

## This fact sheet covers:

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- what is a raffle? What laws are relevant and who regulates raffles in Victoria?
  - do we need to be registered to conduct a raffle in Victoria?
  - do we need a 'minor gaming permit'?
  - what other legal obligations do we have if we conduct a raffle?
  - what are the requirements for raffle prizes?
  - what are our community organisations ongoing record-keeping obligations?
  - can someone else run a raffle on behalf of our community organisation?
  - how are raffle ticket sales treated for tax purposes? and
  - other things to consider.
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## This information is for community organisations that want to know more about the legal requirements for conducting raffles in Victoria.

A special legal regime applies to raffles held or promoted in Victoria. Only community or charitable organisations can hold raffles in Victoria (discussed further below).

## What is a raffle? What laws are relevant and who regulates raffles in Victoria?

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A raffle is a lottery where people buy tickets for a chance to win prizes offered. In Victoria the rules governing the conduct of raffles are found in the [Gambling Regulation Act 2003 \(Vic\)](#) and the [Gambling Regulation Regulations 2005 \(Vic\)](#) (**Victoria's gambling laws**). Victoria's gambling laws are administered and regulated by the Victorian Commission for Gambling and Liquor Regulation (**VCGLR**), which is a government agency under the Victorian Department of Justice.

If your organisation wants to conduct a raffle in another State or Territory, you must comply with the laws that apply in that jurisdiction. A link to details for jurisdictions outside Victoria has been included in the Resources section below.

The information in this fact sheet is intended as a guide only, and is not legal advice. If you or your organisation has a legal question you should talk to a lawyer before making a decision about what to do.

# Do we need to be registered to conduct a raffle in Victoria?

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Yes. To conduct any raffle in Victoria, your organisation needs to be 'declared' (in effect, registered) as a community organisation or charitable organisation by the VCGLR.

To apply to become declared as a community or charitable organisation you will need to apply to the VCGLR by downloading, completing and lodging the 'Declaration as a community or charitable organisation application form' available from the [VCGLR website](#). This application to be 'declared' normally needs to be lodged 21 days prior to the date the raffle is first held (if you do not have 21 days, you can call and ask if they can process the application more quickly – this is not guaranteed).

## What kinds of organisations can be declared?

To be declared, an organisation must be conducted in good faith and be established as a not-for-profit organisation. As well, it must be a community or charitable organisation, a sporting or recreational club or an organisation conducting the activity for the purposes of a political party.

Once your organisation has been 'declared' the organisation's name will go onto a publicly-searchable register hosted on the [VCGLR website](#). The declaration will be valid for 10 years from the date of approval unless it is renounced by your organisation or revoked earlier by the VCGLR.

## Do we need a 'minor gaming permit'?

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This depends on the value of the prize pool of the raffle. Only raffles with a prize value of greater than \$5,000 are required to have a minor gaming permit.

To apply for a minor gaming permit for a raffle over \$5,000 see the VCGLR's [Frequently Asked Questions](#) publication which contains a link to the minor gaming permit application form.

If your organisation holds a minor gaming permit it must appoint a nominee to be approved by the VCGLR. As part of your application for the VCGLR, you may be required to obtain a credit check, have your fingerprints recorded or obtain a National Police Certificate.

The nominee is responsible to ensure that the activity is conducted in compliance with gaming laws, rules of the game and permit conditions. Should the nominee change, your organisation must notify the VCGLR as soon as the change occurs. If a nominated person resigns, is dismissed or leaves the community or charitable organisation, the directors of your organisation or the members of the managing committee of the organisation (as the case may be) are all separately responsible and liable as holders of the permit until such time as another person is nominated and approved by the VCGLR.

Your organisation must also maintain an account at an authorised Victorian deposit-taking institution for all financial transactions relating to any minor gaming activity.

# What other legal obligations do we have if we conduct a raffle?

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In all raffles (whether a permit is required or not):

- the method of the draw must allow each ticket in the draw a random and equal chance of being drawn
- the method of the draw must not allow the possibility of more than one entry being deemed the winner of the same prize, and
- if there is more than one prize, the first ticket drawn must win the first prize (the most valuable prize).

The legal requirements for running a raffle depends on the prize value of the raffle. In Victoria raffles are divided into 3 types according to the total prize value of the raffle, with differing legal requirements. In general, the legal requirements increase with the size of the prize pool. Some of these requirements are set out below. You should ensure that all materials that contain a description of when and how the raffle is to be held or any description of the prizes are accurate and do not contain misleading or deceptive statements.

## **1. Small raffles (prize pool of \$500 or less) requirements**

- if your raffle has a prize pool of \$500 or less where the first ticket is sold on the same day the raffle is drawn, your raffle may be considered to be a small raffle with less extensive legal requirements. However, if in an 8-hour period your organisation conducts 2 or more raffles that have a combined prize pool of more than \$1,000, your raffles will no longer qualify as small raffles even if the individual prize pool of each raffle is \$500 or less
- no permit is required to conduct a small raffle and you are not required to have printed tickets
- the total value of tickets available for sale in a small raffle must be more than twice and less than six times the total value of the prizes
- you must keep a record of the distribution of funds, details of tickets printed, and prizes for three years, and
- if after drawing the small raffle, a winner does not come forward within a reasonable amount of time following the announcement of the winning number, a redraw must occur.

## **2. Raffles with a prize pool \$5,000 or less (that is not a small raffle) requirements**

- you will not be required to obtain a minor gambling permit but further conditions do apply. You will be required to have printed tickets
- ticket sellers should obtain enough information when selling tickets to be able to identify the winners (eg. name and address)
- the total value of tickets available for sale in the raffle must be not less than twice and not more than six times the total value of the prizes
- you can sell tickets for up to three months

- the raffle draw must occur on the date printed on the tickets, which must not be more than 14 days after the date of the proposed last ticket sales, and
- if after drawing the raffle you cannot locate the winner, you should contact the VCGLR by phone on 1300 182 457.

### 3. Raffles with a prize pool greater than \$5,000 requirements

- a minor gaming permit is required. In this case you must comply with the conditions of the minor gambling permit. You will be required to have printed tickets
- more extensive legal obligations also apply. See the VCGLR's [Frequently Asked Questions](#) publication
- where the total prize pool of the raffle will exceed \$100,000 or the total prize pool will exceed \$60,000 and the ticket price will be \$35 or more, your nominee will be required to obtain a National Police Certificate, and
- if after drawing the raffle you cannot locate the winner, you should contact the VCGLR by phone on 1300 182 457.

## What are the requirements for raffle prizes?

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In Victoria, money (cash), stocks and shares cannot be offered as prizes in a raffle except where there is a travel or accommodation prize (then you can say travel or accommodation to the value of \$XX.XX). Tobacco-based products, firearms or ammunition, prohibited weapons and cosmetic surgery prizes also cannot be offered as prizes in a raffle. Prizes such as motor vehicles, motorcycles, boats, trailers or horse floats must include all on-road costs.

If liquor is being offered as a prize you cannot sell a raffle ticket to a person under the age of 18.

Prizes must be given to winners within 28 days of the raffle draw, unless winners cannot be identified or located, or do not wish to accept the prize. There are requirements to notify the VCGLR of unclaimed prizes if the prize pool is greater than \$500.

## What are the requirements for tickets?

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Unless the raffle is a small raffle, your community organisation will need to print tickets. The results of raffle draws with prize pools greater than \$500 must be published and winners notified in the manner printed on the tickets.

The following requirements apply for small raffles, and raffles with a prize pool \$5,000 or less or greater than \$5,000.

### 1. Tickets for a small raffle (\$500 or less) may be either:

- a) a blank raffle book numbered on both butt and the ticket, or
- b) where the method of the draw is to be a spinning wheel, buttless numbered tickets, from a perforated ticket sheet, having no more numbers than there are divisions on the wheel.

**2. Tickets for raffles with a prize pool of \$500 – \$5,000 must have the following printed on each ticket:**

- a) the name of the community or charitable organisation to benefit from the raffle, and/or the name of the political party to which all or part of the proceeds are to go to
- b) the ticket price
- c) a description of each prize and its value
- d) the date, time and location where the raffle will be drawn, and
- e) the method of publication or notification of results.

**3. Tickets for raffles with a prize pool greater than \$5,000 must have the following printed on each ticket:**

- a) the name of the minor gaming permit holder
- b) the minor gaming permit number
- c) the ticket price
- d) the maximum number of tickets authorised by the minor gaming permit
- e) a description of each prize and its retail value
- f) when and where the raffle will be drawn
- g) the method of publication or notification of results
- h) details of any book-buyer's prize authorised under the minor gaming permit
- i) if the whole or part of the proceeds are for a political party – the name of the political party, and
- j) if the nominee is not an employee of the raffle permit holder and will receive payment (other than reasonable out-of-pocket expenses), or the raffle permit holder or the nominee has an agreement or arrangement with a person (other than an employee of the permit holder) to promote or conduct the raffle for reward, that fact (including the name and, if applicable, ACN of the nominee or person promoting or conducting the raffle for reward) must be printed on every ticket or on all material advertising the raffle.

## What are our community organisation's ongoing record-keeping obligations?

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Requirements to keep records vary, depending on the size of the prize pool of the raffle.

If your raffle is a small raffle or if the total value of the prizes \$5,000 or less, you must keep a record of the distribution of funds, details of tickets printed, and prizes for three years.

If the total value of the prizes offered in the raffle is *greater* than \$5,000, you must keep a record of the following for three years:

- how tickets are sold

- how the sales were publicised
- names of entrants
- how many tickets were sold (to each person)
- how many tickets were returned (from each person)
- how much money was remitted
- when and how the raffle was drawn
- names and addresses of winners, and
- description (including retail value) of the prizes.

## Can someone else run a raffle on behalf of our community organisation?

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A person or organisation can only run a raffle on behalf of your community organisation:

- if your organisation has been 'declared' by the VCGLR, and
- the governing body of your organisation (for example, the committee of management or board of directors) has given them written consent to do so.

If the person or organisation that is going to conduct a raffle on your community organisation's behalf (whether conducting a raffle in whole or in part) is being paid for their services, they will need to obtain a 'Commercial Raffle Organisers Licence' from the VCGLR.

### Agreement with Commercial Raffle Organisers

If your organisation intends to hire a licensed Commercial Raffle Organiser (**CRO**) to run either the whole of, or only part of, a raffle, you will need to enter into an agreement with the holder of the CRO's licence.

The licensed CRO is solely liable under the Act in respect of the functions performed by it as if it were the community or charitable organisation. However your organisation will still need to comply with the contractual obligations under the agreement with the CRO so you should consider whether legal advice is required before entering into the agreement.

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

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### Income Tax

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

## FURTHER READING

For more information about whether your organisation is one that is exempt from paying income tax see Not-for-profit Law's Information Hub page Getting Started at [www.nfplaw.org.au/gettingstarted](http://www.nfplaw.org.au/gettingstarted), and [www.nfplaw.org.au/tax](http://www.nfplaw.org.au/tax).



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 Fundraising Guide](#) or seek specific legal or accounting advice.

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 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. For more information on TCC, DGR and GST see the Not-for-profit Law Tax page at [www.nfplaw.org.au/tax](http://www.nfplaw.org.au/tax).

## Other things to consider

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Depending upon the size of the raffle being held, you may wish to consider:

- whether your organisation needs to clearly set out the terms and conditions of the raffles. This could be done by listing the full terms and conditions on your organisations' website or the tickets may refer to the website for full details of terms and conditions
- whether is useful to have a FAQs about the raffle (e.g. on your organisation's website)
- whether your organisation requires legal advice to develop terms and conditions to ensure compliance with Victoria's Gambling laws, including minor gaming permit (if one is required)
- whether a written agreement with a third party is required where prizes are being donated by third party organisations, and
- if you have or need a sponsorship arrangement (these may be businesses that donate prizes as part of the raffles, in return for your organisation's promotion of their name/association with the raffle e.g. sponsor's name is listed as a sponsor in promotional advertising/website in connection with the raffle).

If you are intending for sponsorship arrangements to arise, it may be prudent for your organisation to enter into written agreements so that the rights and obligations of your organisation are clear.

If your organisation is entering into a written agreement with a sponsor, your organisation should consider the following issues:

- is donation of prizes without charge to your organisation? (ie. are goods/services provided for free?)
- does your organisation require a licence from the sponsor to be granted to use trade marks to promote the raffle and acknowledging your sponsor?
- does your organisation require a licence to use prize images?
- should details about the nature (e.g. new, unused, undamaged) and delivery of prizes to your organisation and/or the winner(s) of the raffle be detailed in the agreement for clarity?
- who is responsible for risk and insurance in respect of prizes?
- are there any privacy issues relating to a raffle prize winner? and
- if there are defects from goods awarded as prizes, will the sponsor (or original manufacturer of the prizes) be assisting your organisation to rectify the defects and cover potential claims against your organisation for those defective prizes?

You may wish to seek legal advice on the contents of a written agreement.

# Resources

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## Related Not-for-profit Law Resources

The Not-for-profit Law Information Hub contains many fact sheets on different topics. It can be accessed at [www.nfplaw.org.au](http://www.nfplaw.org.au). The following topics contain relevant further information:

### ✔ [Fundraising and Events](#)

This page contains resources on the main legal issues when fundraising in Victoria

### ✔ [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.

## Extra Related Resources

### Victorian Commission for Gambling and Liquor Regulation (VCGLR) resources

#### ✔ [VCGLR home page](#)

This link is to the Victorian Commission for Gambling and Liquor Regulation (VCGLR) home page. The VCGLR regulates the running of raffles in Victoria.

#### ✔ [Community and Charitable Raffles](#)

This page of the VCGLR site provides community organisations with information about raffles. This page also includes a link to more information and the relevant application form.

#### ✔ [VCGLR fees and fines page](#)

This page on the VCGLR sets out a link to their fees and fines.

### Australian Tax Office (ATO) resources

#### ✔ [ATO's Fundraising Guide](#)

The ATO's fundraising guide is to provide community organisations with information about the tax treatment of money raised through 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

### ✔ [Gambling Regulation Act 2003 \(Vic\)](#)

This is the Act that regulates raffles and other minor gaming activities in Victoria

### ✔ [Gambling Regulation Regulations 2005 \(Vic\)](#)

These regulations set out some of the detailed requirements for running raffles and other minor gaming activities in Victoria. The regulations that relate to raffles are set out in Part 7, Division 6 of the Regulations.

▀ [Gambling Regulation \(Commercial Raffle Organisers\) Regulation 2006 \(Vic\)](#)

These regulations set out the requirements for commercial raffle organisers - these are relevant if your organisation is paying an external party to conduct raffles for it.

A Not-for-profit Law Information Hub resource. Access more resources at [www.nfplaw.org.au](http://www.nfplaw.org.au)

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