

Raffles (QLD)

Legal information for Queensland community organisations

This fact sheet covers:

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

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



Note

This fact sheet provides information on raffles in Queensland. 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 Queensland?



What is a raffle?

A raffle is a game where people buy tickets for a chance to win the prizes offered in the raffle.

In Queensland, a raffle is referred to as an art union.



In Queensland the rules about the conduct of raffles are found in the *Charitable and Non-Profit Gaming Act 1999 (QLD)*, the *Charitable and Non-Profit Gaming Regulation 1999 (QLD)* (**Gaming Laws**).

The Gaming Laws are administered and regulated in Queensland by the Office of Liquor and Gaming Regulation (**OLGR**). The OLGR have also prepared the *Charitable and Non-Profit Gaming Rule 2010 (QLD)* (**Gaming Rules**) that provide clarification and further requirements on conducting raffles and other games.

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



Note

In Queensland, raffles are conducted under the *Charitable and Non-Profit Gaming Act 1999 (QLD)*, while lotteries are conducted under the *Lotteries Act 1997 (QLD)*. Under the *Charitable and Non-Profit Gaming Act 1999 (QLD)*, a 'game' is distinguished from a 'lottery'. A 'lottery' specifically relates to a lottery as defined in the *Lotteries Act 1997 (QLD)*.



Related Not-for-profit Law resources

This fact sheet covers raffles only. Please refer to our [fundraising](#) and [trade promotions](#) webpages for further information relating to those activities and requirements in Queensland.

When is a permit required?

In Queensland, a raffle is specifically called an 'art union' under the Gaming Laws, and is defined as including any game, scheme or arrangement offering prizes where the winners of those prizes are decided:

- entirely or partly by chance, or
- by a competition or other activity where the outcome is dependent on chance (for example a guessing competition)

Under the Gaming Laws, raffles are assigned into different 'game categories' according to the proceeds of their ticket sales, and this category determines whether a permit is required:

- **Category 1 game** – gross proceeds of ticket sales are not more than \$2,000
- **Category 2 game** – gross proceeds of ticket sales are more than \$2,000 and not more than \$50,000
- **Category 3 game** – gross proceeds of ticket sales are more than \$50,000, and
- **Category 4 game** – promotional games, otherwise known as trade promotion lotteries. These are not raffles and are not discussed in this fact sheet. Further information about category 4 games can be found on [our webpage on trade promotions](#).



Note

There is an additional category of raffles called **special category 3 games**. These are raffles held by a person to benefit people who are disadvantaged or in need of help because of a disaster. Special category 3 raffles require a permit when the ticket sales are more than \$5,000. More information, and details on how to apply for a special category 3 game permit can be found on the [OLGR's website](#).



Category 1 and 2 raffles do not require a permit.

Category 3 raffles require a permit. Once a permit has been given to hold a category 3 game, it is valid for one year. Details on how to apply for a category 3 game permit can be found on the [OLGR's website](#).



Tip

Some groups keep the ticket sales below the proceeds threshold to avoid the paperwork or costs attached to a permit.

What are the requirements for holding a raffle?

The requirements that must be followed when holding a raffle depend on what gaming category the raffle falls under. Further information and clarification on the requirements to hold a raffle can be found on the [OLGR's website](#).

Who can hold and who can enter a raffle?

Category 1 raffles

Raffles that fall under category 1 can be held by an association or an individual.

An **association** is defined in the Gaming Laws as an incorporated or unincorporated group of at least four people that is formed for a common purpose and isn't likely to harm the integrity of gaming or harm the public confidence and trust of fundraising.

Note – If an individual conducts a category 1 raffle, they must not derive any personal gain or profit from the proceeds.

Anyone may enter the raffle (subject to the terms and conditions of the raffle), but not someone directly engaged with drawing the raffle prizes.

Category 2 raffles

Category 2 raffles must be held by an eligible association.

An **eligible association** is defined in the Gaming Laws and includes an association formed and operated for charitable, community, educational, patriotic, religious or sporting purposes. These purposes are further defined in the Gaming Laws.

An eligible association also includes a parents and citizens association formed under the *Education (General Provisions) Act 1989* (QLD) or a registered political party under the *Electoral Act 1992* (QLD) or another association prescribed under a regulation.

Note – Under the Gaming Laws, an eligible association with a charitable, community, patriotic or sporting purpose must have:

- a management committee
- hold regular meetings
- have a treasurer who keeps proper financial records
- a bank account it operates in its own name
- require bank checks to be signed by two authorised members, and
- a constitution that allows for the distribution of assets if the association is disbanded

Anyone may enter (subject to the terms and conditions of the raffle), but not the organisation itself, any members of the organisation's management committee, any immediate family members of the committee members, or the person drawing the raffle.

Category 3 raffles

Category 3 raffles can be held by an **incorporated eligible association**. The meaning of eligible association for category 3 raffles is the same as the meaning of eligible association for category 2 (see above), with an added requirement that the association must be incorporated.

Note – Under the Gaming Laws, anyone holding a category 3 raffle must keep a bank account to use for banking or similar transactions for raffle operations.



Anyone may enter (subject to the terms and conditions of the raffle), but not the organisation itself, any members of the organisation's management committee, any immediate family members of the committee members, or the person drawing the raffle.

A raffle should be open to anyone who wishes to enter (subject to the terms and conditions of the raffle), and each ticket must have a fair and equal chance of winning the major prize. If the prize includes alcohol or something associated with gambling, tickets can't be sold to anyone under the age of 18 years old.

A person directly engaged with drawing the raffle prizes is not able to enter the raffle themselves.

For a raffle that falls under category 2 or 3, the organisation itself, any members of the organisation's management committee, any immediate family members of the committee members, or the person drawing the raffle are unable to enter the raffle.

Tickets

A ticket means a document or thing that shows, or is intended to show, a person's right to participate in the raffle. Each ticket must have a fair and equal chance of winning the raffle.

All tickets in a raffle must be sold at the same price, and a ticket can't be given to a participant until they have paid the correct price. Some tickets may be sold as a bundle (for example, one ticket for \$1.00 or three tickets for \$2.00), so long as bundled ticket offers are available to all ticket buyers.

The Gaming Rules require all tickets in a category 2 or 3 raffle to include the following information:

- name of the organisation or individual conducting it
- closing and drawing dates
- ticket price
- ticket number
- licence number (for category 3 raffles)
- description and retail value of each prize
- the order in which prizes will be drawn (if not drawn in descending order of value), and
- how prize winners will be notified

Although not a requirement of the OLGR, it's good practice for category 1 raffles to include the same details on their tickets.

All sold tickets need to be legibly recorded in a way that enables each prize winner to be identified, for example, by taking the first and last name, phone number, and postal or email address of each person who buys a ticket.

Advertising the raffle

For all category 2 or 3 raffles, advertisements must include:

- who is conducting the raffle
- the ticket price
- a description and the retail value of each of the prizes
- the closing and drawing dates of the prizes and the order in which prizes will be drawn
- how winners will be notified, and
- the licence number (if applicable)

Advertisements should not be indecent or offensive, false, deceptive or misleading, and must comply with the requirements under the Gaming Laws and Gaming Rules. They are also not allowed to suggest, state or imply that the raffle will be drawn under the supervision of the state, a representative of the state or a public service officer.



Drawing the prizes and unclaimed prizes

	Drawing prizes	Unclaimed prizes
Category 1	A category 1 raffle must be drawn within four months of the day on which sale of raffle tickets started	Prizes must be kept by the organisation for a reasonable period while a winner is located. If the prize is still unclaimed, the organisation must draw another winner
Category 2	A category 2 raffle must be drawn within a year of tickets starting to be sold, on the stated date advertised on all tickets	Prizes must be kept for at least a year. If a winner is unable to be located, the organisation conducting the raffle may use the prize itself, or sell the prize and use its proceeds to further the organisation's purposes
Category 3	A category 3 raffle must be drawn within a year of tickets starting to be sold, on the stated date advertised on all tickets	Prizes must be kept for at least a year. If the prize remains unclaimed, the organisation conducting the raffle may use the prize itself, or can sell the prize and use its proceeds to further the organisation's purposes



Note

Despite the requirements for dealing with unclaimed prizes stated in the table above, if the prize is perishable, the person or organisation conducting the raffle may dispose of the prize in a way that the person or organisation considers will bring a reasonable price.

For all raffles, until the prize is claimed by the winner, the person or organisation conducting the raffle must identify the prize as an unclaimed prize in the person's or organisation's financial accounts.

If unsold tickets are mistakenly included in the draw and an unsold ticket is drawn as the prize winner, another ticket must be drawn until a true winner is decided.

Publishing results of the raffle

Results of the draw must be published in the way it was advertised or otherwise advised by the organisation conducting the raffle.

For example, if the organisation advertised that the results of the raffle would be published on the organisation's Facebook page, the organisation must publish the results on their Facebook page on the date specified. Similarly, if the organisation conducting the raffle has told participants that results will be published on a website or in a local newspaper, the results of the raffle need to be published on that website or in that local newspaper on the date specified.

If an organisation conducting the raffle has not advertised where results would be published, prize winners must be contacted verbally or in writing within 28 days of the prizes being drawn.

Delivering prizes to the winners

Prizes must be delivered to winners within one month of the draw, unless the winner agrees in writing that it can be delivered later or a prize winner can't be located despite making all reasonable efforts to find them. If an organisation holding a category 2 or 3 raffle becomes aware that they can't locate the prize winner, they must, within seven days of becoming aware, notify OLGR in writing that the prize is unclaimed.



What are the requirements for raffle prizes?

The Gaming Rules require the total value of prizes in a raffle to be at least 20% of the estimated total ticket sales.

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

- more than \$25,000 in cash if the raffle falls under category 1 or 2, or \$100,000 in cash if it is a category 3 raffle
- tobacco products
- weapons or ammunition
- surgical procedures
- any item where the sale or acquisition is restricted by state or Commonwealth laws, or
- a ticket or chance in a game that is not allowed under the Gaming Laws

Additionally, alcohol must not be offered as a prize unless the alcohol has a retail value of \$1,000 or less.

A prize may be substituted for another if the organisation and the winner have agreed in writing to a substitution and the substituted prize is similar to and of the same or equal value than the original prize.



Related resource

If prizes include land, antiques, gems, memorabilia, art, animals, or second hand goods or motor vehicles, you may be required to provide valuations or certifications to the winner.

See [the OLGR website](#) for the further information.

What records must be kept?

Category 1 raffles

Organisations that conduct a category 1 raffle must keep correct accounting records that explain transactions for the raffle.

Category 2 and 3 raffles

Organisations holding category 2 and 3 raffles need to keep correct accounting records that explain the financial transactions for the raffle. These records must be kept in a way that allows for true and fair financial statements to be prepared and accounts to be audited when necessary.

The organisation also needs to keep 'general gaming records' which cover the conduct of the game. These records must be kept at the organisation's principal place of business or its registered office unless another place has been approved by OLGR. General gaming records must be kept for five years after the end of the raffle, unless the records have been destroyed with the approval of the chief executive of the OLGR or a shorter period has been approved by the chief executive of the OLGR.

If a licence is granted for a category 3 raffle, the licence holder must prepare a financial statement that gives a true and fair view of their financial operations for the raffle. Financial statements and accounts must include the following account of the financial year in which the raffle was held:

- trading accounts (if applicable)
- profit and loss accounts
- a balance sheet as at the end of the financial year
- other information that may be under the regulations



Submitting returns

- Category 3 raffles must also submit a return with details of the raffle conducted under the permit to OLGR within two months after the final prize draw.
- Category 1 or 2 raffles may be asked by OLGR to submit a return, and they must comply with this request unless there is a reasonable excuse not to.



Caution

It is an offence under the Gaming Laws to provide false or misleading returns to the OLGR.

Auditing records

Category 2 raffles with gross proceeds of more than \$10,000 and category 3 raffles must have their financial accounts, records and statements audited by an accountant at the end of the financial year in which the raffle was held. The accountant conducting the audit must finish within three months, and the organisation must give a copy of the audit report to OLGR.



Related resource

OLGR have published [recordkeeping guidelines](#) designed to assist organisations conducting mainly category 1 or 2 raffles in understanding their record keeping obligations. The record keeping requirements for category 3 raffles are also discussed.

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 your 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.



Caution

The cost of buying a raffle ticket is not tax deductible for an individual, even if the organisation running the raffle is endorsed as a deductible gift recipient. Your community organisation should not issue tax deductible receipts or represent or imply that the cost of raffle tickets is tax deductible.

Goods and services tax (GST)

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



Related Not-for-profit Law resources

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

Resources

Related 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

Office of Liquor and Gaming Regulation (OLGR) Resources

- ▶ [Charitable and Non-Profit Gaming Rule 2010](#)

This rule is prepared by OLGR to explain the rights and obligations of charitable and non-profit organisations conducting gaming events.

- ▶ [Competitions, raffles, bingo and other charitable games](#)

These resources detail the different types of games and categories and their requirements under the Gaming Laws and the Gaming Rules.

- ▶ [Recordkeeping for conduct of games under the Charitable and Non-profit Gaming Act 1999](#)

These guidelines are primarily designed to assist associations conducting category 1 or category 2 games.

OLGR is the regulator for all raffles and other games of chance in Queensland. You can access the OLGR's website for the following application forms:

- ▶ [Category 3 gaming licence](#)

- ▶ [Special category 3 gaming licence](#)

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

- ▶ *Charitable and Non-Profit Gaming Act 1999 (QLD)*

This legislation regulates gaming activities in Queensland.

- ▶ Charitable and Non-Profit Gaming Regulation 1999 (QLD)

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