



Victorian Commission for Gambling and Liquor Regulation

Gambling Information Sheet Venue service providers

As you plan for the new gambling industry arrangements, which come into effect on 16 August 2012, you may determine the need to engage a range of third party service providers to support the management and operation of your venue. There is no requirement for gaming venue operators to engage the services of a third party provider.

What type of service providers can I engage?

You can engage service providers to perform a range of services, including (but not limited to):

- venue management services
- service, repair and maintenance of gaming machines
- gaming performance data analysis
- responsible gambling services
- player loyalty schemes
- marketing advice, customer communications and venue promotions
- financial advice
- accounting services
- staff training
- security, and
- venue design.

After determining the needs of your business, you will need to identify service providers who have the necessary skills and expertise to undertake the services you require. You can negotiate directly with those individual service providers to implement the required service agreements.

Are there any constraints on who I can engage to provide services in my venue?

Yes. To protect the integrity of the industry, there are some restrictions on the overlap of roles within the gaming industry.

As a venue operator, you may seek to engage a range of venue service providers to assist you with the management and operation of your gaming venue, however the following restrictions apply:

- the monitoring licensee, Intralot Gaming Services (IGS), can only provide monitoring services and is prohibited from offering venue services
- persons listed on the Roll of Manufacturers, Suppliers and Testers are also prohibited from providing venue services, if the nature of the services provided would result in those persons becoming associates of the venue operator, and
- only licensed gaming industry employees can undertake the service, repair and maintenance of your gaming machines.

These restrictions apply because there is an integrity risk in the same person being able to undertake functions such as the manufacture, supply, testing, repair or monitoring of gaming machines while also being involved in the purchase and operation of those gaming machines.

A venue service provider you engage may be considered your associate, if they hold a financial interest in your gaming business or they are able to exercise a significant amount of influence over the management or operation of your business.

Are there any restrictions on the nature of service agreements I enter into with third parties?

Yes. As a venue operator, you are not permitted to enter into agreements where the payment terms for those services are calculated by reference to gaming revenue (profit share).

If you enter into a profit share arrangement with a service provider, the agreement will be void and you will be in breach of your venue operator's licence and subject to disciplinary action under the *Gambling Regulation Act 2003*.

Are my service agreements subject to approval by the Victorian Commission for Gambling and Liquor Regulation (VCGLR)?

No. The service agreements you enter into with third party service providers are not subject to VCGLR approval. However, these agreements can be reviewed by the VCGLR where it is determined to be necessary.

You should also be aware that equipment used by third party service providers may in certain instances require approval by the VCGLR before it can be used in your venue.

More information regarding the 2012 gambling industry arrangements is available at www.vcglr.vic.gov.au.

The purpose of this update is to provide general information and guidance only. The information provided is not in substitution of the *Gambling Regulation Act 2003*, the Monitoring Licence and Related Agreements issued under that Act, the Entitlement Related Agreements for Venues, the Venue Services Agreement or any other regulatory requirements. Venue Operators should seek appropriate professional advice as to their obligations.