

Gambling Regulation
Regulations 2005
Regulatory Impact
Statement

April 2005

DEPARTMENT
OF JUSTICE

State Government
Victoria

PROPOSED GAMBLING REGULATION REGULATIONS 2005

Regulatory Impact Statement

This Regulatory Impact Statement (RIS) has been prepared to fulfil the requirements of the *Subordinate Legislation Act 1994* and to facilitate public consultation on the proposed *Gambling Regulation Regulations 2005*. A copy of the proposed regulations is provided as an attachment to this RIS.

Public comments and submissions are invited on the proposed regulations, in response to information provided in this RIS. All submissions will be treated as public documents. Written comments and submissions should be forwarded no later than 5 pm on 17 May 2005 to:

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Summary

Introduction

The proposed Gambling Regulation Regulations 2005 ('the proposed regulations') are to be made under the *Gambling Regulation Act 2003* ('the Act').

The proposed regulations will replace the existing *Gambling Regulation (Interim) Regulations 2004* ('the interim regulations'), which came into operation with the Act on 1 July 2004. The interim regulations were made without a regulatory impact statement to allow the Act to come into operation at that time. The effective operation of the Act required certain matters to be prescribed by Regulations, as part of the overall legislative scheme.

The proposed regulations are the subject of this Regulatory Impact Statement (RIS).

Gambling in Victoria

In Victoria, gambling and activities relating to gambling are generally prohibited unless authorised under the Act, the *Casino Control Act 1991* or the *Racing Act 1958*. The types of gambling permitted under the Act and regulated by the proposed regulations (except public lotteries) are described in Part 1.2.1 of the RIS.

The objectives of the regulation of gambling are detailed in the Act and can be broadly summarized as follows:

1. to foster responsible gambling;
2. to ensure that gambling is conducted honestly, fairly and free from criminal influence;
3. to ensure that minor gaming is conducted for the benefit of community and charitable organisations and to ensure that public confidence in such gaming is maintained; and
4. to promote tourism, employment and economic activity generally in Victoria.

While recreational or "non-problem" gambling has both economic and social benefits, not all gambling is recreational. Some gambling can be classified as "problem gambling" and it is generally recognised that governments need to take appropriate action to help minimise the harm caused by problem gambling.

The regulation of gambling is also required to ensure that gambling activities are conducted honestly, fairly and free from criminal influence. This will also ensure that public confidence in the industry as a whole is not undermined.

Nature and extent of the problem

Without regulations being made under the Act, there will be significant gaps in the overall legislative scheme, making it difficult for the objectives of the Act to be met.

The risks associated with not meeting those objectives include:

- Increased difficulty in addressing problem gambling;
- Greater difficulty in ensuring that gambling is conducted honestly, fairly and free from criminal influence;
- Less public confidence in gambling generally and in charitable and community gaming in particular; and
- Reduced support for the charitable activities of community and charitable groups.

In addition, various applications to be made under the Act are required to be accompanied by a prescribed fee. Regulations prescribing these fees need to be made.

Part 3 of the RIS describes the proposed regulations in detail and identifies the likely cost impacts (if any) and the stakeholders affected.

Alternative options to the proposed regulations are discussed in Part 4 and the costs and benefits are discussed in Part 5.

Preliminary

This Regulatory Impact Statement (RIS) has been prepared to fulfil the requirements of the *Subordinate Legislation Act 1994* and to facilitate public comment on the proposed Regulations. The RIS contains information on:

- the nature and extent of the problem to be addressed by the proposed regulations, including relevant research and investigations;
- the policy objectives of proposed solutions to the problem;
- public consultation to date;
- the case for Government intervention;
- the authorising legislation, objectives, nature and effects of the proposed regulations;
- alternatives to the proposed regulations;
- a cost-benefit analysis of the proposed regulations and alternative policy options; and
- National Competition Policy tests.

Public comments and submissions are invited on the proposed regulations, in response to information provided in this RIS. All submissions will be treated as public documents. Written comments and submissions should be forwarded no later than 5 pm on 17 May 2005 to:

Michael Wheelahan
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MELBOURNE VIC 8003

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1.0 Background

1.1 Introduction

The proposed regulations are to be made under the new *Gambling Regulation Act 2003* ('the Act')¹ which came into operation on 1 July 2004.

The proposed regulations deal with various matters that are either authorised or required to be prescribed by the Act including matters relating to—

- devices and games at amusement centres, fetes, carnivals etc;
- gaming machines;
- wagering and betting;
- trade promotion lotteries;
- club keno;
- community and charitable gaming;
- gaming industry employees;
- fees for various applications, permits and licences; and
- other miscellaneous matters.

The proposed regulations will replace the existing *Gambling Regulation (Interim) Regulations 2004* ('the interim regulations') which came into operation on 1 July 2004.² The interim regulations were exempted from the RIS process to allow the new Act to come into operation on 1 July 2004. The interim regulations were primarily an amalgamation of the previous regulations made under the eight Acts that were replaced by the new Act. Early commencement of the Act was required in the public interest. The proposed regulations are being made in accordance with the *Subordinate Legislation Act 1994* and are the subject of this RIS.

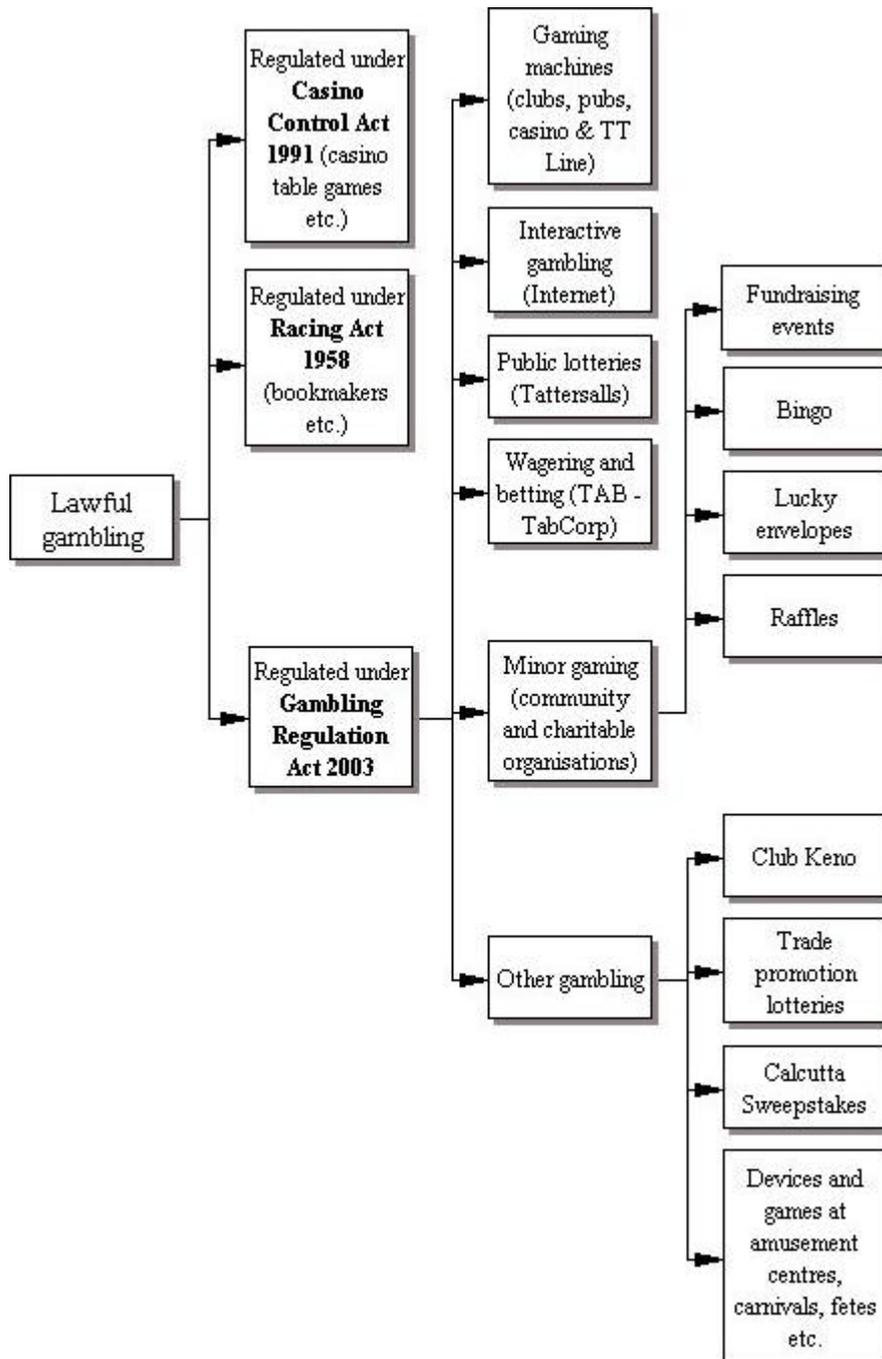
The proposed regulations contain some variations from the interim regulations which are detailed in Appendix 1 to this RIS. Some of these variations stem from the recent amendments to the Act made by the *Gambling Regulation (Further Amendment) Act 2004* and others are in response to a review of the interim regulations undertaken by the Department of Justice, including operational experience by the Commission and input from stakeholders.

This RIS assesses the impact of the proposed regulations as a whole against a range of practicable alternatives, as required under the *Subordinate Legislation Act 1994*.

¹ The Act was assented to on 16 December 2003 and parts of it came into operation on 17 December 2003, the rest of the Act on 1 July 2004 except for section 3.5.35 which will come into operation on 1 July 2005 and section 12.1.5 which comes into operation on 1 July 2009. The Act has been amended by the *Gambling Regulation (Amendment) Act 2004* and the *Gambling Regulation (Further Amendment) Act 2004*.

² The material differences between the interim regulations and the proposed regulations are outlined in Part 3.2 and Appendix 1 of this RIS.

Figure 1 – Types of gambling permitted in Victoria



1.2. Setting the scene

1.2.1 Gambling in Victoria

In Victoria, gambling and activities relating to gambling are generally prohibited unless authorised under the Act (see Part 1.2.3 of this RIS), the *Casino Control Act 1991*³ or the *Racing Act 1958*.

The types of gambling licensed or permitted under the Act⁴ and potentially regulated by the proposed regulations (except public lotteries) are as follows.

Gaming machines

Outside the casino, there are two operators of gaming machines in Victoria – Tattersall’s Holdings Pty Ltd (‘Tattersall’s’) and Tabcorp Holdings Limited (‘Tabcorp’). Tattersall’s and Tabcorp own their gaming machines, and provide them to gaming venues through contracts with the venues. Gaming venues can be clubs or hotels.

There are currently 286 pub gaming venues and 246 club gaming venues, a total of 532.⁵ Venues must have a liquor licence to be eligible for a gaming licence.

The maximum number of gaming machines permitted in Victoria is 30,000, with pub and club venues being entitled to up to 27,500 machines, and the casino being entitled to up to 2,500 machines.

Interactive Gaming

Interactive gaming is essentially gaming using the Internet or other telecommunication devices. Chapter 7 of the Act aims to protect the interests and entitlements of players of interactive games by giving them the opportunity to deal with well regulated entities licensed in Victoria, as a more secure alternative to dealing with unregulated entities.

³ The *Casino Control Act 1991* regulates casino table games such as roulette, black jack, poker, baccarat and big wheel. However, gaming machines and club keno played at the casino are regulated under the *Gambling Regulation Act 2003*.

⁴ It is important to note that all licences and permits are issued under the Act rather than under the regulations. In other words, the obligation to apply for a licence or permit, and to comply with the conditions of the relevant licence or permit is imposed by the Act rather than by the regulations. For these reasons the question of appeal rights or dispute resolution mechanisms is not relevant to the proposed regulations.

⁵ Victorian Casino and Gaming Authority (VCGA) Annual Report 2003-2004.

Public lotteries

Lottery games include:

- Lotto, where a player selects any six numbers from 1 to 45 (e.g. Tattslotto, Powerball);
- Pools, where the winning numbers are based on the results of the UK or Australian soccer matches;
- Instant lotteries ('scratchies'), where a player scratches a coating off the ticket to identify whether the ticket is a winner;
- Tatts keno and Tatts Two; and
- Footy tipping lotteries

The proposed regulations do not apply to public lotteries.

Wagering and betting

Victorian racing is generally acknowledged to be the strongest in Australia based on criteria such as the financial returns to owners, numbers of races and licensed participants. Studies indicate that the Victorian racing industry contributes over \$2 billion to the local economy and employs over 64,000 people in over 30,000 equivalent full time positions.

Minor gaming (community and charitable organisations)

Only organisations which are declared by the Commission to be community or charitable organisations can conduct minor gaming activities such as raffles, bingo, fundraising events or lucky envelopes.

BINGO

A permit to conduct bingo is not required if:

- no fee is charged, directly or indirectly, to participate in the game; or
- the whole of the gross receipts from the session of bingo games is distributed as prizes during that session.

A permit must be obtained in all other cases.

Bingo sessions are often conducted at bingo centres. A bingo centre operator's licence is required to operate a bingo centre where more than 7 sessions of bingo are conducted within a period of 7 consecutive days.

The rules of bingo and conditions of both bingo permits and bingo centre operator's licences are prescribed by the regulations.

LUCKY ENVELOPES

A lucky envelope is a lottery ticket, where the result is pre-determined. The ticket must be made so that the result cannot be seen until after it is sold.

Lucky envelopes may only be sold by organisations which have been declared as a community or charitable organisation by the Commission.

Conditions of lucky envelope permits and standards for lucky envelopes are prescribed by the regulations.

RAFFLES

Raffles with prizes totaling more than \$5,000 require a permit and must be conducted in accordance with any relevant conditions that are prescribed by the regulations. Raffles with prizes of \$5,000 or less are not required to have a permit, but must comply with any relevant conditions prescribed by the regulations.

Small raffles (with total prizes of \$500 or less) must comply with any relevant conditions prescribed by the regulations. (An example of a small raffle is where coloured and numbered tickets are sold at a sporting club function and the winning ticket butts are drawn from a hat on the night).

Other gambling

CALCUTTA SWEEPSTAKES

Calcutta sweepstakes are lotteries where the winner is determined by the outcome of a sporting contingency such as the Melbourne Cup or the AFL Brownlow Medal Count. Usually, Calcutta sweepstakes involve the auctioning of drawn tickets.

TRADE PROMOTION LOTTERIES

A trade promotion lottery is a scheme which:

- promotes the products or services of a trade or business; and
- offers prizes where winners are selected by a method that includes any element of chance.

A trade promotion lottery permit is only required if the total value of prizes exceeds \$5,000. Trade promotion lottery permit holders are subject to any conditions prescribed by regulation and any conditions the Commission may impose.

Smaller trade promotion lotteries must be conducted in accordance with any conditions prescribed by regulation but do not require a permit.

CLUB KENO

Club Keno⁶ is a networked game of electronic bingo operated in pubs and clubs, by the gaming operators Tabcorp and Tattersall's. Games run every few minutes and involve 20 numbers being drawn from a total of 80. The results are broadcast in venues on Keno monitors and display boards. Prizes vary based on how many numbers are matched on a ticket after the draw.

Club Keno games are regulated by both the Act and the regulations.

DEVICES AND GAMES AT AMUSEMENT CENTRES, FETES, CARNIVALS ETC.

Devices and games can lawfully be played for prizes at amusement centres, tourist centres or recreational centre, fetes, fairs, bazaars, carnivals, gymkhanas or similar functions if the value of the prize at each attempt to win a prize does not exceed \$50.

1.2.2 Relevant research and inquiries

1.2.2.1 Recreational gambling

Most gambling in Australia is recreational gambling or 'non-problem gambling'. The Productivity Commission estimates that the gambling industries account for about 1½ per cent of Australia's GDP. Total expenditure (losses) on gambling amounted to over \$11 billion in 1997-98 (\$3 billion in Victoria), of which \$3.5 billion is paid in taxation from a turnover (money staked) of some \$95 billion.

The Commission's 2003-2004 annual report states that for the year ended 30 June 2004, gambling revenue (player loss) in its various forms within Victoria amounted to \$4,276.4 million.

According to the Productivity Commission's survey data, about 82 per cent of adult Australians engaged in gambling in 1997-98 (apart from raffles and sweeps), with 60 per cent participating in lotteries and 39 per cent playing gaming machines. Some 40 per cent of adults could be described as 'regular' gamblers (at least once a week), but only 20 per cent are regular *non-lottery* gamblers.

The Productivity Commission found that gambling provides economic benefits. For example, in 1997-98 there were over 37 000 people employed in Australian gambling businesses (17 per cent of total 'cultural and recreational' employment) with at least another 70 000 obtaining employment in clubs and pubs as a result of gambling activities there.

The Productivity Commission also found that recreational gambling provides some social benefits. For example, they found that many people gamble because of the enjoyment they get from the venue and the social interaction it provides, the risk of playing, or the thrill of anticipation.

⁶ Club Keno is not the same as Tatts Keno, which is a form of public lottery.

1.2.2.2 Problem gambling

The definition of problem gambling recommended by the former Victorian Casino and Gaming Authority (VCGA) is -

”Problem gambling refers to the situation when a person's gambling activity gives rise to harm to the individual player, and/or to his or her family, and may extend into the community”⁷.

Harm to players and their families can range from excessive time-wasting and financial losses, to loss of employment and family breakdown, to bankruptcy or criminal behaviour, clinical depression and even suicide.

The nature and extent of problem gambling in Australia has been comprehensively documented by the Productivity Commission’s inquiry report⁸ into Australian gambling industries. The Productivity Commission found that:

- an estimated 2.07 per cent of Australia’s adult population have moderate to severe problems as a result of their gambling, with the percentage in Victoria (2.14 per cent) being slightly higher than the national average but lower than in New South Wales (2.55 per cent);
- other gamblers are at risk of becoming problem gamblers;
- problem gamblers are estimated to comprise 15 per cent of regular gamblers (i.e. non-lottery gamblers) and account for around one-third of total annual expenditure on gambling in Australia – about \$3.6 billion. Their annual losses average \$12,200 per gambler, compared with just under \$650 for other gamblers; and
- the incidence of problem gambling is highest for gaming machines and racing, and lowest for lotteries. In Victoria, about 70 per cent of the incidence of problem gambling is related to gaming machines and 5 per cent is related to casino table games. Nationally, gaming machines are associated with 65 to 80 per cent of those problem gamblers who are receiving counselling.

1.2.2.3 Responsible gambling

A recent study by the Independent Pricing and Regulatory Tribunal of New South Wales (IPART) recommended that responsible gambling policy should recognise that a range of stakeholders have responsibility for and should play an active role in reducing the prevalence and negative impact of problem gambling. It should promote a broad culture of responsibility in relation to gambling, by clarifying the roles and responsibilities of these stakeholders and, where possible, making them accountable for promoting or adopting the measures relevant to their role. These stakeholders include:

⁷ Victorian Casino and Gaming Authority (1997) *Definition and Incidence of Problem Gambling, Including the Socio-Economic Distribution of Gamblers*, Melbourne.

⁸ Productivity Commission (1999) *Australia’s Gambling Industries Report No. 10*, AusInfo, Canberra Ch.6.

- **Government**, whose role should be to develop a regulatory framework that effectively and efficiently assists in promoting responsible gambling, and to promote the ongoing effectiveness of this framework through compliance monitoring, systematic evaluation, and developing incentives for industry best practice.
- **The gambling industry**⁹, which should contribute to a culture of responsibility by providing gambling services and products that are as safe as feasibly possible, in venues that encourage responsible gambling. They should ensure that the attitudes of all personnel associated with venues, from Board members to venue staff, are consistent with such a culture.
- **Gamblers themselves**, who need to gamble more responsibly by setting budgets for gambling sessions, being more aware of the gambling product and environment, using voluntary measures to control their gambling and seeking help if they spend excessive amounts of time and money when gambling.
- **Problem gambling counsellors**, whose role should be to provide services that meet minimum standards of best practice and to demonstrate accountability in the delivery of these services;
- **Other generalist counselors**, that provide services such as family support, financial counseling.
- **The general community**, which should recognise the risks associated with excessive gambling, generally be aware of safe gambling practices and promote these practices, particularly to family and friends.¹⁰

1.2.2.4 Honesty and probity

The Productivity Commission Inquiry reported that ensuring honesty and probity is important to avoid any potential risk to consumers and society generally from gambling.

Without regulation potential exists for games to be rigged and for criminal influence to arise, with risks developing for consumers and the community as a whole.

The Productivity Commission found that gambling poses particular obstacles to good consumer knowledge about the services they buy because of the nature of payouts. For example, no consumer could independently confirm whether a particular poker

⁹ The Victorian Gaming Machine Industry (VGMI) consists of the current gaming operators, venue operators and the casino operator. The VGMI Accord and various codes of practice commit each of the signatories to principles of responsible service of gaming, self-governance, to consultation and to the timely and effective handling and resolution of complaints.

¹⁰ IPART, 2004

machine genuinely offered the stated odds, or that prizes were appropriately drawn in a lottery. For these reasons, the Productivity Commission found that:

- there is a strong basis for regulation of the industry to ensure that gambling events are fair; and
- the emphasis of probity checking should be cost effective mechanisms for reducing risks to consumers and the community, regardless of the venue or gambling type.¹¹

The Productivity Commission Inquiry further reported that all jurisdictions see ensuring the probity of gaming operations as crucial to protecting the consumer, underpinning the growth of an industry free from criminal influence, and to ensuring that taxation is being paid correctly.

Accordingly, the Commission's objectives include ensuring that:

- gaming on gaming machines is conducted honestly;
- the management of gaming machines and gaming equipment is free from criminal influence and exploitation; and
- other forms of gambling permitted under the Act or any other Act are conducted honestly and that their management is free from criminal influence and exploitation.

Probity checking is pursued through:

- the Commission approving and monitoring the equipment used in gaming and internal controls and operating procedures; and
- the screening of licensees, operators, managers and staff who provide gambling services by the Commission.

A high priority is placed on ensuring the probity of gaming licence holders, but these are requirements of the Act rather than the regulations.

¹¹ Productivity Commission (1999) *Australia's Gambling Industries* Report No. 10, AusInfo, Canberra, p. 16.11.

1.2.2.5 Minor gambling

Minor gambling¹² activities include bingo, raffles, lucky envelopes and trade promotion lotteries. The Productivity Commission found that together, minor gambling activities account for less than \$200 million of the \$11 billion spent on gambling in Australia. Nonetheless, they are important as a source of funds for many charitable and non-profit organisations.

Minor gambling is subject to certain restrictions (such as the need to keep records), and may or may not require a permit, depending on the size of prizes and the nature of the operation. The permit process facilitates checking the processes for undertaking the activity and may include requiring that mechanisms be independently certified for randomness.

The Productivity Commission found that all Australian states and territories have a broadly common approach to the regulation of minor gambling, which generally requires permits for activities with significant prizes and no permits where smaller prizes are involved, provided that prescribed conditions are complied with.¹³

1.2.3 Relevant gambling legislation in Victoria

The principal gambling Act in Victoria is the *Gambling Regulation Act 2003* (the Act), which was introduced and passed by the Parliament in Spring 2003. This Act replaced eight Acts.

The control of the casino (other than in relation to gaming machines, which are controlled under the *Gambling Regulation Act 2003*) is still set out in the *Casino Control Act 1991* the Casino licence and the *Casino (Management Agreement) Act 1993*.

The main objectives of the Act are as follows:

- (a) to foster responsible gambling in order to—
 - (i) minimise harm caused by problem gambling; and
 - (ii) accommodate those who gamble without harming themselves or others;
- (b) to ensure that gaming on gaming machines is conducted honestly;
- (c) to ensure that the management of gaming machines and gaming equipment is free from criminal influence and exploitation;
- (d) to ensure that other forms of gambling permitted under this or any other Act are conducted honestly and that their management is free from criminal influence and exploitation;
- (e) to ensure that:

¹² The term 'minor gambling', as used by the Productivity Commission, is not the same as the term 'minor gaming' as used in Victoria (see glossary).

¹³ Productivity Commission (1999) *Australia's Gambling Industries* Report No. 10, AusInfo, Canberra, p. 13.6.

- (i) activities authorised by a minor gaming permit benefit the community or charitable organisation to which the permit is issued;
 - (ii) practices that could undermine public confidence in community and charitable gaming are eliminated;
 - (iii) bingo centre operators do not act unfairly in providing commercial services to community or charitable organisations;
- and
- (f) to promote tourism, employment and economic development generally in the State.

The *Gambling Regulation (Further Amendment) Act 2004* (the amending Act) made a number of amendments to the Act.

The proposed regulations include regulations to further the objectives of the Act and also include regulations to facilitate the commencement of some of the changes made by the amending Act. In relation to the amending Act, the proposed regulations will facilitate:

- the commencement of a single employee licensing scheme for gaming industry employees;
- naming a political party that is to benefit from a raffle; and
- changes to the regulation of club keno.

1.2.4 Gambling regulation in other jurisdictions

Gambling has long been subject to regulation by Australian governments. The intent of government regulation can vary from protecting consumers by ensuring the probity and integrity of gambling services and their operators, to reducing the social cost of problem gambling.

The Productivity Commission's Inquiry Report into Australia's Gambling Industries (1999) found that 'Australia's gambling regulations reflect a blend of pragmatism, historical accident and the inevitable variation provided by the mix of gambling forms and the objectives of different governments and interest groups'.

Whilst there are such inevitable variations, all Australian states and territories regulate the major forms of gambling (gaming, racing and lotteries) to some extent, mainly for honesty and probity reasons. The degree of gambling regulation in Victoria is not radically different to that in other jurisdictions. However, Victoria is generally more pro-active in regulating to minimise problem gambling on gaming machines than most other jurisdictions.

All jurisdictions regulate gaming machines. They all impose some restrictions on gaming machine numbers, and on the type of venue in which gaming machines may be placed (generally limited to licensed clubs, hotels or casinos). Gaming machines are not permitted outside the casino in Western Australia, nor inside the casino in the Australian Capital Territory.

The most similar jurisdiction to Victoria in terms of regulating gaming machines is New South Wales. The NSW *Gaming Machines Act 2001* ('the NSW Act') has

similar objectives to those in Victoria, and caps machine numbers, both in total (104,000) and by venue type (450 for clubs and 30 for hotels), establishes markets for existing licences and limits operating hours for gaming machines. Regulations made under the NSW Act restrict advertising and introduce other harm minimisation measures similar to those in Victoria such as:

- requiring the provision of player information brochures and player activity statements; and
- requiring the display of gambling warning notices and clocks in gaming venues.¹⁴

The NSW Department of Racing and Gaming completed a review of the Gaming Machines Act in March 2003 and released the review report in June 2003. The review found a net public benefit arising from the harm minimisation measures contained in the Act and the Regulations.

A comparison of Victoria's proposed gambling licence fees with those in other jurisdictions is given in Appendix 4 of this RIS.

1.2.5 Relevant gambling policies and guidelines

The Government has endorsed the following six principles to guide future gambling policy and legislative development. They are:

- developing and reinforcing the Government's commitment to responsible gambling through measures that assist and protect problem gamblers and those at risk of becoming problem gamblers, their families and the wider community;
- developing and maintaining the State's commitment to the highest standards of probity for gambling service providers;
- accepting gambling is a valid activity for many Victorians who are entitled to expect ongoing high standards of service, transparency and accountability from the gambling sector;
- ensuring that the legitimate financial benefits of gambling (both private and public) are transparent, appropriately recognisable and fairly distributed to the Victorian community;
- that to the extent possible consistent with the other principles, gaming service providers operate in a competitive environment; and
- establishing proper consultative processes to ensure that appropriate information is given to, and input is received from, the wide variety of persons interested in gambling including stakeholders, affected parties and, to the widest extent possible, the broader Victorian community.

Consistent with these principles, the Government has developed an integrated Problem Gambling Strategy that incorporates regulation, direct service provision and a totally revised communications and community partnerships strategy.

¹⁴ See NSW Gaming Machines Regulation 2002.

The Victorian Department of Human Services (DHS) has developed a comprehensive Problem Gambling Communications Strategy based on sound research, targeted at a range of audience types and utilising a range of communications mediums. This Communications Strategy includes a mass media campaign that:

- emphasises the risks associated with gambling,
- provides self assessment of problem gambling behaviours, and
- provides information about treatment, counselling and support services.

The direct service delivery component of the strategy, known as Gambler's Help, comprises a 24 hour telephone information, referral and counselling service that interfaces with face to face problem gambling and financial counselling services. Counselling services are delivered from over 100 sites through out Victoria, including locations in regional and rural areas. The Community Partnership Strategy aims to build strong communities that have the capacity and the resources to help reduce the impact of problem gambling.¹⁵

The Minister for Gaming has established a Ministerial Advisory Council under the Act which will advise the Minister on research into problem gambling.

1.3 The nature and extent of the problem

In accordance with Government guidelines, the RIS is required to identify and describe the problems to be addressed by the proposed regulations. *In other words, why are the regulations being proposed?*

The nature and extent of the problems are best identified by considering the likely consequences if there were no relevant regulations or effective alternatives in place.

If there are no regulations there will be significant gaps in the overall legislative scheme, meaning that various mechanisms required to effectively implement the legislative scheme and regulate gambling will not be available. Whilst the proposed regulations are of a general or miscellaneous nature they are collectively important for the effective regulation of gambling and the achievement of the objectives of the Act.

The problems that are likely to arise in the absence of regulations or effective alternatives may be summarised as follows.

Problem gambling

As discussed in Part 1.2.2.2 of this RIS, the harm to players and their families from problem gambling can range from excessive time-wasting and financial losses, to loss of employment and family breakdown, to bankruptcy or criminal behaviour, clinical depression and even suicide. Although only an estimated 2.14 per cent of Victorians are problem gamblers, the evidence shows that recreational gamblers are at risk of becoming problem gamblers, unless preventative measures are taken.

Approximately 70% of problem gambling is associated with the playing of gaming machines. For this reason, the proposed regulations prescribe a range of preventative measures in relation to gaming machines. These measures relate primarily to the

¹⁵ See the Victorian Problem Gambling web site at <<http://www.problemgambling.vic.gov.au>>

provision of information to players and to other responsible gambling measures such as the requirement to display the time of day and to meet certain lighting levels in gaming venues.

Researchers and responsible gaming advocates have argued that the lack of information provided to players about gaming machines contributed to the high incidence of problem gambling associated with gaming machines. It was also argued that the physical environment in many gaming venues was designed to encourage extended playing of gaming machines, thereby contributing to the high incidence of problem gaming amongst players. For example, prior to the introduction of the relevant regulations, many venues lacked natural light (often achieved by covering external windows), had low levels of artificial light and did not have clocks to allow a player to keep track of the time he or she had spent playing.

A most severe consequence of the lack of clocks in gaming venues occurred in 2001, prior to the making of the former Gaming Machine Control (Clocks) Regulations 2001.¹⁶ A young child was left in a car longer than his mother intended, resulting in the child's death¹⁷. This tragic case was well-publicised in the media at the time and evidence was given that a mother left her 19-month old son longer than intended in a hot car for 2½ hours, whilst she played gaming machines at Ferntree Gully. 'I was going to go in there for 20 to 30 minutes' she told police through an interpreter¹⁸.

Without the proposed regulations or effective alternatives, players would not be provided with sufficient information to enable them to make informed choices about their commencement and continued participation in gaming. Many of the measures already introduced by the Government to combat problem gambling would be jeopardised or reduced in effectiveness.

Honesty and fairness problems

The importance of ensuring honesty and fairness is a common theme across all gambling modes, in view of the large amounts of cash at stake, and the need to ensure that gambling is conducted honestly, fairly and free from criminal influence.

Without the proposed regulations, the Government's ability to ensure honesty and fairness in the provision of gambling would be diminished.

Further, gambling poses particular obstacles to good consumer knowledge about the quality of the services they buy because of the nature of payouts. For example, no consumer could independently confirm whether a particular poker machine genuinely offered the stated odds, or that prizes were appropriately drawn in a lottery, or that the wagering operator has declared or paid the appropriate prize or dividend. For these reasons the Productivity Commission found in its Inquiry Report into Australia's Gambling Industries (1999) that 'there is a strong basis for regulatory provisions to ensure that the gambling events are fair'.

¹⁶ These regulations have been continued as part of both the interim regulations and the proposed regulations.

¹⁷ Break Even (2000) submission re: Government Consultation Paper on Responsible Gaming

¹⁸ Kissane, D (2001) *A gamble with life*. The Sunday Age 11/3/01, Melbourne p. 1, 4.

For example, without such regulatory provisions, there would be no legal requirement that a trade promotion lottery benefit the trade or business concerned. A person could conduct a lottery ostensibly to promote a trade or business but where, in reality, the lottery is an unregulated public lottery. Such a lottery could be conducted where little or no information is provided to enable a person to make an informed decision to participate in the lottery. Further, the requirement to publish details of the lottery draw and of the winners enables both participants and the Commission to ensure that the prizes are in fact distributed to the named winners. This is particularly important as the prizes offered in relation to trade promotion lotteries are often substantial and valuable. For example, overseas holidays and motor vehicles are not uncommon.

The Commission has investigated a number of cases where the person conducting the trade promotion has not provided the advertised prize to the winner or where a winner was not in fact drawn at all. For example, one trade promotion lottery was to be won by the person who selected the joker from cards turned face down in a locked cabinet. Commission inspectors found when they inspected the cards that there was, in fact, no joker amongst the cards in the cabinet.

The Commission is of the view however, that the monitoring program it conducts plays a significant role in ensuring the good conduct of these activities. This monitoring program is facilitated by, for example, the requirement to publish the name and address of the winner of a trade promotion lottery (this enables Commission inspectors to contact the named winner to confirm that he or she did in fact receive the prize). The Commission has also encountered cases where the purported winner has been a relative of the promoter.

Another example of regulating to ensure honesty and fairness, is in the case of club keno. The Commission is aware of a number of instances of credit betting by employees. This occurs where an employee issues club keno tickets to him or herself without making payment. In some cases the face value of the tickets issued amounted to many thousands of dollars.

The proposed regulations define the game of club keno, require the club keno draw to be conducted at the principle place of business of the participants (Tattersall's and Tabcorp), or elsewhere with Commission approval, and impose other requirements about record keeping and the conduct of the game.

Without regulations about club keno the Commission's capacity to monitor the playing of the game of club keno would be hampered and the possibility of non-compliance with the regulatory regime would be increased.

The proposed regulations will also prescribe the duties that a gaming industry employee can carry out under the new licensing scheme created by the amending Act. Without these duties being prescribed by the regulations, the licensing scheme envisaged by the Parliament could not function. The licensing of gaming industry employees is central to the regulatory regime established in relation to the industry and ensures that those people who pose a threat to the honesty and integrity of gaming are kept out of the industry.

In other words, without the proposed regulations or effective alternatives, there would be a reduced opportunity to ensure that gambling was undertaken honestly and in the absence of fraud and criminal influence. This objective is also supported in the proposed regulations by the prescribing of authorities and persons to whom protected information can be disclosed under section 10.1.34(1)(a) of the Act.

For reasons outlined above, if effective regulatory action is not continued, reduced public confidence in the gaming industry generally would be likely to occur. This would have negative flow on consequences for tourism, employment and economic development.¹⁹

Problems associated with community and charitable gaming

Without the proposed regulatory provisions, there would be for example:

- reduced public confidence in the conduct of gaming for community and charitable organisations and in the ultimate destination of funds raised;
- a reduced opportunity to ensure equity of access to community and charitable fundraising opportunities from bingo games.

The need to ensure that gambling is conducted honestly and fairly also applies to minor gaming conducted by, or on behalf of, community and charitable organisations.

This area of gambling has caused considerable problems in the past with respect to dishonesty, fraud, theft and allegations that the proceeds of minor gaming were being used for purposes other than to benefit a community or charitable organisation. Examples of the type of problems encountered by the Commission in relation to community and charitable gaming include misappropriation of the proceeds of minor gaming, the non-supplying of raffle prizes and the conduct of minor gaming activities for organisations or individuals that are not declared community or charitable organisations. For example, in one much publicised case the promoter of a series of major raffles was found to have used hundreds of thousands of dollars of the proceeds of ticket sales to his own benefit. These problems arise because of the nature of the minor gaming activities themselves, the widespread use of volunteer labour, the cash nature of many of the activities and the fact that members of the public are more likely to participate in minor gaming activities, such as raffles, because they believe that the proceeds are going to a worthy cause.

A lack of public confidence in minor gaming has serious consequences for the community and charitable sector, which relies heavily of fundraising from the public as its major, and sometimes only, source of income. The Commission has had examples of the proceeds from bingo and lucky envelope sales being misappropriated. For example, in one instance, community and charitable organisations that were named as the beneficiary of the proceeds from the sale of lucky envelopes were either unaware that lucky envelopes were being sold on their behalf or had not received any of the proceeds.

¹⁹ One of the objectives of the Act is 'to promote tourism, employment and economic development generally in the State.

In addition, the Commission has encountered numerous cases of dishonest practices in relation to the conduct of bingo, including falsification of sales figures (recording less ticket sales than had actually occurred in order to cover a misappropriation of the proceeds), reselling ticket books, recording higher prizes than were paid to bingo winners, rewriting running sheets and failure to bank the proceeds of bingo sessions into the account of the permit holder.

In the case of raffles, the Commission has encountered instances where the draw has been rigged to enable a friend or relative to win the prize.

Proper requirements relating to account and record keeping reduce the likelihood of these practices arising and enable the Commission to conduct regular audits and inspections of the records held by permit holders.

It is also important to ensure that community and charitable gaming is conducted in a manner that promotes equity of access and ensures that the relevant community or charitable organisation receives the benefit of gaming conducted under a minor gaming permit.

Prescribing a maximum amount that a bingo centre operator can charge a permit holder for expenses relating to the provision of bingo helps ensure that the relevant charitable or community organisation benefits from the conduct of the game. Prescribing limits on the number of bingo games a permit holder can conduct increases the opportunity to ensure equity of access to community and charitable fundraising opportunities from bingo games.

Cost recovery problems

Without the proposed regulations, no application fees for licences or permits would be prescribed. This would be contrary to the Act, which requires that such fees be prescribed by the regulations. It would also be contrary to Treasury guidelines as there would be no recovery of the costs of considering applications. Costs would then have to be met from state taxes, which would mean a cross-subsidy of the gambling industry by the general taxpayer, which is estimated at approximately \$1.96 million in 2005/06.

1.4 Policy objectives of regulatory proposal

The primary objectives of the proposed regulations are:

1. To foster responsible gambling in order to—
 - (a) minimise harm caused by problem gambling; and
 - (b) accommodate those who gamble without harming themselves or others.

2. To ensure that gaming on gaming machines and other forms of gambling regulated by the Act are conducted honestly and fairly;

3. To ensure that—
 - (a) activities authorised by a minor gaming permit benefit the community or charitable organisation to which the permit is issued;
 - (b) practices that could undermine public confidence in community and charitable gaming are eliminated;
 - (c) bingo centre operators do not act unfairly in providing commercial services to community or charitable organisations;

4. To ensure that appropriate fees are set for applications made under the Act in a way which is—
 - (a) compatible with the economic, social and conservation objectives of the Government;
 - (b) takes into account the private and public benefits (if any);
 - (c) recovers an appropriate level of costs expended in considering applications;
 - (d) results in net community benefits; and
 - (e) is economically efficient.

These overall objectives will be achieved through the combined impact of the Act and the proposed regulations described in this RIS.

1.5 Consultation to date

The primary process of consultation about the proposed regulations is the publication of this RIS for public comment during a statutory minimum 28-day consultation period. The preparation and publication of a RIS provides for an informed process of consultation with the public regarding the regulatory proposal, the policy alternatives and the costs and benefits associated with each policy option.

Some preliminary consultation has already taken place with key stakeholder organisations. Letters were sent by the Department of Justice on 30 September 2004 to the following key stakeholder organisations, advising of the preparation of the proposed regulations and RIS, and inviting any comments on the interim regulations.

A second letter was sent on 17 December 2004 to those stakeholders likely to be affected by proposed changes to the interim regulations that represented a new policy position.

Organisations consulted

- Australian Gaming Council
- Australian Hotels and Hospitality Association
- Australian Leisure and Hospitality Group Limited
- Bingo Industry Association of Victoria
- Chinese Gambling Concern
- Club Managers Association of Australia (Victoria Zone)
- Clubs Victoria Inc
- Community Action on Pokie Problems
- Council of Gambler's Help Services
- Crown Limited
- Department for Victorian Communities
- Department of Human Services
- Ethnic Communities Council of Victoria
- Free Yourself Program, The Chapel
- Fundraising Institute of Australia, Victorian Chapter
- InterChurch Gambling Taskforce
- Advocate for Responsible Gambling
- Local Government Working Group on Gambling
- Municipal Association of Victoria
- RSL Licensed Sub-branches
- St Lukes Child and Family Services
- TABCORP Holdings Limited
- Tattersall's Holdings Pty Ltd
- Turning Point
- Uniting Church in Australia
- Urban Seed
- Victorian Aboriginal Health Service
- Victorian Commission for Gambling Regulation
- Victorian Employers' Chamber of Commerce and Industry²⁰; and
- Victorian Local Government Association.

Four responses to the letter of 30 September were received. These were from Crown, RSL Licensed Sub-branches, Department for Victorian Communities and the InterChurch Gambling Taskforce. Four responses were also received to the letter dated 17 December. These were from Crown Limited, Tattersall's, Australian Hotels and Hospitality Association and the Department of Human Services. Various queries were raised and several useful suggestions for improvements to the regulations were made, all of which have been considered in preparing the proposed regulations. The

²⁰ This organisation was sent the letter of 17 December only.

main issues raised related to the display of electronic information on gaming machines, provision of activity statements to participants in loyalty schemes, the giving of directions by the Commission requiring compliance with regulations about lighting, clocks and talkers in gaming machine areas, the requirement to display posters in gaming machine areas, and the effect of the new proposals for trade promotion lotteries and bingo.

The Commission has been actively involved in the development of the proposed regulations and in the provision of information for this RIS.

1.6 Authorising legislation

The primary authorising power for regulations is section 11.2.1 of the Act, as follows:

11.2.1 Regulations

- (1) The Governor in Council may make regulations for or with respect to any matter or thing required or permitted by this Act to be prescribed or necessary to be prescribed to give effect to this Act including, but not limited to, the matters and things specified in Schedule 1.
- (2) Regulations made under this Act—
 - (a) may be of general or specially limited application; and
 - (b) may differ according to differences in time, place or circumstances; and
 - (c) may apply, adopt or incorporate any matter contained in any document, code, standard, rule, specification or method formulated, issued, prescribed or published by any person whether—
 - (i) wholly or partially or as amended by the regulations; or
 - (ii) as formulated, issued, prescribed or published at the time the regulations are made or at any time before then; or
 - (iii) as formulated, issued, prescribed or published from time to time; and
 - (d) may leave any matter or thing to be from time to time determined, applied, dispensed with or regulated by the Commission or a person belonging to a class of persons specified in the regulations; and
 - (e) may impose penalties not exceeding 20 penalty units for a contravention of the regulations.

2.0 Case for intervention

2.1 Need for regulation

The preceding discussion outlines the problems and costs to the community that are likely to be incurred if no regulations or suitable alternatives are in place.

The Victorian Government proposes to meet the objectives of regulating gambling in part by proposing the regulations described in this RIS.

2.2 Feasibility of regulation: compliance issues (and costs)

The next preliminary question to be addressed is whether government intervention is feasible; that is, *are regulations likely to be effective?*

One of the main differences between voluntary codes of practice and regulations is that regulations must be enforceable.

Within the gaming industry, the level of non-compliance with governing legislation is relatively low, as indicated by Table 1 showing enforcement proceedings by the Commission during the last five financial years.

Table 1- Enforcement proceedings taken by the Commission 1999-2004

Prosecutions (offences) ²¹	1999 - 2000	2000 - 2001	2001 - 2002	2002 - 2003	2003 - 2004
Gaming machines ²²	33	27	12	13	7
Minor gaming ²³	5	13	10	3	3
Disciplinary Action ²⁴					
Gaming machines - special employees	25	32	36	20	26
Gaming machines - venue operators	15	8	17	22	31
Minor gaming – bingo centre employee	0	1	0	0	1
Minor gaming - other	0	0	0	0	12

It is important to note, however, that formal enforcement proceedings represent the ‘tip of the iceberg’ of compliance action by the Commission. Often a warning is sufficient to ensure immediate compliance with the Act or the regulations, obviating the need for formal enforcement proceedings. Such warnings can only be effective if they are underpinned by the relevant offence provisions and penalties in the Act or the regulations.

²¹ Includes prosecution for offences under both the relevant Act and the regulations.

²² Includes offences in relation to both venue operators and special employees.

²³ ‘Minor gaming’ includes activities conducted by community and charitable organisations (raffles, lucky envelopes, and fundraising events) and bingo.

²⁴ “Disciplinary action” is action taken against a licensee or permit holder by the Commission.

Penalties that can be imposed by the Commission include cancellation or suspension of a licence or permit, a fine, or a letter of censure.

As outlined in the Commission's 2003/2004 Annual Report, inspectors examined the operation of all licensed gaming venues in Victoria. In addition, unannounced inspections were made of minor gaming activities, including the drawing of trade promotion lotteries and raffles, to ensure compliance with regulatory requirements.

During that year, 653 investigations were conducted. Some resulted from complaints, some were unannounced surveillance and some related to applications for a licence, permit or other approval. Seven people were prosecuted in the Magistrates' Court for eight offences. In addition, two organisations were prosecuted in the Magistrates' Court for two offences.²⁵

Compliance inspections and operational reviews include unannounced surveillance, formal inspections and office based financial audits of gaming venues, racetracks, bingo centres and other minor gaming activities. They are performed to assess whether the activities being conducted comply with the requirements of the relevant legislation and the regulations. Every gaming venue, racetrack and bingo centre was inspected at least once during the year. In addition, auditing and verification of player return and financial data occurred for each electronic gaming machine and gaming venue connected to the gaming operator's on-line real-time monitoring and control system. Breaches of the Act, the regulations or of licence conditions can result in prosecutions and in some cases disciplinary proceedings by the Commission which can result in the suspension or cancellation of a licence.

The type and number of compliance inspections and audits conducted in 2003-2004 is shown in the following Table 2.

Table 2 - Number of compliance inspections and audits conducted 2003-2004

Activity	Number
Gaming venue inspections and surveillance	1,056
Bingo inspections	138
Lucky envelope outlet inspections	987
Racetrack inspections	100
Raffle draw inspections	78
Trade promotion lottery draw inspections	91
Venue financial audits	52
Total	2,502

As ensuring compliance with the regulations forms an integral part of the compliance work of the Commission, it is not possible to provide a separate figure for the cost to Government of compliance work relating to the regulations alone. However, the

²⁵ Three of these offences were employing unlicensed staff at a gaming venue, three were employing unlicensed staff at a Bingo Centre, two were staff gaming on duty and one was a person performing the duties of a special employee whilst unlicensed.

Department of Treasury and Finance Budget Paper No. 3 for 2004-2005 estimates the output cost of monitoring and regulating gaming activities in Victoria at some \$18.9 million (including the Department of Justice overhead). Work relating to compliance with the regulations forms a part of this total cost.

The Victorian gambling industry has competent management and well-trained staff, who are capable of understanding and implementing complex regulatory requirements. The Commission's staff includes a team of inspectors who conduct regular overt and covert inspections of gambling venues as well as other sophisticated compliance operations. The likelihood of industry compliance with the proposed regulations must therefore be rated as relatively high. There is no reason to suggest that the proposed regulations will not be feasible.

3.0 Nature and effects of proposed regulations

3.1 Description of proposed regulations and likely cost impacts

This Part of the RIS describes the proposed regulations division by division, and summarises the likely cost impacts (if any) and the stakeholders affected.²⁶

The cost impacts and the stakeholder(s) on whom those costs will be imposed are identified for each Division or Part.

Other stakeholders are also affected by the costs and benefits of the proposed regulations as a whole. Generally speaking stakeholders for the proposed regulations are:

- gaming operators;
- venue operators;
- the casino operator;
- consumers of gambling products;
- problem gamblers;
- providers of services to problem gamblers;
- community and charitable organisations;
- bingo centre operators;
- the community generally; and
- the State.

²⁶ To the extent that the Commission, as the regulator, is a stakeholder in the regulations, it is a stakeholder in all regulations and is therefore not separately identified in this analysis.

PART 1—PRELIMINARY

Proposed regulation 1 sets out the objectives of the proposed regulations, namely to provide for—

- (a) matters relating to—
 - (i) gaming machines; and
 - (ii) wagering and betting; and
 - (iii) trade promotion lotteries; and
 - (iv) club keno; and
 - (v) community and charitable gaming; and
- (b) fees; and
- (c) other matters that are authorised or required to be prescribed by the *Gambling Regulation Act 2003*.

Proposed regulation 2 cites the provision of the Act that authorises the making of the proposed regulations (section 11.2.1).

Proposed regulation 3 states that the proposed regulations come into operation on 25 June 2005.

Proposed regulation 4 revokes the interim regulations.

Proposed regulation 5 defines certain terms used in the proposed regulations.²⁷

Likely cost impacts: Nil.

Stakeholder: Nil. Part 1 of the proposed regulations is of a preliminary nature only.

PART 2—GENERAL PROHIBITION ON GAMBLING

This Part provides exemptions from the general prohibition on gambling under section 2.2.8(a) of the Act. It prescribes standards and conditions for devices and games at amusement centres, fetes, carnivals etc which have a maximum prize value of \$50. The regulations are designed to ensure that games are conducted fairly, and are likely to result in increased player participation in such exempted games.

Likely cost impacts: This Part of the proposed regulations confers the benefit of exemptions from the Act, rather than imposes costs. In other words, it does not impose an appreciable cost burden on any sector of the public. However, because there are no permits required, the number of such games is unknown and may vary from year to year. For these reasons, the benefit of these exemptions is not quantifiable.

²⁷ Note that the definitions in the Act also apply to Regulations made under the Act.

Stakeholders affected: Operators of devices and games at amusement centres, fetes, carnivals etc; players of games at these venues.

PART 3—GAMING MACHINES

DIVISION 1—DISPLAY OF TIME OF DAY

The purpose of this Division is to provide players of gaming machines with information on the time of day, to assist them in determining the length of time they have been playing gaming machines and to help remind them of other commitments they may have in the world outside gaming.

The proposed regulations provide for:

- a requirement that each gaming machine available for play and installed in gaming venues or the casino display the time in accordance with the regulations
- details of how and where the time of day is to be displayed to persons playing gaming machines;
- a requirement that a venue operator immediately inform the relevant gaming operator if a gaming machine does not display the time in accordance with the regulations;
- a requirement that gaming operators and the casino operator not permit a gaming machine to be played that does not display the time in accordance with the regulations and a penalty of 20 penalty units for each breach of this requirement.

Likely cost impacts: These regulations can be complied with by either attaching a \$10 digital clock to a gaming machine or displaying the time on the video screen of new machines. This requirement has existed since 2001. The cost imposed is therefore only \$10 per new machine. On a 5 to 7 year replacement cycle, the average number of new machines each year is about 5000, making a total imposed cost of about \$50,000 per year, or \$0.5 million over the 10 year life of the proposed regulations at 2005 values.

Stakeholders affected: Gaming operators, venue operators, the casino operator, problem gamblers and potential problem gamblers. Other players are unaffected.

DIVISION 2—LIGHTING AND EXTERNAL VIEWS

The purpose of this Division is to enable players to retain a sense of connection with the environment outside gaming venues, and to people and things inside gaming venues other than gaming machines.

The regulations provide for:

- venue operators and the casino operator to ensure that lighting complies with the performance standards specified in Schedule 2 of the regulations. The specification of such performance standards allows venue operators and the

casino operator the flexibility and choice of achieving the standards by various different means, thus allowing innovation, competition and minimization of the overall cost burden.

- venue operators and the casino operator not to remove or obscure an existing external window, except under specified circumstances.

Likely cost impacts: The proposed regulations impose capital costs of approx. \$5500 to \$7500 for each new gaming venue to meet lighting standards. (Existing venues including the casino have been required to comply with these lighting standards since 2001). The average number of new gaming venues per year is 3, making a total estimated annual cost of \$16,500 to \$22,500, or \$0.16 to \$0.22m over the 10 year life of the proposed regulations at 2005 values. There are also possible opportunity costs from not being able to carry out certain renovations to venues, but which cannot be quantified.

Stakeholders affected: Gaming operators, venue operators, the casino operator, problem gamblers and potential problem gamblers.

DIVISION 3—PRINTED INFORMATION

The purpose of this Division is to foster responsible gambling by requiring the provision to players of gaming machines of printed information relevant to gaming on gaming machines.

The regulations require venue operators and the casino operator to provide such information in the form of posters, talkers and brochures in the form and manner specified by the regulations.

Likely cost impacts: The regulations impose an annual cost to venue operators and the casino operator of replacing posters and talkers as necessary (eg: if faded, removed or damaged). Talkers can be transferred from old machines to new machines. There is also an annual cost of supplying brochures to players. If 10% of players ask for a brochure per year, the estimated annual printing cost would be \$36,000 (see Appendix 2), or \$0.36 million over the 10 year life of the proposed regulations at 2005 values.

There would also be a cost to the Commission of making any changes to master posters, talkers and brochures and costs to gaming operators of printing and distributing new posters, talkers and brochures. However, as no such changes are planned, these costs cannot be quantified.

Stakeholders affected: Gaming operators, venue operators, the casino operator, problem gamblers and potential problem gamblers.

DIVISION 4—ELECTRONIC INFORMATION

The purpose of this Division is to foster responsible gambling by requiring the provision of electronic information relevant to gaming on gaming machines to players of gaming machines.

The regulations require each new gaming machine available for gaming to be capable of generating and displaying, and at the election of the player, to generate and display electronic game information and electronic player information respectively for all new games played on the gaming machine on or after the commencement of the regulations. In respect of any other game, the requirement for generating and displaying electronic information applies from 1 January 2008, to allow time for the replacement of gaming machines. Venue operators must notify gaming operators if electronic information fails. Gaming operators and the casino operator must not allow gaming on gaming machines without electronic information display.

Likely cost impacts: The proposed regulations impose ongoing costs of generating and displaying electronic game information and electronic player information on new games. The compulsory cost of converting existing games by 1 January 2008, which is ahead of the normal replacement cycle of gaming machines, is estimated to be up to \$16.2 million at 2005 values. There are also potential opportunity costs in terms of revenue forgone from making non-compliant machines unavailable for play, estimated at an average of \$228 per machine per day or a total estimated opportunity cost²⁸ of approximately \$250 million over the ten year life of the proposed regulations at 2005 values (see Appendix 2). However, there is no material change in the requirements of the proposed regulations since these were first introduced by means of the former Gaming Machine Control (Responsible Gambling Information) Regulations 2002 after the publication of an RIS. Gaming operators and the casino operator have been committed to this expenditure since that time.

Stakeholders affected: Gaming operators, venue operators, the casino operator, problem gamblers and potential problem gamblers.

DIVISION 5—JACKPOT INFORMATION

The purpose of this Division is to foster responsible gambling by requiring the provision of linked jackpot information by means of talkers or gaming machine displays in conjunction with electronic game information, or both methods.

Likely cost impacts: The regulatory requirement can be met by using talkers, therefore the minimum cost is the annual cost to gaming operators of producing and installing talkers (see Appendix 2). Opportunity costs of making non-compliant machines unavailable for play are therefore unlikely to be incurred.

Stakeholders affected: Gaming operators, the casino operator, problem gamblers and potential problem gamblers.

²⁸ This cost is optional because gaming operators have a choice of improving the level of compliance of their machines to reduce or eliminate this cost.

DIVISION 6—ELECTRONIC JACKPOT INFORMATION

The purpose of this Division is to foster responsible gambling by requiring the provision of electronic jackpot information if the linked jackpot information is not available by means of talkers.

Likely cost impacts: The requirement to provide information can be met by talkers. Therefore the minimum cost is the annual cost to gaming operators of producing and installing talkers (see Appendix 2). Opportunity costs of making non-compliant machines unavailable for play are therefore unlikely to be incurred.

Stakeholders affected: Gaming operators, the casino operator, problem gamblers and potential problem gamblers.

DIVISION 7—LOYALTY SCHEMES

The purpose of this Division is to foster responsible gambling by requiring the provision of specified player information in annual written statements to members of loyalty schemes. (The obligation to produce such annual written statements is imposed by the Act rather than by the regulations).

Likely cost impacts: There is an annual cost to loyalty scheme providers of including prescribed information in written statements, and of enabling players to set limits. This information is already available to loyalty scheme providers, and the cost of including it in the written statements required by the Act is unable to be quantified.

Stakeholders affected: Gaming operators, the casino operator, problem gamblers and potential problem gamblers. Other players are unaffected (except where they choose to become a member of a loyalty scheme and will benefit from receiving the prescribed player information).

DIVISION 8—MISCELLANEOUS

The purposes of this Division are to:

- prescribe the method of calculation of net cash balances,
- prescribe information to be published newspapers regarding applications for a venue operator's licence or for listing on the Roll of Manufacturers, Suppliers and Testers; and
- prescribe restricted components for the purposes of the definition of "restricted component" in section 1.3(1) of the Act.

Likely cost impacts: The regulations impose a cost on gaming operators of calculating the net cash balances for purposes of taxation imposed by Chapter 3, Part 6, Division 2 of the Act. However, this information is already available to gaming operators through their management systems, and the cost of generating it for taxation purposes is unable to be quantified.

The estimated cost of publishing the notices is about \$2250 per year or \$22,500 over the ten year life of the proposed regulations at 2005 values.

The prescribing of 'restricted components' relates to one of the authorised functions of a person listed on the Roll of Manufacturers, Suppliers and Testers. The authorised functions are listed in Chapter 3, Part 4, Division 1 of the Act. The regulations in effect, define the essential hardware and software for operating gaming machines, and as such, do not impose any additional costs to those imposed by the Act.

Stakeholders affected: Gaming operators, the casino operator, applicants for venue operator's licences and for listing on the Roll of Manufacturers, Suppliers and Testers; persons interested in such applications.

PART 4—CONDUCT OF WAGERING

The purpose of this Part is to prescribe controls over the conduct of wagering to ensure that it is conducted honestly and fairly. The proposed regulations require:

- the display of specified consumer information such as the betting rules and the payment of dividends;
- the management and control of betting offices by persons appointed by the operator for that purpose, and
- the retention of money available for dividends until any protest has been decided by the stewards;
- the provision of financial returns;
- the payment of money into pools to increase the money available for dividends or prizes in respect of a totalisator or approved betting competitions;
- information to be printed on tickets;
- the reporting of 'significant events' (as defined) to the Commission; and
- the timing of termination of acceptance of bets.

Likely cost impacts: The proposed regulations generally codify existing wagering practices and impose negligible additional costs to those normally involved in running betting offices. The financial returns can be computer-generated, using information already in the management systems of the wagering operator.

Stakeholders affected: Wagering operator, wagerers.

PART 5—TRADE PROMOTION LOTTERIES

The purpose of this Part is to prescribe the conditions for trade promotion lottery permits, the conditions of trade promotion lotteries where no permit is required, and to prescribe certain record keeping requirements. These conditions are designed to ensure honesty and fairness.

Likely cost impacts: The proposed regulations impose administrative and ticket printing costs, and require the publication of notice of winners in a newspaper at an estimated cost of \$85,000 per year or \$0.85 million over the ten year life of the proposed regulations at 2005 values (see Appendix 2). The conditions imposed

require transparency in the lottery process and ensure that entrants are provided with certain basic information about the lottery, such as when the lottery closes and how the winner is notified. Without this information, the public might be reluctant to participate in such a lottery. This outcome would reduce the effectiveness of the trade promotion.

Stakeholders affected: Trade and business organisations wishing to conduct trade promotion lotteries, and participants in the trade promotion lottery.

PART 6—CLUB KENO

The purpose of this Part is to define a 'club keno game' and to prescribe conditions for the conduct of club keno games, including:

- providing schedules of proposed club keno games to the Commission;
- enabling the Commission to require that a club keno game or series of games be conducted under the supervision of the Commission;
- requiring the display of notices prohibiting the playing of club keno by minors; and
- reporting to the Commission the results of games.

Likely cost impacts: A definition of a 'club keno game' must be prescribed to enable club keno to be lawfully played.

The estimated cost of displayed notices indicating that the playing of club keno by minors is prohibited is less than \$10 per notice or a total of \$5320 if all licensed venues offer club keno. Assuming these notices are replaced every 5 years, the total estimated cost is \$10, 650 over the ten year life of the proposed regulations.

There are costs in providing schedules and reporting results of club keno games to the Commission, which are unable to be quantified. However, the schedules and results can be computer-generated, using information already in the management systems of the club keno operator.

Stakeholders affected: The "participants" (being the entities that conduct club keno games), participating gaming venue operators, and players of club keno.

PART 7—COMMUNITY AND CHARITABLE ORGANISATIONS

DIVISION 1—SPORTING OR RECREATIONAL CLUBS OR ASSOCIATIONS

This Division prescribes additional criteria to those specified in the Act for the declaration of an organisation to be a community or charitable organisation for the purposes of eligibility under the Act for a minor gaming permit.

Likely cost impacts: The proposed regulations may impose some unquantifiable opportunity costs on organisations that do not meet criteria and may also restrict competition.

Stakeholders affected: Community or charitable organisation wishing to conduct minor gaming.

DIVISION 2—BINGO PERMITS

This Division prescribes the conditions of bingo permits and the rules of bingo, including:

- providing annual financial returns to the Commission;
- limiting a session of bingo games to 30 games conducted within a 8 hour period; and
- limiting gross receipts of a session of bingo games to a maximum of \$10 000;
- limiting to 4 the number of sessions of bingo a declared organisation can conduct in total within any period of 7 consecutive days;
- the proportions to be distributed as prizes;
- providing that bingo can only be played by people aged at least 18 years;
- requiring the banking of proceeds within a specified time.

Likely cost impacts: The proposed regulations impose opportunity costs by restricting the number of games and gross receipts of sessions. The cost of preparing 600 returns per year²⁹ at an average cost of \$50 each is about \$30, 000 per year or \$300,000 over the ten year life of the proposed regulations at 2005 values. The proposed exemption for small permit holders from auditing requirements will save significant costs for them, possibly up to \$1,000 or \$2,000. The regulations limit profits from bingo games and protect returns to players.

Stakeholders affected: Community or charitable organisation wishing to conduct bingo.

²⁹ The number of bingo permits issued in 2002-2003 was 420 and in 2003-2004 was 193. Bingo permits last for 2 years.

DIVISION 3—BINGO CENTRES AND EMPLOYEES

For honesty, probity and fairness reasons, this Division prescribes information to be published in relation to applications for a bingo centre operator's licence and the conditions of a bingo centre operator's licence, including:

- not conducting more than one session of bingo in the same room at the same time;
- treating all permit holders equitably in the allocation of session times; and
- disclosing any conflict of interest with the permit holder.

Likely cost impacts: The regulations affect the cost of publishing information about applications (names and addresses only). The requirement to publish is contained in the Act. There may be unquantifiable opportunity costs from not conducting more than one session of bingo in the same room at the same time, or not having conflicts of interest with permit holders, but such probity requirements are in line with community expectations.

Stakeholders affected: Bingo centre operators, bingo permit holders (community and charitable organisations).

DIVISION 4—MISCELLANEOUS

This Division:

- prescribes 60% of the gross proceeds as the maximum amount payable to a bingo centre operator for each session of bingo;
- prescribes standards for bingo tickets and random number generators;
- prescribes time limits for returns for sessions of bingo conducted at a bingo centre during the preceding 12 months; and
- prescribes particulars of records that must be kept.

Likely cost impacts: These proposed regulations limit expenses payable to bingo centre operators from bingo games but this is to protect the interests of permit holders which are members of the community and charitable sector intended to benefit from bingo.

The costs associated with the prescribed time limits for returns and for the information to be kept in records are not able to be quantified. (The obligation to keep records and submit returns is imposed by the Act rather than by the regulations). However the information required to be kept in records would normally be readily available to permit holders as a result of the conduct of bingo games.

Stakeholders affected: Bingo centre operators, bingo permit holders (community and charitable organisations).

DIVISION 5—LUCKY ENVELOPES

For honesty, probity and fairness reasons, this Division prescribes conditions of lucky envelope permits and standards for lucky envelope vending machines and envelopes, including:

- prohibiting the sale of lucky envelopes to persons under the age of 18 years;
- restricting where lucky envelopes may be sold;
- limiting the value of prizes; and
- information to be kept in records.

Likely cost impacts: The proposed regulations impose administrative and printing costs on permit holders, which are unable to be quantified. Lucky envelopes and vending machines should already meet these standards, which have been in place since 1998.

The costs of keeping the records are not able to be quantified. (The obligation to keep records is imposed by the Act rather than by the regulations). However the information required to be kept in records would normally be readily available to permit holders as a result of the conduct of lucky envelope lotteries.

Stakeholders affected: Community and charitable organisations, purchasers of lucky envelopes.

DIVISION 6—RAFFLES

For honesty, probity and fairness reasons, this Division prescribes conditions of raffle permits and conditions where no raffle permit is required, including the publication of a notice of winners, and the keeping of records. The regulations will require notification of a political party that is to benefit from a raffle. Conditions are largely those that would normally be expected by raffle entrants, many of whom might not otherwise enter the raffle (i.e. the conditions are necessary for the success of raffles).

Likely cost impacts: The estimated cost of publication of notices of winners of raffles is \$13,750 or \$137,500 over the ten year life of the proposed regulations in 2005 values (see Appendix 2). However, the cost of publication where no permit is required is unable to be quantified because the number of such raffles is not known. The regulations impose some administrative and printing costs (eg for the tickets) which are part of the normally accepted costs of running a raffle, but which are unable to be quantified.

Stakeholders affected: Community and charitable organisations, purchasers of raffle tickets.

PART 8—DUTIES OF GAMING INDUSTRY EMPLOYEES

The requirement for gaming industry employees to be licensed is a requirement imposed by the Act rather than the regulations. The recent amending Act introduced a single licence that will apply to all employees currently regulated under the Act, replacing the three different employee licensing regimes with a new 'gaming industry employee's licence'.

These licences authorise persons to be employed as gaming industry employees and to perform functions specified by the Act and any duties and functions prescribed by the regulations. If no duties or functions were prescribed, the role of gaming industry employees would be restricted to those functions specified by the Act. In other words, the prescribing of duties and functions by the regulations confers benefits rather than imposes costs.

Part 8 of the proposed regulations prescribes the duties of gaming industry employees. It replaces interim regulations 47 to 49.

Likely cost impacts: The proposed regulations prescribe the duties of gaming industry employees and imposes no appreciable cost burden.

Stakeholders affected: Gaming industry employees and their employers.

PART 9—FEES

The purpose of this Part of the proposed regulations is to prescribe application fees for various licences and permits under the Act, as set out in Table 3³⁰ (except for the gaming industry employee fees). The basis for the calculation of the proposed fees, except for minor gaming permits, is full cost recovery as set out in detail in Appendix 3. A comparison with licence fees in other jurisdictions is given in Appendix 4.

³⁰ These fees are exempt from GST under A New Tax System (Goods and Services Tax) (Exempt Taxes, Fees and Charges) Determination 2004 (No. 2).

Table 3 - comparison of proposed fees with existing fees

Regulation No.	Type of Licence	Current Fee ³¹ \$	Proposed Fee ³² \$	Percentage increase ³³
89	Approval of premises	\$3,805.60	\$4,327.30	+13.7%
90	Venue Operator's Licence (VOL)	\$1,125.30	\$1,641.90	+45.9%
91	Renewal of Venue Operator's Licence	\$1,125.30	\$1,575.40	+40.0%
92(a)	VOL – addition of approved venue	\$214.80	\$276.20	+28.6%
92(b)(i)	VOL – increase in number of gaming machines	\$2,133.00	\$5,248.00 ^(a)	+146.0%
92(b)(ii)	VOL – decrease in number of gaming machines	\$153.50	\$214.85	+40.0%
92(c)	VOL – variation of gaming machine area	\$230.20	\$301.80	+31.1%
92(d)	VOL – variation of days on which 24 hour gaming is permitted	\$2,346.30	\$3,340.10(a)	+42.4%
92(e)	VOL – addition of condition permitting 24 hour gaming	\$2,346.30	\$3,340.10(a)	+42.4%
93	Listing on the Roll of Manufacturers, Suppliers and Testers	\$3,682.80	\$3,994.80	+8.5%
94	Evaluation of gaming machine type or games	\$202.60	\$306.90	+51.5%
95	Minor gambling permit (Fundraising Event & Lucky Envelopes)	\$35.80	\$35.80(b)	0
95	Minor gambling permit (Bingo)	\$35.80	\$35.80(b)	0
95	Minor gambling permit (Raffles)	\$35.80	\$35.80(b)	0
96	Amendment of minor gaming permit (Fundraising Events and Lucky Envelopes)	\$20.50	\$20.50(b)	0
96	Amendment of minor gaming permit (Bingo)	\$20.50	\$20.50(b)	0
96	Amendment of minor gaming permit (Raffles)	\$20.50	\$20.50(b)	0
97(1)	Bingo Centre Operator's Licence	\$409.20	\$1,565.20(c)(d)	+282.5%
97(2)	Renewal of Bingo Centre Operator's Licence	\$409.20	\$1,452.65(c)(d)	+255.0%
98	Calcutta Sweepstakes	\$102.30	\$35.80(d)	-65.0%
99	Trade Promotion Lottery permit	\$102.30	\$266.00(d)	+160.0%
100	Amendment of conditions of Trade Promotion Lottery permit	\$20.50	\$163.70(d)	+698.5%
101	Interactive Gaming Licence	\$3,396.40	\$3,969.25	+16.9%
102	Endorsement of Interactive Gaming Licence	\$1230.00	\$1,273.65	3.5%

Notes

- (a) The increase in the proposed fee is mainly due to a more accurate allowance for the time of a Solicitor and other support staff involved in the requisite hearing for these applications.
- (b) No increase in the fee is proposed for social policy reasons (see below).

³¹ Dollar values of fees prescribed by the interim regulations.

³² Dollar values of fees prescribed by the proposed regulations, rounded to the nearest \$0.05.

³³ Rounded to nearest decimal point.

- (c) Bingo Centre Operator licence application fees have not been increased since 1997, and the task of assessing premises' security arrangements has become part of the licence application process since then. Applications have generally become more complex with legislative changes allowing a corporate entity to hold a licence. A more accurate assessment of the time required has been made, including for completing the financial assessment component of the assessment (which is not required for venue operator applications).
- (d) The current fee is not calculated on a cost-recovery basis. Prior to the commencement of the Act, bingo centre operators and trade promotion lotteries were both regulated under the *Gaming No. 2 Act 1997*. That Act regulated various forms of 'minor gaming' including gaming by community and charitable organisations, Calcutta sweepstakes, trade promotion lotteries, and bingo centres. Fees for these applications were historically intended to be set at below cost recovery to be consistent with the other fees under the *Gaming No. 2 Act 1997* which were largely for charitable and community gaming. The proposed reduction in the fee for Calcutta Sweepstakes applications reflects the latest cost recovery calculations (see Appendix 3)

Minor Gaming

In the case of minor gaming permits, which are used by community and charitable organisations for fundraising purposes, the Government has made a policy decision not to increase the fees for these permits. This policy decision has been made to help achieve the objective set out in section 1.1(2)(e)(i) of the Act, that is, 'to ensure that activities authorised by a minor gaming permit benefit the community or charitable organisation to which the permit is issued'.

This policy decision by Government recognises the significant contribution charitable and community organisations make to the community as a whole. The Government proposes to retain the fees at their current below cost recovery levels for this reason.

Table 4 compares the proposed fees (which are the same as the existing fees) with full cost recovery fees and shows the revenue that is forgone. The estimated benefit to applicants from the proposed zero increase in minor gaming permit fees is approximately \$64,000 or \$0.64 million over the ten year life of the proposed regulations in 2005 values.

Table 4 - Comparison of proposed minor gambling fees with fees based on cost recovery

Permit type	Estimated Number	Current Fees \$	Estimated Revenue \$	Cost Recovery Fees \$	Estimated Revenue \$	Revenue Forgone \$
Raffles	350	35.80	12,530.00	117.70	41,195.00	28,665.00
Bingo	300	35.80	10,740.00	87.00	26,100.00	15,360.00
Lucky Envelopes	220	35.80	7,876.00	81.80	17,996.00	10,120.00
Fundraising Events	10	35.80	358.00	81.80	\$818.00	460.00
Amendments - Lucky Envelopes and Fundraising Events	80	20.50	1,640.00	30.70	2,456.00	816.00
Amendments- Bingo	40	20.50	820.00	56.30	2,252.00	1,432.00
Amendments - Raffles	120	20.50	2,460.00	81.80	9,816.00	7,356.00
Total	1,120		36,424.00		100,633.00	64,209.00

Gaming Industry Employee Licences

The recent amending Act introduced a single licence that will apply to all employees currently regulated under the Act, replacing the three different employee licensing regimes with a new 'gaming industry employee's licence'. This change removes unnecessary duplication and ensures consistency in requirements applying to the different types of employees. Replacing three different employee licences with one employee licence does not enable a direct comparison in terms of percentage fee increases, but the difference in the fees is shown in Table 5.

Table 5 - Comparison of proposed employee licence fees with existing fees

Regulation No.	Type of Licence	Current Fee ³⁴ \$	Proposed Fee ³⁵ \$
103	Gaming Industry Employee's licence	\$66.50 (Special/ Technician Employee) \$117.60(e) (Bingo Employee)	\$122.75
105	Renewal of Gaming Industry Employee's licence	\$30.70 (Special/ Technician Employee) \$51.20 (Bingo Employee)	\$51.15
104	Replacement identification of Gaming Industry Employee's licence	\$10.20 (Bingo Employee)	\$20.45
106	Gaming Industry Employee's licence – application by holder of casino special employee licence	\$51.20	\$40.95

Note:

The fee for a Bingo Centre Employee's licence currently includes the cost to the Commission of obtaining a National Police Certificate (NPC) on an applicant. Under the proposed Gaming Industry Employee's licence, the applicant will be required to obtain his/her own NPC. However, this reduction is offset by an additional cost of fingerprint checking through national electronic database (NAFIS/Crimtrac). There has also been an increase in the percentage of applications with problems that require additional staff time to resolve.

Likely cost impacts: The total revenue from licence fees for the 2003/04 financial year was \$0.59 million. Estimated revenue (cost to applicants) from licence fees under the interim regulations in 2005/06 is approximately \$0.84 million, and under the proposed regulations is approximately \$1.96 million, an increase of approximately \$1.12 million. This amounts to \$19.6 million over the ten year life of the proposed regulations in 2005 values.

³⁴ Dollar values of fees prescribed by the interim regulations.

³⁵ Dollar values of fees prescribed by the proposed regulations, rounded to the nearest \$0.05.

Stakeholders affected: Applicants for licences and permits and renewals of licences and permits.

PART 10—MISCELLANEOUS

This Part provides for the listing in Schedule 5 of the regulations of authorities and persons to whom protected information may be disclosed in accordance with section 10.1.34(1)(a) of the Act and enables a function of the Commission under the regulations to be performed by the Executive Commissioner.

Likely cost impacts: None.

Stakeholders affected: The Commission.

3.2 Material variations from interim regulations and reasons

An analysis of the material variations between the proposed regulations and the interim regulations, together with reasons for those variations is given in Appendix 1 of this RIS. These variations may be summarised as follows.

Some variations arise as a consequence of the amending Act which has recently been passed by Parliament. The proposed regulations vary from the interim regulations to allow for the commencement of parts of the amending Act, in particular, the parts relating to:

- club keno;
- the gaming industry employee licensing scheme;
- disclosure of any proceeds of raffles going to political parties; and
- certain procedural matters.

Other variations arise from a need for improvements identified from operational experience of the interim regulations and their predecessors and in response to comments received from stakeholders. These variations are for the purposes of:

- increasing the fairness of trade promotion lotteries, bingo and raffles;
- removing unnecessary requirements in relation to bingo;
- improving responsible gaming in relation to display of printed information; and
- updating the list of prescribed authorities for disclosing information.

Finally, the application fees for various licences and permits have been recalculated on a cost recovery basis, except for minor gaming permits for community and charitable organisations, where a policy decision has been made to set fees at below cost recovery, as discussed in Part 3.1 of this RIS.

4.0 Alternatives to proposed regulations

The RIS is required to identify and consider all practicable alternatives to the proposed regulations and their relative costs and benefits compared to the proposed regulations (as quantitatively as possible, otherwise qualitatively).

Whilst the ‘base case’ of having no regulations or practicable alternatives in place is assessed in the cost benefit analysis in Part 5.1 of this RIS for comparison purposes, the ‘base case’ is not in itself a practicable alternative because it would contribute nothing towards the achievement of the policy objectives identified in Part 1.4 of this RIS.

4.1 Alternatives for non-fee regulations

For the proposed regulations other than Part 9 (Fees), the broad practicable alternatives are:

- The development and publication of Government guidelines together with additional public information and awareness campaigns. This alternative would involve an expansion of existing community awareness and education campaigns conducted by government.
- Encourage the development and publication of voluntary industry codes of practice.
- A range of ‘specific alternatives’ to different parts of the proposed regulations. These alternatives are described and discussed in detail in the cost benefit analysis in Part 5.5 of this RIS.

Industry self-regulation is often mentioned as an alternative to both regulation by government and voluntary codes of practice. However, self-regulation can only be effective if there are sufficient sanctions available to industry associations to ensure compliance by their members. Gaming industry associations have no real sanctions against their members other than reprimand, suspension or expulsion from the association. As such sanctions are not considered sufficient to ensure compliance, self-regulation is not listed in this RIS as a feasible alternative to government regulations (which do have sufficient sanctions).

Voluntary codes of practice could be observed to a satisfactory level by members of industry associations, and this may therefore be a practicable alternative to the proposed regulations. However, there is no industry association covering the gambling industry as a whole in Victoria.

In addition, as some of the regulations are required to be prescribed by the Act, neither a voluntary code nor Government guidelines are feasible alternatives for all the regulations. For example, the Act requires that a definition of the game of club keno is prescribed and for this reason, a non regulatory option to this regulation would not be possible.

4.2 Alternatives for fee regulations

The proposed regulations set all fees, other than those for minor gaming by a community or charitable organisation, at cost recovery.

Not charging any application fee is not a practicable alternative because the relevant sections of the Act require that an application is accompanied by the prescribed fee.

Withdrawing the service of providing licensing services for gaming industry employees is not an option as this would be contrary to the employee licensing scheme established by the Act and would make it impossible for gaming operators, venue operators and bingo centres operators to function.

Similarly, withdrawing the services relating to other activities that require applications to be made under the Act is not an option as the withdrawal of any of these services would be contrary to the various schemes established by the Act. Other applications that need to be considered by the Commission include applications for the approval of gaming venues, for a venue operator's licence, for a minor gaming permit, and for a trade promotion lottery. Not providing the relevant services would make it impossible for affected parties to undertake their business or charitable activities.

Reducing the cost of providing the services has already occurred and the Commission is of the view that it is not possible to reduce these costs any further without jeopardising the quality of the services provided and thereby undermining the efficacy of those services. The Commission conducted a restructure of its licensing area in 2001. This restructure resulted in increased efficiencies and a diversification in the duties performed by staff in this area. Since that restructure, the Commission has continued to monitor and streamline application and processing procedures. The fees have been calculated on the basis of the cost currently incurred by the Commission in processing the various applications made to it. The potential savings made as a result of increased efficiencies has, however, been more than offset by the increase costs (for example, staff salary increases etc) that has occurred since the various fees were last reviewed. As some fees have not been recently reviewed (for example the fees that were previously prescribed under the *Gaming No. 2 Act 1997* have not been reviewed since 1998). This has resulted in a substantial percentage increase in some fees, even though the Commission has achieved some efficiency gains.

Prescribing different fees for 'complex' and 'simple' applications, in recognition of the different costs incurred by the Commission in processing some of these applications, is not feasible as neither the applicant nor the Commission can identify, at the time an application is lodged with the Commission, an application that will require a higher level of investigation. An application can only be classified as 'simple' or 'complex' after the application has been lodged and the fee has been paid and after an initial assessment has been made. To levy an additional fee on those applications judged to be complex after the application has been lodged would place an unreasonable burden on the applicant, be administratively cumbersome and is arguably beyond the power conferred by the Act. Similarly, there is no provision for charging fees based upon an hourly rate under the Act.³⁶ For these reasons, different fee structures are not considered to be a practical alternative to the proposed regulations.

³⁶ Section 11.2.1(3) of the Act provides that fees may only be set on the basis of specific fees, or maximum or minimum fees, that vary according to class of premises or venue or special employee;.

The only practicable alternatives to the proposed regulations prescribing fees are to set all fees at partial cost recovery or to set all fees at full cost-recovery. The costs and benefits of these two options are discussed in Part 5.6 of this RIS.

5.0 Assessment of Costs and Benefits

The purpose of this part of the RIS is to-

- assess the relative costs and benefits of the proposed regulations for the Victorian community; and
- compare and contrast the costs and benefits with the practicable alternatives identified in Part 4.0 of this RIS and with the **base case** of having no regulations or practicable alternatives in place.³⁷

For the purposes of this comparison, the proposed regulations and the practicable alternatives will be collectively referred to in this part of the RIS as ‘options’. Other than in relation to Part 9 (Fees) the broad options are:

- **Option A:** The development and publication of Government guidelines together with additional public information and awareness campaigns. This alternative would involve an expansion of existing community awareness and education campaigns conducted by government (Part 5.2 of this RIS).
- **Option B:** Encourage the development and publication of voluntary industry codes of practice (Part 5.3 of this RIS).
- **Option C:** The proposed regulations (Part 5.4 of this RIS).
- **Option D:** Specific alternative regulations (Part 5.5 of this RIS).

In relation to fees, the options discussed in Part 5.6 of his RIS are:

- **Option 1:** Partial cost-recovery for all fees.
- **Option 2:** Full cost-recovery for all fees (including the proposed fees for minor gaming permits for community and charitable organisations)
- **Option 3:** The proposed fees.

The assessment of the relative benefits and costs for each of the options will be conducted in relation to how well the underlying policy objective in section 1.4 of this RIS can be achieved.

³⁷ For reasons explained in Part 4.0 of the RIS, the ‘base case’ is not a practicable alternative.

According to the Productivity Commission, the ‘special nature’ of the gambling industries derives from their ability simultaneously to provide entertainment that is harmless to many people, while being a source of great distress — and even of financial and personal ruin — to a significant minority. The imbalance between the consequences for each group can be very marked, a feature not found in other entertainment industries.

“Thus governments through the ages have generally placed restrictions or outright bans on gambling activity. The gambling industries, more than many others, are creatures of government regulation. But social mores and community attitudes change over time, and gambling regulation can be expected to evolve as well. In addition to these broader influences, what should guide government policy?”

The task for government policy towards these industries, as for any others, is to regulate them in ways which, by taking account of their special characteristics, will help to bring the greatest net benefits to society. This does not mean eliminating their costs, but striking a balance such as to maximise the net benefits (Productivity Commission, 1999 p.15).”

In this regard the precautionary principle should be considered. The Productivity Commission notes that where a product exposes some consumers to serious risk of harm, the precautionary principle should be taken into account. This principle takes the view that the evidence required to implement harm minimisation policies places the onus of proof on demonstrating that the product is safe. This view is expressed as follows in the Productivity Commission report:

“It is also important to note the role of evidence in deciding whether to implement a harm minimisation strategy. Some might argue that there has to be strong evidence about the likely effectiveness of a measure before it is introduced. Others might argue that there is prima facie evidence that certain aspects of gambling are hazardous and that conclusive evidence about appropriate ways of dealing with these harms is not required before some action is taken. Governments tend, for example, to ban or limit exposure to potentially dangerous drugs. In this instance, the onus of proof is on demonstrating the product’s safety, before it can be regarded as a normal good, rather than the onus of proof being to demonstrate that it is hazardous prior to measures seeking to control its availability. Arguably this precautionary approach is appropriate for some aspects of gambling too. The approach reflects the concern that consumption of certain products might have small benefits for many, but very large adverse consequences for some.”³⁸

The three main purposes or objectives in regulating gambling (other than the setting of appropriate fees), which were discussed in Part 1.4, can be summarised as follows:

1. Fostering responsible gambling;
2. Ensuring that gambling is conducted honestly and fairly; and
3. Supporting community and charitable organisations.

These ‘summary objectives’ will be used as the basis for comparison of the relative costs and benefits of the proposed regulations, other than those setting fees. Fees regulations and their practical alternatives are assessed on the basis of the criteria

³⁸ Productivity Commission (1999) *Australia’s Gambling Industries* Report No. 10, AusInfo, Canberra, p.16.87

discussed in Part 1.3 of this RIS.

5.1 The 'base case'

The 'base case' is having no regulations or practicable alternatives in place. This would result in the problems identified in Part 1.3 of this RIS not being addressed. In comparison with the identified options, there are no costs and no benefits associated with the base case. In particular, there would be no costs to government in ensuring compliance with the proposed regulations, a saving of up to \$18.9 million per year (see Part 2.2 of this RIS).

If the proposed regulations or suitable alternatives are not in place, there will be significant 'gaps' in the overall legislative scheme, meaning that various mechanisms required by the Commission to effectively implement the legislative scheme and regulate gambling under the Act will not be available. In particular, the following lack of benefits would result if no regulations or effective alternatives are in place:

1. Many of the measures introduced by the Government to combat problem gambling would be jeopardised or reduced in effectiveness including:
 - player information in venues and the casino and on gaming machines themselves;
 - proper lighting and clocks in all gaming venues;
 - controls on player loyalty schemes; and
 - players would not be provided with sufficient information to enable them to make informed choices about their commencement and continued participation in gaming.
2. No applications fees for licences or permits would be prescribed. This would be contrary to the Treasury guidelines in that there would be no recovery of the costs of considering applications, which would have to be met from state taxes. In other words, there would be a cross-subsidy of the gambling industry by the general taxpayer, which is estimated to be up to \$1.96m per year.
3. There would be a reduced opportunity to ensure that gambling was undertaken honestly and in the absence of fraud and criminal influence.
4. There would be a significantly reduced ability for gambling regulators to exchange intelligence information, which in turn would lead to a reduction in capabilities regarding the assessment of the probity and suitability of applicants for licences under the Acts, the scrutiny of gaming operations, and for detection and enforcement of offences against the Act.
5. There would be a reduced opportunity to ensure equity of access to community and charitable fundraising opportunities from bingo games;
6. There would be reduced public confidence in the conduct of community and charitable gaming and about where the benefit from minor gaming goes;

7. There would be reduced public confidence in the gaming industry generally. This would have negative flow on consequences for tourism, employment and economic development.³⁹

5.2 Option A: The development and publication of Government guidelines together with additional public information and awareness campaigns.

This option would not be possible for those matters that are required to be prescribed by the regulations. For example, the Act requires a number of fees to be prescribed, a definition of club keno, the standards for lucky envelopes and bingo equipment, the information to be provided to participants in loyalty schemes, and the records required to be kept under section 5.7.18.

Expected costs

Under this option, proposed regulations could be published as guidelines with minor modifications and thus minimal additional costs apart from printing the guidelines.

Since 2000, the Victorian Government has allocated \$16.5 m to the DHS for the development and implementation of the Problem Gambling Communication Strategy and the Community Partnership Strategy (see Part 1.2.5 of this RIS).

Adoption of this option would involve additional expenditure by the government. The extent of this additional expenditure is uncertain as it would depend on the extent of expansion of the program. For example, if the program was expanded by 50% to include promotion of Government guidelines as an alternative to regulation, the additional cost would be \$8.25 million.

This option may go some of the way towards achieving the *responsible gambling objective*, but not as far as the other options B or C. There would be considerable uncertainty as to the extent that the responsible gambling objective would be achieved and it would not satisfy the 'precautionary principle'.

There would be little or no contribution from this option towards achieving the '*honest and fair gambling*' objective or the '*supporting community and charitable organisations*' objective.

To the extent that the objectives are not achieved, many of the social costs of the 'base case' are likely to be incurred.

Expected benefits

There may be savings to gaming operators of up to \$16.2 million if they choose not to provide electronic player information or meet the lighting requirements that would otherwise be prescribed by the proposed regulations.

The enjoyment of recreational gamblers is unlikely to be adversely affected by this option.

³⁹ See section 1.1(2)(f) of the Act.

5.3 Option B: Encourage the development and publication of voluntary industry codes of practice.

This option would not be possible for those matters that are required to be prescribed by the regulations. For example, the Act requires a number of fees to be prescribed, a definition of club keno, the standards for lucky envelopes and bingo equipment, the information to be provided to participants in loyalty schemes, and the records required to be kept under section 5.7.18.

Expected costs

There would be costs to the industry of revising and reprinting existing industry codes and consumer information, which would be increased as a result of the lack of any regulations. These costs are not known as the media that would be used and the extent of coverage of matters under industry codes of practice are not certain.

There would be minimal additional costs to government as it has no role in ensuring compliance with voluntary codes of practice and the role of government would be limited to monitoring the development of the codes of practice and being consulted about them. The removal of the cost of ensuring compliance with regulations would be a significant saving for government.

This option may go some of the way towards achieving the *responsible gambling objective*, but not far enough, because the development and publication of industry codes of practice would still be voluntary with resulting uncertainty in the consistency of implementation by the industry. There would be uncertainty as to the extent that the responsible gambling objective would be achieved and the 'precautionary principle' would be unlikely to be satisfied.

There would be minimal contribution from this option towards achieving the '*honest and fair gambling*' objective or the '*supporting community and charitable organisations*' objective.

Expected benefits

There may be significant savings to gaming operators of up to \$16.2 million if the code did not require the provision of electronic player information or compliance with the lighting requirements that would otherwise be prescribed in the proposed regulations.

The enjoyment by recreational gamblers is unlikely to be adversely affected by this option.

5.4 Option C: The proposed regulations

Expected costs

The likely non-fee costs imposed on stakeholders by the proposed regulations are discussed in detail in Part 3.1 of this RIS and are listed in Table 6. They total an estimated \$19.5 m to \$19.7m over the 10 year life of the proposed regulations. The bases of these cost estimates are given in Appendix 2.

Table 6 – List of estimated costs to stakeholders of proposed regulations

Cost item	Stakeholders affected	Annual \$m cost	10 year \$m cost (at 2005 values)
Clocks on new gaming machines	Venue operators	0.05	0.5
Lighting in new gaming venues	Venue operators, gaming operators and the casino operator	0.016 to 0.022	0.16 to 0.22
Replacement of printed information	Venue operators, gaming operators and the casino operator	0.036	0.36
Electronic information	Venue operators, gaming operators and the casino operator	2.5 ^(2005/6) + 2.5 ^(2006/7) + 11.2 ^(2007/8)	16.2
Publication of notices	Venue operators, applicants for listing on the role of suppliers, trade promotion permit holders, minor gaming permit holders and bingo centre operators	0.1	1.0
Display of notices	Wagering operator, venue operators and minor gaming permit holders	0.001	0.01
Preparing returns	Bingo permit holders and the wagering operator	0.03	0.3
Contingency for unquantifiable minor costs	All stakeholders	0.1	1.0
Total		2.8^(2005/2006) to 11.5^(2007/8)	19.5 to 19.7

Detailed below are some significant cost impacts of the proposed regulations.

- Part 3, Division 4 (Electronic Information) imposes the costs of generating and displaying electronic game information and electronic player information on new games. There are costs of replacing existing gaming machines by 1 January 2008. These cost estimates are set out in Appendix 2 and are estimated at up to \$16.2 million. However, as equivalent regulations have

been in place since 2002, gaming operators and the casino operator have been committed to this expenditure since that time.

- There are also potential opportunity costs in terms of revenue forgone from making non-compliant machines unavailable for play, estimated at an average of \$228 per machine per day or a potential total estimated opportunity cost of approximately \$250 million over the ten year life of the proposed regulations at 2005 values. However, these costs can be avoided or minimised by gaming operators choosing to reduce the risk of non-compliant gaming machines.
- The estimated cost to applicants from licence fees under the proposed regulations is approximately \$1.96 million, or \$19.6 million over the ten year life of the proposed regulations in 2005 values.
- The estimated annual cost to Government from the proposed zero increase in minor gaming permit fees is approximately \$64,000 or \$0.64 million over the ten year life of the proposed regulations in 2005 values.
- The cost to government of ensuring compliance with the proposed regulations is not able to be accurately estimated, but forms a component of the overall cost of \$18.9 million per year or \$189 million over the ten year life of the proposed regulations as 2005 values (see Part 2.2 of this RIS).

The enjoyment of recreational gamblers is unlikely to be adversely affected by this option.

Expected benefits

An overarching benefit of the proposed regulations is that they would complete the overall legislative scheme intended by the Parliament in that certain matters of detail would be prescribed by regulation.⁴⁰ This is envisaged by the Act.

Other expected benefits of the proposed regulations are discussed under the heading each of the three objectives of gambling regulation.

Fostering responsible gambling:

The measures introduced by the Government to combat problem gambling would be more likely to be successfully implemented including:

- player information in venues and the casino and on gaming machines themselves;
- proper lighting and clocks in all gaming venues;
- controls on player loyalty schemes;
- enabling players to make informed choices about their continued gambling.

⁴⁰ Guidelines under Section 26 *Subordinate Legislation Act 1994* (Effective 17 January 2005) Guideline 1.09.

Ensuring that gambling is conducted honestly and fairly

There would be a greatly improved opportunity to ensure that gambling was undertaken honestly and in the absence of fraud and criminal influence. As discussed in Part 2.2 of this RIS, the Commission's inspectors have an important role in ensuring compliance with the Act and the regulations.

There would be an ability to provide protected information to prescribed authorities which would facilitate an exchange of information with other relevant authorities, which in turn would lead to continued capabilities regarding the assessment of the probity and suitability of applicants for licences under the Acts, the scrutiny of gaming operations, and for detection and enforcement of offences against the Acts.

The industry itself has a direct interest in maintaining probity for its own commercial and reputation reasons. This suggests there are benefits in meshing commercial and public probity requirements where practicable.

Supporting community and charitable organisations.

There would be increased opportunity to ensure equity of access to community and charitable fundraising opportunities from bingo games.

There would be continued public confidence in the conduct of community and charitable gaming and about where the benefit from minor gaming goes.

There would be better public confidence in the gaming industry generally. This would have a positive impact for tourism, employment and economic development.⁴¹

5.5 Option D: Specific alternative regulations

Option D1: Not requiring clocks on new gaming machines (Part 3, Division 1)

As regulations requiring the display of clocks on gaming machines have been in place since 2001, not making these specific regulations would affect only new gaming machines. The cost imposed on gaming operators is \$10 per new machine.⁴² On a 5 to 7 year replacement cycle, the average number of new machines each year is about 5000, resulting a total cost saving for gaming operators under this Option of about \$50,000 per year, or \$0.5 million over the 10 year life of the proposed regulations at 2005 values.

This Option would result in a decrease in the number of gaming machines displaying clocks of about 5000 machines per year, with no gaming machines displaying clocks at all in 5 to 7 years time. Over this time period, the Option would reverse a specific measure taken by Government to comply with the principle of informed consent and to reduce the incidence of problem gambling, which would be likely to result in higher social costs for problem gamblers and potential problem gamblers, as discussed in detail in Part 1.2.2. of this RIS.

⁴¹ See section 1.1(2)(f) of the Act.

⁴² These regulations can be complied with by either attaching \$10 digital clock to a gaming machine or displaying the time on the video screen of new machines

As there are no benefits associated with this Option, other than the above cost savings to gaming operators, this Option is *not recommended*.

Option D2: No lighting standards in gaming venues (Part 3, Division 2)

Similarly, as regulations requiring gaming venues, including the casino, to comply with lighting standards have been in place since 2001, not making these specific regulations would affect only new or renovated gaming venues. The proposed regulations impose capital costs of approx. \$5500 to \$7500 for each new gaming venue to meet lighting standards. The average number of new gaming venues per year is 3, making a total estimated annual cost saving to venue operators from this Option of \$16,500 to \$22,500, or \$0.16 to \$0.22m over the 10 year life of the proposed regulations at 2005 values. There are also possible savings of opportunity costs from being able to carry out certain renovations to venues under this Option, but these cannot be quantified.

This Option would result in a decrease in the number of gaming venues complying with the lighting standards by an average of 3 per year. Whilst it would take a very long time for no gaming venues to comply with the lighting standards, there would be a gradual decline in the levels of lighting in gaming venues. As with Option D1, the Option would reverse a specific measure taken by Government to comply with the principle of informed consent and to reduce the incidence of problem gambling, which could result in higher social costs for problem gamblers and potential problem gamblers, as discussed in detail in Part 1.2.2. of this RIS.

As there are no benefits associated with this Option, other than the above cost savings to venue operators, this Option is *not recommended*.

Option D3: No printed responsible gambling information (Part 3, Division 3)

As the regulations requiring printed responsible gambling information have been in place since 2002, this Option would result in cost savings to venue operators and the casino operator of replacing posters and talkers as necessary (eg: if faded or damaged). Talkers can be transferred from old machines to new machines. It would also save the annual cost of supplying brochures to players who do not already have one. If 10% of players ask for a brochure per year, the estimated annual printing cost saved would be \$30,000 (see Appendix 2), or \$0.3 million over the 10 year life of the proposed regulations at 2005 values.

This Option would result in a decrease in the number of gaming venues supplying printed information as stocks run out, assuming that all posters, talkers and player information brochures are not immediately removed from gaming venues. As with Options D1 and D2, this Option would involve a reversal of a specific measure taken by Government to comply with the principle of informed consent and to reduce the incidence of problem gambling, which could result in higher social costs for problem gamblers and potential problem gamblers, as discussed in detail in Part 1.2.2. of this RIS.

As there are no benefits associated with this Option, other than the above cost savings to gaming operators and venue operators, this Option is *not recommended*.

Option D4: Require printed information to be available in other languages (Part 3, Division 3)

This Option would involve amending the proposed regulations to require the provision of posters, talkers and player information brochures in one or more languages other than English. The cost of this Option is estimated at \$0.41 million per language for the initial printing costs plus an additional \$40,000 per year, or \$0.4 million per language for replacements over the 10 year life of the proposed regulations at 2005 values (see Appendix 2). For three languages, the estimated cost is \$1.6 million over the 10 year life of the proposed regulations at 2005 values.

While there may be some benefit from this Option, it would be difficult to determine which additional languages should be prescribed and which gaming venues should be required to provide information in other languages.

The costs of this option outweigh the potential benefits and it is *not recommended*.

Option D5: Allow non-compliant gaming machines to be played (Part 3, Divisions 4)

This Option would save opportunity costs in terms of revenue forgone from making non-compliant machines unavailable for play, estimated at an average of \$228 per machine per day or a total potential estimated opportunity cost of up to \$250 million over the ten year life of the proposed regulations at 2005 values (see Appendix 2).

However, this Option would allow machines to be played that do not comply with the regulations regarding electronic information.⁴³ As with Options D1 and D2, this Option would involve a reversal of this specific measure taken to comply with the principle of informed consent and to reduce the incidence of problem gambling, which could result in higher social costs for problem gamblers and potential problem gamblers, as discussed in detail in Part 1.2.2. of this RIS. This option is *not recommended*.

Option D6: Prescribe more or less information for notices (Part 3, Division 8)

Regulations 41 and 42 prescribe information to be published in notices regarding applications for venue operator's licence and applications for listing on the Roll of Manufacturers, Suppliers and Testers. The estimated cost of these notices is about \$2250 per year or \$22,500 over the ten year life of the proposed regulations at 2005 values.

The cost could be reduced or increased if the regulations prescribed lower or higher amounts of information to be published in such notices. However, the regulations have been framed to prescribe the minimum information necessary to inform the

⁴³ Gaming machines that do not comply with the regulations regarding jackpot information or electronic jackpot information can be made compliant simply by attaching a talker to the machine.

public for honesty and probity reasons, and there is no benefit to be gained by altering the regulations in this regard. This option is *not recommended*.

Option D7: Betting rules instead of regulations (Conduct of wagering, Part 4)

An alternative to these regulations would be to include them instead in the betting rules that are approved by the Commission. This Option may save a small fraction of the Commission's compliance costs, which is unable to be quantified.

However, this is not preferred as an option because the rules can be changed without Commission approval. The Commission can only disallow rules after they have been made. The matters covered by these regulations are considered to be of sufficient importance in terms of honesty, probity and player fairness that their inclusion in the regulations is preferred. Any changes that are proposed would then be the subject of a higher degree of scrutiny by Government before they can be made. This option is not recommended.

Option D8: Not requiring publication of winners of trade promotion lotteries (Part 5)

This Option would save the costs of publication of notice of winners of trade promotion lotteries in newspapers at an estimated cost saving of \$85,000 per year or \$0.85 million over the ten year life of the proposed regulations at 2005 values (see Appendix 2).

However, as this Option could undermine public confidence in trade promotion lotteries, resulting in a lower level of participation and mitigating against their purpose, it is not recommended.

Option D9: Variation of regulations for club keno (Part 6)

This Option would involve the omission or variations of regulations for club keno, other than the definition of a 'club keno game' in proposed Regulations 59, which is necessary for the effective operation of the Act.⁴⁴

The omission of Regulation 60 regarding notifying the Commission of schedules of club keno games would significantly fetter the role of the Commission in ensuring the integrity of these games.

Proposed Regulation 61 sets the hours of play to be consistent with the opening hours of the premises where the game is played. Longer hours would not be possible and shorter hours would reduce the economic viability of providing the game. The regulation provides consistency between the hours of playing the game and the hours of opening for the licensed premises.

⁴⁴ A 'club keno game' is defined in section 1.3 of the Act as meaning a game that complies with the prescribed requirements and is known as club keno.

The omission of Regulation 62 regarding the display of notices regarding minors would save an estimated \$5320 if all licensed venues offer club keno. However, this would mean that the public would not be informed that minors cannot buy tickets in club keno games.

A different length of time for reporting the results of club keno games to the Commission under Regulation 63 could be prescribed. A shorter period than the current two days would increase the compliance burden for industry and a longer time is not in the public interest of ensuring that the Commission can review club keno games and the payments that have been made. This option is *not recommended*.

Option D10: Reducing restrictions on minor gaming (Part 7)

This Option would involve omitting some or all of the prescribed conditions of bingo permits and bingo centre operator's licences, lucky envelope permits, raffle permits and conditions of raffles where no permit is required. All of these conditions are imposed for reasons of honesty, probity and fairness; and to protect the interests of both players and community and charitable organisations who are the intended beneficiaries of minor gaming.

The costs saved by this option are estimated at \$0.1m to \$0.2m per year or \$1m to \$2m over the 10 year life of the proposed regulations.

However, the costs incurred as a result of the increased risks to the honesty, probity and fairness of minor gaming and to public confidence in community and charitable organisations are likely to be much higher than this.

There are no identifiable benefits of this Option other than the above cost savings and this option is *not recommended*.

5.6 Assessment of each of the practicable fee options

Option 1 (partial cost recovery of all fees):

This Option involves setting fees at a level less than full cost recovery. Although the Act requires that fees be prescribed, setting fees at or near zero would result in an estimated shortfall of \$1.12 million in annual fee revenue, or \$11.2 million over the ten year life of the proposed regulations at 2005 values as compared with Option 3, (the proposed regulations).

There are no public policy reasons for not recovering the full cost of considering applications for licences and permits, except in relation to minor gaming by community and charitable organisations (see Option 3 below). The beneficiaries of such licences and permits are private businesses, their shareholders, employees and customers. This Option would be contrary to the Treasury guidelines in that there would be inadequate recovery of the costs of considering applications, which would have to be met from state taxes.

Under Option 1, this shortfall is significant when compared to the fee revenue under the proposed regulations and where the shortfall is met from other funding sources (such as taxes or reduced expenditure for other services), it would affect the neutrality of economic decisions in the economy and would result in significant cross-subsidisation by taxpayers.

If fees other than minor gaming permits were set at 50% cost recovery, there would be an estimated annual shortfall of \$0.56 million in fee revenue as compared with Option 3. This would amount to a shortfall of \$5.6 million over the ten year life of the proposed regulations in 2005 values. This shortfall would still lead to a reduction in economic neutrality - requiring cross-subsidisation to make up for the shortfall.

Any benefits likely to arise from this option, such as freeing up resources in the collection of fees, or reduced costs to gambling businesses would be relatively small in comparison, and it can be argued that this option would generate a net cost to society.

Option 2 (full cost-recovery of all fees):

This Option is the same as Option 3 (the proposed regulations) except that the fees for minor gaming permits, which are used by community and charitable organisations for fundraising purposes, would be set at full cost recovery.

This Option would not help achieve the objective set out in section 1.1(2)(e)(i) of the Act, that is, 'to ensure that activities authorised by a minor gaming permit benefit the community or charitable organisation to which the permit is issued'. It would impose estimated additional costs on community and charitable organisations of approximately \$64,000 per year, or \$0.64 million over the ten year life of the proposed regulations at 2005 values.

Option 3 (the proposed regulations):

The costs imposed by the full cost recovery of application fees (except for minor gaming permits) in the proposed regulations, as compared with Option 1, are likely to be outweighed by the benefits. Expected annual fee revenue from Option 3 is \$1.96 million, an increase of \$1.12 million compared to the interim regulations. This option reflects a 'fair' user pays system which represents: value for money; ensures that businesses applying for similar licences or permits are treated equally; does not involve cross-subsidisation between different groups and does not require resources to be diverted from elsewhere in the economy (that is, is economically neutral). It can therefore be argued that this option generates a net benefit to society.

In the case of minor gaming permits, which are used by community and charitable organisations for fundraising purposes, the Government has made a policy decision not to increase the fees for these permits. This policy decision has been made in order to help achieve the objective set out in section 1.1(2)(e)(i) of the Act, that is, 'to ensure that activities authorised by a minor gaming permit benefit the community or charitable organisation to which the permit is issued'. The Government recognises the significant contribution charitable and community organisations make to the community as a whole and proposes to retain the fees at their current below cost recovery levels for this reason. Retaining the reduced fee would involve a transfer of costs from community and charitable organisations to taxpayers of approximately

\$64,000 per year, or \$0.64 million over the ten year life of the proposed regulations at 2005 values.

This Option would be consistent with the Treasury guidelines in that there would be full recovery of the costs of considering applications, except where there are is a public policy reason for not doing so.

5.7 Net benefit of the proposed regulations

Options A and B have the least costs but also the least benefits and the greatest uncertainty as to whether the *responsible gambling objective* would be achieved. These options would also make little or no contribution towards achieving the *'honest and fair gambling'* objective or the *'supporting community and charitable organisations'* objective.

The costs of the 'specific alternatives' in Option D do not outweigh the benefits in any of the ten cases examined.

Option C (the proposed regulations) has the highest cost impact. The major cost item is replacing existing gaming machines by 1 January 2008 at an estimated cost of up to \$16.2 million. However, as equivalent regulations have been in place since 2002, gaming operators and the casino operator have been committed to this expenditure since that time.

Nevertheless, for reasons explained in this RIS, the proposed regulations are the option with the highest expected benefits in terms of all three objectives: *'responsible gambling'*, *'honest and fair gambling'* and *'supporting community and charitable organisations'*. In fact, the proposed regulations are the only option that addresses all three of these objectives. These expected benefits are considered to outweigh the expected costs.

The proposed fee regulations would be consistent with the Treasury guidelines in that there would be full recovery of the costs of considering applications, except where there are is a public policy reason for not doing so.

The proposed regulations have therefore been assessed as the most appropriate option to achieve the policy objective in Part 1.4 of the RIS.

6.0 National Competition Policy

6.1 NCP tests

At the Council of Australian Governments (COAG) meeting in April 1995, all Australian governments agreed to implement the National Competition Policy (NCP). As part of the *Competition Principles Agreement*, all governments, including Victoria, agreed to review all legislation containing restrictions on competition under the following principle:

Legislation should not restrict competition unless it can be demonstrated that:

- The benefits of the restriction to the community as a whole outweigh the costs; and
- The objectives of the legislation can only be achieved by restricting competition.⁴⁵

To successfully pass the competition and cost-benefit tests, for each proposed regulation it is necessary to:

- Step 1: Identify the restriction on competition, if any;
- Step 2: Show that the restriction, if any exists, is necessary to achieve the objective;
- Step 3: Assess the costs to the community caused by the restriction;
- Step 4: Assess the community benefits; and
- Step 5: Assess whether benefits outweigh the costs.

If no restriction on competition is found in the course of Step 1, it is not necessary to complete the remaining steps (that is, Steps 2 to 5). Issues to be discussed in the NCP assessment relate to whether or not the proposed regulations restrict competition in the relevant market by:

- Allowing only one company or person to supply a good or service (monopoly);
- Requiring producers to sell to a single company or person (monopsony - see Glossary);
- Limiting the number of producers of goods and services to less than four (duopoly or oligopoly -see Glossary);
- Limiting the output of an industry or individual producers; or
- Limiting the number of persons engaged in an occupation.⁴⁶

⁴⁵ State Government of Victoria, (1996), *National Competition Policy, Review of Legislative Restrictions on Competition, Guidelines*. Melbourne.

⁴⁶ Competition Policy Task Force, (1995), *Guidelines for the Application of the Competition Test to New Legislative Proposals*, Department of the Premier and Cabinet, Melbourne.

6.2 NCP assessment

6.2.1 Identification of relevant markets

An important feature of NCP assessments is the delineation of the relevant markets. The Australian Competition Tribunal has described the concept of a market as:

“...the area of close competition between firms, or, putting it a little differently, the field of rivalry between them (if there is no competition there is of course a monopolistic market). Within the bounds of a market, there is substitution – substitution between one product and another, and between one source of supply and another in response to changing prices. So a market is the field of actual and potential transactions between buyers and sellers amongst whom there can be strong competition, at least in the long run, given sufficient price incentive...”⁴⁷

In other words, the concept of ‘substitution’ is central to the definition of a market. If a price rise in one product would cause consumers to buy another product, the products are said to be substitutes. The bigger the substitution effect, the more likely the products will be regarded as being in the same market. Similarly, for the suppliers of goods or services, if the sellers could easily switch to supply another product or service it will be included in the same market.

Perfectly competitive markets exhibit the following characteristics:

- There are many buyers and sellers;
- All businesses sell a perfectly substitutable product or service;
- There is ease of entry into and exit from the industry for businesses; and
- Buyers are perfectly informed about alternative choices.

While few markets are perfectly competitive, the key characteristics of competitive markets are substitutability of products and services, and mobility between buyers and sellers.⁴⁸ Mobility between buyers and sellers within a market means that buyers may choose between alternative sellers, and sellers may choose between alternative buyers (that is, a system which emulates a perfectly competitive auction market). The desire to obtain a competitive outcome for markets is based on the efficiency implications arising from such a market structure.

In relation to the proposed regulations, there are several separate markets in the Victorian gambling industry as follows:

- gaming operators;
- venue operators;
- casino operator;⁴⁹

⁴⁷ Re: Queensland Co-operative Milling Association Ltd, Defiance Holdings Ltd (1976) 25 FLR 169 at 190

⁴⁸ Tim Harding & Associates, 2001.

⁴⁹ With respect to gaming machines, the casino operator has elements of being, in effect, both a gaming operator and a venue operator, and therefore competes against gaming operators and venue operators in these markets.

- gaming industry employees;
- wagering operator;
- businesses conducting trade promotion lotteries;
- community and charitable organisations;
- bingo permit holders;
- bingo centre operators;
- raffle permit holders;

Except where there is a monopoly, such as in the case of the casino operator and the wagering operator, each of the businesses in each of the above markets competes against other businesses in the market for the same gambling product. In some cases, businesses may also compete against businesses in the markets for different gambling products.

6.2.2 Identification of competition restriction (if any)

Having identified the relevant markets, the next step in the NCP assessment process is to consider how the proposed Regulations will impact on the markets in contrast with how the markets would function in the absence of the proposed Regulations. If entry to the market would be limited, made more costly or the number of firms would be reduced, then the proposed Regulations contain a restriction on competition.

There is no doubt that some restrictions of competition are imposed under *the Act*, for example in terms of prohibiting various gambling business activities unless licensed, determining the numbers of licences and permits that can be issued and the eligibility criteria for such license and permits. The suppliers of gambling products cannot easily switch to other gambling products because under the Act, the supply of each product requires a different licence, which is not easy to obtain, and different equipment or other infrastructure. Thus any restrictions of competition between businesses supplying different gambling products are more likely to be imposed by the Act rather than by the Regulations.

Such restrictions of competition imposed under *the Act* are obviously outside the scope of this RIS. The question to be considered in this RIS is whether *the proposed regulations* impose any restrictions of competition?

It can be argued that the markets relating to gaming venues, trade promotion lotteries, raffles and community and charitable organisations are quite competitive because there is a sufficiently large number of suppliers, implying a degree of buyer mobility and product substitutability within these markets. As the proposed regulations treat each of the businesses in these markets, the two gaming operators and the casino equally, they do not restrict competition in these markets.

The requirement for gaming industry employees to be licensed is a requirement imposed by the Act rather than the regulations. Part 8 of the proposed regulations prescribes the duties of gaming industry employees, but as the proposed regulations treat all licensed gaming industry employees equally, they do not restrict competition in this market.

However, the proposed regulations do impose some restrictions of competition as follows.

Eligibility for declaration of community or charitable organisations

The proposed regulations prescribes additional criteria to those specified in the Act for the declaration an organisation to be a community or charitable organisation for the purposes eligibility under the Act for a minor gaming permit. This restriction may impose some opportunity costs on organisations that do not meet criteria and therefore restrict competition. The reason for this restriction is to ensure that only organisations of a community or charitable nature benefit from the access provided to fundraising opportunities from minor gaming.

Access to bingo centres

There are some restrictions of competition in relation to bingo centre operators and bingo permit holders as follows:

- limiting to 4 the number of sessions of bingo a declared organisation can conduct in a 7 day period;
- prohibiting a bingo centre operator from conducting more than one session in the same room at same time;
- prescribing conditions of bingo permits regarding the value of prizes. This restriction limits profits from bingo games but protects returns to players.
- prescribing expenses at a maximum amount of 60% of gross proceeds for each session of bingo.

The reason for these restrictions of competition is to ensure that bingo is conducted equitably so that a wide range of declared community and charitable organisations have access to bingo for fund raising purposes. In the absence of the proposed regulations, a free market would tend to favour some community and charitable organisations over others.

This focus on the social issues surrounding gambling is not inconsistent with the Competition Principles Agreement signed by all jurisdictions in Australia. Under the Competition Principles Agreement, Clause 1(3) provides that certain matters, where relevant, may be taken into account as part of a review. These matters include:

- (a) social welfare and equity considerations, including community service obligations; and
- (b) the interests of consumers generally or of a class of consumers;

The National Competition Council (NCC) was established by all Australian governments in November 1995 to act as a policy advisory body to oversee their implementation of National Competition Policy (NCP). In its Council Paper *“Regulating gambling activity; issues in assessing compliance with National Competition Policy”* (October 2000) the NCC stated that the Productivity Commission identified consumer protection, probity and harm minimisation as acceptable rationales for restricting gambling activity. The NCC has indicated that

jurisdictions can rely on the Productivity Commission arguments in support of these restrictions and that the NCC will require no further justification of the restrictions.

On this basis, the restrictions of competition imposed by the proposed regulations are justified.

Glossary of terms and acronyms

Act, the:	the Gambling Regulation Act 2003 .
bingo centre:	means a house or place in which there is regularly conducted more than 7 sessions of bingo within a period of 7 consecutive days.
bingo centre employee:	means the holder of a bingo centre employee's licence.
bingo centre operator:	means the holder of a bingo centre operator's licence.
brochure:	includes booklet, pamphlet and leaflet;
cashier area:	means an area in an approved venue or casino where a person may collect or redeem gaming tokens from a cashier.
Commission, the:	the Victorian Commission for Gambling Regulation
CPA:	Competition Principles Agreement.
EGM:	electronic gaming machines (see gaming machines).
externalities:	costs or benefits related to good or service that fall on others besides buyers and sellers of that particular good or service. ⁵⁰
free rider:	anyone who receives benefits from a good or service without having to pay for them.
full cost:	the total cost of all resources used in the production of anything for which a cost measure is required. ⁵¹
fixed costs:	costs unaffected by product or service delivery levels eg: finance expenses, administrative overheads and rental costs. ⁵²
gambling:	staking or risking money, or anything of value, on the outcome of something involving chance.
gaming machines	machines used for gaming purposes (sometimes referred to as poker machines or 'pokies'). Come in two main types: where the player makes no strategic decisions after starting the game, and where the player can make strategic decisions (for example, drawcard machines).
gaming	means—

⁵⁰ *Ibid.*

⁵¹ Department of Treasury and Finance, (2004), *Setting Fees and Charges Imposed by Departments and Budget Sector Agencies*, Guideline BFMG-21, Melbourne.

⁵² *Ibid.*

operator:	(a) the holder of a gaming operator's licence and the declared operator (if any) of the licence; (b) the holder of the gaming licence and the operator or operators (if any) of the licence approved under the Act.
linked jackpots:	linked jackpots refer to gaming machines that are linked together and pay out a jackpot at some point in a spending interval, such as paying out \$1000 between \$20 000 and \$30 000.
marginal cost:	a change in total cost resulting from a unit change in output.
lotteries:	include lotto, pools and instant lotteries (or 'scratchies'). Lotto is played by choosing numbers in anticipation that those numbers will be amongst the winning numbers selected randomly.
loyalty scheme:	means— (a) a system, used in connection with the operation of gaming machines in approved venues or a casino, in which the players of those gaming machines accumulate bonus, loyalty or reward points from playing the gaming machines; or (b) any other system that tracks a player's expenditure on a gaming machine;
minor	means a person under the age of 18 years.
minor gaming	the collective term given to bingo, raffles, lucky envelopes and the like, as conducted under a minor gaming permit.
monopoly:	a market structure such that only one firm supplies the entire market.
monopsony:	a market dominated by one buyer.
natural monopoly:	industry in which economies of scale (see Glossary) makes it possible for an established firm to effectively prevent rivals from entering the industry.
odds:	the average chances of winning.
oligopoly:	a market dominated by a few sellers.
payout ratio:	the average return to a player from a given turnover.
player expenditure	the net amount lost by players, or the amount gambled less the amount won.
problem gambling:	refers to the situation when a person's gambling activity gives rise to harm to the individual player, and/or to his or her family, and may extend into the community
public good:	a good or service that will not be produced in private markets because there is no way for the producer to keep those who do not pay for the good or service from using it.
recreational gamblers	all non-problem gamblers.
talker:	means a sign containing words, symbols or pictures that is designed to be affixed to a gaming machine.

tax:	a compulsory monetary contribution imposed by an Act of Parliament for government revenue purposes and levied on incomes, property, goods purchased, etc.
trade promotion lottery:	means a lottery for the promotion of a trade or business;
turnover:	the cumulative amount of money staked or wagered by gamblers, including recycled winnings.
VCGA	Victorian Casino and Gaming Authority, the predecessor to the Victorian Commission for Gambling Regulation.
wagering:	lawful betting on racing and sports.

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Appendices

1. *Summary of proposed variations from interim regulations*
2. *Non-fee cost estimates*
3. *Fee calculations*
4. *Comparison of proposed fees with other jurisdictions*
5. *Proposed regulations*

Appendix 1 - variations of proposed regulations from interim regulations

<u>A. Variations to facilitate commencement of parts of the <i>Gambling Regulation (Further Amendment) Act 2004 (the amending Act)</i></u>	
Variation	Reason for variation
Deletion of regulations that prescribe relevant offences for the purpose of certain betting offences under the Gambling Regulation Act 2003 (the Act).	The amending Act removes the power to prescribe interstate offences to be relevant offences. It provides instead that an interstate offence is a relevant offence if it would have been an offence under the relevant section of the Act if it had occurred in Victoria.
Deletion of certain regulations relating to club keno.	These regulations will no longer be required because the regulatory requirements they prescribe have been moved to the Act or will be included in the rules for club keno that are to be approved by the Commission.
Replacement of the current regulations prescribing the duties of special employees, bingo centre employees and technicians with regulations prescribing the duties of gaming industry employees.	The amending Act replaces the current employee licensing scheme with a new scheme for the licensing of gaming industry employees. These amendments support the commencement of the new scheme.
Where a raffle is held to benefit a political party (in whole or in part), the proposed regulations will require the raffle tickets to include a statement to this effect and to name the political party.	The amending Act provides that if the proceeds of a raffle are to benefit a political party, that fact must be disclosed to raffle ticket purchasers in accordance with the regulations. The proposed regulations will require disclosure to occur by the provision of information on the ticket.

B. Variations resulting from review of interim regulations based upon operational experience and/or stakeholder comment

Variation	Reason for variation
<p>Trade promotion lotteries</p> <p>The proposed regulations will:</p> <ul style="list-style-type: none"> • provide that an entrant must not be required to be present at the draw to be eligible to win any prize (including a bonus prize) in the lottery; • require a scratch and win card for a trade promotion lottery with a prize value of less than \$5,000 to include information about the lottery such as the closing date, the place of the draw, how the winners' names will be published and the requirements, if any, that must be met to be eligible to enter the lottery; • require a scratch and win card for a trade promotion lottery with a prize value of more than \$5,000 to include additional information about the requirements, if any, that must be met to be eligible to enter the lottery. 	<p>The purpose of the variation is:</p> <ul style="list-style-type: none"> • to ensure an entrant cannot be disadvantaged if unable to attend the draw. Sometimes the bonus prize can be substantial. • this will ensure entrants are adequately informed • this will ensure that a person who receives a scratch and win card is made aware of any eligibility criteria that might exist.
<p>Bingo</p> <p>The proposed regulations will:</p> <ul style="list-style-type: none"> • remove the requirement for an audit of the annual return of a bingo permit holder where: <ul style="list-style-type: none"> ○ the gross receipts for the year of the return do not exceed 	<p>The purpose of the variation is:</p> <ul style="list-style-type: none"> • gross receipts of \$50,000 may produce profits after the payment of prizes as low as \$2,000 and no more than \$3,500 on average, making it unreasonable to require the community or charitable

<p>\$50,000; and</p> <ul style="list-style-type: none"> ○ the truth and accuracy of the bank records and running sheets is certified on the annual return by both the nominee of the permit holder and one of the president, secretary, treasurer or a director of the permit holder. A new offence for giving a false certificate has been included; ● require the holder of a bingo permit to bank the gross proceeds from a session of bingo: <ul style="list-style-type: none"> ○ within 3 days where the session is held in a bingo centre; ○ within 5 days where the session is not held in a bingo centre; or ○ within such other time as is notified by the Victorian Commission for Gambling Regulation; ● limit to 4 the number of sessions of bingo a declared organisation can conduct in a 7 day period; ● prohibit a bingo centre operator from conducting more than one session of bingo in the same room at the same time; ● make minor variations to the duties of the supervisor and caller of bingo games; 	<p>organisation to incur the expense of an auditor;</p> <ul style="list-style-type: none"> ● to provide consistency with the banking requirement that applies to pooling schemes and to protect against dishonest practices. The longer period of 5 days makes provision for permit holders in rural areas where access to a bank may be more difficult. ● to help make bingo available as a means of fundraising to a wide range of community groups; ● to reduce the risk of inaccurate record keeping; ● to allow a more efficient use of permit holder's resources, and to ensure that announcements are made by the appropriate person;
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<ul style="list-style-type: none"> • amend the rules for bingo to require book numbers and serial numbers to be displayed • amend the regulations to make provision for the playing of braille bingo. 	<ul style="list-style-type: none"> • to reduce the potential for fraud; • to facilitate the playing of braille bingo in accordance with section 8.4.5 of the Act.
<p>Raffles</p> <p>The proposed regulations will:</p> <ul style="list-style-type: none"> • specify that records that are required to be kept for the conduct of a raffle without a permit must be kept for a period of three years; • extend to small raffles the requirement that the written authority of the intended beneficiary must be obtained. 	<p>The purpose of the variation is:</p> <ul style="list-style-type: none"> • to ensure that records are kept for an appropriate period of time; • to ensure that community and charitable organisations know who is conducting raffles for them and to improve accountability.
<p>Printed information – gaming machines</p> <p>The proposed regulations will:</p> <ul style="list-style-type: none"> • vary the requirement for the number of player information posters that must be displayed so that: <ul style="list-style-type: none"> ○ at least one poster will be required where there are fewer than 15 machines; and ○ where there are more than 15 machines, an additional poster will be required (over the current requirement of one poster per 15 machines) where the number of machines is not exactly divisible by 15; 	<p>The purpose of the variation is:</p> <ul style="list-style-type: none"> • to ensure that there is a poster for each 15 machines and an additional poster where there is a number of machines that is not exactly divisible by 15. The current requirement is that the posters must be displayed in the ratio of not less than one poster for every 15 gaming machines. Currently, a venue with for example 29 machines, might argue that they are only required to have one poster;

<ul style="list-style-type: none"> • require player information talkers to be clearly visible from the front of the gaming machine on which they are displayed. 	<ul style="list-style-type: none"> • to ensure the talker is visible to a person sitting in front of the machine. At present the regulation merely requires that the talker be affixed to the machine but makes no reference to its visibility.
<p>Fees All current fees have been recalculated and the new fees are detailed in Part 3.1 and Appendix 3 to this RIS.</p>	<p>All fees have been calculated at cost recovery, except for those where a policy decision has been made to set the fees at below cost recovery.</p>
<p>Prescribed Authorities and Persons The proposed regulations update the list of prescribed authorities and prescribed persons to whom protected information may be disclosed under section 10.1.34(1)(a) of the Act.</p>	<p>The list has been updated to ensure its accuracy.</p>
<p>Minor and ancillary amendments The proposed regulations also include minor or ancillary amendments.</p>	

Appendix 2: Non-fee cost estimates

This Appendix provides information on the basis of costs estimates for proposed regulations and any alternatives, other than those relating to fees.

1. Making non-compliant gaming machines unavailable for play

For the year ended 30 June 2004, gaming revenue (player loss) from the 27,500 gaming machines within Victorian hotels and clubs amounted to \$2,290.9 million. This represents an average annual revenue of \$83,305 per gaming machine, or \$228 per day assuming that gaming machines are available for play 365 days of the year.

The gaming revenue (player loss) from the remaining 2500 gaming machines and table games at Melbourne Casino was \$963.8 million, but a revenue breakdown between the gaming machines and the table games is not available. For the purposes of this cost estimate, it is assumed that average daily revenue at the casino is the same as at hotels and clubs.

The total number of machines unavailable for play on an average day is unable to be predicted, but total cost estimates for a range of scenarios is as follows:

% machines unavailable	\$cost per day	\$cost per year	\$cost per 10 years
1%	68,400	25 million	250 million
2%	136,800	50 million	500 million
5%	342,000	125 million	1250 million

However, because of the very high annual opportunity cost of non-compliant machines, it is assumed that gaming operators will endeavor to keep their non-compliance rates as low as possible. For the purposes of this cost estimate, it is therefore assumed that the non-compliance rate will be less than 1% (or 300 machines per day).

2. Printed player information

The estimated costs for reprinting booklets, 'talkers' and posters, for example in other languages are made up of the following components:

- \$360, 000 per language to print player information booklets in languages other than English;
- \$36, 000 per language to provide a player information machine talker for each machine; and
- \$11, 000 per language to print player information posters.

The total estimated cost is therefore about \$0.41 million per language.

Player information booklets

The estimated percentage of the adult population in Victoria who play gaming machines is 45 per cent.⁵³ The estimated number of Victorians who play gaming machines is therefore about 1.8 million persons (based on an estimated Victorian adult population at July 2004 of about 4 million.)

If the cost of printing 1.8 million booklets was 20 cents each, the cost per language would be \$0.36 million per language, or about 1 million for 3 languages.

Player information machine talkers

The provision a machine talker for each gaming machine is estimated to cost \$36,000 (that is, one talker for each of the 30,000 gaming machines at an estimated cost per talker of \$1.20).

Replacement of player information posters

The proposed regulations provide for one poster for every 15 machines. Based on the current distribution of gaming machines, about 2,200 posters would be required. At an expected cost of \$5 per poster, the estimated cost totals approximately \$11,000.

3. Electronic information (Part 3, Division 4)

The requirement for gaming machines to generate and display electronic game and player information was introduced in 2002 by means of the former Gaming Machine Control (Responsible Gambling Information) Regulations 2002. The detailed cost estimates of this requirement were set out in an attachment to the RIS for those regulations.

Under Part 3, Division 4 of the proposed regulations, the requirement for generating and displaying electronic game information and electronic player information is the same as under the previous regulations, that is the requirement applies—

- (a) in respect of a new game, on and after the commencement of these Regulations;⁵⁴
- (b) in respect of any other game, on and after 1 January 2008.

In 2002, the former Office of Gambling Regulation estimated the cost of to gaming operators of the proposed Regulations discounted to 2002 values to be approximately \$18 million. This estimate was comprised of:

- The additional costs built into new machines to ensure compliance with the regulations;
- The cost of conversion of newer machines; and

⁵³ Productivity Commission estimate, Table B1, Volume 3

⁵⁴ Each new game requires a new machine.

- The financing cost of replacing machines earlier than otherwise would have occurred.

It was estimated that a total of 13,000 machines would need to be replaced over the 2.5 years from 1 July 2005 to 1 January 2008 at a cost in 2002 values of approximately \$14 million. Based on these calculations, the present discounted value of the entire future cost of replacing 13,000 machines from July 2005 to 1 January 2008 would be \$2.5m + \$2.5m + \$11.2m = **\$16.2m** as shown in the table below.

Cost component	Year 1 (2005-06)	Year 2 (2006-07)	Year 2.5 (6 months to 1/1/08)
1. Additional costs built into purchase cost of machines due to compliance with regulations	5000@\$500 = \$2.5m	5200@\$500 = \$2.6m	2800@\$500 = \$1.4m
2. Cost of converting ½ of the machines (conversion cost is \$1,500)			2500@\$1,500 = \$3.8m
3. Interest cost of financing earlier replacement of EGMs than would otherwise occur			2800 machines@\$16,000 @8.5%pa = \$1.9m 2500@\$16,000@8.5%pa over 1.5years = \$5.2m
Total Costs (discounted using a rate of 4%) ^{55,56}	\$2.5m @ \$1 = \$2.5m	\$2.6m@\$0.9615 ⁵⁷ = \$2.5m	\$12.3m@\$0.9066 ⁵⁸ = \$11.2m

4. Administrative costs of permit holders

The administrative costs (labour and on-costs) of permit holders for example, compiling and submitting returns are estimated at \$0.65 per minute or \$39.00 per hour, which is the same rate as used by the Commission in its calculations of administrative costs for processing applications for minor gaming permits and trade promotion lotteries.

It is assumed that a typical return for most permit holders would take from 0.5 to 2 hours labour to compile, at a cost of \$19.50 to \$78.00. The mid-point of this range is approximately \$50.

⁵⁵ This is a real rate of discount which is made up of a 10-year government bond rate (5.67%) an inflation rate of (2.6% and a risk component (1%) The discount factor would therefore be 5.67% - 2.6% + 1% = approx 4%.

⁵⁶ The CPI figure was obtained from the ABS (25/1/2005), Consumer Price Index, Australia, Catalogue 6401.0. The CPI rose 2.6% through the year to December quarter 2004.

⁵⁷ Present value of \$1 expended in 1 year.

⁵⁸ Present value of \$1 expended in 2.5 years.

5. Advertising costs – publication of notices

Various regulations prescribe information for notices to be published in newspapers, for example, notifying the public of the names of winners of raffles and trade promotion lotteries. Whilst the requirement to publish such a notice is an obligation imposed by the Act, the cost of such classified advertisements depends on the length of the notice, which in turn depends upon the information prescribed by the regulations.

The cost estimate of notices published as classified advertisements ranges from about \$25 to \$100. Estimates of the cost of such notices are as follows:

Notice type	Av. number/year	\$cost/notice	\$cost/year	\$cost/10 years ⁵⁹
VOL application	22	100	2200	22,000
Application for listing on the Roll	1	50	50	500
Winners of trade promotion lottery prizes over \$250.	3400	25	85,000	850,000
Winners of raffles	550	25	13,750	137,500
Total			101,000	1,010,000

6. Compliance costs to government

The estimated cost of ‘monitoring and regulating gaming activities in Victoria’ was some \$17.5 million in 2003-2004 and \$18.9 million in 2004-2005.⁶⁰ Given the intertwining nature of the compliance and other regulatory work of the Commission it is not possible to provide a breakdown of costs that are specific to the work relating to ensuring compliance with the regulations alone.

⁵⁹ At 2005 values

⁶⁰ Department of Treasury and Finance, Budget Paper No. 3 *Service Delivery*

Venue Operator's Licence Application - New					
Cost per application					
	Total applicatic	Simple (%)	Simple	Complex (%)	(%)
	100%	50	<u>\$805.07</u>	50	<u>\$2,441.96</u>
Adjusted cost			\$402.54		\$1,220.98
			402.54		1220.98
Average Cost			<u>\$1,623.52</u>		
plus non-standard stationery			\$20.00		
Total Average			\$1,643.52		
Cost per application rounded to			(160.5 fee units)		

ACTIVITY	Simple Application			Complex Application			
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)	(\$)
Decision making							
Determine application	\$2.34	45	\$105.26	\$2.48	60	\$148.95	
Assessment							
Check form is complete							
Register application							
Key details in computer							
Recommend approval							
Despatch licence.	\$0.93	630	\$588.81	\$1.04	1930	\$2,012.26	
Incidental							
ASIC Organisation extract - historic	\$8.00 per entity		\$16.00			\$32.00	
ASIC person search - historic	\$15.00 per person		\$45.00			\$112.50	
D&B via Internet	\$3.75		\$30.00			\$71.25	
Victoria Police - fingerprints check (50% of nominees)	\$40.00 per check		\$20.00			\$20.00	
Transcription of taped interview re non-disclosure	\$90 per interview		\$0.00			\$45.00	
			\$111.00			\$280.75	
TOTAL			\$805.07			\$2,441.96	

Notes

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). The ranges of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All entries have been adjusted to include 92% on costs (27% of salary for Workcover, superannuation, payroll and corporate overheads of 65% of salary).

* \$ per minute

Simple/Complex Application

Simple Application: applicant considered to be either a natural person involving typically 5 associated individuals or a corporate entity with a relatively simple corporate structure involving typically about 2 associated entities and 6 associated individuals and no issues of concern with the applicant or any associate.

Complex Application: applicant considered to have more complex corporate structure involving typically about 4 associated entities and 15 associated individuals. May also include issues of concern, including non-disclosure or probity issues requiring more detailed investigation and requests for additional information.

Ratio of Simple/Complex: the assumption is made that 50% of applications are simple and 50% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time Allowances: are averages within application categories.

Time spent per Application by

Licensing Analyst is based on the following business practices:
applicant supplies National Police Certificate;
applicant supplies Credit Advantage Limited check;
applicant supplies own ASIC report (if holds or has held a directorship).

Incidental Costs are based on the following business practices:
an ASIC search is conducted on all associated entities;
an ASIC search is conducted on 50% of associated individuals;
a Dun & Bradstreet search is conducted on all associated entities.

Compliance and Investigation Branch file action relates to non-disclosures. This entails a straightforward interview and may require prosecution/preparation of a brief.

Venue Operator's Licence Application - Renewal

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)	(%)
	100%	50	<u>\$760.40</u>	50	<u>\$2,352.62</u>
Adjusted cost			\$380.20		\$1,176.31
	380.20				
	<u>1176.31</u>				
Average Cost	\$1,556.51				
plus non-standard stationery	\$20.00				
Total Average	\$1,576.51				
Cost per application rounded to			(154 fee units)		

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$2.34	45	\$105.26	\$2.48	60	\$149.01
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$0.94	600	\$564.14	\$1.05	1900	\$1,987.86
Incidental						
ASIC Organisation extract - historic	\$8.00 per entity		\$16.00			\$32.00
ASIC person search - historic	\$15.00 per person		\$45.00			\$112.50
D&B via Internet	\$3.75		\$30.00			\$71.25
Transcription of taped interview re non-disclosure	\$90 per interview		\$0.00			\$0.00
			\$91.00			\$215.75
TOTAL			\$760.40			\$2,352.62

NOTES

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). The ranges of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All entries have been adjusted to include 92% on costs (27% of salary for Workcover, superannuation, payroll and corporate overheads of 65% of salary).

***\$ per minute**

Simple/Complex Application

Simple Application: associated individuals or a corporate entity with a relatively simple corporate structure involving typically about 2 associated entities and 6 associated individuals and no issues of concern with the applicant or any associate.

Complex Application: applicant considered to have more complex corporate structure involving typically about 4 associated entities and 15 associated individuals. May also include issues of concern, including non-disclosure or probity issues requiring more detailed investigation and requests for additional information.

Ratio of Simple/Complex: the assumption is made that 50% of applications are simple and 50% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time spent per Application by

Licensing Analyst is based on the following business practices:
 applicant supplies National Police Certificate;
 applicant supplies Credit Advantage Limited check;
 applicant supplies own ASIC report (if holds or has held a directorship).

Incidental Costs are based on the following business practices:

an ASIC search is conducted on all associated entities;
an ASIC search is conducted on 50% of associated individuals;
a Dun & Bradstreet search is conducted on all associated entities.

Compliance and Investigation Branch file action relates to non-disclosures. This entails a straightforward interview and may require prosecution/preparation of a brief.

Application to vary licence (increase machine numbers)

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)	(%)
	100%	70	<u>\$4,089.41</u>	30	<u>\$7,938.37</u>
Adjusted cost			\$2,862.59		\$2,381.51
	2862.59				
	<u>2381.51</u>				
Average Cost	\$5,244.10				
plus non-standard stationery	\$4.00				
Total Average	\$5,248.10				

Cost per application rounded to (513 fee units)

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$1.56	2500	\$3,892.80	\$1.72	4455	\$7,673.55
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$0.96	205	\$196.61	\$1.00	265	\$264.82
Incidental						
	\$0.00	0	\$0.00	\$0.00	0	\$0.00
TOTAL			\$4,089.41			\$7,938.37

NOTES

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). All entries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

***\$ per minute**

Simple Application: is an application where the relevant LGA does not make a submission.

Complex Application: is an application where the relevant LGA does make a submission.

Ratio of Simple/Complex: the assumption is made that 70% of the applications are simple and 30% are complex. This assumption is based on an analysis of the applications previously received by the Commission.

Time allowances: are averages within application categories.

Application to Vary licence (decrease machine numbers)

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)	
	100%	100	<u>\$212.28</u>	0	<u>\$0.00</u>
Adjusted cost			\$212.28		\$0.00
	212.28				
	<u>0.00</u>				
Average Cost	\$212.28				
plus non-standard stationery	\$4.00				
Total Average	\$216.28				

Cost per application rounded to (21 fee units)

ACTIVITY	Simple Application			Complex Application			
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)	(\$)
Decision making							
Determine application	\$2.05	30	\$61.50	\$0.00	0	\$0.00	
Assessment							
Check form is complete							
Register application							
Key details in computer							
Recommend approval							
Despatch licence	\$1.04	145	\$150.78	\$0.00	0	\$0.00	
Incidental							
	\$0.00	0	\$0.00	\$0.00	0	\$0.00	
TOTAL			\$212.28			\$0.00	

NOTES

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). All entries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

* \$ per minute

Simple/Complex Application

Ratio of Simple/Complex: The assumption is made that all of the applications are simple. This assumption is based on an analysis of applications previously received by the Commission and is unlikely to change.

Time allowances: are averages within application categories.

Application to Vary Licence (24 hour gaming)

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)	(%)
	100%	100	<u>\$3,334.01</u>	0	<u>\$0.00</u>
Adjusted cost			\$3,334.01		\$0.00
	3334.01				
	<u>0.00</u>				
Average Cost	\$3,334.01				
plus non-standard stationery	\$4.00				
Total Average	\$3,338.01				
Cost per application rounded to			(326.5 fee units)		

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$1.27	2500	\$3,173.28	\$0.00	0	\$0.00
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$0.97	165	\$160.73	\$0.00	0	\$0.00
Incidental						
	\$0.00	0	\$0.00	\$0.00	0	\$0.00
TOTAL			\$3,334.01			\$0.00

NOTES

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). All entries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

Time allowances: are averages within application categories.

*The increase in cost is due to the additional time taken to prepare documents for the Commission hearing.

Application to Vary licence (addition of approved venue)

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)
	100%	70	<u>\$227.06</u>	30
				<u>\$380.11</u>
Adjusted cost			\$158.94	\$114.03
	158.94			
	<u>114.03</u>			
Average Cost	\$272.98			
plus non-standard stationery	\$4.00			
Total Average	\$276.98			

Cost per application rounded to (27 fee units)

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$2.05	30	\$61.50	\$2.05	30	\$61.50
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$0.97	170	\$165.56	\$0.97	330	\$318.61
Incidental						
	\$0.00	0	\$0.00	\$0.00	0	\$0.00
TOTAL			\$227.06			\$380.11

NOTES

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). All entries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

*\$ per minute

Simple/Complex Application

The assumption is made that 70% of the applications are simple and 30% are complex.

This assumption is based on an analysis of the applications previously received by the Commission.

Time allowances: are averages within application categories.

Evaluation of a gaming machine type or game

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)
	100%	90	<u>\$283.09</u>	10
Adjusted cost			\$254.78	<u>\$476.84</u>
	254.78			
	<u>47.68</u>			
Average Cost	\$302.47			
plus non-standard stationery	\$4.00			
Total Average	\$306.47			

Cost per application rounded to (30 fee units)

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$2.05	30	\$61.50	\$2.05	30	\$61.50
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$1.14	195	\$221.59	\$1.30	320	\$415.34
Incidental						
	\$0.00	0	\$0.00	\$0.00	0	\$0.00
TOTAL			\$283.09			\$476.84

NOTES

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). All entries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

*\$ per minute

Simple/Complex Application

Simple Application: no issues of concern.

Complex Application: includes new games/feature concept or where the testing report requires further consideration by the VCGR Evaluation team.

Ratio of Simple/Complex: based on the weighting of 90% of the submissions are simple and 10% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time allowances: based on the averages of the above ratios.

Approval of Premises - New

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)	(%)
	100%	70	<u>\$2,983.94</u>	30	<u>\$7,455.91</u>
Adjusted cost			\$2,088.76		\$2,236.77
			2088.76		
			<u>2236.77</u>		
Average Cost	\$4,325.53				
plus non-standard stationery	\$4.00				
Total Average	\$4,329.53				

Cost per application rounded to (423 fee units)

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$1.32	1050	\$1,390.29	\$1.47	3030	\$4,466.57
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit		1860	\$1,593.65	\$0.84	3540	\$2,989.34
Incidental						
	\$0.00	0	\$0.00	\$0.00	0	\$0.00
TOTAL			\$2,983.94			\$7,455.91

NOTES

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). All entries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

* \$ per minute

Simple/Complex Application

Ratio of Simple/Complex: The assumption is made that 70% of the applications are simple and 30% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time allowances: are averages within application categories.

Bingo Centre Operator's Licence Application - New

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)	(%)
	100%	70	<u>\$1,077.95</u>	30	<u>\$2,639.84</u>
Adjusted cost			\$754.57		\$791.95
			754.57		791.95
Average Cost			<u>\$1,546.52</u>		
plus non-standard stationery			\$20.00		
Total Average			\$1,566.52		

Cost per application rounded to (153 fee units)

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$2.34	45	\$105.24	\$2.48	60	\$148.98
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$0.97	865	\$841.71	\$1.04	2105	\$2,190.11
Incidental						
ASIC Organisation extract - historic	\$8.00 per entity		\$16.00			\$32.00
ASIC person search - historic	\$15.00 per person		\$45.00			\$112.50
D&B via Internet	\$3.75		\$30.00			\$71.25
Victoria Police - fingerprints check (50% of nominees)	\$40.00 per check		\$40.00			\$40.00
Transcription of taped interview re non-disclosure	\$90 per interview		\$0.00			\$45.00
			131.00			300.75
TOTAL			\$1,077.95			\$2,639.84

NOTES

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). The ranges of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All entries have been adjusted to include 92% on costs (27% of salary for Workcover, superannuation, payroll and corporate overheads of 65% of salary).

***\$ per minute**

Simple/Complex Application

Simple Application: applicant considered to be either a natural person involving typically 5 associated individuals or a corporate entity with a relatively simple corporate structure involving typically about 2 associated entities and 6 associated individuals and no issues of concern with the applicant or any associate.

Complex Application: applicant considered to have more complex corporate structure involving typically about 4 associated entities and 15 associated individuals. May also include issues of concern, including non-disclosure or probity issues requiring more detailed investigation.

Ratio of Simple/Complex: the assumption is made that 70% of applications are simple and 30% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time Allowances: are averages within application categories.

Time spent per Application by

Licensing Analyst is based on the following business practices:

applicant supplies National Police Certificate;
applicant supplies Baycorp Advantage credit check;
applicant supplies own ASIC report (if holds or has held a directorship).

Incidental Costs are based on the following business practices:
an ASIC search is conducted on all associated entities;
an ASIC search is conducted on 50% of associated individuals;
a Dun & Bradstreet search is conducted on all associated entities.

a taped interview is conducted in 50% of non-disclosure investigations.

Compliance and Investigation Branch file action relates to non-disclosures. This entails a straightforward interview and may require prosecution/preparation of a brief.

Time Allowance are averages within application categories.

Bingo Centre Operator's - Renewal

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)	(%)
	100%	70	<u>\$1,013.28</u>	30	<u>\$2,401.26</u>
Adjusted cost			\$709.30		\$720.38
			709.30		720.38
Average Cost	\$1,429.67				
plus non-standard stationery	\$20.00				
Total Average	\$1,449.67				
Cost per application rounded to			(142 fee units)		

ACTIVITY	Simple Application				Complex Application			
	*\$ per	Time (min)	Cost	(\$)	*\$ per minute	Time	Cost	(\$)
Decision making								
Determine application	\$2.34	45	\$105.24		\$2.48	60	\$148.98	
Assessment								
Check form is complete								
Register application								
Key details in computer								
Recommend approval								
Despatch permit	\$0.98	835	\$817.04		\$1.09	1835	\$1,991.53	
Incidental								
ASIC Organisation extract -	\$8.00 per		\$16.00				\$32.00	
ASIC person search - historic	\$15.00 per		\$45.00				\$112.50	
D&B via Internet	\$3.75		\$30.00				\$71.25	
Transcription of taped interview	\$90 per		\$0.00				\$45.00	
			\$91.00				\$260.75	
TOTAL			\$1,013.28				\$2,401.26	

NOTES

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications. It includes a 4.17% Restraint of Trade allowance. The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

* \$ per minute

Simple/Complex Application

Simple Application: applicant considered to be either a natural person involving typically 5 associated individuals or a corporate entity with a relatively simple corporate structure involving typically about 2 associated entities and 6 associated individuals and no issues of concern with the applicant or any associate.

Complex Application: applicant considered to have more complex corporate structure involving typically about 4 associated entities and 15 associated individuals. May also include issues of concern, including non-disclosure or probity issues requiring more detailed investigation.

Ratio of Simple/Complex: the assumption is made that 70% of applications are simple and 30% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time Allowances: are averages within application categories.

Time spent per Application by

Licensing Analyst is based on the following business practices:
applicant supplies National Police Certificate;
applicant supplies Baycorp Advantage credit check;
applicant supplies own ASIC report (if holds or has held a directorship).

Incidental Costs are based on the following business practices:
an ASIC search is conducted on all associated entities;
an ASIC search is conducted on 50% of associated individuals;
a Dun & Bradstreet search is conducted on all associated entities.

a taped interview is conducted in 50% of non-disclosure investigations.

Compliance & Investigation Branch file action relates to non-disclosures. This entails a straightforward interview and may require prosecution/preparation of a brief.

Listing of Roll of Suppliers

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)	(%)
	100%	10	<u>\$1,200.49</u>	90	<u>\$4,280.51</u>
Adjusted cost			\$120.05		\$3,852.46
	120.05				
	<u>3852.46</u>				
Average Cost	\$3,972.51				
plus non-standard stationery	\$20.00				
Total Average	\$3,992.51				
Cost per application rounded to			(390.5 fee units)		

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$1.79	45	\$105.26	\$2.00	135	\$367.64
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$1.74	555	\$964.23	\$1.14	3200	\$3,657.12
Incidental						
ASIC Organisation extract - historic	\$8.00 per entity		\$16.00			\$32.00
Victoria Police - fingerprints check	\$40 per check		\$40.00			\$40.00
ASIC person search - historic	\$15.00 per person		\$45.00			\$112.50
D&B via Internet	\$3.75		\$30.00			\$71.25
			\$131.00			\$255.75
TOTAL			\$1,200.49			\$4,280.51

NOTES

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications. It includes a 4.17% Restraint of Trade allowance. The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

*** \$ per minute**

Simple/Complex Application

Simple Application: applicant considered to be either a natural person involving typically 5 associated individuals or a corporate entity with a relatively simple corporate structure involving typically about 2 associated entities and 6 associated individuals and no issues of concern with the applicant or any associate.

Complex Application: applicant considered to have more complex corporate structure involving typically about 4 associated entities and 15 associated individuals. May also include issues of concern, including non-disclosure or probity issues requiring more detailed investigation and requests for additional information.

Ratio of Simple/Complex: the assumption is made that 10% of applications are simple and 90% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time allowances: are averages within application categories.

Time spent per Application by

Licensing Analyst is based on the following business practices:

applicant supplies National Police Certificate;
applicant supplies Credit Advantage Limited check;
applicant supplies own ASIC report (if holds or has held a directorship).

Incidental Costs

are based on the following business practices:
an ASIC search is conducted on all associated entities;
an ASIC search is conducted on 50% of associated individuals;
a Dun & Bradstreet search is conducted on all associated entities.

Compliance and Investigation Branch file action relates to non-disclosures. This entails a straightforward interview and may require prosecution/preparation of a brief.

Application for Interactive Gaming

Cost per application

	Total applicatic	Simple (%)	Simple	Complex (%)	(%)
	100%	10	<u>\$1,160.47</u>	90	<u>\$4,260.82</u>
Adjusted cost			\$116.05		\$3,834.74
		116.05			
		<u>3834.74</u>			
Average Cost			\$3,950.79		
plus non-standard stationery			\$20.00		
Total Average			\$3,970.79		

Cost per application rounded to (388 fee units)

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$2.34	45	\$105.24	\$2.72	135	\$367.66
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$1.74	555	\$964.23	\$1.15	3210	\$3,677.41
Incidental						
ASIC Organisation extract - historic	\$8.00 per entity		\$16.00			\$32.00
ASIC person search - historic	\$15.00 per person		\$45.00			\$112.50
D&B via Internet	\$3.75		\$30.00			\$71.25
			\$91.00			\$215.75
TOTAL			\$1,160.47			\$4,260.82

NOTES

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). The ranges of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All entries have been adjusted to include 92% on costs (27% of salary for Workcover, superannuation, payroll and corporate overheads of 65% of salary).

* \$ per minute

Simple/Complex Application

Simple Application: applicant considered to be either a natural person involving typically 5 associated individuals or a corporate entity with a relatively simple corporate structure involving typically about 2 associated entities and 6 associated individuals and no issues of concern with the applicant or any associate.

Complex Application: applicant considered to have more complex corporate structure involving typically about 4 associated entities and 15 associated individuals. May also include issues of concern, including non-disclosure or probity issues requiring more detailed investigation and requests for additional information.

Ratio of Simple/Complex: the assumption is made that 10% of applications are simple and 90% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time allowances: are averages within application categories.

Time spent per Application by

Licensing Analyst is based on the following business practices:
 applicant supplies National Police Certificate;
 applicant supplies Credit Advantage Limited check;
 applicant supplies own ASIC report (if holds or has held a directorship).

Incidental Costs

are based on the following business practices:
an ASIC search is conducted on all associated entities;
an ASIC search is conducted on 50% of associated individuals;
a Dun & Bradstreet search is conducted on all associated entities.

Compliance and Investigation Branch file action relates to non-disclosures. This entails a straightforward interview and may require prosecution/preparation of a brief.

Endorsement of Interactive Gaming Licence

Cost per application

	Total applicator	Simple (%)	Simple	Complex (%)	(%)
	100%	97	<u>\$1,160.49</u>	3	<u>\$4,260.91</u>
Adjusted cost			\$1,125.68		\$127.83
			\$1,125.68		\$127.83
Average Cost			<u>\$1,253.50</u>		
plus non-standard stationery			\$20.00		
Total Average			\$1,273.50		
Cost per application (per fee unit):			124.5 fee units		

ACTIVITY	Simple Application				Complex Application			
	*\$ per minute	Time (min)	Cost	(\$)	*\$ per minute	Time (min)	Cost	(\$)
Decision making								
Determine application	\$2.34	45	\$105.26		\$2.72	135	\$367.75	
Assessment								
Check form is complete								
Register application								
Key details in computer								
Recommend approval								
Despatch licence.	\$1.74	555	\$964.23		\$1.15	3210	\$3,677.41	
Incidental								
ASIC Organisation extract - historic	\$8.00 per entity		\$16.00				\$32.00	
ASIC person search - historic	\$15.00 per person		\$45.00				\$112.50	
D&B via Internet	\$3.75		\$30.00				\$71.25	
			\$91.00				\$215.75	
TOTAL			\$1,160.49				\$4,260.91	

Notes

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). The ranges of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All entries have been adjusted to include 92% on costs (27% of salary for Workcover, superannuation, payroll and corporate overheads of 65% of salary).

* \$ per minute

Simple/Complex Application

Simple Application: An endorsement will typically involve a single person (entity or natural person) and therefore most applications will be simple.

Complex Application: A complex application requires a probity check of persons and greater liaison with applicant.

Ratio of Simple/Complex: the assumption is made that 97% of applications are simple and 3% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time Allowances: are averages within application categories.

Time spent per Application by

Licensing Analyst is based on the following business practices: applicant supplies National Police Certificate;

applicant supplies Credit Advantage Limited check;
applicant supplies own ASIC report (if holds or has held a directorship).

Incidental Costs are based on the following business practices:
an ASIC search is conducted on all associated entities;
an ASIC search is conducted on 50% of associated individuals;
a Dun & Bradstreet search is conducted on all associated entities.

Compliance and Investigation Branch file action relates to non-disclosures. This entails a straightforward interview and may require prosecution/preparation of a brief.

Application to vary licence (variation of gaming machine area)

Cost per application

	Total applicator	Simple (%)	Simple	Complex (%)	
	100%	100	<u>\$281.20</u>	0	<u>\$3,655.96</u>
Adjusted cost			\$281.20		\$0.00
	\$281.20				
	<u>\$0.00</u>				
Average Cost	\$281.20				
plus non-standard stationery	<u>\$20.00</u>				
Total Average	\$301.20				
Cost per application (per fee unit):o			29.5 fee units		

ACTIVITY	Simple Application			Complex Application			
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)	(\$)
Decision making							
Determine application	\$2.05	30	\$61.52	\$2.05	30	\$61.52	
Assessment							
Check form is complete							
Register application							
Key details in computer							
Recommend approval							
Despatch permit	\$1.00	220	\$219.68	\$0.95	3480	\$3,317.68	
Incidental							
Travel Expenses-vehical cost							\$137.75
Car hire & Petrol (150km travel)							
Personal Expenses - Accommodation and meals (1night stay)							\$139.00
							\$276.75
TOTAL			\$281.20				\$3,655.95

NOTES

Figures in the column are calculated based on the mid-point in the range of salaries for respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner). The ranges of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All entries have been adjusted to include 92% on costs (27% of salary for Workcover, superannuation, payroll and corporate overheads of 65% of salary).

***\$ per minute**

Simple/Complex Application

Simple Application: A simple application is one able to be assessed on the basis of documents and does not require a field trip.

Complex Application: Requires a field trip.

Ratio of Simple/Complex: the assumption is made that 100% of applications are simple. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Calcutta Sweepstakes**Cost per application**

	Total applica	Simple (%)	Simple	Complex (%)	(%)
	100%	99	<u>\$31.26</u>	1	<u>\$57.95</u>
Adjusted cost			\$30.95		\$0.58
	30.95				0.58
Average Cost	<u>\$31.53</u>				
plus non-standard stationery	\$4.00				
Total Average	\$35.53				
Cost per application rounded to			(3.5 fee units)		

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Review and approve application for permits	\$1.47	5	\$7.37	\$1.47	15	\$22.11
Assessment						
Check application form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$0.80	30	\$23.90	\$0.80	45	\$35.84
Incidental						
NPC check obtained from Victoria Police	\$24.00 per check					
			0.00			0
TOTAL			31.27	0	60	57.95

NOTES***\$ per minute**

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications.

All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

Simple/Complex Application

Simple Application: includes cases where no further inquiries need to be made into the application.

Complex Application: includes cases where further inquiries need to be made into the application.

Ratio of Simple/Complex: the assumption is made that 99% of the applications are simple and 1% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time allowances: are averages within application categories.

Trade Promotion Lottery Permit
Cost per application

	Total applic:	Simple (%)	Simple	Intermediate (%)	(%)	Complex (%)	(%)
	100%	10	<u>\$72.13</u>	70	<u>\$194.66</u>	20	<u>\$596.88</u>
Adjusted cost			\$7.21		\$136.26		\$119.38
			\$7.21				
			\$136.26				
			\$119.38				
Average Cost			<u>\$262.85</u>				
plus non-standard stationery			\$4.00				
Total Average			\$266.85				

Cost per application r(per fee unit): (26 fee units)

ACTIVITY	Simple Application			Intermediate Application				Complex Application			
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)		*\$ per minute	*\$ per minute	Time (min)	Cost (\$)
Decision making											
Review and approve applications.	\$0.83	20	\$16.62	\$2.03	30	\$60.87		\$2.03		60	\$121.74
Assessment											
Check form is complete											
Register application											
Key details in computer											
Recommend approval											
Despatch permit	\$0.65	85	\$55.51	\$0.76	175	\$133.79		\$1.12		425	\$475.14
Incidental											
	\$0.00	0	\$0.00	\$0.00	0	\$0.00		\$0.00		0	\$0.00
TOTAL			\$72.13			\$194.66					\$596.88

NOTES

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications. It includes a 4.17% Restraint of Trade allowance. The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

***\$ per minute**
Simple/Intermediate/Complex Application

Simple Application: is an application where there are no matters requiring clarification and where the total value of prizes is less than \$50,000. These applications are approved by the Senior Licensing Officer.

Intermediate Application: is an application where some clarification is required with the application but the matter does not require legal advice. Where the total value of prizes is greater than \$50,000, these applications are approved by the Director, Licensing Operations and Policy. The manager, Minor Gaming Unit approves with issues less than \$50,000 prize value.

Complex Application: is an application where significant negotiation is required with applicant and where legal advice may be required.

Ratio of
Simple/Intermediate/

Complex: The assumption is made that 10% of applications are simple, 70% are intermediate and 20% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change.

Time allowances: are averages within application categories

Permit Amendment (Trade Promotions)

Cost per application

	Total applic:	Simple (%)	Simple	Intermediate (%)	(%)	Complex (%)	(%)
	100%	10	\$18.11	70	\$100.48	20	\$428.37
Adjusted cost			\$1.81		\$70.34		\$85.67
			\$1.81		\$70.34		\$85.67
			\$1.81		\$70.34		\$85.67
Average Cost	\$157.82						
plus non-standard stationary	\$4.00						
Total Average	\$161.82						

Cost per application (per fee unit): (16 fee units)

ACTIVITY	Simple Application				Intermediate Application				Complex Application			
	*\$ per minute	Time (min)	Cost (\$)		*\$ per minute	Time (min)	Cost (\$)		*\$ per minute	*\$ per minute	Time (min)	Cost (\$)
Decision making												
Review and approve applications.	\$0.83	10	\$8.31		\$2.03	20	\$40.58		\$2.03	35	\$71.01	
Assessment												
Check form is complete												
Register application												
Key details in computer												
Recommend approval												
Despatch permit	\$0.65	15	\$9.80		\$0.86	70	\$59.90		\$1.35	265	\$357.36	
Incidental												
	\$0.00	0	\$0.00		\$0.00	0	\$0.00		\$0.00	0	\$0.00	
TOTAL			\$18.11				\$100.48				\$428.37	

* \$ per minute

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications. It includes a 4.17% Restraint of Trade allowance. The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

Simple/Intermediate/Complex Application

Simple Application: is an application where there are no matters requiring clarification and where the total value of prizes is less than \$50,000. These applications are approved by the Senior Licensing Officer.

Intermediate Application: is an application where some clarification is required with the application but the matter does not require legal advice and/or where the total value of prizes is greater than \$50,000. These applications are approved by the Director, Licensing Operations and Policy. Manager, Minor Gaming Unit approves with issues with less than \$50,000 prize value.

Complex Application: is an application where significant negotiation is required with applicant and where legal advice may be required.

Ratio of Simple/Intermediate/Complex

Complex: The assumption is made that 10% of the amendments are simple, 70% are intermediate and 20% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change

Time allowances: are averages within application categories

Raffles Permit
Cost per application

	Total applic:	Simple (%)	Simple	Intermediate (%)	(%)	Complex (%)	(%)
	100%	70	<u>\$52.39</u>	20	<u>\$140.40</u>	10	<u>\$486.63</u>
Adjusted cost			\$36.67		\$28.08		\$48.66
			\$36.67		\$28.08		\$48.66
Average Cost	\$113.42						
plus non-standard stationery	\$4.00						
Total Average	\$117.42						
Cost per application (per fee unit):							(11.5 fee units)

ACTIVITY	Simple Application				Intermediate Application				Complex Application			
	*\$ per minute	Time (min)	Cost (\$)	(\$)	*\$ per minute	Time (min)	Cost (\$)	(\$)	*\$ per minute	*\$ per minute	Time (min)	Cost (\$)
Decision making												
Review and approve applications > \$50,000	\$0.83	15	\$12.46		\$2.03	20	\$40.58		\$2.03	35	\$71.01	
Assessment												
Check form is complete												
Register application												
Key details in computer												
Recommend approval												
Despatch permit	\$0.65	55	\$35.93		\$0.77	125	\$95.82		\$1.18	350	\$411.62	
Incidental												
Victoria Police Fingerprints check (10% of permits)	\$40 per check	0	\$4.00		\$0.00	0	\$4.00		\$0.00	0	\$4.00	
TOTAL			\$52.39				\$140.40				\$486.63	

NOTES

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications. It includes a 4.17% Restraint of Trade allowance. The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

***\$ per minute**
Simple/Intermediate/Complex Application

Simple Application: is an application where there are no matters requiring clarification and where the total value of prizes is less than \$50,000.

These applications are approved by the Senior Licensing Officer.

Intermediate Application: is an application where some clarification is required with the application but the matter does not require legal advice.

Applications with issues but with prize value of < \$50,000 (less than) and includes applications over \$50,000 are approved by the manager of Minor Gaming Unit.

These applications are approved by the Director, Licensing Operations and Policy.

Complex Application: is an application where significant negotiation is required with applicant and where legal advice may be required.

and where legal advice may be required.

Ratio of
Simple/Intermediate/

Complex: The assumption is made that 70% of the applications are simple,

20% are intermediate and 10% are complex. This assumption is based on an analysis of the applications previously received by the Commission.

The Commission can see no reason why this ratio is likely to change

Time allowances: are averages within application categories

Permit Amendment (Raffles)							
Cost per application							
	Total applic:	Simple (%)	Simple	Intermediate (%)	(%)	Complex (%)	(%)
	100%	70	<u>\$18.11</u>	20	<u>\$100.48</u>	10	<u>\$425.35</u>
Adjusted cost			\$12.68		\$20.10		\$42.54
			\$12.68				
			\$20.10				
			<u>\$42.54</u>				
Average Cost			\$75.31				
plus non-standard stationery			\$4.00				
Total Average			\$79.31				
Cost per application (per fee unit):			(8 fee units)				

ACTIVITY	Simple Application			Intermediate Application			Complex Application			
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	*\$ per minute	Time (min)	Cost (\$)
Decision making										
Determine application	\$0.83	10	\$8.31	\$2.03	20	\$40.58	\$2.03		35	\$71.01
Assessment										
Check form is complete										
Register application										
Key details in computer										
Recommend approval										
Despatch permit	\$0.65	15	\$9.80	\$0.86	70	\$59.90	\$1.34		265	\$354.34
Incidental										
	\$0.00	0	\$0.00	\$0.00	0	\$0.00	\$0.00		0	\$0.00
TOTAL			\$18.11			\$100.48				\$425.35

*\$ per minute

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications. It includes a 4.17% Restraint of Trade allowance. All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

Simple Application: is an application where there are no matters requiring clarification and where the total value of prizes is less than \$50,000. These applications are approved by the Senior Licensing Officer.

Intermediate Application: is an application where some clarification is required with the application but the matter does not require legal advice. Where the total value of prizes is greater than \$50,000, these applications are approved by the Director, Licensing Operations & Policy. Where value is less than \$50,000 applications are approved by the Manager, Minor Gaming Unit.

Complex Application: is an application where significant negotiation is required with the applicant and where legal advice may be required.

Ratio of Simple/Complex: the assumption is made that 10% of the applications are simple, 70% are intermediate and 20% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change

Time allowances: are averages within application categories.

Bingo Permit					
Cost per application					
	Total applic:	Simple (%)	Simple	Complex (%)	(%)
	100%	90	\$53.87	10	\$345.82
Adjusted cost			\$48.48		\$34.58
			48.48		34.58
Average Cost			\$83.07		\$4.00
plus non-standard stationery					
Total Average			\$87.07		
Cost per application (per fee unit):			(8.5 fee units)		

ACTIVITY	Simple Application			Complex Application			
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)	
Decision making							
Determine application	\$2.03	5	\$10.14	\$2.03	20	\$40.58	
Assessment							
Check form is complete							
Register application							
Key details in computer							
Recommend approval							
Despatch permit	\$0.68	60	\$40.97	\$1.03	295	\$302.48	
Incidental							
NPC check obtained by Victoria Police (10% of permits)	\$40.00 per check	0	\$2.76	\$0.00	0	\$2.76	
TOTAL			\$53.87			\$345.82	

NOTES

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications. It includes a 4.17% Restraint of Trade allowance. The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

*\$ per minute

Simple/Complex Application

Simple Application: is an application where assessment reveals no matters requiring further clarification.

Complex Application: is an applications where further clarification is required. Applications for Bingo permits are approved by the Director, Licensing Operations & Policy.

Ratio of Simple/Complex: The assumption is made that 90% of the applications are simple and 10% are irregular. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change

Time allowances: are averages within application categories

Permit Amendment (Bingo)					
Cost per application					
	Total applic:	Simple (%)	Simple	Complex (%)	(%)
	100%	90	<u>\$18.11</u>	10	<u>\$380.18</u>
Adjusted cost			\$16.30		\$38.02
			16.30		38.02
Average Cost			<u>\$54.32</u>		
plus non-standard stationery			\$4.00		
Total Average			\$58.32		
Cost per application (per fee unit):			(5.5 fee units)		

ACTIVITY	Simple Application			Complex Application			
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)	(\$)
Decision making							
Review applications and determine hearing dates.	\$0.83	10	\$8.31	\$2.03	20	\$40.58	
Assessment							
Check form is complete							
Register application							
Key details in computer							
Recommend approval							
Despatch permit	\$0.65	15	\$9.80	\$1.16	250	\$339.60	
Incidental			\$0.00	\$0.00	0	\$0.00	
TOTAL			\$18.11			\$380.18	

NOTES

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications. It includes a 4.17% Restraint of Trade allowance. The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

* \$ per minute

Simple/Complex Application

Simple Application: is an application where assessment reveals no matters requiring further clarification.

Complex Application: is an application where further clarification is required. Amendments to Bingo permits are approved by the Director, Licensing Operations & Policy.

Ratio of Simple/Complex: The assumption is made that 90% of the applications are simple and 10% are irregular. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change

Time allowances: are averages within application categories

Minor Gaming Permit (Fundraising Events & Lucky Envelopes)

Cost per application

	Total Applications		Simple (%)		Complex (%)
	100	90	47.73	10	377.95
			39.35		37.79
Average Cost		39.35			37.79
		77.15			
plus non-standard stationery		\$4.00			
Total Average		\$81.15			

Cost per application (per fee unit): **(8 fee units)**

ACTIVITY	Simple Application				Complex Application			
	*\$ per minute	Time (min)	Cost (\$)		*\$ per minute	Time (min)	Cost (\$)	
Decision making								
Determine application Assessment	0.83	10	8.31		2.03	30	60.87	
Check form is complete								
Register application								
Key details in computer								
Recommend approval								
Despatch permit	0.65	50	32.66		1.03	305	314.32	
Incidental								
	0.00	0	2.76		0.00	0	2.76	
TOTAL			43.73				377.95	

NOTES

*** \$ per minute**

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications. It includes a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner).

All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

Simple/Intermediate/Complex Application

Simple Application: is an application where assessment reveals no matters requiring further clarification. is an application where probity disclosed nothing adverse about applicant or associates. These applications are approved by the Senior Licensing Officer.

Complex Application: is an application where further clarification is required. Permits are approved by the Manager, Minor Gaming Unit and Director, Licensing Operations and Policy.

Ratio of

Simple/Intermediate/

Complex: The assumption is made that 90% of the applications are simple and 10% for complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change

Time allowances: are averages within application categories.

Permit Amendment (Lucky Envelopes and Fundraising Event)					
Cost per application					
	Total applic:	Simple (%)	Simple	Complex (%)	(%)
	100%	90	\$18.11	10	\$100.48
Adjusted cost			\$16.30		\$10.05
			16.30		10.05
Average Cost			\$26.35		
plus non-standard stationery			\$4.00		
Total Average			\$30.35		
Cost per application (per fee unit):			(3 fee units)		

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$0.83	10	\$8.31	\$2.03	20	\$40.58
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$0.65	15	\$9.80	\$0.86	70	\$59.90
Incidental						
	\$0.00	0	\$0.00	\$0.00	0	\$0.00
TOTAL			\$18.11			\$100.48

NOTES

Figures in the column are calculated based on the mid-point in the range of current salaries for the level of Victorian Public Service Officers involved in processing these applications. It includes a 4.17% Restraint of Trade allowance. The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All salaries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

* \$ per minute

Simple/Complex Application

Simple Application: is an application where assessment reveals no matters requiring further clarification.

Amendments to Fundraising Function and Lucky Envelope permits are approved by the Senior Licensing Officer.

Complex Application: is an application where further clarification is required.

Amendments to permits are approved by the Manager, Minor Gaming Unit and Director, Licensing Operations and Policy.

Ratio of Simple/Complex: The assumption is made that 90% of the applications are simple and 10% are irregular. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change

Time allowances: are averages within application categories

Gaming Industry Employee's Licence - New					
Cost per application					
	Total applications	Simple (%)	Simple	Complex (%)	(%)
	100%	97	<u>\$97.23</u>	3	<u>\$810.11</u>
Adjusted cost			\$94.31		\$24.30
		94.31			24.30
Average Cost		<u>\$118.62</u>			
plus non-standard stationery		\$4.00			
Total Average		\$122.62			
Cost per application rounded to			(12 fee units)		

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Determine application	\$0.83	5	\$4.15	\$2.10	25	\$52.59
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval and approve simple applications.						
Despatch permit	\$0.82	65	\$53.08	\$1.13	610	\$717.52
Incidental						
	\$0.00	0	\$40.00	\$0.00	0	\$40.00
TOTAL			\$97.23			\$810.11

Notes

*\$ per minute

Figures in the column are based on the mid-point in the range of salaries for the respective positions including a 4.17% Restraint of Trade allowance (except for the chair, deputy chair and the Executive Commissioner).

The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All entries have been adjusted to include superannuation and payroll and corporate of 65% of salary.

Simple/Complex Application

Simple

Application: (i). is an application where initial probity disclosed nothing adverse about applicant or associates. These applications are approved by the Licensing Officer and 10% of these applications are forwarded to SLO for verification.

(ii). In cases where issues are identified in the application form, as such NPC or credit, however, an ATD letter may not be required to be sent. These applications are usually approved by SLO.

Application: includes cases where further probity inquiries need to be made regarding

applicant. Grant of licence would be reserved for Director, Licensing Operations and Policy. A decision to refuse is made by the Executive Commissioner.

Ratio of the assumption is made that 97% of the applications are simple and 3% are complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change are averages within application categories.

Time allowances:

Time spent per Application by:

Licensing Officer is based on the following business practices:
applicant supplies National Police Certificate;
applicant supplies Credit Advantage Limited check.

Compliance and file action relates to non-disclosures. This entails a straightforward
vestigation Branch interview and may require prosecution/preparation of a brief.

Gaming Industry Employee's Licence Application - Holder Casino S/E Licence					
Cost per application					
	Total applications	Simple (%)	Simple	Complex (%)	(%)
	100%	99	<u>\$27.90</u>	1	<u>\$778.92</u>
Adjusted cost			\$27.62		\$7.79
			27.62		7.79
Average Cost			<u>\$35.41</u>		
plus non-standard stationery			\$4.00		
Total Average			\$39.41		
Cost per application rounded to			(4 fee units)		

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Review and approve applications	\$0.83	10	\$8.31	\$2.10	25	\$52.59
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval and approve simple applications.						
Despatch permit	\$0.65	30	\$19.59	\$1.16	585	\$681.33
Incidental						
Transcription of taped interview re: non-disclosure			\$0.00	\$0.00	0	\$45.00
TOTAL			\$27.90			\$778.92

NOTES

Figures in the column are based on the mid-point in the range of salaries for the respective positions including a 4.17% Restraint of Trade allowance (except for the chair, deputy chair and the Executive Commissioner).

The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All entries have been adjusted to include superannuation and payroll and corporate of 65% of salary.

*\$ per minute

Simple

- Application:** (i). is an application where initial probity disclosed nothing adverse about applicant or associates. These applications are approved by the Licensing Officer.
- (ii). An application where issues are identified in the NPC, Credit report or application but doesn't require an ATD letter. These applications are approved

by the SLO.

Complex

Application: includes cases where further probity inquiries need to be made regarding applicant. Grant of licence would be reserved for the Director, Licensing Operations and Policy. A decision to refuse is made by the Executive Commissioner.

Ratio of

Simple/Complex: The assumption is made that 99% of the applications are simple and 1% complex. This assumption is based on an analysis of the applications previously received by the Commission. The Commission can see no reason why this ratio is likely to change

Time allowances: are averages within application categories

Time spent per Application by:

Licensing Officer is based on the following business practices:
applicant supplies National Police Certificate;
applicant supplies Baycorp Advantage credit check;

Compliance and investigation Branch file action relates to non-disclosures. This entails a straightforward interview and may require prosecution/preparation of a brief.

Gaming Industry Employee's Licence - Renewal					
	Total applications	Simple (%)	Simple	Complex (%)	(%)
	100%	97	<u>\$27.90</u>	3	<u>\$743.15</u>
Adjusted cost			\$27.06		\$22.29
	27.06				
	<u>22.29</u>				
Average Cost	\$49.35				
plus non-standard stationery	\$4.00				
Total Average	\$53.35				
Cost per application rounded to			(5 fee units)		

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making						
Review and approve applications	\$0.83	10	\$8.31	\$2.10	25	\$52.59
Assessment						
Check form is complete						
Register application						
Key details in computer						
Recommend approval						
Despatch permit	\$0.65	30	\$19.59	\$1.16	585	\$690.56
Incidental						
	\$0.00	0	\$0.00	\$0.00	0	\$0.00
TOTAL			\$27.90			\$743.15

NOTES

Total Salary*

Figures in the column are based on the mid-point in the range of salaries for the respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner).

*The range of salaries for staff in the Compliance & Investigation Branch (CIB) also includes a 20% loading allowance. All entries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

Simple/Complex Application

Simple Application: (i). is an application where initial probity disclosed nothing untoward about applicant or associates. These applications are approved by the Licensing Officer and 10% of these applications are forwarded to SLO (ii). An application where a minor issues has been identified in the application, NPC or Credit report, these applications are forwarded to SLO for approval as per delegation (in a case of theft or dishonesty offences file is forwarded to the manager for approval).

Complex Application: includes cases where further initial probity inquiries need to be made into

applicant. Grant of licence would be reserved for Director,
Licensing Operations and Policy.

Ratio of

Simple/Complex: the assumption is made that 97% of applications are simple
and 3% are complex. This assumption is based on an analysis of the applications previously received by the Commission.
The Commission can see no reason why this ratio is likely to change

Time allowances: are averages within application categories.

Time spent per Application by:

Licensing Analyst is based on the following business practices:
applicant supplies National Police Certificate;
applicant supplies Credit Advantage Limited check.

Investigations and Prosecutions Unit file action relates to non-disclosures. This entails a straightforward
interview and may require prosecution/preparation of a brief.

Replacement of Gaming Industries Employee's Licence					
Cost per application					
	Total applications	Simple (%)	Simple	Complex (%)	(%)
	100%	100	<u>\$13.95</u>	0	<u>\$0.00</u>
Adjusted cost			\$13.95		\$0.00
	13.95				
	<u>0.00</u>				
Average Cost	\$13.95				
plus non-standard stationery	\$4.00				
Total Average	\$17.95				
Cost per application rounded to			(2 fee units)		

ACTIVITY	Simple Application			Complex Application		
	*\$ per minute	Time (min)	Cost (\$)	*\$ per minute	Time (min)	Cost (\$)
Decision making	\$0.00	0	\$0.00	\$0.00	0	\$0.00
Assessment						
Update licensing system and allocate statutory declaration to licensing officer.						
Check fee, read and check statutory declaration, update information on database, scan photo, print licence and despatch licence.						
	\$0.70	20	\$13.95	\$0.00	0	\$0.00
	\$0.00	0	\$0.00	\$0.00	0	\$0.00
TOTAL			\$13.95			\$0.00

NOTES

Total Salary*

Figures in the column are based on the mid-point in the range of salaries for the respective positions including a 4.17% Restraint of Trade allowance (except for the Chairperson, Deputy Chairperson and the Executive Commissioner).

All entries have been adjusted to include 92% on-costs (27% of salary for Workcover, superannuation and payroll and corporate overheads of 65% of salary).

Application assumption

It is assumed that all requests for replacement of identity cards will be simple.

Formula for Calculating - (\$per min)

$$\{(Annual\ salary/365.35 \times 14/76/60)$$

Appendix 4 – comparison of proposed application fees with other Australian jurisdictions

LICENCE / PERMIT	VIC	NSW	QLD	SA	WA	TAS	NT	ACT
Manufacturer / Supplier of gaming machines	\$3994.80	\$5000 per year	\$10,300			\$525.00	Nil	
Gaming machine venue licence (new)	\$1641.90	\$200	\$1854 - \$3914	\$310	N/A	\$598.50	\$1000	\$1538
Gaming machine venue licence (renewal)	\$1575.40	\$200	\$309		N/A	N/A	N/A	
<ul style="list-style-type: none"> Gaming machine venue licence (amendment) (For Victoria only): <ul style="list-style-type: none"> to decrease the number electronic gaming machines; to vary the number of gaming machines areas; to add premises; to vary the day or dates on which 24 hour gaming is permitted; and to increase the number of electronic gaming machines. 	\$214.85 \$301.80 \$276.20 \$3340.10 \$5248.00		\$24 - \$559		N/A	\$131.25	N/A	
Bingo centre operator's licence (new)	\$1565.20	N/A	\$185	N/A	N/A	N/A	N/A	
Bingo centre operator's licence (renewal)	\$1452.65	N/A	\$185	N/A	N/A	N/A	N/A	

LICENCE / PERMIT	VIC	NSW	QLD	SA	WA	TAS	NT	ACT
Gaming industry employee licence (new)	\$122.75	\$100	\$155	\$83	N/A	\$262.50	\$100	\$100 / \$110
Gaming industry employee licence (renewal)	\$51.15		\$155	N/A	N/A	\$115.50	\$100 per 5 years	
Gaming industry employee / licence (replacement)	\$20.45		\$21 (replace)		N/A		N/A	
Minor gaming permit (new)	\$35.80	Nil	\$258 - \$2060	\$5.25	\$10 - \$515	\$60.00	N/A	Nil - \$500
Minor gaming permit (amendment)	\$20.50	Nil	\$257 - \$1545				N/A	\$30
Trade promotion lottery permit (new)	\$266.00	\$50 - \$2000	N/A	\$51.50 - \$1031.00	N/A	N/A	Nil	\$40 - \$2000
Trade promotion lottery permit (amendment)	\$163.70	\$50 - \$2000	N/A	\$31.70	N/A	N/A	N/A	\$30

Attachment 5 – proposed regulations

EXPOSURE DRAFT

Gambling Regulation Regulations 2005

S.R. No.

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STATUTORY RULES

S.R. No.

Gambling Regulation Act 2003

Gambling Regulation Regulations 2005

The Governor in Council makes the following Regulations:

Dated:

Responsible Minister:

JOHN PANDAZOPOULOS

Minister for Gaming

Clerk of the Executive Council

PART 1—PRELIMINARY

1. Objective

The objective of these Regulations is to provide for—

- (a) matters relating to—
 - (i) gaming machines; and
 - (ii) wagering and betting; and
 - (iii) trade promotion lotteries; and
 - (iv) club keno; and
 - (v) community and charitable gaming; and
- (b) fees; and
- (c) other matters—

that are authorised or required to be prescribed by the **Gambling Regulation Act 2003**.

2. Authorising provision

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These Regulations are made under section 11.2.1 of the **Gambling Regulation Act 2003**.

3. Commencement

These Regulations come into operation on 25 June 2005.

4. Revocation

The Gambling Regulation (Interim) Regulations 2004¹ are revoked.

5. Definitions

(1) In these Regulations—

“accredited representative” means a person who is accredited by the participants under section 6.2.6 of the Act;

"Act" means **Gambling Regulation Act 2003**;

"average horizontal illuminance", in relation to an area, means the mean horizontal illuminance averaged across a square grid of points—

(a) 0.5 metres apart within a 2.0 metre radius of any gaming machine in the area; and

(b) 2.0 metres apart within any other part of the area—

measured in the centre of each grid module;

"betting office" means any place at which the holder of the wagering licence or the wagering operator, if any, or an agent of the holder of the wagering licence or of the wagering operator accepts bets;

"bingo permit" means a minor gaming permit that authorises the holder to conduct a session or sessions of bingo games as specified in the permit;

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"book-buyer's prize" means a prize for which a person is eligible by reason of having purchased a particular book of tickets;

"bracket" means the coupling of more than one selection under the one list number;

"bracket number" means the number given to a bracket by the holder of the wagering licence or the wagering operator, if any;

"brochure" includes booklet, pamphlet and leaflet;

"cashier area" means an area in an approved venue or casino where a person may collect or redeem gaming tokens from a cashier;

"cash outlet" means any place at which the holder of the wagering licence or the wagering operator, if any, or an agent of the holder of the wagering licence or of the wagering operator accepts bets in cash from investors;

"controlling body" means the body or authority controlling the conduct of an event;

"electronic game information" has the meaning given in regulation 22;

"electronic player information" has the meaning given in regulation 24;

"event" includes contingency;

"first prize", in respect of a raffle having more than one prize, means the most valuable prize offered in the raffle;

"gaming equipment software" means the software used in relation to gaming equipment and includes game software;

"general area" means an area in a gaming machine area of an approved venue or an

EXPOSURE DRAFT

area in a casino where players can walk or sit away from gaming machines;

"gross receipts", in respect of a bingo game, a session of bingo games or a rolling jackpot sequence, means the actual amount received from the sale of tickets in the game, session or sequence;

"horizontal illuminance" means illuminance measured in a horizontal plane;

"illuminance" means the measure, expressed in units of lux, of the quantity of light incident on a point or a surface;

"jackpot information" has the meaning given in regulation 29;

"linked jackpot arrangement"—

- (a) in relation to gaming machines in an approved venue, has the same meaning as in section 3.1.2 of the Act;
- (b) in relation to gaming machines in a casino, has the same meaning as in the **Casino Control Act 1991**;

"list number" means the number given to a selection by the holder of the wagering licence or the wagering operator, if any, and includes bracket numbers;

"loyalty card session" means the period between the time a participant commences using his or her player loyalty card or account under the loyalty scheme on a gaming machine and the time when the loyalty scheme provider's system stops recording the participant's activity on the gaming machine;

"lucky envelope permit" means a minor gaming permit that authorises the holder to sell lucky envelopes as specified in the permit;

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"match", in relation to a club keno game, means the numbers selected by the player which match any of 20 numbers drawn in the club keno game;

Example

A "Match 5" is the matching of 5 selected numbers with 5 of the numbers drawn in a game of club keno.

"Minister's specifications" means the specifications for printed information for players of gaming machines as published by the Minister on the Commission's website from time to time;

"minor" means a person under the age of 18 years;

"minor gaming permit" means a permit issued under Division 2 of Part 3 of Chapter 8 of the Act;

"new game" means—

- (a) a game approved under section 3.5.4 of the Act; or
- (b) a game approved on or after 1 January 2003 under section 69 of the **Gaming Machine Control Act 1991** that is taken to be approved under section 3.5.4 of the Act by clause 3.10(2) of Schedule 7 to the Act; or
- (c) a game to be played on a gaming machine that is approved on or after 1 January 2003 under section 60 of the **Casino Control Act 1991** as in force immediately before the commencement of section 12.1.2 of the Act;

"notional value", in respect of a series of lucky envelopes, means the lucky envelope price

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multiplied by the number of lucky envelopes in the series;

"punchboard" means a device which contains a series of lucky envelopes and is designed so that the lucky envelopes are dispensed by being punched out of the device;

"raffle permit" means a minor gaming permit that authorises the holder to conduct a raffle as specified in the permit;

"responsible person" means the nominee within the meaning of section 8.1.2 of the Act;

"rolling jackpot sequence" means the sessions of bingo games in respect of which a rolling jackpot operates;

"rules of racing" means the rules for the time being in force of Racing Victoria within the meaning of the **Racing Act 1958**, Harness Racing Victoria or Greyhound Racing Victoria (as the case may be);

"scratch and win card" means a ticket in a trade promotion lottery in which the tickets which entitle the holders to claim a prize have been determined and announced before the commencement of the trade promotion lottery;

"selection" means a person, team, animal, object, event or contingency or a combination of 2 or more of those things nominated by the holder of the wagering licence or the wagering operator, if any, on which the holder of the wagering licence or the operator is willing to accept a bet;

"series", in relation to lucky envelopes, means all the lucky envelopes in a particular lottery;

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"session", in relation to the playing of a gaming machine, means the period between the time when a player instructs a gaming machine to start generating electronic player information and—

- (a) the time when the player elects to receive the information; or
- (b) the end of any period of 60 seconds during which no games are played on the machine—

whichever occurs first;

"small raffle" means a raffle—

- (a) for which the value of the prizes—
 - (i) in that raffle does not exceed \$500; and
 - (ii) in that and every other raffle conducted for the benefit of the same community or charitable organisation on the same day or within an 8 hour period together does not exceed \$1000; and
- (b) for which the sale of the first ticket and the drawing of the raffle occur on the same day or within an 8 hour period;

"spot", in respect of a club keno game, means the player's selection of numbers (to a maximum of 15 numbers) from the range 1 to 80 inclusive;

Example

A "Spot 5" is the selection of 5 numbers on the chance that the 5 numbers selected will be amongst the 20 numbers drawn in a game of club keno.

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"statement period", in relation to a participant in a loyalty scheme, means the period to which a player activity statement relates;

"talker" means a sign containing words, symbols or pictures that is designed to be affixed to a gaming machine;

"ticket" includes a card, token or thing entitling or purporting to entitle any person to any interest in any dividend, prize, division or distribution of any money by means of, or in connection with, or as a result of, the conduct of a totalisator or an approved betting competition;

"vertical illuminance" means illuminance measured in a vertical plane;

"working day" means a day other than a Saturday, a Sunday or a public holiday or public half-holiday appointed under the **Public Holidays Act 1993**.

- (2) In these Regulations, a reference to the value of a prize (other than a monetary component of a prize) in a trade promotion lottery or a raffle or in respect of a lucky envelope is a reference to the price at which a person might reasonably expect to purchase that prize in the absence of a discount or special incentive.

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PART 2—GENERAL PROHIBITION ON GAMBLING

6. Standards and conditions for devices and games at amusement centres, fetes, carnivals etc.

For the purposes of section 2.2.8(a) of the Act, the prescribed standards and conditions for devices or games are—

- (a) the device or game is not—
 - (i) a game approved under section 60 of the **Casino Control Act 1991**; or
 - (ii) a gaming machine within the meaning of the Act;
 - (b) the game or device is such that the prize or prizes available to be won at a particular attempt are clearly and unambiguously identified to participants;
 - (c) if the device or game is a spinning wheel—
 - (i) the wheel is divided into approximately equal divisions; and
 - (ii) the design of the wheel allows an approximately equal and random chance of the wheel finishing in or on a particular division; and
 - (iii) the wheel is maintained in such a way that it operates as designed; and
 - (iv) the number of tickets sold in each spin is equal to the number of divisions of the wheel;
 - (d) if the device or game is not a spinning wheel—
 - (i) there is no systemic bias to a particular outcome in the rules or design; and
 - (ii) a prize winning outcome is achievable; and
-

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- (iii) reasonable steps are taken to explain to participants, in language likely to be understood by them, the way in which the game is played or the device operates (including the extent to which skill is relevant); and
 - (iv) the game is played in the manner explained and the device (or any device forming part of the game) is maintained in such a way that it operates as designed.
-

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PART 3—GAMING MACHINES

Division 1—Display of Time of Day

7. Gaming machines to display time of day

- (1) The time of day must be displayed in accordance with this regulation on each gaming machine made available for gaming by a venue operator (including a casino operator).
- (2) The time of day must be displayed by a time display—
 - (a) located between the left and right hand sides of the front of the machine cabinet of the gaming machine—
 - (i) not higher than—
 - (A) if there is a top box on the gaming machine—5 centimetres above the bottom of the top box; or
 - (B) if there is no top box—the top of the machine cabinet; and
 - (ii) not lower than the bottom of the button panel; or
 - (b) attached wholly or partially to the front or a side panel of the machine cabinet of the gaming machine—
 - (i) not higher than—
 - (A) if there is a top box on the gaming machine—5 centimetres above the bottom of the top box; or
 - (B) if there is no top box—the top of the machine cabinet; and
 - (ii) not lower than the bottom of the button panel; and

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- (iii) within a horizontal distance of 10 centimetres from the left or right hand side of the front of the machine cabinet; or
 - (c) located on the video screen of the gaming machine.
- (3) The time of day displayed must be clearly visible to a person playing a game on the gaming machine.
- (4) The time of day displayed must be to an accuracy of within 5 minutes and must indicate whether the hour is before or after noon.
- (5) The time of day must be displayed continuously while the machine is operating and available for use for gaming.
- (6) The time of day displayed must not obscure any other information relevant to gaming on gaming machines.
- (7) Schedule 1 sets out—
 - (a) diagram 1 which illustrates a gaming machine with a top box; and
 - (b) diagram 2 which illustrates a gaming machine without a top box.
- (8) The diagrams in Schedule 1—
 - (a) are not exhaustive; and
 - (b) may extend, but do not limit, the meaning of sub-regulation (2).

8. Venue operator to notify gaming operator about time displays

- (1) Immediately on becoming aware that a gaming machine in an approved venue does not display the time of day in accordance with regulation 7, the venue operator must give written notice of that

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fact to the gaming operator who supplied the machine to the venue operator, together with—

- (a) the identification number for the gaming machine issued under section 3.5.8 of the Act; and
- (b) the date and time at which the venue operator became aware that the time of day was not displayed in accordance with regulation 7; and
- (c) details of how the time display fails to comply with regulation 7.

Penalty: 20 penalty units.

(2) If—

- (a) a venue operator gives a notice under sub-regulation (1) in respect of a gaming machine; and
- (b) the gaming machine is subsequently able to display the time of day in accordance with regulation 7—

the venue operator must give written notice of that fact to the gaming operator who supplied the machine to the venue operator, together with details of how the time display was made to comply with regulation 7.

(3) This regulation does not apply to a venue operator who is a casino operator.

9. Gaming operator not to allow gaming on gaming machine without time display

A gaming operator must not permit a gaming machine of that operator to be played if the gaming operator knows, or could reasonably be expected to know, that the gaming machine does not display the time of day in accordance with regulation 7.

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Penalty: 20 penalty units.

10. Casino operator not to allow gaming on gaming machine without time display

A casino operator must not permit a gaming machine provided by or on behalf of the casino operator in a casino to be played if the casino operator knows, or could reasonably be expected to know, that the gaming machine does not display the time of day in accordance with regulation 7.

Penalty: 20 penalty units.

Division 2—Lighting and External Views

11. Measuring illuminance

For the purposes of these Regulations, all illuminance measurements are to be made in circumstances where no person other than the person carrying out the measurements is within 5 metres of the measuring instrument.

12. Lighting in gaming machine area of approved venues

- (1) At any time when a gaming machine is available for gaming in an approved venue, the venue operator must ensure that lighting in the gaming machine area in which the gaming machine is situated complies with Schedule 2.
- (2) This regulation does not apply to a venue operator who is a casino operator.

13. Lighting in areas of casino

At any time when a gaming machine is available for gaming in a casino, the casino operator must ensure that lighting in the area of the casino approved by the Commission in which the gaming machine is situated complies with Schedule 2.

EXPOSURE DRAFT

14. Windows not to be removed or obscured—approved venues

- (1) A venue operator must not remove or obscure any window in the approved venue that affords a view from a gaming machine area of the approved venue, except as provided by this regulation.

Penalty: 20 penalty units.

- (2) A venue operator may remove a window for the purpose of replacing it with another window of equal or greater size, if the new window is in place within 10 working days after the old window is removed.
- (3) A venue operator may remove a window or part of a window for the purpose of repairing it, if the repairs are completed and the window or part is replaced within 10 working days after the window or part is removed.
- (4) A venue operator may obscure a window by installing blinds or curtains, or by tinting, shading or any other window treatment, for the purpose of temperature control or the reduction of glare from direct sunlight.
- (5) This regulation does not apply to a venue operator who is a casino operator.

15. Windows not to be removed or obscured—casino

- (1) A casino operator must not remove or obscure any window in the casino that affords a view from an area of the casino approved by the Commission in which gaming machines are situated, except as provided by this regulation.

Penalty: 20 penalty units.

- (2) A casino operator may remove a window for the purpose of replacing it with another window of equal or greater size, if the new window is in

EXPOSURE DRAFT

place within 10 working days after the old window is removed.

- (3) A casino operator may remove a window or part of a window for the purpose of repairing it, if the repairs are completed and the window or part is replaced within 10 working days after the window or part is removed.
- (4) A casino operator may obscure a window by installing blinds or curtains, or by tinting, shading or any other window treatment, for the purpose of temperature control or the reduction of glare from direct sunlight.

Division 3—Printed Information

16. Posters

- (1) In this regulation, "**player information poster**" means a poster that is in the form and contains the information, in the English language, set out in the Minister's specifications.
- (2) At all times when gaming machines are available for gaming in an approved venue, the venue operator must ensure that player information posters are displayed in accordance with this regulation in the gaming machine area of the approved venue.

Penalty: 20 penalty units.

- (3) At all times when gaming machines are available for gaming in a casino, the casino operator must ensure that player information posters are displayed in accordance with this regulation in the gaming machine area of the casino.

Penalty: 20 penalty units.

- (4) Player information posters must be displayed as follows—

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- (a) if there are 15 or less gaming machines available for gaming, at least 1 poster must be displayed;
- (b) if there are more than 15 gaming machines available for gaming—
 - (i) at least 1 poster must be displayed for every 15 gaming machines; and
 - (ii) 1 additional poster must be displayed for any additional gaming machines less than 15 in number.
- (5) Player information posters must be displayed in such a manner that the information contained in them is clearly visible to a person sitting or standing in front of a gaming machine in the area.
- (6) Nothing in this regulation prevents the display of posters containing information in languages other than English.

17. Talkers

- (1) In this regulation, "**player information talker**" means a talker that—
 - (a) is in a form and contains the information, in the English language, set out in the Minister's specifications; and
 - (b) is affixed to a gaming machine.
- (2) At all times when a gaming machine is available for gaming in an approved venue, the venue operator must ensure that a player information talker is displayed on the gaming machine so that it is clearly visible from the front of the machine.
Penalty: 20 penalty units.
- (3) At all times when a gaming machine is available for gaming in a casino, the casino operator must

EXPOSURE DRAFT

ensure that a player information talker is displayed on the gaming machine so that it is clearly visible from the front of the machine.

Penalty: 20 penalty units.

- (4) If the Minister's specifications set out 2 or more player information talkers that differ from each other in form or information or both, the different player information talkers must be distributed evenly, as far as practicable, within the approved venue or casino.

Example

If the Minister's specifications set out 5 different player information talkers and there are 100 gaming machines in an approved venue or casino, then each particular type of player information talker must be affixed to 20 gaming machines.

- (5) Nothing in this regulation prevents the display of talkers containing information in languages other than English.

18. Brochures

- (1) In this regulation, "**player information brochure**" means a brochure that is in the form and contains the information, in the English language, set out in the Minister's specifications.
- (2) At all times when gaming machines are available for gaming in an approved venue, the venue operator must ensure that player information brochures are available at each cashier area in the approved venue in accordance with this regulation.

Penalty: 20 penalty units.

- (3) The total number of player information brochures available must be at least equal to the number of gaming machines in the gaming machine area of the approved venue.

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- (4) At all times when a gaming machine is available for gaming in a casino, the casino operator must ensure that one or more player information brochures are available at each cashier area in the gaming machine area of the casino.

Penalty: 20 penalty units.

- (5) The total number of player information brochures available must be at least equal to the number of gaming machines in the gaming machine area of the casino.
- (6) Nothing in this regulation prevents the provision or display of brochures containing information in languages other than English.

19. Commission to provide information to gaming operators and casino operator

The Commission must provide a copy of each player information poster, player information talker and player information brochure to each gaming operator and casino operator in a form allowing them to be copied.

20. Gaming operator to provide sufficient copies of player information

- (1) A gaming operator must provide to each venue operator with whom the gaming operator has a contract for the supply of gaming machines—
 - (a) player information posters; and
 - (b) player information talkers; and
 - (c) player information brochures—in sufficient numbers to enable the venue operator to comply with regulations 16, 17 and 18.

Penalty: 20 penalty units.

- (2) On request by a venue operator with whom a gaming operator has a contract for the supply of

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gaming machines, the gaming operator must, within 14 days of the request, provide the venue operator with any further player information posters, player information talkers and player information brochures that the venue operator needs to enable the venue operator to comply with regulations 16, 17 and 18.

Penalty: 20 penalty units.

- (3) A gaming operator, venue operator or casino operator must not alter the form of or information contained on or in a player information poster, player information talker or player information brochure unless the alteration is made to comply with an amendment to the Minister's specifications.

Penalty: 20 penalty units.

21. Change in Minister' specifications

- (1) Within 14 days after an amendment of the Minister's specifications, the Commission must—
 - (a) notify each gaming operator and casino operator of the amendment; and
 - (b) if the amendment requires the amendment of any player information poster, player information talker or player information brochure, provide a copy of the amended poster, talker or brochure to each gaming operator and casino operator in a form allowing it to be copied.
 - (2) Within 3 months after receiving a copy of an amended player information poster, player information talker or player information brochure under sub-regulation (1), each gaming operator must provide to each venue operator with whom the gaming operator has a contract for the supply of gaming machines copies of the amended poster, talker or brochure in sufficient numbers to enable
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the venue operator to comply with regulation 16, 17 or 18 (as the case requires).

Penalty: 20 penalty units.

- (3) If the Minister's specifications are amended in relation to the form of, or information to be contained in, a player information poster, player information talker or player information brochure, it is sufficient compliance with regulation 16(2) or 16(3), 17(2) or 17(3) or 18(2) or 18(4) (as the case requires) for a period of 4 months immediately following the amendment, if the poster, talker or brochure complies with the Minister's specifications as in force immediately before the amendment.

Division 4—Electronic Information

22. What is electronic game information?

Electronic game information is the following information generated by, and displayed on the screen of, a gaming machine for each game that may be played on that machine—

- (a) the return to players of that game;
- (b) the average number of individual games played per any win, based on one line being played per game;
- (c) the chances or odds of achieving the top 5 and bottom 5 (in value) individual winning combinations;
- (d) the maximum and minimum bet options available.

23. Gaming machines must generate and display electronic game information

- (1) Each gaming machine available for gaming in an approved venue or casino must be capable of generating and displaying and, at the election of a

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player, must generate and display electronic game information in respect of each game played on the gaming machine.

- (2) The requirement for generating and displaying electronic game information applies—
 - (a) in respect of a new game, on and after the commencement of these Regulations;
 - (b) in respect of any other game, on and after 1 January 2008.

24. What is electronic player information?

Electronic player information is the following information generated by, and displayed on the screen of, a gaming machine—

- (a) cash in, being the amount (expressed in dollars and cents) the player has put into the gaming machine during the session;
- (b) credits played, being the amount (expressed in dollars and cents) wagered by the player on the gaming machine during the session;
- (c) credits won, being the amount (expressed in dollars and cents) won by the player on the gaming machine during the session;
- (d) the session win or loss, being the difference (expressed in dollars and cents) between credits won and credits played;
- (e) cash out, being the amount (expressed in dollars and cents) collected from the gaming machine by the player during the session;
- (f) credits available, being the amount (expressed in dollars and cents) that is currently available for the player to wager on the gaming machine;
- (g) the time the player began the session;

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- (h) the current time of day;
- (i) the length of the session;
- (j) if jackpot win amounts are not included on the credit meter of the gaming machine, a statement that the information displayed does not include amounts won from a jackpot during the session.

Example 1

The following is an example of electronic player information on a system where all jackpot win amounts are included on the credit meter:

Cash in	\$100.00
Credits played	\$245.50
Credits won	\$239.70
Session Win or (Loss)	(\$5.80)
Cash out	\$0.00
Credits available	\$94.20
Time commenced	8:48 p.m.
Current time	10:52 p.m.
Total time played	2 hours 4 minutes.

Example 2

The following is an example of electronic player information on a system where not all jackpot win amounts in the session are included on the credit meter:

Cash in	\$100.00
Credits played	\$245.50
Credits won	\$239.70*
Session Win or (Loss)	(\$5.80)*
Cash out	\$0.00

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Credits available	\$94.20*
Time commenced	8:48 p.m.
Current time	10.52 p.m.
Total time played	2 hours 4 minutes.

* These totals do not include amounts won from a jackpot during the session.

25. Gaming machines must generate and display electronic player information

- (1) Each gaming machine available for gaming in an approved venue or casino must be capable of generating and displaying and, at the election of a player, must generate and display electronic player information in respect of all games played on the gaming machine in a session.
- (2) The requirement for generating and displaying electronic player information applies—
 - (a) in respect of a new game, on and after the commencement of these Regulations;
 - (b) in respect of any other game, on and after 1 January 2008.

26. Venue operator to notify gaming operator if electronic information fails

- (1) Immediately on becoming aware that a gaming machine in an approved venue does not, or is not able to, generate or display electronic information in accordance with regulations 23 and 25, the venue operator must give written notice of that fact to the gaming operator who supplied the machine to the venue operator, together with the following—

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- (a) the identification number for the gaming machine issued under section 3.5.8 of the Act;
- (b) the date and time that the venue operator became aware that the information was not, or was not able to be, generated or displayed in accordance with regulations 23 and 25;
- (c) details of the failure to comply.

Penalty: 20 penalty units.

(2) If—

- (a) a venue operator gives a notice under sub-regulation (1) in respect of a gaming machine; and
- (b) the gaming machine is subsequently able to generate or display electronic information in accordance with regulations 23 and 25—

the venue operator must give written notice of that fact to the gaming operator who supplied the machine to the venue operator, together with details of how compliance was achieved.

- (3) This regulation does not apply to a venue operator who is a casino operator.

27. Gaming operator not to allow gaming on gaming machine without electronic information display

A gaming operator must not permit a gaming machine of that operator to be played if the gaming operator knows, or could reasonably be expected to know, that the gaming machine does not, or is not able to, generate or display electronic information in accordance with regulations 23 and 25.

Penalty: 20 penalty units.

28. Casino operator not to allow gaming on gaming machine without electronic information display

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A casino operator must not permit a gaming machine in the casino to be played if the casino operator knows, or could reasonably be expected to know, that the gaming machine does not, or is not able to, generate or display electronic information in accordance with regulations 23 and 25.

Penalty: 20 penalty units.

Division 5—Jackpot Information

29. What is jackpot information?

- (1) Jackpot information is the following information in relation to each game that may be played on a gaming machine that is part of a linked jackpot arrangement—
 - (a) a statement that the gaming machine is part of a linked jackpot arrangement;
 - (b) the total return to players of the game, being the sum of the return to players contributed by the game and the return to players contributed by the linked jackpot arrangement;
 - (c) the return to players of the game contributed by the linked jackpot arrangement.
- (2) The requirement for providing jackpot information applies—
 - (a) in respect of a new game, on and after the commencement of these Regulations;
 - (b) in respect of any other game, on and after 1 January 2008.

30. Provision of jackpot information

Jackpot information must be provided on each gaming machine that is part of a linked jackpot

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arrangement by either or both of the following methods—

- (a) a talker affixed to the gaming machine containing the information in the English language; or
- (b) the display of the information on the screen of the gaming machine in conjunction with the electronic game information required by regulation 23.

31. Jackpot information talkers

- (1) This regulation applies in relation to a gaming machine that is part of a linked jackpot arrangement if jackpot information is not provided by displaying the information on the screen of the gaming machine.
- (2) Each gaming operator must provide a sufficient number of talkers to comply with regulation 30(a) to each venue operator with whom the gaming operator has a contract for the supply of gaming machines that are part of a linked jackpot arrangement.

Penalty: 20 penalty units.

- (3) At all times when a gaming machine that is part of a linked jackpot arrangement is available for gaming in an approved venue, the venue operator must ensure that a talker containing jackpot information in the English language is displayed on the gaming machine.

Penalty: 20 penalty units.

- (4) On request by a venue operator with whom a gaming operator has a contract for the supply of gaming machines, the gaming operator must, within 14 days of the request, provide the venue operator with any further talkers that the venue

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operator needs to enable the venue operator to comply with sub-regulation (3).

Penalty: 20 penalty units.

- (5) At all times when a gaming machine that is part of a linked jackpot arrangement is available for gaming in a casino, the casino operator must ensure that a talker containing jackpot information in the English language is displayed on the gaming machine.

Penalty: 20 penalty units

- (6) Nothing in this regulation prevents the display of talkers containing information in languages other than English.
- (7) The requirement to display a talker under this regulation is in addition to the requirement to display a talker under regulation 17.

Division 6—Electronic Jackpot Information

32. Application of Division

This Division applies in relation to a gaming machine that is part of a linked jackpot arrangement if jackpot information is not provided by a talker.

33. Electronic jackpot information

Each gaming machine that is part of a linked jackpot arrangement and is available for gaming in an approved venue or casino must be capable of generating and displaying and, at the election of a player, must generate and display jackpot information.

34. Venue operator to notify gaming operator if electronic jackpot information fails

- (1) Immediately on becoming aware that a gaming machine in an approved venue that is part of a

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linked jackpot arrangement does not, or is not able to, generate or display jackpot information in accordance with regulation 33, the venue operator must give written notice of that fact to the gaming operator who supplied the machine to the venue operator, together with the following—

- (a) the identification number for the gaming machine issued under section 3.5.8 of the Act;
- (b) the date and time that the venue operator became aware that the information was not, or was not able to be, generated or displayed in accordance with regulation 33;
- (c) details of the failure to comply.

Penalty: 20 penalty units.

(2) If—

- (a) a venue operator gives a notice under sub-regulation (1) in respect of a gaming machine; and
- (b) the gaming machine is subsequently able to generate or display jackpot information in accordance with regulation 33—

the venue operator must give written notice of that fact to the gaming operator who supplied the machine to the venue operator, together with details of how compliance was achieved.

(3) This regulation does not apply to a venue operator who is a casino operator.

35. Gaming operator not to allow gaming on gaming machine without electronic jackpot information display

A gaming operator must not permit a gaming machine of that operator that is part of a linked jackpot arrangement to be played if the gaming

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operator knows, or could reasonably be expected to know, that the gaming machine does not, or is not able to, generate or display jackpot information in accordance with regulation 33.

Penalty: 20 penalty units.

36. Casino operator not to allow gaming on gaming machine without electronic jackpot information display

A casino operator must not permit a gaming machine in the casino that is part of a linked jackpot arrangement to be played if the casino operator knows, or could reasonably be expected to know, that the gaming machine does not, or is not able to, generate or display jackpot information in accordance with regulation 33.

Penalty: 20 penalty units.

Division 7—Loyalty Schemes

37. Information to be contained in written statement

For the purposes of section 3.5.36(1)(a)(ii) of the Act, the prescribed information is—

- (a) the information contained in that part of the Minister's specifications that applies to brochures;
- (b) a statement to the effect that, under section 3.5.36(3) of the Act, any new limit set by a participant under section 3.5.36(2) of the Act that increases the time or loss limits does not take effect until the time determined by the loyalty scheme provider, which must be at least 24 hours after the participant has notified the loyalty scheme provider of the new limit;
- (c) a statement to the effect that, under section 3.5.41(1) of the Act, a person who is or was

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a participant in a loyalty scheme may have access to any information held by the loyalty scheme provider relating to the person's participation in the scheme and that a fee not exceeding \$20 may be charged for the provision of access to the information.

Note: Section 3.5.36(1)(a)(i) of the Act requires that the written statement must also inform a prospective participant in a loyalty scheme that a participant may, at any time, set time and loss limits as provided by that section.

38. Information to be contained in player activity statement

- (1) For the purposes of section 3.5.37(1) of the Act, the prescribed information is—
 - (a) the name of the participant;
 - (b) the number or other identifier of the player loyalty card or account assigned to the participant by the loyalty scheme provider;
 - (c) the statement period;
 - (d) at the time of preparation of the statement, the time and loss limits (if any) set by the participant;
 - (e) in respect of all times during the statement period when the participant used his or her player loyalty card or account in the manner instructed by the loyalty scheme provider while playing a gaming machine—
 - (i) the total number of hours and minutes the participant played gaming machines; and
 - (ii) the total number of days, being any period of 24 hours set by the loyalty scheme provider, on which the

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participant played gaming machines;
and

- (iii) the net amount won or lost during the statement period by the participant on gaming machines expressed in accordance with sub-regulation (3) or (4) (as the case requires);
- (f) the information specified in paragraph (e) in respect of each calendar month during the statement period;
- (g) a statement to the effect that a participant may cease participating in the loyalty scheme by notifying the loyalty scheme provider;
- (h) a statement to the effect that a participant may set time and loss limits and change the limits by notifying the loyalty scheme provider;
- (i) a statement to the effect that the player activity statement only contains information relating to occasions where the participant used his or her player loyalty card or account in the manner instructed by the loyalty scheme provider while playing gaming machines;
- (j) the starting time of the period of 24 hours set by the loyalty scheme provider as a day;
- (k) if a loyalty scheme does not record jackpot payments won from playing gaming machines that are part of a linked jackpot arrangement, a statement to the effect that the player activity statement does not include information about any jackpot payments won from playing a gaming machine that is part of a linked jackpot arrangement;

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- (l) the statement "Excessive gambling may cause financial problems for some people";
 - (m) the name and telephone number of an organisation from which problem gambling assistance may be obtained;
 - (n) a statement to the effect that the player activity statement is a summary of player activity, and that full details of the transactions are available on request, and that a fee not exceeding \$20 may be charged for the provision of access to the information;
 - (o) if a loyalty scheme provider's system records the amount won or lost by a participant for each session of playing a gaming machine only in dollar amounts, a statement to the effect that the net amount recorded as won or lost by the participant is the sum of the amounts won or lost, calculated to the nearest dollar, in each session of playing a gaming machine and that the accuracy of this amount is dependent on the participant using the player loyalty card or account in the manner instructed by the loyalty scheme provider.
- (2) The statement and information referred to in sub-regulations (1)(l) and (1)(m) must be printed in bold or in a font that is at least two points larger than the font used elsewhere in the statement.
 - (3) The net amount won or lost by a participant is to be expressed in dollars and cents, except as provided by sub-regulation (4).
 - (4) If a loyalty scheme provider's system does not record cents, the net amount won or lost must be expressed in dollars, being the sum of the amounts won or lost in each relevant session of playing a

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gaming machine, with each of those amounts being calculated to the nearest dollar.

Examples

Example 1

The following is an example of a player activity statement where—

- (a) the loyalty scheme records jackpot payments won from playing gaming machines that are part of a linked jackpot arrangement; and
- (b) the loyalty scheme provider's system records amounts in dollars and cents.

Player Activity Statement for Ms J Smith

Statement Period: 01/03/05 to 30/09/05

Card or Membership Number: 123 456 78

Current daily time limit: 2 hours

Current daily net loss limit: \$30.00

Net Amount Won or (Lost): \$(60.00)

No. of Days: 15

Total duration: 22 hours and 53 minutes

Time spent playing gaming machines and amount won or lost each month			
Month	No. of Days	Duration	\$Net Amount Won or (Lost)
March	4	6h 35m	(50.10)
May	2	3h 32m	(15.00)
June	2	2h 21m	(33.20)
July	2	3h 13m	(55.00)
August	3	5h 11m	(14.00)
September	2	2h 1m	(2.70)

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Notes:

1. In this statement, a day starts at 4.00 a.m.
2. This activity statement only contains information relating to occasions where you used your player loyalty card or account in the manner instructed by the loyalty scheme provider while playing gaming machines.
3. This statement is a summary of your gaming activity for the period shown. Full details may be obtained by contacting the loyalty scheme provider as described in this statement. A fee not exceeding \$20 may apply for provision of the detailed information.
4. You may cease participating in this loyalty scheme by contacting the loyalty scheme provider.
5. You may set or change the amount of time you may play games under the scheme or your net loss limits on games played under the scheme by contacting the loyalty scheme provider.

You can contact the loyalty scheme provider—

- * by writing to the gaming operator at 123 Street, Suburb, Vic; or
- * at the gaming venue.

Excessive gambling may cause financial problems for some people. Assistance for problem gamblers may be obtained by calling the Gamblers Help Line 1 800 156 789.

Example 2

The following is an example of a player activity statement where—

- (a) the loyalty scheme does not record jackpot payments won from playing gaming machines that are part of a linked jackpot arrangement; and
- (b) the loyalty scheme provider's system records amounts in dollars only.

Player Activity Statement for Ms J Smith

Statement Period: 01/03/05 to 30/09/05

Card or Membership Number: 123 456 78

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Current daily time limit: 2 hours

Current daily net loss limit: \$30.00

Net Amount Won or (Lost): \$(60)

No. of Days: 15

Total duration: 22 hours and 53 minutes

Time spent playing gaming machines and amount won or lost each month			
Month	No. of Days	Duration	\$Net Amount Won or (Lost)
March	4	6h 35m	(51)
May	2	3h 32m	(15)
June	2	2h 21m	(33)
July	2	3h 13m	(55)
August	3	5h 11m	(14)
September	2	2h 1m	(2)

Notes:

1. In this statement, a day starts at 4.00 a.m.
2. This activity statement only contains information relating to occasions where you used your player loyalty card or account in the manner instructed by the loyalty scheme provider while playing gaming machines.
3. This statement does not include information about any jackpot payments won from playing a gaming machine that is part of a linked jackpot arrangement.
4. The net amount recorded as won or lost by you is the sum of the amounts won or lost, calculated to the nearest dollar, in each session of playing a gaming machine and the accuracy of this amount is dependant on you using the player loyalty card or account in the manner instructed by the loyalty scheme provider.
5. This statement is a summary of your gaming activity for the period shown. Full details may be obtained by contacting the loyalty scheme provider as described in this statement.

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A fee not exceeding \$20 may apply for provision of the detailed information.

6. You may cease participating in this loyalty scheme by contacting the loyalty scheme provider.
7. You may set or change the amount of time you may play games under the scheme or your net loss limits on games played under the scheme by contacting the loyalty scheme provider.

You can contact the loyalty scheme provider—

- * by writing to the gaming operator at 123 Street, Suburb, Vic; or
- * at the gaming venue.

Excessive gambling may cause financial problems for some people. Assistance for problem gamblers may be obtained by calling the Gamblers Help Line 1 800 156 789.

Division 8—Miscellaneous

39. Method of determination of net cash balance

For the purposes of the definition of "daily net cash balance" in section 3.6.2 of the Act, the amount to be deducted from the total amount wagered in relation to a gaming machine for payment to a jackpot special prize pool is determined—

- (a) in the case of a gaming machine of the holder of the gaming licence and the operator or operators (if any) of the gaming licence approved under section 4.3.15(1)(b) of the Act, by multiplying the total amount wagered by not more than 0.03 as determined by the Commission from time to time;
- (b) in the case of a gaming machine of a gaming operator who holds a gaming operator's licence and the declared operator (if any) of

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the licence, with respect to a particular jackpot special prize pool, by—

- (i) multiplying Z (where Z is the total amount wagered less the sum of all prizes paid) by not more than 0.10; or
- (ii) multiplying the total amount wagered by not more than 0.04—

as determined by the Commission from time to time.

40. Notification of determination

- (1) The Commission, immediately after making a determination under regulation 39, must serve notice in writing of the determination on the gaming operator of a gaming machine affected by the determination.
- (2) A determination under regulation 39 takes effect on the day specified in the notice, being a day not earlier than 7 days after the date on which notice of the determination was served on the gaming operator.

41. Application for venue operator's licence— publication of notice

For the purposes of section 3.4.8(3)(a) of the Act, the prescribed information to be contained in the notice published by an applicant for a venue operator's licence is—

- (a) a statement that an application has been made; and
- (b) the applicant's name and business address; and
- (c) the name and address of the venue at which the applicant proposes to conduct gaming, if known; and

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- (d) the number of gaming machines proposed to be installed at the venue, if known; and
- (e) the times at which it is proposed the venue will be open for gaming, if known; and
- (f) the address and telephone number of the Commission.

42. Application for listing on the Roll—publication of notice

For the purposes of section 3.4.61(3)(a) of the Act, the prescribed information to be contained in the notice published by an applicant for listing on the Roll of Manufacturers, Suppliers and Testers is—

- (a) a statement that an application has been made; and
- (b) the applicant's name and business address; and
- (c) the address and telephone number of the Commission.

43. Restricted components

The following components are restricted components for the purposes of the definition of "restricted component" in section 1.3(1) of the Act—

- (a) software designed specifically for a game, a gaming machine, linked jackpot equipment or an electronic monitoring system;
- (b) a software storage medium designed specifically for a game, a gaming machine, linked jackpot equipment or an electronic monitoring system;
- (c) a memory module designed specifically for a game, a gaming machine, linked jackpot

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- equipment or an electronic monitoring system;
- (d) an electronic module (including, but not limited to, a circuit board, but not including a repeater, signal amplifier or line isolation device) designed specifically for a game, a gaming machine, linked jackpot equipment or an electronic monitoring system.
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PART 4—CONDUCT OF WAGERING

44. Definition

In this Part, "**operator**" means the holder of the wagering licence or the wagering operator, if any.

45. Display of betting rules

- (1) The operator must display the betting rules in each cash outlet in a position readily accessible to the public.
- (2) The operator must make a copy of the betting rules available at its principal place of business on demand by any person.

46. Management and control of betting offices

Every betting office must be under the management and control of an officer, employee or agent of the operator appointed by the operator for that purpose.

47. Numbering and bracketing of selections

- (1) Subject to this regulation, the operator must allot to each selection in a totalisator a list number corresponding with the number of the selection (if any) in the official program of the controlling body.
 - (2) If there are more selections than there are list numbers available for allocation by the operator, the operator may create a sufficient number of brackets so that the highest list number allotted to any selection does not exceed the highest list number available.
 - (3) The operator may, at its option, create brackets for use in conjunction with any bet type offered by the operator.
 - (4) Selections bracketed together under sub-regulation (2) or (3) must—
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- (a) each be allotted the same list number with a distinguishing letter shown alongside that common list number; and
- (b) be allotted one list number only and (with the exception of a totalisator for wagering known as a feature double totalisator) bets accepted by the operator or an agent of the operator in respect of that bracket number must be taken to be invested on each selection included in that bracket.

48. Provision and display of information

- (1) The operator must obtain any information that is necessary to allow the operator to make selections and to declare dividends or prizes.
- (2) The operator must display in betting offices the information that is obtained by it under sub-regulation (1).

49. Determination and display of dividends or prizes

- (1) The operator must display in betting offices the results of events on which it conducts totalisators.
- (2) The operator must determine the dividends or prizes payable by it on having obtained the information referred to in regulation 48(1) and display in betting offices the dividends payable by it in respect of events on which it conducts totalisators.

50. Protests

- (1) In the case of a totalisator for wagering, if a protest is lodged in accordance with the rules of racing, the money available for dividends must be retained until the protest has been decided by the stewards and that money must thereafter be dealt with in accordance with the decision of the stewards on the protest.

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- (2) Prior to a decision on any protest of the kind referred to in sub-regulation (1), the operator may pay any dividends that it is satisfied will not be affected by the result of the protest.

51. Financial statements

Within 14 days after the day on which a totalisator or an approved betting competition is conducted by the operator, the operator must provide to the Commission a return of particulars in relation to that totalisator or approved betting competition in the form in Schedule 3 or in any other manner or form that is approved by the Commission.

52. Payments into pools

The operator may, in respect of any event, either—

- (a) prior to commencing to accept bets in respect of an event, allocate an amount of money to be used to increase the money available for dividends or prizes in respect of a totalisator or approved betting competition in respect of that event; or
- (b) after ceasing to accept bets in respect of an event, supplement the amount of money available for dividends or prizes in respect of a totalisator or approved betting competition in respect of that event so as to return a specified minimum dividend or prize.

53. Particulars on ticket

Every ticket issued by the operator in respect of a totalisator or an approved betting competition must identify by words and numbers or words or numbers, as the case may be—

- (a) the totalisator or approved betting competition concerned; and
- (b) the date and place of issue of the ticket; and

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- (c) the selection or combination of selections chosen; and
- (d) the amount of the bet.

54. Significant events

- (1) On discovering a significant event in respect of a totalisator or an approved betting competition conducted by the operator, the operator must, without delay and not more than 24 hours after the discovery, report the occurrence of the significant event to the Commission and provide to the Commission any further information in relation to the occurrence of the significant event that the Commission may require.
 - (2) For the purposes of sub-regulation (1), **"significant event"** means—
 - (a) an error in the calculation of a dividend or prize;
 - (b) an error in the calculation of the money available for dividends;
 - (c) the acceptance by the operator of a bet—
 - (i) in the case of a bet in a totalisator—after the start of the event on which the bet is accepted; or
 - (ii) in the case of a bet in an approved betting competition—after the start of the event in respect of which the bet is accepted or after the operator has indicated that it is not accepting, or has ceased to accept, bets in respect of that event, whichever is the later;
 - (d) the manipulation or attempted manipulation by a person employed by the operator of the equipment (including computer software) used in connection with wagering or approved betting competitions;
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- (e) the misuse by a person employed by the operator of information obtained by that person as a result of his or her employment;
- (f) the presentation of a forged ticket or the forgery or attempted forgery of a ticket in respect of a totalisator or an approved betting competition;
- (g) the cancellation of a bet after the result of the event on which the bet was made has been decided;
- (h) a period of time in excess of 10 minutes during which the operator is unable to accept bets at a time when the operator's betting offices are open for business;
- (i) the activation of the operator's emergency procedures or disaster recovery procedures in connection with the operator's totalisator business.

55. Termination of acceptance of bets

The operator must establish and maintain in place procedures or systems approved by the Commission to terminate the acceptance of bets by the operator—

- (a) in the case of a bet in a totalisator—after the start of the event on which the bet is accepted; or
- (b) in the case of a bet in an approved betting competition—after the start of the event in respect of which the bet is accepted or after the operator has indicated that it is not accepting, or has ceased to accept, bets in respect of that event, whichever is the later.

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PART 5—TRADE PROMOTION LOTTERIES

56. Conditions of a permit to conduct a trade promotion lottery

- (1) For the purposes of section 5.7.5(1)(b) of the Act, this regulation prescribes the conditions of a permit to conduct a trade promotion lottery.
 - (2) A permit holder must conduct a trade promotion lottery so as to benefit primarily the trade or business being promoted by the lottery and in accordance with the information provided in, or in support of, the application.
 - (3) A permit holder must ensure that—
 - (a) all information designed to or likely to induce a person to enter a trade promotion lottery; and
 - (b) any scratch and win card that is or forms part of the trade promotion lottery—
includes—
 - (c) the permit number; and
 - (d) the closing date of the trade promotion lottery; and
 - (e) if applicable, where and when the lottery will be drawn; and
 - (f) the name and date of the publication in which the names of winners will be published; and
 - (g) the requirements, if any, that must be met to be eligible to enter the lottery.
 - (4) If the permit holder or the person whose trade or business is to be promoted by a trade promotion lottery intends to use any information relating to an entrant in the trade promotion lottery for a purpose other than the conduct of the lottery—
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- (a) each purpose must be stated in the conditions of entry; and
 - (b) the permit holder and the person whose trade or business is being promoted by the lottery must not use, or permit to be used, the information relating to an entrant in the lottery except in accordance with the purpose stated in the conditions of entry.
- (5) A permit holder must cause—
- (a) the names of winners of prizes worth more than \$250 in a trade promotion lottery to be published in—
 - (i) a newspaper circulating generally in Victoria; or
 - (ii) if the trade promotion lottery was advertised solely through a trade journal, promotional magazine or a similar publication, that publication; and
 - (b) the winners to be advised in writing.
- (6) An entrant in a trade promotion lottery must not be required to be present at the drawing of the lottery in order to be eligible to win any prize in the lottery unless—
- (a) entry to the lottery is only available in the premises in which the draw is to take place; and
 - (b) the draw is to take place within 24 hours after the commencement of the lottery.
- (7) If a winner is present at the draw or is otherwise readily identified, the permit holder must pay or otherwise transfer the prize to the winner within 28 days after the draw.
- (8) If—
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- (a) a winner of a prize is not readily identified; and
 - (b) reasonable efforts have unsuccessfully been made to identify the winner of the prize; and
 - (c) the conditions of entry provide that the permit holder may draw an additional entrant's name in such a situation; and
 - (d) an additional entrant's name is drawn—
the additional entrant's name is substituted for the name of the winner of that prize.
- (9) The conditions of entry for a trade promotion lottery conducted with scratch and win cards must include—
- (a) disclosure of—
 - (i) the maximum number of scratch and win cards to be distributed; and
 - (ii) the total number and individual value of the prizes; and
 - (b) a condition that printing errors and other quality control matters will not be used as a reason for refusing payment of prizes.

Note: If a trade promotion lottery is to be drawn, the method of the draw must allow each ticket in the draw a random and equal chance of being drawn.

57. Records in relation to trade promotion lotteries

For the purposes of section 5.7.18 of the Act, the prescribed information that must be kept by the holder of a permit to conduct a trade promotion lottery is—

- (a) the manner in which entries to the trade promotion lottery were solicited; and
- (b) when and how the trade promotion lottery was drawn; and

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- (c) the names and addresses of the winners of any prize valued at \$1000 or more and a description of their respective prizes.

58. Trade promotion lottery with prize value of \$5000 or less

- (1) For the purposes of section 5.7.2(1)(b)(ii) of the Act, the conditions set out in this regulation are prescribed.
- (2) A person who conducts a lottery referred to in section 5.7.2 of the Act—
 - (a) must obtain the prior written consent for the conduct of the lottery from the person whose trade or business is to be promoted by the lottery; and
 - (b) must conduct the lottery so as to benefit primarily the trade or business being promoted; and
 - (c) must ensure that all information designed to or likely to induce a person to enter the lottery and any scratch and win card that is or forms part of the trade promotion lottery includes—
 - (i) the closing date of the lottery; and
 - (ii) if applicable, where and when the lottery will be drawn; and
 - (iii) the name and date of the publication in which the names of the winners will be published; and
 - (iv) the requirements, if any, that must be met to be eligible to enter the lottery; and
 - (d) must cause the names of winners of all prizes worth more than \$250 to be published in—

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- (i) a newspaper circulating generally in Victoria; or
 - (ii) if the lottery was advertised solely through a trade journal, promotional magazine or similar publication, that publication; or
 - (iii) if the value of the prizes in the lottery is \$500 or less, a newspaper circulating in the area in which the trade promotion lottery was held; and
- (e) must cause the winners of those prizes to be advised in writing; and
- (f) must ensure that records are kept that provide—
- (i) an accurate financial accounting of the trade promotion lottery; and
 - (ii) an accurate accounting for all entries; and
 - (iii) an accurate reporting of the distribution of the prizes.
- (3) The requirements of regulations 56(4), 56(6), 56(7), 56(8) and 56(9) apply to a trade promotion lottery referred to in section 5.7.2 of the Act as if a reference to a permit holder were a reference to a person who conducts such a lottery.

Note: If the trade promotion lottery is to be drawn, the method of the draw must allow each ticket in the draw a random and equal chance of being drawn.

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PART 6—CLUB KENO

59. Definition of club keno game

For the purposes of the definition of "club keno game" in section 1.3 of the Act, a club keno game is a game that is played—

- (a) on a club keno system approved by the Commission; and
- (b) after the players have selected, in accordance with the rules made under section 6.2.11 of the Act—
 - (i) a maximum of 15 numbers from the numbers 1 to 80 inclusive to match any of 20 numbers to be drawn in the playing of the game; or
 - (ii) heads, tails or evens—

by drawing 20 numbers from the numbers 1 to 80 inclusive by a method of random selection approved by the Commission.

60. Conduct of club keno games

- (1) The participants must—
 - (a) provide a schedule of club keno games to the Commission not less than one week before the date of the first game on the schedule; and
 - (b) notify the Commission in writing of a variation to the schedule before the schedule as varied is implemented.
- (2) The participants must not conduct a club keno game at a place other than the principal place of business of either of them except with the approval of the Commission.

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- (3) The Commission may give approval under sub-regulation (2) not less than 2 working days before the club keno game and subject to any condition that the Commission thinks fit.
- (4) The Commission may require that a club keno game or series of games be conducted under the supervision of the Commission or a person authorised by the Commission.

61. Hours for ticket sales and payment of prizes

An accredited representative may sell tickets in, and pay prizes in respect of, a club keno game during any period when the supply of liquor for consumption on the premises is authorised under the **Liquor Control Reform Act 1998**.

62. Prohibition on minors buying tickets—notice

An accredited representative must cause to be displayed, at every place (other than in a gaming machine area) within an approved venue where tickets in club keno games are available for sale, a notice which states in prominent letters that tickets will not be sold to minors.

63. Reporting on club keno games

- (1) For each day on which club keno games are conducted, a participant operating a club keno system must provide to the Commission a report of the results of the games.
- (2) A report under sub-regulation (1) must—
 - (a) be provided not more than 2 working days after the day to which it relates; and
 - (b) state the number and total monetary value of tickets sold and prizes won in each game; and

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- (c) the amount paid to the prizes fund under section 6.3.1 of the Act in respect of each game.

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PART 7—COMMUNITY AND CHARITABLE ORGANISATIONS

Division 1—Sporting or recreational clubs or associations

64. Sporting or recreational club or association

For the purposes of section 8.3.3(1)(b) of the Act, a sporting or recreational club or association is of a prescribed kind if—

- (a) it has a bona fide membership; and
- (b) it has been formed for recreational purposes or the promotion of any sport; and
- (c) if it is incorporated, it can show continuing compliance with the requirements of the law under which it is incorporated; and
- (d) if it is unincorporated—
 - (i) it is managed by a committee, elected by the general body of members for a period of not less than 12 months, which meets regularly; and
 - (ii) it consistently holds annual general meetings; and
 - (iii) it records its decisions accurately in writing; and
- (e) it has a treasurer who maintains proper financial records and presents a statement of income and expenditure and a balance sheet at its annual general meeting; and
- (f) it operates a banking account in its name; and
- (g) it issues cheques signed by not less than 2 authorised officers; and
- (h) it has a constitution which provides that in the event of the club or association being

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disbanded, its net assets will not be distributed to members but will be distributed to—

- (i) a fund with objectives similar to those of the club or association; or
- (ii) a fund which is appropriated exclusively for a purpose referred to in paragraph (b)(i) of the definition of "community purpose" in section 1.3(1) of the Act; or
- (iii) a community or charitable organisation.

Division 2—Bingo Permits

65. Conditions of bingo permit and rules of bingo

- (1) This Division prescribes—
 - (a) the conditions under section 8.3.13(3)(a) of the Act in respect of the conduct of a session or sessions of bingo games; and
 - (b) the rules of bingo.
- (2) The rules set out in Schedule 4 are prescribed for the conduct of bingo games.

66. Return in respect of bingo permit

- (1) It is a prescribed condition of a bingo permit that the permit holder must, before 1 October in each year that the bingo permit is in force, give the Commission a return setting out, in respect of the year or part year ending on the preceding 30 June, for each month—
 - (a) the gross receipts;
 - (b) the total expenses (including catering and the fees paid to the holder of a bingo centre operator's licence);
 - (c) the serial numbers of unsold tickets, if any;

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- (d) the prizes paid;
 - (e) the net proceeds of bingo;
 - (f) the balance of each jackpot pool, if any, at the end of that month.
- (2) A return under this regulation—
- (a) must be signed by—
 - (i) the responsible person; and
 - (ii) the president, secretary, treasurer or a director of the permit holder; and
 - (b) except in the circumstances set out in sub-regulation (4), must contain or be accompanied by a certificate addressed to the Commission from a person referred to in sub-regulation (3) setting out the person's opinion as to the truth and accuracy of the return.
- (3) A person may provide a certificate required by sub-regulation (2)(b) if the person—
- (a) not being a member of the governing body of the permit holder, has been appointed by the governing body with the same authority as the auditor of a public company; and
 - (b) is—
 - (i) a registered company auditor within the meaning of the Corporations Law; or
 - (ii) a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants; or
 - (iii) the manager of a branch of a financial institution.
- (4) Sub-regulation (2)(b) does not apply if-

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- (a) the gross receipts for the year of the return do not exceed \$50,000; and
 - (b) the running sheets and all bank records for the conduct of bingo have been reviewed by-
 - (i) the responsible person; and
 - (ii) the president, secretary or treasurer or a director of the permit holder; and
 - (c) the return contains or is accompanied by a certificate given by each person who has undertaken a review under paragraph (b) setting out the person's opinion as to the truth and accuracy of the running sheets and bank records.
- (5) A person must not give a certificate under sub-regulation (4)(c) that he or she knows, or could reasonably be expected to know, is false.

Penalty: 20 penalty units

- (6) It is a prescribed condition of a bingo permit that—
- (a) if the permit expires or is cancelled or surrendered, and no new permit is issued on its expiry, cancellation or surrender (as the case requires), the permit holder must give to the Commission, within 3 months after the expiry, cancellation or surrender of the permit, a return in respect of the period starting on the preceding 1 July and ending on the last day of the bingo permit; and
 - (b) if the permit expires or is cancelled or surrendered and a new bingo permit is issued, the permit holder must include in its first return under the new bingo permit the

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period starting on the preceding 1 July and ending on the last day of the bingo permit.

67. Sessions, premises etc.

- (1) It is a prescribed condition of a bingo permit that—
 - (a) a session of bingo games comprises up to 30 games conducted within an 8 hour period; and
 - (b) the price of bingo tickets must be the same for each ticket in a game but may vary from game to game; and
 - (c) the gross receipts of a session of bingo games must not exceed \$10 000.
 - (2) It is a prescribed condition of a bingo permit that—
 - (a) the permit and any written authority referred to in sub-regulation (3) must be conspicuously displayed at the entrance to premises in which a session of bingo games is conducted; and
 - (b) no charge may be made for admission to premises for the purpose of playing bingo.
 - (3) It is a prescribed condition of a bingo permit that each session of bingo games must be personally supervised by the responsible person or a person aged at least 18 years, authorised in writing by the responsible person, who must—
 - (a) ensure that bingo games are played only by people aged at least 18 years; and
 - (b) ensure that a running sheet is completed in accordance with regulation 78(2) in respect of every bingo game played; and
 - (c) ensure that prizes are paid as required by regulation 70; and
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- (d) perform any other duties required of the supervisor by the rules of bingo.
- (4) It is a prescribed condition of each bingo permit that not more than 4 sessions of bingo in total may be conducted by the organisation to which the permit is issued within any period of 7 consecutive days.

68. Banking

It is a prescribed condition of a bingo permit that the permit holder pay the gross proceeds from a session of bingo (less the amount of any jackpot pool retained for distribution as prize money in a later session of bingo in a jackpot sequence) into the account approved by the Commission under section 8.6.1 of the Act-

- (a) if the session was held in a bingo centre, within 3 days after the day on which the session was conducted; or
- (b) if the session was held in a place other than a bingo centre, within 5 days after the day on which the session was conducted; or
- (c) within any other period that the Commission notifies in writing to the permit holder.

69. Unsold tickets

It is a prescribed condition of a bingo permit that the bingo permit holder must retain unsold bingo tickets for 6 months after the date of the return under regulation 66.

70. Prizes

- (1) It is a prescribed condition of a bingo permit that the amount of prizes distributed—
 - (a) in a bingo game in a session in respect of which a jackpot operates must be not less

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- than 20% of the gross receipts for the game;
and
- (b) in a bingo game in a session in respect of which no jackpot operates must be not less than 50% and not more than 90% of the gross receipts for the game; and
 - (c) in a session of bingo games must be, in addition to paragraph (a), not less than 50% and not more than 90% of the gross receipts for the session; and
 - (d) in a rolling jackpot sequence must be, in addition to paragraphs (a) and (c), not less than 50% and not more than 90% of the gross receipts for the sequence.
- (2) It is a prescribed condition of a bingo permit that if, during a session of bingo games, a jackpot pool reaches \$10 000, the balance of the pool must be distributed as prize money in or before the last game in the session.
- (3) It is a prescribed condition of a bingo permit that if more than one jackpot pool is maintained concurrently under a permit, one only of the jackpot pools may be in operation in a session.
- (4) It is a prescribed condition of a bingo permit that prize money won in a bingo game must be paid at the end of the game—
- (a) if the prize is \$3000 or less, in cash; or
 - (b) if the winner requests it or the prize is more than \$3000, by cheque.

Division 3—Bingo Centres and Employees

71. Information to be published in application for bingo centre operator's licence

For the purposes of section 8.5.3(2)(b)(i) of the Act, the prescribed information is—

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- (a) the name and address of the applicant; and
- (b) the address of the bingo centre or proposed bingo centre.

72. Conditions of bingo centre operator's licence

For the purposes of section 8.5.7(3) of the Act, the prescribed conditions are—

- (a) a bingo centre operator must treat all permit holders equitably in the allocation of session times; and
- (b) a bingo centre operator must not conduct more than one session of bingo in the same room at the same time; and
- (c) a bingo centre operator who proposes to enter into an agreement under section 8.4.6 of the Act with a permit holder must declare to the governing body of the permit holder all conflicts between the interests of the operator of the bingo centre and the interests of the permit holder.

Division 4—Miscellaneous

73. Contract with bingo centre operator

If the holder of a bingo permit enters into an agreement under section 8.4.6 of the Act, a function or duty of the responsible person under this Part is a function or duty of the bingo centre operator with whom the agreement is made.

74. Expenses payable by a bingo permit holder

For the purposes of section 8.4.7 of the Act, the prescribed maximum amount in relation to each session of bingo is—

- (a) if the session is in a rolling jackpot sequence—60% of the amount remaining after deducting from the gross proceeds for

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that session the amount paid into the jackpot pool for distribution as prize money in a later session in a rolling jackpot sequence; or

- (b) in all other cases—60% of the gross proceeds of the session.

75. Standards for bingo tickets

For the purposes of section 8.4.3(1) of the Act, the prescribed standards for bingo tickets are—

- (a) each bingo ticket in a series—
 - (i) must have printed on its front, in a grid of 3 horizontal lines of 5 numbers each, a unique combination of 15 different numbers between 1 and 90 (both inclusive); and
 - (ii) must have printed on its front or back a serial number identifying the series, along with the words "serial number"; and
- (b) if a series of bingo tickets is printed in books of consecutive games—
 - (i) the books must be consecutively numbered throughout the series; and
 - (ii) each game in the series must be printed on paper of a different colour from the 4 preceding games; and
- (c) there must be a master book or master electronic table for the series, sufficient to identify each of the unique combinations referred to in paragraph (a)(i).

Note: Regulation 75 does not apply to Braille tickets in the form approved by the Commission.

76. Standards for random number generators

For the purposes of section 8.4.3(3) of the Act, the prescribed standards are—

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- (a) a random number generator must be capable of selecting a number at random from the numbers 1 to 90 inclusive and incapable of selecting numbers other than at random; and
- (b) a random number generator must be incapable, within a single bingo game, of selecting the same number twice.

77. Time limits

For the purposes of section 8.5.38 of the Act—

- (a) the prescribed period is 12 months; and
- (b) the prescribed time limit is 3 months after the expiry of the period to which the statement relates.

78. Records

- (1) For the purposes of section 8.6.2(2) of the Act, the prescribed information in relation to the holder of a bingo permit is—
 - (a) for each bingo game—
 - (i) except for braille tickets in the form approved under section 8.4.5 of the Act—
 - (A) the serial numbers of the bingo tickets sold;
 - (B) the total number of bingo tickets available to be sold; and
 - (C) the lowest book number and the highest book number of bingo tickets sold (start and finish selling numbers);
 - (ii) the number of bingo tickets sold, excluding braille tickets;
 - (iii) the number of charges made under section 8.4.5(3) of the Act for a

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- visually-impaired person to enter the game;
 - (iv) the gross receipts;
 - (v) the value of prizes paid and the name of the winner or winners; and
 - (vi) the gross profit; and
- (b) for each session of bingo games—
- (i) the expenses paid;
 - (ii) the opening balance of any jackpot pool and the date from which the jackpot pool was carried forward;
 - (iii) the closing balance of any jackpot pool and the date to which it will be carried forward;
 - (iv) the book number of any unsold book between the lowest book number for the session and the highest book number for the session (wasted book numbers).
- (2) The supervisor of a session of bingo games must keep a running sheet containing the information required to be kept under sub-regulation (1).
- (3) No bingo game may be commenced until the portion of the running sheet relating to the last previous bingo game has been completed.

Division 5—Lucky Envelopes

79. Conditions of lucky envelope permit

- (1) For the purposes of section 8.3.13(3)(a) of the Act, this regulation prescribes the conditions in respect of the sale of lucky envelopes.
- (2) Lucky envelopes must not be sold to persons under the age of 18 years.

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- (3) The name of the holder of the lucky envelope permit and the number of the permit must be clearly visible—
 - (a) on a receptacle, other than a lucky envelope vending machine, from which lucky envelopes are dispensed; and
 - (b) at the point of sale of lucky envelopes.
 - (4) Lucky envelopes in respect of which a cash prize may be payable may only be sold—
 - (a) on premises licensed under section 8 of the **Liquor Control Reform Act 1998**; or
 - (b) on premises occupied by the executive or governing body of the permit holder; or
 - (c) at a bingo centre operated under a bingo centre operator's licence; or
 - (d) at a fete, fair, carnival or gymkhana.
 - (5) The notional value of a series of lucky envelopes must not exceed \$5000.
 - (6) The value of prizes available to be won in a series of lucky envelopes must be not less than 50% and not more than 75% of the notional value of the series.
 - (7) A lucky envelope may only be sold by lucky envelope vending machine if—
 - (a) the machine has—
 - (i) a separate lockable coin or token tray; and
 - (ii) a visible distinctive serial number; and
 - (iii) a coin or token reject or return mechanism which prevents it from accepting coins or tokens without dispensing a lucky envelope; and
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- (b) the machine is constructed to prevent the dispensing of a lucky envelope without the insertion of a coin or token; and
 - (c) the machine has clearly displayed on it—
 - (i) the name of the permit holder; and
 - (ii) the number of the permit; and
 - (iii) the number of lucky envelopes in the series to which the lucky envelope belongs; and
 - (iv) a list of prizes and winning numbers, symbols or letters; and
 - (d) in the case of an electronic lucky envelope vending machine, in addition to any other requirement, the machine—
 - (i) is designed and constructed in such a way as to prevent physical or electronic access to a random number generator or a storage device (including memory) by a person other than a technician conducting necessary repairs or maintenance; and
 - (ii) is designed and constructed so that a purchaser of lucky envelopes cannot accumulate credits; and
 - (iii) is constructed so as to count and permanently record, by means of a tamper-proof device, each lucky envelope dispensed; and
 - (e) the machine is installed on premises—
 - (i) licensed under section 8 of the **Liquor Control Reform Act 1998**; or
 - (ii) occupied by the executive or governing body of the permit holder; or
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- (iii) in a bingo centre operated under a bingo centre operator's licence.

80. Standards for lucky envelopes

- (1) For the purposes of section 8.4.1 of the Act, this regulation prescribes the standards for lucky envelopes.
- (2) A lucky envelope must be part of a series.
- (3) Each series of lucky envelopes, except a lucky envelope dispensed from an electronic lucky envelope vending machine, must include and have published with it by the supplier—
 - (a) the same predetermined price for each lucky envelope; and
 - (b) a predetermined value of prizes and number of winning lucky envelopes—
which comply with regulation 79.
- (4) Each lucky envelope in a series, other than a lucky envelope in a punchboard, must have printed on the outside—
 - (a) a serial number identifying the series; and
 - (b) the name of the supplier; and
 - (c) the name of the holder of the lucky envelope permit and the number of the permit, unless—
 - (i) the name, Australian Company Number (if any), address and telephone number of the supplier are printed on each lucky envelope; and
 - (ii) the supplier maintains on the supplier's premises for 3 years after the date on which the lucky envelopes were supplied a register of—

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- (A) the serial number of the series;
and
 - (B) the name of the holder of the
lucky envelope permit; and
 - (C) the number of the lucky envelope
permit; and
 - (D) the date on which the lucky
envelopes were supplied; and
 - (E) the name of the person to whom
the lucky envelopes were
supplied.
- (5) A punchboard must have printed on it the name of the holder of the lucky envelope permit and the number of the permit, unless—
- (a) the name, Australian Company Number (if any), address and telephone number of the supplier are printed on the punchboard; and
 - (b) the supplier maintains on the supplier's premises for 3 years after the date on which the punchboard was supplied a register of—
 - (i) the name of the permit holder; and
 - (ii) the number of the permit; and
 - (iii) the date on which the punchboard was supplied; and
 - (iv) the name of the person to whom the punchboard was supplied.
- (6) Each lucky envelope must have printed on it so as only to be visible once the lucky envelope has been dispensed—
- (a) symbols, numerals or letters or any combination of any of them; or

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- (b) characters referred to in paragraph (a) and, in the case of a winning ticket, an indication that the ticket is a winning ticket; or
 - (c) the description of a prize which the holder is entitled to claim; or
 - (d) an indication that the lucky envelope is not a winning ticket; or
 - (e) a combination of paragraph (a), (b), (c) or (d).
- (7) If one or more lucky envelopes in a series comply with sub-regulation (6)(a) or (6)(b), there must be displayed at the point of sale of the lucky envelopes (or, in the case of a lucky envelope in a punchboard, on the punchboard) a legend which indicates the combinations of characters that entitle the holder to claim a prize and, if there are different prizes, the prize to which a particular combination relates.

81. Records

For the purposes of section 8.6.2 of the Act, the prescribed information that must be kept by the holder of a lucky envelope permit is, in respect of each series of lucky envelopes sold—

- (a) the premises on which the lucky envelopes were sold;
- (b) the name of each person who sold them, except if the lucky envelopes were sold in—
 - (i) premises licensed under section 8 of the **Liquor Control Reform Act 1998**; or
 - (ii) premises occupied by the executive or governing body of the permit holder; or
 - (iii) a bingo centre operated under a bingo centre operator's licence;

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- (c) the notional value, gross receipts and value of prizes paid;
- (d) the amount and nature of expenses incurred and the people to whom those expenses were paid;
- (e) the number of lucky envelopes not sold.

Division 6—Raffles

82. Conditions of raffle permits

- (1) For the purposes of section 8.3.13(3)(a) of the Act, this regulation prescribes the conditions of a raffle permit.
- (2) The number of tickets printed must not exceed the number authorised by the raffle permit.
- (3) On the sale of a ticket the responsible person must ensure that a permanent record is made of sufficient information to identify and locate the person to whom the ticket is sold.
- (4) Tickets may only be sold during the period authorised by the raffle permit.
- (5) A ticket in the raffle may only be a ticket in another raffle if authorised by the raffle permit.
- (6) The following must be printed on each ticket—
 - (a) the name of the holder of the raffle permit; and
 - (b) the raffle permit number; and
 - (c) the ticket price and the maximum number of tickets authorised by the raffle permit; and
 - (d) a description of each prize and its value; and
 - (e) when and where the raffle will be drawn and the method of publication or notification of the results.

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- (7) The raffle must be drawn on the day authorised by the raffle permit.
 - (8) The method of the draw must allow each ticket in the draw a random and equal chance of being drawn.
 - (9) If there is more than one prize, the first ticket drawn must win the first prize.
 - (10) Unless authorised by the raffle permit, a ticket which has been drawn is not eligible to be drawn again.
 - (11) The results of the draw must be published in accordance with the method of publication or notification printed on the tickets.
 - (12) If a winner is present at the draw or is otherwise readily identified, the holder of the raffle permit must pay or otherwise transfer the prize to the winner within 28 days after the draw.
 - (13) A book-buyer's prize must not be offered or paid unless the raffle permit authorises a book-buyer's prize.
 - (14) A person who sells tickets in the raffle—
 - (a) must be expressly or by necessary implication authorised by the holder of the raffle permit or responsible person to do so; and
 - (b) may only be remunerated (whether by way of a ticket seller's prize or otherwise) in accordance with a condition imposed by the Commission under section 8.3.13(3)(b) of the Act.
 - (15) If—
 - (a) the responsible person is not an employee of the holder of the raffle permit and will
-

EXPOSURE DRAFT

receive payment other than reasonable out of pocket expenses; or

- (b) the holder of the raffle permit or the responsible person has an agreement or arrangement with a person (other than an employee of the permit holder) to promote or conduct the raffle for reward—

that fact (including the name and, if applicable, Australian Company Number of the responsible person or the person promoting or conducting the raffle for reward) must be printed—

- (c) on every ticket; or

- (d) on all material advertising the raffle.

- (16) If the raffle is a raffle to which section 8.2.5(1) of the Act applies, every ticket in the raffle must state that all or part of the proceeds of the raffle are to be paid to or for the purposes of a political party and must name that political party.

83. Conditions for raffles where raffle permit not required

- (1) For the purposes of section 8.2.3 of the Act, the conditions set out in this regulation are prescribed.
- (2) A person may only conduct a raffle referred to in section 8.2.3 of the Act with the written authority of the governing body of the community or charitable organisation to benefit from the raffle.
- (3) The conditions in relation to tickets in a raffle for which a raffle permit is not required are—
 - (a) the period during which tickets are sold must not exceed 3 months;
 - (b) the value of the total number of tickets available for sale must not be greater than 6 times and not less than twice the value of all of the prizes;

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- (c) unless the raffle is a small raffle, on the sale of a ticket the person conducting the raffle must ensure that a permanent record is made of sufficient information to identify and locate the person to whom the ticket is sold;
 - (d) a ticket in a raffle must not be a ticket in another raffle;
 - (e) unless the raffle is a small raffle, the following must be printed on each ticket—
 - (i) the name of the community or charitable organisation to benefit from the raffle; and
 - (ii) the ticket price; and
 - (iii) a description of each prize and its value; and
 - (iv) the location, the date and the time at which the raffle will be drawn and the method of publication or notification of the results.
- (4) Tickets for a small raffle may be—
- (a) a blank raffle book numbered on both the butt and the ticket; or
 - (b) in the case of a raffle where the method of the draw is to be a spinning wheel, buttless numbered tickets from a perforated ticket sheet having no more numbers than there are divisions on the wheel.
- (5) The conditions in relation to the drawing of a raffle for which a raffle permit is not required are—
- (a) unless the raffle is a small raffle, the raffle must be drawn on the day printed on the ticket, being a day not more than 14 days after the proposed last ticket sale; and
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- (b) the method of the draw must allow each ticket in the draw a random and equal chance of being drawn; and
 - (c) if there is more than one prize, the first ticket drawn must win the first prize; and
 - (d) unless the raffle is a small raffle, a ticket which has been drawn is not eligible to be drawn again; and
 - (e) unless the raffle is a small raffle, the results of the draw must be published or notified in accordance with the method of publication or notification printed on the tickets.
- (6) In addition to sub-regulation (5), the conditions in relation to the drawing of a small raffle are—
- (a) if—
 - (i) a ticket butt is drawn to win a prize; and
 - (ii) the person to whom the ticket was sold cannot be identified from the butt; and
 - (iii) no person comes forward to claim the prize within a reasonable period after the draw is loudly proclaimed—
the raffle must be drawn again, without the ticket butt; and
 - (b) if the method of the draw is a spinning wheel and—
 - (i) there is no ticket butt; or
 - (ii) there is a ticket butt and the person to whom a ticket was sold cannot be identified from the butt; or
 - (iii) the wheel has come to rest on a number for which a ticket may not have been sold—
-

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and no person comes forward to claim the prize within a reasonable period after the draw is loudly proclaimed, the wheel must be spun again.

- (7) If a winner was present at the draw or is otherwise readily identified, the community or charitable organisation to benefit from the raffle must pay or otherwise transfer the prize to the winner within 28 days after the draw.
 - (8) A book-buyer's prize must not be offered or paid.
 - (9) A person who sells tickets must not be remunerated in respect of that activity.
 - (10) If—
 - (a) the person who conducts a raffle is not an employee of the community or charitable organisation to benefit from the raffle and will receive payment for conducting the raffle (other than reimbursement of reasonable out of pocket expenses); or
 - (b) the person who conducts a raffle or the community or charitable organisation to benefit from the raffle has an agreement or arrangement with another person (other than an employee of the community or charitable organisation) to conduct or promote the raffle for reward—

that fact (including the name and, if applicable, Australian Company Number of the person receiving the payment or the person conducting or promoting the raffle for reward) must be printed—

 - (c) on every ticket; or
 - (d) on all material advertising the raffle.
 - (11) If the raffle is a raffle to which section 8.2.5(1) of the Act applies, every ticket in the raffle must state that all or part of the proceeds of the raffle
-

EXPOSURE DRAFT

are to be paid to or for the purposes of a political party and must name that political party.

- (12) The person conducting a raffle must ensure that accurate records are kept for a period of 3 years after finalisation of the raffle of—
- (a) the disposition of funds; and
 - (b) unless the raffle is a small raffle, all tickets which have been printed; and
 - (c) the distribution of prizes.

84. Records

For the purposes of section 8.6.2 of the Act, the prescribed information that must be kept by the holder of a raffle permit is—

- (a) the manner in which tickets in the raffle were sold and how ticket sales were publicised; and
- (b) the names of the people to whom tickets were issued for sale and, for each person, how many tickets were sold, how many tickets were returned and how much money was remitted; and
- (c) when and how the raffle was drawn; and
- (d) the names and addresses of the winners and a description (including the value) of their respective prizes.

85. Disposal of unclaimed prizes in a raffle

- (1) If—
- (a) a winner does not claim a prize in a raffle; and
 - (b) the person who conducted the raffle cannot, after reasonable efforts to do so, find a winner of the prize—

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the community or charitable organisation to benefit from the raffle—

- (c) must ensure that the prize is retained for 12 months after the draw; or
 - (d) if the prize is livestock or property of a perishable nature, may sell the prize in a way that brings a reasonable price and retain the proceeds (after deducting the reasonable costs of the sale) for 12 months after the draw.
- (2) If a prize or proceeds of the sale of a prize retained under sub-regulation (1) remain unclaimed after a period of 12 months after the draw of the raffle, the community or charitable organisation must sell or otherwise dispose of the prize if this has not already been done and must pay the proceeds (after deducting the reasonable costs of the sale or disposal) to the Treasurer for payment into the Consolidated Fund.
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PART 8 - DUTIES OF GAMING INDUSTRY EMPLOYEES

86. Duties of a gaming industry employee working for a venue operator or a gaming operator

For the purposes of section 9A.1.2(1)(a) of the Act, the prescribed duties of a gaming industry employee employed by or working for a venue operator or a gaming operator are –

- (a) to investigate gaming machine irregularities and disputes players have about a gaming machine and report them to the gaming operator;
- (b) to validate a win by a player on a gaming machine;
- (c) to pay prizes and refunds;
- (d) to provide gaming tokens to players, redeem gaming tokens for players and physically or electronically store gaming tokens;
- (e) to possess and issue gaming equipment keys to other persons holding a gaming industry employee's licence;
- (f) to access the locked area of a gaming machine;
- (g) to maintain accounts and perform reconciliations in relation to returns and payments required under the Act;
- (h) to secure data within gaming equipment relating to games and gaming, the electronic monitoring system and player accounts;
- (i) in relation to gaming equipment software-
 - (i) to program the software;
 - (ii) to prepare, collate and access documentation in relation to the software;

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- (iii) to secure the software;
- (j) to transfer gaming equipment software into operational mode;
- (k) to vary a gaming machine or game in accordance with an approval given under section 3.5.5 of the Act;
- (l) to manually activate or re-activate a gaming machine or game approved under section 3.5.4 of the Act.
- (m) to supervise persons carrying out any of the duties referred to in paragraphs (a) to (l).

87. Functions of a gaming industry employee in a bingo centre

For the purposes of section 9A.1.2(1) (b) of the Act, the prescribed functions of a gaming industry employee in a bingo centre are –

- (a) selling bingo tickets;
- (b) writing up running sheets;
- (c) checking back numbers on bingo tickets;
- (d) paying prizes;
- (e) supervising persons performing any of the functions referred to in paragraphs (a) to (d).

88. Other duties of a gaming industry employee

For the purposes of section 9A.1.2 (1) (g) of the Act, the prescribed duties of a gaming industry employee are-

- (a) to install gaming equipment;
- (b) to connect gaming equipment to an electronic monitoring system at the premises of a gaming operator or at an approved venue;
- (c) to supervise persons carrying out any of the duties referred to in paragraphs (a) and (b).

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PART 9—FEES

Division 1—Gaming Machines

89. Application for approval of premises

For the purposes of section 3.3.4(2) of the Act, the prescribed fee to accompany an application for an approval of premises is 423 fee units.

90. Application for venue operator's licence

For the purposes of section 3.4.8(2) of the Act, the prescribed fee to accompany an application for a venue operator's licence is 160.5 fee units.

91. Application for renewal of venue operator's licence

For the purposes of section 3.4.16(2) of the Act, the prescribed fee to accompany an application for a new venue operator's licence is 154 fee units.

92. Application for amendment of venue operator's licence

For the purposes of section 3.4.18(1)(b) of the Act, the prescribed fee for an application for amendment of a venue operator's licence is—

- (a) in the case of an amendment under section 3.4.17(1)(a) of the Act, being the addition of an approved venue, 27 fee units;
- (b) in the case of an amendment under section 3.4.17(1)(b) of the Act—
 - (i) being an increase in the number of gaming machines permitted in an approved venue, 513 fee units;
 - (ii) being a decrease in the number of gaming machines permitted in an approved venue, 21 fee units;

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- (c) in the case of an amendment under section 3.4.17(1)(c) of the Act, being a variation of the gaming machine areas approved for an approved venue, 29.5 fee units;
- (d) in the case of an amendment under section 3.4.17(1)(d) of the Act, being a variation of the days or dates on which 24 hour gaming is permitted in an approved venue, 326.5 fee units;
- (e) in the case of an amendment under section 3.4.17(2) of the Act, being the addition of a condition specifying days or dates on which 24 hour gaming is permitted in an approved venue when none currently takes place, 326.5 fee units.

93. Application for listing on Roll

For the purposes of section 3.4.61(2)(a) of the Act, the prescribed fee to accompany an application for listing on the Roll is 390.5 fee units.

94. Evaluation of a gaming machine type or game

For the purposes of section 3.5.4(1) of the Act, the prescribed fee for evaluation of a gaming machine type or game is 30 fee units.

Division 2—Community and Charitable Gaming

95. Minor gaming permit

For the purposes of section 8.3.12(2)(e) of the Act, the prescribed fee to accompany an application for a minor gaming permit is 3.5 fee units.

96. Amendment of conditions of minor gaming permit

For the purposes of section 8.3.17(2)(a)(iii) of the Act, the prescribed fee for a proposed amendment

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to the conditions of a minor gaming permit is 2 fee units.

97. Bingo centre operators

- (1) For the purposes of section 8.5.3(1) of the Act, the prescribed fee to accompany an application for a bingo centre operator's licence is 153 fee units.
- (2) For the purposes of section 8.5.11(1) of the Act, the prescribed fee for renewal of a bingo centre operator's licence is 142 fee units.

Division 3—Miscellaneous Gaming

98. Calcutta Sweepstakes

For the purposes of section 2.2.9(2) of the Act, the prescribed fee to accompany an application for approval to conduct Calcutta Sweepstakes is 3.5 fee units.

Division 4—Trade Promotion Lotteries

99. Application for permit to conduct trade promotion lottery

For the purposes of section 5.7.3(2)(d) of the Act, the prescribed fee to accompany an application for a permit to conduct a trade promotion lottery is 26 fee units.

100. Amendment of conditions of permit

For the purposes of section 5.7.9(3) of the Act, the prescribed fee to accompany a proposal by a permit holder for an amendment to the conditions of a permit to conduct a trade promotion lottery is 16 fee units.

Division 5—Interactive Gaming

101. Interactive gaming licence

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For the purposes of section 7.3.1(2)(b) of the Act, the prescribed fee to accompany an application for an interactive gaming licence is 388 fee units.

102. Endorsement of interactive gaming licence

For the purposes of section 7.3.15(2)(b) of the Act, the prescribed fee is 124.5 fee units.

Division 6 - Gaming Industry Employees

103. Application for gaming industry employee's licence

For the purposes of section 9A.1.4(3)(a) of the Act, the prescribed fee is 12 fee units.

104. Application for replacement identification

For the purposes of section 9A.1.8(4)(b) of the Act, the prescribed fee is 2 fee units.

105. Application for renewal of gaming industry employee's licence

For the purposes of section 9A.1.11(2) of the Act, the prescribed fee is 5 fee units.

106. Application for a gaming industry employee's licence by a casino special employee licensed under the Casino Control Act 1991

For the purposes of section 9A.1.21(2)(a) of the Act, the prescribed fee is 4 fee units.

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PART 10—MISCELLANEOUS

107. Disclosure of protected information

For the purposes of section 10.1.34(1)(a) of the Act, the authorities and persons listed in Schedule 5 are prescribed.

108. Performance of Commission's functions

A function of the Commission under these Regulations may be performed by the Executive Commissioner.

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Sch. 1

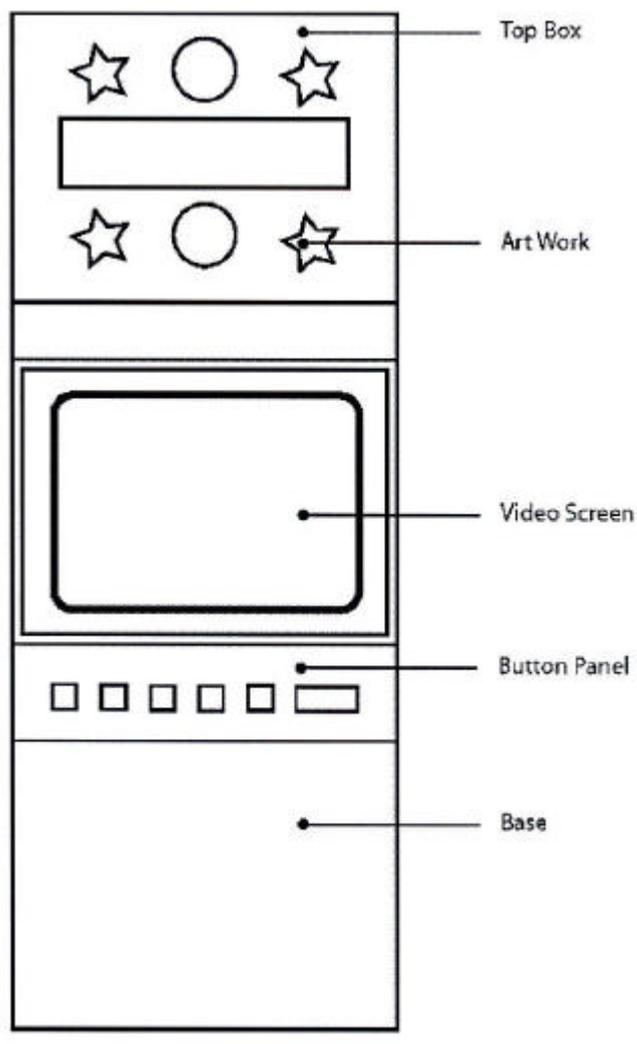
SCHEDULES

SCHEDULE 1

Regulation 7

DIAGRAM 1

GAMING MACHINE WITH TOP BOX

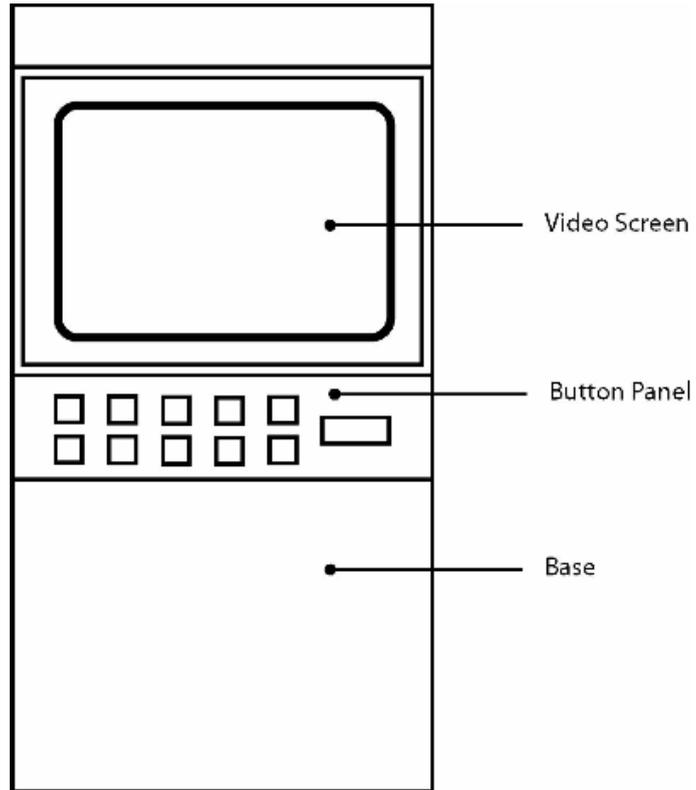


EXPOSURE DRAFT

Sch. 1

DIAGRAM 2

GAMING MACHINE WITHOUT TOP BOX



EXPOSURE DRAFT

Sch. 2

SCHEDULE 2

Regulations 12 and 13

LIGHTING REQUIREMENTS

1. The minimum level of horizontal illuminance measured 0.3 metres in front of the base of an electronic gaming machine and 1.5 metres above floor level is 50 lux.
 2. The average horizontal illuminance in general areas measured 1.5 metres above the floor of the general area is a minimum level of 40 lux.
 3. The minimum level of horizontal illuminance in general areas measured at 1.5 metres above the floor of the general area is 20 lux.
 4. The minimum level of vertical illuminance measured to the left and the right side and perpendicular to the screen of a gaming machine, at 0.3 metres in front of the base of the gaming machine and 1.5 metres above floor level, is 30 lux.
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EXPOSURE DRAFT

Sch. 4

SCHEDULE 4

Regulation 65

THE RULES OF BINGO

1. Versions of bingo etc.

- (1) Only one of the following versions may be played in a game of bingo—
 - (a) Version 1: The game is won by the first player to—
 - (i) have all the numbers in the top horizontal line of numbers on his or her ticket announced by the caller; and
 - (ii) call "line" or "bingo" or make an audible noise or have another person call "line" or "bingo" on his or her behalf after the caller finishes calling the number but before the next number is called;
 - (b) Version 2: The game is won by the first player to—
 - (i) have all the numbers in the middle horizontal line of numbers on his or her ticket announced by the caller; and
 - (ii) call "line" or "bingo" or make an audible noise or have another person call "line" or "bingo" on his or her behalf after the caller finishes calling the number but before the next number is called;
 - (c) Version 3: The game is won by the first player to—
 - (i) have all the numbers in the bottom horizontal line of numbers on his or her ticket announced by the caller; and
 - (ii) call "line" or "bingo" or make an audible noise or have another person call "line" or "bingo" on his or her behalf after the caller finishes calling the number but before the next number is called;
 - (d) Version 4: The game is won by the first player to—
 - (i) have all the numbers on his or her ticket announced by the caller; and
 - (ii) call "line" or "bingo" or make an audible noise or have another person call "line" or "bingo" on
-

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Sch. 4

his or her behalf after the caller finishes calling the number but before the next number is called;

- (e) Version 5: The game is won by the first player to—
 - (i) have all the numbers on any one of the three horizontal lines on his or her ticket announced by the caller; and
 - (ii) call "line" or "bingo" or make an audible noise or have another person call "line" or "bingo" on his or her behalf after the caller finishes calling the number but before the next number is called.
- (2) If 2 of more players win a bingo game, they share the prize as joint winners.
- (3) If a player, on the announcement of a number that entitles the player to declare himself or herself a winner, fails to do so, the player is taken to have forfeited the bingo game.
- (4) If a player incorrectly declares himself or herself a winner, that player is permitted to continue to play the bingo game.
- (5) If an incorrect number is announced, that incorrect announcement, for the purpose of determining the winner of a bingo game, is taken not to have been made.

2. Duties of the caller and the supervisor

- (1) A person must be appointed a caller and another person (subject to regulation 67(3), the responsible person on the permit) must be appointed as supervisor for each bingo game.
- (2) The caller and the supervisor must not participate as players during the bingo game.
- (3) The caller must—
 - (a) before the commencement of the first bingo game in a session of bingo -
 - (i) announce which of the versions specified in rule 1 will be played; and
 - (ii) announce that the count back of the numbers on the tickets can be made by the supervisor or another person in the presence of an independent player; and

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Sch. 4

- (iii) announce that it is a duty of the supervisor to determine any disputes about the playing of bingo; and
 - (b) randomly select numbers from—
 - (i) a random number generator; or
 - (ii) a receptacle containing 90 balls numbered consecutively from 1 to 90; and
 - (c) announce each selected number; and
 - (d) if numbers are being selected from a receptacle as specified in paragraph (b)(ii), hand the selected numbered ball to the supervisor.
 - (4) The supervisor must—
 - (a) cause a visual representation of each selected number to be displayed in such a way that it is clearly visible to all players until the end of the game; and
 - (b) cause to be displayed a visual representation of the serial numbers (if any) and the first and last ticket book numbers (if any) for the game; and
 - (c) if the numbers are being selected from a receptacle as specified in sub-rule (3)(b)(ii), check that the number has been correctly announced by the caller and place it on a rack which is clearly visible to all players until the end of the game; and
 - (d) determine any disputes about the playing of a game of bingo that is played during any session he or she is supervising.
 - (5) The supervisor must determine the winner of the bingo game by undertaking the following steps or by causing them to be undertaken by another person -
 - (a) collecting the winning bingo ticket from each player who has declared himself or herself to be a winner; and
 - (b) confirming the serial number (if any) and the ticket book number (if any) of the ticket; and
 - (c) confirming that the ticket was sold for play in the relevant game; and
 - (d) calling back the numbers on the ticket are called back against the numbers called, in the presence of an independent player.
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EXPOSURE DRAFT

Sch. 4

- (6) If the caller or the supervisor becomes aware that an error has been made in the calling or display of numbers, he or she must immediately make an announcement correcting the error.

3. Jackpots

- (1) Part of the gross receipts of one or more bingo games in a session may be held in a jackpot pool for distribution as prize money—
 - (a) in a later game in that session; or
 - (b) in a game in a later session in a rolling jackpot sequence.
- (2) Before the commencement of the first bingo game in a session of bingo games in respect of which a jackpot will operate, the caller must announce—
 - (a) the game or games in which some or all of the jackpot pool will be distributed and the method of distribution; and
 - (b) if the jackpot is part of a rolling jackpot, the date of the session from which the jackpot pool is carried forward and the balance carried forward from that session.
- (3) After the last bingo game in a session of bingo games in a rolling jackpot sequence, the caller must announce—
 - (a) the closing balance of the jackpot pool; and
 - (b) the time, date and place of the next session in the sequence.

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Sch. 5

SCHEDULE 5

Regulation 107

AUTHORITIES AND PERSONS TO WHOM PROTECTED INFORMATION MAY BE DISCLOSED—SECTION 10.1.34

Australia

Chief Executive Officer, Australian Customs Service
Commissioner, Australian Taxation Office
Commissioner for Revenue, Australian Capital Territory
Chairperson, Liquor Administration Board, New South Wales
Chairman, Northern Territory Licensing Commission
Director, Liquor Licensing, Victoria

United States of America

Secretary, Department of Treasury, United States of America
Assistant Secretary, US Immigration and Customs Enforcement,, Department
of Homeland Security
Chairman, United States Postal Service

EXPOSURE DRAFT

Endnotes

Explanatory Details

Table of Applied, Adopted or Incorporated Matter Required by Subordinate Legislation Regulations 1994

Note that the following table of applied, adopted or incorporated matter is included in accordance with the requirements of regulation 6 of the Subordinate Legislation Regulations 1994.

Statutory Rule Provision	Title of applied, adopted or incorporated document	Matter in applied, adopted or incorporated document
Regulations 5(1), 16(1), 17(1), 18(1)	Specifications for printed information for players of gaming machines as published by the Minister on the Commission's website from time to time	The whole of the Specifications

¹ Reg 4:SR.No. 78/2004

DEPARTMENT
OF JUSTICE