

# VCGR NEWS

The Newsletter of the Victorian  
Commission for Gambling Regulation  
Spring 2010



Victorian Commission  
for Gambling Regulation

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# Gaming machine entitlement transfer scheme launched

Gaming machine entitlements may be transferred between venue operators (and also to or from the State) through a new scheme.

The VCGR will administer the scheme through a transfer market website. This allows venue operators to advertise when they want to transfer or buy entitlements.

Transfers will only be finalised when the VCGR records them on the transfer market website.

Before the scheme began, venue operators obtained a user name and password from the VCGR so as to be able to access this website.

Before a sale, an entitlement holder and an interested party may negotiate. A venue operator's licence is needed to buy an entitlement.

Entitlements for sale must be advertised on the transfer market website, except in the following instances:

- if the transfer of the entitlement is integral to the sale of a gaming business;
- if the transfer is between venue operators who are 'related bodies corporate' under the *Corporations Act 2001* (Commonwealth); or
- if the transfer is the subject of concluded negotiations for sale or is not intended to be entered into with an unrelated purchaser on the open market; or
- in circumstances otherwise determined by the VCGR.

Entitlements for transfer may also be advertised in places such as newspapers, trade magazines and the internet as long as this does not involve completing a sale. But they must **also** be advertised on the transfer market website unless there is an exemption.

Parties to the transfer must follow the on-line process to conclude the transfer. Details need to be completed and submitted to the VCGR through the market website. Transfers will not be final until the VCGR records them on the website.

The VCGR is responsible for recording the transfer of entitlements once it is satisfied all rules have been met.

## **'Profit Tax'**

A 'profit tax' applies to a venue operator, in accordance with section 3.4A.18 of the *Gambling Regulation Act 2003*.

If an entitlement is transferred to another venue operator before 16 February 2013, the selling venue operator must pay the State 75 per cent of the profit (if any) which has been made by the operator from the transfer of the entitlement.

An exemption to this rule under the *Gambling Regulation Act 2003* may be granted:

- if an application for premises approval, planning permit, liquor licence or racing club licence is rejected, and
- entitlements have a geographic area condition in the region or municipal district in which the rejected premises approval is or was to be situated.

## **Further Information**

For further enquiries regarding entitlements please contact the VCGR on (03) 9651 3131, by e-mail at [www.commercial.licensing@vcgr.vic.gov.au](mailto:www.commercial.licensing@vcgr.vic.gov.au) or visit the VCGR website at [www.vcgr.vic.gov.au](http://www.vcgr.vic.gov.au)

Additional information can be obtained by visiting the following website:

[www.vcgr.vic.gov.au/gaming machine entitlements](http://www.vcgr.vic.gov.au/gaming-machine-entitlements)

# VCGR must be told of venue operator changes

A holder of a venue operator's licence must give the VCGR written notice of a change in its set-up within 14 days.

This notification covers:

1. A proposed change to an agreement with a gaming operator as to the number of gaming machines to be provided or a change of operator.
2. Any change in the licensee's name, registered address, business address or legal status.
3. Any change, including any addition or deletion to the associates, within the meaning of section 1.4 of the *Gambling Regulation Act 2003*, including but not limited to, a business partner, executive officer (including a director, secretary, committee member or part of a management body) and shareholders of the licensee.
4. Any change in the licensee's legal or corporate structure.
5. Any change in the licensee's management arrangements for its gaming or liquor business or in the manner of tenure of the approved venue(s) including, but not limited to, the sale of the freehold of the premises, or the renegotiation of the lease of the approved venue(s).
6. Any renegotiation of the licensee's financing arrangements or any change in its equity partners or lenders.
7. Any finding of guilt for any offence under statute or at common law recorded under any jurisdiction against the licensee.
8. The commencement of bankruptcy, winding up or liquidation proceedings, the appointment of a receiver or other controller, the appointment of an administrator or the entry into a formal or informal scheme of arrangement (however it is described) with the licensee's creditors.
9. Details of the outcome of any litigation against the licensee, or to which the licensee was a co-defendant.
10. Details of the outcome of any investigation into the affairs of the licensee by the Australian Securities and Investments Commission ('ASIC') under Australian Corporations Law, by the Registrar of Incorporated Associations under the *Associations Incorporation Act 1981*, by the Australian Prudential Regulation Authority ('APRA') or the Australian Competition & Consumer Commission ('ACCC') exercising their statutory functions or by any other regulatory body or law enforcement agency in any jurisdiction.
11. The result of any disciplinary action taken against a gaming, bingo or casino licence, approval or authorisation held by the licensee, outside Victoria.

## *Written notification of changes due within 14 days*

Please note that 'any jurisdiction' means a relevant legal or other authority, or territory, within or outside Australia.

Failure to notify the VCGR in writing of a change as specified above is an offence, which may result in a fine of up to 60 penalty units.

As well, the following disciplinary action may be taken against a venue operator for failing to comply with the relevant section of the *Gambling Regulation Act 2003*:

- the cancellation or suspension of the venue operator's licence;
- the variation of the terms of the venue operator's licence;
- the issuing of a letter of censure to the venue operator;
- the imposition of a fine not exceeding an amount that is 500 times the value of a penalty unit fixed by the Treasurer under section 5(3) of the *Monetary Units Act 2004*.

# I have my entitlements, I'm ready for 2012, right?

If you have been successful in buying gaming machine entitlements you must now ensure that your premises are approved as suitable for gaming with the number of entitlements that you intend to operate.

If you intend to operate your entitlements and have not obtained premises approval, you need to lodge a New Premises application with the VCGR.

If you operate an approved venue and have obtained more entitlements than you are approved for, you will need to apply to increase the number of gaming machines permitted at your premises.

The number of gaming machines allowed at an approved venue is specified on the Notice of Approved Venue issued by the VCGR.

Increases of fewer than 10 per cent in gaming machines will not require determination at a public hearing if:

- the responsible authority does not make a submission, or
- the responsible authority agrees to a determination outside of a public hearing and;
- there has not been a previous application to alter gaming machine numbers in the last two years.

This does not remove the need to lodge an application to vary the number of gaming machines permitted at your premises.

More information as to the application process can be found on the VCGR website at [www.vcgr.vic.gov.au](http://www.vcgr.vic.gov.au) > Application Forms > Venue Operator (Gaming Machines).

## *Premises approval required for operation of Gaming Machine Entitlements*

## Gaming machine spending lowest in eight years

Spending, or player loss, on gaming machines in Victorian club and hotel gaming venues dropped by 4.1 per cent in 2009-2010 to a total of \$2.597 billion, the largest decline since 2002-2003, when smoking bans began.

In the 2009-2010 financial year spending dropped by 5.8 per cent to \$611 per adult, a fall of more than 12 per cent from a peak of \$696 per adult in 2001-2002.

Both the number of gaming venues and gaming machines were down on the previous year.

The number of gaming venues with gaming machines declined to 514, the lowest total since the mid-1990s, while the 26,682 licensed gaming machines in those venues was the lowest figure since 1996.

Spending per gaming venue for the year ranged from \$149,006 to \$19.2 million. Of the gaming venues with the most expenditure, 38 out of 40 were hotels, with the Werribee Plaza Tavern achieving the highest hotel expenditure and the Sandown Racecourse-Highways Tabaret again yielding the highest club expenditure.

The complete figures for all gaming venues are on the VCGR website at [www.vcgr.vic.gov.au](http://www.vcgr.vic.gov.au)

# How to have your gambling complaint investigated

A new VCGR publication, *A Guide to Making a Complaint about the Conduct of Gambling* ('the Guide'), explains how complaints are investigated by the VCGR.

This *Guide* is a handy roadmap as to just which complaints are probed.

All complaints about regulated gambling, including anonymous gripes, are investigated by the Compliance and Investigation Branch of the VCGR.

The *Guide* explains:

- what the VCGR investigates;
- steps before making a complaint;
- how to make a complaint;
- how complaints are processed;
- the possible outcomes;
- how long an investigation will take; and
- where and how complaints can be lodged.

The eight-page *Guide* can be downloaded from the VCGR website at [www.vcgr.vic.gov.au](http://www.vcgr.vic.gov.au) > Publications > VCGR Complaints Guide.

Hard copies of the *Guide* may be obtained by contacting Mike Kelly, Manager Operations, Compliance and Investigation Branch on (03) 9651 3738 or by e-mail at [mike.kelly@vcgr.vic.gov.au](mailto:mike.kelly@vcgr.vic.gov.au).

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## Toolbox helps building local profile

Members of the public, applicants and local councils now have on-line access to social and economic statistics and gaming machine expenditure figures on the VCGR website.

The revamped Info Maps page includes The Economic and Social Profile Toolbox.

This Toolbox contains gaming machine expenditure data and gaming machine numbers for the past four financial years for each municipality within the State. This data will also be compared to State and regional averages.

Social indicators, such as unemployment figures, population projections and the Australian Bureau of Statistics disadvantage index will also be provided for statistical local areas ('SLAs'), which are smaller areas within council boundaries.

New colour-coded maps showing venue locations within SLAs, as well as six-monthly venue-level expenditure data, will also be on the page. Users will now be able to build a profile of smaller community regions more easily.

The page will be a valuable tool for those considering a community's profile when an increase in gaming machines or a new venue is being sought.

The Economic and Social Profile Toolbox is accessible via the VCGR website at [www.vcgr.vic.gov.au](http://www.vcgr.vic.gov.au) > Industry Participants > Info Maps.

# Community Benefit Statements: Consequences of late submission

A club or racing club venue operator receiving any revenue from gaming machines in the 2009-2010 financial year must have submitted an audited Community Benefit Statement ('CBS') to the VCGR by 30 September 2010. A separate CBS is required for each approved venue held under the venue operator's licence.

Clubs and racing clubs that have not lodged an audited CBS for 2009-2010 by the 30 September 2010 deadline will be taxed at the higher pub licence rate. This rate is payable from the deadline date until the audited CBS is lodged with the VCGR.

In addition, the VCGR can take disciplinary action against a venue operator for contravening the applicable legislation by failing to lodge an audited CBS on time. A penalty of up to 60 penalty units and/or other disciplinary action may apply if a CBS is lodged after the 30 September deadline.

Please contact the Commercial Licensing and Monitoring Unit on (03) 9651 3655 or by email at [commercial.licensing@vcgr.vic.gov.au](mailto:commercial.licensing@vcgr.vic.gov.au) if you have any questions about this requirement.

## *Penalties apply for late submission of Community Benefit Statements*

# National Police Certificate applications

When applying to the Victoria Police for a National Police Certificate as part of the VCGR application process, please note that it will take a minimum of

10 working days from the lodgement date until you receive your certificate.

## Speed spins story spun

Gaming machine spin rates cannot be quicker than a game every 2.14 seconds. Pressing 'Play', 'Collect' or 'Take Win' buttons only cuts the time of the graphical display after a winning spin.

And this display is only for entertainment.

The VCGR is explaining this because the Sunday Herald Sun wrongly claimed a player could lose \$6,000 an hour on gaming machines, which assumes a maximum \$5 bet every button push each three seconds.

The story falls down when it is realised that, since September 2009, the most that can be loaded into a gaming machine is \$1,000. For a player to lose \$6,000 an hour, \$1,000 would need to be added into the machine five times an hour.

Since \$50 notes are the highest accepted by Victorian gaming machines, \$100 would be cut from the loss for every minute spent inserting twenty \$50 notes. Also, it is statistically improbable that 1,200 spins (\$6,000 worth at \$5 a spin) would have no wins. On average, players should have a win every 10 to 20 spins.

Data published on the VCGR website shows that the average player loss per hour in 2009-2010 was \$13.33. This assumes all gaming venues open 20 hours a day, seven days a week. Even if venues were only open for half this time, the total average player loss per gaming machine would be less than \$27 an hour.

The newspaper also claimed that gamblers experience a 'near miss' effect when playing gaming machines. This occurs when players believe they have almost won a prize and are encouraged to keep playing. For instance, a reel may show four of the five symbols required to win the major jackpot.

Contrived 'near misses' are banned in Australia. Games must display symbols that are the result of a random number generator.

A gaming machine showing a contrived 'near miss' will not be approved in Victoria.

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## Keeping it sweet with a Cup Sweep

For many businesses, groups or associations it wouldn't be Cup Week without a Melbourne Cup Sweep.

Running a sweep, however, is legally regulated so that:

- **all money collected goes in prizes; and**
- **the total value of prizes must not be more than \$5,000.**

As well, those who run the sweep cannot take money out of the prize pool as expenses.

While there are no guidelines on running a sweep, the rules for entrants need to be clear. They need to know which placings win a prize and how much is to be won. The most common way of running a sweep is to pay on the winner, second and third. Some sweeps also have a prize for last.

Another rule to consider covers scratchings. You may decide to run the sweep on an 'all-in' basis, which means that no refund is made to a person whose drawn horse is subsequently scratched from the Cup. Alternatively, you may decide to pay a refund for scratchings and alter the prize list accordingly. Both methods are acceptable, so long as everyone knows the rules before putting up their hard-earned.

Sweeps may be held anywhere and on races other than the Melbourne Cup, for example, the Caulfield Cup, the Cox Plate and country races.

Questions about sweeps can be directed to the Minor Gaming Unit on (03) 9651 3630 or by e-mail at [minor.gaming@vcgr.vic.gov.au](mailto:minor.gaming@vcgr.vic.gov.au).

## Renewal of status as a declared community or charitable organisation

All community or charitable organisations that were declared before 31 December 2000 are required to re-apply to maintain their status as a declared community or charitable organisation.

Unless an application form is lodged before 31 December 2010, your community or charitable organisation will no longer be authorised to conduct minor gaming activities, including raffles and bingo.

An application form has been forwarded to the contact person listed in our records. If you are unsure whether your organisation needs to lodge an application form or if you have any questions, contact the Minor Gaming Unit on (03) 9651 3630 or by e-mail at [cco.declarations@vcgr.vic.gov.au](mailto:cco.declarations@vcgr.vic.gov.au).

The application form can be downloaded from the VCGR website at [www.vcgr.vic.gov.au](http://www.vcgr.vic.gov.au).

*Stay current by renewing declared status by 31 December 2010*

## Bingo returns being assessed

Returns from bingo centre operators are now being assessed by the VCGR.

The operators provide a statement covering bingo activities for each financial year.

A bingo centre return ('BCR') showing details of all sessions held at each centre between 1 July 2009 and 30 June 2010 had to be lodged by 30 September 2010.

Failure to have done so may mean a fine of up to 60 penalty units and/or disciplinary action.

Questions about BCRs should be directed to the Commercial Licensing and Monitoring Unit on (03) 9651 3655 or by e-mail at [commercial.licensing@vcgr.vic.gov.au](mailto:commercial.licensing@vcgr.vic.gov.au).

## Community, charity bingo returns being vetted

Annual returns from community or charitable organisations running bingo are being examined by the VCGR.

The returns, with details of all sessions of bingo held between 1 July 2009 and 30 June 2010, had to be lodged by 1 October 2010.

Disciplinary action may result from failure to have lodged a return by the due date.

Inquiries about bingo returns should go to the Minor Gaming Unit on (03) 9651 3630 or by e-mail at [Minor.Gaming@vcgr.vic.gov.au](mailto:Minor.Gaming@vcgr.vic.gov.au).

# Disciplinary action against licence holders

The following tables contain details of all disciplinary action taken by the VCGR under the *Gambling Regulation Act 2003* or the *Casino Control Act 1991* since the listing provided in the Winter 2010 issue of this newsletter.

For the period indicated, disciplinary action was taken in the following categories:

- casino operator;
- gaming industry employee;
- casino special employee; and
- venue operator.

Any questions concerning disciplinary action taken should be directed as follows:

- employee licence holder –

Employee Licensing Unit  
Telephone: (03) 9651 3054  
Email: Emp.Licence@vcgr.vic.gov.au

- venue operator licence holder –

Commercial Licensing Unit  
Telephone: (03) 9651 3655  
Email: Commercial.Licensing@vcgr.vic.gov.au

## Casino Operator Licence Holder

Casino Operator	Grounds	Decision Date	Result
Crown Melbourne Limited	Contravened the CCA 1991 when, on one occasion, 11 March 2009, a game of WSOP Bonus Texas Hold'em Poker was played other than in accordance with the approved rules of the game in that the dealer dealt the cards from his hand rather than from the card shoe	17 Aug 2010	Fined \$5,000
Crown Melbourne Limited	Contravened the CCA 1991 when, on 15 April 2009, the approved system of internal controls was not implemented, in that two hands of poker were played at a table that was not a licensed table as it had no Table Licence Number displayed	17 Aug 2010	Fined \$5,000
Crown Melbourne Limited	Contravened the CCA 1991 when, on 25 April 2009, the approved system of internal controls was not implemented, in that an entry point at the Promenade Air Bridge was left unmanned for 28 seconds during a change-over	17 Aug 2010	No further action taken

Key: CCA 1991 *Casino Control Act 1991*

# Disciplinary action against licence holders (continued)

## Employee Licence Holders

Surname	Given Name(s)	Licence Number	Grounds	Decision Date	Result
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### Casino Special Employees

Kemish	Trent Aaron	C09105928	Considered to be no longer a suitable person to hold the licence	3 Aug 2010	Licence cancelled
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### Gaming Industry Employees

Havis	Joanne Louise	S9624323	Failed to provide required information	22 Jun 2010	Letter of censure
Basar	Anne-Maree	S9623300	Failed to provide required information	5 Jul 2010	Letter of censure
McCaskill	Drew Marcus	G10150791	Failed to provide required information	3 Aug 2010	Letter of censure

## Venue Operators

Venue Operator	Venue	Licence Number	Grounds	Decision Date	Result
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Alma Sports Club	Alma Sports Club	V9410180	Failed to provide required information and contravened the GRA 2003 by failing to lodge its 2008-2009 Community Benefit Statement by the due date	3 Aug 2010	Letter of censure*
Serene Hotels Pty Ltd	Epping Hotel	V05095899	The venue operator and its nominee were found guilty of a 'relevant offence', namely using the services of a person to perform the duties of a gaming industry employee when that person was not licensed	17 Aug 2010	Letter of censure

\* Alma Sports Club paid \$6,989.75 in additional tax as a result of the requirement that its earnings be taxed at the hotel rate until its CBS was lodged.

Key: GRA 2003 *Gambling Regulation Act 2003*

Note: In the above tables, 'relevant offence' in relation to a licensee means –

- an offence against a gaming Act or gaming regulations; or
- an offence arising out of or in connection with the employment of the licensee under a gaming Act; or
- an offence (wherever occurring) involving fraud or dishonesty punishable on conviction by imprisonment for three months or more (whether or not in addition to a fine).

# Notice

## **ENQUIRIES ABOUT GAMING MACHINE ENTITLEMENTS AND POST-2012 GAMBLING INDUSTRY ARRANGEMENTS**

### **Enquiries about gaming machine entitlements**

On-line information is now available on the VCGR website relating to gaming machine entitlements.

For further information please visit [www.vcgr.vic.gov.au/gamingmachineentitlements](http://www.vcgr.vic.gov.au/gamingmachineentitlements)  
or phone (03) 9651 3131.

### **Enquiries about post-2012 gambling industry arrangements**

For information relating to post-2012 arrangements including the Monitoring,  
Keno and Wagering and Betting licences please visit [www.gamblinglicences.vic.gov.au](http://www.gamblinglicences.vic.gov.au)

## To Contact the VCGR

### At the Office

Level 5, 35 Spring Street  
Melbourne Victoria 3000

### By Post

PO Box 1988  
Melbourne Victoria 3001

**By Telephone:** 61 3 9651 3333

**By Facsimile:** 61 3 9651 3777

**By Email:** [VCGR.Contact@vcgr.vic.gov.au](mailto:VCGR.Contact@vcgr.vic.gov.au).

## Disclaimer

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Enquiries should be forwarded to the above e-mail address.

Alternatively, contact the Secretariat Manager on (03) 9651 3386.

**gambler's**help  
**1800 858 858**  
[problemgambling.vic.gov.au](http://problemgambling.vic.gov.au)

**VCGR Website: [www.vcgr.vic.gov.au](http://www.vcgr.vic.gov.au)**