



## Victorian Commission for Gambling and Liquor Regulation

### Gaming Information Sheet

# Changes to the *Gambling Regulation Act 2003* - Venue Operators (2017 and 2018)

On 30 November 2017 and 6 March 2018, the Victorian Parliament passed the *Gambling Regulation Amendment (Gaming Machine Arrangements) Act 2017* (the GMA Act) and the *Gambling Legislation Amendment Act 2018* (the GLA Act) respectively.

These Acts amend the *Gambling Regulation Act 2003* (GR Act), which will mean a number of changes for gaming venue operators.

It is the responsibility of venue operators and staff members to ensure they understand their obligations under the GR Act and to make the necessary arrangements so they remain compliant. The purpose of this fact sheet is to provide a summary to gaming venue operators and their staff about the changes.

#### Post-2022 EGM entitlements

The amendments create a new scheme to facilitate the allocation of post-2022 EGM entitlements, including the applicable taxation rates and the distribution of entitlements between club and hotel venue operators.

#### Paying out EGM winnings and accumulated credits

From 20 December 2017, accumulated credits on a gaming machine (EGM winnings) worth \$2,000 or more must be paid out via cheque or Electronic Funds Transfer (EFT). EGM winnings of \$2,000 or more paid via EFT must not be able to be accessed by the patron for 24 hours. If that is not possible, then payment must be made via cheque.

#### Cashless gaming

There are also new provisions that came into effect on 20 December 2017 regarding cashless gaming. In particular, a venue operator must not:

- offer a non-cash gaming token as an inducement to gamble (for example, for free, discount or as part of a promotion);
- offer to increase the value of a non-cash gaming token as an inducement to gamble;
- provide or allow another person to provide facilities by which a cash advance from a credit account can be used to obtain a non-cash gaming token or to increase the value of a non-cash gaming token.

Additionally, a person must not induce, or attempt to induce, a person to choose to have winnings paid out as or by way of a non-cash gaming token. There are also new powers to make regulations regarding the conduct of cashless gaming. Details regarding any regulations made will be published on the VCGLR website at [vcglr.vic.gov.au](http://vcglr.vic.gov.au)

#### Club entitlements and assignment agreements

The maximum number of entitlements that can be held by a club venue operator increased from 420 to 840 on 22 January 2018. The amendments also allow a club venue operator (assignor) to assign entitlements to another club venue operator (assignee) for payment, including in exchange for a share of gaming revenue. Once an assignor assigns an entitlement, their approval to operate the gaming venue associated with the assigned entitlement is suspended.

Parties to an assignment agreement must apply to the VCGLR for their agreement to be registered. The VCGLR must refuse to register an agreement if the conduct of gaming under the assigned entitlement by the assignee will contravene its venue operator's licence, the assignee's approval of premises as suitable for gaming, a provision of the GR Act, a geographic area or venue condition or a regional or municipal limit, etc. The VCGLR also has powers to deregister agreements.

The Minister for Consumer Affairs, Gaming and Liquor Regulation (Minister) will make rules regarding the assignment of entitlements and the process for the registration of agreements by the VCGLR. While the provisions regarding the assignment of entitlements commenced on 20 December 2017, the Minister has not yet issued the assignment rules. Details on any rules issued by the Minister will be published on the VCGLR website.

### Access to cash in a gaming venue

The following changes regarding access to cash in a gaming venue will come into effect on 19 September 2018.

In relation to gaming venues not on a racecourse:

- venue operators will only be able to provide cash facilities that are either a compliant EFTPOS facility or an ATM approved by the VCGLR;
- a compliant EFTPOS facility is one that does not allow a person to:
  - obtain an amount of cash exceeding \$200 per transaction;
  - obtain cash exceeding \$500 on any one debit or credit card within 24 hours; and
  - obtain a cash advance from a credit account;
- any ATM approved by the VCGLR will be subject to the same restrictions, where the default conditions of the approval include that the ATM must not allow a person to obtain an amount of cash exceeding \$200 per transaction, must not allow a person to obtain cash exceeding \$500 on any one debit or credit card within 24 hours and must not allow a person to obtain a cash advance from a credit account; and
- it will be an offence for a venue operator to allow a person to obtain cash from an EFTPOS facility unless the facility is operated by a person employed or engaged by the venue operator, including by entering the amount of funds to be obtained.

In relation to gaming venues on a racecourse:

- venue operators must not provide a cash facility other than a compliant EFTPOS facility within the gaming machine area of the gaming venue or each area that is less than 50 metres walking distance away from an entrance to the gaming machine area (the applicable area). A compliant EFTPOS facility is one that does not allow a person to:
  - obtain an amount of cash exceeding \$200 per transaction;
  - obtain cash exceeding \$500 on any one debit or credit card within 24 hours; and
  - obtain a cash advance from a credit account;

- it will be an offence for a venue operator to allow a person to obtain cash from an EFTPOS facility unless the facility is operated by a person employed or engaged by the venue operator, including by entering the amount of funds to be obtained;
- a cash facility that is provided in the approved gaming venue but is located outside the applicable area must not:
  - allow a person to obtain an amount of cash exceeding \$200 per transaction on any one debit or credit card; and
  - must not allow a person to obtain a cash advance from a credit account.

Please note that the Victorian Commission for Gambling Regulation Rules (as in force on 21 February 2007) provide that an EFTPOS device or ATM must not be accessible by any person within the gaming machine area of an approved venue (regardless of whether it is on a racecourse) for the purposes of withdrawing cash. This rule continues to apply.

### Cashing of cheques

New offences will also commence on 19 September 2018 in relation to the cashing of cheques at gaming venues. In particular, it will be an offence for:

- a person (including a venue operator) to give to another person cash or other gaming token in exchange for a cheque at a gaming venue;
- a venue operator to allow another person to give cash or other gaming token in exchange for a cheque at a gaming venue;
- a person (including a venue operator) to publish or cause to be published at a gaming venue, any advertising for a cheque cashing service;
- a venue operator to allow a person to publish or cause to be published at a gaming venue, any advertising for a cheque cashing service.

For the purposes of these offences, a gaming venue includes any land owned or leased by the venue operator on which the venue is located including any car park owned or occupied by the venue operator and used primarily by patrons.

### **Responsible Gambling Codes of Conduct (Codes) and Self-Exclusion Programs (SEPs)**

The amendments made by the GLA Act regarding Codes and SEPs will commence on 19 September 2018. Under the amendments, the VCGLR will no longer be required to approve Codes and SEPs, rather, relevant persons (such as venue operators) must comply with new directions issued by the Minister that prescribes the content, standards and requirements for Codes and SEPs. The VCGLR will advise industry once these directions are issued.

The VCGLR will remain responsible for monitoring compliance with Codes and SEPs. In addition, the VCGLR is no longer required to submit an annual report to the Minister on the effectiveness of Codes and SEPs, consequently, relevant persons are not required to submit their annual reviews to the VCGLR, including for the 2017–18 reporting period, unless requested to do so.

### **Conditions imposed on approvals of a new premises as suitable for gaming and EGM increases applications**

The amendments clarify that the VCGLR may approve applications for the approval of new premises as suitable for gaming and applications to increase the number of EGMs at an existing gaming venue, where the approval does not take effect until certain conditions are met (for example, that an approval does not take effect until building works are completed at the premises). These amendments will come into effect on 9 May 2018. The amendments also create new requirements that must be met by venue operators/applicants in relation to approvals subject to these types of conditions. If a new premises application is granted subject to a condition of this type:

- the applicant must comply with the condition within two years (or such longer time as specified by the VCGLR); Victorian Commission for Gambling and Liquor Regulation
- the approval is automatically revoked if the applicant does not comply with the condition; and
- the approval is automatically revoked if the applicant loses its interest or relevant authorisation in the premises prior to complying with the condition.

In relation to EGM increase applications subject to this type of condition, where the venue operator fails to meet the condition, the VCGLR must reduce the number of EGMs permitted to operate to the level before the application was made.

Applicants seeking to extend the time for complying with these conditions must apply to the VCGLR at least 60 days before the expiry of the time by which they must comply.

### **Payment of unpaid jackpots to Responsible Gambling Fund**

From 9 May 2018, a venue operator who ceases to hold a venue operator's licence, EGM entitlements, or no longer operates jackpots must pay to the Responsible Gambling Fund any jackpot special prizes which have not been paid out.

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.

## Summary of changes

Below is a table that summarises the previous requirements under the GR Act, the new requirements (as detailed above), and the date these changes commence.

Previous requirement	Relevant Act that changes the requirement	New requirement	Date this came, or is expected to come, into effect
Current EGM entitlements expire on 16 August 2022	GMA Act	Creation of a new 20 year term for post-2022 EGM entitlements, a new scheme for the allocation of such entitlements and the taxation rates that apply. Refer to the <a href="#">Department of Justice and Regulation</a> for further information.	20 December 2017
EGM winnings of \$1000 or more must be paid via cheque	GMA Act	EGM winnings of \$2000 or more must be paid via cheque or an Electronic Funds Transfer (EFT).  Any EGM winnings of \$2000 or more paid via EFT must not be able to be accessed by the patron for 24 hours.	20 December 2017
N/A	GMA Act	New offences created in relation to cashless gaming. In particular, it is an offence for a venue operator to: <ul style="list-style-type: none"> <li>offer a non-cash gaming token as an inducement to gamble;</li> <li>offer to increase the value of a non-cash gaming token as an inducement to gamble;</li> <li>induce or attempt to induce a person to choose to have winnings or accumulated credits paid out as a non-cash gaming token; or</li> <li>provide or allow a person to provide facilities by which a cash advance from a credit account can be used to obtain a non-cash gaming token or to increase the value of a non-cash gaming token.</li> </ul> <p>There are also new powers to make regulations regarding the conduct of cashless gaming.</p>	20 December 2017
Venue operators prohibited from entering into a prohibited venue agreement, which includes an agreement whereby the venue operator provides, as consideration, an amount calculated by reference to EGM revenue earned by the venue operator.	GMA Act	Club venue operators can assign EGM entitlements to another club venue operator for payment, including in exchange for a share of gaming revenue. Assignment agreements must be registered with the VCGLR.	20 December 2017 (however, Minister has not yet issued rules)

Previous requirement	Relevant Act that changes the requirement	New requirement	Date this came, or is expected to come, into effect
Limit on the maximum number of EGM entitlements that can be held by any club venue operator is 420	GMA Act	Limit on the maximum number of EGM entitlements that can be held by any club venue operator is 840.	22 January 2018
N/A	GLA Act	<p>If a new premises application is granted conditionally:</p> <ul style="list-style-type: none"> <li>the applicant must comply with the condition within two years or such longer time as specified by the VCGLR when granting the approval;</li> <li>the approval is automatically revoked if the applicant does not comply with the condition within the specified time; and</li> <li>the approval is automatically revoked if the applicant loses its interest or relevant authorisation in the premises prior to complying with the condition.</li> </ul> <p>If a venue operator fails to meet the conditions imposed on the conditional grant of additional EGMs, the number of EGMs able to be operated at the premises reverts to the number of EGMs permitted prior to the approval.</p> <p>Extension of time requests should be lodged at least 60 days before expiry of the time in which the applicant must comply with the condition.</p>	9 May 2018
N/A	GLA Act	A venue operator who ceases to hold a venue operator's licence, EGM entitlements, or no longer operates jackpots must pay to the Responsible Gambling Fund any jackpot special prizes which have not been paid out.	9 May 2018
<p>A limit on EFTPOS transactions within gaming venues of \$200 per transaction limit. Cash advances from a credit account are prohibited.</p> <p>Default conditions that apply to an approval of an ATM at a gaming venue are that the ATM must not allow withdrawals of more than \$200 per transaction and cash advances from a credit account.</p>	GMA Act	<p>EFTPOS facilities in a gaming venue must prohibit a person from obtaining more than \$500 in cash on any one debit or credit card within a 24 hour period. The \$200 transaction limit and prohibition on cash advances from a credit amount remains.</p> <p>A person in a gaming venue is not able to obtain cash from an EFTPOS facility unless the facility is operated by an employee of the venue operator including by entering the amount of funds to be obtained.</p> <p>The default conditions that apply to an approval of an ATM at a gaming venue continue to apply. In addition, an approved ATM cannot allow more than \$500 to be withdrawn on any one debit or credit card within a 24 hour period.</p>	19 September 2018

Previous requirement	Relevant Act that changes the requirement	New requirement	Date this came, or is expected to come, into effect
<p>Venue operators can exchange cheques for cash to a person for up to \$400 per day.</p>	<p>GMA Act</p>	<p>The promotion or operation of cheque cashing services by any person in gaming venues or on gaming venue property, including the cashing of cheques by venue operators, is prohibited.</p> <p>For example, cashing a cheque in a venue car park would be prohibited.</p> <p>The amendments mean that venue operators are no longer permitted to exchange cheques of any denomination for cash.</p>	<p>19 September 2018</p>
<p>Responsible Gambling Codes of Conduct and Self-Exclusion Programs must be approved by the VCGLR</p>	<p>GMA Act</p>	<p>Responsible Gambling Codes of Conduct and Self-Exclusion Programs must adhere to Ministerial Directions. These will no longer need approval by the VCGLR.</p>	<p>19 September 2018</p>