures women and children remain supported as they navigate their next steps for as long as they need. In 2024-25, **yourtown** supported: 29 parents and 48 children through refuge accommodation and 21 parents and 38 children through transitional housing.

Face-to-face Programs for Children and Families

yourtown provides accommodation and intensive individualised support to vulnerable at-risk young parents and their children through our San Miguel service. For over 40 years, San Miguel has provided a place to call home for vulnerable and at-risk families. In 2024-25, San Miguel supported 33 parents and 41 infants and young children. **yourtown's** CARE Plus program in Port Pirie is an early intervention and family support service that aims to improve the development and wellbeing of children. We support students to continue to engage meaningfully in their education. On average, CARE Plus supported 25 children and young people each month in the last financial year. **yourtown's** Starfish program supports children and young people aged up to 18 years to improve their emotional health and wellbeing. We provide outreach early intervention and prevention support in the Moreton Bay and Logan communities. The program supported 270 families in the last financial year. **yourtown** is the Facilitating Partner for Deception Bay Communities for Children services. These community-based prevention and early intervention strategies support the development and wellbeing of children up to 12 years of age. In 2024-25, Coordinated Advocacy and Referral for Early Intervention assisted 114 families, Wolbai (a culturally safe, appropriate, and socially inclusive program that supports children and families) assisted 110 families, and Connected Families (which aims to strengthen parenting, wellbeing, and community connections for families) supported 182 families. **yourtown's** Penrose Young Parents Program in Port Pirie South Australia and Glugor Young Parents Program in Deception Bay Queensland provide practical parenting support to help with child development, life skills, and health and wellbeing activities in safe, supportive environments. In 2024-25, Penrose supported 45 parents and 42 children and Glugor supported 31 parents and 42 children.

Employment Services

For over 20 years **yourtown** has been delivering specialist youth employment services. Our employment services programs, including Transition to Work, Skilling Queenslanders for Work, and Get Back in the Game provide young people with training to expand their options and help them find sustainable employment. During 2024-25 almost 5,000 young people were supported in our employment services and programs in South Australia, Queensland, and New South Wales.

Social Enterprises

yourtown has worked with young people and employers to break down barriers to sustainable employment for 25 years. As a leader in work-based enterprises we provide young people at risk of long-term unemployment paid jobs in the following areas: construction, landscaping, and asset maintenance to help their transition to open employment. In 2024-25, almost 300 young people were employed in our social enterprises across South Australia, Queensland, and New South Wales.