



Victoria Government Gazette

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Gambling Regulation Act 2003

Notice is hereby given that the Victorian Commission for Gambling and Liquor Regulation has made the below standards pursuant to section 10.1.5B of the **Gambling Regulation Act 2003** (the Act), and has determined the following operational requirements pursuant to section 10.1.5C of the Act.

The Minister for Gaming granted approval for the standards to be made on 24 July 2012.

These standards and operational requirements apply to approved gaming venues in the State of Victoria, and will be effective from 16 August 2012.

ST1 GENERAL SECURITY

ST1.1 Introduction

ST1.1.1 An excerpt from section 10.1.5B of the **Gambling Regulation Act 2003** (the Act) states:

- (1) The Commission may, with the approval of the Minister, make and amend standards in respect of any of the following –

...

- (b) the conduct of gaming

ST1.1.2 An excerpt from section 3.1.4 of the Act states:

- (1) A reference in this Chapter to the *conduct of gaming* is a reference to –
 - (a) the management, use, supervision and operation of gaming equipment, and the doing of those things under a linked jackpot arrangement

ST1.2 General Security

ST1.2.1 All security systems must comply with the following Australian Standards (AS/NZS 2201 – Electronic Security Standards) in respect of manufacture, installation and off-site monitoring:

- (a) AS/NZS 2201.1:2007 – Client's premises – design, installation, commissioning and maintenance;
- (b) AS 2201.2:2004 – Monitoring centres;
- (c) AS 2201.3:1991 – Detection devices for internal use;
- (d) AS 2201.4:1990 – Wire-free systems installed in client's premises; and
- (e) AS/NZS 2201.5:2008 – Alarm transmission systems.

OR1 GENERAL SECURITY

OR1.1 Introduction

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SPECIAL

OR1.2 General Security

- OR1.2.1 All installations of gaming equipment are to be secured either physically or electronically (or both) to minimise risk (including, but not limited to, theft, physical safety, unauthorised entry) at all times.
- OR1.2.2 Venue Operators must, after any works have been conducted in the GMA and routinely, at least bi-annually, undertake a test of the ‘after hours’ monitoring system within the GMA, including the duress alarm(s).
- OR1.2.3 All data communications equipment that is not secured within its own locked casing must be in a lockable, ventilated cabinet which is inaccessible by the public.

ST2 GAMING EQUIPMENT KEYS AND LOCKS**ST2.1 Introduction**

ST2.1.1 An excerpt from section 10.1.5B of the **Gambling Regulation Act 2003** (the Act) states:

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ST2.1.2 An excerpt from section 3.1.4 of the Act states:

- (1) A reference in this Chapter to the *conduct of gaming* is a reference to –
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ST2.2 Gaming Equipment Keys and Locks

ST2.2.1 Each venue’s locks and keys for gaming machines/gaming equipment must be exclusive to the venue.

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OR2.2 Gaming Equipment Keys and Locks

OR2.2.1 All doors of a given type (excluding the logic door) for gaming machines/gaming equipment within a venue must have the same kind of lock (key groups – *see below*).

OR2.2.2 Within each key group, locks are to be unique to the venue (see separate requirement for logic door of machines acquired in the transition process).

OR2.2.3 Locks and keys must be obtained from a lock supplier who maintains a record of locks supplied to venue operators. Keys must be duplicated only by the supplier who supplied the initial key.

OR2.2.4 Keys must be of a type that cannot be easily reproduced, e.g. bi-lock key.

OR2.2.5 A venue operator must keep a record of gaming machine/equipment locks and keys purchased, and this must be available for inspection by VCGLR upon request.

OR2.2.6 A key safe (or cabinet) must be installed to securely store keys when not in use, and this must be accessible only to licensed Gaming Industry Employees (GIEs).

OR2.2.7 As a minimum, a venue must have the following key groups:

(a) General lock/key

- i. Main door of gaming machine cabinet
- ii. Belly door
- iii. Audit function
- iv. Hard meter

The locks and keys are to be designed so that it is not possible to remove a key while remaining in Audit (or employee) mode.

(b) Cash box lock/key

- i. Cash box (or drop box)
- ii. Banknote acceptor (BNA) door (the bracket that holds the BNA stacker)

(c) Banknote stacker lock/key

- i. Stacker box that contains banknotes

(d) Logic lock/key

- i. Logic area of a gaming machine.

Note: It is acceptable for a venue to have a different lock/key for machines purchased from a former gaming operator (legacy operator) e.g. one lock for machines purchased from Tabcorp and another lock for machines purchased from Tattersall's. Machines purchased from a manufacturer or supplier listed on the Roll must be keyed to match one or other of the legacy operated machines.

ST3 KEY CONTROL AND MANAGEMENT SYSTEM

ST3.1 Introduction

ST3.1.1 An excerpt from section 10.1.5B of the **Gambling Regulation Act 2003** (the Act) states:

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ST3.1.2 An excerpt from section 3.1.4 of the Act states:

- (1) A reference in this Chapter to the **conduct of gaming** is a reference to –
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ST3.2 Key Control and Management System

ST3.2.1 Keys to access gaming machines/equipment must be restricted and controlled.

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OR3.2 Key Control and Management System

OR3.2.1 A key register must be maintained and all entries made must be clearly legible. The key register must provide an audit trail of the use of gaming keys by continuous log. It must identify key user, GIE number, time and date of issue, time and date of return.

OR3.2.2 Access to gaming keys must be restricted to licensed Gaming Industry Employees (GIEs).

OR3.2.3 Access to, and return of keys must be counter-signed in the key register by a supervisor/manager.

OR3.2.4 Keys must not be assigned to a GIE until that person's details have been entered in the key register.

OR3.2.5 Keys to the logic area of gaming equipment must not be issued to anyone other than to a GIE to perform the following prescribed duties –

- (a) To install and certify gaming machines/equipment
- (b) To connect gaming machines/equipment to an electronic monitoring system at an approved venue
- (c) To service, maintain and repair gaming machines/equipment

OR3.2.6 A reconciliation of all keys must be undertaken at the beginning and end of trade and at shift changes and all keys must be accounted for. Should there be a key(s) that cannot be accounted for, refer to the guidelines on lost and stolen keys.

OR3.2.7 The key register and keys must be available for Commission audits at all times.

ST4 ELECTRONIC AND PHYSICAL SUPERVISION FOR THE CONDUCT OF GAMING

ST4.1 Introduction

ST4.1.1 An excerpt from section 10.1.5B of the **Gambling Regulation Act 2003** (the Act) states:

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ST4.1.2 An excerpt from section 3.1.4 of the Act states:

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ST4.2 Electronic (CCTV) Supervision

ST4.2.1 The venue's CCTV system must:

- (a) Record continuously (defined as without interruption, i.e. not motion detection) – 24 hours a day, 7 days a week.
- (b) Record at a minimum rate of 6 frames per second.
- (c) Have auto-embedded time, date, and camera ID on all pictures.
- (d) Store images at an adequate resolution and picture quality to enable the identity of an individual, at all entrances and exits and at the cashier station; and for recognition of an individual at other areas within the GMA.

ST4.3 Physical Supervision

ST4.3.1 The minimum requirement for physical supervision and for the conduct of gaming within a Gaming Machine Area (GMA) is as follows:

Minimum requirements for all venues when conducting gaming	1 Gaming Industry Employee (GIE) to conduct gaming duties, plus 1 other GIE on premises available to assist in the conduct of gaming
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OR4.1.3 Rule 4 of the VCGR Rules states:

A venue operator must ensure that the operation of the gaming machine area and each gaming machine is subject to continual supervision. Supervision may be electronic or physical or a combination of both.

OR4.2 Electronic (CCTV) Supervision

OR4.2.1 Images are to be retained for 14 days, unless the venue's Liquor Licence specifies a greater length of retention, in which case the Liquor Licence stipulation applies to the GMA.

OR4.2.2 The system must be able to export video and still images to a removable storage medium with time and date embedded, i.e. any incident needs to be able to be isolated and retained.

OR4.2.3 Images must be exported in the native file format at the same quality that they were stored in on the system.

OR4.2.4 Exported images must include any software needed to view or replay the images. The player must be stand-alone and have the appropriate software to playback from the native file format, without the need to convert files.

OR4.2.5 The playback software must:

- (a) Have variable speed control including frame by frame, forward and reverse viewing.
- (b) Display single and multiple cameras and maintain the same relative height and width.
- (c) Display a single camera at full resolution.
- (d) Permit the recording from each camera to be searched by time and date.
- (e) Allow the time and date associated with each picture to be legible.

OR4.2.6 Must be capable of automatic reboot and automatic resumption of system settings without operator intervention in the event of loss of power.

Playback Viewing

OR4.2.7 Viewing and playback facilities must be in an area accessible to at least one authorized staff member or manager/duty manager at any time.

OR4.2.8 At least one authorised staff member, at any time, must be able to operate the system including knowledge of any passwords relevant to the system.

OR4.2.9 The system must have simultaneous recording and play back capabilities.

Cameras

OR4.2.10 Maintenance carried out on the system that may compromise the capability/competence of the system must be undertaken by a security surveillance company.

OR4.2.11 Fixed cameras must be installed to continuously monitor all gaming machines and jackpot signs. Pan, tilt, zoom (PTZ) cameras may be used for general surveillance but must not be installed in the place of fixed cameras.

OR4.2.12 Cameras must record in colour.

OR4.2.13 The system must be visually inspected every 24 hours to ensure each camera is working and adjusted correctly.

OR4.2.14 The recording and playback system must be checked every 7 days to ensure that it is working correctly.

The Venue

OR4.2.15 Appropriate signage must be displayed at all entrances to the GMA to notify customers that CCTV cameras are in use in the venue.

OR4.2.16 Cameras must be positioned in the GMA, in such a way that the front of each gaming machine is visible in its entirety on camera, when the GMA is unoccupied (i.e. there are no customers obscuring any part of the machines).

OR4.2.17 At least one camera must show the cashier station, with the view showing the cash drawer and facial identification of the patron standing at the cashier station.

OR4.2.18 Cameras must show each access doorway to the gaming machine area with picture quality to enable facial recognition and identification.

Note: CCTV surveillance requirements aim to provide a tool to enable venue operators and the VCGLR to identify a person tampering with or attempting to tamper with gaming equipment; and to aid in resolving a dispute between a customer and the venue.

ST5 CASHIER STATION OPERATIONS AND INSTALLATION OF GAMING EQUIPMENT

ST5.1 Introduction

ST5.1.1 An excerpt from section 10.1.5B of the **Gambling Regulation Act 2003** (the Act) states:

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ST5.2 Cashier Station Operations and Installation of Gaming Equipment

ST5.2.1 The cashier station must be constructed in such a way that ensures that gaming equipment within the cashier station, which is not intended for public use, is not accessible by the public.

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OR5.2 Cashier Station Operations and Installation of Gaming Equipment

OR5.2.1 The cashier station must be continuously monitored by CCTV (see standard and operational requirement for Electronic and Physical Supervision for the conduct of gaming).

OR5.2.2 All cabling in the cashier station must be securely fixed so that it cannot constitute a hazard or be interfered with. Any equipment and/or personal belongings must not be stored on it or near it to cause a hazard or interference.

OR5.2.3 Ancillary equipment associated with the conduct of gaming and housed in the cashier station, such as coin dispensers, coin weighing scales etc. must be inaccessible to the public.

OR5.2.4 Gaming and ancillary gaming equipment housed in the cashier station must be accessible for VCGLR inspection.

OR5.2.5 Where the Site Controller is located at the cashier station, this must be adequately secured and must not be easily accessible by the public.

OR5.2.6 An operational duress alarm must be installed in the cashier station.

OR5.2.7 Ancillary equipment such as coin dispensers, electronic coin scales or any non-gaming related equipment must not be connected to the distribution board dedicated to gaming equipment.

OR5.2.8 Coin dispensers and coin weighing scales must clearly display to the customer the dollar value dispensed and redeemed.

OR5.2.9 If the cashier station is situated outside the approved gaming machine area of an approved venue, gaming machine advertising must not be displayed at the cashier station.

ST6 GAMING MACHINE BASES**ST6.1 Introduction**

ST6.1.1 An excerpt from section 10.1.5B of the *Gambling Regulation Act 2003* (**the Act**) states:

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ST6.1.2 An excerpt from Section 3.1.4 of the Act states:

- (1) A reference in this Chapter to the **conduct of gaming** is a reference to –
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...

- (c) the installation, alteration, adjustment, maintenance or repair of gaming equipment

ST6.2 Gaming Machine Bases

ST6.2.1 Gaming machine bases must be constructed so as to provide a secure and stable environment for data communications and electrical cables, and physical support for the gaming machine.

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OR6.2 Gaming Machine Bases

OR6.2.1 Gaming machine bases must be sturdy and able to support, at a minimum, the weight of a gaming machine (and jackpot sign). This includes any additional weight that may be applied, e.g., patrons leaning on the machine.

OR6.2.2 A gaming machine must sit in its entirety on the base that supports it, i.e. no part of the bottom of the gaming machine, except for the coin tray, must extend past the base on which they are positioned. The gaming machine must be securely attached to the base.

OR6.2.3 Where a gaming machine base contains a cash box, a locking mechanism must be attached, and access to the key must be controlled in accordance with the key control and management system.

ST7 POWER SUPPLY TO GAMING**ST7.1 Introduction**

ST7.1.1 An excerpt from section 10.1.5B of the **Gambling Regulation Act 2003** (the Act) states:

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ST7.2 Power Supply to Gaming

ST7.2.1 Gaming equipment must be connected to a distribution board dedicated to gaming equipment.

ST7.2.2 A circuit diagram (legend) must be displayed in the gaming distribution board, showing each gaming machine floor position number or unit of gaming equipment connected to each circuit.

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OR7.2 Power Supply to Gaming

OR7.2.1 Different units of gaming equipment must be powered from different sources. Successive devices in the communications chain must be powered from different sources to ensure continued monitoring during machine maintenance activities. A dedicated circuit must be used for each category of gaming equipment.

OR7.2.2 The venue operator must comply with the power supply requirements of the monitoring licensee.

OR7.2.3 The maximum number of gaming machines that can be connected to each circuit within the dedicated gaming distribution board is 10.

OR7.2.4 Other gaming equipment such as site controller and jackpot controllers must also be powered from the dedicated gaming distribution board.

OR7.2.5 Ancillary equipment such as coin dispensers, electronic coin scales or any non-gaming related equipment must not be connected to the distribution board dedicated to gaming equipment.

ST8 VENUE ENVIRONMENTAL LIMITS**ST8.1 Introduction**

ST8.1.1 An excerpt from section 10.1.5B of the **Gambling Regulation Act 2003** (the Act) states:

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ST8.1.2 An excerpt from section 3.1.4 of the Act states:

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ST8.1.3 The Commission's Standards for gaming machine types and games, pursuant to section 3.5.3 of the Act, are constituted by:

- (a) the Australian/New Zealand Gaming Machine National Standard; and
- (b) the Victorian Appendix to the A/NZ Gaming Machine National Standard.

ST8.2 Venue Environmental Limits

ST8.2.1 Gaming equipment must not be operated in an environment where:

- (a) the environment provided does not comply with the Australian/New Zealand Gaming Machine National Standard, or the Victorian Appendix to the national standard (together constituting the Commission's Standards for gaming machine types and games); or
- (b) the environment provided does not comply with any manufacturer's specifications additional to the above, where defined; or
- (c) environmental factors are likely to impact on the operation of the equipment or are likely to cause the equipment to malfunction, fail or otherwise not operate in a safe and proper manner.

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OR8.2 Venue Environmental Limits

OR8.2.1 All floor coverings near gaming machines/gaming equipment must have ongoing anti-static properties to protect against build up of electrostatic discharge (ESD).

OR8.2.2 ESD must be no more than 1,500 volts in any area where gaming equipment is installed.

OR8.2.3 The temperature in all areas where gaming equipment is installed, at all times must be between 10 degrees and 40 degrees Celsius (ambient still air).

OR8.2.4 The relative humidity range in all areas where gaming equipment is installed must be between 15 to 85 per cent.

ACCOUNTING AND AUDITING VENUE REQUIREMENTS

1. GENERAL VENUE ACCOUNTING CONDITIONS

1.1. Adherence to Accounting and Auditing Venue Requirements

These Accounting and Auditing Venue Requirements have been approved by the Victorian Commission for Gambling and Liquor Regulation ('the Commission') under section 10.1.5C of the **Gambling Regulation Act 2003** ('the Act').

Section 3.4.1B of the Act requires a venue operator to comply with an operational requirement determined by the Commission under section 10.1.5C unless the Commission has, in writing, given its approval to the venue operator not to comply with the standard or operational requirement.

The Commission will conduct regular financial and operational reviews of gaming venue operations to ensure adherence to the Accounting and Auditing Venue Requirements in force at the time, and disciplinary action may be taken against a venue operator for non-compliance.

The failure of a venue operator to comply with the provisions of these requirements under section 10.1.5C is grounds for disciplinary action under section 3.4.25(1) of the Act. Action under section 3.4.25(1) could result in:

- cancellation or suspension of the venue operator licence
- the variation of the conditions of the venue operator licence
- the issuing of a letter of censure to the venue operator
- the imposition of a fine not exceeding 5000 times the value of a penalty unit.

1.2. Accurate Record Keeping

Section 3.7.4 of the Act requires a venue operator to keep accounting records:

- (1) *that correctly record and explain the transactions and financial position of the operations of the operator.*
- (2) *in the form required by the Commission and in a manner that will enable –*
 - (a) *true and fair financial statements and accounts to be prepared from time to time; and*
 - (b) *in the case of a venue operator, true and fair community benefit statements to be prepared under section 3.6.9 and for those financial statements, accounts and community benefit statements to be conveniently and properly audited.*

All data recording, reporting and reconciliation requirements within this document must be completed and maintained in accordance with these requirements.

1.3. Gaming Data Reconciliations

A venue operator must monitor and perform reconciliations of gaming transactions to ensure the gaming data reported by the Monitoring Licensee is accurate and complete. This will assist venue operators in remitting accurate gaming taxes to the Commission at the conclusion of the taxable month.

Failure to remit correct taxes will result in additional penalties imposed on the venue operator by the Commission.

Monitoring and reconciliation of gaming data must be performed on a daily basis and as required by other sections of this Accounting and Auditing Requirement. Further information is provided in section 2 of these requirements on the source documentation that must be maintained by venue operators and the minimum reconciliation required by the Commission.

A venue operator is not limited to the reconciliations outlined in these requirements and may instigate further reconciliations as it deems necessary.

1.4. Minimum Return to Player

Section 3.6.1 of the Act requires that:

A gaming operator or a venue operator who holds a gaming machine entitlement must ensure that the pay-out table on gaming machines at each venue is set so as to return to players the players' proportion of the total amounts wagered each year at that venue, after deduction of the sum of jackpot special prizes determined as prescribed and payable during that year.

- (2) *The players' proportion is –*
(a) *not less than 87%.*

It is the responsibility of the venue operator to ensure that the above section of the Act is adhered to by the conclusion of the calendar year.

Action must be taken by the venue, prior to the end of the year, to ensure that all attached gaming machines within the venue return the prescribed amount to the players.

1.5. Contracting of Third Parties to Assist

A venue operator may contract the services of a third party to assist in performing any reporting or record keeping requirements as detailed in these requirements.

Where a third party is employed to perform an accounting or auditing requirement, it is the responsibility of the venue operator to ensure that all requirements are adhered to.

All required source documentation must be maintained at the venue operator's premises, in line with the record keeping conditions outlined in these requirements.

1.6. Record Keeping Systems

A venue operator must maintain a system of record keeping, preferably in electronic format, which can be conveniently and properly audited by the Commission.

All source documents and manual records must be readily available to the Commission.

A venue operator, for each of its gaming venues, must ensure that electronic recording of gaming data is backed up and readily available for auditing by the Commission.

1.7. Maintaining Gaming Records

Section 3.7.5 of the Act requires *an operator to ensure that all documents relating to the operations of the operator are –*

- (a) *kept at –*
i) *the approved venue, in the case of a venue operator; or*
ii) *the principal place of business of the operator in any other case; and*
(b) *retained for not less than 7 years after the completion of the transactions to which they relate.*

Note that from 1 July 2008, an exemption reduced from seven years to three the time that venue operators must keep documents. Audit rolls are, however, to be kept for 13 months.

1.8. Maintenance of Separate Gaming Bank Accounts

Section 3.7.3(1) of the Act requires that a venue operator must:

- (a) *keep and maintain separate accounts, as approved by the Commission, at an authorised deposit-taking institution in the State for use for all banking transactions arising under this Chapter in relation to the operator; and*
(b) *from time to time provide the Commission, as required, and in a form approved by the Commission, with a written authority addressed to the authorised deposit-taking institution referred to in paragraph (a) authorising that institution to comply with any requirements of an inspector exercising powers under this section.*

Gaming machine transactions processed through the nominated separate gaming account may include:

- depositing of all gaming transactions
- payment of large jackpot prizes
- accounting for movements to and from jackpot arrangements
- depositing of unclaimed prizes to be remitted to the relevant regulatory body
- venue withdrawing additional funds available after meeting the requirements of these requirements, and
- sweeping of monthly gaming tax by the Commission.

Only gaming machine transactions are to be processed through the nominated gaming accounts.

1.9. Registering of Nominated Bank Account for Sweeping of Gaming Tax by the Commission

On a monthly basis, the Commission will instigate a direct sweep of the month's taxes owing, by the venue operators, from a venue(s) nominated bank account.

Each venue operator must submit a completed Direct Debit Authority ('DDA') with the Commission.

The DDA application process is available to venue operators via its secure login access to the Online Services Portal.

A venue operator must, at least 14 days prior to the commencement of gaming at an approved venue, access the Online Services Portal and submit a DDA containing the relevant bank account details.

An individual venue operator must submit an individual DDA for 'each' of the gaming venues operated by the venue operator.

The venue operator may wish to consolidate the collection of taxes from one nominated gaming bank account for each related venue by detailing this in each DDA for each operating venue.

After electronically submitting the DDA via the Online Services Portal, each operating venue must also submit a hand signed copy of the DDA to the Commission. Details regarding this process are on the Online Services Portal.

Any changes to the nominated bank account details must be notified to the Commission at least 14 days before the conclusion of a taxable month via submission of an amended DDA via the Online Services Portal.

Should a venue change ownership during a taxable month, it is the responsibility of each venue operator to ensure the nominated bank accounts, relative to their period of ownership, are accurate and have been provided to the Commission within 14 days prior to the end of the taxable month.

1.10. Change in Gaming Venue Ownership

Upon a change of ownership, a venue operator must perform all the required data recording, reporting and reconciliations, outlined in these requirements.

Transition functions must include, but are not limited to, the following:

- recording all hard and soft meters at the conclusion/commencement of the ownership period
- performing all gaming reconciliations at the conclusion/commencement of the ownership period
- conduct coin clearances and required cash handling activities
- advising the Monitoring Licensee of the change in ownership and effective hand-over date

- ensuring that accurate banking details are reflected in the DDR submitted to the Commission. The current owner must ensure the DDR submitted concludes on the day of ownership handover. The new venue operator must submit a DDR reflecting the commencement date to which their taxable obligations apply.

2. GAMING RECONCILIATION REQUIREMENTS

2.1. Electronic Gaming Machine Data Recording and Reporting

i. *Hard Meter Recording*

Hard meter readings must be recorded for each gaming machine to assist with the reconciliation and correct verification of gaming data. Hard meter readings must be recorded:

- on a daily basis or at the conclusion of each designated week on which daily/weekly gaming reconciliations are performed, and
- at the conclusion of trade on the last day of each tax settlement month, which is at the conclusion of each taxable month.

The following minimum hard meter readings must be recorded:

- cash in
- cash out
- credits played, and
- credits won.

A venue operator may decide on the week ending date to conduct its reconciliations, be it at the conclusion of trade on any day of the week, however a venue operator must ensure all hard meter readings are taken at the conclusion of the taxable month, whichever day it may fall.

ii. *Soft Meter Recording*

Soft meter readings must be recorded from each gaming machine on a daily basis to allow for the reconciliation of daily polled data received from the Monitoring Licensee.

This includes all available soft meter readings (being financial and jackpot meters), which must be recorded for reconciliation to Monitoring Licensee data.

iii. *Time to Record Hard/Soft Meters*

All meters must be recorded at the conclusion of gaming at the venue and not while the venue is still open for trade.

The gaming venue must be closed to gaming patrons and all machines must be vacated of gaming patrons before commencing the recording process.

Meters must be recorded after the daily polling time and prior to the commencement of trade on the next gaming day.

Where trading continues past the daily polling time, the meters should be recorded at a consistent time across each day.

iv. *Large Win Payouts*

A large win register must be maintained to allow for identification of all significant gaming machine wins and jackpots awarded greater than \$10,000. The register must enable the identification and verification of the large win details and also the patron to which the payout was made.

The following details must be recorded in the large win register:

- date of incident requiring payment
- gaming machine/s numbers involved in win/payout
- reason for payment (accumulation of credits and/or single win)

- name of recipient of payment
- details of identification sighted
- details of amounts paid by cheque
- the authorisation/validation number of the ticket/bookpay
- name of the person authorising payment
- cheque details, and
- copies of necessary documentation, i.e. ticket, identification, etc.

A register of all gaming cheques issued must also be maintained. The register must include:

- transaction date
- cheque number
- reason/details for payment (gaming machine number if large win)
- payee details, and
- amount paid.

2.2. Data Analysis and Adjustments

i. Ensuring the Accuracy of Reported Gaming Data

The venue operator must ensure the accuracy and completeness of all polled financial data reported by the Monitoring Licensee in relation to gaming machines at the venue.

A venue operator must perform all of the necessary reconciliations and data analysis as identified in these requirements to ensure the accuracy of reported data.

Any concerns regarding unexplained variances in a venue's analysis of polled financial data should be addressed with the Monitoring Licensee.

ii. Analysis of Gaming Machine Exceptions

The Monitoring Licensee will identify gaming machine exceptions that must be reviewed and cleared by the venue operator. The venue operator must ensure all gaming machine exceptions are cleared prior to the end of the taxable month to allow for complete and accurate determination of reported gaming data and taxes payable at the conclusion of the month.

Gaming machine exceptions to be highlighted by the Monitoring Licensee via their monitoring system include:

- Meter Rollover: machines where meters have declined in relation to the previous game date, i.e. a master reset, and
- Runaway Meters: machines where meters have reported excessive or irregular increment levels, i.e. excessive metered information.

The venue operator must address all machine exceptions, and where possible, perform this function prior to the commencement of the next day's gaming activities.

To facilitate timely and accurate collection of taxes, the venue operator must review all gaming exceptions and process necessary adjustments within two days of the conclusion of the month. Where a venue operator fails to raise any required adjustments relating to the previous month within time, this will result in enforcement action.

It is the responsibility of the venue operator to ensure that it is familiar with the process for clearing gaming machine exceptions and raising necessary financial adjustments.

The Commission will review the clearing of gaming machines exceptions and the raising of gaming machine's adjustments at two stages:

1. Once processed by the venue operator and prior to the conclusion of the taxable period, the Commission will perform a preliminary assessment of the adjustments being processed to ensure that they effectively clear any exceptions raised. This will ensure the timely and accurate compilation of gaming taxes by the Monitoring Licensee at the conclusion of the month.
2. After completion of the taxable period and the remittance of taxes by the venue operator, the Commission will also conduct a detailed review as to the accuracy and completeness of a sample of adjustments processed.

Appropriate documentation must be maintained by the venue operator in relation to any analysis conducted into machine exceptions and adjustments raised.

Supporting documentation may be requested by the Commission as part of the adjustment assessment process and must be readily accessible for all adjustments requiring validation.

iii. Outstanding Gaming Machine Exceptions at the end of the month

Gaming data for gaming machines with outstanding exceptions at the end of the month will not be included in the taxable revenue for that month.

Any outstanding gaming machine exceptions at the end of the month will be monitored by the Monitoring Licensee and the Commission to ensure all necessary adjustments are processed by the venue operator after the settlement month and therefore correct taxes are ultimately paid by the venue(s) in question.

Once processed, gaming revenues for the machines that have been adjusted after the month to which the trade relates will be subject to tax in the current month and further penalties will apply to all late adjustments processed.

Note the following example:

Machine 55 at Venue ABC has reported \$500 in net revenue on 10 January 2013 yet also reported a \$5 exception on the day that must be reviewed and cleared by the venue operator.

On 3 February 2013, this exception had yet to be reviewed and cleared by the relevant gaming venue. The cut-off for raising adjustment has closed for the month of January at the end of 2 February 2013.

The tax calculation performed by the Monitoring Licensee for January 2013 will not include the \$500 revenue for Machine 55 in the tax calculation.

The exception for the \$5 is subsequently cleared on 15 February 2013.

The revenue for Machine 55 on 10 January 2013 will be included in the February 2013 taxable revenue and be subject to penalty interest for the total unpaid revenue that should have been applied in January 2013.

Should any aspect of the gaming machine exception and adjustment process remain unclear, a venue operator must contact the Monitoring Licensee for further clarification and assistance.

iv. Unscheduled Master Resets

An unscheduled master reset is a reset that occurs as a result of a gaming machine malfunction that has not been scheduled with the Monitoring Licensee.

The Monitoring Licensee will provide a venue operator with the necessary steps required to ensure all gaming data is polled by the monitoring system prior to the conduct of any unscheduled master resets. These steps must be adhered to by the venue operator prior to the conduct of any unscheduled resets.

A venue operator must assess all unscheduled master resets performed to ensure no missing trade has occurred. A register must be maintained providing details of all master resets conducted and also all analysis conducted in financial data reported after an unscheduled master reset.

A venue operator must, prior to conducting a period reset on the gaming machine, as part of the cash collection process, record the following metered data:

- bills in
- hopper in
- coin drop in
- refills in
- cash tickets out
- hopper out
- net revenue
- net hopper
- cashless credits in
- total gaming machine turnover
- total gaming machine wins
- current credit meter balance, and
- hard meters.

If any data has not been captured as a result of a master reset, as assessed by the venue operator, a meter exception will be raised by the Monitoring Licensee and an appropriate adjustment will be required.

v. ***Monitoring of Tickets Issued/Paid/Redeemed***

Venue operators must have procedures in place to monitor all tickets issued by gaming machines against all tickets redeemed and subsequently paid by the venue.

The Monitoring Licensee will provide reports that will identify the tickets issues, tickets paid and unredeemed tickets.

vi. ***Unclaimed Prizes***

As defined in the **Unclaimed Monies Act 2008**:

Unclaimed money means –

- (a) *principal, interest, dividends, bonuses, profits, salaries, wages and any other sums of money that are legally payable to the owner and that have remained unpaid for not less than 12 months after that money become payable; or*
- (b) *money that has been converted from unclaimed trust property within the meaning of section 14 by a trustee after the expiration of the required period under Division 2 of Part 3 –*

other than any amount the value of which is less than \$20 or the prescribed amount (whichever is higher).

The total value of any unclaimed tickets, not presented for payment within 12 months of being issued by the gaming machines, must be submitted to the relevant collection agency as required by the **Unclaimed Monies Act 2008**.

All unclaimed prizes over \$20 must be submitted to the State Revenue Office (SRO) in line with the following conditions:

- amounts remitted yearly, for amounts that are 12 months old as at 1 March
- amounts must be remitted by 1 May each year.

Any tickets presented after 1 May cannot be redeemed. Any patrons presenting any unclaimed tickets at a venue for redemption should be directed to the SRO for payment.

2.3. Gaming Reconciliations

i. *Dates to be reconciled*

A venue operator must perform the following reconciliations of the gaming data reported by the gaming machines at the venue(s) to the data polled and reported by the Monitoring Licensee:

a) *Daily data reconciliations*

- on a daily basis, metered gaming data must be reconciled to polled system gaming data and any discrepancies must be immediately investigated by the venue operator
- verification that all tickets redeemed have been cleared and no longer remain unclaimed
- review and clear all machine exceptions raised by the Monitoring Licensee, and
- assess the accuracy of jackpot contributions reported and deposit the monies to the nominated bank account.

b) *Weekly data reconciliations*

- calculate the minimum banking requirement and deposit the necessary funds to the nominated banking account, and
- ensure that any outstanding machine exceptions raised by the Monitoring Licensee have been cleared or investigated.

c) *Monthly tax reconciliations*

- maintain and complete a periodic tax settlement reconciliation prior to the conclusion of the month, calculating interim average net cash balance from gaming revenue at its venue in order to anticipate tax liabilities at the conclusion of the month, and
- include the month end reconciliation to correspond to the payment of gaming taxes.

ii. *Metered v Polled Data*

A comparison of metered data and polled data must be performed daily by the venue operator.

Metered data represents the financial gaming data calculated via the movements in the soft meters recording by the venue from all gaming machines.

Polled data is the data reported in the daily and/or weekly reports provided by the Monitoring Licensee, in relation to each operating gaming machine at the venue. The monitoring system will provide the venue operator with access to various polled data reports, including the Daily Derivative Meters and Daily Venue Accounting Reports, which will provide the required data to perform this reconciliation.

A venue operator must ensure the relevant staff members within its gaming venue have the knowledge and ability to access the required reports from the monitoring system provided by the Monitoring Licensee in order to meet the requirements of these requirements. The Monitoring Licensee should be consulted if the venue operator is unable to access the required reports.

The following metered data must be compared to the polled data reporting by the Monitoring Licensee:

Turnover/Credits Played

- credit wins
- cash in (total or individual meters that make up total cash in), and
- cash out (total or individual meters that make up total cash in).

Polled data is used to calculate gaming net revenue upon which the gaming tax will be calculated and ultimately payable to the State.

A venue operator must utilise the recording of hard meters to perform a further analysis of the accuracy and integrity of the report/polled gaming data. As performed with the reconciliation of soft meters, hard meter increments over a reporting day must also be compared with reported data.

iii. Minimum Banking Requirements

A venue operator must, at the conclusion of each reconciliation week, deposit the projected gaming taxes for that week in line with the legislated tax calculation applied to the end of the month.

If the monthly gaming taxes are to be swept from the nominated gaming account, the weekly deposit amount must remain in the account for collection at the conclusion of the month.

A venue operator must apply the relevant tax rates to the average revenue across all operational gaming machines during the seven days of the week to reach the minimum banking requirement for that period. This must be deposited to the nominated bank account.

As an example:

Club ABC has 10 operational gaming machines and via the polled data reported by the Monitoring Licensee, has weekly gaming revenue of \$150,000.

The average weekly revenue for the period is \$15,000 per machine.

The tax rates, as per the monthly gaming taxation calculation, are then applied:

- \$2666 is tax free
- \$9,834 taxed at 42.50%, and
- \$2,500 taxed at 50%

Provisional tax per machine is \$5429.45

Minimal Banking Requirement for the week is $\$5429.45 \times 10 = \$54,294.50$

The venue operator must maintain a weekly reconciliation of the above calculation and at a minimum, the reconciliation in relation to this requirement must detail:

- total polled gaming machine revenue for the period
- number of operational gaming machines for the week
- average revenue per gaming machine for the week
- application of tax rates and calculation of minimum banking requirement
- total scheduled taxable amount to be banked/to remain in account
- details of banking processed, including processing date, and
- management adherence to the accuracy of amounts.

Once taxes have been remitted for the month in question, a venue operator may withdraw any surplus funds from the nominated account.

A venue operator must also ensure that additional funds are deposited to the nominated account if the minimum banking requirement does not cover the actual amount to be swept at the conclusion of the month.

The Commission will perform periodic financial audits of this requirement to ensure the minimum banking reconciliation is being performed as required, and the required provisional tax values are being promptly banked to the nominated banking account in line with these requirements.

A venue operator must maintain a reconciliation document clearly outlining the analysis performed to adhere to this requirement, which will be subject to period audit by the Commission.

Clearing of all gaming machine exceptions prior to the weekly reconciliation and banking of the minimum banking requirement will ensure that the amounts banked at the conclusion of the month are reflective of the tax liability at month end. Uncleared exceptions may result in the need to deposit more funds than required.

iv. Tax Settlement Reconciliations

A Venue Accounting and Taxation Report will be provided by the Monitoring Licensee at the conclusion of each taxable month, which will detail the amount of actual gaming taxes that the Commission will sweep from the venue operator's nominated gaming bank account.

Between the third and the fifth day after the end of the month, the Monitoring Licensee will provide venues with details of the applicable tax calculation and the tax obligation payable on the seventh day after the month to which the tax relates.

A venue operator must perform the required tax reconciliation of this data upon receipt of the report to ensure accurate data can be collected by the Commission on the seventh day.

A venue operator should immediately raise any issues with the data in the Monthly Taxation Report with the Monitoring Licensee to ensure any financial adjustments to the calculated tax can be processed.

The Monitoring Licensee will not accept adjustments to the reported tax results after the fifth day after the end of the month to which the tax relates.

The accuracy of the following components of the tax report provided by the Monitoring Licensee should be verified prior to the fifth day after the month to which the tax relates:

- the average number of entitlements applied
- the net revenue or net cash balance
- the applied actual tax rate
- any financial adjustments processed, and
- the final tax to be remitted to the Commission.

The responsibility for the correct payment of gaming taxes resides with the venue operator and therefore the accuracy of the tax report and tax remittance must be verified by the venue operator.

All adjustments to gaming data must be made prior to the third day of the following month. Unless corrected prior to the third day of the following month, the amount noted on the tax remittance advice will be swept by the Commission and any further adjustments to the data will be made in the next month and relevant penalties will apply.

A venue operator must maintain a reconciliation document clearly outlining the analysis performed to adhere to this requirement, which will be subject to period audit by the Commission.

v. Accounting Discrepancy Investigation

Any discrepancies identified must be investigated immediately by the venue operator and addressed accordingly with the Monitoring Licensee.

Possible reasons for gaming discrepancies include, but are not limited to:

- coin spillage issues
- coin mechanism faults
- hopper faults
- coin jams
- meter faults.

In order to be able to accurately identify and monitor an accounting discrepancy on a gaming machine, a venue operator must ensure that there are:

- regular and reliable accounting procedures
- regular clearing of cash and recording of data
- clearing and recording of coin spillages
- rectification of errors on machines
- a basic understanding of how gaming machines perform their accounting and gaming machine procedures, and
- timely investigation of variances to ensure that they do not accumulate over time and become of greater concern.

2.4. Cash Handling and Collection

A venue operator must maintain a separate gaming float of all monies used for its gaming transactions. The gaming float must be reconciled on a regular basis and provide for a sufficient level of control and verification of all movements of cash to and from this float.

A venue operator should enforce the following cash handling procedures:

- manually record movement of cash to and from the strong-room and gaming float
- cashier balancing and shift changeover procedures
- coin hopper refill and reconciliation procedures. An adequate level of documentation should be maintained to record all money movement to and from the hopper
- cash collection and storing procedures
- documenting procedures to follow up any identifiable variances, coin spillage or discrepancies, and
- signatory verification and adequate documentation for all monies moved within the gaming venue, in particular from the strong-room and gaming float, to and from gaming machines and between cashier shifts.

A venue operator must ensure that appropriate comparisons are made to ensure actual totals collected are compared to expected totals. Immediate investigation must be conducted into any material variances that arise in this regard.

Any source documents used in the cash handling and collection procedures within a venue must be maintained in line with section 1.6 of these requirements.

Appropriate professional third parties (accountants, book keepers, service professionals, etc.) must be contacted immediately in the event of a venue operator detecting anomalies regarding the handling of cash at the gaming venue.

2.5. Jackpot Monitoring and Reconciliations

i. Operating Jackpots

A venue operator must independently seek approval to operate a jackpot arrangement within a gaming venue.

A venue operator must only operate approved jackpot arrangements.

It is the responsibility of the venue operator to ensure that all necessary action is taken prior to the operation of an approved jackpot arrangement to ensure it is operating within the approved jackpot conditions.

ii. Jackpot Arrangements

Jackpot arrangements operating at a gaming venue can include:

- Local area jackpots: jackpot arrangements only linked to machines operating within one selected venue, and
- Wide area jackpots: jackpot arrangements linked to machines across more than one gaming venue.

A venue operator must maintain adequate documentation to record the details of all active jackpot arrangements at the venue. A venue operator must maintain a record/register of:

- all jackpot arrangements offered at the gaming venue
- the configuration details of the jackpot arrangement, include contribution rates and prizes offered
- the gaming machines linked to each jackpot arrangement, and
- approval details for the jackpot arrangement.

iii. Accounting for Jackpot Pools

A venue operator must periodically account for all payments to and from all jackpot arrangements, dependent on the type of arrangement offered. Movements to and from jackpot pools include:

- Jackpot contributions: a percentage of turnover that is contributed to the jackpot to fund the ultimate payment of jackpot prizes awarded under the arrangement. Contribution rates will be specified in the jackpot agreement that is approved by the Commission, and
- Jackpot prizes/wins: the payment of jackpot wins under the jackpot arrangement.

The accounting for movements in and out of the jackpot arrangements is dependent on the type of arrangement offered, being local or wide area, as detailed below:

1. *Local area jackpots:* on a daily basis, a venue operator must bank, to its nominated gaming bank account or a bank account used solely for the purposes of monitoring gaming jackpots, all contributions to all local area jackpots. The bank account must be the gaming bank account or a separate account developed for the administering of local area jackpots at the venue. All payments of jackpot prizes under the arrangement must then be processed from the same nominated bank account.
2. *Wide area jackpots:* the Monitoring Licensee is responsible for facilitating the financial management of all wide area jackpots. Arrangements must be made with the Monitoring Licensee to pay all contributions to the trust account for the relevant wide area jackpot and subsequently seek reimbursement of any prizes from the jackpot arrangement that are paid by the venue.

In relation to the financial monitoring of jackpots, a venue operator must maintain adequate supporting documents for each jackpot arrangement offered at the venue. Details on the supporting documents must include:

- configuration details of the jackpot arrangement
- the contributions to each jackpot arrangement
- the payment made for a jackpot awarded from the jackpot arrangement
- balances of each jackpot arrangement
- comparisons made between the jackpot arrangements detailed in the supporting documents and the actual status of the jackpot machines operating at the venue, i.e. ensuring all active jackpot machines are linked.

iv. Jackpot Data Reporting

The Monitoring Licensee will provide the venue operator with details of all contributions made to, and all prizes paid from, the relevant jackpot arrangements at the venue. This data will assist in the venue operators' adherence to section 2.5(iii) as highlighted in these requirements.

Contributions arising from jackpot arrangements and prize winnings must be reconciled with the metered data on a daily basis to ensure its accuracy and completeness, and prior to remitting of amounts in line with section 2.5(iii) above.

Verification of gaming data involves:

- the comparison of independently calculated jackpot contributions to the reported jackpot contributions detailed in the reports provided by the Monitoring Licensee, and
- ensuring the accuracy of reported jackpot wins to actual wins paid.

The venue operator must calculate the jackpot contribution using the following calculation:

Jackpot contributions = Total polled turnover of linked machines x Approved contribution rate for the jackpot arrangement

Documentation must be maintained by the venue operator detailing the above requirement.

v. Prize Payments Register

A jackpot register must be maintained to allow for identification of all jackpot wins awarded on any linked gaming machine. The register must provide adequate information to allow for identification and verification of the jackpot win details and also the patron to which the payout was made.

vi. Jackpot Monitoring

A venue operator must monitor:

- all gaming machines that should be linked to the jackpot arrangement/s are in fact participating in the jackpot
- the status of all jackpot pools relating to jackpot arrangements offered at the gaming venue
- the operation of the jackpot is in accordance with the approved conditions, and
- accurate reporting of jackpot gaming data.

vii. Closing a Jackpot Arrangement

A venue operator must only close a jackpot arrangement in accordance with the approved operating requirements of such arrangements.

A venue operator must also ensure that any jackpot funds not yet distributed as prize winnings under the jackpot arrangement are distributed correctly in accordance with the approved operating requirements of such arrangements.

3. GAMING TAXES

3.1. Calculation of Gaming Tax

A venue operator is responsible for remitting gaming taxes on a monthly basis to the Commission. The Commission will perform a direct sweep of gaming taxes on a monthly basis from the venue's nominated gaming account.

Sections 3.6.6A and 3.6.6B of the Act provide details of the relevant tax calculation applicable to pubs and clubs respectively.

The venue operator must pay to the Commission the monthly gaming tax calculated as follows:

$T = GMT \times E$	
T	tax payable for a calendar month
GMT	tax per gaming machine entitlement
E	average number of gaming machine entitlements held by the venue operator during the month

Further to the above table, the following should also be noted:

- *Average number of gaming machine entitlements = Total gaming machine entitlements held at the venue for each day of the calendar month ÷ Number of days in that month*
- *Average revenue per gaming machine entitlement = Total revenue earned at the venue during the month ÷ Average number of gaming machine entitlements*
- *Tax per gaming machine entitlement = Average revenue per gaming machine entitlement x Applicable tax rate*

3.2. Components of the Tax Calculation

i. *Net Cash Balance*

Net Cash Balance is calculated as follows:

Net Cash Balance = *Turnover – Credit wins – Jackpot contributions*

Turnover = Amounts earned from bets placed on a gaming machine

Credit wins = Amounts returned to players as prizes

Jackpot contributions = Amounts prescribed as payable from each bet made to the jackpot special prize

ii. *Entitlements for taxation purposes*

An entitlement for the purposes of gaming taxation is an entitlement that is attached to:

- a gaming machine
- a venue approval, and
- the monitoring system of the Monitoring Licensee.

Therefore, in order for an entitlement to be used for taxation as an entitlement under which gaming is or may be conducted, each of the above three criteria identified above must be evident.

Section 3.3 of these requirements provides examples of the tax calculation that outline the application of this section.

iii. *Average Number of Gaming Machine Entitlements*

The average number of gaming machine entitlements means the sum of the total number of gaming machine entitlements under which gaming is, or may be, conducted at the approved venue on each day of a calendar month divided by the number of days in that month.

The number of days in the calendar month will always be applied to the taxation calculation for all venues, other than the initial month and the concluding month of the gaming licence. In these months, the tax calculation will only be applied to the number of days under which the calculation applies, i.e. for August 2012, the tax calculation will be applied to the final 15 days of the month.

If the amount results in a total number that is not a whole number, the total number will be rounded up to the next two decimal places.

iv. Average Revenue per Gaming Machine Entitlement

The average revenue per gaming machine entitlement means revenue earned by a venue operator in a calendar month from the conduct of gaming under the gaming machine entitlement in the approved venue calculated on the following basis:

Monthly net cash balance average ÷ Number of gaming machine entitlements

v. Gaming Tax Rates

Gaming tax is calculated using the following progressive tax rates, based on average monthly Net Cash Balance, per machine, per venue:

NET CASH BALANCE **	HOTELS	CLUBS
Does not exceed \$2,666	8.33%	Tax free
Exceeds \$2,666 but does not exceed \$12,500	50.83%	42.50%
Exceeds \$12,500	58.33%	50.00%

***Average net cash balance based on average entitlements at the venue. Refer to section 3.1 of these requirements for further details on this calculation.*

3.3. Examples of the Tax Calculation

Example One

Club Simple Inc. has:

- approval to operate 100 gaming machines at Club Simple
- purchased 100 entitlements
- purchased 100 gaming machines, and
- 100 gaming machines connected to the monitoring system.

If Club Simple generates \$1,000,000 in revenue for the calendar month of November 2012, the tax liability for that month is calculated as follows:

- 'average revenue per gaming machine entitlement' = $\$1,000,000 \div 100 = \$10,000$
- 'tax per entitlement' = $(\$10,000 - \$2,666) \times 42.5\% = \$3,116.95$
- 'total tax liability' for a calendar month = $\$3,116.95 \times 100 = \$311,695$

Example Two

Pub Simple Pty Ltd has:

- approval to operate 100 gaming machines at Pub Simple
- purchased 100 entitlements
- purchased 100 gaming machines, and
- 100 gaming machines connected to the monitoring system.

If Pub Simple generates \$1,000,000 in revenue for the calendar month of November 2012, the tax liability for that month is calculated as follows:

- 'average revenue per gaming machine entitlement' = $\$1,000,000 \div 100 = \$10,000$
- 'tax per entitlement' = $(\$2,666 \times 8.3\%) + (\$10,000 - \$2,666 \times 50.83\%) = \$3,949.95$
- 'total tax liability' for a calendar month = $\$3,949.95 \times 100 = \$394,995$

Example Three

Club Alpha is conducting gaming from the 16 August 2012 and has:

- approval to operate 50 gaming machines at its venue
- purchased 50 entitlements at the gaming auction
- purchased 40 physical gaming machines, and
- 40 gaming machines connected to the monitoring system and operational from 16 August 2012 to 31 August 2012.

The calculation of gaming tax for the month requires the use of the average number of gaming machine entitlements. This is based on the number of gaming machine entitlements that is, or may be used, in the conduct of gaming at the approved venue.

In the month of August 2012, Club Alpha's calculation of average entitlements is:

- $40 \text{ entitlements} \times 15 \text{ days in August} = 600$
- $600 \div 15 \text{ days} = 40 \text{ average entitlements}$

Example Four

John Jones is a venue operator who has two venues as following:

- Venue 123 – approval to operate 50 gaming machines
- Venue 456 – approval to operate 50 gaming machines

John Jones has purchased 100 entitlements and 80 gaming machines.

40 gaming machines are allocated for operation in Venue 123 and 40 gaming machines are allocated to operate in Venue 456. All 40 machines attached to each venue and are operating from 16 August 2012 to 31 August 2012.

Gaming tax is calculated on the basis of the gaming revenue and average entitlements at each individual venue.

John Jones is liable to pay separate gaming tax for each of Venue 123 and 456.

Gaming tax will be withdrawn from the nominated bank account of each gaming venue on the seventh day after the end of the month to which the tax relates. The nominated gaming account may be the same for both venues owned by John Jones.

At each venue, the calculation of gaming tax will be based on 40 entitlements, which are attached to 40 gaming machines connected to the monitoring system and operating at the approved venue and therefore are, or may be used, to conduct gaming.

3.4. Payment of Gaming Taxes

The Commission will sweep the calculated taxes from the nominated gaming bank account. The tax payable will be swept from the nominated gaming account on the seventh day, or the next business day, after the conclusion of the calendar month.

The tax payable, as advised by the Monitoring Licensee and verified by the venue operator, must be readily available to be swept from the nominated gaming account on the seventh day after the conclusion of the month to which the taxes relate.

The Commission will not collect any taxes if the full amount, as notified by the Monitoring Licensee, is not available for sweeping on the seventh day after the conclusion of the month.

Part payment of taxes due to insufficient funds in a nominated gaming account will not be accepted and enforcement action will be taken for such non-compliance.

Processes will be instituted by the Commission to collect outstanding gaming taxes that are not remitted when due and payable. Penalties will be applied accordingly to such amounts.

3.5. Provision of Tax Remittance to be Collected

Between the third and the fifth day following the conclusion of the taxable month, the Monitoring Licensee will provide the Commission and the venue operator with a tax settlement report providing details of the gaming taxes to be remitted by each gaming venue.

Upon issue and receipt of a remittance to pay gaming taxes to the State, the venue operator must ensure that sufficient funds are available in the nominated account to be swept by the Commission on the seventh day of the month.

The Commission will sweep the gaming taxes as detailed in the tax remittance advice provided by the Monitoring Licensee.

3.6. Ensuring Available Tax Liability at the End of the Month

A venue operator must ensure that the tax liability is available for sweeping by the Commission at the end of the month. Failure to do so will result in enforcement action.

3.7. Penalties on Late Payment

Section 3.6.10 of the Act requires that if an amount payable to the Commission by a gaming operator or a venue operator that holds a gaming machine entitlement is not paid within the period within which it is required to be paid, the venue operator is liable to pay interest at the rate of 20% per annum on that amount from the date on which the payment was due until the payment is made.

Continual non-payment of taxes may result in disciplinary action being taken by the Commission, meaning possible:

- cancellation or suspension of the venue operator licence
- variation of the conditions of the venue operator licence
- issuing of a letter of censure to the venue operator
- imposition of a fine not exceeding 5000 times the value of a penalty unit.

4. OTHER GAMING AUDIT REQUIREMENTS**4.1 Appropriate Documentation**

A venue operator must maintain documentation to ensure adherence to all sections of this Accounting and Auditing Requirement.

Such documentation will be reviewed periodically by the Commission and appropriate recommendations will be made to the venue operator if the documentation maintained does not allow for efficient and effective auditing practices.

If a venue operator does not take appropriate action to rectify their practices as required by the Commission, disciplinary action may be taken against the venue operator.

Documentation must be maintained regarding the following conditions outlined in these requirements:

- Daily data verification
- Minimum banking requirements
- Gaming tax verification, and
- Jackpot pool monitoring and analysis.

4.2 Hours of Gaming Operation

A venue operator must ensure there is a continuous four-hour break from gaming after every 20 hours of gaming. There must not be more than 20 hours of gaming each day.

This does not apply to premises on any day or date specified in an approval of premises or in a venue operator's licence as a day on which 24 hour gaming is permitted on the premises.

4.3 Malfunction of Gaming Machines

A venue operator must ensure that it does not pay, or allow payment to be made to, a person in respect of a bet made or gaming machine credits accumulated on a gaming machine if the operator or employee reasonably suspects that the gaming machine or any related gaming equipment failed to function in the manner in which it was designed and programmed to function.

4.4. Access to Gaming Machines

A venue operator must ensure that no person, in relation to a gaming machine in an approved venue, removes gaming tokens from the cabinet or drop box of the gaming machine unless the person is the:

- venue operator of the approved venue, or
- holder of a gaming industry employee's licence in the performance of his or her duties.

4.5. Credit Betting

The venue operator must ensure that no licensed gaming staff within a gaming venue at any stage make a loan, or extend credit in any form, to any person to enable that person or any other person to play a gaming machine in an approved venue.

4.6. Provision of Gaming Data for Audit Purposes

Data recording and reconciliations must be completed by the venue operator in a timely manner and be readily available for provision to the Commission as required.

Penalties may apply for the failure to provide necessary data as required by the Commission to complete its audit functions.

4.7. Dealing with Unexplained Variances

A venue operator must address any unexplained variances in a timely manner and maintain appropriate documentation for all variances detected and investigations or further enquiries conducted.

Appropriate bodies to assist with unexplained variances may be:

- Monitoring licensee: to provide assistance regarding the operating system used at the gaming venues and any issues with the use of the system and the gaming data reported by it.
 - Third party management company (if applicable): issues regarding the operations of the gaming venue should be addressed via this channel.
 - Industry professional: advice from professional bodies such as accountants and auditors should be immediately sought in the event of cash handling discrepancies and of other financial issues at the gaming venue.
 - The Commission: any regulatory issues regarding compliance should be addressed with the Commission.
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