

[Act 2000 No 63]



New South Wales

# Lotteries and Art Unions Amendment Bill 2000

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

### Overview of Bill

The objects of this Bill are as follows:

- (a) to make lawful the conduct of “progressive lotteries” (eg football/sport tipping competitions, hundred clubs and silver circles) and “gratuitous” or free entry lotteries (eg lucky door prizes or lucky seat prizes),
  - (b) to allow the awarding of cash prizes for certain raffles, art unions and other community-based lotteries and games of chance,
  - (c) to prohibit the awarding of prizes such as firearms and cosmetic surgery in respect of lotteries, games of chance and art unions,
  - (d) to make other miscellaneous and consequential amendments to the *Lotteries and Art Unions Act 1901*.
-

## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

**Clause 3** is a formal provision giving effect to the amendments to the *Lotteries and Art Unions Act 1901* set out in Schedule 1.

## Schedule 1 Amendments

### Background

Section 3 of the *Lotteries and Art Unions Act 1901* imposes a general prohibition on the selling or disposing of money or property by way of lottery or chance. Under the Act, a number of forms of community-based gaming activities (such as raffles, housie, bingo, sweeps and calcuttas, and art unions) are currently exempted from the prohibition under section 3 so long as they are conducted in accordance with the requirements of the Act and any applicable permit conditions.

The proposed Act extends the range of gaming activities that are exempted from the prohibition to cover certain lotteries and games of chance that are referred to as progressive lotteries and gratuitous lotteries.

### Progressive and gratuitous lotteries

**Schedule 1 [15]** inserts proposed section 4F to make lawful the conduct of “progressive lotteries” if certain requirements are complied with (eg a permit will be required to conduct the lottery if the total amount paid as entrance fees or to participate in the lottery exceeds the amount prescribed by the regulations). A “progressive lottery” is a lottery or game of chance in which a number of draws may be conducted over a stipulated period of time, and may include such things as tipping competitions. The amount of money that may be awarded as a prize in a progressive lottery must not exceed the amount prescribed by the regulations.

**Schedule 1 [15]** also inserts proposed section 4G to make lawful the conduct of “gratuitous lotteries” if certain requirements are complied with (eg the lottery is not to be conducted for the purposes of promoting any trade or business, and prizes must not consist of money). A “gratuitous lottery” is a free entry lottery or game of chance such as a “lucky door” or “lucky seat” prize.

### **Prohibited prizes**

At present under the Act, tobacco in any form is prohibited as a prize in any lottery, game of chance or art union. **Schedule 1 [2]** inserts a definition of *prohibited prize* which includes tobacco and which will also include other items such as firearms and prohibited weapons and services such as cosmetic surgery. **Schedule 1 [5], [8], [9], [11], [12], [14] and [17]** contain amendments that replace existing provisions that prohibit tobacco as a prize with provisions that refer to the wider concept of prohibited prize.

### **Money prizes**

At present under the Act, money cannot be awarded as a prize in most of the gaming activities allowed under the Act except in limited circumstances (eg money may be awarded as a prize in a sweep or calcutta, or spending money may be awarded in conjunction with tickets for a tour or journey in some cases).

**Schedule 1 [5], [8] and [18]** contain amendments that allow the awarding of money prizes in respect of certain activities in which money prizes are currently prohibited (eg art unions). Money prizes will be allowed in respect of progressive lotteries but not gratuitous lotteries. Money prizes will continue to be prohibited in respect of games of chance conducted in a registered club under section 4C of the Act (eg club bingo and promotional raffles). The amendments also provide that the amount of money that may be awarded as a prize in a lottery, game of chance or art union must not exceed the amount prescribed by the regulations in respect of the activity concerned.

### **Miscellaneous and consequential amendments**

**Schedule 1 [1]** amends the definition of *lottery* in section 2A of the Act to take into account progressive and gratuitous lotteries.

A number of the provisions of the Act that currently allow the conduct of certain lotteries, games of chance or art unions, but which prohibit money prizes, contain a definition of *prize* that will be inconsistent with the amendments that allow the awarding of money prizes in respect of those activities. **Schedule 1 [3], [6] and [16]** remove that definition from each of those provisions.

Most of the provisions of the Act that currently allow the conduct of lotteries, games of chance or art unions contain a requirement that the value of the prizes must not exceed the amount prescribed by the regulations. **Schedule 1 [4], [7], [10], [13] and [19]** makes it clear that the amount that may be prescribed is the total value of the prizes in respect of the lottery, game of chance or art union concerned.

**Schedule 1 [20]** is a consequential amendment in relation to money prizes for art unions.

**Schedule 1 [21]–[24]** extend the operation of provisions of the Act relating to falsification of records, misappropriation and fraudulent conduct to progressive and gratuitous lotteries.

**Schedule 1 [25]** extends the regulation-making power to authorise the making of regulations with respect to the conduct of progressive and gratuitous lotteries.