Gaming Machine and Other Legislation Amendment Regulation 2025

Explanatory notes for SL 2025 No. 143

Made under the

Gaming Machine Act 1991
Keno Act 1996
State Penalties Enforcement Act 1999

General Outline

Short Title

Gaming Machine and Other Legislation Amendment Regulation 2025

Authorising law

Section 366 of the *Gaming Machine Act 1991* (Gaming Machine Act).
Section 243 of the *Keno Act 1996* (Keno Act).
Section 165 of the *State Penalties Enforcement Act 1999* (State Penalties Enforcement Act).

Policy objectives and the reasons for them

The objective of the *Gaming Machine and Other Legislation Amendment Regulation 2025* (Amendment Regulation) is to implement red tape reduction reforms in accordance with a Government commitment to work with Queensland club and hotel industries to support their business and the community. The amendments also align with the Government's commitment to keeping Queenslanders safe from crime.

The reforms aim to modernise payment methods, reduce regulatory burdens on licensees, improve operational flexibility and support efficient and secure gaming machine operations in the hotel and club sector. The amendments also respond to practical security concerns raised by industry stakeholders and support broader national financial system reforms, including the Commonwealth Government's announced phase-out of cheques by 2030.

The specific objectives of the Amendment Regulation are to:

- modernise gaming machine payment requirements by removing cheques as the default payment method for certain gaming machine cancelled credit and jackpot payouts;

- relax requirements about the security of gaming machine doors during non-trading periods, while maintaining appropriate safeguards, to deter theft and reduce the risk of damage during break-ins; and
- remove outdated cheque requirements for certain keno remittances to the chief executive, supporting a more flexible and payment-neutral approach.

Achievement of policy objectives

The Amendment Regulation achieves its objectives by making the changes discussed below.

Removal of cheques as the default method of payment for cancelled credit and jackpot payments

The Amendment Regulation removes cheques as the default method of payment for certain cancelled credit and jackpot payouts, while ensuring for harm minimisation and security reasons that patrons entitled to such payments are still paid by non-cash means in certain circumstances. Non-cash payment methods (specifically electronic funds transfer or cheque) are still required in respect of cancelled credit or jackpot payments that exceed the venue's self-defined cash payment limit, as displayed at the venue. Licensees must make payments by one of these non-cash methods for –

- the portion of a cancelled credit or jackpot payment that exceeds the venue's cash payment limit; or
- if requested by the player entitled to a cancelled credit or jackpot payment that exceeds the venue's cash payment limit, a greater portion of the cancelled credit or jackpot payment, including the entire payment.

The amendment responds to the Commonwealth Government's plan to fully phase-out cheques from Australia's payment systems by 2030, and the pre-emptive withdrawal of some cheque services by many financial institutions.

The amendment removes cheques as the default method of payment by no longer requiring the player and the licensee to agree to payment by electronic funds transfer, reflecting that some licensees may only be able to accommodate one of the acceptable forms of non-cash payment as cheques are phased out and gaming payment systems and processes increasingly move toward electronic funds transfer.

Cheques, where still available to licensees, remain permissible in order to assist licensees and their gaming patrons with this transition. It is left to the licensee's discretion to pay by cheque or electronic fund transfer in consideration of the licensee's circumstances in this regard.

Security of gaming machine doors during non-trading periods

The Amendment Regulation improves operational security and flexibility by removing restrictions that prevent licensees from leaving gaming machine doors open during non-trading periods (when the premises is closed for the conduct of gaming and members of the public are unable to access the gaming area). The machine's banknote acceptor and hopper (in which coins are stored for automatic payments by the machine) must not be present in the machine while its doors remain open. These amendments are intended to deter theft and damage by demonstrating that there is no cash in the machine. Reducing the visibility and availability of cash in unattended gaming machines assists to improve operational safety and flexibility in licensed venues.

It is entirely optional for gaming machine licensees to leave gaming machine doors open after the cessation of gaming.

Any removal of cash from the banknote acceptor will invoke existing money clearance obligations for the licensee, including completion of the relevant form. Licensees and gaming employees are also already required under section 348 of the Gaming Machine Act to report to the commissioner on accounting discrepancies and suspected criminal activity. As gaming machine taxation is based on metered win rather than money cleared from the machine, there is no risk to Government revenue from the proposal.

The *State Penalties Enforcement Regulation 2014* is amended to provide for penalty infringement notices in relation to offences relating to circumstances in which –

- the hopper or banknote acceptor is not returned, and the gaming machine door closed and locked, before the premises next opens for the conduct of gaming (section 27A(5) and 27A(6));
- a hopper or banknote acceptors is removed from secure storage for reasons other than those authorised by the Act (section 27B(2).

Removing requirement for certain keno payments to be made by cheque

Amendments to the *Keno Regulation 2007* remove a requirement for the keno licensee to pay unpaid prizes and unredeemed keno dollars to the chief executive by cheque. No alternative payment method is prescribed, enabling neutrality as the payment method and allowing discretion in determining remittance methods as payment practices evolve.

Consistency with policy objectives of authorising law

The Amendment Regulation is consistent with the policy objectives of the Gaming Machine Act and the Keno Act, which include ensuring that gaming is conducted responsibly and fairly under strict regulatory control, and that the conduct and regulation of gaming delivers benefits to both the State and the community.

Inconsistency with policy objectives of other legislation

The Amendment Regulation is not inconsistent with the policy objectives of other legislation.

Alternative ways of achieving policy objectives

The policy objectives deal with specific matters defined in subordinate legislation and there is no alternative way of achieving the policy objectives.

Benefits and costs of implementation

The amendments are intended to reduce unnecessary compliance burden and provide flexibility for gaming machine licensees and the keno licensee. Implementation is not anticipated to impose significant costs on Government and will be managed within existing resources.

Consistency with fundamental legislative principles

The Amendment Regulation is consistent with fundamental legislative principles.

Consultation

Consultation was undertaken with liquor and gaming industry peak bodies, which were supportive of the proposed changes in the Amendment Regulation.

A Summary Impact Analysis statement has been prepared for the Amendment Regulation identifying that no regulatory impact assessment is required under the *Queensland Government Better Regulation Policy* as the changes are minor and machinery in nature.