

RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

From: Mark Tafft </o=exchangelabs/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=17d4006f282e4b709c4e54c67f1c1b18-mark tafft">
To: Mark Robertson <[REDACTED]>
Cc: Michael S Young <[REDACTED]>
Date: Mon, 14 Jun 2021 12:50:44 +1000

Will still be saying no sum or negotiable instrument received. Just need to deal with the points transfer to get to that conclusion.
 Kind regards,
 Mark



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From: Mark Robertson <[REDACTED]>
Sent: Monday, June 14, 2021 12:49 PM
To: Mark Tafft <[REDACTED]>
Cc: Michael S Young <[REDACTED]>
Subject: Re: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required
 What about

Pokie Credits (Matchplay).

Mark Robertson QC
Level Twenty Seven Chambers
Ground Floor, Wentworth Chambers
 [REDACTED]

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From: Mark Tafft <[REDACTED]>
Date: Monday, 14 June 2021 at 12:44 pm
To: Mark Robertson <[REDACTED]>
Cc: Michael S Young <[REDACTED]>, Jeremy Nash <[REDACTED]>, Lachlan Cobon <[REDACTED]>, Fiona Moore <[REDACTED]>
Subject: FW: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Mark,

Confirmation from Crown on the system query is below.

Reworking Observations at my end to frame the questions as:

"The questions here in respect of each of the 8 Categories of Jackpot are:

1. Does the Jackpot in fact fall within the reach of the definition of "Gross Gaming Revenue" at all?
2. If the Jackpot falls within the reach of "Gross Gaming Revenue", does it reduce or increase the amount thereof?"

Detail will now submit that each of the following never pass Question 1 test because there was no sum received in relation to the pokie credit in the first place. And therefore from a Casino Tax perspective it does not belong in Gross Turnover. Backing it out is effectively an accounting correction. And the question is not relevant as to whether the creation of the pokie credit is a sum paid out as a winning (albeit that its nice the ATO thinks it is):

- Pokie Credit Rewards (Welcome Back / Free Credits / Seniors promotion)
- Mail Outs
- Random Riches (Carded Lucky Rewards)
- Jackpot Payments
- Pokie Credit Tickets

Kind regards,
Mark



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From: Peter Herring

Sent: Monday, June 14, 2021 12:32 PM

To: Mark Tafft; angelina.bowden-jones

Cc: Jeremy Nash; Lachlan Cobon; Fiona L Moore

; Michael S Young

John Salomone; Shaun Cartoon

Simon Noonan

Subject: Re: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Yes that is how the system works for all redemption of Pokie Credit.

The system adds the pokie credit wager to turnover that is correct.

The calculation is then:

Turnover – Game Wins – Jackpot Startouts – Variable Prize JP Increment – Fixed Prize JP Increment – Bonus Jackpots = Revenue

From: Mark Tafft

Date: Monday, 14 June 2021 at 10:39 am

To: Angelina Bowden-Jones; Peter Herring

Cc: Jeremy Nash; Lachlan Cobon; Fiona L Moore

; Michael S Young; Shaun Cartoon

Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Peter and Angelina,

I have had a request from Counsel for confirmation of a specific point.

As we understand it, any Bonus Jackpot is dealt with via the following sequence:

1. Rewards Member gets pokie credit
2. Rewards Member uses card at poker machine
3. Pokie credit is used to play
4. System automatically adds pokie credit value to turnover
5. System deducts:
 - Game wins
 - Jackpot start outs
 - Variable prize jackpot increments
 - Fixed price jackpot increments ; and
 - Bonus Jackpots

6. To Equal "DACOM revenue" – which equals final Gross Gaming Revenue subject to Casino Tax

Qn 1 Could you please confirm this is how the system works?

Qn 2 Could you please confirm specifically that for instance, a Mail Out Bonus Jackpot, is in a system sense – first being treated as if it were a wager where the Patron has in fact contributed cash (via it automatically being added to turnover), which is then reversed via the system deduction of "bonus jackpots".

An answer on this as soon as possible would be greatly appreciated

Kind regards,

Mark



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