

Fact sheet FS3093

Mini-numbers

This fact sheet outlines the applicable requirements and best practice of running a mini-numbers lottery.

What is mini-numbers?

Mini-numbers is a lottery in which subscribers choose a smaller set of numbers from a larger set of numbers with the chance of winning prizes.

Mini-numbers lotteries go by many names including – mini-lotto, lionball, kick-a-ball, make-a-mark and pick-the-pack.

A player pays a small amount and selects six numbers from a maximum of twenty numbers. Six numbers are drawn. If the player gets all six numbers he or she wins. If no one gets the six numbers, the prize jackpots until the next time.

Who may benefit from the conduct of a mini-numbers lottery?

A mini-numbers lottery may only be conducted to raise funds for the benefit of a not-for-profit organisation.

A not-for-profit organisation is a body of persons which is not formed for private gain, and includes charities, social clubs, registered clubs, political parties and trade unions.

Is a permit required?

No. Mini-numbers lotteries may be conducted without a permit. However, you must comply with the requirements of the *Lotteries and Art Unions Act 1901*.

If a mini-numbers lottery is conducted to raise funds for a charity, an authority under the *Charitable Fundraising Act 1991* may be required. If you are unsure, please contact NSW Fair Trading at charity.inquiries@finance.nsw.gov.au.

Is there a limit on how many mini-numbers lotteries may be conducted?

Yes. Not more than one mini-numbers lottery may be conducted for the benefit of a not-for-profit organisation at any one time. And, not more than one may be conducted for that organisation in any period of seven days.

In addition, not more than one mini-numbers lottery may be conducted on the premises of a registered club, hotel or any other premises at any one time.

What if I only want to conduct one mini-numbers lottery at a special event?

There is no reason why you cannot conduct a mini-numbers lottery in connection with a special event. In such cases, it would be conducted in accordance with the terminating lottery rules (refer to the section 'What is a terminating lottery' for more information).

What is the maximum value of prizes?

The total value of prizes must be at least 50% of the money received from the sale of mini-number tickets. However, the total value of prizes in a mini-numbers lottery cannot exceed \$20,000 (refer to the section 'What is a terminating lottery and 'What happens if the value of the prizes would otherwise exceed \$20,000' for more information).

Is there a limit on the total amount of money prizes?

Yes. The total amount of money prizes (excluding spending money) cannot be more than \$10,000.

Spending money may be awarded in conjunction with a prize comprising tickets for a tour or journey – a travel prize. The maximum amount of spending money that may be awarded with a travel prize is 20% of the total value of the travel prize.

Quick facts

- ▲ A mini-numbers lottery can only be conducted to raise funds for a not-for-profit organisation
- ▲ The benefiting organisation must receive at least 40% of the gross proceeds
- ▲ No permit required
- ▲ The cost to enter cannot exceed \$2.00
- ▲ Not more than one mini-numbers lottery may be conducted for the benefit of an organisation at any one time and in any period of 7 days
- ▲ Not more than one mini-numbers lottery may be conducted on the premises of a registered club or hotel at any one time
- ▲ The total value of prizes must be at least 50% of the gross proceeds, and cannot exceed \$20,000
- ▲ Total value of money prizes capped at \$10,000
- ▲ Spending money with a travel prize cannot be more than 20% of the value of the prize
- ▲ Expenses cannot exceed 10% of the gross proceeds
- ▲ No commissions, fees or other benefits may be paid
- ▲ Persons under 18 years must not take part in a mini-numbers lottery
- ▲ Persons involved in the conduct and management of the benefiting organisation and the lottery cannot play a mini-numbers lottery

What types of prizes may be offered?

Prizes may consist of or include anything except a prohibited prize. 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. Spending money can be given as part of a tour or journey provided the total value does not exceed 20% of the total value of the travel prize.

Money prizes are allowed provided the total value is no more than \$10,000. If any prize is more than \$10,000 the offer of a shopping voucher or store credit provides a viable alternative.

As mini-numbers may involve more than one winner it may be difficult to share a particular product or service between the winners.

A voucher or store credit system can facilitate the sharing of prizes. A voucher or store credit system also facilitates the jackpotting of prizes (where a prize is not won).

What types of prizes are prohibited?

The following are prohibited prizes:

- ▲ money prizes over \$10,000
- ▲ 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% by volume or more than 5 litres of liquor with an alcohol content exceeding 20% 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.

What expenses may be incurred?

You may incur reasonable expenses for:

- ▲ the purchase of the tickets

- ▲ hiring or operating any device used
- ▲ renting premises
- ▲ advertising and promoting the lottery
- ▲ auditing.

The total allowable expenses must not be more than 10% of the gross proceeds. These expenses exclude the cost of the prizes – which must be at least 50% of the gross proceeds.

Payment of commission and remuneration

No commission, fee or other benefit may be paid to an organiser of a mini-numbers lottery or to an authorised selling agent.

How much should the benefiting organisation receive?

The profit must be at least 40% of the gross proceeds.

If the lottery does not achieve the required minimum of 40% profit, you must apply to us in writing for approval to accept the reduced percentage. The application must explain the unusual and unexpected circumstances which resulted in the unfavourable outcome.

Is there a maximum price per ticket?

Yes. The charge for a ticket cannot exceed \$2.00.

The sale price must be consistently applied to all tickets sold. No ticket may be disposed of except for the advertised value of the ticket or for some other consideration, which is equivalent to the value. Tickets cannot be discounted.

Is there any restriction on the number of tickets that may be sold?

No.

How should ticket sales be managed?

If you intend to sell mini-numbers tickets in a street or public place in a local government area, you may

require written permission from the local council. You should contact your local council for more information.

Mini-numbers lotteries must be conducted fairly. A procedure must be adopted which ensures that all tickets are secure and are not capable of manipulation.

You must take suitable measures to ensure that there is adequate control over the issue of tickets to selling agents, the receipt of money, and the receipt of unsold tickets.

Tickets cannot be sold after the closing time for the receipt of entries in the lottery.

Tickets cannot be sold to persons under 18 years. Also, no person under 18 is allowed to take part in the management or conduct of the lottery.

The following persons cannot purchase tickets and play a mini-numbers lottery.

The following must not purchase tickets in and play a mini-numbers lottery:

- ▲ the benefiting organisation
- ▲ a person involved in the management of the benefiting organisation
- ▲ the organisers of the lottery
- ▲ a person conducting the draw
- ▲ the spouse, de facto spouse or other family member of a person referred to above, if the spouse or family member lives at the same address
- ▲ a person under 18 years.

Who is an authorised selling agent?

This is a person appointed, with the person's consent, by the organisers of the lottery or the benefiting organisation as an agent for the sale of the tickets in the mini-numbers lottery.

What are the duties of the authorised selling agent? – The marking of tickets

The selling agent supervises the marking of the ticket. The purchaser of a ticket must mark the ticket in the presence of the authorised selling agent and immediately hand the marked ticket back to the agent.

The agent then checks both the official entry portion and the purchaser's portion of the ticket.

If the ticket has not been properly completed, the agent must immediately return the ticket to the purchaser for completion. If the purchaser's choice of number has been altered in any way (e.g. by the crossing out of a chosen number and the choice of an alternative number), the agent must cancel both portions of the ticket, and provide the purchaser with a fresh ticket. The fresh ticket would then be checked in the same way as the original ticket.

The authorised selling agent must signify his or her acceptance of a properly marked ticket by initialling both the entry portion of the ticket and the purchaser's portion of the ticket, and then return the initialled purchaser's portion back to the purchaser.

If a ticket is cancelled, the agent must retain both portions of the ticket together.

What is required of the ticket?

The tickets of each lottery must be distinguished (by serial number or unique symbols) from each other series of tickets, and the tickets in each series must be numbered consecutively.

A ticket cannot provide for more than two entries to the lottery concerned.

Each ticket must consist of an entry portion and a purchaser's portion. The entry portion must contain the following information. The purchaser's portion is a copy of the official entry portion.

The entry portion of the ticket must show:

- ▲ 20 boxes numbered from 1 to 20
- ▲ show whether it is a continuing or terminating lottery

- ▲ specify that the purchaser is to choose 6 numbers from 20 numbers in the boxes, unless it is a jackpot lottery when it must indicate which numbers have been excluded from the draw and therefore should not be chosen
- ▲ the serial number of the ticket and the unique series number to which the ticket belongs
- ▲ its price
- ▲ the name of the benefiting organisation
- ▲ the amount or the percentage of the amounts received from the sale of tickets to be returned to the benefiting organisation
- ▲ provision for the purchaser to record his or her choice of numbers
- ▲ provision for recording the purchaser's name and contact details
- ▲ provision for the name of the authorised selling agent
- ▲ how the prize pool is determined and whether there is a minimal prize amount.

What information must I provide?

You must use your best endeavours to ensure the following "how to play" information is made available to purchasers of tickets:

- ▲ instructions as to the way in which the purchaser is to mark his or her choice of numbers
- ▲ the closing date and time for the receipt of entries
- ▲ the place, date and time of the draw
- ▲ details of how the results of the draw will be published
- ▲ what happens if there is more than one winner
- ▲ how winners are to be notified and are to collect their prizes.

It is sufficient compliance with these "how to play" requirements if the information is printed on the back of the purchaser's portion of the ticket. However, if this is not possible it must be provided to the purchaser by using a separate information sheet.

How do I account for the tickets?

You must ensure each selling agent returns all official entry portions of mini-numbers tickets, all money received from the sale of tickets, and all unsold and cancelled tickets.

You must keep all returned tickets safe until the draw for prize winners has taken place.

The organiser of the mini-numbers lottery must prepare a reconciliation statement. This involves reconciling the mini-numbers tickets distributed for sale with all material returned from the selling agents. Any tickets not returned must be noted on the statement. The statement must be signed by the organiser of the lottery and will form part of the records relating to the conduct of the lottery. The reconciliation must, as far as practicable, be carried out in sufficient time to allow the draw to take place as advertised.

If there is a missing ticket, the organiser of the lottery must ensure a notice specifying the number of the missing ticket is displayed at the main premises of the benefiting organisation, and if the draw takes place at any other premises, at those other premises. This notice must be issued at least 24 hours before the time of the draw.

If the purchaser of a missing ticket, before the draw, produces to the organiser the purchaser's portion of the ticket, duly initialled by the authorised selling agent, that ticket is to be photocopied and treated as the official entry portion for the purposes of determining the winner of the lottery.

When should the sale of tickets close?

There is no stipulated time when ticket sales should cease. However, when planning the closing time for the sale of the tickets you must keep in mind that prior to the draw reconciliation must take place, and if there are any missing tickets a notice must be displayed 24 hours before the time of the draw.

Are there any advertising restrictions?

Yes. You must not publish, or cause to be published, 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.

You must not enter into or extend the duration of a contract or arrangement for the publication of any lottery advertising that does any of these things.

In this context, 'publish' includes disseminate in any way, whether by oral, visual, written or other means (for example, dissemination by means of cinema, video, radio, television or the Internet).

You must not state or imply in any information or publicity that the lottery is authorised or approved by the Government or by any government agency.

"Non-profit organisation's name"
to receive 40% of gross proceeds
Prize is 50% of gross proceeds plus any jackpot amount

MINI-NUMBERS
Ticket Serial No. XXXX

Entry 1 Entry 2

Series No. AB123	1	2	3	4	CHOOSE 6 NUMBERS	1	2	3	4
	5	6	7	8		5	6	7	8
	9	10	11	12		9	10	11	12
	13	14	15	16		13	14	15	16
	17	18	19	20		17	18	19	20

This is a Continuing Terminating mini-numbers lottery.
Exclude the deleted number(s) from your choice.

\$1 PER ENTRY

OFFICIAL PORTION

Date of draw _____

Player's name _____

Address _____

Phone No. _____

Name of Selling Agent _____

CHECKED Authorised Selling Agent's Initials CHECKED

Sample - Official entry portion of ticket 1

"Non-profit organisation's name"
to receive 40% of gross proceeds
Prize is 50% of gross proceeds plus any jackpot amount

MINI-NUMBERS
Ticket Serial No. XXXX

Entry 1 Entry 2

Series No. AB123	1	2	3	4	CHOOSE 6 NUMBERS	1	2	3	4
	5	6	7	8		5	6	7	8
	9	10	11	12		9	10	11	12
	13	14	15	16		13	14	15	16
	17	18	19	20		17	18	19	20

This is a Continuing Terminating mini-number lottery.
Exclude the deleted number(s) from your choice.

\$1 PER ENTRY

OFFICIAL PORTION

Date of draw _____

Player's name _____

Address _____

Phone No. _____

Name of Selling Agent _____

CHECKED Authorised Selling Agent's Initials CHECKED

Sample - Official entry portion of ticket 2

Rules and Conditions of Entry

- The object is to choose numbers, from designated numbers, fewer numbers to be drawn on a random basis.
- The numbers chosen are to be clearly marked individually by placing a cross (X). A new entry is completed each week. Your entry must be checked and initialled by the authorised selling agent. If a ticket is damaged (eg, by the crossing out a chosen number and the choice of an alternative number), it must be returned to the selling agent for cancellation and its replacement with a new ticket.
- The prize pool is 50% of the total subscriptions received plus any jackpot amount. At least 40% of the subscriptions will benefit (name of non-profit organisation). The prize is a shopping voucher. Joint winners will share the prize pool. If a *continuing* mini-numbers lottery any undistributed prizes (the jackpot amount) will be carried over to a subsequent lottery. If a *terminating* mini-numbers lottery all prizes in the lottery will be distributed.
- Should no entry forecast all 6 winning numbers the prize will jackpot to the following draw (a continuing lottery). Following any draw where the prize pool is not won, the numbers available for selection in the next draw will be reduced by one (ie. 1 to 19, 1 to 18, 1 to 17, etc.) until it reaches 13, where it remains until the prize is won. If the prize jackpots, the ticket will tell you not to select numbers within a certain range. Don't choose those numbers excluded from the draw.
- If the prize pool reaches \$10,000 and the prize is not won, the prize will be awarded to a subscriber whose entry correctly forecast 5 of the winning numbers; if no subscriber forecasts 5 of the winning numbers, it will be determined by a subscriber who forecast 4 winning numbers, and so on. This process also applies to terminating lotteries.
- Entries close 12.00 noon each Thursday. The draw will take place at XXXXXXX, at approximately 11am each Saturday. Any person who wishes to attend the draw may do so. At least 24 hours before the draw a notice may be displayed at the premises of the benefiting organisation and the place of draw notifying of any change to the place, day, or time of the draw, or whether there are any missing tickets. If your ticket is identified as a missing ticket, you must immediately (and before the draw) contact the organiser.
- All winners will be notified within 2 days after the draw of the prize won. The prize will be paid within 7 days. The results will be published in the public notices of the (newspaper) each Tuesday.

Sample - Official entry portion of ticket 3

How should the draw take place?

You must use your best endeavours to ensure the draw takes place as advertised. In particular, you must use your best endeavours to ensure the draw takes place on the same day, at the same time, and at the same place each week.

A notice must be prominently displayed at the main premises of the benefiting organisation, and if the draw takes place at any other premises – at those other premises.

However, the place, time and/or day of the draw may be changed if notice of the change is prominently displayed for 24 hours before the time of the draw.

This notice would be displayed at the same premises where the normal notice is displayed.

The draw must be conducted at a place which may be attended by the public. Any person who wishes to attend the draw must be provided the opportunity to do so. The organiser cannot impose a requirement that the holder of a prizewinning ticket must be present at the draw to claim or to be entitled to the prize.

The draw must be made in the presence and under the supervision of two or more persons engaged in the management of the benefiting organisation. The results of the draw must be certified in writing by these persons.

All sold mini-numbers lottery tickets must be included in the determination of winners.

If a ticket is not included in the determination of the winner, any money received from the sale of the ticket must be refunded to the purchaser as far as practicable within seven days after the winner is determined.

How should the draw be conducted – continuing lotteries?

The prize winner in a mini-numbers lottery is to be determined by the drawing of six numbers at random. If a mechanical or electronic device is used it must be approved by a suitably qualified independent person.

The draw is to be from the numbers 1-20, except where a prize is carried over to a subsequent lottery, in which case the draw is to be from the following numbers:

- a) 1-19, for the first lottery to which the prize is carried over
- b) 1-18, for the second lottery to which the prize is carried over
- c) 1-17, for the third lottery to which the prize is carried over
- d) 1-16, for the fourth lottery to which the prize is carried over
- e) 1-15, for the fifth lottery to which the prize is carried over
- f) 1-14, for the sixth lottery to which the prize is carried over
- g) 1-13, for the seventh or subsequent lottery to which the prize is carried over.

This procedure is called a continuing lottery.

The prize winner is the person whose mini-numbers lottery ticket shows that the person chose the six numbers drawn.

What happens if the amount of the prizes would otherwise exceed \$20,000?

If the amount of the prizes would otherwise exceed \$20,000, the organiser of the lottery must conduct the lottery as a terminating lottery, with the total value of prizes being \$20,000. The organisers at their discretion may either pay the amount of any excess to the benefiting organisation, or carry the excess over to another mini-numbers lottery conducted for the benefit of the benefiting organisation. In such cases, the new mini-numbers lottery should be conducted no later than 28 days after the date of the conduct of the previous lottery.

What if I want to wind-up the lottery?

You must conduct the lottery as a terminating lottery.

What is a terminating lottery?

A terminating lottery is conducted so as to ensure that all prizes in the lottery are distributed.

A terminating lottery is conducted when the value of the prizes has reached \$20,000.

In addition, a terminating lottery is conducted when the organiser has not distributed the prizes, but wishes to cancel the lottery. In such cases, the organiser should, as far as practicable, give adequate publicity of the decision to terminate or wind-up the lottery. Preferably, this action should occur seven days before the draw in the terminating lottery is conducted.

These provisions would also apply to a mini-numbers lottery conducted in conjunction with a special event.

Under the terminating lottery provisions, if there is no prize winner determined from the draw conducted in the normal manner, the prize winner is to be:

- a) the person whose mini-numbers ticket shows that the person has chosen five numbers drawn, or
- b) if there is still no prize winner, the person whose ticket shows that the person has chosen four of the numbers drawn
- c) if there is still no prize winner, the person whose ticket shows that the person has chosen three of the numbers drawn
- d) if there is still no prize winner, the person whose ticket shows that the person has chosen two of the numbers drawn
- e) if there is still no prize winner, the person whose ticket shows that the person has chosen one of the numbers drawn.

If there is still no prize winner, a further draw is to be conducted in accordance with the continuing lottery requirements. Those provisions and these provisions are to apply to that further draw. These procedures will be repeated until a prize winner is obtained.

What happens if there are multiple prize winners – sharing of prizes?

If the mini-numbers ticket of two or more persons indicate that they are each a prize winner, the prize is to be shared equally among them.

How should the prize winners be notified and the prize awarded?

You must use your best endeavours to advise each prize winner within two days after the draw. Note: You cannot impose, as a condition of entitlement to a prize, a requirement that the holder of the prizewinning ticket must notify the organisers that they have won the prize.

In addition, you will need to cause the results of the draw to be prominently displayed at the main entrance of the benefiting organisation and the premises where the draw takes place.

Where a money prize exceeds \$2,000, the organiser must pay to the prize winner the amount as exceeds \$2,000 by means of a crossed cheque payable to the prize winner, or if the prize winner so requests, by means of electronic transfer of funds to an account nominated by the prize winner.

Note: the maximum value of a money prize is \$10,000. If the total value of a prize is more than \$10,000, the amount as exceeds \$10,000 must be in the form of a shopping voucher or other non-prohibited prize.

You must arrange for the relevant prize to be given to each prize winner within seven days after the determination of the prize winners in the lottery.

What if a prize is unclaimed?

If, despite every reasonable effort, you cannot contact a prize winner you must retain the prize for three months after the lottery.

However, if a prize is perishable (e.g. a meat tray), it may be sold or disposed of in a way that you consider will bring a reasonable price. The money realised (after deducting the reasonable costs of sale or

disposal) must be held in trust for the winner of the prize.

If a prize remains unclaimed at the end of three months, you should send a letter to us setting out full details of the steps which you took to contact the winner and have the prize delivered, and seeking permission to sell the prize.

When you receive written approval, the prize is to be sold and the proceeds of the sale paid into the funds of the organisation in aid of which the lottery was held.

Banking the proceeds

All money received is to be paid into an account at a bank, building society or credit union in the name of the benefiting organisation. This should be done as soon as practicable, preferably within two days.

At least two persons should be signatories to the account, one of whom is to be a member of the governing body or management committee of the benefiting organisation.

What records do I need to keep?

You must keep all receipts, invoices and other records concerning costs and outgoings, and payments received and donations.

Any record keeping requirement imposed by the *Charitable Fundraising Act 1991* is in addition to those required to be kept by the *Lotteries and Art Unions Act 1901*.

You must also keep a record of:

- ▲ the total amount of money received
- ▲ the value of the prizes
- ▲ source documents evidencing expenses – such as receipts and invoices
- ▲ distribution of proceeds itemised as to payee and amount and date of payment
- ▲ the number of tickets produced or acquired for the lottery, together with their serial number in the series to which they belong and their unique numbers or symbols

- ▲ the number of tickets distributed for sale (including their serial number and unique number or symbol)
- ▲ the name and address of each authorised selling agent, together with the number of tickets distributed (including their serial number and unique series number or symbol)
- ▲ the number of tickets unsold (including their serial number and unique series number or symbol)
- ▲ the number of tickets cancelled (including their serial number and unique series number or symbol)
- ▲ the names and contact details of all prize winners together with details of their prizes.

For how long are records required to be kept?

You must retain all records, accounts, other documents, and all computer records for seven years. Unsold tickets must be retained for at least three years (unless we have authorised a shorter period generally or in a specific case).

All sold and cancelled mini-numbers tickets must be retained for six months after the determination of the winner.

Are financial statements or returns required?

You are not required to submit a return to us unless specifically requested. However, the organisation for whose benefit the mini-numbers lottery is conducted must ensure that the organisation's financial statements detail the gross proceeds and expenses of the lottery.

Who is responsible?

The promoter or organisers are jointly and individually responsible for the proper management and conduct of the mini-numbers lottery.

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 for them. The management committee of the benefiting organisation should

satisfy itself about the good standing and competence of the persons organising the lottery.

It should be noted no person involved in the management and conduct of the lottery (including the selling agent) may receive a commission, fee or other benefit.

The benefiting organisation should introduce adequate controls to oversight the organisers, including insisting on reports, ratifying all expenses and prizes awarded, having full access to records and registers, and ensuring financial records are audited.

Are the records subject to inspection?

Yes. All records are subject to inspection by our authorised officers or police.

Are there any penalties?

Yes. There is a range of penalties for conducting a mini-numbers lottery contrary to requirements, including:

- ▲ failing to award the winner the prize
- ▲ conducting the lottery fraudulently
- ▲ misappropriating funds or prizes
- ▲ making false statements
- ▲ failing to keep books and records
- ▲ awarding prohibited prizes
- ▲ unlawful advertising
- ▲ hindering or obstructing authorised officers or police.

For further information


This guide is designed to provide accurate and authoritative information in regard to the subject matter covered, and with the understanding that Liquor & Gaming NSW, part of NSW Department of Industry, is not passing legal opinion or other professional advice. If you require a more detailed understanding of the legislation, it is recommended that you contact a specialist adviser.

The law governing the conduct of this lottery or game of chance is the *Lotteries and Art Unions Act 1901* and the *Lotteries and Art Unions Regulation 2014*. Online access to the legislation is available at legislation.nsw.gov.au

To find out more about the liquor and gaming laws, contact Liquor & Gaming NSW:

 liquorandgaming.nsw.gov.au

 info.lgnsw@justice.nsw.gov.au

 1300 024 720

You can also access the relevant Acts and Regulations at legislation.nsw.gov.au