

## Minister for Liquor and Gaming Regulation

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Our ref: CD/14/146724

DX 210077

### **GAMBLING REGULATION ACT 2003**

# NOTICE UNDER SECTION 3.4.59C OF THE ACT OF AMENDMENT OF THE MONITORING LICENCE

To the Monitoring Licensee:

Intralot Gaming Services Pty Ltd 299 Williamstown Road Port Melbourne, Victoria 3207

**TAKE NOTICE** that under section 3.4.59C of the *Gambling Regulation Act 2003* (Act):

- 1. Having given notice to Intralot Gaming Services Pty Ltd (IGS) of my intention to amend the Monitoring Licence, as issued to IGS on 14 November 2011, and having considered the response provided by IGS dated 8 April 2014;
- 2. Having taken into account the requirements of section 3.4.59C(2) of the Act and being of the opinion that the amendment is in the public interest and is required for the proper conduct of the activity licensed under the Monitoring Licence;
- 3. I have decided to amend the Monitoring Licence as set out below.
- 4. The amendments set out below take effect from the date this notice is given.

- 2 MAY 2014

Dated:

Edward O'Donohue MLC

Minister for Liquor and Gaming Regulation



#### AMENDMENTS TO THE MONITORING LICENCE

The Monitoring Licence issued under section 3.4.46 of the Act to the Monitoring Licensee, Intralot Gaming Services Pty Ltd, on 14 November 2011 is amended as follows.

In clause 1.1 the following definitions are inserted:

Pre-Commitment Commencement Date means 1 December 2015.

**Pre-Commitment Direction** means a direction issued by the Minister under section 3.8A.2 of the Act.

**Pre-Commitment Direction Date** means the date that the Minister first issues a Pre-Commitment Direction.

**Pre-Commitment Fee** means the fee that may be charged by the Monitoring Licensee for the provision of Pre-Commitment Services in accordance with the Pre-Commitment Related Agreement.

Pre-Commitment Fee Submission has the meaning given to that term in clause 9.7(a).

**Pre-Commitment Pricing Report** has the meaning given to that term in clause 9.7(b).

**Pre-Commitment Related Agreement** means the Pre-Commitment Related Agreement entered into or to be entered into between the Minister and the Monitoring Licensee under section 3.4.48A of the Act relating to the provision of Pre-Commitment Services.

**Pre-Commitment Services** has the same meaning that it has in section 3.1 of the Act as those services are required to be provided under the Pre-Commitment Related Agreement.

**Pricing Review Panel** has the meaning given to that term in clause 22.3 of the Related Agreement.

Proposed Pre-Commitment Fee has the meaning given to that term in clause 9.7(a).

After clause 9.3(d) the following sub-clause is inserted:

(e) On and from the Pre-Commitment Commencement Date the Monitoring Licensee may charge the Pre-Commitment Fee in accordance with the Pre-Commitment Related Agreement.

After clause 9.6 the following clause is inserted:

### 9.7 Pre-Commitment Fee

(a) Within 28 days of the Pre-Commitment Direction Date (or such later date as determined by the Minister), the Monitoring Licensee must submit to the Minister:

- (i) the fee that it proposes is appropriate to be charged for the provision of Pre-Commitment Services from the Pre-Commitment Commencement Date based upon the Pricing Model (**Proposed Pre-Commitment Fee**); and
- (ii) a submission setting out in detail the method of calculation of that fee based upon the Pricing Model (Pre-Commitment Fee Submission).
- (b) The Minister shall cause the Proposed Pre-Commitment Fee and the Pre-Commitment Fee Submission to be referred to the Pricing Review Panel (as that term is defined in clause 22.3 of the Related Agreement) and the Pricing Review Panel must review the Proposed Pre-Commitment Fee Submission and provide a report to the Minister and the Monitoring Licensee (Pre-Commitment Pricing Report) containing its determination regarding whether the Proposed Pre-Commitment Fee is appropriate and reasonable, or whether some other level of fee should apply, having regard to:
  - (i) the content of the Pre-Commitment Fee Submission;
  - (ii) the content of the Pricing Model; and
  - (iii) such other matters as the Pricing Review Panel considers relevant.
- (c) The Pre-Commitment Pricing Report must contain the reasons of the Pricing Review Panel that support its determination including recommendations as to what amendments should be made to the Pricing Model as may be appropriate for the calculation of, or alteration to, the Proposed Pre-Commitment Fee.
- (d) As soon as practicable after receiving the Pre-Commitment Pricing Report the Minister will make a final determination regarding whether and the extent to which the Pricing Model will be revised and the amount of the Pre-Commitment Fee that shall apply on the Pre-Commitment Commencement Date. The Minister will notify the Monitoring Licensee of such determination and the Pricing Model will (as is necessary) be recalculated and amended accordingly.
- (e) All costs associated with the review by the Pricing Review Panel and the preparation of the Pre-Commitment Pricing Report under clause 9.7 must be met by and shared equally between the Monitoring Licensee and the Minister.
- (f) Notwithstanding that the Pre-Commitment Fee is based upon the calculations in the Pricing Model, the cost of the provision of Pre-Commitment Services is to be reflected solely in the Pre-Commitment Fee and no additional cost may be recovered by the Monitoring Licensee under the Related Agreement, based upon any consequential changes to the Monitoring System or Monitoring Services. For the avoidance of doubt, nothing required to be performed by the Monitoring Licensee under the Pre-Commitment Related Agreement will provide grounds for a Pricing Review of the Monitoring Fee under the Related Agreement.