

## Guidance for running a raffle (lottery)

If you are looking to run a raffle or sweepstake, there are some rules you need to follow to make sure it complies with the Gambling Act 2003. A raffle (also known as lottery) is where you buy tickets and go into a draw for the chance to win a prize.

### What you need to know before you start.

- ❖ Proceeds must benefit your community, not an individual or business. For example, a community benefit or ‘authorised purpose’ is fundraising to help your local sports team buy uniforms but raising money to send your child to summer camp is not.
- ❖ **If the total value of prizes is more than \$5,000 and gambling turnover is more than \$25,000 then you will need a Class 3 gambling licence.**
  - If your raffle prizes have a combined value of under \$5,000 and you hope to sell 1,500 tickets at \$10 per ticket, the turnover is \$15,000 which means you don’t need a licence.
- ❖ **It’s illegal to raffle prizes** such as firearms, **liquor**, tobacco products. Check out the full list of [prohibited prizes here](#).
- ❖ **Selling tickets online requires a Class 3 licence, if you’re not licenced only use social media to promote your raffle and let people know where they can go to buy a ticket in person.**

Who can run a raffle?	What can you do with the money?	Prizes value limits	Potential turnover*	More info
Anyone	All money must be used for prizes	Can’t be valued over \$500	Each session does not exceed \$500	Class 1 gambling. <a href="#">For more information</a>
Society (either a corporate society or unincorporated)	All proceeds need to benefit the community. You can use money to cover operating costs; the rest goes to your ‘authorized purposes.’ Find examples of ‘authorised purposes’ at <a href="http://DIA.govt.nz">DIA.govt.nz</a>	Can’t be valued over \$5,000	Each session does not exceed \$25,000	Class 2 gambling. <a href="#">For more information</a>

Society (either a corporate society or unincorporated)	All proceeds need to benefit the community. You can use money to cover operating costs; the rest goes to your 'authorized purposes.' Find examples of 'authorised purposes' at <a href="http://DIA.govt.nz">DIA.govt.nz</a>	If the prizes are valued over \$5,000, you need a licence	Each session does exceed \$25,000	Class 3 gambling (licence required)  <a href="#">For more information</a>
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\*Potential turnover is the number of tickets printed times the cost of a single ticket.

### What you need to know when you're running a raffle

- Let everyone participating know the rules and requirements
- Make it clear when and where the draw will take place
- Ensure all tickets are individually numbered so it's easy to identify and contact the winner. If your raffle has prizes valued above \$500, only a society can run it and there are more requirements for tickets which you can find at [DIA.govt.nz](http://DIA.govt.nz)
- Don't sell tickets online unless you are a society and have a class 3 licence

Gambling is strictly regulated in New Zealand, when you're running your next raffle make sure you follow these simple rules to ensure you stay on the right side of the law.

Organisers must:	Societies must:
Ensure your raffle is run legally and every ticket sold has an equal chance of winning	Ensure your raffle is run legally and every ticket sold has an equal chance of winning
Ensure you have information to contact winners	Ensure you have information to contact winners
Keep the prizes the same once the raffle has started and if run by a society, not change the 'authorised purpose'	Keep the prizes the same once the raffle has started and if run by a society, not change the 'authorised purpose'
Include organisers contact details on tickets	Not have a ticket in the raffle
	Keep records of ticket sales and incurred costs for auditing reasons

## What should I do once a winner is drawn?

- ❖ Contact the winner and let them know they have won a prize. If you are running a class 3 raffle, then you need to publish the winners in a newspaper
- ❖ Check winners still have their ticket, and it belongs to them,
- ❖ Ensure prize/s are collected as soon as possible, but within 3 months
- ❖ For raffles with prizes above \$500, societies have more obligations like submitting an audit and prize statement to DIA within 3 months of the raffle draw and keeping a record of proceeds and expenses.