

Pursuant to section 367(1) of the Gambling Act 2003, I, Christopher Blake, Secretary for Internal Affairs, make the following game rules:

## GAMBLING ACT (LOTTERY) GAME RULES 2004

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#### **1 Title and commencement**

- (1) These rules are the Gambling Act (Lottery) Game Rules 2004
- (2) These rules shall come into force on the 1<sup>st</sup> day of July 2004.

#### **2 Interpretation**

- (1) In these rules, unless the context otherwise requires,—

**Act** means the Gambling Act 2003

**authorised purpose** has the same meaning as **authorised purpose** in section 4(1) of the Act

**club** means a voluntary association of persons combined for a purpose other than personal gain

**corporate society** has the same meaning as corporate society in section 4(1) of the Act

**jackpot** means where unclaimed prizes are carried forward to subsequent lotteries

**licence** has the same meaning as **class 3 operator's licence** in section 4(1) of the Act

**lottery** means a scheme or device involving multiple participants for which -

- (a) a person pays consideration to participate directly or indirectly; and
- (b) prizes of money are distributed according to a draw that takes place after all participants have entered; and

includes lotto, raffles, and sweepstakes.

**Secretary** has the same meaning as **Secretary** in section 4(1) of the Act

**ticket** means a document or thing that is evidence of, or signifies participation in, gambling or, if there is no document or thing, includes the right to participate

- (2) Any term or expression that is defined in the Act and used, but not defined, in these rules has the same meaning as in the Act.

### **3 Application of rules**

These rules apply to class 1, class 2 or class 3 gambling that is a lottery.

### **4 Conduct of game – class 1, class 2 and class 3 gambling**

Every organiser and society (or an individual where section 22 of the Act applies) must comply with the following rules when conducting a lottery that is class 1, class 2 and class 3 gambling -

- (1) The organiser must clearly indicate to all participants the rules and requirements by which the lottery will be played.
- (2) A ticket is the only valid basis for participating in the lottery.
- (3) A ticket is the only valid basis for winning a lottery.
- (4) Where tickets are sold to the general public, the date, time and location of the draw shall be publicly notified.
- (5) Where tickets are sold to the general public, the drawing of the lottery must be open to the public.
- (6) Tickets cannot be sealed.
- (7) Each ticket sold must have an equal chance of being drawn.
- (8) Each ticket sold and no other ticket is included or represented when the draw is made.
- (9) No ticket can be adjoined to a ticket in any other lottery.
- (10) Tickets in the lottery must not be combined with a fee to any other event or entertainment.
- (11) Prizes must be given only to person(s) who win.
- (12) Prizes must be given to winners within 3 months after the draw, unless the winner cannot be identified or located, or does not wish to accept the prize.
- (13) The details of any conditions attached to a prize must be clearly indicated at the point of sale.
- (14) Ticket sellers must ensure that information is obtained from ticket purchasers to identify and contact the person to whom the ticket is sold.
- (15) Prize winners must not incur costs additional to the cost of participation in the lottery when claiming their prize.
- (16) Prizes offered must not be changed once the lottery has commenced.

- (17) The authorised purpose(s) to which the net proceeds of the lottery are applied or distributed must not change once ticket sales have commenced.

#### **5 Conduct of game - class 2 and class 3 gambling**

Every society and organiser must comply with the following additional rules when conducting a lottery that is class 2 or class 3 gambling –

- (1) A lottery cannot jackpot.
- (2) Neither the society nor the organiser may hold a ticket.
- (3) A ticket, which has been drawn, is not eligible to be drawn again in the same draw.
- (4) Tickets must be individually numbered.

#### **6 Conduct of game - class 3 gambling**

Every society and organiser must comply with the following additional rules when conducting a lottery that is class 3 gambling –

- (1) Tickets must not be printed until a licence has been issued by the Secretary, unless the Secretary has given prior approval.
- (2) A specimen of the printed ticket and butt must be provided to the Secretary prior to the commencement of ticket sales.
- (3) Unless entry to the lottery is restricted to members of a society, organisers must provide each participant with an individually numbered ticket to act as a receipt, showing the following information:
  - (i) the name of the society;
  - (ii) the name and address of the organiser of the lottery;
  - (iii) the authorised purposes for which the lottery is conducted;
  - (iv) when and where the lottery will be drawn;
  - (v) the range of ticket numbers in the lottery;
  - (vi) details of where, when and how results will be notified publicly;
  - (vii) the value and characteristics of the prize(s) to be won;
  - (viii) the cost of entry;
  - (ix) the total number of tickets offered in the lottery;
  - (x) the process for determining the winners;
  - (xi) the process for cancelling the lottery;
  - (xii) the following words: By licence issued under section 37 of the Gambling Act 2003;
  - (xiii) licence approval number issued by the Department of Internal Affairs;
  - (xiv) address and phone number of the Department of Internal Affairs.
- (4) The ticket must have a butt portion attached to the ticket showing:
  - (i) a number identical to that appearing on the ticket;
  - (ii) the name of the society;
  - (iii) the name and address of the organiser;
  - (iv) space to enable purchaser to write name and contact details.
- (5) The following information is published at the point of sale:
  - (i) the name of the society;
  - (ii) the name and address of the organiser;
  - (iii) the authorised purpose for which the lottery is being conducted;
  - (iv) the cost of each ticket; and
  - (v) the number of tickets offered for sale.

- (6) A copy of these rules, together with any amendments and a copy of the licence is available on request from any person who requests such information.
- (7) All lotteries must be drawn on the date specified on the licence or such later date as may be approved by the Secretary.
- (8) If the lottery is ancillary to entertainment, the draw must take place while the entertainment continues.
- (9) Unless the lottery is ancillary to entertainment, the result of the lottery must be drawn within 3 months of tickets first being offered for sale and within 14 days after ticket sales cease.
- (10) The result of the lottery must be notified publicly within 1 week after it is drawn.
- (11) Results must be published in a newspaper or newspapers circulating in the area(s) in which the tickets have been sold.
- (12) Winners must be notified in accordance with the method printed on the tickets.
- (13) The value of any prize (excluding cash) shall be the retail value at the time of the application, or the date of purchase if the prizes are purchased prior to the application being lodged.
- (14) The drawing of the lottery must be supervised by a person of standing in the community who is independent of the society conducting the lottery. A person of standing includes, but is not limited to those persons permitted to take declarations under section 9 of the Oaths and Declarations Act 1957.
- (15) If the winner cannot be identified or located, after a reasonable effort, and the prize or reward remains unclaimed 3 months after the declaration of the result of the lottery, the society must notify the Secretary for Internal Affairs within 1 month. Prizes must then be disposed of according to the Secretary for Internal Affairs directions. The society must ensure that the prize is retained for 3 months after the draw; or if the prize is livestock or a property of a perishable nature, sell the prize in a way that brings a reasonable price and retain the proceeds (after deducting the reasonable costs of the sale) for 3 months after the draw until directions are received from the Secretary for Internal Affairs

## **7 Determination of winner**

- (1) If the lottery is class 2 or 3 gambling, the winner(s) of a lottery must be determined in accordance with the following procedure:
  - (i) As soon as is practicably possible, the lottery organiser must—
    - (a) verify that the participant's lottery ticket belongs that person; and
    - (b) verify that the participant's ticket is the winning ticket.

## **8 Percentage returned as prizes**

- (1) Prizes in the lottery must be worth at least 20% of the lottery's gross potential income.

## **9 Records and auditing (applicable if a lottery is class 3 gambling)**

- (1) The society must provide an independently audited Audit and Prize Statement of the lottery in the approved manner.
- (2) The society must forward an Audit and Prize Statement to the Secretary within three months from the date the lottery is drawn.
- (3) Any person completing the Audit and Prize Statement for the society shall be a chartered accountant in public practice who is not associated, directly or indirectly, with the conduct of the lottery or the society's licensed promoter if one is employed.

- (4) Where proceeds are provided to any other society as an authorised purpose:
- (i) The Audit and Prize Statement must include an additional form of verification and consent from the recipient society;
  - (ii) The Secretary may require additional information from the recipient society in relation to how the proceeds have been spent;
  - (iii) The Secretary may direct the recipient society to carry out an audit of the proceeds received by a chartered accountant.

**10 Retention of Documents (applicable if the lottery is class 3 gambling)**

- (1) The society must retain all butts, unsold tickets, invoices, statements, and other documentation associated with the lottery for a period of six months after the date of the draw. They are to be produced upon request to the Secretary.

**11 Membership lotteries**

- (1) Subject to the exceptions in sub clause 8 below, membership lotteries must adhere to lottery game rules.
- (2) Membership lotteries may not be played at the class 3 gambling level.
- (3) Membership lotteries may only be conducted by a club that is a corporate society.
- (4) Only current financial members of the society shall be eligible to participate in the lottery and no other consideration must be paid to participate in the lottery.
- (5) In a multi-draw lottery, when a prize in any draw is not won it may be added to the prize for a next draw in the same lottery, but no prizes may be carried over to another lottery.
- (6) Final draws must be made within 3 months of the first draw taking place.
- (7) All prizes carried over to the final draw of a multi-draw lottery must be won in that draw.
- (8) Membership lotteries are exempt from the following lottery game rules:
  - (i) Rule 4 (10)
  - (ii) Rule 5 (1) and (2)

**Made in Wellington this \_\_\_\_\_ day of \_\_\_\_\_ 2004.**

**Christopher Blake, Secretary for Internal Affairs**