

28 May 2014

The Hon Troy Grant MP
Minister for Hospitality, Gaming and Racing
Level 30 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

NSW Business Chamber
incorporates

- Sydney Business Chamber
- Australian Business Limited Apprenticeships
- Australian Business Lawyers and Advisors
- Australian Business Consulting and Solution

Dear Minister

PROPOSAL FOR REFORM OF TRADE PROMOTION LOTTERY PERMITS

I am writing to you on behalf of the NSW Business Chamber (the Chamber) to request that the Government remove permit requirements for trade promotion lotteries (TPLs) with prizes worth less than \$5,000.

As you may be aware, the Chamber is one of Australia's largest business support groups, with a direct membership of more than 16,000 businesses, providing services to over 30,000 businesses each year. Tracing its heritage back to the Sydney Chamber of Commerce established in 1825, the Chamber works with thousands of businesses ranging in size from owner operators to large corporations, and spanning all industry sectors from product-based manufacturers to service provider enterprises.

TPLs involve businesses promoting their products by offering prizes to customers in games of chance, such as a white goods store offering customers that spend more than \$500 a chance to win a new fridge.

In NSW, businesses must apply to the Office of Liquor, Gaming and Racing (OLGR) for a TPL permit. However, other States are less strict: Queensland, Western Australia and Tasmania do not require any TPL permits; and Victoria, South Australia and the Northern Territory do not require permits where prizes are worth less than \$5,000.

Removing permit requirements in NSW for TPLs with prizes worth less than \$5,000 would save NSW businesses at least \$1 million a year. Publicly available data suggests around 12,000 TPLs are issued in NSW each year, at a minimum fee of \$80 per permit, which implies total annual fees of at least \$1 million. Our estimates suggest that the total annual cost to business could rise to more than \$3 million taking into account lost revenue from the delay in the commencement of the competition, and time taken to complete the form.

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There does not appear to be any evidence of significant harm caused by TPLs in NSW, nor does there appear to be any evidence of greater problems with TPLs in other States, despite their less onerous regulatory requirements.

In other words, it would appear that removing the current requirement is an ideal opportunity to eliminate unnecessary red tape burden on business.

I would be grateful if you could arrange a meeting with your office to discuss this proposal in more detail. For further information, please contact the Chamber's business regulation and economics adviser, Mr Tim Hicks on (02) 9458 7259 or at tim.hicks@nswbc.com.au.

I look forward to your response on this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read "Stephen Cartwright".

Stephen Cartwright
CHIEF EXECUTIVE OFFICER