

## Progressive lotteries

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Progressive lotteries are games where you play a number of draws on various dates over a set period. The most common types of progressive lotteries are hundred clubs, silver circles and tipping competitions. You can only run a progressive lottery for entertainment or to raise money for a not-for-profit organisation. The total value of money prizes cannot exceed \$7,000 and you don't need a permit if you keep total sales below \$25,000. If the total sales does exceed more than \$25,000, you must apply for a permit.

View or download the [progressive lotteries application form \(PDF, 301.18 KB\)](#) for more information.

A progressive lottery is conducted under section 4F of the *Lotteries and Art Unions Act 1901*. A tipping competition does not include a sweep, or a calcutta under section 4D of the Act. Go to the [sweeps and calcuttas page](#) for more information.

### Permit

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If total sales (entrance fees) is \$25,000 or less, you can play a progressive lottery without a permit. If total sales exceeds \$25,000, you'll need a permit. Go to the [games of chance application form progressive lottery](#) to get a permit. There are no fees. The application must be accompanied by a copy of the proposed ticket and advertising and a copy of the rules or conditions of entry into the progressive lottery.

### Prizes

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Prizes can be goods, wares, merchandise, services, vouchers for goods or services that are not redeemable for money, tickets for admission to any entertainment and tickets (with any spending money) for tours or journeys. The total value of prizes in a progressive lottery cannot be more than \$25,000, unless an authorising permit has been granted.

The total amount of money prizes (excluding spending money) cannot be more than \$7,000. If a money prize is more than \$7,000 the offer of a shopping voucher or store credit can be an alternative. Spending money may be awarded in conjunction with a prize for a tour or journey – a travel prize. The maximum amount of spending money that may be awarded with a travel prize is 20 percent of the total value of the travel prize.

### **Health regulations**

The offer of perishable items such as green groceries, meat and fish as prizes is regulated under the *Food Act 2003*. Such prizes must satisfy the same requirements that apply to food sold through normal retail outlets. These include:

- the manner of handling and packaging the food
- the manner of labelling packages of food
- the temperature at which food must be kept.

Contact [NSW Health](#) for more information. Fish prizes must also comply with the *Fisheries Management Act 1994* and the *Fisheries Act 1935*. A special permit is required. Contact the [NSW Department of Primary Industries](#) for more information.

### **Prohibited prizes**

The following are prohibited prizes:

- money prizes over \$7,000
- tobacco products in any form
- firearms or ammunition
- prohibited weapons
- cosmetic surgery or other procedure designed to improve personal appearance
- liquor prizes – more than 20 litres of liquor with an alcohol content not exceeding 20 percent by volume or more than 5 litres of liquor with an alcohol content exceeding 20 percent by volume.

Tickets for liquor prizes cannot be sold by or to a person under 18. Also, a person under 18 cannot give or collect a liquor prize.

### **How should the results of the lottery be notified?**

You should notify each prize winner within two days. If the total value of prizes exceeds \$10,000, you must also publish the results in a newspaper within seven days after the draw.

### **How should I arrange for the prize to be given to the prize winner?**

If participants are not able to determine whether they have won a prize, you must try to inform each prize winner within two days after the result of the lottery is decided. Where a money prize exceeds \$2,000, the organiser must pay to the prizewinner through a cheque or electronic transfer of funds to an account nominated by the prizewinner.

### Remuneration and expenses

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Expenses and costs properly incurred can be deducted from the total entrance fees. These include the cost of purchasing stationery. No salary, wage, fee, commission, percentage or other benefits (other than a prize) can be paid or given to, or taken by, any person in connection with the conduct of the game.

## **How much should the benefiting not-for-profit organisation receive?**

There is no amount or percentage that must be provided to the benefiting organisation. However, the organisation should receive a reasonable return. Any advertising or promotion of the lottery will need to show the amount or percentage of the total amounts paid by participants to be applied to the benefiting organisation.

## Restrictions and responsibilities

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### **What information should be made available to participants?**

You must make the following information available to participants:

- the rules
- the price
- if applicable, the name of the not-for-profit organisation who will benefit
- the closing date and time for receipt of entries
- the name, address and telephone number of the organiser of the progressive lottery.

### **What restrictions apply to the means by which persons may participate in progressive lotteries?**

If a person who wants to play has to call a 1900-telephone number or other premium telecommunications services in order to participate, the cost should not exceed 50 cents plus the amount of GST payable in respect of the call. The organiser conducting the lottery must not receive, directly or indirectly, any amount that is paid for calling the 1900-telephone number.

### **Are minors able to participate?**

A minor can play progressive lottery. If you've decided that a minor can play, it should be in your house rules.

### **Rules**

The rules must include:

- the conditions of entry into the game, including the age of the persons allowed to participate
- the charge to be made for participating and the method, if any, for discounting the charge
- the manner in which any prizes are calculated, determined and awarded
- the manner in which participants are required to enter and participate
- the closing date and time for receipt of entries
- the place, time and date of the determination of the draw or draws

- the method for claiming prizes, including the course of action to be adopted in the case of unclaimed prizes
- you cannot impose, as a condition of an entitlement to a prize, a requirement that the holder of a prize-winning ticket must be present at the draw
- the manner in which prize winners are to be notified
- the manner of disputes concerning the conduct of the lottery or the claiming of prizes are to be resolved.

The rules must be prominently displayed at the place where tickets are sold.

### **How should sales be managed?**

You must ensure that there is adequate control over all aspects of the management of the progressive lottery including control over the sale of rights to participate and the receipt of monies. You must ensure that you keep all rights to participate and periodical predictions by each participant safe until the results have been determined.

You must not sell rights to participate after the closing time for entry in the lottery.

### **Progressive lotteries with liquor prizes**

Where a progressive lottery includes liquor prizes, the rights to participate cannot be sold by or to a person under 18. Also a person under 18 cannot give or collect a liquor prize.

### **Can rights to participate be sold after the first determination of results?**

No. Rights to participate cannot be sold after the closing time for the first draw unless approval is obtained from us. This requirement must be included in the rules formulated for the lottery and displayed. This requirement disallows card jackpot games (for example, Joker Poker, Wild Card).

### **Responsibility**

The promoter or organisers are both responsible for the proper management of the game. A subcommittee may be elected from within the benefiting organisation to be the organising committee. Alternatively, the benefiting organisation may authorise persons outside the organisation to conduct the lottery on its behalf.

The benefiting organisation should make sure they are across a number of things, including:

- insisting on reports
- ratifying all expenses and prizes awarded
- having full access to records and registers
- ensuring financial records are audited
- exercising proper internal controls over the purchase, sale and safekeeping of tickets including unsold tickets.

## Advertising

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You must not publish any lottery advertising that:

- encourages a breach of the law, or
- depicts children participating in a lottery activity, or
- is false, misleading or deceptive, or
- suggests that winning will be a definite outcome of entering or participating in the lottery activity, or
- suggests that entering or participating in the lottery activity will definitely improve a person's financial prospects, or,
- is not conducted in accordance with decency, dignity and good taste.

## Records

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### **Social entertainment**

There is no requirement to keep records when:

- the total proceeds from the lottery is less than \$10,000, and
- the lottery is organised on the basis that the gross proceeds from the lottery, less costs and expenses properly incurred in connection with the conduct of the lottery, are wholly returned to participants in the form of prizes.

We recommended that you still keep records.

### **Fundraising version**

You're required to keep all records or receipts, invoices and other records concerning costs and outgoings, and payments received. All record keeping should be inline with the *Charitable Fundraising Act 1991* in addition to those required to be kept by the *Lotteries and Art Unions Act 1901*. You must keep the records of income and expenditure as outlined in the section 'Records to be kept'.

You're required to keep the following particulars in the records of income and expenditure:

- the total proceeds of the lottery
- the details of the prizes.

Where the total proceeds are more than \$10,000, the following particulars must also be included in the records of income and expenditure:

- any costs and expenses (itemised as to payee, amount and date of payment, and documented by receipts and invoices)
- the number of rights to participate available for sale and details of the serial number, unique number or symbol of those tickets

- the number of rights to participate not sold and details of the serial number, unique number or symbol of those tickets
- the names and contact details of all persons who have bought rights to participate, details of the serial number, unique number or symbol of those tickets
- the names and contact details of all prize winners, together with details of their prizes
- the total amount of the proceeds of the lottery paid to the benefiting not-for-profit organisation, and details of any receipts from that organisation in respect of that amount.

### **Banking of proceeds**

You must place all money received into an account at a bank, building society or credit union being an account belonging to the benefiting organisation within two business days.

### **How long are records required to be kept?**

**Social entertainment version:** You must keep records, accounts and other documents, relating to the lottery for at least three months.

**Fundraising version:** You must keep records, accounts and other documents, including computer records, relating to the lottery for seven years.

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<https://www.fairtrading.nsw.gov.au/games-of-chance/community-gaming/games-run-by-anyone/progressive-lotteries>

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