

Raffles (WA)

Legal information for Western Australian community organisations

This fact sheet covers:

- ▶ what is a raffle?
 - ▶ what laws are relevant and who regulates raffles in Western Australia?
 - ▶ is a permit required?
 - ▶ what other legal obligations do you have if you conduct a raffle?
 - ▶ what are the requirements for raffle prizes?
 - ▶ what are the requirements for the proceeds of a raffle?
 - ▶ what records must be kept?
 - ▶ can someone run a raffle on behalf of an organisation?
 - ▶ what are the tax implications of a raffle?
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This information is for community organisations that want to know more about the legal requirements for conducting raffles in Western Australia.

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



Note

This fact sheet provides information on raffles in Western Australia. 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 Western Australia?



What is a raffle?

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

In Western Australian a raffle, depending on its terms and conditions, can be classified as either a standard lottery, a permitted lottery or a permitted amusement with prizes.

In Western Australia (**WA**), the rules about the conduct of raffles are found in the [Gaming and Wagering Commission Act 1987 \(WA\)](#) and the [Gaming and Wagering Commission Regulations 1988 \(WA\)](#) (**Gaming Laws**).

The Gaming Laws are administered and regulated by the Department of Local Government, Sport and Cultural Industries — Racing, Gaming and Liquor through the Gaming and Wagering Commission of Western Australia (**the Commission**). In this fact sheet, unless otherwise stated, further detail of the Commission's requirements referred to can be found on [the Commission's website](#).

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

In addition, if a lottery is conducted to raise funds for a charitable purpose the [Charitable Collections Act 1946 \(WA\)](#) (**Charitable Fundraising Law**) will also apply.



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 Western Australia.

Is a permit required?

In WA, a raffle is unlawful unless it is:

- a permitted lottery
- a permitted amusement with prizes, or
- held under a standard lottery permit given by the Commission

Where a raffle is a **permitted lottery** or a **permitted amusement with prizes**, it is 'deemed' under the Gaming Laws to be permitted. There is no need to actually hold a permit for such raffles (see below for more information).

Where a raffle is a **standard lottery**, a permit is required under the Gaming Laws (see below for more information).

A standard lottery permit

A standard lottery permit can be granted where the principal object of the lottery is the raising of funds for the active promotion, support or conduct of any sporting, social, political, literary, artistic, scientific, benevolent, charitable or other like activity.

The Commission will not grant a standard lottery permit for any raffle that is held for personal or commercial gain. Deducting the costs of running the raffle does not count as a private or commercial gain.



In WA, a standard lottery permit can be issued to eligible organisations in other states or territories and such eligible organisations can conduct their raffles wholly or partly outside of WA. Such raffles must not be conducted for private gain or commercial undertaking and are subject to the same conditions as set out in this fact sheet.



Caution

It's illegal to conduct an unlawful lottery. The offence carries a fine of \$5000, a prison sentence of one year, or both.

It's also an offence to print and distribute, sell or offer for sale, or possess tickets, advertise, use premises for, or receive money towards an unlawful raffle. The penalty for this offence is a fine of \$2,000.

Permitted lotteries

A raffle will be a permitted lottery where:

- the raffle is drawn and the prizes distributed on the same day as when tickets are sold, and:
 - the tickets are distinct (alphabetically and numerically)
 - have the same price, and
 - the total prize pool is not worth more than \$2,000
- or
- the raffle tickets are sold and the prizes distributed within eight days, and:
 - are sold to people who live on or work in the same premises or are members or guests of a body
 - have the same price
 - relate only to the particular lottery and do not entitle the buyer to take part in any other gaming activity or lottery, and
 - the total prize pool is not worth more than \$1,000

There are restrictions on advertising permitted lotteries – they are limited to a notice on your organisation's premises or other methods of advertising approved by the Commission.

Permitted amusements with prizes

A raffle may also be classed as a permitted amusement with prizes.

Permitted amusements with prizes don't need a permit where:

- they are held to raise money for the benefit of community, cultural, ethnic or charitable purposes, and not for the purposes of private gain or any commercial undertaking, and
- the aggregate value of the prizes is not more than \$200

However, the Commission may, by notice, prohibit a permitted amusement with prizes, either totally or in certain circumstances. It is an offence to contravene any prohibition imposed by the Commission. The penalty for this offence is a \$2,000 fine.

Standard lotteries

If your organisation is required to obtain a permit:

- any application must be made at least 14 days before tickets go on sale, and
- the applicant must provide the following information to the Commission:
 - the raffle's purpose
 - opening and closing dates

- date of drawing
- where tickets are to be sold
- total number of tickets to be offered for sale
- ticket price
- value of the prize pool, and
- such other matters as may be prescribed or as are required by the Commission

The permit will generally be valid for three months, unless extended by the Commission. An application for extension must be made to the Commission at least seven days before the closing date.

Multiple permits are also not allowed by the Commission. Approval for subsequent raffles will only be granted when a prior raffle has been completed and all the required paperwork has been submitted to the Commission.

If you are conducting a raffle as a standard lottery, you should check your permit and conduct the raffle according to its terms.



Note

If your organisation is **collecting** for a charitable purpose, a licence is required under the *Charitable Collections Act 1946 (WA)*. Information about applying for a charitable collections licence can be found on [the Department of Mines, Industry Regulation and Safety website](#).

What other legal obligations do you have if you conduct a raffle?

Tickets – issue and sale

For standard lotteries, all tickets sold in the raffle must state:

- ticket number (numbering must be consecutive)
- ticket price
- name and address of permit holder
- details of the benefiting not-for-profit organisation
- the permit number
- nature and value of the prize
- closing date, and the date of the draw (if different to the closing date), and
- how winners will be notified and the result publicised

The number of tickets sold in a raffle can't be greater than the number of tickets authorised by the standard lottery permit. Additionally, details of who purchased the tickets in a standard lottery needs to be recorded on the ticket butts or in an approved register.

The following points applicable to all permitted raffles (including permitted lotteries, permitted amusements with prizes and standard lotteries) should also be noted:

- no tickets are to be sent for sale or purchase to people without their consent
- if tickets are to be sold in a public place, make sure you are permitted to do so
- the organisation conducting the raffle (or people acting on its behalf) may not purchase tickets in the raffle, and
- all tickets, sold and unsold, need to be returned to the organiser conducting the raffle before the draw

In addition:



- there are set hours for selling tickets door-to-door or by telephone, and
- people under 12 years of age (or 18 years of age, if the prize is alcohol) are prohibited from selling or purchasing tickets in a raffle

See the [Commission website](#) for more information.

Drawing the raffle

When drawing the raffle:

- the method of the draw must allow each ticket in the draw a random and equal chance of being drawn. It is an offence not to (the fine is \$5,000, one year imprisonment or both)
- for raffles conducted under a standard lottery permit, the draw must take place within 14 days of the closing date (unless extended)
- every ticket sold must be included in the draw
- if there is more than one prize, the first ticket drawn must win the first prize (the major prize), and so on for the number of prizes on offer, and
- the results must be published according to the manner set out on the ticket



Note

An application for extension of the draw date of a standard lottery must be made in writing to the Commission at least seven days before the draw date.

What are the requirements for raffle prizes?

There is no restriction on the total retail value of prizes for a raffle that is a standard lottery, although a permit may limit the retail value of the prizes on offer.

Liquor may be offered as a prize, provided that:

- the retail value of the liquor is less than \$1,000 per prize
- details of the product, quantity and method of delivery are available, and
- written confirmation is provided that no-one under 18 years of age will sell tickets

Cars may be offered as a prize, provided that the vehicle is:

- new (unless veteran, vintage or post-vintage), and
- accompanied by a valuation certificate and letter stating that the vehicle is unencumbered

Prize-winners must be notified in the way and within the timeframe set out on the tickets or other raffle documentation, unless winners can't be identified or located.

Unclaimed prizes in standard lotteries

Where any prize in a standard lottery is not claimed within one year of the date of drawing, the permit holder must give the Commission in writing:

- the name and any known address of the prize winner
- details of the prize, and
- details of the steps taken to locate the prize winner

The Commission will then issue directions on what to do with the prize.

The Commission is not liable for any unpaid raffle prize.



Note

Where the total value of the prize pool is \$30,000 or more, a bank guarantee or security deposit must be provided by your organisation. See [the Commission website](#) for more information.

What are the requirements for the proceeds of a raffle?

Proceeds of raffles that are **standard lotteries** may not be used for commercial or personal gain. They must be used for the purposes or objects stated in any permit or by your organisation, unless otherwise approved by the Commission.

Proceeds of raffles that are **permitted lotteries** must be put towards the provision of prizes or paid out for purposes common to the persons participating. The only deductions permitted are the costs of stationery and printing.

Deducting the costs of running the raffle is permitted, and these do not count as a private or commercial gain.

Professional fundraisers may be used. Such fundraisers are fee-for-service, and engagement may be a commercial transaction under contract. For more information, see below 'Can someone run a raffle on behalf of our organisation?'



Note

If your organisation is intending to donate the proceeds raised to a charity or another community organisation, the Commission requires that the beneficiary confirm in writing that they are aware of the fundraising activity.

What records must be kept?

For raffles conducted under a **standard lottery** permit, the permit-holder must submit to the Commission a true and accurate account of all property receipted and disposed of within 30 days of the draw, including gross proceeds. This 'Standard Lottery Financial Return' must be kept for 12 months.

Standard lottery permit-holders are also required to the record:

- sources, nature and value of all property and money connected with the raffle
- banking
- retail value of any non-money prizes
- nature and purpose of all expenses (including amount paid out and recipient of money)
- details of authorised ticket sellers (if required by Commission)
- how and to whom prizes were distributed
- how, why and to whom proceeds distributed
- unclaimed money or prizes
- any and what money or property remains, and
- anything else the Commission might require from time-to-time

These records must be kept for 12 months from the date any permit expires. All records must be accessible and available for inspection by the Commission (or delegate). A request for access and inspection must be complied with.

Can someone run a raffle on behalf of an organisation?

A person or organisation can only run a raffle on behalf of your community organisation if the governing body of your organisation (for example, the committee of management or board of directors) gives them written consent to do so.

Your organisation should make sure that the person or organisation that runs a raffle on its behalf will do so properly. There is a [Voluntary Code of Conduct](#) for charitable public fundraising which contains material on using a commercial fundraiser. Although aimed at charities, it might be prudent for other types of not-for-profit organisations to take its content into consideration.

The Commission requires further information in permit applications if a commercial fundraiser is to be used to conduct your raffle.

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, 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 about GST and raffles.



Related Not-for-profit Law resources

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

Resources

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

Western Australia Local Government, Sport and Cultural Industries resources

- ▶ [What is gaming?](#)

This page contains information about lotteries and games of chance for Western Australia.

- ▶ [Standard Lottery Permit Application lodgement guide](#)

Australian Tax Office (ATO) resources

- ▶ [ATO 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 and Wagering Commission Act 1987 \(WA\)](#)

This is the Act that regulates raffles in Western Australia.

- ▶ [Gaming and Wagering Commission Regulations 1988 \(WA\)](#)

These Regulations set out some of the detailed requirements for conducting raffles in Western Australia.

- ▶ [Charitable Collections Act 1946 \(WA\)](#)

This Act regulates collecting money for charitable purposes in Western Australia.