

REGULATORY IMPACT STATEMENT

PROPOSED PUBLIC LOTTERIES REGULATION 2007

NSW Office of Liquor, Gaming and Racing

June 2007

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1. Introduction

Proposed Regulation:	Public Lotteries Regulation 2007
Relevant Act:	Public Lotteries Act 1996
Responsible Minister:	The Hon Graham West, MP Minister for Gaming and Racing
Proponent:	NSW Office of Liquor, Gaming and Racing (OLGR)

The existing Public Lotteries Regulation which was made law in 2002 is due to 'sunset' on 1 September 2007 in accordance with the *Subordinate Legislation Act 1989*. A purpose of this Act is to ensure that proposed NSW Government regulations are necessary for the benefit of the community. The Act also requires the regular review, every five years, of subordinate legislation – such as regulations, rules, and by-laws – which are made under the authority of an Act of Parliament.

Before making a regulation, a formal process of review must be undertaken, including the preparation of a Regulatory Impact Statement (RIS) for consultation with the community. The objective of a RIS is to ensure that the economic and social costs of any regulation are fully considered, and that the option which produces the greatest net benefit to the community is chosen.

This RIS addresses the proposed Public Lotteries Regulation 2007.

Submissions are invited on any aspect of the proposed Regulation. Submissions should be forwarded to:

**The Public Lotteries Regulation Project
NSW Office of Liquor, Gaming and Racing
GPO Box 7060
SYDNEY NSW 2001**

Alternatively submissions may be sent by e-mail to:

policy@olgr.nsw.gov.au

The closing date for the receipt of submissions is COB Friday, 3 August 2007.

Additional copies of this RIS are available from the OLGR Customer Access Centre on Level 7, 323 Castlereagh Street, or by telephoning 02 9995 0662 during business hours.

2. Background to the Regulatory Framework

The principal law regulating the conduct of public lotteries in New South Wales is the *Public Lotteries Act 1996*. A public lottery is essentially a game of chance involving the selection of numbers by players, or the allocation of numbers to players, with certain numbers being the prizewinning numbers.

The manner in which these numbers are selected by, or allocated to, a player varies from game to game. For example, the game of Lotto requires the selection by a player of 6 numbers from a total of 45 with the winning numbers being drawn at random at a ball draw. The game of Keno is similar and requires the selection of 20 numbers from 80, with the winning numbers being drawn at random every few minutes. Other lottery games, such as draw lotteries and instant lotteries, do not involve ball draws but still involve the winning of prizes by random selection.

Public lotteries currently available in New South Wales are Lotto, Lotto Strike, Oz Lotto, Powerball, Draw Lotteries, Instant Lotteries, Soccer Football Pools and Keno.

The stated objects of the Act are:

- to make provision for the proper conduct of public lotteries in the public interest and to minimise any harm associated with public lotteries; and
- to ensure that revenue derived from the conduct of public lotteries is accounted for in a proper manner.

The Act achieves these objectives by providing for the:

- grant of a licence to conduct public lotteries;
- imposition and alteration of conditions on a licence;
- approval of rules for the conduct of public lotteries;
- control of financial aspects of public lotteries, such as prize funds and Government duty;
- publicity concerning prizewinners;
- advertising of public lotteries;
- organisation of public lottery syndicates;
- prohibition of credit betting and minors playing public lottery games;
- provision of information to the Minister administering the Act;
- supervision of contractual arrangements concerning public lotteries;
- investigation of the conduct of a public lottery or person involved in the conduct of a public lottery;
- appointment of Government inspectors; and
- proceedings for offences.

Regulation Making Powers in the Act

A general regulation making power exists in Section 83 of the Act. Many other provisions of the Act specifically require or authorise the making of regulations.

Under Section 83A of the Act, regulations may make provision for or with respect to requiring or encouraging the adoption of responsible practices in the conduct of public lotteries.

The Public Lotteries Regulation 2002

The Public Lotteries Regulation 2002 (the 2002 Regulation) makes provision for responsible gambling practices, and also contains provisions of a machinery or administrative or other nature which facilitate the operation of the Act.

The Public Lotteries Regulation 2007

It is proposed to make a Public Lotteries Regulation 2007 which will come into force on 1 September 2007 when the 2002 Regulation is repealed.

The principal objective of the proposed Regulation is to give full and proper effect to the provisions of the Public Lotteries Act. More information about the proposed Regulation is contained in the following pages.

Existing Public Lottery Licensees

There are currently three public lottery licensees in New South Wales.

- The NSW Lotteries Corporation

The NSW Lotteries Corporation is a State Owned Corporation, and was formerly known as the State Lotteries Office. NSW Lotteries holds separate licences for games of Lotto, Lotto Strike, Oz Lotto, Powerball, Soccer Football Pools, Instant Lotteries and Draw Lotteries.

NSW Lotteries is responsible for appointing its own agents. There are currently 1503 on-line agents and 112 Instant Lottery retail outlets. The majority of on-line agents run a newsagency as their principal business.

- ClubKeno Holdings Pty Ltd
- Jupiters Gaming Pty Limited

ClubKeno Holdings Pty Ltd and Jupiters Gaming Pty Limited hold a joint licence for the operation of games of Keno in registered clubs and at the Star City casino. Of the 1378 registered clubs in NSW, 1030 are connected to the Keno network (as of 18 March 2007).

The conditions of all the aforementioned licences specify how the licence is to be operated and clarify the responsibilities of the licensees. In addition the conditions of the licence state that certain matters require the Minister's approval.

Subordinate to the Act, the Regulation and the licence conditions are the rules for each game. The rules cover such matters as how the lottery draws are to be conducted, how to enter a lottery and the determination of prizes and procedures for claiming prizes. The rules also state that certain matters require the Minister's approval.

Enforcement

Within the Act and Regulation are various provisions allowing for the enforcement of the regulatory framework. These include, for example, authorising the Minister to vary or alter the conditions of the licences, to take various disciplinary actions (including cancellation or suspension of a licence), to order the termination of an agent or to require information relating to licensees or their agents.

Licensees are required to notify the Minister if certain categories of contracts (known as "controlled contracts") are to be entered into or varied, or if any changes to a list of specified circumstances occur. This covers various key matters from changes to a licensee's name, to changes in key officials employed by a licensee, to the appointment of a receiver for the licensee's property.

The Minister has the power to appoint an inspector to investigate and report on matters and circumstances relating to the conduct of a public lottery, any licensee or agent or associate of a licensee or agent, or other specified person or class of persons.

On the Minister's behalf the OLGR also investigates any concerns raised by the public regarding the operation of licensed games, and any unauthorised public lottery related activities that are brought to the OLGR's attention.

3. Objectives of the proposed Regulation

The proposed Regulation aims to meet the following objectives:

- to provide for the disposal of unclaimed lottery prizes and of money in prize funds;
- to provide for an entrant in a public lottery to request anonymity;
- to make provision for responsible gambling practices;
- to prescribe people as key employees in relation to Keno;
- to prescribe the changes of circumstances in relation to licensees for public lotteries that need to be notified to the Minister;
- to prescribe certain contracts as exempt contracts;
- to prescribe the fee for the review of a controlled contract; and
- to make other miscellaneous provisions.

The proposed Regulation has been prepared in accordance with the following criteria:

- to retain matters in the 2007 Regulation that are necessary and appropriate for the effective and efficient operation of the Act;
- to ensure uniformity of requirements and costs placed upon licensees wherever practicable;
- to remove any obsolete, spent or unnecessary matters; and
- to make the Regulation "user friendly" by establishing a better structure, grouping like matters, and adopting a plain English language approach wherever possible.

4. Alternatives for achieving the Objectives

There are 5 options for achieving the objective of effective control over the conduct and operation of public lotteries:

Option 1 Take no action

Option 2 Industry self regulation or co-regulation

Option 3 Address matters in the Act rather than by Regulation

Option 4 Address matters by administrative provisions

Option 5 Make a Regulation

A general examination of the costs and benefits of these alternatives is set out below. A detailed analysis of costs and benefits associated with the preferred option – option 5 – can be found in Chapter 5.

Option 1 Take no action

This option would mean that the 2002 Regulation would lapse on 1 September 2007 and would not be replaced.

However the Public Lotteries Act was written in a form that expects and requires many of the matters necessary for its operation to be dealt with by regulation, such as provisions for the responsible conduct of gambling.

To leave these matters unspecified would severely prejudice the operation of the Act and hinder the achievement of its objectives.

This option is not supported as it would result in the loss of provisions designed to promote industry integrity and standards, to protect and inform members of the community, and to promote public confidence in the operation of public lotteries.

Option 2 Industry self regulation or co-regulation

This option would place the responsibility for the development and policing of a regulatory framework for the operation of public lotteries on the industry.

It is a significant consideration that, while industry self-regulation is generally encouraged, such systems do not have the force of law. A self-regulatory system could also require that a non-Governmental penalty system be developed, such as exclusion from an industry body for non-compliance with the regulatory framework. Under a co-regulatory framework such penalties could have the force of law, but a system of self-regulation would have to rely fully on the censure of, or dismissal from, an industry body. Unless membership of that industry body could be made obligatory for participation in the industry, this penalty may well have little real impact.

In either case, if the role of Government was some distance removed from full participation in the regulatory framework, the extent to which any self-regulatory or co-regulatory framework and penalties would ensure compliance is uncertain.

This situation could lead to public uncertainty regarding the maintenance of industry standards and associated loss of public confidence in the conduct of public lotteries.

Hence this option is not recommended because it does not provide a guarantee that an acceptable level of standards within the industry would be maintained, and would not adequately assist in the implementation of responsible gambling practices.

Option 3 Address matters in the Act rather than by Regulation

The NSW Parliament has decided that substantive matters of Government regulation should be dealt with by principal legislation (ie: an Act) and that lesser and more routine matters be provided for in subordinate legislation (such as a regulation).

It is clear from the wording of the Act that a regulatory framework was envisaged to give effect to the provisions of the Act. There is no expressed intention that the matters which are the subject of existing regulations were to be specified in the Act at some later point in time.

Maintaining these provisions in the Regulation instead of the Act allows for an additional degree of flexibility in the regulatory framework. Should additional changes or enhancements to the existing framework be required, effecting such changes by regulatory amendment is a simpler and more efficient process than that required to amend the Act itself.

Dealing with any changes in a regulation means that amendments can be made quickly and more cheaply than is the case for principal legislation. Additionally the scrutiny of subordinate legislation by a Parliamentary Committee and the ability of Parliament to disallow regulations recognise that there is an appropriate procedure for considering subordinate legislation.

Accordingly this option is not recommended.

Option 4 Address matters by administrative provisions

There are limits to the matters that can be dealt with appropriately via administrative means. This can be because the Act specifically requires that regulations be made, because administrative action would not provide the necessary legal certainty, or because application of legal sanctions may not be possible in cases of non-compliance.

Accordingly this option is not recommended.

Option 5 Make a regulation

This is the preferred option. The proposed Public Lotteries Regulation 2007 would provide for the administrative and machinery matters contemplated by the Public Lotteries Act 1996 and the fulfilment of the other objectives listed on page 5 of the RIS.

The proposed Regulation would include only those clauses necessary to give effect to the required control and proper administration of the Act. This supports Government policy to minimise the number and complexity of regulations.

This approach is also consistent with the intention of Parliament as reflected in the terms of the Act. In some instances, regulations are the only means of achieving the efficient operation of substantive provisions of the Act. In other instances, the proposed regulations would complement the relevant provisions of the Act.

Conclusion

It is considered that the best way of achieving the stated objective of effective control over the conduct and operation of public lotteries is to proceed with option 5 and make the proposed Public Lotteries Regulation 2007.

5. Summary of the proposed Public Lotteries Regulation 2007

This Chapter seeks to examine the economic and social costs and benefits of each clause of the proposed Regulation.

In this Chapter the abbreviation "the Act" refers to the Public Lotteries Act 1996.

In this Chapter the abbreviation "licensee" refers to a public lottery licensee.

Main Features

In broad terms the Regulation would:

- provide for the disposal of certain unclaimed lottery prizes and of certain money in prize funds;
- provide for an entrant in a public lottery to request anonymity;
- make provision for responsible gambling practices;
- prescribe certain people as key employees in relation to Keno;
- prescribe the changes of circumstances in relation to licensees for public lotteries that need to be notified to the Minister;
- prescribe certain contracts in relation to games of Keno as exempt contracts;
- prescribe the fee for review of a controlled contract; and
- contain other miscellaneous provisions.

ANALYSIS OF THE CLAUSES

Part 1 – Preliminary

Part 1 contains 3 clauses which are essentially machinery or procedural matters.

Clause 1 would state how this regulation is to be cited. It is to be named the Public Lotteries Regulation 2007.

Clause 2 would provide for the commencement of the Regulation on 1 September 2007.

Clause 3 would contain the definitions of the term “the Act”. This clause would also state that the notes included in the Regulation are explanatory notes and do not form part of the Regulation. Notes would be included in some places as an interpretation aid.

Costs and benefits

There are no economic and social costs or benefits associated with Part 1 of the Regulation. These are machinery matters that are necessary for a proper understanding and functioning of the Regulation.

Part 2 – Prizes

Part 2 is concerned with providing for the disposal of certain unclaimed lottery prizes and of certain money in prize funds. This Part is also concerned with providing for an entrant in a public lottery to request anonymity.

Clause 4

Under Section 27, the regulations may impose a time limit within which claims for unclaimed lottery prizes can be made. Under proposed clause 5 (see below), a lottery prize is classed as an “unclaimed” prize if it remains unclaimed for one year after the relevant lottery is drawn. Clause 4 provides for the staged introduction of 5-year limit on claims for “unclaimed” prizes.

Costs and benefits

This clause would provide clarity for lottery subscribers, lottery licensees and the Regulator as to the time limit on claims for “unclaimed” prizes. Although there may be some administrative cost to the licensees, it is considered that these costs would be minimal and that this requirement is a vital part of the procedure for handling “unclaimed” prizes. There are no direct costs accruing to Government or subscribers.

It is recommended that this clause be made.

Clause 5

Section 26 of the Act requires a public lottery licensee to pay a percentage of lottery subscriptions into a prize fund. The licensee may then draw on the prize fund to pay prizes and make payments in respect of "unclaimed prizes". Clause 5 would define an unclaimed prize as a prize that remains unclaimed for a period of one year after the closure of the lottery. The clause would allow the licensee to dispose of an unclaimed prize for the benefit of subscribers to public lotteries conducted by the licensee in ways approved by the responsible Minister. In the past, approval to dispose of unclaimed prizes has been limited to the return of unclaimed prizes to the prize pool. However this does not affect a prizewinner's right to claim an unclaimed prize.

Costs and benefits

There are public lottery prizes that remain unclaimed every year, some of which may be worth a substantial amount of money. It is to the benefit of the licensee and subscribers that these amounts may eventually be used for the benefit of subscribers generally. It is also to the benefit of lottery entrants that a claim to a prize does not lapse, but may be claimed at any time after the results of the lottery are known. These requirements also contribute to the overall integrity of a lottery by establishing procedures for dealing with unclaimed prizes.

Although there may be some administrative cost to the licensees, it is considered that these costs would be minimal and that this requirement clarifies the procedure for handling unclaimed prizes. There are no direct costs accruing to Government or subscribers.

It is recommended that this clause be made.

Clause 6

Under Section 27, a prize fund for a public lottery must be kept in a bank or other account nominated or approved by the Minister. Under Section 27(10), regulations may be made about the disposal of money in a prize fund (other than prize money) when a licence is no longer in force. Such money might consist of income from an investment of unclaimed prizes.

Clause 6 would allow the Minister, with the approval of the Treasurer, to distribute this money for the benefit of public lottery subscribers generally, by paying it to the Government's Consolidated Fund, or for other purposes as the Minister determines.

Costs and benefits

Clause 6 would facilitate a process for dispersal of any remaining prize funds should a lottery licence cease to be in force. This clause removes any uncertainty in regard to the ultimate responsibility for money in a prize fund, establishes the procedure for dispersal of the money, and ensures that any remaining funds are dispersed for the benefit of the public lottery subscribers or for the people of the State generally through the Consolidated Fund.

No costs accrue to a licensee (as this clause only applies to defunct licences) or its subscribers from this clause. The Government may incur some administrative costs from arranging for the transfer or dispersal of these funds, but this could be offset by the application of moneys in the prize fund.

It is recommended that this clause be made.

Clause 7

Under Section 38(2) of the Act, the regulations may prescribe the manner in which a public lottery subscriber may request anonymity. Clause 7 of the Regulation would set out the procedure involved in making a request for anonymity. In short, a prize winning lottery subscriber indicates to the licensee or the agent of the licensee when claiming the prize that anonymity is desired. Alternatively a subscriber follows the procedure for requesting anonymity set down in the rules for the lottery in question.

Costs and benefits

Clause 7 is a protective provision. There is a tradition, going back decades, of providing subscribers with the option of requesting anonymity. The costs involved for a licensee are minimal, but the benefits accruing to public lottery subscribers who wish to remain anonymous may be considerable, particularly if the prize won is of significant monetary value.

It is recommended that this clause be made.

Clause 8

Section 39A of the Act provides for a limit to be stipulated for the value of prizes that may be paid directly to lottery subscribers by authorised agents of a public lottery licensee. Clause 8 would specify these amounts which are \$9,999 for Keno and \$1,000 for NSW Lotteries. The difference in the limits reflects the different arrangements in place between Keno licences and their agents (i.e.: registered clubs and Star City) and NSW Lotteries and their agents (primarily newsagents) for payment of prizes.

Costs and benefits

Clause 8 would provide regulatory support for arrangements that have been granted ministerial approval. This is primarily an administrative provision that involves some costs for the licensees. However, a clear benefit for the regulator, public lottery licensees and lottery subscribers is the enhanced control and accountability regarding payment of prizes that is derived from this provision.

It is recommended that this clause be made.

Part 3 – Responsible gambling practices

Part 3 is concerned with establishing responsible gambling measures.

Clause 9

Clause 9 would require the approval of an English language public lottery player information pamphlet or brochure by the Minister, and outline what information the pamphlet or brochure is to contain. Under responsible gambling measures this is a standard requirement for all providers of gambling.

The clause can also authorise the Minister's approval of public lottery player information pamphlets or brochures in Arabic, Croatian, Chinese, Greek, Italian, Korean, Macedonian, Maltese, Serbian, Spanish, Turkish or Vietnamese. The approvals may be withdrawn or varied.

Costs and benefits

The design, production and translation of the pamphlets or brochures currently in use has been undertaken by the Government, with the costs of distribution to public lottery agents and outlets being borne by the licensees. The cost of initial production of these brochures was met by the State Government as part of its programs to address problem gambling.

However, costs of producing amended brochures as needed following changes to lottery rules have since been met largely by licensees. It is uncertain how often new print runs will be required, as this will be dependent upon demand for particular brochures and ongoing changes to the design of public lottery games initiated by the licensees.

The benefits of the availability of this information are that public lottery subscribers are readily able to access information regarding the odds of winning a public lottery, and are made aware of the availability of gambling counselling services. This is a significant part of the Government's aim to enhance the awareness of players regarding their choice of gambling and how much they spend on gambling. The provision of this information is an important responsible gambling measure.

It is recommended that this clause be made.

Clause 10

Clause 10 would require that a licensee provide sufficient copies of the public lottery player information pamphlets or brochures in English to their agents, and require the agents of the licensee to ensure that the pamphlets or brochures are on display and available to public lottery subscribers.

Costs and benefits

It is understood that the additional cost to licensees and their agents for the distribution and display of these brochures would be minimal, as the material could be included as part of the usual distribution and display of large amounts of lottery stationery, sales promotion and related material on a regular basis.

It is recommended that this clause be made.

Clause 11

Clause 11 would allow a person to request a licensee or its agent to provide a public lotteries player information pamphlet or brochure in Arabic, Croatian, Chinese, Greek, Italian, Korean, Macedonian, Maltese, Serbian, Spanish, Turkish or Vietnamese. Clause 9 would also require a licensee or its agent to supply the pamphlets or brochures as soon as possible after being requested to do so.

Costs and benefits

The cost and benefits of the availability of this information in community languages are virtually the same as those for the English language version, in that non-English speaking public lottery subscribers would be readily able to access information regarding the odds of winning a public lottery, as well as being made aware of the availability of gambling counselling services. As previously noted, the provision of this information is an important responsible gambling measure.

Once again it is understood that the additional cost to licensees and their agents for the distribution and display of these brochures would be minimal, where the material is included as part of the usual distribution and display of large amounts of material on a regular basis.

It is recommended that this clause be made.

Clause 12

Clause 12 would require that each printed entry form and ticket in a public lottery carry G-line counselling service information. It would also require that any written material explaining how to enter a public lottery contain an explanation of the chances of winning and G-line counselling service information. The clause exempts entry forms, tickets and written material in existence as at 9 November 2001 (when this requirement was introduced), and contracts for the supply of entry forms, tickets and written material, from this requirement. However these contracts could not be extended after 9 November 2001.

Costs and benefits

By allowing supplies of entry forms, tickets and written material still in use when this clause originally commenced to be exhausted, and allowing existing contracts for the supply of such items to continue, the costs of this requirement to licensees have been minimised.

This clause is essentially a transitional provision, and it is acknowledged that it may now be redundant. Specific comments on the ongoing relevance of this clause will be sought from public lottery licensees as part of the review process.

The benefit to public lottery subscribers from the provision of this information is that they will have greater access to information on their chances of winning the lottery products that they purchase at the point-of-sale. Subscribers will also be made aware of the availability of gambling counselling information.

Requirements under the clause are consistent with requirements placed on other providers of gambling, such as registered clubs, hotels and the casino. These measures are an important part of the Government's responsible gambling policy to ensure that information on gambling is as accessible as possible. It is particularly important that the information be available where it will have the greatest exposure to public lottery subscribers, that is, at the point-of-sale of lottery products.

It is recommended that this clause be made.

Clause 13

Clause 13 would require that a licensee supply gambling counselling signage to its agents and that the agents put this signage on display. The clause would also specify the content and the size of the signage. The sign is to contain the following information:

Is gambling a problem for you? Call G-line (NSW) counselling service 1800 633 635

Costs and benefits

A licensee will incur direct costs in the design, printing and distribution of this signage. These costs are considered acceptable as the gambling counselling signage is an important part of the responsible gambling measures for public lotteries, and is comparable to the requirements placed upon other gambling providers.

The benefit to subscribers is that they will be made well aware of the availability of a major source of help for gambling-related problems.

It is recommended that this clause be made.

Clause 14

Under Section 39 of the Act, it is an offence for a licensee or other person to publish, or cause to be published, any public lottery advertising that is false, misleading or deceptive. It is also an offence to publish any public lottery advertising that is in contravention of a requirement of the regulations.

Clause 14 would specify various other requirements for the advertising of public lotteries. The clause would state that a licensee, or its agent, must not publish or cause to be published any advertisement that:

- encourages a breach of the law;
- depicts children;
- suggests that winning will be a definite outcome of participating in a public lottery;
- suggests that entering a public lottery will definitely improve a person's financial prospects; or
- is not conducted in accordance with decency, dignity and good taste and in accordance with the Commercial Television Industry Code of Practice as in force at the time the advertising is published.

Costs and benefits

It is unlikely that a licensee will incur costs in ensuring advertising conforms to these requirements. Should any such costs be incurred these costs should not be significant in comparison with the total amount regularly incurred by public lottery licensees when advertising their products.

However it is widely accepted that these restrictions are in the public interest, as they aim to minimise the negative social impacts that can result from the inappropriate advertising of these services.

This is broadly consistent with requirements placed on other providers of gambling and is a significant part of the Government's responsible gambling measures.

It is recommended that this clause be made.

Clause 15

Clause 15 would require that in the case of Keno a player could request for the full amount of a prize in excess of \$2,000 to be paid either by cheque or electronic funds transfer (EFT), where EFT is available. If such a request is not made, only the prize money component in excess of \$2,000 would be required to be paid by cheque or EFT.

In the case of other public lottery games (Lotto, Draw Lotteries, Instant Lotteries, etc) the clause would require that the full amount of any prize in excess of \$1,000 be paid by cheque or, where so requested by a player, by means of EFT.

The requirement that any prize in excess of \$2,000 be paid by cheque or EFT has also been introduced for other gambling, such as gaming machines, and is a significant part of the responsible gambling measures for public lotteries.

Costs and benefits

In the case of NSW Lotteries, prizes in excess of \$1,000 must be paid in full by cheque in accordance with the rules for NSW Lotteries' games. Hence these requirements would not result in any additional costs for NSW Lotteries.

In the case of the Keno licensees it is acknowledged some additional administrative costs could result from this requirement regarding payment by cheque, but it is anticipated that these costs will not be significant.

It is also anticipated that for all licensees the costs involved in payment of prizes by EFT would be minimal and that it would be a more secure method of transferring large amounts of money. Hence this measure would be of benefit to both licensees and players receiving prizes.

The reduction in easy and quick access to large amounts of cash is a significant gambling harm minimisation measure. Hence the benefits of this requirement accrue to public lottery subscribers.

It is recommended that this clause be made.

Clause 16

Clause 16 would prohibit a licensee or its agent, or an employee of a licensee or agent from offering or supplying liquor as an inducement to participate, or to participate frequently, in a public lottery.

This prohibition would include packaged liquor and reflects an existing prohibition in relation to the provision of gambling by registered clubs, hotels, racecourses and a casino.

Costs and benefits

The prohibition does not result in any costs for a licensee or its agents. The use of alcohol as a prize in relation to any public lottery is not a very common practice. This clause would merely limit the methods public lottery licensees may use to encourage participation in public lottery games. The benefits accruing to members of the public are that they will not be offered an inappropriate encouragement to subscribe to a public lottery.

It is recommended that this clause be made.

Part 4 - Miscellaneous

Part 4 contains miscellaneous administrative and machinery matters.

Clause 17

Section 4(1) of the Act defines a "key employee" as a person who is:

- employed in a managerial or supervisory capacity in relation to the conduct of a public lottery by a licensee;
- authorised to make decisions, involving the exercise of his or her discretion, that regulate the operations of a licensee or an agent in relation to the conduct of a public lottery by the licensee; or
- concerned or engaged, in any manner prescribed by the regulations, in the conduct of a public lottery by a licensee.

Clause 17 relies on the "third limb" of the key employee definition. The clause would specify, in respect of the Keno licence, which employees of the joint Keno licensees are "key employees".

Costs and benefits

The cost of this requirement to the licensee would be a minor administrative cost only. However the benefit accruing to the Government is considerable as it ensures the Government is kept aware of those persons working for a public lottery licensee who may be in a position of influence or authority. This assists in maintaining high levels of probity within the industry.

It is proposed that this requirement be extended to apply to the NSW Lotteries Corporation in order to implement a consistent approach in regard to key employees of licensees. Specific comment on this proposal is sought from all interested parties.

It is recommended that the clause be made.

Clause 18

Section 52 of the Act states that public lottery licensees are to inform the Minister of changed circumstances as set out in the regulations. Clause 16 would set out the changes in circumstances in relation to licensees of which the Minister is to be informed. These details are contained in Schedule 1 to the Regulation. Examples of the changed circumstances are:

- the licensee commencing to remunerate an employee at \$150,000 per annum or more;
- the nominal or paid up capital of the licensee;
- any change in any direct or indirect financial interest held by the licensee in any business or enterprise;
- any other business or enterprise commencing to have the same registered office as the licensee;
- various legal proceedings;
- any change in the key employees; and
- any increase in the licensee's debts of more than \$500,000.

Costs and benefits

The benefits of this requirement are that it facilitates Government oversight of the industry and helps maintain industry integrity. The notification requirement assists in regulatory oversight of the licence concerned and provides regulatory authorities with information about persons in potentially influential positions with the licensee. This requirement also helps maintain high standards of probity within the industry and contributes to the enforcement of the Act. It is recognised that a licensee would incur costs as a result of these requirements, but it is anticipated that these costs would be minor and acceptable given the public interest benefits arising from this requirement.

It is recommended that the clause be made.

Clause 19

Section 62 of the Act defines a "controlled contract" and states that an "exempt contract" is not a "controlled contract". An "exempt contract" is defined as:

- a contract that relates solely to the construction or alteration of premises used or to be used by a licensee or agent in connection with the conduct of a public lottery, or
- a contract of a class that is prescribed by the regulations as exempt from the definition of controlled contract.

Clause 19 of the Regulation would list the types of contracts that are exempt. They are:

- (a) a contract of employment,
- (b) a contract relating to the supply or maintenance of gaming, security or surveillance equipment,

- (c) a contract relating to the supply to a licensee or agent of gas, water or electricity, or postal or telecommunications services,
- (d) a contract relating to the supply of legal, accounting, financial, corporate or property advisory services to a licensee or agent,
- (e) a contract relating to the supply of share registry services to a licensee or agent,
- (f) a contract relating to the supply of airline services to a licensee or agent,
- (g) a contract of insurance and a contract relating to the supply of insurance to, or the procurement of insurance for, a licensee or agent,
- (h) a contract relating to the supply of off-site parking for the premises used or to be used by a licensee or agent in connection with the conduct of a public lottery,
- (i) a contract relating to the supply of ticketing agency services to a licensee or agent,
- (j) a contract relating to the supply of superannuation services for the benefit of employees of a licensee or agent,
- (k) a contract relating to the supply of banking or financial services to a licensee or agent,
- (l) a contract relating to the provision of membership services by an industry representative body to a licensee or agent,
- (m) a contract relating to the provision of marketing, advertising or promotional goods or services to a licensee or agent.

Clause 19 would also clarify that the following classes of contracts are not exempt contracts:

- (a) 2 or more contracts for the supply of goods and services by the same supplier during any 12 month period if the aggregate amount payable under the contracts is \$550,000 or more,
- (b) a contract relating to the supply of gaming equipment if the amount payable under the contract is \$11,000 or more,
- (c) a contract relating to the maintenance of gaming equipment if the amount payable under the contract is \$11,000 or more,
- (d) a contract relating to the supply or maintenance of security or surveillance equipment if the amount payable under the contract is \$110,000 or more.

Costs and benefits

The exemption of specific types of contracts targets the areas of concern for the regulator while exempting contracts for supply of goods or services that do not relate to gambling activities, or other areas of concern. This clause does not appear to give rise to any costs for the Government, or if any costs do exist, it is anticipated that they will be minor administrative costs only.

Sections 62-67 of the Act grant the Minister substantial powers over controlled contracts. The exemption of the above types of contracts represents a sensible balancing of the regulatory requirements.

Specific comment on this proposed clause is sought from all interested parties.

It is recommended that this clause be made.

Clause 20

Section 63 of the Act states that notice of proposed controlled contracts or variations of controlled contracts must be given to the Minister, and 28 days investigation time allowed. Section 63(3) states that the notification must be accompanied by the fee specified by the conditions of the licence or prescribed by the regulations. Clause 20 would specify the fee as being \$2,000.

Costs and benefits

The \$2,000 fee for the review of a controlled contract is clearly a cost for a public lottery licensee. The fee has already been discussed with existing lottery licensees, who have accepted this requirement. This fee is identical to charges levied on the casino licensee and is intended to be a contribution to the Government's costs in reviewing a controlled contract or variation thereof. This approach ensures that costs are apportioned to those who directly benefit from the Government's review of controlled contracts.

It is recommended that the clause be made.

Clause 21

Clause 21 would ensure that instruments made under repealed lottery legislation continue in force and that any reference to the repealed Acts is taken to be a reference to the current Public Lotteries Act. This clause was introduced into the 1996 Regulation to maintain the validity of instruments made before the introduction of the current Act, for example, instruments approving rules or entry forms that refer to the *Lotto Act 1979*.

Costs and benefits

This is purely an administrative clause, with no costs incurred by licensees, agents, the Government or members of the public. Retention of this clause would ensure that references to repealed lottery legislation continued to be read to relate to the Public Lotteries Act.

However it may be possible that there is no longer any need for this clause and it is anticipated that this matter will be clarified during the consultation process.

Specific comment on this proposed clause is sought from all interested parties.

In the absence of such information being received during the consultation process, it is recommended that this clause be made.

Schedule 1

Schedule 1 contains a list of the changes of circumstances to be notified in accordance with section 52 of the Act and clause 16 of the Regulation.

6. Consultation Program

Copies of this Statement are available to any organisation, or to any person, upon request. Details for obtaining the Statement were provided earlier.

It is proposed to make this Statement directly available to the following persons or bodies:

- New South Wales Lotteries Corporation
- Club Keno Holdings Pty Ltd
- Jupiters Gaming Pty Limited
- Star City Pty Ltd
- ClubsNSW
- Club Industry Advisory Council
- NSW Treasury
- The Hon Michael Costa, MLC } Shareholder Ministers for
- The Hon John Watkins, MP } NSW Lotteries Corporation
- Tabcorp
- Newsagents Association of NSW and the ACT
- Auditor-General

ATTACHMENT 1**COMPARISON OF CLAUSES IN THE 2002 REGULATION AND
THE PROPOSED 2007 REGULATION**

2002 Regulation	Proposed 2007 Regulation
Clause 1	Clause 1
Clause 2	Clause 2
Clause 3	Clause 3
Clause 3A	Clause 4
Clause 4	Clause 5
Clause 5	Clause 6
Clause 6	Clause 7
Clause 6A	Clause 8
Clause 7	Clause 9
Clause 8	Clause 10
Clause 9	Clause 11
Clause 10	Clause 12
Clause 11	Clause 13
Clause 12	Clause 14
Clause 13	Clause 15
Clause 14	Clause 16
Clause 15	Clause 17
Clause 16	Clause 18
Clause 17	Clause 19
Clause 18	Clause 20
Clause 19	Clause 21

Public consultation draft



New South Wales

Public Lotteries Regulation 2007

under the

Public Lotteries Act 1996

[The following enacting formula will be included if the Regulation is made:]

Her Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *Public Lotteries Act 1996*.

Minister for Gaming and Racing

Explanatory note

The object of this Regulation is to remake the *Public Lotteries Regulation 2002*. That Regulation will be repealed on 1 September 2007 under section 10 (2) of the *Subordinate Legislation Act 1989*. The new Regulation:

- (a) provides for a time within which claims for unclaimed public lottery prizes must be made, and
- (b) provides for the disposal of certain unclaimed public lottery prizes and of certain money in prize funds, and
- (c) provides for an entrant in a public lottery to request anonymity, and
- (d) makes provision for responsible practices in the conduct of public lotteries, and
- (e) prescribes certain people as key employees in relation to Keno, and
- (f) prescribes the changes of circumstances in relation to licensees for public lotteries that need to be notified to the Minister, and
- (g) prescribes certain contracts as exempt contracts, and
- (h) prescribes the fee for the review of a controlled contract, and
- (i) makes other miscellaneous provisions.

This Regulation is made under the *Public Lotteries Act 1996*, including sections 83 (the general regulation-making power) and 83A (Responsible conduct of gambling activities).

Public consultation draft

Public Lotteries Regulation 2007

Explanatory note

Public consultation draft

Public Lotteries Regulation 2007

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Public consultation draft

Public Lotteries Regulation 2007

Clause 1

Preliminary

Part 1

Public Lotteries Regulation 2007

under the

Public Lotteries Act 1996

Part 1 Preliminary

1 Name of Regulation

This Regulation is the *Public Lotteries Regulation 2007*.

2 Commencement

This Regulation commences on 1 September 2007.

Note. This Regulation replaces the *Public Lotteries Regulation 2002* which is repealed on 1 September 2007 under section 10 (2) of the *Subordinate Legislation Act 1989*.

3 Definition

(1) In this Regulation:

the Act means the *Public Lotteries Act 1996*.

(2) Notes included in this Regulation do not form part of this Regulation.

Public consultation draft

Public Lotteries Regulation 2007

Clause 4

Prizes

Part 2

Part 2 Prizes

4 Period in which prizes may be claimed

A claim for an unclaimed prize must be made:

- (a) on or before 1 December 2016, in the case of a prize won in a public lottery conducted on or before 30 November 2010, or
- (b) on or before the sixth anniversary of the date on which the public lottery to which the prize relates was conducted, in the case of a prize won in a public lottery conducted on or after 1 December 2010.

5 Unclaimed public lottery prizes

- (1) An unclaimed prize may be disposed of by the licensee who conducted the public lottery in a manner and for a purpose approved by the Minister for the benefit of subscribers to public lotteries conducted by the licensee, or, in the case of an unclaimed keno prize, for any other purpose approved of by the Minister.
- (2) If the Minister approves of the disposal by a licensee of an unclaimed prize under subclause (1), the licensee must dispose of the unclaimed prize in the manner and for the purpose approved:
 - (a) within the time, if any, specified in the approval, or
 - (b) if a time is not specified in the approval, within 10 days after the day on which the approval is given, or
 - (c) if the approval was given before the commencement of this subclause, within 10 days after that commencement.

6 Disposal of certain money in prize fund if licence not in force

The Minister may, with the approval of the Treasurer, distribute money to which section 27 (10) of the Act refers for the benefit of subscribers to public lotteries generally, by payment to the Consolidated Fund or for such other purposes as the Minister determines.

7 Publicity concerning prizewinners

For the purposes of section 38 (2) of the Act, an entrant in a public lottery may request anonymity:

- (a) by having the request for anonymity recorded by the licensee in accordance with the rules of the public lottery, or
- (b) by indicating to the licensee (or an employee of the licensee) when claiming a prize that the person does not want his or her identity published.

Public consultation draft

Clause 8 Public Lotteries Regulation 2007

Part 2 Prizes

8 Prizes paid by agents

For the purposes of section 39A of the Act, the prescribed amount:

- (a) in relation to a game of keno is \$9,999, and
- (b) in relation to a public lottery (other than a game of keno) is \$1,000.

Public consultation draft

Public Lotteries Regulation 2007

Clause 9

Responsible gambling practices

Part 3

Part 3 Responsible gambling practices

9 Approval of English and other community language player information brochures

- (1) In this clause, *player information* means the following:
 - (a) information concerning the chances of winning a major prize in a public lottery,
 - (b) the G-line (NSW) helpline telephone number operated under contractual arrangements made by the NSW Office of Liquor, Gaming and Racing, Department of the Arts, Sport and Recreation.
- (2) The Minister may approve one or more pamphlets or brochures containing player information in the English language (a *player information brochure*).
- (3) The Minister may approve one or more pamphlets or brochures containing advice in the Arabic, Chinese, Croatian, Greek, Italian, Korean, Macedonian, Maltese, Serbian, Spanish, Turkish and Vietnamese languages that:
 - (a) indicates the substance of the player information contained in a player information brochure, and
 - (b) advises that the information will be supplied by the licensee or an agent of the licensee in the relevant language on request.
- (4) A pamphlet or brochure approved under subclause (3) may be combined with the player information brochure to which it relates.
- (5) The Minister may approve one or more pamphlets or brochures (a *community language player information brochure*) containing player information in the Arabic, Chinese, Croatian, Greek, Italian, Korean, Macedonian, Maltese, Serbian, Spanish, Turkish and Vietnamese languages.
- (6) The Minister may vary or withdraw any approval given under this clause.

10 Provision of player information brochures

- (1) A licensee must:
 - (a) as soon as practicable after the requirements of subclause (2) first apply in relation to an agent of the licensee, provide to the agent sufficient copies of the player information brochures approved by the Minister under clause 9 (2) to enable the agent to comply with those requirements, and

Public consultation draft

Clause 11 Public Lotteries Regulation 2007

Part 3 Responsible gambling practices

- (b) provide further copies of the brochures to an agent of the licensee in accordance with a request by the agent.

Maximum penalty: 50 penalty units.

- (2) An agent of a licensee must ensure that:

- (a) copies of at least one type of player information brochure approved by the Minister under clause 9 (2) are made available at each point of sale (under the control of the agent) for tickets or entries in, or subscriptions to, each public lottery conducted by the licensee, and
- (b) those copies are displayed in such a manner and in such a place that it would be reasonable to expect that a person purchasing a ticket or entry in, or subscribing to, such a lottery at that point of sale would be alerted to their presence.

Maximum penalty: 50 penalty units.

11 Provision of player information brochures in community languages

- (1) A person may request a licensee or agent of a licensee to supply a community language player information brochure approved under clause 9 (5) in one of the languages specified in that subclause.
- (2) A licensee or agent of a licensee must supply a brochure in accordance with a request made under subclause (1) as soon as practicable after being requested to do so.

Maximum penalty: 50 penalty units.

12 Gambling information and warnings

- (1) A licensee must ensure that each printed entry form (however described) and ticket in a public lottery conducted by the licensee contains the following:
Is gambling a problem for you? CALL G-line (NSW) counselling service 1800 633 635
Maximum penalty: 50 penalty units.
- (2) Subclause (1) does not apply to instant lottery tickets (commonly known as “scratchies”).
- (3) A licensee must ensure that any written material provided by the licensee to explain to the public how to enter a public lottery contains:
 - (a) an explanation of the chances of winning a major prize in the public lottery or, if there are different prize divisions in the public lottery, an explanation in relation to each of those divisions of the chances of winning a prize in that division, and
 - (b) the following:

Public consultation draft

Public Lotteries Regulation 2007

Clause 13

Responsible gambling practices

Part 3

Is gambling a problem for you? CALL G-line (NSW) counselling service 1800 633 635

Maximum penalty: 50 penalty units.

- (4) A licensee must include the following information on any website used by the licensee to promote or provide information about a public lottery conducted by the licensee:
- (a) the information contained in a player information brochure approved by the Minister under clause 9 (2),
 - (b) an explanation of the chances of winning a major prize in the public lottery or, if there are different prize divisions in the public lottery, an explanation in relation to each of those divisions of the chances of winning a prize in that division.

Maximum penalty: 50 penalty units.

13 Counselling signage—notice to be displayed

- (1) A licensee must:
- (a) as soon as practicable after the requirements of subclause (2) first apply in relation to an agent of the licensee, provide to the agent sufficient copies of a notice that complies with this clause to enable the agent to comply with those requirements, and
 - (b) provide further copies of the notice in accordance with a request by an agent of the licensee.

Maximum penalty: 50 penalty units.

- (2) An agent of a licensee must:
- (a) display a notice that complies with this clause at each point of sale (under the control of the agent) for tickets or entries in, or subscriptions to, each public lottery conducted by the licensee, or in the vicinity of each such point of sale, and
 - (b) display each such notice in such a manner that it would be reasonable to expect that a person in the vicinity of the point of sale in relation to which the notice is displayed would be alerted to its contents.

Maximum penalty: 50 penalty units.

- (3) The notice must contain the following:
Is gambling a problem for you? CALL G-line (NSW) counselling service 1800 633 635
- (4) Subclause (3) does not prevent a notice under this clause containing other information.

Public consultation draft

Clause 14 Public Lotteries Regulation 2007

Part 3 Responsible gambling practices

- (5) The notice must be at least 42 centimetres by 29.5 centimetres in size, and the matter contained in the notice must be in letters and figures of not less than 0.6 centimetres in height.

14 Advertising of public lotteries

- (1) The requirements of subclauses (2) and (3) are prescribed as requirements for the purposes of section 39 (1) (b) of the Act.

Note. Section 39 of the Act makes it an offence for a licensee or other person to publish, or cause to be published, any public lottery advertising that is false, misleading or deceptive or is in contravention of a requirement of the regulations. The maximum penalty for the offence is 50 penalty units.

- (2) A licensee or agent of a licensee must not publish, or cause to be published, any public lottery advertising that:
- (a) encourages a breach of the law, or
 - (b) depicts children, or
 - (c) suggests that winning will be a definite outcome of participating in a public lottery, or
 - (d) suggests that entering a public lottery will definitely improve a person's financial prospects, or
 - (e) is not conducted in accordance with decency, dignity and good taste and in accordance with the Commercial Television Industry Code of Practice as in force at the time the public lottery advertising is published.
- (3) A licensee or agent of a licensee must ensure that any public lottery advertising in writing published, or caused to be published, by the licensee or agent in a newspaper, magazine, poster or other printed document contains the following:

Is gambling a problem for you? CALL G-line (NSW) counselling service 1800 633 635

- (4) In this clause:
- public lottery advertising** means advertising that is directly related to the conduct of a public lottery.
- publish** includes disseminate in any way, whether by oral, visual, written or other means (for example, dissemination by means of cinema, video, radio or television).

15 Payment of prize money by cheque or electronic funds transfer

- (1) If in a game of keno the prize money payable to a person at the end of a customer session exceeds \$2,000, the licensee or agent of the licensee responsible for paying the prize money:

Public consultation draft

Public Lotteries Regulation 2007

Clause 16

Responsible gambling practices

Part 3

- (a) if the person so requests, must pay the total prize money by means of:
 - (i) a crossed cheque payable to the person, or
 - (ii) an electronic funds transfer to an account nominated by the person (if those means are available), and
- (b) must pay so much of the total prize money as exceeds \$2,000 by means of:
 - (i) a crossed cheque payable to the person, or
 - (ii) if the person so requests and those means are available, by means of electronic funds transfer to an account nominated by the person.

Maximum penalty: 50 penalty units.

- (2) If in a public lottery (other than a game of keno) the total prize money payable to a person exceeds \$1,000, the licensee or agent of the licensee responsible for paying the prize money must pay the total prize money by means of:
 - (a) a crossed cheque payable to the person, or
 - (b) if the person so requests, electronic funds transfer to an account nominated by the person.

Maximum penalty: 50 penalty units.

- (3) In this clause:
crossed cheque means a cheque crossed as referred to in section 53 of the *Cheques Act 1986* of the Commonwealth.

customer session means the period of time starting when a subscriber:

- (a) makes an entry in a game of keno, or
- (b) checks a receipt ticket in a game of keno, or
- (c) cancels an entry into a game of keno,

and ending when the End Customer terminal key is activated.

total prize money means the total amount of money payable to a person as a result of the person winning money in respect of a single entry in a public lottery (whether or not that entry relates to one, or more than one, game in the public lottery).

16 Gambling inducements

- (1) A licensee or agent of a licensee, or an employee of a licensee or agent of a licensee, must not offer or supply any free or discounted liquor as an inducement to participate, or to participate frequently, in any public lottery conducted by the licensee.

Maximum penalty: 50 penalty units.

Public consultation draft

Clause 16 Public Lotteries Regulation 2007

Part 3 Responsible gambling practices

(2) In subclause (1), *liquor* has the same meaning as in the *Liquor Act 1982*.

Public consultation draft

Public Lotteries Regulation 2007

Clause 17

Miscellaneous

Part 4

Part 4 Miscellaneous

17 Key employees (keno)

- (1) Any person who is concerned or engaged in any of the following ways in the conduct of games of keno by a keno licensee is a *key employee* for the purposes of paragraph (c) of the definition of *key employee* in section 4 (1) of the Act:
 - (a) involvement, on behalf of the licensee, in the development or operation of any computer systems in relation to those games,
 - (b) involvement, on behalf of the licensee, in the financial or accounting aspects of the conduct of those games.
- (2) Any of the following persons who are concerned or engaged in the conduct of games of keno by a keno licensee are also key employees for the purposes of paragraph (c) of the definition of *key employee* in section 4 (1) of the Act:
 - (a) any person who is employed by or on behalf of Jupiters Gaming (NSW) Pty Ltd in the capacity of, or who performs the duties of, general manager, systems manager, sales and marketing manager, contracts and distribution manager, operations manager or financial controller of that company,
 - (b) any person who is employed by or on behalf of Club Gaming Systems (Holdings) Pty Limited in the capacity of, or who performs the duties of, sales executive or training manager of that company,
 - (c) any person involved, on behalf of Club Gaming Systems (Holdings) Pty Limited, in the development or operation of any computer systems in relation to games of keno conducted by a licensee,
 - (d) any person involved, on behalf of Club Gaming Systems (Holdings) Pty Limited, in the financial or accounting aspects of the conduct of such games.

18 Notification of change of circumstances in relation to licensees

- (1) The kinds of changes set out in Schedule 1 are prescribed for the purposes of section 52 of the Act in relation to licensees for public lotteries.
- (2) The particulars to be notified under section 52 of the Act in relation to each kind of change are as set out in Schedule 1 in respect of that kind of change.

Public consultation draft

Clause 19 Public Lotteries Regulation 2007

Part 4 Miscellaneous

19 Exempt contracts

- (1) The following contracts, or classes of contracts, are prescribed for the purposes of paragraph (b) of the definition of *exempt contract* in section 62 of the Act:
- (a) a contract of employment,
 - (b) a contract relating to the supply or maintenance of gaming, security or surveillance equipment,
 - (c) a contract relating to the supply of gas, water or electricity, or postal or telecommunications services to a licensee or agent,
 - (d) a contract relating to the supply of legal, accounting, financial, corporate or property advisory services to a licensee or agent,
 - (e) a contract relating to the supply of share registry services to a licensee or agent,
 - (f) a contract relating to the supply of airline services to a licensee or agent,
 - (g) a contract of insurance and a contract relating to the supply of insurance to, or the procurement of insurance for, a licensee or agent,
 - (h) a contract relating to the supply of off-site parking for the premises used or to be used by a licensee or agent in connection with the conduct of a public lottery,
 - (i) a contract relating to the supply of ticketing agency services to a licensee or agent,
 - (j) a contract relating to the supply of superannuation services for the benefit of employees of a licensee or agent,
 - (k) a contract relating to the supply of banking or financial services to a licensee or agent,
 - (l) a contract relating to the provision of membership services by an industry representative body to a licensee or agent,
 - (m) a contract relating to the provision of marketing, advertising or promotional goods or services to a licensee or agent.
- (2) Despite subclause (1), the following contracts, or classes of contracts, are not exempt contracts:
- (a) 2 or more contracts for the supply of goods and services by the same supplier during any 12 month period if the aggregate amount payable under the contracts is \$550,000 or more,
 - (b) a contract relating to the supply of gaming equipment if the amount payable under the contract is \$11,000 or more,

Public consultation draft

Public Lotteries Regulation 2007

Clause 20

Miscellaneous

Part 4

- (c) a contract relating to the maintenance of gaming equipment if the amount payable under the contract is \$11,000 or more,
 - (d) a contract relating to the supply or maintenance of security or surveillance equipment if the amount payable under the contract is \$110,000 or more.
- (3) In this clause, *gaming equipment* has the same meaning as it has in the *Casino Control Act 1992*.

20 Review of controlled contracts

For the purposes of section 63 (3) of the Act, \$2,000 is prescribed as the fee for the review of each controlled contract.

21 Savings provision

Any act, matter or thing that had effect under the *Public Lotteries Regulation 2002* immediately before the repeal of that Regulation is taken to have effect under this Regulation.

Public consultation draft

Public Lotteries Regulation 2007

Schedule 1 Change of circumstances to be notified

Schedule 1 Change of circumstances to be notified

(Clause 18)

Kinds of change

Any change in the name of the licensee, the licensee's principal business address or postal address, e-mail address, website address, telephone number or facsimile number.

Any change in the membership of the board of directors of the licensee.

Any change in the name or address of any member of the board of directors of the licensee.

The licensee commencing to remunerate an employee of the licensee at a remuneration level of \$150,000 per year or more, whether as salary or remuneration package.

Any change in the information entered in the register of members of the licensee.

Any change in the proportion of the paid up capital of the licensee in which a person holds a beneficial interest and any acquisition by a person of a beneficial interest in the paid up capital of the licensee.

Any change in the nominal or paid up capital of the licensee.

Any change in the objectives or main activities of the licensee.

Any change in any direct or indirect financial interests held by the licensee in any business or enterprise, including the acquisition or disposal of such an interest.

Any other business or enterprise commencing to have the same registered office as the licensee.

Particulars to be notified

Particulars of those matters as changed.

Particulars of the name, address and date of birth of any new director.

Particulars of the new name or address of the director.

Particulars of the name, address and date of birth of the employee.

Particulars of the change, including any addition to or deletion from that information.

Particulars of the name and address of the person and the proportion of the paid up capital in which the person holds a beneficial interest as changed or acquired.

Particulars of the nominal or paid up capital as changed.

Particulars of those objectives or main activities as changed.

Particulars of the interest both before and after the change.

Particulars of the name of the other business or enterprise and the activities in which it engages.

Public consultation draft

Public Lotteries Regulation 2007

Change of circumstances to be notified

Schedule 1

Kinds of change

The licensee commencing to carry on any other business or enterprise at any place or the appointment of a person to carry on any other business or enterprise on the licensee's behalf.

The commencement, settlement, discontinuance or finalisation of civil or criminal proceedings to which the licensee is a party.

The obtaining of judgment against the licensee, the creation of any charge over any property of the licensee or repossession of any property of the licensee.

Any amendment under any law of the Commonwealth of an assessment relating to the licensee under taxation legislation of the Commonwealth.

Any change in the key employees employed by or on behalf of the licensee.

The commencement, settlement, discontinuance or finalisation of civil or criminal proceedings to which a key employee of the licensee is a party and of which the licensee is aware.

Each increase of more than \$500,000 in the debts of the licensee.

Any failure by the licensee to make due payments under a loan or other financing arrangement.

The commencement of the winding up of the licensee or the placement of the licensee under official management.

Particulars to be notified

Particulars of the address of the place and the business or enterprise carried on there or the name of the person appointed and the business or enterprise to be carried on by the person on the licensee's behalf.

Particulars of the nature of the proceedings, the names and addresses of the other parties to civil proceedings, the date of commencement, settlement, discontinuance or finalisation and the terms of settlement (unless terms of settlement are prohibited from being disclosed) or the result of finalisation.

Particulars of the terms of the judgment or charge or the reasons for and circumstances of the repossession, and a description of any property affected.

Particulars of the amendment.

Particulars of the name and address of a person who becomes or ceases to be a key employee and the date that occurs.

Particulars of the nature of the proceedings, the names and addresses of the other parties to the proceedings, the date of commencement, settlement, discontinuance or finalisation and the terms of settlement (unless terms of settlement are prohibited from being disclosed) or the result of finalisation.

Particulars of to whom the debt is owed, the amount of the debt as increased, the amount of the increase and the reason for the increase.

Particulars of the loan or financing arrangement, the amount due and unpaid and the reason for the failure to pay.

Particulars of the date on which the winding up or official management commenced.

Public consultation draft

Public Lotteries Regulation 2007

Schedule 1 Change of circumstances to be notified

Kinds of change

The licensee entering into a compromise or scheme of arrangement with the licensee's creditors.

The appointment of a receiver or manager, whether by the Supreme Court or otherwise, in respect of the property of the licensee.

Particulars to be notified

Particulars of the date on which it was entered into and the terms of the compromise or scheme.

Particulars of the date and terms of the appointment.
