

Trade Lotteries

1. What is a 'trade lottery'?

A trade lottery is the conduct of a game of chance in the nature of a lottery by a business and approved associations for promotional purposes. The game may involve both elements of chance and skill.

A trade promotional activity not involving the element of chance is not considered a trade lottery.

In the Northern Territory, trade lotteries are classified as either 'minor' or 'major'. A minor trade lottery is one where the total prize value is \$5000 or less.

A major trade lottery is one where the total prize value is greater than \$5000.

2. Who can conduct a trade lottery?

A person or an approved association carrying on a trade or business in the Territory may conduct a trade lottery.

3. Is a permit required for the conduct of a trade lottery?

A permit is only required for the conduct of a major trade lottery, i.e. where the total prize value is greater than \$5000.

Where the total prize value of the trade lottery is less than \$5000, a permit will not be required.

A trade lottery permit number issued by another Australian state or territory is accepted in the Northern Territory. That is, an interstate business conducting business or trade in the Territory and holding a current permit to run a trade lottery in another state or territory may also conduct the trade lottery in the Territory without further approval.

Standard conditions apply to the conduct of all trade lotteries, irrespective of whether or not a permit is required.

4. Are there any conditions that must be observed when conducting trade lotteries?

Yes. The following are the standard conditions for trade lotteries:

- a) The trade lottery must be conducted in accordance with the Gaming Control (Community Gaming) Regulations and guidelines issued by the Director of Licensing.
- b) The trade lottery or promotion shall not include a prohibited game or a variant thereof.
- c) Businesses conducting a trade lottery must not charge an entry fee to participate in the lottery. However, entries may be conditional on the purchase of goods or services.
- d) Each entry in a trade lottery must have an equal probability of winning the major prize.
- e) Liquor must not be a "principal prize" in the trade lottery (this includes prizes consisting solely of money and liquor). Firearms, weapons, ammunition, explosives and tobacco products must not be offered as prizes.
- f) The organiser must not award to a person under 18 years of age a prize that includes liquor or other goods or services which, under a law in force in the Territory, is prohibited to be sold or supplied to such a person.
- g) The terms and conditions of the trade lottery must be clearly stated on entry forms and any of the trade lottery promotional material. Terms and conditions must be fair and equitable.
- h) The permit number (where applicable), the period in which the trade lottery is being run, the draw date, details of how the winners are determined and information on

methods for notifying winners must be clearly stated on the entry form and any of the trade lottery promotional material.

- i) Prizes subject to restrictions and conditions, such as travel prizes, must clearly display the term "Conditions Apply" on the ticket and any trade lottery promotion.
- j) No employees of the business or family members of those employees may participate in the trade lottery.
- k) The lottery must be drawn on the date specified and prizes shall be awarded to the winners in strict accordance with the terms and conditions of the trade lottery. In the event of any dispute, complaint or investigation concerning the conduct or outcome of a lottery, it shall be the sole responsibility of the business conducting the trade lottery, at its cost, to demonstrate compliance with these conditions to the reasonable satisfaction of the Director of Licensing.
- l) The names of the major prize winners in a major trade lottery must be published in a local or a national newspaper.
- m) The Lottery shall be conducted in a manner that complies with the NT Code of Practice for Responsible Gambling.

5. Can the business publicise the trade lottery?

Yes, provided it is not misleading and the permit number (if applicable) and the rules and conditions of the lottery or game are clearly stated. In the case of a major trade lottery, if publicity is undertaken prior to a permit being granted, the promotional material must state that the lottery is subject to the approval of the permit and that the lottery will not go ahead if the permit is not approved.

6. What are the business's obligations with regard to looking after prizes before they are collected?

Prizes must be preserved until the winners are able to collect them or, until they are disposed of (see 'How do I deal with an unclaimed prize?').

If the prize is property, and there is a house on the property or any other improvement, these must be maintained and the property insured for the full market value against loss or damage until the date the property is transferred to the winner. Although you will be liable for outgoings such as rates etc., you are able to receive rent or profits from the property until the date of transfer.

7. How are unclaimed prizes dealt with?

Unclaimed prizes must be dealt with according to requirements of the jurisdiction in which the draw takes place. For local trade lotteries, prizes unclaimed for more than three months after the date of draw must be surrendered to the Director of Licensing if the unclaimed prizes do not contain perishable goods.

If unclaimed prizes include perishable goods, the approved association may dispose of the goods in a manner that will bring reasonable price and apply the amount to aid and support the approved association.

8. What records will the business need to keep?

The business conducting the trade lottery must ensure that full records associated with the running of the trade lottery are kept for at least two years. The records to be kept include:

- entries;
- prizes;
- publication of winners; and
- evidence of prizes being awarded.

The records are to be made available in the event of an investigation arising from a dispute or complaint.

9. How do I apply for a major trade lottery permit?

Applications can be made electronically through:

www.transact.nt.gov.au

Alternatively, application forms are available at a Territory Business Centre (TBC) or from Racing, Gaming and Licensing (RGL). The application forms may be downloaded from the TBC or the RGL websites.

www.nt.gov.au/business

www.nt.gov.au/ntt/licensing

10. When should the application to conduct a major trade lottery be submitted?

The organiser may apply for a major trade lottery permit once all details are available to complete the application form. Applications should be made as soon as possible to allow for timely processing and printing of the tickets, promotion, etc.

As an indication, applicants need to allow up to 10 days for processing of applications.

11. Can the permit be varied?

Yes, an application will need to be made to the Director of Licensing stating the change and the reasons for the change. The Director will notify you of his decision in writing.

12. What if draws are unable to be conducted as planned?

If the trade lottery is unable to be drawn as proposed or approved, the organiser may apply to the Director for approval to change the place, date or time of the draw. If approved, a public notice must then be provided.

The results must be published or, if there are no specific publication stated in the terms and conditions of the trade lottery, the results must be published in a local newspaper where the lottery took place.

With all lotteries and raffles, the Director may instruct a lottery to be drawn and prizes awarded if circumstances require it.

Complaints

13. What do I do if I have concerns about the legitimacy or integrity of the conduct of a trade lottery?

If a person is dissatisfied with the conduct of a trade lottery, they can make a written complaint to the Director of Licensing setting out the grounds for the complaint.

The Director of Licensing will consider the nature of the complaint and initiate an investigation into the complaint if necessary. The organiser of the trade lottery is responsible for demonstrating compliance with the Act and any other conditions to the satisfaction of the Director in the event of any dispute, complaint or investigation concerning the conduct or outcome of a trade lottery.

14. What do I include in my complaint?

As a complainant, you need to make sure you are clear about what you are complaining about. This information will assist the Director of Licensing when investigating your complaint. The types of information that will be relevant include:

- Name of the organisation conducting the trade lottery.
- Date and location of the trade lottery being conducted.
- How the trade lottery was promoted.
- Your particular concerns.
- Permit number (if available).

15. Who do I send the complaint to?

Complaints must be addressed to:

Director of Licensing
 Racing, Gaming and Licensing
 GPO Box 1154
 Darwin NT 0801

Or email: director.licensing@nt.gov.au

16. What are the penalties for breach of the Gaming Control (Community Gaming) Regulations?

Depending on the nature of the complaint and the findings of any investigations by the Director, the outcome could include directions being issued by the Director to either:

- validate the draw;
- invalidate the draw and direct another draw to be undertaken un the supervision of the Director and under appropriate conditions;
- cancel the lottery or game of chance and undertake appropriate actions as required by the Director; or
- direct the organiser to adopt, vary or cease practice in the conduct of the lottery or game of chance.

Serious breaches of the Act or Regulations may result in a \$2000 fine, and may result in future trade lottery permits being refused, or in the imposition of additional conditions.

For further information contact a Territory Business Centre or Racing, Gaming and Licensing.

Territory Business Centre Contacts:

Darwin	Alice Springs	Katherine	Tennant Creek
Development House 76 The Esplanade GPO BOX 9800 Darwin NT 0801	Peter Sitzler Building, 67 North Stuart Hwy PO Box 8470 Alice Springs NT 0871	1 Randazzo Building 18 Katherine Terrace PO Box 9800 Katherine NT 0851	Shop 2, Barkly House Cnr Paterson & Davidson St PO Box 9800 Tennant Creek NT 0861
Phone (08) 8982 1700 Fax (08) 8982 1725	Phone (08) 8951 8452 Fax (08) 8951 8591	Phone (08) 8973 8180 Fax (08) 8973 8188	Phone (08) 8962 4411 Fax (08) 8962 4413

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