

18 December 2009

Productivity Commission Locked Bag 2, Collins Street East, Melbourne, VIC, 8003.

Dear Commissioners

Re: Productivity Commission 2009, Gambling Draft Report.

Thank you for the opportunity to respond to the Draft Report into Gambling. As detailed in our initial submission BoysTown has conducted Charitable Art Unions for almost 50 years.

During this time research undertaken on many occasions has identified that Charitable Art Union participation is seen as a form of funding support to the organisation rather than gambling. Whilst Charitable Art Unions are currently included within lottery regulations we believe they represent the 'softer' end of the lottery market. This comment is made on the basis that Charitable Art Unions have the following characteristics:

- Prohibited major cash prizes
- Have a cost to enter
- Have a legislative delivery method (tickets must be posted)
- No instant gratification
- The purchase is refundable (prior to draw)
- Odds of winning are public
- Have limited retail venues
- · Must comply with privacy and spam legislation

Given the above, Charitable Art Unions do not expose consumers to the same risks as with other gaming products.

The Productivity Commissions Draft Report into Gambling does not appear to address the nature and definition of gambling and the range of activities incorporated within this definition. Currently Charitable Art Unions are regulated by State and Territory Gaming Laws/Acts but appear to have not been considered in the formation of recommendations contained within this report.

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BoysTown fully supports all efforts to protect the interests of individuals who may be affected by the impacts of problem gambling, however we remain extremely concerned of possible unintended implications for our sector without a clear definition and associated range of activities.

Specifically Draft Recommendation 9.2 (Other than for online gambling, and for high rollers and international visitors in casinos, governments should prohibit the use of credit cards for gambling.) does not include any exemption for participation in Charitable Art Unions. Charitable Art Unions are in the main a direct marketing product which sees high levels of participation through the use of credit cards. In recent years significant savings have been made through the introduction of subscription purchasing which is predominantly supported by individuals providing credit card details for regular participation. These savings have seen, for BoysTown increased monies being made available for the delivery of essential social services.

Any changes which might result in credit card transactions not being permitted for use in Charitable Art Unions would have catastrophic implications for our organisation and service delivery.

As a national provider of services BoysTown currently seeks permits across a number of states and territories for the conduct of Charitable Art Unions. This is not only costly but in some jurisdictions without special dispensation it is impossible to be compliant when combined with other state regulations.

BoysTown would welcome the introduction of national regulations/frameworks for the conduct of Charitable Art Unions which would provide for consistency in marketing activities and compliance with the result of significant savings for the organisation.

We welcome the opportunity to discuss further or to provide information pertaining to Charitable Art Unions and their conduct. Please contact me on 07 38671230 or email on tadams@boystown.com.au or Mr Keith Coventry on 07 38671237 or email on kcoventry@boystown.com.au.

Yours sincerely,

Chief Executive Officer

BoysTown