

# Raffles (ACT)

Legal information for Australian Capital Territory community organisations

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## This fact sheet covers:

- ▶ what is a raffle?
  - ▶ what laws are relevant and who regulates raffles in the Australian Capital Territory?
  - ▶ is a permit required?
  - ▶ collecting for charitable purposes
  - ▶ what are the requirements for holding a raffle?
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  - ▶ what records must be kept?
  - ▶ how are ticket sales treated for tax purposes?
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**This information is for organisations that want to know more about the legal requirements for conducting raffles in the Australian Capital Territory.**

A special legal regime applies to raffles held or promoted in the ACT.



### Note

This fact sheet provides information on raffles in the Australian Capital Territory. This information is intended as a guide only and is not legal advice. If you or your organisation has a specific legal issue, you should seek legal advice before making a decision about what to do.

Please refer to [the full disclaimer](#) that applies to this fact sheet.



# What is a raffle? What laws are relevant and who regulates raffles in the Australian Capital Territory?



## What is a raffle?

A raffle is any lottery, scheme or arrangement involving the distribution of prizes in which prize-winners are determined by means which include an element of chance or a mixture of skill and chance.

A raffle usually involves the sale of tickets followed by a draw to determine the winners of certain pre-determined prizes.

Raffles are regulated in the Australian Capital Territory (ACT) by the ACT Gambling & Racing Commission (**Commission**) and governed by the Lotteries Act 1964 (ACT) (**Lotteries Act**). In this fact sheet, unless otherwise stated, further detail of any Commission requirements in relation to raffles can be found on the [Commission website](#).

If your organisation wants to conduct a raffle in another state or territory (in addition to the ACT), you must also comply with the laws of that other state or territory.

## Is a permit required?

Depending on the size of the prize pool, generally, the Commission must approve a raffle and grant a permit for it before the raffle can be advertised or conducted in the ACT.

A permit is not required if the raffle is:

- classified as an '**exempt lottery**' under the Lotteries Act, or
- conducted online and the website is hosted outside the ACT or, if not hosted in the ACT, the site doesn't target ACT residents

### Exempt lotteries

An exempt lottery in respect of a raffle is where:

- the total value of the raffle doesn't exceed \$2,500
- the raffle prizes consist entirely of:
  - the granting of rebates, discounts or other allowances in respect of amounts payable, or
  - the granting of refunds of amounts paid for goods sold or services performed in the course of carrying on that trade or business which are equally available to all customers, or
- the raffle is a '**private lottery**' as defined in the Lotteries Act (where participation is restricted to members of the same association or who work or reside in the same premises and where there is no external advertising of the promotion)

An exempt lottery may not involve or include references to the playing of an unlawful game.

### Website lotteries

If the raffle is conducted through a website, a permit is required if:

- the website is hosted in the ACT, or
- the website is not hosted in the ACT but the promotion is being advertised in the ACT in addition to the advertising on the website



### Note

The Gambling & Racing Commissioner may impose additional permit conditions (in its own discretion as it sees fit) in respect of a raffle to protect the interests of subscribers to the raffle.

## Collecting for charitable purposes

If you are a charitable organisation that intends to hold a raffle to raise funds for a charitable purpose, you must follow the same rules and conditions as set out above. There are no additional approvals or licences required to raise money through a raffle for charitable purposes.

## What are the requirements to hold a raffle?

### Who can enter a raffle?

A raffle must be open for anyone who wishes to enter (subject to the terms and conditions of the raffle).

If the raffle uses communication or delivery revenue sharing arrangements (such as SMS, phone numbers or other electronic methods, or postal services) as a way to enter the raffle, the full contact method must be clearly stated on the ticket and in the terms and conditions applying to the raffle.

### Tickets

All tickets must have an equal chance of winning the raffle.

If the total value of prizes is less than \$10,000, the total value of tickets sold must not be more than five times the total value of prizes.

If the total value of prizes is equal to or greater than \$10,000, then the total value of tickets sold must not be more than ten times the total value of prizes.

Each ticket must contain the following information:

- the permit number issued by the Commission
- the benefiting person or organisation and the purpose for which the raffle is to be conducted
- full list of prizes and their retail or market value
- any conditions attached to the prizes
- a sequential number
- the date, time and location of the draw, and
- where and when the results will be published or how and when winners will be informed



### Note

If the benefiting person or organisation is a not-for-profit organisation, a ticket need only include the information listed above if an individual prize is \$2,000 or more.

## Requirements for exempt lotteries

Exempt Lotteries must meet the following requirements under the Lotteries Act:

- each ticket or entry in the raffle must have an equal chance of winning
- records must be kept of the winning ticket, and, if available, the identity of the person who holds the winning ticket
- the raffle must not be conducted or advertised in a way that could be considered inappropriate or offensive

- the person or corporation conducting the raffle must make the results of the raffle available to all participants (for example, in a newspaper, website or newsletter, or by email) and ensure that the person holding the winning ticket or entry is informed of the results
- the person or corporation conducting the raffle must do everything reasonably necessary to ensure that a person entitled to a prize receives the prize, and
- if the prize is not claimed within a reasonable period, the person conducting the raffle must draw another winning ticket or entry

## What are the requirements for raffle prizes?

### Prizes

The Commission will not approve an application for a raffle where participants are (or could be) minors and where the prize of the raffle is considered by the Commission to be inappropriate (for example, alcohol, tobacco products or dangerous goods).

Where the prize includes travel, all relevant travel information must be included on the ticket and in the terms and conditions of the raffle. Relevant information, such as location details, class of travel, number of people included, inclusion of transfers, date by which travel has to be taken and any restrictions must be included.

If the prize is not claimed within a reasonable period, the person conducting the raffle must run a redraw to determine a new winner.

### Drawing the prizes

Raffles must be drawn in a fair and transparent manner and must be drawn within one year of the start of the raffle.

If there is more than one prize, the major prize must be drawn first to ensure that all participants have an equal chance of winning that prize. This is not a requirement if winning entries are eligible to be redrawn.

## What records must be kept?

The Commission requires that all records concerning the raffle including ticket stubs, number of tickets sold and unsold and details of people selling the tickets be kept on record for 12 months after the raffle is drawn.

Financial statements, detailing all income and expenditure associated with the raffle, must be drawn up and kept on record for 12 months after the determination of the results.



### Caution

The Commission may request that you provide these records at any time during the 12 month period.

## How are raffle ticket sales treated for tax purposes?

### Income tax

If your organisation is exempt from paying income tax it will be exempt from paying income tax on proceeds it receives from a raffle.



### Related Not-for-profit Law resources

For more information about whether your organisation is exempt from paying income tax see our webpages on [getting started](#) and [tax](#).



### Related resources

If the organisation is not exempt from income tax, raffle sales will generally be included as assessable income for the purposes of income tax, although there may be some deductions available. For more information, see [the ATO's guide to gifts and fundraising](#) or seek specific legal or accounting advice.

### Goods and services tax (GST)

If your community organisation has been specifically endorsed by the ATO as a tax concession charity (**TCC**) or a deductible gift recipient (**DGR**), it will be not required to pay GST on the price of raffle tickets sold. If your organisation is not endorsed as a TCC or DGR, whether it is required to pay GST will depend on whether the organisation is registered, or required to be registered, for GST.



### Related Not-for-profit Law resources

For more information on TCC, DGR and GST see our webpage on [tax](#).

# Resources

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## Not-for-profit Law resources

The [Not-for-profit Law website](#) contains many fact sheets on different topics. The following topics contain relevant further information:

- ▶ [Fundraising and events](#)

This page contains resources on the main legal issues when fundraising

- ▶ [Communications and advertising](#)

This page offers information on advertising and promotions and social media, such as Facebook and Twitter.

- ▶ [Tax](#)

The tax page has information about different tax concessions available to charities and not-for-profits.

## Other related resources

### The ACT Gambling & Racing Commission

- ▶ [The ACT Gambling & Racing Commission's Raffles information page](#)

- ▶ [Approved application forms](#)

The Commission website provides the appropriate form to applying for a permit online. This link also provides information on the raffle application fees and charges.

### Australian Tax Office (ATO) resources

- ▶ [Gifts and fundraising guide](#)

The ATO's gifts and fundraising guide provides community organisations with information about the tax treatment of money raised through gifts and fundraising.

- ▶ [ATO summary of laws that regulate raffles in other jurisdictions](#)

This page in the ATO's site provides a summary of the laws relating to raffles and gaming in other State and Territory jurisdictions. Use the menu on the right hand side to select the jurisdiction.

## Legislation

- ▶ [Lotteries Act 1964 \(ACT\)](#)