



Victorian Commission for Gambling and Liquor Regulation

Gambling information fact sheet

Jackpot Monitoring and Payment of unpaid linked jackpots at Victorian Venues

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The Accounting and Auditing Venue Requirements (AAVRs) include specific conditions that gaming venue operators in Victoria must adhere to.

In 2018, clause 11 of the Gambling Legislation Amendment Bill introduced section 3.6.1B to the *Gambling Regulations Act 2003* (the Act). This requires venue operators to pay into the Responsible Gambling Fund (RGF) any jackpot prizes that have not been paid out at the time the operator ceases to hold a venue operator's licence, gaming machine entitlements or when a jackpot is no longer operated at the venue for six months.

To ensure compliance with this section of the Act, the Victorian Commission for Gambling and Liquor Regulation (VCGLR) has amended the AAVR. Please refer to the AAVR version 4.2 for further detail in relation to the new standards governing jackpot management and accounting for unpaid jackpot prizes.

This fact sheet is designed to provide further information in relation to the key changes to the AAVR associated with jackpot management, monitoring, retirement and payment of unpaid linked jackpot prizes to the RGF.

New standards applicable to a change in Gaming Venue Operator

Section 1.9 of the AAVR has been amended to provide additional standards in relation to the management and accounting for unclaimed prizes and unpaid linked jackpot prizes when there is a change of a gaming venue operator at an approved gaming venue.

Upon changing the venue operator, any associated liabilities regarding unclaimed monies/tickets and unpaid jackpot liability must be accounted for.

Upon sale of a venue (which means the cessation of venue operator's licence and the transfer of the gaming machine entitlements attached to that venue) the outgoing venue operator must pay any outstanding Jackpot Special Prize Pool (JSPP) balance to the RGF.

Any outstanding balance in the venue's JSPP is only applicable to that venue, and cannot be transferred between gaming venues owned by the same gaming operator, or transferred to the incoming venue operator as part of the settlement/sale process.

The incoming venue operator will start all the jackpots at the approved gaming venue from the start out point of each linked jackpot arrangement. There is no provision to transfer the signage pool from a linked jackpot operated by the previous venue operator to the incoming venue operator.

Retiring individual linked jackpot arrangements

If a venue operator decides to retire a Linked Jackpot Arrangement (LJA), the venue operator must transfer the signage increment (the signage pool minus the start out) to another LJA within the venue. If there is no other LJA at the venue at the time of retirement, the signage increment must be transferred to another LJA should the venue re-introduce a LJA at the venue within six months of the retirement.

If no LJA is operating within the venue after six months of retiring the LJA, the venue operator must remit the balance of the JSPP to the RGF.

Should you require any further assistance, please email gambling.audit@vcglr.vic.gov.au



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FAQ's regarding section 3.6.1 B of the *Gambling Regulation Act 2003* (the Act) and associated changes to the Accounting and Auditing Venue Requirements (AAVR)

When do I start to accumulate amounts to my venue's Jackpot Special Prize Pool (JSPP)?

Although the legislative changes took effect in 2018, a venue's JSPP is determined from the time the venue commenced operating linked jackpots. If a venue operator has been operating a jackpot at its venue since 16 August 2012, the JSPP is the value of all accumulated jackpot contributions from all linked jackpot arrangements since this time, less the value of all jackpot prizes paid in relation to the linked jackpot arrangements.

Does the jackpot signage balance need to be transferred if the overall status of the jackpot since introduction has seen more payouts than contributions?

Yes. Upon retiring a jackpot, the signage increment, that is, the signage pool on the jackpot display minus the start out of the jackpot, must be transferred to another LJA.

If there is no other LJA operating at the gaming venue, the signage pool must be accounted for and transferred if another LJA is introduced at the venue within six months, or if no other LJA is introduced after six months, the JSPP must be paid to the RGF.

Does the start out of the jackpot need to be transferred as well? e.g. if the jackpot starts at \$200 and is retired with a signage balance of \$255, what must be transferred?

No. Only the signage increment needs to be transferred. This is equal to the value of the signage pool, less the jackpot start out. In the example above, \$55 should be transferred to the next LJA. It should be noted that the transferring of the jackpot signage increment does not impact the monitoring of the JSPP at the venue.

Other than transferring the jackpot signage increment when I retire a jackpot, what else am I obliged to do?

A venue must also account for all individual linked jackpot pools on an ongoing basis, and continue to recognise the total pool for all individual linked jackpot arrangements i.e. the JSPP.

The balance of the JSPP is to be paid to the RGF under the following three circumstances.

1. The venue operator ceases to hold a venue operator's licence; or
2. The venue operator ceases to hold any EGM entitlements; or
3. The venue operator ceases to operate jackpots for six months.

What if I don't have any active LJAs to transfer the signage increment to?

As the signage pool is already included in the value of the JSPP, you must maintain the signage increment and transfer to another jackpot if introduced in the next six months. The VCGLR actively monitors the retiring of jackpots and notes outstanding balances that have not been transferred.

Should there be no LJA installed within the next six months, the total JSPP needs to be paid to the RGF.

What if I decide to re-introduce LJAs in my venue after I made the payment to the RGF for my JSPP?

The JSPP re-commences from the point when LJAs are re-introduced at the venue, as the previous balance of the JSPP would have already been accounted for once one of the three circumstances were met and payment has been made to the RGF.

What do I do with an LJA arrangement that has been retired before the introduction of Section 3.1.6B to the Act and the changes to the AAVR?

The individual linked jackpot pool balance of the retired LJA remains as an unpaid liability and has been accounted for in the JSPP. As noted above, the JSPP relates to all unpaid jackpot liability operated by the venue operator since 16 August 2012, or during their period of ownership.

The JSPP represents the total value of all individual linked jackpot pools for all existing or retired LJAs operated under the same venue operator.

What if I have a negative individual linked jackpot pool balance for a retired LJA?

Any retired LJA where the total contribution is less than jackpots paid (negative pool) should also be accounted for in the JSPP. These jackpots will reduce your overall, unpaid jackpot liability in the JSPP.

How do I ensure the jackpot transfer process is initiated effectively and efficiently and in line with the AAVR?

Intralot Gaming Services (IGS) has a clear understanding of what the VCGLR require with regards to managing jackpot liability both at point of retiring an individual jackpot or the transfer of venue ownership to a new venue operator.

IGS has also issued policies and procedures governing the jackpot transfer process.

When scheduling the works to transfer or retire a jackpot, IGS will be able to assist in calculating and transferring the correct jackpot signage amount.

Can IGS assist in quantifying and paying the required amount to the RGF?

No. The obligation is on the venue operator to calculate the unpaid liability and pay the RGF in line with the requirements under the Act.

Can I transfer the liability to a new owner and adjust the settlement price accordingly?

No. The outgoing venue owner MUST pay any unpaid jackpot liability in the JSPP to the RGF.

How do I ensure I am correctly monitoring the value of the JSPP?

The IGS Monitoring System has reports that will assist in monitoring all linked jackpot contributions and jackpot prizes paid. Please contact IGS should you require any assistance in this regard.

What happens if the value of the JSPP is negative when one of the conditions of the Act is met, i.e. upon transfer of ownership of the venue?

If the venue has paid out more jackpot prizes than has been accumulated in contributions, or the value of the JSPP is negative, the venue operator does not have an unpaid liability and is not required to remit any amount to the RGF. The Act does not provide for any offset in relation to a negative JSPP.

How do I pay an amount to the RGF?

The Victorian Responsible Gambling Foundation can provide further assistance in relation to making the necessary payments under section 3.6.1B of the Act.

This publication avoids the use of legal language. Information about the law may have been summarised or expressed in general statements. This information should not be relied upon as a substitute for professional legal advice or reference to the actual legislation. Authorised by the Victorian Government.