

Gambling Reform Update

Gaming Machine Licence Holders

August 2021 Edition



Message from the Commissioner.....

“As you would be aware, in December last year, the regulation of the State’s gambling industry underwent significant reform including the introduction of harm response measures such as daily card limits on EFTPOS and the introduction of flexible barring arrangements.

In particular, new measures requiring the use of facial recognition technology (FRT) to assist licensees to identify barred persons entering a gaming area were introduced.

More than 250 gaming venues across the State have now installed FRT. It’s also pleasing to note that a number of venue operators that are not required to install this technology have also taken the opportunity to take up this important initiative.

In fact, since late last year, when these reforms came into effect, more than 79 million faces have been scanned using FRT, with more than 2,500 detections of potentially barred patrons.

CBS barring officers are continuing to work with gaming managers and venue operators to ensure that appropriate help and support is provided if a suspected barred patron is identified.

CBS inspectors are also regularly checking venues to ensure that camera placement is optimal, that detections are occurring, and that gaming staff are intervening appropriately to prevent a barred patron from gambling any further.

The feedback from industry has generally been positive, but I am aware that concerns have been raised about the way that cameras have been installed in some gaming venues and the way that gaming staff are approaching people that have been identified by FRT.

Further information is provided in this update, but I would like to remind licensees that it is important that if you operate FRT, it is your responsibility that the system is working correctly and that enough cameras are installed so that the facial image of each person who is entering or who has entered a gaming area is captured.

If a system is found to be not operating correctly and the approval is revoked, this will impact your ability to operate gaming machines which have a banknote acceptor. Therefore, I recommend that you contact your system provider if you have any concerns about the operation of your system and the location of cameras.

I also encourage you to review your procedures and to update gaming managers and employees so that your gaming operations remain compliant.”

Dini Soulio
Liquor and Gambling Commissioner

New gaming machine licence conditions

Following the roll-out of facial recognition technology across gaming venues, CBS has become aware that the installation of equipment used in connection with these systems in some gaming venues may cause facial recognition system alerts to be displayed on devices (such as surveillance monitor, screens, tablets, smartphones etc.).

Due to the installation of this equipment typically behind service areas etc., the alerts or images of barred persons could inadvertently be displayed and viewed by the general public.

The Commissioner considers that this is not appropriate and has as a result, revoked the Attachment B Licence Conditions previously issued on 3 December 2020 and has imposed new licence conditions, declaring that any contravention of, or failure to comply with such a condition may constitute an expiable offence.

New licence conditions which clarify the procedure for withholding of winnings from minors and barred persons have also been included.

New licence conditions now apply in relation to—

- withholding and dealing with winnings from minors
- lawful redemption of credits
- correct operation of facial recognition systems
- use of devices to receive alerts from facial recognition systems
- retaining copies of barring orders
- identity of barred persons
- notice of breach of barring order
- withholding and dealing with winnings from barred persons
- requirement to have documented procedures

The full version of these new licence conditions with guidance notes for licensees are attached to this update and is also available from cbs.sa.gov.au.

Transitional arrangements

These new licence conditions have commenced except sub-clause (iii) of condition (I) which requires a device used on the licensed premises to receive alerts or to display the facial images of persons identified by a facial recognition the system, to not be accessible by, nor visible to, members of the general public.

As a result of the recent COVID-19 related lockdown and to assist with complying with this requirement, you will **have until 1 September 2021** to comply with this new licence condition.

If necessary, you should contact your facial recognition system provider to arrange for any display devices to be relocated to ensure compliance with this new licence condition.

The Australian Hotels Association (SA) and Clubs SA have also been advised of these licence changes.

Facial recognition technology

Facial recognition technology (FRT) has been found to be a valuable tool to assist licensees with their responsible gambling obligations, by assisting to identify suspected barred persons as they enter or have entered a gaming area.

While the use of this technology is a mandatory requirement for certain licence holders, it is not meant to replace the management of barred persons or the way that gaming staff approach suspected barred persons.

In-venue management

When a person is identified as a suspected barred person, either from using FRT or following a visual check of barring records, gaming staff—

- must satisfy themselves that the person entered or attempted to enter the gaming area before they proceed to approach the person
- must, if a positive identification occurs outside the gaming area, not approach the person but instead make a record of the incident (making clear the person was not in the gaming room) using the venues internal reporting process as required by clause 14(4) of the [Gaming Machines Gambling Code of Practice](#)
- must, if satisfied that the person entered or attempted to enter the gaming area, approach the person discreetly to not cause the person any undue distress and to maintain confidentiality. A breach of barring record should also be lodged via the barring register (BOEN).

You are encouraged to contact your FRT provider if concerned that FRT cameras and alert devices have not been located in appropriate positions in the gaming venue.

Installation and operation of FRT

The Commissioner has issued updated gambling administration guidelines for gaming machine licence holders and facial recognition system providers, setting out the requirements and expectations for installing and operating facial recognition systems.

If you operate a facial recognition system, any device which is installed or utilised by the system to capture the facial image of a person entering or who has entered the gaming area must be located on the licensed premises:

- in such manner which affords the best opportunity for the facial image of each person entering or who has entered the gaming area to be captured, and
- be positioned to allow for changes in external and internal lighting conditions or where poor lighting conditions are generally present.

You may also wish to consider the installation and use of such devices to provide secondary coverage of the gaming area to enable the system to identify a barred person who has not been identified when entering the gaming area, for example due to the design of the entry to the gaming area or where a barred person takes steps to avoid detection.

A copy of these updated guidelines is available from the CBS website cbs.sa.gov.au.

Venue signage

As a licence holder, you must notify each person who is about to enter the gaming area that a record of their facial image will be made by means of approved facial recognition technology.

Previously this required you to display a prescribed sign in accordance with the Commissioner's specifications.

This sign can now be displayed on a static or rolling electronic display in lieu of the current printed sign. However, if a rolling electronic display featuring other in-venue messaging is used, a static sign must also be displayed at each entrance to the gaming area. This is to ensure that persons entering the gaming area are always aware that facial recognition is in operation.

The Commissioner has also approved several optional language specific signs which may be displayed at the entry or in gaming areas **in addition to** the prescribed sign.

Signs are available in—

- [Arabic](#)
- [Chinese Simplified](#)
- [Greek](#)
- [Italian](#)
- [Khmer \(Cambodian\)](#)
- [Tagalog \(Filipino\) and](#)
- [Vietnamese](#).

A seven (7) language [multilingual sign](#) is also available.



The graphics for the mandatory and optional signs are available from cbs.sa.gov.au/facial-recognition-technology-signage-requirements.

You should ensure that the display of any optional signage is representative of the general community where the licensed premises is located.

BOEN Administration

New gaming managers and employees

You are reminded that you must notify and keep up to date the details of gaming managers and employees at your gaming venue by using the [Barring and Online Employee Notification \(BOEN\) system](#).

This includes—

- adding new gaming managers or gaming employees to BOEN prior to them commencing prescribed duties
- recording the successful completion of mandatory responsible gambling training, and
- removing a person if they stop working as a gaming manager or gaming employee.

If a licensee allows a person to work as a gaming manager or gaming employee without notifying the Commissioner using BOEN or fails to record the details of training, both the licensee and the person are guilty of an offence. (Maximum Penalty: \$35 000).

Barred persons

The barring register required to be held on the licensed premises is the Barring and Online Employee Notification System ('BOEN').

You are reminded that it is a mandatory requirement of the [Gaming Machines Gambling Code of Practice](#) that—

- you **must** have at least two gaming staff with "Administrator" access to BOEN for the purpose of updating employee information and registering information into the barring register within the prescribed timeframe
- gaming staff **must** log into BOEN each time when on duty, or be provided with a current printed consolidated barring list from BOEN, to review any new or updated barring information
- the record of suspected problem gamblers **must** be readily available to staff and must include sufficient information to enable staff to identify the patron
- a manager (however described) on at least a weekly basis **must**:
 - have reviewed the records of suspected problem gamblers that have been identified by staff
 - document the fact of the review, and
 - document the details of any steps taken to intervene in a suspected problem gambler's behaviour.

It is also a condition of a gaming machine licence that—

- copies of barring orders **must** be kept (or a record of the order which includes a picture of the barred person's facial image where available) in the barring register held on the licensed premises, and
- a record **must** be made in the barring register held on the premises within 7 days of a person contravening or failing to comply with a barring order.

The 'Breach of Barring' notification form has recently been updated. Contact Gaming Care or Club Safe for a copy of the latest form.

Licensees are reminded that a contravention or failure to comply with a mandatory provision of the code of practice or a licence condition is an offence and that penalties of up to \$20 000 can apply.

Barred person photograph

Facial recognition technology has provided promising results with more than 79 million images scanned and compared against BOEN records with over 2,500 detections of potentially barred persons.

Each of the approved facial recognition systems, however, rely on the quality of the biometric information that is gathered from the facial images that have uploaded to BOEN.

You are encouraged to contact a CBS barring officer if you acquire a more recent or better-quality image of a barred persons facial features so that BOEN and the FRT system can be updated.

For any queries relating to barring orders, please contact CBS on 131 882 (select option 6) or by email at gamblingadministration@sa.gov.au.

Withheld winnings

Various deterrent measures are now available to deal with a person who enters a gaming area contrary to a barring order or a minor that operates a gaming machine on licensed premises.

Winnings of barred persons

If you are satisfied that a barred person has entered the gaming area contrary to a barring order, you must—

- obtain the person's name and address, and
- if you have withheld any winnings from the person, inform the person of their right to have the decision reviewed by the Commissioner within 14 days of being informed of the decision, and
- direct the person to a website maintained by the Commissioner (sa.gov.au/gambling) where information about applying for a review of a decision to withhold winnings may be viewed, and
- notify the Commissioner of the breach of barring by making a record in the barring register held on the licensed premises (BOEN), and
- make a record of the relevant details including:
 - date and time of the incident
 - gaming machine identification number (both venue number and Government ID)
 - the circumstances which led to the barred person being identified and any further action taken
 - the gaming manager on duty, and
 - the person's name and address.

If the Commissioner upholds the decision or more than 14 days has elapsed since the person was informed of the decision to withhold winnings, you must forfeit any winnings withheld from the person to the Commissioner using the CBS [Liquor and Gaming Online Portal \(LGO\)](#).

The responsible gambling document provided to licensees by industry bodies provides further information about the record keeping requirements.

Winnings of minors

It is an offence for a minor to enter a gaming area or to operate a gaming machine on licensed premises. If you are satisfied that a minor has operated a gaming machine—

- the winnings of the minor must be withheld
- the forfeited winnings are to be lodged with the Commissioner within seven (7) days using the [Liquor and Gaming Online Portal \(LGO\)](#), and
- you must make a record of the relevant details including:
 - date and time of the incident
 - gaming machine identification number (both venue number and Government ID)
 - the circumstances which led to the minor being identified and any further action taken
 - the gaming manager on duty, and
 - the minors name and address.

The responsible gambling document provided to licensees by industry bodies provides further information about the record keeping requirements.

Unlike a decision to withhold winnings from a barred person, a decision to withhold winnings from a minor is not a decision that is subject to a right of review.

Gaming Machines

Ticket-in Ticket-out (TITO)

As part of the reforms which were introduced last year, gaming machines may now be operated using Ticket-in Ticket-out technology, commonly known as TITO.

TITO replaces the use of banknotes or coins where:

- the ticket-in functionality is equivalent to a player inserting coins or banknotes into a gaming machine, and
- the ticket-out functionality is equivalent to a player pressing collect on a gaming machine and collecting credits in the form of a barcoded ticket.

Each TITO ticket issued by a gaming machine is numerically unique with the ticket details and monetary value being automatically recorded by the IGC Monitoring System.

While players are certainly not obligated to redeem these tickets and may in fact choose to not redeem tickets issued for small residual amounts of credits, CBS has become aware that there are a significant number of tickets for substantial amounts which continue to be recorded by the monitoring system as “**unredeemed**”.

IMPORTANT— when a player presents a TITO ticket for payment, **it is important that the ticket is also redeemed on the site controller, by either scanning the ticket using the IGC provided bar-code scanner or manually entering the ticket details into the site controller.**

This will prevent tickets which have been paid, from continuing to be treated by the site controller as unredeemed, meaning after 12 months becoming an amount which must be forfeited to the Commissioner and paid to the Gamblers Rehabilitation Fund (GRF).

You are encouraged to review your cashier and end-of day cash balancing procedures. It may be as simple as reminding staff to scan tickets before actioning payment or making sure that the balance of the cash float at the end of the day is reconciled against tickets redeemed.

As players are unable to redeem tickets after 12 months, it is important that you regularly monitor the details of any unredeemed tickets for your venue through the Unredeemed Tickets Report, available through the IGC Portal at igcltd.com.au.

As ticket information is held by the site controller, CBS is unable to provide the details of any unredeemed tickets for individual premises.

If after 12 months the **total** value of unredeemed tickets for your premises for the relevant month is \$50 or more, the **total value** of unredeemed tickets for the relevant month is to be forfeited to the Commissioner and paid to the Gamblers Rehabilitation Fund.

Example

On 2nd May 2022, the IGC Unredeemed Tickets Report for **Premises A** indicates that the total cash value of TITO tickets issued by gaming machines at premises A in April 2021 but not paid to customers was \$425.15.

By 31st May 2022, the licensee will have to forfeit this amount to the Commissioner to be paid to the GRF and the tickets will expire.

On 2nd May 2022, the IGC Unredeemed Tickets Report for **Premises B** indicates that the total cash value of TITO tickets issued by gaming machines at premises B in April 2021 but not paid to customers was \$48.30.

The licensee will not have to forfeit this amount to the Commissioner and the tickets will expire.

CBS will provide you and industry bodies with further details before February 2022 of the procedure to be followed to remit any such monies.

New gaming machine licence

You are reminded that it is a condition of a gaming machine licence that an up to date copy of your licence must be displayed in a prominent position at the entrance to each gaming area on the licensed premises or, if there is more than one entrance, at the principal entrance.

CBS has recently updated each gaming machine licence to provide additional information about gaming machine entitlements.

Licensees are encouraged to download and display a colour copy of their current gaming machine licence, either from the Liquor and Gaming online portal at cbs.sa.gov.au/liquor-portal or by using the find a licence holder link at cbs.sa.gov.au/find-a-licence-holder.

Failing to display a current copy of the licence is an offence. (Maximum Penalty: \$2 500).

Gaming machine locks

In February of this year, CBS notified industry bodies, accredited testing facilities and gaming machine service agents that an amendment had been made to the SA Appendix to the Australian/New Zealand Gaming Machine National Standard 2016 (the Standard) to enable a gaming machine fitted with a banknote acceptor mechanism to temporarily be allowed to operate without being secured by two locks.

This temporary change was made due to COVID restrictions affecting the supply chain of certain gaming machine components.

As the demand for new gaming machines and components is now appearing to return to a level of normality, the requirement for banknote acceptor components to be secured by two locks has been reinstated as from 7 June 2021.

If you have a gaming machine that is able to be operated by banknote, check that both the banknote receptacle (stacker) door and banknote storage area have a secure lock.

If not, you are encouraged to contact your gaming machine service agent.

Allowing a gaming machine to be operated without the banknote receptacle (stacker) door and banknote storage area being secured by a lock is an offence. (Maximum Penalty: \$20 000)

AUSTRAC - Money Laundering / Terror Financing Risks

Licensees should be aware, that the [Australian Transaction Reports and Analysis Centre \(AUSTRAC\)](https://austrac.gov.au), is the federal regulatory agency that monitors financial transactions to detect and respond to criminal abuse of the financial system to protect the community from serious and organised crime including money laundering.

Of note, AUSTRAC recently announced that it had identified potential serious non-compliance by a number of gambling providers and financial institutions with their obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act* and *Anti-Money Laundering and Counter-Terrorism Financing Rules*.

Noting this announcement and the recent introduction of gaming machines with banknote acceptors and TITO technology in South Australia, licensees are reminded to be alert to possible money laundering activities.

The following suspicious behaviours may occur as criminals adapt to this new payment technology:

- avoiding contact with cashiers and other staff by transacting exclusively through cashable ticket redemption terminals (CRT) only
- refusing to produce identification when requested
- exchanging cash for tickets from another customer
- cashing out tickets at a CRT after minimal game play
- requesting partial redemption of a ticket balance to avoid identification requirements
- inserting notes into a gaming machine banknote acceptor that are either old, dirty or of poor quality, or
- attempting to single out particular staff when exchanging tickets at a cashier.

Further information about reporting suspicious behaviour to AUSTRAC and your obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* is available from austrac.gov.au.

Cash facilities limitations

CBS would like to remind licensees that access to cash using any one cash facility on licensed premises with a gaming machine licence during a 24 hour period is **now limited to \$250**.

This means that cash withdrawals using EFTPOS must be limited to \$250 per card per 24 hour period. Amounts accessed through EFTPOS will be in addition to the use of ATMs that also have a limit of \$250 per card per 24 hour period.

You may wish to contact your financial institution, EFTPOS device supplier or other Point of Sale (POS) providers to ascertain what options, including automated systems, are available in order to ensure compliance with this new requirement.

Licensees may also wish to speak with their industry representative body to discuss options for achieving compliance.

*A contravention of, or failure to comply with, the cash facilities limitations is an offence.
(Maximum Penalty: \$35 000)*

Requirement to notify the CBS of changes in prescribed particulars

You are reminded that for purposes connected with your licence, you must notify CBS of any changes to—

- any address for service or other email address
- telephone number
- street address or postal address, or
- any other particulars of a kind prescribed by the regulations.

You can now easily keep these details up to date, by using the Liquor and Gaming Online Portal (LGO) on the CBS website at cbs.sa.gov.au/liquor-portal.

*A contravention of, or failure to notify CBS of a change of particulars is an offence.
(Maximum Penalty: \$2 500 or Expiation fee: \$210)*

Self-Assessment Compliance Audit Checklist

CBS has developed a self-assessment compliance audit checklist to assist licensees in assessing their level of compliance with state based legislation, regulations, licence conditions and codes of practice for operating gaming machines.

While not mandatory, completion of the check-list is strongly encouraged. It is recommended that the self-assessment checklist be completed at least every six months.

This checklist is available from the CBS website at cbs.sa.gov.au.

Gaming Machine Application Fees

From 1 July 2021, gaming machine application fees have increased in-line with the government indexation rate of 1.9%. The application fee for some common applications are as follows:

- Application for a gaming machine licence, gaming machine dealer's licence or gaming machine service licence—\$643.00
- Application for grant of a designated application—\$140.00
- Application for consent to the transfer of a gaming machine licence—\$643.00
- Application for removal of a gaming machine licence—\$643.00
- Application for amalgamation of club licence—\$140.00
- Application to vary licence conditions (other than a condition relating to the number of gaming machines on licensed premises)—\$140.00
- Application to vary a licence condition relating to the reduction to the number of gaming machines on licensed premises—No fee
- Application to vary a licence condition relating to the increase to the number of gaming machines on licensed premises—\$643.00
- Application for exemption from cash facilities limitations—\$140.00
- Application for exemption from provision of a code of practice—\$140.00
- Application for the designation of the gaming area or areas, for the premises—\$140.00
- Issue of an identification badge—\$23.00

A comprehensive list of the fees is available from cbs.sa.gov.au/gambling-reforms or in the [South Australian Government Gazette](#).

Further information

CBS Online

We encourage you to regularly visit the CBS gambling reform webpage at cbs.sa.gov.au/gambling-reforms which will be regularly updated with important information about any changes which could affect your gaming machine licence.

Further information about running a gaming machine venue or making changes to a gaming machine licence is available at sa.gov.au/gambling.

Consumer and Business Services

For any queries relating to gambling licensing, regulation or enforcement, please contact CBS on 131 882 or liquorandgambling@sa.gov.au.

For any queries relating to BOEN or barring orders, please contact a CBS barring officer on 131 882 and select option 6 or gamblingadministration@sa.gov.au.

Industry assistance

For industry advice, representation or advocacy, please contact your relevant industry body.

[Gaming Care](#) – 8100 2499

[Club Safe](#) – 8290 2200