

Extract from the publication "Control and Review of Poker Machine Operations" issued by the N.S.W. Department of Finance in 1982.

1. INTRODUCTION

1.01 While in no way wishing to question the dedication and honesty of many club employees, it is an irrefutable fact that inspections of registered clubs throughout NSW have revealed that controls over poker machine operations in many clubs are inadequate and, as a result, the clubs have lost substantial sums of money. These losses have occurred through theft and other malpractices committed by club officers and employees, and by people not employed by or responsible for club operations. Inspections have also indicated that many clubs have lost revenue because of machine malfunctioning that has gone unnoticed.

1.02 Whenever it is established that losses on poker machine operations have been sustained by clubs, the first persons to come under suspicion are those members of staff and management etc., who deal with the money. Clubs ought to appreciate that the implementation of effective poker machine controls will provide protection from suspicion for honest personnel as well as enabling clubs to quickly detect and overcome any loss situation.

1.03 From information extracted from the poker machine revenue analysis returns submitted by clubs, it is apparent that revenue from clubs' poker machine operations is many millions of dollars below the level that ought to be obtained.