

LICENSING, REGULATION AND ALCOHOL STRATEGY

Lotteries and Raffles by Approved Associations

The following are the range of activities, or variants thereof that approved associations may conduct as a fund-raising activity, or as a form of entertainment.

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- Raffles
 - Minor Lotteries
 - Major Lotteries
 - Bingo
 - Mini-lotto
 - Tipping Competitions
 - Sweepstakes
 - Calcuttas
 - Free entry lotteries
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1. What is a Raffle?

A Raffle is a game of chance or lottery, where the total tickets available for sale or the total amount of entry fees to be charged is no more than \$5,000 and the winners are determined wholly or partly by chance, which may include the drawing of tickets or numbers randomly.

2. What is a Minor Lottery?

A Minor Lottery is a game of chance similar to a raffle where the total tickets available for sale are between \$5,001 and \$20,000.

3. What is a Major Lottery?

A Major Lottery is a game of chance or chance and skill, where total tickets available for sale is greater than \$20,000.

4. What is Bingo?

Bingo is a game where players buy cards with imprinted numbers in a grid. Numbers are drawn at random out of the total possible numbers contained on the grids. The first person to complete and announce a bingo line with five numbers in either a vertical, horizontal or diagonal line on one of their cards wins. It is usually played in bingo halls.

5. What is Mini-Lotto?

Mini-Lotto is a game similar to Tattslotto, where six numbers are drawn from a total of between seven and 40 numbers. The total value of prizes offered must not exceed \$5,000.

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6. What is a Tipping Competition?

A Tipping Competition is a game of chance and skill where participants are required to pick the result of football matches or other events and winners are determined based on the number of correctly selected results over a given period. The total value of prizes offered must not exceed \$5,000. Where total prizes exceed \$5,000, the competition is to be treated as a minor or major lottery and a permit is required.

7. What is a Sweepstake?

A Sweepstake is a game where participants pay a set fee for a chance to win an allotment against a competitor in an event, for example, a horse in the Melbourne Cup. Each participant is drawn a runner in the race and the winner/s of the sweepstake is determined by the result of the race/event. The prize pool, comprising the entry fees less any permitted deductions is distributed to the sweepstake winner/s.

8. What is a Calcutta?

A Calcutta is a more complex version of a sweepstake, where participants purchase the chance to win an allotment against a competitor in an event/race and the allotments are auctioned. The holder of the allotment may elect to sell the right and receive 50 per cent of the proceeds of the sale or to retain the right by making the highest bid and paying 50 per cent of that bid. The prize pool, comprising the entry fees less any permitted deductions is distributed to the holder of the rights against the winner and designated placegetters of that event.

9. What is a Free Entry Lottery?

A Free Entry Lottery is a complimentary lottery where entry is granted by being a member of an association or by purchasing a ticket to a function. An example of this is a weekly membership draw. If the free entry lottery prize exceeds \$2,000 the winner must be determined within four weeks after the date that the prize reaches the maximum amount. The winner is determined by either holding repeated draws until the winner is determined, or giving the prize to the participant with the nearest correct entry.

10. Who can conduct Lotteries and Raffles?

Approved associations may conduct lotteries, raffles and games. For further information, refer to the section on Approved Associations.

11. Is a permit required to conduct a Lottery or Game of Chance?

Generally, approved associations wishing to conduct any variant of the abovementioned lotteries or games as a fundraising activity or as entertainment may do so without a permit if the value of tickets available for sale (total entry fees) does not exceed \$5,000. Standard conditions for the conduct of lotteries, raffles and games would still apply (refer to Question 13).

Where the value to tickets available for sale or total entry fee is expected to be greater than \$5,000, a permit is required. Refer to the Minor and Major Lottery Application Form for more information (refer to the section on minor / major lotteries).

12. Can the Organiser Publicise their Lottery or Game of Chance?

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

13. What conditions and restrictions apply when conducting Lotteries and Games of Chance?

Approved associations conducting any form of lottery, raffle or game of chance must observe and adhere to the following conditions. Additional conditions apply to minor and major lotteries. These are set out in the Application Form.

- a) The lottery, raffle or game of chance must be conducted in accordance with the *Gaming Control (Community Gaming) Regulations* and guidelines issued by the Director of Licensing.
- b) The value of the prizes to be distributed in the lottery, raffle or game of chance must not be less than one-third of the total value of the tickets (entry fee) that may be sold in the lottery, raffle or game.
- c) Liquor must not be a "principal prize" in a lottery, raffle or game of chance (this includes prizes consisting solely of money and liquor). Firearms, weapons, ammunition, explosives and tobacco products must not be offered as prizes.
- d) The approved association must clearly state the rules and conditions of the lottery, raffle or game of chance in writing, including the prizes offered, when the ticket will be drawn, the draw method and how each winner is to be determined. These rules and conditions must be clearly indicated on all promotion of the lottery, raffle or game.
- e) The lottery, raffle or game of chance must be drawn on the date specified and prizes shall be awarded to the winners in strict accordance with the rules of the lottery, raffle or game. In the event of any dispute, complaint or investigation concerning the conduct or outcome of a lottery, raffle or game, it shall be the sole responsibility of the organiser, at the organiser's cost, to demonstrate compliance with these conditions to the reasonable satisfaction of the Director of Licensing.
- f) No person or association whether or not it is connected with the approved association, shall receive a payment, fee, commission, remuneration or any other benefit whatsoever in relation to the organisation or conduct of a lottery, raffle or game.
- g) Prizes subject to restrictions and conditions, such as travel prizes, must clearly display the term "Conditions Apply" on the ticket and any lottery, raffle or game promotion.
- h) The lottery, raffle or game shall be conducted in a manner that complies with the NT Code of Practice for Responsible Gambling.
- i) All prizes must be given as offered.
- j) All tickets included in the draw, and those unsold, must be retained by the association for a period of 12 months.

14. What are the organiser'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 are unclaimed prizes dealt with?').

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.

15. What if the organiser needs to change the prize?

If the organiser wants to substitute a prize, they must seek written permission from the Director of Licensing. The following information will need to be provided:

- description and value of the prize that was to be awarded;
- description and value of the new prize;
- reason for the substitution; and
- documentary evidence verifying the value of the new prize.
 - If the prize has a value of \$500 or more, the organiser must also provide the follow details:
- the steps they intend to take to let participants know about the substituted prize; and
- if relevant, how they may obtain a refund for their tickets if they so wish.

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

If, beyond the control of an association, the lottery is unable to be drawn as proposed or approved, the association 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 either be published or, if there are no conditions or relevant rules, the results must be published in a local newspaper where the lottery took place.

If a purchased ticket is not included in the draw, all reasonable steps must be taken to refund the amount of the ticket to the individual who purchased it within 60 days from the draw. If the person can't be located, the purchase price of the ticket is to be provided to the Director for payment into the Community Benefit Fund.

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

17. How are unclaimed prizes dealt with?

Prizes unclaimed for more than three months after the date of draw must be surrendered to the Director of Licensing unless the unclaimed prizes contain perishable goods.

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

18. What happens if tickets purchased were accidentally omitted from the draw?

Any tickets sold but not included in the draw must be refunded within 60 days after the draw. The association conducting the lottery or raffle must take all practicable steps to ensure that the money paid for the ticket is returned to the purchaser and if the purchaser cannot be contacted, the money must be paid to the Director of Licensing for deposit into the Community Benefit Fund.

19. What records will the organiser need to keep?

Irrespective of the types of lottery, raffle or game of chance conducted, approved associations must ensure that full records associated with the running of lotteries or games are kept for at least two years. Records relating to a major lottery must be kept for a period of seven years.

The records to be kept include:

- Entries
- Prizes
- Income and expenditure
- Discounts, rebates or other allowances received in relation to the purchase of prizes
- Receipts
- Invoices
- Evidence of prizes being awarded

The records are to be auditable through the financial statements of the association.

20. Do the financial statements need auditing?

Yes, but it does not need to be a separate process to the association's annual audit process. An association must ensure that their financial records relating to lotteries, raffles and games of chance are audited by a registered company auditor (as defined in the *Corporations Act 2001*) or by someone with appropriate qualifications approved by the Director of Licensing.

This individual must then prepare a report stating if the financial records relating to the lotteries, raffles and games of chance are a true and fair view of financial matters relating to those activities.

Audit reports must be retained and made available to licensing inspectors on request.

If a qualified audit report is issued (with concerns raised), it must be submitted to the Director of Licensing within 14 days of the report being received by the association.

Minor/Major Lottery Permit

21. What preparation should the association make before applying for a minor or major lottery permit?

Firstly, work out the details of the lottery i.e. the number of tickets, cost per ticket, the rules and or conditions, the method of the draw, how prizes are to be awarded and location of the draw.

Secondly, organise the prizes, tickets and any promotional material as the details need to be provided in the application.

Thirdly, design and draft the tickets as a proof will be needed in the application.

22. When should the application to conduct a minor / major lottery be submitted?

Approved associations may apply for a minor or major 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 applications to be processed by Licensing, Regulation and Alcohol Strategy.

23. Where are application forms available from?

Application forms for minor and major lottery permits are available from all Territory Business Centres and Licensing, Regulation and Alcohol Strategy offices. They can also be downloaded from www.tbc.nt.gov.au or www.nt.gov.au/justice/licenreg.

24. Once a permit is granted for the conduct of a minor or major lottery, can the association make changes to the proposed lottery?

Approval of the Director is required for any variation to the proposed lottery once a permit has been issued. The Director may vary or cancel a condition of the permit, impose new conditions or cancel the permit altogether. If this occurs, you will receive written notification.

Approved Associations

25. What is an approved association?

An association for the purpose of the *Gaming Control (Community Gaming) Regulations* is an association, society, institution or body who conducts its business either entirely or partially in the Northern Territory and was formed or carries out its business for any of the following purposes:

- religious, educational, benevolent or charitable;
- providing medical treatment or attention;
- promoting or encouraging literature, science, art or a cultural activity;
- recreation or amusement;
- beautifying or improving a community centre; or

- certified in writing by the Director of Licensing to be an association under the *Gaming Control Act*.

An approved association is an association approved by the Director of Licensing for the purpose of the *Gaming Control Act*. An association incorporated under the *Associations Act* does not automatically make it an approved association.

26. Who can become an ‘approved association’?

A group, club or association having ten (10) or more members may apply to the Director of Licensing to become an approved association.

27. Does the association need to be incorporated to be approved?

No. However, it would be beneficial. All clubs/associations must have a constitution that sets out its purpose, structure and rules and regulations, particularly those relating to its financial management and dissolution. The approved association must also hold formal annual general meetings in order to maintain its approval status.

28. Why is it necessary to become an approved association?

An approved association is legally allowed to:

- Conduct raffles where the available ticket sales are \$5,000 or less without further approval.
- Conduct tipping competitions and mini-lotto without further approval.
- Conduct bingo, Sweepstakes and Calcuttas without further approval.
- Subject to a permit, conduct minor and major lotteries.
- Subject to approval, operate ticket dispensing machines.

29. Are there conditions associated with being an approved association?

Yes, the association must:

- Not contravene the Act, Regulations or any additional conditions imposed by the Director of Licensing.
- Nominate a member to become an authorised person and lodge a notice of consent by the authorised person as soon as possible or immediately after a change of authorised person.
- Notify the Director of any change of office holders no later than 14 days after holding the annual general meeting.
- Notify the Director of any other significant changes such as to the contact details, changes to the constitution or purpose of the association, winding up or dissolution of the association.
- Lodge an Association Update form after each annual general meeting.

30. Can the conditions of approval change or be revoked?

Yes. If the conditions of approval are changed, the Director will notify the association in writing with the reasons for the change to its conditions or revocation of the approval.

Alternatively, the association may request some changes or wish to cancel the approved status of the association. The association will need to address this in writing to the Director.

31. What might cause suspension or revocation of the approved status of our association?

The following is a list of items that may cause either the suspension or revocation of an association's approved status:

- approval was based on false or misleading information;
- representatives of the association have contravened the *Act, Regulations*, or a condition of approval or permit;
- the integrity of the conduct of a lottery is threatened;
- representatives of the association have acted contrary to the association's constitution or public interest; or
- an alteration made to the association's constitution is inconsistent with the requirements for continued approval of the association.

32. What will happen if approval is suspended or revoked?

The Director will provide written notification of the proposal to suspend or revoke the association's approval, stating the reasons for the decision. The association will be given an opportunity (14 days) to respond to the notice and state any reasons why the Director should not suspend or revoke the approval status. The Director will consider the submission, make a decision and advise the association in writing.

There are exceptional circumstances where the Director may immediately suspend the approval for an association. If this is warranted, the association will be provided with written notification stating the reasons. You are still able to submit to the Director to review this decision no later than 14 days from the date of the notice. If the Director refuses to lift the suspension, you will be advised in writing with the reasons for the refusal. This will be provided to you no later than 28 days after the submission is received by the Director.

33. What is the process to becoming an approved association?

The association will need to complete an application form and submit it to the Director of Licensing. The form is available at www.nt.gov.au/justice/licenreg.

The application is to include:

- a) a copy of the certificate of incorporation of the association; or
- b) a copy of the advice of an incorporating authority that the association is ineligible for incorporation; or
- c) a statement by the governing body with reasons why the association is not incorporated; and
- d) a copy of the associations constitution certified as a true copy of the original by the secretary or public officer or authorised person (see 34), and a document identifying the members of the governing body and a copy of the authorised person's notice of consent to act in that capacity.

34. What is an authorised person of the approved association?

The authorised person is current member who has been authorised by the governing body of the association to represent it and be responsible for the conduct of lotteries, raffles, etc. on behalf of the association.

Complaints

35. What do I do if I have concerns about the legitimacy or integrity of a lottery or game of chance being conducted?

If a person is dissatisfied with the conduct of a lottery or game of chance, 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 association conducting the lottery or game of chance 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 lottery or game of chance.

36. 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 lottery or game of chance.
- Date and location of the lottery or game of chance.
- How the lottery or game of chance was promoted.
- Your particular concerns.
- Permit number (if available).

37. Who do I send the complaint to?

The Director of Licensing
Licensing, Regulation and Alcohol Strategy
GPO Box 1154
Darwin NT 0801
Or email: lr.doj@nt.gov.au

38. What are the penalties for non-compliance?

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 be undertaken under the supervision of the Director and under appropriate conditions;
- cancel the lottery or game of chance and undertake appropriate action as required by the Director; or

- direct the association or individual to adopt, vary or cease practice in the conduct of the lottery or game of chance.

In the event of a serious breach of the Act or Regulations, non-compliance may result in revocation of a permit, revocation of the approval status of the approved association, and/or a fine of \$2,000.

39. What happens if the Director cancels a raffle, minor or major lottery?

The organiser of the lottery must take all reasonable steps to refund each purchaser no later than 60 days after the date of cancellation.

If you are unable to locate any of the purchasers within the 60 days, you must pay the outstanding amount to the Director, which will be forwarded to the Community Benefit Fund.

TERRITORY BUSINESS CENTRES

TOLL FREE LINE: 1800 193 111 (Australia Wide)

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Development Hse 76 The Esplanade Darwin NT 0800 Phone: (08) 8982 1700	1 Randazzo Bldg 18 Katherine Tce Katherine NT 0850 Phone: (08) 8972 8906	Shop 2, Barkly Hse Cnr Paterson & Davidson Sts Tennant Creek NT 0860 Phone: (08) 8962 4411	Peter Sitzler Bldg 67 Nth Stuart Hwy Alice Springs NT 0870 Phone: (08) 8951 8524	GPO Box 9800 Darwin NT 0801 territory.businesscentre@nt.gov.au

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