

# Raffles (NT)

## Legal information for Northern 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 Northern Territory?
  - ▶ when is a permit required?
  - ▶ what are the requirements for holding a raffle?
  - ▶ what are the requirements for raffle prizes?
  - ▶ 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 Northern Territory.**

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



#### **Note**

This fact sheet provides information on raffles in the Northern 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 Northern Territory?



### What is a raffle?

Under the [Gaming Control \(Community Gaming\) Regulations 2006 \(NT\)](#), a raffle is defined as a type of lottery in which the total value of tickets available for sale or the total amount of entry fees to be charged is not more than \$5,000.

In the Northern Territory (NT) the rules about the conduct of raffles are found in the [Gaming Control Act 1993 \(NT\)](#) and the [Gaming Control \(Community Gaming\) Regulations 2006 \(NT\)](#) (**Gaming Laws**).

The Gaming Laws are administered and regulated in the NT by the NT Department of Trade, Business and Innovation (**NTDTBI**) and Licensing NT.

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

### When is a permit required?

In the NT, a raffle is called a 'lottery' under the Gaming Laws.

A permit is **not** required for raffles where the total value of tickets available for sale or the total amount of entry fees to be charged does not exceed \$5,000.

While the Gaming Laws state that a raffle can't exceed \$5,000, Licensing NT allows raffles exceeding the \$5,000 limit to be conducted in the NT subject to the conditions governing minor and major lotteries as set out below.

#### Minor lotteries

Under the Gaming Laws, a raffle is a minor lottery if the total value of tickets available for sale in the raffle is more than \$5,000 and not more than \$20,000.

A permit **is** required to conduct a minor lottery.

#### Major lotteries

If the total value of tickets available for sale in a raffle is more than \$20,000 the raffle will be classified as a major lottery under the Gaming Laws.

A permit **is** required to conduct a major lottery.

### How do you get a permit?

Approved associations can apply for permits by lodging an [application](#) to a Territory Business Centre.

Major and minor lottery permits can't be assigned, contracted or sub-contracted to another association.



### Note

If a permit is required, you must apply for the permit at **least 14 days before** and **no more than 3 months before** the start of the raffle. The application generally takes 10 days to be processed.

## What are the requirements to hold a raffle?

### Who can hold and who can enter a raffle?

In the NT, a raffle can only be conducted by an 'approved association'.

#### Approved associations

Any community organisation which does business in the NT and carries out business for an approved purpose can apply to become an approved association under the Gaming Laws.

The following purposes are approved purposes:

- religious, education, benevolent or charitable
- provides medical treatment or attention
- promotes or encourages literature, science, art or a cultural activity
- recreation or amusement
- beautifying or improving a community centre or
- is certified in writing by the Director of Licensing to be an association under the *Gaming Control Act 1993* (NT)



#### Caution

If you are an organisation incorporated under the *Associations Act 2003* (NT) you don't automatically qualify for approval under the *Gaming Control Act 1993* (NT).

### Tickets

A ticket is a document or thing that shows a person's right to participate in a raffle, (regardless of whether a physical record of entry into the raffle is issued or a fee is paid to enter the raffle). Each ticket must have a fair and equal chance of winning the raffle.

All tickets in a raffle must be sold for a maximum of three months.

Licensing NT requires that all tickets in a raffle that is a minor lottery or a major lottery must include the following information:

- the terms and conditions of the raffle
- the name of the approved association conducting the raffle
- date, time and place of draw
- ticket price
- number of tickets to be issued
- permit number
- description and retail value of main prizes
- detail of how winners will be determined (for example, barrel draw, random number generation) and draw policy
- date of publication of results and how prize winners will be notified, including details of the newsletter that will publish the results
- contact number for raffle information, and
- name of place where the prizes are on display (if applicable)

Prizes subject to restrictions and conditions, such as travel prizes, must clearly display the term 'Conditions Apply' on the ticket and any lottery promotion.



## Advertising the raffle

A raffle must not be misleading. If a raffle is a minor or major lottery, it must show the permit number, and the rules and conditions. Where practicable, the prizes must be displayed throughout the ticket selling period to give people an opportunity to see them.

If liquor is part of the total value of a prize, the liquor must not be advertised or represented as a major component of the prize.

Promotion of an illegal raffle or an unlawful game is in contravention of the Gaming Laws. See the [NT Government website](#) for a list of prohibited games.

## Drawing the prizes and unclaimed prizes

All prizes must be given as offered. A raffle must be drawn on the date specified and prizes must be awarded to the winner in strict accordance with the rules of the raffle (unless otherwise approved by the Director of Licensing).

At least two of the approved association's office bearers must be present at the draw of a raffle that is a minor or major lottery. Participants of any raffle don't have to be present at the drawing of the raffle to be eligible for a prize.

The approved association must keep all prizes until they are collected by the prize-winner. If a prize is unclaimed for more than three months after the date of the draw, the prize must be surrendered to the Director of Licensing.

Any tickets sold but not included in the draw (including where a draw is cancelled) must be refunded within 60 days after the draw (or the date from which the draw is cancelled, if applicable). The nominated officer conducting the raffle must take all practicable steps to ensure that the money paid for the ticket is returned to the purchaser and if the purchaser can't be contacted, the money must be paid to the Director of Licensing for deposit into the Community Benefit Fund.

## Publishing results of the raffle

Results of the draw must be published in accordance with the rules of the raffles and the conditions of the permit held for the raffles. If there are no rules or conditions, the results of the raffle should be published in a newspaper that circulates the area where the raffle was held, no later than 14 days after the draw.

If the value of the prize is greater than \$1,000, the approved association must publish the name of the prize winner in a local newspaper.

## What are the requirements for raffle prizes?

Under the Gaming Laws, the total value of prizes in a raffle must be at least one-third of the estimated total ticket sales.

Some items are prohibited from being awarded as prizes, including:

- firearms, weapons, explosives or ammunition
- tobacco products
- solely liquor, or
- solely money and liquor

Liquor can only be included in a raffle prize if the value of the liquor comprises a minor component of the total value of the prize.



### Caution

A raffle must not award a prize that includes:

- liquor, or
- other goods or services which, under a law in force in the NT, are prohibited to be sold or supplied to a minor, to a minor.

Any changes to the prizes in a raffle that is a minor or major lottery will require approval from the Director of Licensing.

## What records must be kept?

The approved association must keep all tickets included in the draw, including those unsold, for a period of 12 months.

For raffles that are minor or major lotteries, the approved association must lodge a Statement of Income & Expenditure for the raffle (**Statement**) with the NT Department of the Attorney-General and Justice no later than two months after the draw. The following documentary evidence must accompany the Statement:

- evidence of all winners having received their prize
- evidence of profit (such as a bank receipt)
- originals or certified true copies of all receipts of all expenditure, and
- a list of all tickets not included in the draw

### Auditing records

The approved association must ensure their financial records relating to a raffle that is a minor or major lottery are audited by an accountant at the end of the financial year in which the raffle was held. These financial records must be kept for a period of more than two years for a minor lottery and at least seven years for a major lottery. A qualified audit report must be submitted to the Director of Licensing within 14 days of the report being received by the association.

In addition, all proceeds from a raffle must be banked as soon as practicable following the draw.

## 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

### Northern Territory Government resources

- ▶ [Applying to run a minor or major lottery](#)

This resource details the application process for lotteries in the NT.

- ▶ [Prohibited games in the NT](#)

This resource lists all games that an approved association or business must not run as a fundraiser or promotional activity.

### 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

- ▶ [Gaming Control Act 1993](#)

This legislation regulates gaming activities in the Northern Territory.

- ▶ [Gaming Control \(Community Gaming\) Regulations 2006](#)

These regulations set out in detail the requirements for holding gaming activities in the Northern Territory.