



Integrity Policy

This policy outlines the integrity matters to be considered by Racing Victoria (RV) in assessing applications made by wagering service providers, to publish or use Victorian thoroughbred race fields as required under Chapter 4, Part 2, Division 1A of the *Gambling Regulation Act 2003* (Vic) (Act). Additional integrity policy matters may be formulated as the operations of wagering service providers change and develop and as a result of RV's ongoing review of the operations of wagering service providers.

Whilst none of these matters are conclusive in regards to the question of whether the criteria are satisfied, they are issues which RV considers may give rise to integrity concerns and include:

- 1) where the applicant does not operate under the adequate supervision of a regulatory body;
- 2) where the applicant does not have adequate internal mechanisms for verifying account holders or for identifying suspect betting transactions whether made by or on behalf of account holders or by any other person;
- 3) where the applicant is not able to demonstrate adequate provision of access to betting information for RV stewards;
- 4) where the applicant's business may be in breach of a law in Victoria or another Australian State or Territory;
- 5) where a Related Entity of the applicant that uses Victorian thoroughbred race fields fails to comply with any applicable laws or obligations imposed on it by RV;
- 6) where the applicant has a history of integrity breaches;
- 7) where the applicant has prior criminal convictions;
- 8) where an officer of the applicant is not a Fit and Proper Person;
- 9) where the applicant accepts bets or wagers from, or makes bets or wagers with, a Non-Approved WSP;
- 10) where the applicant operates a betting exchange which may facilitate access to off-shore betting exchange operators who are Non-Approved WSPs;
- 11) where the following bet types are offered:
 - a) spread betting that allows profit from the poor performance of a horse; or
 - b) lay type betting where "lay" means the offering or placing of a bet on a horse:
 - i) to lose a race;
 - ii) to be beaten by any other runner or runners;
 - iii) to be beaten by any margin or range of margins; or



- iv) that it will not place in a race in accordance with the provisions of AR 157.

The bet types or product offerings identified above, as a general proposition, may raise integrity concerns for Victorian thoroughbred racing.

While the bet types are identified as giving rise to integrity concerns generally, this does not necessitate a conclusion that RV will be unable to adequately ensure the integrity of Victorian thoroughbred racing in respect of the operations of wagering operators who offer the bet type. Any applicant that proposes to offer the bet types will have the opportunity to assuage the identified integrity concerns through their application.

Economic Contribution Fee Policy

1. *Gambling Regulation Act 2003 (Vic)*

Pursuant to section 4.2.3C of the Act, RV may grant a Publication and Use Approval to a wagering service provider to publish, use or otherwise make available in the course of business, in Victoria or elsewhere, a Victorian thoroughbred race field. RV will only grant a Publication and Use Approval to the legal entity that is authorised to operate a totalisator or betting exchange, carry on the business of or act as a bookmaker or turf commission agent, or accept bets or make wagers, in the relevant jurisdiction.

Section 4.2.3C(4) of the Act enables RV to require, as a condition of any Publication and Use Approval, that the wagering service provider pay, in the manner specified in the approval, a fee or a series of fees of an amount or amounts:

- (a) specified in the approval; or
- (b) calculated in accordance with a formula or formulae specified in the approval.

2. Fee Condition

2.1 An Approved WSP will be required, as a condition of its Publication and Use Approval, to pay economic contribution fees in relation to its use of Victorian thoroughbred race fields during the Approval Period, calculated in the manner set out in the Schedule.

2.2 The economic contribution fee will be calculated on each Victorian race meeting which takes place during a Payment Period and will be payable within 10 days after the end of each Payment Period.

2.3 The economic contribution fee will be:

2.3.1 1% of Assessable Turnover whilst an Approved WSP's turnover in respect of Parimutuel Bets, Non-parimutuel Bets and Tote Derivative Bets for the Approval Period is less than \$5* million;

2.3.2 once an Approved WSP's turnover in respect of Parimutuel Bets, Non-parimutuel Bets and Tote Derivative Bets for the Approval Period exceeds \$5* million:

(a) for Pari-mutuel Bets:

(i) on Standard Meetings, 2% of Assessable Turnover;



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- (ii) on Group and Listed Meetings, 2.5% of Assessable Turnover; and
 - (iii) on Premier Meetings, 3% of Assessable Turnover; and
- (b) for Non-parimutuel Bets, the greater of:
 - (i) on Standard Meetings, 1.6% of Assessable Turnover and 16% of Gross Revenue;
 - (ii) on Group and Listed Meetings, 2% of Assessable Turnover and 20% of Gross Revenue; and
 - (iii) on Premier Meetings, 2.5% of Assessable Turnover and 25% of Gross Revenue;
- (c) for Tote Derivative Bets:
 - (i) on Standard Meetings, 2% of Assessable Turnover and 20% of Gross Revenue;
 - (ii) on Group and Listed Meetings, 2.5% of Assessable Turnover and 25% of Gross Revenue; and
 - (iii) on Premier Meetings, 3% of Assessable Turnover and 30% of Gross Revenue; and
- (d) 35% of Gross Revenue on all Race Meetings in relation to Betting Exchange Bets.

* Partnership of natural persons each of whom is licensed to undertake bookmaking activities may aggregate their individual "Turnover Thresholds" up to an aggregate of \$15 million (see the attached definition of Turnover Threshold).

Other Matters

1. Without limiting the discretion of RV, in its consideration of any application for approval under section 4.2.3C of the Act, RV may consider:
 - 1.1. the wagering service provider's past compliance with Publication and Use Approvals granted by RV in relation to prior periods; and
 - 1.2. whether the wagering service provider has published Victorian thoroughbred race fields or otherwise used Victorian thoroughbred race fields, on, or in connection with, any Non-Public Website without the consent of RV.
2. All instances of non-compliance (including unpaid fees) under any Publication and Use Approval granted to the wagering service provider must be remedied to the satisfaction of RV, before RV will consider any application by the wagering service provider for approval under section 4.2.3C of the Act for the period commencing 1 July 2018.



Schedule 1 Economic Contribution Fee

PART A – Calculating the Fees for a Race Meeting

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1. **Aggregated Assessable Turnover - Parimutuel Bets and Non-parimutuel Bets**
 - 1.1 On the day of the Race Meeting, is the Aggregated Assessable Turnover of the Approved WSP greater than the Turnover Threshold?
 - 1.1.1 **Yes** – Continue to paragraph 2.
 - 1.1.2 **No** –
 - (a) Calculate the **Assessable Turnover** for the Race Meeting in accordance with paragraphs 3.1, 4.3.1 or 5.3.1 (as applicable depending on the type of Betting Transactions offered on the Race Meeting).
 - (b) The Fee payable for the Race Meeting in relation to Parimutuel Bets, Non-parimutuel Bets and Tote Derivative Bets will be 1% of the Assessable Turnover for that Race Meeting.
 - 1.2 The Fee payable for a Race Meeting in relation to Betting Exchange Bets will be calculated in accordance with paragraph 6 whether or not the Aggregated Assessable Turnover of the Approved WSP is greater than the Turnover Threshold.
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2. **What type of bets did the Approved WSP offer on the Race Meeting?**
 - 2.1 **Parimutuel Bets**, then the Fee payable for Parimutuel Bets taken in respect of the Race Meeting will be calculated in accordance with paragraph 3.
 - 2.2 **Non-parimutuel Bets**, then the Fee payable for Non-parimutuel Bets taken in respect of the Race Meeting will be calculated in accordance with paragraph 4.
 - 2.3 **Tote Derivative Bets**, then the Fee payable for Tote Derivative Bets taken in respect of the Race Meeting will be calculated in accordance with paragraph 5.
 - 2.4 **Betting Exchange Bets**, then the Fee payable for Betting Exchange Bets taken in respect of the Race Meeting will be calculated in accordance with paragraph 6.
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3. **Fee on Parimutuel Bets taken on the Race Meeting**
 - 3.1 Calculate the **Assessable Turnover** for the Race Meeting.
 - 3.1.1 Work out **Bets Taken** on the Race Meeting.
 - 3.1.2 Work out **EPMB** for the Race Meeting.
 - 3.1.3 **Assessable Turnover = Bets Taken + EPMB**
 - 3.2 In performing the calculations in this paragraph 3, references to **Bets** and associated definitions will be taken to be references to Parimutuel Bets only.
 - 3.3 What type of Race Meeting was it?
 - 3.3.1 **Standard Meeting**, then the Fee for the Race Meeting will be 2% of the Assessable Turnover for that Race Meeting.



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3.3.2 **Group and Listed Meeting**, then the Fee for the Race Meeting will be 2.5% of the Assessable Turnover for that Race Meeting.

3.3.3 **Premier Meeting**, then the Fee for the Race Meeting will be 3% of the Assessable Turnover for that Race Meeting.

4. Fee on Non-parimutuel Bets taken on the Race Meeting

4.1 The Fee payable for the Race Meeting will be the greater of the Fee calculated under the Turnover Model (in accordance with paragraph 4.3) and the Fee calculated under the Gross Revenue Model (in accordance with paragraph 4.4).

4.2 In performing the calculations in this paragraph 4, references to **Bets** and associated definitions will be taken to be references to Non-parimutuel Bets only.

4.3 Turnover Model

4.3.1 Calculate the **Assessable Turnover** for the Race Meeting.

- (a) Work out **Bets Taken** on the Race Meeting.
- (b) Work out **EPMB** for the Race Meeting.
- (c) Work out **AB** for the Race Meeting.
- (d) **Assessable Turnover = Bets Taken + EPMB – AB**

4.3.2 What type of Race Meeting was it?

- (a) **Standard Meeting**, then the Fee for the Race Meeting will be 1.6% of the Assessable Turnover for that Race Meeting.
- (b) **Group and Listed Meeting**, then the Fee for the Race Meeting will be 2% of the Assessable Turnover for that Race Meeting.
- (c) **Premier Meeting**, then the Fee for the Race Meeting will be 2.5% of the Assessable Turnover for that Race Meeting.

4.4 Gross Revenue Model

4.4.1 Calculate the **Gross Revenue** for the Race Meeting.

- (a) Calculate the **Assessable Turnover** for the Race Meeting in accordance with paragraph 4.3.1.
- (b) Work out **Free Bets** for the Race Meeting.
- (c) Work out **Bets Paid** in relation to the Race Meeting.
- (d) Work out **Bet Back Revenue** for the Race Meeting.
- (e) Work out **Other Revenue** in relation to the Race Meeting.
- (f) **Pre-Tax Gross Revenue = Assessable Turnover – Free Bets – Bets Paid + Bet Back Revenue + Other Revenue.**
- (g) Work out GST Adjustment.



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- (h) **Gross Revenue = Pre-Tax Gross Revenue – GST Adjustment**

4.4.2 What type of Race Meeting was it?

- (a) **Standard Meeting**, then the Fee for the Race Meeting will be 16% of the Gross Revenue for that Race Meeting.
- (b) **Group and Listed Meeting**, then the Fee for the Race Meeting will be 20% of the Gross Revenue for that Race Meeting.
- (c) **Premier Meeting**, then the Fee for the Race Meeting will be 25% of the Gross Revenue for that Race Meeting.

5. **Fees on Tote Derivative Bets taken on the Race Meeting**

5.1 The Fee payable for the Race Meeting will be the greater of the Fee calculated under the Turnover Model (in accordance with paragraph) and the Fee calculated under the Gross Revenue Model (in accordance with paragraph 5.3).

5.2 In performing the calculations in this paragraph 5, references to **Bets** and associated definitions will be taken to be references to Tote Derivative Bets only.

5.3 **Turnover Model**

5.3.1 Calculate the **Assessable Turnover** for the Race Meeting.

- (a) Work out **Bets Taken** on the Race Meeting.
- (b) Work out **EPMB** for the Race Meeting.
- (c) Work out **AB** for the Race Meeting.
- (d) **Assessable Turnover = Bets Taken + EPMB – AB**

5.3.2 What type of Race Meeting was it?

- (a) **Standard Meeting**, then the Fee for the Race Meeting will be 2% of the Assessable Turnover for that Race Meeting.
- (b) **Group and Listed Meeting**, then the Fee for the Race Meeting will be 2.5% of the Assessable Turnover for that Race Meeting.
- (c) **Premier Meeting**, then the Fee for the Race Meeting will be 3% of the Assessable Turnover for that Race Meeting.

5.4 **Gross Revenue Model**

5.4.1 Calculate the **Gross Revenue** for the Race Meeting.

- (a) Calculate the **Assessable Turnover** for the Race Meeting in accordance with paragraph 5.3.
- (b) Work out **Free Bets** for the Race Meeting.
- (c) Work out **Bets Paid** in relation to the Race Meeting.
- (d) Work out **Bet Back Revenue** for the Race Meeting.



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- (e) Work out **Other Revenue** in relation to the Race Meeting.
- (f) **Pre-Tax Gross Revenue** = **Assessable Turnover** – **Free Bets** – **Bets Paid + Bet Back Revenue** + **Other Revenue**.
- (g) Work out **GST Adjustment**.
- (h) **Gross Revenue** = **Pre-Tax Gross Revenue** – **GST Adjustment**

5.4.2 What type of Race Meeting was it?

- (a) **Standard Meeting**, then the Fee for the Race Meeting will be 20% of the Gross Revenue for that Race Meeting.
- (b) **Group and Listed Meeting**, then the Fee for the Race Meeting will be 25% of the Gross Revenue for that Race Meeting.
- (c) **Premier Meeting**, then the Fee for the Race Meeting will be 30% of the Gross Revenue for that Race Meeting.

6. Fees on Betting Exchange Bets taken on the Race Meeting

- 6.1 The Fee payable will be 35% of the Gross Revenue for the Race Meeting.
- 6.2 In performing the calculation in this paragraph 6, references to **Bets** and associated definitions will be taken to be references to Betting Exchange Bets only.

7. General principles

- 7.1 In calculating the Fee under this Part A referable to a Race Meeting during a Payment Period, only Betting Transactions entered by the Approved WSP (and not by any Related Entity of the Approved WSP) should be taken into account.
- 7.2 In calculating the Assessable Turnover under paragraph 4.3.1, if AB is greater than the sum of Bets Taken and EPMB, the Assessable Turnover for the Race Meeting will be nil.
- 7.3 RVL may from time to time (and at its absolute discretion), give a notice in writing to the Approved WSP reducing the percentages referred to in some or all of clauses 1.1.2, 3.2, 4.3.2, 4.4.2 and 6 of this Schedule 1. The reduction may be for a specified period or an unspecified period.
- 7.4 The ability of RVL to give a notice under clause 7.3 is in addition to its power under the Act to vary Publication and Use Approvals.

PART B: Aggregated Multi-Event/Multi-Leg Bets

8. Calculating AMB

- 8.1 Subject to paragraph 8.2, **AMB** in relation to a Payment Period is the aggregate of the following:
 - 8.1.1 3% of the Eligible Portion of each Multi-Event/Multi-Leg Bet (which is a Parimutuel Bet) in respect of a Victorian Race which occurs outside the Payment Period but where that Betting Transaction resulted within the Payment Period as a consequence of a Victorian Race or other event which occurred within the Payment Period;



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- 8.1.2 2.5% of the Eligible Portion of each Multi-Event/Multi-Leg Bet (which is a Non-parimutuel Bet) in respect of a Victorian Race which occurs outside the Payment Period but where that Betting Transaction resulted within the Payment Period as a consequence of a Victorian Race or other event which occurred within the Payment Period; and
- 8.1.3 3% of the Eligible Portion of each Multi-Event/Multi-Leg Bet (which is a Tote Derivative Bet) in respect of a Victorian Race which occurs outside the Payment Period but where that Betting Transaction resulted within the Payment Period as a consequence of a Victorian Race or other event which occurred within the Payment Period

- 8.2 Where paragraph 9 applies in relation to an Approved WSP, the applicable rate in paragraph 8.1 will be 1% rather than 3%, 2.5% and 3%.

PART C: Fees payable in respect of a Payment Period

9. Turnover less than or equal to the Turnover Threshold

For an Approved WSP whose Aggregated Assessable Turnover on the last day of the Payment Period is less than or equal to the Turnover Threshold the Fees payable in relation to the Payment Period are:

ECF = the aggregate of the Fees calculated in accordance with paragraph 1.1.2 for each Race Meeting that occurred during the Payment Period + AMB.

10. Turnover exceeds the Turnover Threshold during or prior to the Payment Period

ECF = LF + PF + NPF + TDF + BEF + AMB

- 10.1 LF is the aggregate of Fees for Race Meetings during the Payment Period calculated in accordance with paragraph 1.1.2 (that is, the Fees for Race Meetings that occur prior to, and on, the day that the Aggregated Assessable Turnover first exceeds the Turnover Threshold).
- 10.2 PF is the aggregate of Fees for Race Meetings during the Payment Period calculated in accordance with paragraph 3.
- 10.3 NPF is the aggregate of Fees for Race Meetings during the Payment Period calculated in accordance with paragraph 4.
- 10.4 TDF is the aggregate of Fees for Race Meetings during the Payment Period calculated in accordance with paragraph 5.
- 10.5 BEF is the aggregate of Fees for Race Meetings during the Payment Period calculated in accordance with paragraph 6.



Schedule 2 Definitions

In this Policy:

AB means the aggregate amount paid, or contracted to be paid, by the Approved WSP under Betting Transactions on Victorian Races at the Race Meeting which constitute Bet Backs with a Relevant WSP.

Aggregated Assessable Turnover on any day (**Relevant Day**) means the sum of the Assessable Turnover of the Approved WSP for each Race Meeting in the Approval Period prior to the Relevant Day in respect of Parimutuel Bets, Non-parimutuel Bets and Tote Derivative Bets taken by the Approved WSP.

AMB is the aggregate of the Fees payable in respect of the Eligible Portions of all Multi-Event/Multi-Leg Bets in respect of Victorian Races which occurred or is scheduled to occur outside the Payment Period but where the relevant Betting Transactions resulted within the Payment Period as a consequence of a Victorian Race or other event which occurred within the Payment Period and is calculated in accordance with Part B of Schedule 1.

Assessable Turnover, in relation to a Race Meeting, is the amount determined in accordance with paragraph 1.1.2(a), 3.1, 4.3.1 or 5.3.1 of Schedule 1 (as applicable).

Bet Back means the amount of any betting transaction which is made by the Approved WSP on the "backers" side of a betting transaction for the purpose of reducing or laying-off the Approved WSP's liability on a Victorian Race or on Victorian Races held as part of the same Race Meeting.

Bet Back Revenue means the aggregate amount of all winning Bet Backs made by the Approved WSP with Relevant WSPs in respect of Victorian Races at the Race Meeting, but excluding rebates and commissions received by the Approved WSP in respect of those Bet Backs.

Bets Paid means:

- (a) the aggregate of all moneys paid or credited to Customers by an Approved WSP in respect of winning bets under Betting Transactions other than amounts paid to Customers in relation to:
 - (i) winning Multi-Event/Multi-Leg Bets; and
 - (ii) winning Free Bets;
- (b) EPWMB; and
- (c) the aggregate of all Jackpots Created,

but in paragraphs (a) and (b), excluding:

- (d) all amounts paid or credited to Customers by way of, in connection with, or by way of economic equivalence to, commissions, rebates or incentives; and
- (e) Pooling Fees, taxes, product fees, payments made to racing industry bodies or other costs of the Approved WSP,

in each case in relation to a Race Meeting.



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Bets Taken means the aggregate of all amounts paid or contracted to be paid to the Approved WSP under Betting Transactions placed on Victorian Races at a Race Meeting other than amounts paid or contracted to be paid to the Approved WSP in relation to Multi-Event/Multi-Leg Bets. For the avoidance of doubt, Bets Taken:

- (a) includes the amount of any betting transaction which is made by another wagering service provider to lay-off that wagering service provider's liability;
- (b) will be adjusted to reflect any adjustment of the face value of a Betting Transaction to correct an operator error or a systems error;
- (c) includes all amounts paid, or contracted to be paid, by Customers to the Approved WSP under Betting Transactions, regardless of whether those amounts are ultimately received by the Approved WSP;
- (d) includes all Free Bets;
- (e) includes all amounts paid or contracted to be paid to the Approved WSP in relation to Betting Transactions involving two or more contingencies, all of which resulted at the Race Meeting;
- (f) will not be adjusted to deduct any amount paid, refunded or credited to the Customer by the Approved WSP in relation to a non-winning Bet Taken including, for example, "money back offers", but will be adjusted to reflect a refund of a validly cancelled Betting Transaction under any applicable Law; and
- (g) excludes:
 - (i) all amounts paid to or credited to the Approved WSP by way of, in connection with, or by way of economic equivalence to, commissions, rebates or incentives in relation to the Bets Taken;
 - (ii) the amount of any Pooling Fees;
 - (iii) the amount of all Jackpots Allocated; and
 - (iv) the amount of any Seeding by the Approved WSP,

in each case in relation to the Race Meeting.

Betting Exchange means a facility, electronic or otherwise, that provides a mechanism through which:

- (a) offers to enter betting contracts are regularly made and accepted; or
- (b) offers or invitations to enter into betting contracts are regularly made that are intended to result, or may reasonably be expected to result, directly or indirectly, in the acceptance of the offers or invitations,

but does not include a facility that provides a mechanism through which a betting contract is able to be made with a bookmaker or a totalisator.

Betting Exchange Bets means a Betting Transaction conducted through a Betting Exchange.

Eligible Portion means, in relation to a Victorian Race which is one of the contingencies forming part of a Multi-Event/Multi-Leg Bet, the amount calculated as follows:



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the amount paid, or contracted to be paid, to the Approved WSP under the Multi-Event/Multi-Leg Bet $\times \frac{1}{AC}$

where **AC** means the number of contingencies within the Multi-Event/Multi-Leg Bet.

Eligible Winning Portion means, in relation to a Victorian Race (**Relevant Winning Race**) which is one of the contingencies forming part of a Multi-Event/Multi-Leg Bet, at the election of the Approved WSP (such election to be made in writing to RVL prior to the Commencement Date), either:

- (a) the amount paid or credited to a Customer under the Multi-Event/Multi-Leg Bet $\times \frac{VRO}{AO}$

where:

VRO means the odds set by the Approved WSP under the Multi-Event/Multi-Leg Bet for the Relevant Winning Race; and

AO means the sum of the odds set by the Approved WSP for all legs of the Multi-Event/Multi-Leg Bet; or

- (b) the amount paid or credited to a Customer under the Multi-Event/Multi-Leg Bet $\times \frac{1}{AC}$

where **AC** means the number of contingencies within the Multi-Event/Multi-Leg Bet.

EPMB in respect of a Race Meeting, means the aggregate of the following:

- (a) the Eligible Portion of each Multi-Event/Multi-Leg Bet which resulted on a Victorian Race at the Race Meeting; and
- (b) the Eligible Portion of each Multi-Event/Multi-Leg Bet where:
- (i) a Victorian Race at the Race Meeting (**Relevant Race**) was one of the contingencies forming part of the Multi-Event/Multi-Leg Bet; and
 - (ii) the Multi-Event/Multi-Leg Bet resulted on an event (other than the Relevant Race) which occurs within the same Payment Period as the Relevant Race.

EPWMB in respect of a Race Meeting, means the aggregate of the following:

- (a) the Eligible Winning Portion of each Multi-Event/Multi-Leg Bet which resulted on a Victorian Race at the Race Meeting; and
- (b) the Eligible Winning Portion of each Multi-Event/Multi-Leg Bet where:
- (i) a Victorian Race at the Race Meeting (**Relevant Winning Race**) was one of the contingencies forming part of the Multi-Event/Multi-Leg Bet; and
 - (ii) the Multi-Event/Multi-Leg Bet resulted on an event (other than the Relevant Winning Race) which occurs within the same Payment Period as the Relevant Winning Race.



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Free Bet means the face value of a Betting Transaction where the Customer does not make a financial contribution at the time the Betting Transaction is made. For the avoidance of doubt, a Free Bet does not include any Betting Transaction:

- (a) which constitutes a bad or doubtful debt of the Approved WSP;
- (b) in respect of which payment is subsequently waived, compromised, released or forgiven by the Approved WSP; or
- (c) where there is an amount paid, refunded or credited to the Customer by the Approved WSP in relation to a non-winning Bet Taken including, for example, "money back offers".

Gross Revenue means:

- (a) in relation to Non-parimutuel Bets or Tote Derivative Bets, the amount received by an Approved WSP for the Race Meeting, calculated in accordance with paragraph 4.4.1 or paragraph 5.4.1 (as applicable); and
- (b) in relation to Betting Exchange Bets, the aggregate of all commissions and other deductions received by the Betting Exchange in respect of Betting Exchange Bets made in relation to the Race Meeting.

Group and Listed Meeting means a Race Meeting at which at least one of the Victorian Races is a Group and Listed Race (as defined in the Rules of Racing), but excludes Premier Meetings.

GST Adjustment means

- (a) the amount calculated in accordance with the following formula:

$$GSTA = PTGR - \frac{PTGR}{1.1}$$

where:

GSTA is the GST Adjustment; and

PTGR is the Pre-Tax Gross Revenue for the Race Meeting; or

- (b) if the Approved WSP makes an election in writing for the Payment Period, the net GST actually payable by the Approved WSP in respect of all of the transactions taken into account in determining the Pre-Tax Gross Revenue for the Race Meeting.

Jackpot Allocated means the amount of a Jackpot Created allocated by the Approved WSP to a wagering pool for a specified Betting Transaction on the Race Meeting.

Jackpot Created means an amount equal to the difference (**Difference**) between the amount of all moneys paid or credited to Customers by the Approved WSP in respect of winning bets under Betting Transactions for a specified bet type on a Victorian Race at the Race Meeting and the total wagering pool available for distribution to customers for that bet type on that race where the Approved WSP is by law required to allocate the Difference to another race pool.

Multi-Event/Multi-Leg Bet means a Betting Transaction where:

- (a) the result of the Betting Transaction depends on the combined outcome of a number of events;



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- (b) a Victorian Race is at least one of the events on which the outcome of the Betting Transaction depends; and
- (c) in the event that all of the contingencies of the Betting Transaction relate to Victorian Races, at least one of the Victorian Races occurs at a different Race Meeting from the other Victorian Races.

Non-parimutuel Bet means a Betting Transaction other than a Parimutuel Bet, a Tote Derivative Bet or a Betting Exchange Bet.

Other Revenue means:

- (a) other revenue received or derived by the Approved WSP in connection with the Race Meeting of the kind or nature specified in the Special Conditions (if any); and
- (b) in the case of an Approved WSP which is a Betting Exchange, any commissions and other fees charged by the Betting Exchange in relation to the Race Meeting.

Parimutuel Bet means a Betting Transaction placed in pari-mutuel pools with a wagering operator licensed to conduct totalisator betting.

Pooling Fees means any fees payable by or received by the Approved WSP from a wagering operator for or in connection with allocating Betting Transactions to a parimutuel pool.

Premier Meeting means a Race Meeting at which at least one of the Victorian Races is a premier Victorian Race as notified by RVL to the Approved WSP from time to time. At the date of these conditions, the premier Victorian Races are Turnbull Stakes, Caulfield Guineas, Caulfield Cup, Cox Plate, VRC Derby, Melbourne Cup, VRC Oaks, Emirates Stakes, Blue Diamond and Super Saturday meeting.

Pre-Tax Gross Revenue means the amount calculated in accordance with paragraph 4.4.1(f) or paragraph 5.4.1(f) of Schedule 1(as applicable);.

Race Meeting means a meeting of Victorian Races.

Seeding means an amount allocated by the Approved WSP to a wagering pool for a specified bet type on a Victorian Race at the Race Meeting which does not have any associated Betting Transactions and does not relate to a Jackpot Created.

Standard Meeting means a Race Meeting other than a Group and Listed Meeting or a Premier Meeting.

Totalisator Odds means odds which are determined or to be determined by the result of the operation of a totalisator on any event.

Tote Derivative Bet means a Betting Transaction in respect of which the odds provided or quoted by the Approved WSP are derived from or calculated or expressed to be by reference to Totalisator Odds.

Turnover Threshold means:

- (a) in all cases other than as described in paragraph (b), the amount of \$5,000,000 in each 12 month period commencing on the Commencement Date. If the period between the date of the 12 month anniversary of the Commencement Date and the end of the Approval Period (**Stub Period**) is less than 12 months, the Turnover Threshold for the Stub Period will be;



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$$\$5 \text{ million} \times \frac{M}{12}$$

where **M** is the number of Months or parts of Months in the Stub Period; and

(b) where the Entity which is an Approved WSP is a partnership of natural persons, each of whom is licensed to undertake bookmaking activities:

(i) the amount of \$5,000,000 times the number of partners consisting the Approved WSP in each 12 month period commencing on the Commencement Date; or, if less

(ii) the amount of \$5,000,000 in each 12 month period commencing on the Commencement Date, provided that, in relation to any Stub Period, the Turnover Threshold for the Stub Period will be:

$$\$5 \text{ million} \times \frac{M}{12} \times P$$

where:

M is the number of Months or part of Months in the Stub Period; and

P is the number of partners constituting the relevant Approved WSP; or, if less:

$$\$15 \text{ million} \times \frac{M}{12}$$

where:

M is the number of Months or part of Months in the Stub Period