

Office of Liquor and Gaming Regulation

Guide for category 2 games

Gross proceeds more than \$2,000 but not more than \$50,000 (total ticket sales)

The *Charitable and Non-Profit Gaming Act 1999* provides for category 2 games.

What is a game?

A “game” is a game, scheme or arrangement offering prizes, whether or not tickets are sold or distributed, in which the winners are decided:

- (a) entirely or partly by chance, or
- (b) by a competition or other activity having an outcome depending on chance, for example, a guessing competition.

Examples of “category 2 games”:

1. Art union
2. Bingo
3. Calcutta sweep
4. Lucky Envelopes

What is a category 2 game?

A “category 2 game” is a game in which:

- (a) for bingo—the gross proceeds of all games in the bingo session are more than \$2,000 but not more than \$20,000, or
- (b) for lucky envelopes—the gross proceeds of which are not more than \$5,000, or
- (c) for other games—the gross proceeds of which are more than \$2,000 but not more than \$50,000.

Who can conduct a category 2 game?

An eligible association can conduct a category 2 game.

What is an eligible association?

An “eligible association” is:

- (a) an association formed and operated principally for a charitable, community, educational, patriotic, religious or sporting purpose or a similar purpose prescribed under a regulation, or
- (b) a parents and citizens association formed under the *Education (General Provisions) Act 1989*, or
- (c) a registered political party under the *Electoral Act 1992*.
- (d) Another association prescribed under a regulation.

Do I need a licence or permit to conduct a category 2 game?

No.

What is an art union?

An “art union” is a game other than bingo, calcutta sweep, lucky envelopes and a promotional game. Examples of “art unions”:



1. raffles
2. silver circles (multiple drawing art unions)
3. sweeps, normally conducted on Melbourne Cup (other than calcutta sweeps)
4. football doubles
5. cent auctions
6. lucky door prizes.

Length of time for conducting category 2 art unions

A category 2 art union must be drawn on the day, not more than a year after the day tickets in the art union start to be sold, stated on the tickets for the art union.

Prohibited prizes

Prohibited prizes in a category 2 art union are:

- more than \$25,000 in cash
- surgery
- a tobacco product
- a weapon or ammunition
- any other item the sale or acquisition of which is restricted by legislation of the State or Commonwealth
- a ticket or other chance in a game that is not approved under a gaming act.

Also, for a game other than a promotional game, alcohol must not be offered as a prize unless the alcohol has a retail value of \$1,000 or less.

Prizes—antiques, gems, memorabilia and art

If a prize in a category 2 art union is an antique, a gem, memorabilia or a work of art the prize winner must be given a current written market valuation from an appropriate valuer for the antique, gem, memorabilia or work of art.

Prizes—animals

If a prize in a category 2 art union is an animal, the prize winner must be given:

- a current written market valuation from an appropriate valuer for the animal and
- a certificate from a veterinary surgeon about the distinguishing characteristics and markings, health and physical condition of the animal.

Prizes—second hand motor vehicles

If a prize in a category 2 art union is a second hand motor vehicle, the prize winner must be given the following documents for the motor vehicle:

- a current certificate of road worthiness and
- a current written market valuation from an appropriate valuer and
- a warranty for a period of three months after the day it is delivered to the winner and
- a security interest certificate under the *Personal Property Security Act 2009*.

Prizes—second hand goods

If a prize in a category 2 art union is a thing, other than a motor vehicle, that is second hand, the prize winner must be given a current written market valuation from an appropriate valuer for the prize.

Insurance for certain prizes

An existing prize with a value of more than \$5,000 must be insured against loss or damage for an amount equal to its current valuation for the period from when tickets for the art union go on sale to the day the prize is delivered to the winner.

Participation by minors

An association/individual involved in the conduct of a category 2 art union must not sell a ticket in an art union to a minor if a prize for the art union includes alcohol or a gaming product.

“Gaming product” means—

- (a) a voucher or other acknowledgement for playing—
 - (i) a game under the *Casino Control Act 1982*, or
 - (ii) a gaming machine under the *Gaming Machine Act 1991*, or
 - (iii) an approved keno game under the *Keno Act 1996*, or
- (b) a ticket in a game of lucky envelopes or a promotional game that is scratched to reveal numbers, letters or symbols that may entitle the player of the game to a prize or
- (c) a lottery ticket under the *Lotteries Act 1997*, or
- (d) a ticket or other acknowledgement for a bet under the *Wagering Act 1998*.

Prize value

The total value of prizes must be at least 20% of the estimated gross proceeds of the art union.

Are there any prescribed percentages for expenses or net profit?

No. However, the amount of estimated gross proceeds of an art union that may be paid towards the cost of conducting the art union, other than the cost of prizes, must be reasonable in relation to:

- (a) the estimated gross proceeds of the art union and
- (b) the nature of the art union.

Advertisements

An advertisement for a category 2 art union must include the following information:

- the closing and drawing dates
- the ticket price
- the order prizes are to be drawn (if not drawn in descending order of value)
- details of how prize winners will be notified
- the name of the eligible association conducting it
- a description and the retail value of each of the prizes.

Ticket requirements

A “**ticket**” means a document or thing that evidences, or is intended to evidence, a person’s right to participate in the category 2 game.

All tickets in a category 2 art union must be sold at the same price.

However, tickets may be sold as a bundle (e.g. one for \$1.00 or three for \$2.00). If bundled tickets can be purchased at the time of sale then the same discount for bundled tickets must be offered to all ticket buyers.

A ticket may only be issued to an entrant if the entrant has paid the correct price for the ticket.

Tickets must not be sold after the closing of the art union.

However, if the art union has a series of draws over a period of time, a ticket may be issued if the player has paid the amount that is sufficient to be entitled to be entered in the next draw for the art union.

Tickets must not be sent or delivered to a person unless:

- (a) the person has paid for the ticket before it is sent or delivered; or
- (b) the person is the association’s agent or ticket seller.

Each ticket in a category 2 art union must be numbered consecutively and, if more than one series of tickets is to be used for the same draw, each series of tickets must be identifiable by colour, or other distinguishable characteristics.

If more than one category 2 art union is being drawn on the same day the tickets in each draw must be identifiable by colour, series or other distinguishable characteristics.

Each ticket in a category 2 art union must include the following information:

- the name of the eligible association
- the closing and drawing dates
- the way in which prize winners will be notified
- the ticket price
- the order in which prizes will be drawn if not drawn in descending order of value
- the ticket number
- a description and the retail value of each of the prizes.

If a category 2 art union is not conducted and drawn on the same day, the tickets for the art union must:

- have the name and either the address or telephone number of the entrant legibly written on the ticket butt, or legibly recorded in another way that enables each prize winner to be identified and
- for a guessing game competition, have the name and either the address or telephone number of the entrant legibly recorded in a way that enables each prize winner to be identified.

Ineligibility to enter

A person is not eligible to enter a category 2 art union if the person is:

- (a) a member of the management committee of the eligible association conducting the art union or
- (b) directly engaged in conducting the draw of the art union or
- (c) the eligible association conducting the art union or
- (d) a member of the immediate family of a person mentioned in (a) or (b).

“**Immediate family**”, for a person, means the person’s spouse and family members residing at the same premises as the person.

Extension of drawing date

An eligible association may extend the day on which a category 2 art union was originally intended to be drawn to a day not more than one year after the day tickets in the art union start to be sold.

The eligible association must take reasonable steps to notify the extension to the ticket purchasers and ensure all remaining unsold tickets include the new closing and drawing dates.

Drawing of art union

Each person who is issued with a ticket for a category 2 art union must have a fair and equal chance of winning the major prize in the art union at the time of drawing of the art union.

If using ticket butts, every sold ticket butt must be included in the draw.

Where an electronic raffle drawing machine is being used it must be ensured that the full range of tickets sold are covered by the draw (i.e. all tickets from lowest sold to highest sold are included). If an unsold ticket number is drawn, another ticket number must be drawn to determine the winner of the prize.

If an electronic device is used, the eligible association conducting the category 2 art union needs to ensure that the winners are selected at random thereby allowing all ticket holders a fair and equal chance of winning.

Order in which prizes to be drawn

If more than 1 prize is being offered in a category 2 game, the major prize must be drawn first and the other prizes then drawn in descending order of number and value.

However, prizes may be drawn in an alternate order provided that the alternate order is clearly advertised at the time tickets in the art union are sold. If a minor prize is drawn before the major prize the ticket held by the winner of the minor prize must be returned to the pool and be eligible to win the major prize.

Delivery of prizes

For a category 2 game the eligible association conducting the game must deliver the prizes to the winners of the art union within one month after winners are decided.

The above does not apply if:

- the prize winner agrees in writing that the prize may be delivered more than one month after the winners are decided or
- after making all reasonable efforts, the eligible association conducting the art union can not locate the winner of the prize.

Substitution of prizes

Another prize may be substituted for a prize offered in a category 2 game only if:

- the eligible association conducting the game and the winner of the prize have agreed in writing to the prize being substituted and
- the substituted prize is similar to and of the same or greater value than the original prize.

Locating prize winners

An eligible association conducting a category 2 art union must make every reasonable effort to:

- locate the prize winners for the game and
- deliver the prizes to the winners.

If the eligible association is unable to locate a prize winner, the eligible association must give written notice to the chief executive of the inability to locate the winner and the efforts made to locate the winner. The notice must be given within seven days of becoming aware of the inability to locate the winner.

Period for which unclaimed prizes to be kept

For a category 2 art union the prize must be kept for one year from the day the prize winner is decided.

If the prize is not claimed within one year the eligible association may apply the prize or its sale proceeds to the association's purposes.

Advertising results

The results of a category 2 art union must be published in the way advertised by the eligible association conducting the art union when tickets for the art union are sold.

If the eligible association has not given information about the way in which the results will be published, prize winners must be given notice by mail within 28 days after the art union is drawn.

Keeping general gaming records

An eligible association conducting a category 2 game must keep records ("**general gaming records**") about the conduct of the game.

These records must be kept at the eligible association's principal place of business in Queensland, the registered office in Queensland or another place approved by the chief executive.

Keeping accounting records

An eligible association conducting a category 2 game must:

- keep accounting records correctly recording and explaining the financial transactions for the art union and
- keep the accounting records in a way that allows:

- (a) true and fair financial statements to be prepared when necessary and
- (b) the financial statements and accounts to be conveniently and properly audited.

Retention of records

General gaming records shall be kept for a period of five years unless a shorter period is approved by the chief executive.

Audit

If an eligible association conducts an art union with gross proceeds exceeding \$10,000 the association must, as soon as practicable after the end of each financial year in which the association conducts the art union, ensure the association's financial accounts, records and statements for the association's general gaming operations for the art union are audited by an accountant.

The accountant conducting the audit must finish the audit within three months after the end of the financial year to which the audit relates.

The accountant must, immediately after finishing the audit, give a copy of the audit report to the eligible association conducting the art union.

The eligible association given the audited report **must** immediately give the chief executive a copy of the report.

Lodgement of returns

The chief executive may also issue a written notice for the lodgement of a return for any category 2 game.

An eligible association must comply with the notice unless there is a reasonable excuse for not complying with it.

What is bingo?

"**Bingo**" is a game known as bingo, housie, or housie-housie, or a similar game, whatever called, in which:

- (a) each player is given a ticket with numbers, letters or symbols printed on it and
- (b) the winner is decided by the player matching randomly selected numbers, letters or symbols to the numbers, letters or symbols on the player's ticket.

What is a bingo session?

“**Bingo session**” means the period in which the number of bingo games for the session, decided by the person conducting the session, are played.

There is no prescribed period for the conduct of a bingo session.

Prohibited prizes

Prohibited prizes in a category 2 bingo game are:

- more than \$25,000 in cash
- a tobacco product
- a weapon or ammunition
- any other item the sale or acquisition of which is restricted by legislation of the State or Commonwealth
- a ticket or chance in a game that is not included under a gaming act.

Also, for a game other than a promotional game, alcohol must not be offered as a prize unless the alcohol has a retail value of \$1,000 or less.

Are there any prescribed percentages for prizes?

The total value of prizes in a bingo session, other than jackpot prizes, must not be more than 75% of the gross proceeds of the session.

However, the above does not apply to a bingo session if:

- (a) all money received from the sale of tickets in the session is returned to the players in session in the form of prizes and
- (b) the premises at which the bingo session is conducted are not premises that are, or part of which are, licensed premises under the *Liquor Act 1992*.

A jackpot prize in a bingo session may be paid only from funds set aside for that purpose from the proceeds of earlier bingo sessions and the current session.

However, for the first jackpot prize offered in a bingo session conducted by an eligible association, the following amount may be used to start the jackpot prize pool—an amount not more than \$5,000.

Are there any prescribed percentages for expenses and net return?

No. However, the amount of the estimated gross proceeds of the bingo session that may be paid towards the cost of conducting the bingo session, other than the cost of prizes, must be reasonable in relation to:

- (a) the estimated gross proceeds of the bingo session and
- (b) the nature of the bingo session.

Participation by minors

An association/individual involved in the conduct of a category 2 bingo game must not sell a ticket in a bingo game to a minor if a prize for the bingo game includes alcohol or a gaming product. See page 3 for the definition of a “gaming product”.

Ticket requirements

A “**ticket**” for bingo, means a document or thing that evidences, or is intended to evidence, a person's right to play a bingo game.

All tickets must be sold at the same price.

However, tickets may be sold as a bundle (e.g. one for \$1.00 or three for \$2.00). If bundled tickets can be purchased at the time of sale, then the same discount for bundled tickets must be offered to all ticket buyers.

A ticket may only be issued to a player if the player has paid the correct price for the ticket.

Tickets in a category 2 bingo game must be numbered consecutively in each series.

Persons ineligible to enter a category 2 bingo game

The following persons are not eligible to enter a category 2 bingo game:

- (a) a person directly engaged in the calling or drawing of the winning bingo numbers
- (b) a person who acts as a spotter in the bingo game
- (c) a person who is a member of the management committee of the eligible association
- (d) a member of the immediate family of a person mentioned in paragraph (a)(b) or (c).

“**Immediate family**”, for a person, means the person’s spouse and family members residing at the same premises as the person.

Advertisements

An advertisement for a category 2 bingo game must include the following information for the bingo session:

- the time and date of the bingo session
- the name of the association conducting the bingo session.

What prizes can be advertised?

All prizes including jackpot prizes can be advertised.

Claiming a prize

The winner of a prize in a category 2 bingo game is the person:

- who claims the prize and
- whose ticket is checked by a spotter and found to have all the numbers that have been properly drawn and called and are necessary to win the prize
- a person who claims a prize in a category 2 bingo game during a call-back of a ticket that is claimed as a winning ticket in the game must be recognised as a claimant of the prize
- if there is more than one prize in a bingo game, the monetary value of the prize must be divided equally between the prize winners
- a claim to a prize cannot be recognised after the game is finished

- a bingo game is finished when the last number of the last winning ticket of a claimant in the game has been called back.

Delivery of prizes

An eligible association conducting a category 2 bingo game must deliver the prizes to the winners immediately after the winners are decided.

Keeping general gaming records

An eligible association conducting a category 2 bingo game must keep records (“**general gaming records**”) about the conduct of the bingo game.

These records must be kept at the eligible association’s principal place of business in Queensland, the registered office in Queensland, or another place approved by the chief executive.

Keeping accounting records

An eligible association conducting a category 2 bingo game must:

- keep accounting records correctly recording and explaining the financial transactions for the bingo game; and
- keep the accounting records in a way that allows:
 - (a) true and fair financial statements to be prepared when necessary; and
 - (b) the financial statements and accounts to be conveniently and properly audited.

Retention of records

General gaming records shall be kept for a period of 5 years unless a shorter period is approved by the chief executive.

Audit

If an eligible association conducts a bingo game with gross proceeds exceeding \$10,000 the association must, as soon as practicable after the end of each financial year in which the association conducts the art union, ensure the association’s financial accounts, records and statements for the association’s general gaming operations for the bingo game are audited by an accountant.

The accountant conducting the audit must finish the audit within 3 months after the end of the financial year to which the audit relates.

The accountant must, immediately after finishing the audit, give a copy of the audit report to the eligible association conducting the bingo game.

The eligible association given the audited report must immediately give the chief executive a copy of the report.

Lodgement of returns

The chief executive may also issue a written notice for the lodgement of a return for any category 2 bingo game.

An eligible association must comply with the notice unless there is a reasonable excuse for not complying with it.

What is a calcutta sweep?

A “calcutta sweep” is a game conducted on a horse race held at a licensed venue, or an event approved by the chief executive, in which, before the race or event starts:

- (a) each player buys a ticket for a chance to be allocated, by lot, a participant in race or event and
- (b) an auction takes place at which anyone present, whether or not the person holds a ticket, is entitled to bid for each participant in the race or event.

The winners in a calcutta sweep are decided entirely or partly by chance, according to the result of the race or event.

Length of time for conducting category 2 calcutta sweep

The result of the event in a category 2 calcutta sweep must be finalised within three months of the day tickets for the calcutta sweep start to be sold.

Ticket requirements

A “**ticket**” means a document or thing that evidences, or is intended to evidence, a person’s right to participate in the category 2 calcutta sweep.

All tickets in a category 2 calcutta sweep must be sold at the same price.

However, tickets may be sold as a bundle (e.g. one for \$1.00 or three for \$2.00). If bundled tickets can be purchased at the time of sale then the same discount for bundled tickets must be offered to all ticket buyers.

A ticket may only be issued to a player if the player has paid the correct price for the ticket.

Tickets in a category 2 calcutta sweep must be numbered consecutively.

If the draw of a category 2 calcutta sweep is not to occur on the day on which tickets in the sweep are sold, the tickets must include the following information for the sweep:

- name of the event on which it is conducted
- closing date
- time, day and place it is to be drawn and the auction is to be held
- name of the association conducting it
- price of the ticket
- the ticket number
- the player’s name and address

Ineligibility to enter

A person is not eligible to enter a category 2 calcutta sweep if:

- the person is directly engaged in the conduct of the drawing of the calcutta sweep or
- the person is a member of the “immediate family” of a person mentioned above.

Also, a person is not eligible to enter a category 2 calcutta sweep if the person is:

- a member of the management committee of the association conducting the calcutta sweep or
- a member of the immediate family of a person mentioned above.

“**Immediate family**”, for a person, means the person’s spouse and family members residing at the same premises as the person.

Advertisements

An advertisement for a category 2 calcutta sweep must contain the following:

- the date and name of the event on which it is to be conducted
- the closing date for the sale of tickets
- details of how prize winners will be notified
- the name of the association conducting it
- the time, date and place for the draw and auction

Drawing a category 2 calcutta sweep

Each person who buys a ticket in a category 2 calcutta sweep must have a fair and equal chance of drawing a participant in the race or event.

Results

The association conducting a category 2 calcutta sweep must give information about the way in which the results will be published or made available.

The prize winners must be notified in the way mentioned above.

Distribution of prize pool

The respective prize payout percentages for a calcutta sweep must be notified to players before the sweep is drawn and the auction is conducted.

Are there any prescribed percentages for prizes, expenses and net profit?

No. However, the amount of the estimated gross proceeds of the calcutta sweep that may be paid towards the cost of conducting the calcutta sweep, other than the cost of prizes, must be reasonable in relation to:

- (a) the estimated gross proceeds of the calcutta sweep and
- (b) the nature of the calcutta sweep.

Delivery of prizes

For a category 2 calcutta sweep the eligible association conducting the calcutta sweep must deliver the prizes to the winners in the calcutta sweep within one month of the conduct of the event.

The above does not apply if:

- the prize winner agrees in writing that the prize may be delivered more than one month after the conduct of the category 2 calcutta sweep or
- after making all reasonable efforts, the eligible association conducting the category 2 calcutta sweep cannot locate the prize winner.

Keeping general gaming records

An eligible association conducting a category 2 calcutta sweep must keep records (“general gaming records”) about the conduct of the calcutta sweep.

These records must be kept at the eligible association’s principal place of business in Queensland, the registered office in Queensland, or another place approved by the chief executive.

Keeping accounting records

An eligible association conducting a category 2 calcutta sweep must:

- keep accounting records correctly recording and explaining the financial transactions for the calcutta sweep game and
- keep the accounting records in a way that allows:
 - (a) true and fair financial statements to be prepared when necessary and
 - (b) the financial statements and accounts to be conveniently and properly audited.

Retention of records

General gaming records shall be kept for a period of 5 years unless a shorter period is approved by the chief executive.

Audit

If an eligible association conducts a calcutta sweep with gross proceeds exceeding \$10,000 the association must, as soon as practicable after the end of each financial year in which the association conducts the calcutta sweep, ensure the association’s financial accounts, records and statements for the association’s general gaming operations for the calcutta sweep are audited by an accountant.

The accountant conducting the audit must finish the audit within three months after the end of the financial year to which the audit relates.

The accountant **must**, immediately after finishing the audit, give a copy of the audit report to the eligible association conduct the calcutta sweep.

The eligible association given the audited report **must** immediately give the chief executive a copy of the report.

Penalties

The *Charitable and Non-Profit Gaming Act 1999* prescribes heavy penalties for associations / individuals who fail to comply with the various provisions designed to ensure that the integrity of charitable gaming is maintained.

Want to Know More

Please contact OLGR's client service area on
(07) 3872 0999 or Toll Free on **1800 064 848**
(outside Brisbane) or by mail to:

**Office of Liquor and Gaming Regulation
Locked Bag 180
City East Qld 4002**

Or by e-mail at:
gamingcompliance@justice.qld.gov.au

This guide has been prepared to provide associations/individuals conducting games with basic information regarding the conduct of those games.

Associations/Guide individuals conducting games should familiarise themselves with the provisions of the *Charitable and Non-Profit Gaming Act 1999* together with the *Charitable and Non-Profit Gaming Regulation 1999* and the *Charitable and Non-Profit Gaming Rule 2010*.