

## Fact sheet

# Charity Housie

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### What is Charity Housie?

Charity Housie is a game played with electronic or printed tickets or cards bearing numbered squares; a number may be marked on the card or ticket when an announcer calls that number which is selected at random by a device; a win is constituted if the player is able to mark certain squares on the card or ticket. Housie includes housie-housie, bingo and games of a similar kind, such as Alphy and hoi.

### Who may benefit from the conduct of Charity Housie?

Charity Housie may only be conducted to raise funds for the benefit of a charity.

Another version of housie is called Social Housie, which may be conducted as a form of social entertainment or part social entertainment and part for the purpose of raising funds for a not-for-profit

organisation. For further information refer to the 'Social Housie' fact sheet at [fairtrading.nsw.gov.au](http://fairtrading.nsw.gov.au).

### Is a permit required?

Yes. Charity Housie cannot be conducted unless a permit has been issued under the provisions of the *Lotteries and Art Unions Act 1901*. A permit will not be issued for the conduct of housie on radio or television.

An authority under the *Charitable Fundraising Act 1991* may be required. If you are unsure, please contact NSW Fair Trading at [lottery.enquiries@finance.nsw.gov.au](mailto:lottery.enquiries@finance.nsw.gov.au)

### How is a permit obtained?

A permit is obtained by completing and lodging the Charity Housie application form. You can find the 'Games of chance' application form at [fairtrading.nsw.gov.au](http://fairtrading.nsw.gov.au). There are no fees.

### How long may a permit be issued for?

If an application is lodged concerning a new session, the permit is normally issued for a maximum period of 12 months.

Upon application for renewal of an existing permit, a permit will be issued for a further period not exceeding two years.

Thereafter, permits may be issued for a maximum period of five years.

In all cases the grant of approval will be conditional upon us being satisfied there has been compliance with all requirements.

## What types of Charity Housie sessions may be conducted?

### Minor Housie Sessions

If you are unsure of the days, the dates or the places you plan to conduct housie games, or the games conducted by your organisation are undertaken spontaneously, you may apply for a minor housie permit.

Games conducted under the minor housie permit are allowed if:

- ▲ the anticipated gross proceeds (the amount received from the sale of tickets) do not exceed \$1000 in any one session
- ▲ the total value of jackpot prizes do not exceed \$500
- ▲ no person (including the promoter) conducting or assisting in the conduct of the game receives remuneration, salary or commission.

### Quick facts

- ▲ Housie can only be conducted for the purpose of raising funds for a charity.
- ▲ A permit is required.
- ▲ Cash prizes are permitted.
- ▲ Prizes are to be a maximum of 75% of the gross proceeds of a housie session, subject to no single prize exceeding \$200 in an ordinary game.
- ▲ The benefiting charity must receive at least 12.5% of the gross proceeds.
- ▲ Expenses, excluding prizes, cannot exceed 12.5% of the gross proceeds.

### Major Housie Sessions

These are housie sessions that are conducted on specific dates or days, at specific times and at a specific place. There is no limit to the gross proceeds that may be obtained. The maximum total value of jackpot prizes awarded in a major housie session cannot exceed \$2,000.

### Super Housie Sessions

Super housie sessions may be conducted in conjunction with special events or periods, such as Christmas or Easter. The maximum total value of jackpot prizes cannot exceed \$5,000.

During a calendar year, not more than five super housie sessions can be conducted for the one benefiting charity; and no more than five sessions may be conducted on any one premises.

Super housie is linked to a prior existing major housie session.

Prerequisites that must be satisfied before a super housie permit is issued:

- ▲ a prior existing major housie session that has been conducted for at least 12 months
- ▲ the existing major housie session has complied with the conditions including obtaining a profit of at least 12.5%
- ▲ at least 44 major housie sessions have been conducted during the last 12 months and will continue to be conducted during the next 12 months.

### Health regulations

The offer of perishable items such as green groceries, meat and fish as prizes is regulated under the *Food Act 2003*.

Such prizes must satisfy the same requirements that apply to food sold through normal retail outlets. These include:

- ▲ the manner of handling and packaging the food
- ▲ the manner of labelling packages of food
- ▲ the temperature at which food must be kept.

Contact NSW Health for more information.

Fish prizes must also comply with the *Fisheries Management Act 1994* and the *Fisheries Act 1935*. A special permit is required.

Contact the NSW Department of Primary Industries for more information.

### When may a Charity Housie session be conducted?

You may only conduct major housie session on the specified dates or the specified day and times shown on the permit.

### What hours of the day and for how long may Charity Housie be played?

There is no restriction as to the hours of the day when housie games can be played. However, a session cannot be longer than four hours.

### What is the interval between sessions of Charity Housie?

There is 2-hour minimum break between Charity Housie sessions conducted on the same day and at the same venue, irrespective of the benefiting charity. The 2-hour break is a harm minimisation measure.

### Is there a limit to the number of games conducted in a Charity Housie session?

No.

### Prizes in Charity Housie

#### What is the value of prizes that may be awarded in the Charity Housie session?

##### The total value of prizes offered and or awarded in a session

Maximum value	75% of the gross proceeds
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The gross proceeds are the amount received from the sale of tickets.

#### The maximum value of a prize in an ordinary game cannot exceed \$200.

##### The total value of jackpot prizes awarded in a session cannot exceed

Minor housie session	\$500
Major housie session	\$2,000
Super housie session	\$5,000

Not more than one prize can be given in any one game. If there is more than one winner in any game, the value of the prize must be shared equally between the winners.

#### Can prizes be subsidised or sponsored?

No. Only the gross proceeds from the sale of tickets can be used to pay for the prizes. This also includes where non-money prizes are offered or awarded.

#### Can funds be put aside for prizes in future sessions?

Yes. A provision for prizes may be established to allow promoters to accumulate funds and therefore permit the offering of constant prize levels in future sessions.

This is an avenue for promoters to prudently put aside funds for a rainy day. For example, rather than offering prizes at the maximum value of 75% of the tickets sold at a session, the promoter would offer prizes calculated at say 70% of the value of the tickets sold and set aside the remaining 5% into a special account described as a provision for prizes.

The maximum amount that may be set-aside in the provision for prizes cannot exceed \$3,000.

Nevertheless, the amount should be reasonable and the benefiting charity should keep a close watch to ensure its interests are protected. This is a matter that should only be of concern when a professional promoter is involved in the conduct of the game. The agreement between the promoter and the benefiting charity should refer to this issue.

Any accumulated amount in the provision for prizes must only be applied to that particular session. That is, future sessions held on the same day of the week and at the same time.

### **Can prizes be guaranteed?**

To some extent this issue is linked to the provision for prizes. However, the provision for prizes assumes that sufficient funds have been accumulated from the sale of tickets in past sessions so that these may be drawn upon to allow the offer of prizes of a constant value

### **What types of prizes may be offered?**

Prizes are usually money. 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.

Goods, wares, merchandise, services, vouchers for goods or services, tickets for admission to any entertainment and tickets for tours or journeys may also be offered.

### **What types of prizes are prohibited?**

The following are prohibited prizes:

- ▲ tobacco products
- ▲ firearms or ammunition
- ▲ prohibited weapons
- ▲ cosmetic surgery or other procedure designed to improve personal appearance
- ▲ liquor prizes more than 20 litres with an alcohol content not exceeding 20% by volume or 5 litres with alcohol exceeding 20%.

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.

### **Can bonus prizes be offered?**

Promoters can organise a special bonus prize based on a “cleanup” scheme. Under such schemes patrons are encouraged to put their names on the back of the used books of tickets and to deposit them into a receptacle. Patrons do not pay any additional amount for entry into the draw. A draw is undertaken and a prize distributed.

This scheme encourages patrons to tidy-up the hall or facilities where the game is conducted, and therefore, arguably reducing cleaning costs.

There is a prize value ceiling of \$100; cash prizes and jackpotting are not allowed.

### **Can the prize structure be advertised?**

Yes. However, if the prize structure is advertised, the advertisement must contain words to the effect “if sufficient tickets sold”.

### **Can other games or lotteries be conducted in conjunction with Charity Housie?**

Yes. Charity Housie games can be promoted and augmented by conducting ‘ancillary lotteries’.

Ancillary lotteries are lotteries or games of chance authorised under the Act, which include fundraising raffles, fundraising no-draw lotteries (e.g. scratch or

break-open lotteries), gratuitous lotteries (e.g. lucky seat or door prizes), progressive lotteries (e.g. 100 clubs, tipping competitions), chocolate wheels; and if the game is conducted on the premises of a registered club – club bingo, promotional raffles and trade promotion lotteries.

There is a cap of \$5,000 on the total value of prizes for all ancillary lotteries conducted in a Charity Housie session. For example, if a raffle prize is valued at \$3,000, then the total value of prizes for all other ancillary lotteries cannot exceed \$2,000.

The \$5,000 total prize value limit is to be contrasted with the limits or restrictions that usually apply to lotteries authorised under the Act.

Where prizes are subsidised or sponsored, you would need to use the normal retail value of the prizes to calculate the \$5,000 prize value limit.

### **Accountability**

The proceeds of ancillary fundraising lotteries must be separately accounted for and the proceeds, without deduction for expenses, must be paid to the benefiting charity.

The legislation requires a profit of at least 40% of the gross proceeds in connection with raffles, no-draw lotteries, mini-number lotteries, chocolate wheels, and lucky envelopes. The proceeds from fundraising lotteries cannot be used to subsidise the game.

The proceeds of ancillary lotteries permitted as a pure social entertainment (sweeps, calcuttas, progressive lotteries, social housie) must be separately accounted for, and the proceeds of sales, after deduction of reasonable expenses, must be paid to prize winners.

Expenses in connection with gratuitous lotteries must be treated as expenses of the game, unless sponsored by another person or organisation.

### **Combined Charity Housie and Club Bingo sessions**

You can combine Charity Housie and Club Bingo sessions with the following benefits:

- ▲ reduced cost of conduct and therefore arguably increased profit
- ▲ the registered club provides the prizes for the Club Bingo component at no cost to the charity (clubs cannot provide support for the Charity Housie prizes)
- ▲ reduced cost of entry to patrons, which may attract a wider range of clients (clients that may not otherwise attend housie sessions – e.g. pensioners).

Combined Charity Housie and Club Bingo sessions may be conducted in the same room, hall, enclosure, or area provided Club Bingo games are not conducted:

- ▲ during the conduct of the Charity Housie game, or
- ▲ within 30 minutes either side of the Charity Housie game.

The 30 minutes break is a harm minimisation measure.

In addition to the above restrictions, promoters must ensure proper disclosure and integrity in any advertising in connection with 'combined' Charity Housie and Club Bingo sessions so that patrons and competitors are not confused.

### **Benefits to the charity and expenses**

#### **How much should the benefiting charity receive?**

The benefiting charity must receive at least 12.5% of the gross proceeds. The payment of the net proceeds must occur at intervals not exceeding 30 days.

The promoter and benefiting charity should negotiate a mutually agreeable manner of treating the provision for prizes when calculating the payment of the net proceeds to the benefiting charity.

## **Can profitable sessions support other less profitable sessions?**

No. The proceeds from one housie session (say one conducted on a Wednesday) cannot be used to support another housie session (say one conducted on a Monday). Each session must stand by itself. You must separately account for each housie session.

## **Can funds be transferred from one session to a session on another day?**

No. Funds accumulated in respect of a particular session (say a session conducted on Monday between 12.30 pm and 2.30 pm) can only be carried forward to the same day and time the following week. Funds cannot be used to support another session conducted at another time or day.

## **What are the maximum allowable expenses?**

The total allowable expenses (excluding the cost of the prizes in the housie session) must not be more than the actual expenses, and in any case not more than 12.5% of the gross proceeds of the session.

Expenses that relate to the overall conduct of the game may be allocated on a pro-rata basis to each session. Example one: If a major advertising campaign is undertaken every 12 months, the expenses may be averaged over the following 12 month period. Example two: If rental is payable every month, the expense may be averaged over the following four weeks.

## **What expenses may be incurred?**

You may incur reasonable expenses for:

- ▲ the printing or purchase of the tickets
- ▲ hiring or operating any device used
- ▲ renting premises
- ▲ advertising and promoting
- ▲ auditing
- ▲ salaries, wages and commission.

## **Payment of commission and remuneration**

You cannot pay any commission or remuneration to a person for services rendered in connection with the housie session unless there is a written agreement between that person and the benefiting charity.

The agreement must specify:

- ▲ the service to be rendered
- ▲ the remuneration to be provided
- ▲ the period of the agreement.

Under a minor housie permit, no person either conducting or assisting in the conduct of the housie session may receive remuneration, salary or commission.

## **Can expenses be subsidised or sponsored?**

Yes. With the exception of the prizes, all expenses in connection with Charity Housie can be subsidised or sponsored.

Registered clubs, hoteliers and other interested persons and organisations may help the charity in its fundraising efforts by minimising expenses. For example:

- ▲ the provision of the venue
- ▲ the provision of staff to help conduct the game (selling tickets, marketing and promoting, accounting)
- ▲ the provision of refreshments
- ▲ the provision of gifts to patrons at special times of the year (e.g. birthdays, Christmas, Easter)
- ▲ the provision of the purchase price of tickets used in the game.

## **If the expenses are less than 12.5% may the difference be offered as prizes?**

No. The total value of prizes offered in a session must not exceed 75% of the gross from ticket sales plus any amount that has been previously accumulated from ticket sales. Accordingly, if expenses are below 12.5%, the difference must be paid to the benefiting charity as additional profits.

## Price per ticket, sales and house rules

### Is there a maximum price per ticket?

Tickets may be sold for a price up to 40 cents each. All tickets in a game must be sold at the one price. Individual housie tickets cannot be discounted.

The price of a book of housie tickets may be reduced if a person purchases after the start of the housie session.

The benefiting charity cannot purchase tickets. Housie tickets cannot be offered as prizes in an ancillary lottery.

### Is there a maximum number of tickets that may be sold?

Yes. A maximum 48 tickets may be sold to any one person.

### What is required of the ticket?

Housie tickets must have 15 numbers displayed on the ticket; a ticket serial number must also be displayed on the ticket (the serial number may include letters and/or other characters).

The mixing of ticket serial numbers is allowed so long as no more than two ticket serial numbers are used in a game, and tickets are sold in an orderly fashion (the tickets in one series must be sold before tickets in the next series are sold).

### How should ticket sales be managed?

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

All tickets must be purchased by and kept in the custody of the benefiting charity's representative and issued as required to the manager or the promoter. A register is required to be maintained.

For more information about the benefiting charity's representative refer to the subheading *Benefiting charity representative* on page 8.

### How should the Charity Housie session be conducted?

All numbers drawn must be clearly announced to all the players present.

Any method may be used to allow players to win a game of housie. A game may be won, for example, by a person being the first to complete one or two lines, or a full house, a person completing a "racetrack" (all outside numbers) or completing numbers on the diagonal, or the first person to cover five numbers ending in seven.

Before a game starts, a clear announcement must be made of the particular arrangement of numbers to be obtained in order to win.

Games may be played as ordinary or jackpot games. The jackpot prize can be paid only if the game is won within the number of calls announced immediately before the game.

### Reuse of tickets in certain circumstances

A ticket used to play one type of game (e.g. racetrack) may be immediately used to play another type of game (e.g. full house) provided a clear announcement is made before the game starts.

In addition, the total value of prizes awarded on a ticket cannot exceed \$200 in an ordinary game. By way of example, if the first prize awarded in an ordinary game is \$80, the value of the prize in a subsequent game played with the same ticket cannot exceed \$120.

No further charge may be levied on the ticket and the original price cannot exceed 40 cents.

Records must be maintained to fully record the use of the ticket.

### House Rules

You must develop "House Rules". The house rules must include:

- ▲ the cost of tickets

- ▲ the manner of calculating the prizes
- ▲ the conditions of entry, including the age of the persons allowed to participate
- ▲ the method adopted by the promoter if the caller makes an incorrect call
- ▲ the method to be adopted for claiming prizes, including where a player overlooks the calling of housie
- ▲ the manner of resolving disputes
- ▲ the manner in which patrons can inspect the permit, the permit conditions, and the financial statements
- ▲ the circumstances in which family members, spotters, callers and the benefiting charity's representatives may participate as players.

The "House Rules" must be conspicuously displayed at the place where the tickets are sold. This requirement is satisfied by the use of a notice board or similar type of display.

### **Verification of prize winners**

You must ensure that a prize winner's ticket is verified by an independent player.

### **Persons conducting housie**

Generally, no person conducting or assisting in the conduct of the session can purchase tickets, participate as a player, or win prizes. This requirement ensures integrity over the conduct of housie. In the past complaints have been received about family members often winning prizes to the concern of other patrons. Such issues affect the integrity of the game because of the perception of wrongdoing.

Family members, spotters and callers may participate as players subject to proper disclosure of the relationship and the maintenance of certain records.

### **Benefiting charity representative**

The benefiting charity is required to nominate a person(s) to be its representative and to be present when Charity Housie is conducted to ensure the best interests of the charity are protected.

Unless written approval is obtained from us, the benefiting charity representative must not:

- ▲ participate as a player
- ▲ be the promoter or caller
- ▲ sell tickets or otherwise be involved in the conduct of the games
- ▲ be a person who makes available the premises at which Charity Housie is conducted.

However, the representative of the benefiting charity is allowed to participate as a player where the game is administered entirely by members of the benefiting charity and the average gross proceeds do not exceed \$1,000. In addition, there must be proper disclosure of the relationship and the maintenance of certain records.

Where the manner of conducting a game does not fit the standard conditions, we will consider applications to modify the requirements on their merits.

### **Can children participate in Charity Housie?**

There is no requirement that stops children from participating in housie. However, whether children should participate is an issue that should be resolved by the promoter and patrons, and included in the "House Rules".

### **Can Charity Housie be advertised?**

Yes. However, any advertising must disclose certain information so that persons are fully informed of the purposes of the Charity Housie session.

### **What information must be provided to patrons?**

There are certain disclosure requirements intended to provide information to players so that they know that the game is authorised; the conditions upon which

the game is conducted; the house rules; and the financial position.

These are seen as facilitating compliance with the requirements – players may decide to make a complaint if the game is not being conducted as it should.

The house rules, the permit, the permit conditions and the financial statements must be displayed at the principal entrance to the premises where the session is conducted. Alternatively, they may be included in a conspicuously labelled display book at the place where the tickets are sold.

Prior to the commencement of each session a clear announcement is required to be made of the location of the house rules, the permit, the permit conditions and the financial statements.

### Advertising

#### Are there any advertising restrictions or requirements?

Yes. You must not publish, or cause to be published, any lottery advertising that:

- ▲ encourages a breach of the law
- ▲ depicts children participating in a lottery activity
- ▲ is false, misleading or deceptive
- ▲ suggests that winning will be a definite outcome of entering or participating in the lottery activity
- ▲ suggests that entering or participating in the lottery activity will definitely improve a person's financial prospects
- ▲ is not conducted in accordance with decency, dignity and good taste.

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.

### Gambling Help NSW counselling notices

You must ensure that any advertising contains a Gambling Help NSW counselling information message giving certain information. In addition, you must display Gambling Help NSW counselling notices at the premises where the game is conducted.

### Banking, record keeping and computer systems

#### Banking the proceeds

All money received [after deducting the cash prizes] is to be paid into a bank, building society or credit union account. The money must be paid into the account as soon as practicable, preferably within two business days.

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

For security reasons some promoters may have an arrangement with the registered club upon whose premises the game is conducted. In such cases the registered club accepts the cash proceeds of the housie session and provide the promoter with a cheque for the same amount. The cheque is made out to the name of the special housie account into which the proceeds would normally be deposited.

#### What records do you 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*.

The records must detail information about the purchase and issue of tickets.

In addition, you must keep a Permanent Housie Record that details information about the conduct of each housie session, including the tickets sold, the

income, the prizes awarded and the expenses. This record must be maintained contemporaneously.

### **How long are records required to be kept?**

You must retain all records, all accounts and other documents, and all computer records relating to the housie session for seven years.

### **Are financial returns required?**

The gross receipts, expenses and the resultant profit from the conduct of housie are to be included in the Statement of Income and Expenditure of the benefiting charity.

You are also required to display at the premises where the session is conducted a financial statement detailing the previous quarter's financial position within one month of the close of each quarter. The financial statement must include the total income from the sale of tickets, the total amount of expenses and the prizes awarded.

The requirement to display the financial statements is satisfied by being conspicuously displayed at the principal entrance to the premises where the session is conducted. Alternatively, it may be included in a conspicuously labelled book at the place where the tickets are distributed.

In addition, a return comprising financial information, a statutory declaration, and other information must be lodged with us.

The time to lodge a return is based on type of permit issued. For example, a permit that is issued for 12 months requires a return to be lodged after four months of operation, and another return after 10 months of commencing operations.

### **Who is responsible?**

You must be prepared to accept full responsibility for all aspects of the conduct of the housie session and for ensuring that prizes are awarded.

A subcommittee may be elected from within the benefiting charity to be the organising committee. Alternatively, the benefiting charity may authorise other persons to conduct housie.

The management committee of the benefiting charity should satisfy itself as to the good standing and competence of the persons organising the housie session.

The benefiting charity should introduce adequate controls to supervise the organisers, including:

- ▲ insisting on reports
- ▲ ratifying all expenses and prizes awarded
- ▲ having full access to records and registers
- ▲ ensuring financial records are audited.

### **Can any computerised system be used in the conduct of housie?**

No. You must seek the written approval from this agency in relation to non-approved computerised system that is used:

- ▲ as an entry form
- ▲ to draw numbers
- ▲ to determine a winner.

### **Are the records subject to inspection?**

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

## **Penalties**

### **Are there any penalties?**

Yes. There is a range of penalties for conducting housie contrary to requirements, including:

- ▲ failing to award the winner the prize
- ▲ conducting the game 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 NSW Fair Trading, part of NSW Department of Finance, Services and Innovation 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](http://legislation.nsw.gov.au)