



Liquor & Gaming NSW

Gaming Compliance

2023 GMDC

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Our approach

- Transparent regulation and decision-making processes
- Provision of information and guidance to the public and industry about misconduct, irresponsible practices and our processes
- Engage with and educate both industry and the public about best practice in harm minimisation
- Intelligence driven and evidence based
- Focus supervisory and enforcement effort where risks are the greatest
- Graduated and proportionate enforcement approach
- Use a range of regulatory activities and tools to identify and address harms



What industry can expect from us

- Communication of regulatory priorities and target issues
- Cooperative and collaborative approach that promotes engagement with the community and regulated entities
- Target resources to where risk of harm is high
- Proportionate approach to enforcement
- Strong enforcement when required
- We work with other regulators and partner agencies
- We conduct ourselves with integrity



Our expectations of industry

- Compliance is part of operating a business
- Strict compliance with legislative requirements is a baseline expectation
- Take note of L&GNSW concerns and focus areas; act accordingly to ensure compliance
- Compliance with statutory notices:
 - Communicate with us re issues with notice drafting or scope
 - If extension required, advise us in writing **prior to due date**, explain reasons
 - If no info/ documents responsive to a question, make this clear in response
 - Privilege claims must be legitimate



Our expectations of industry (cont.)

- Use the materials we make available to assist industry to comply e.g:
 - compliance checklists, and
 - the upcoming Probity Policy document on the probity assessments of close associates and controlled contractors
- Communicate with us to let us know what else we can do to equip industry to comply
- Lodge submissions and applications which are complete and which address all relevant statutory requirements



Gaming Compliance



What we regulate

WITHIN THE GAMING SECTORS WE REGULATE, THERE ARE:

- Approx. 92,000 gaming machines in NSW clubs and hotels (+1500 at Casino)
- 1085 Clubs with GM's
- 1386 Hotels with GM's
- 2,097 TAB facilities (totalizator agencies)
- 85+ Betting Service Providers (online bookmakers)
- 1 casino licence (The Star)
- 1 restricted gaming licence (Crown Sydney)
- 2 lottery licences – NSW Lotteries and Keno



The Gaming Industry

INDUSTRY

- 71,400 AGM's in 1,130 Clubs – average RTP 91% (minimum 85% over the life of the machine)
- 1,200 MTGM's (Roulette, Blackjack) in 80 Clubs
 - 15% CAP per Club
 - \$100 max bet - >97% RTP
 - **S. 61 GMA** – Clubs allowed, no provision for Hotels
- 23,700 AGM's in 1,320 Hotels
- 1,500 AGM's and MTGM's in Star Casino
- Barangaroo – No EGM's

CMS

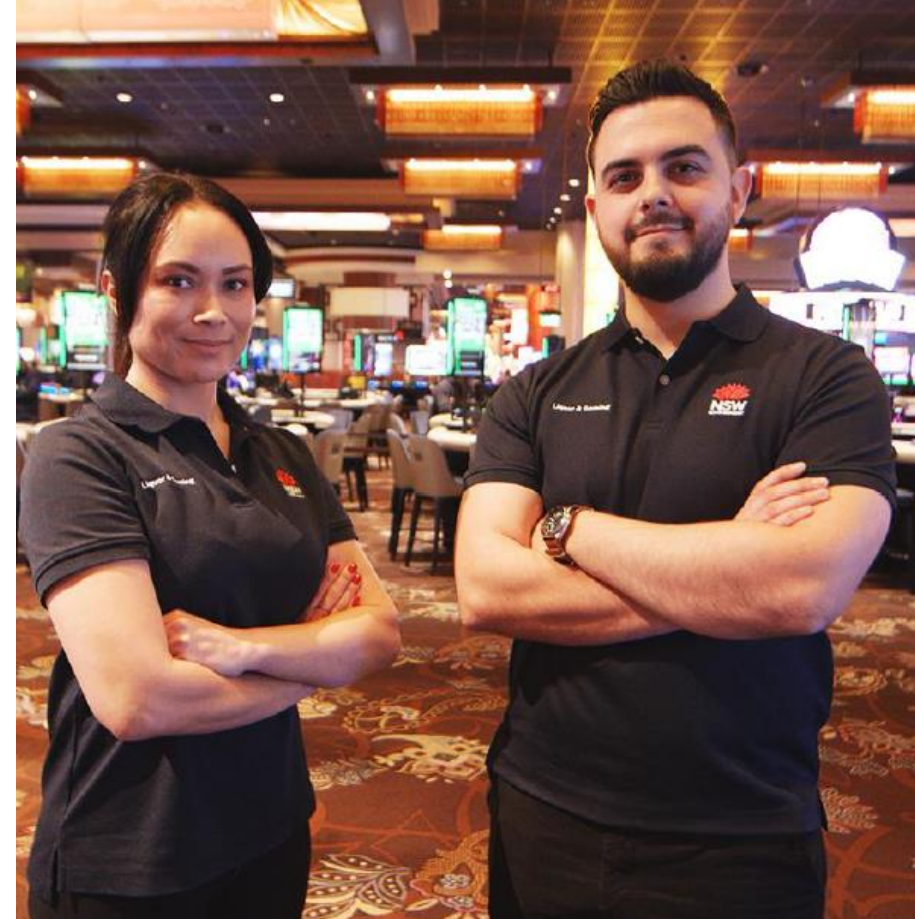
- All machines connected – Clubs 2001, Hotels 2002.
- GMIC (Gaming Machine Interface Card) controls connection
 - **S. 133 GMA** – requirement of Hotels/Clubs to ensure connection – 100 units
- Exception if in legal storage – approved by CMS

Inspector Powers

Gaming and Liquor Administration Act 1997

**WITHIN THE GAMING SECTORS WE REGULATE,
THERE ARE:**

- **S.20** – APPOINTMENT AS INSPECTOR
- **S. 21** – POWER TO REQUIRE INFORMATION AND RECORDS
- **S. 24** – POWER TO ENTER PREMISES
- **S. 26** – POWER TO ENTER AND SEIZE THINGS
- **S. 30** – POWER TO REQUIRE ANSWERS
- **S. 34 OFFENCE PROVISION** – OFFENCES UNDER PART 4 – FAILURE TO COMPLY
- 100 penalty units



Central Monitoring System (CMS)

Described under Part 9 of the GMA2001 (s. 132 – 140A)

- ▲ All electronic gaming machines must be connected to the CMS.
- ▲ It is the responsibility of the venue to ensure connection to CMS.
- ▲ Monitor for faults and CMS is operated by Data Monitoring Services (DMS) a branch of Maxgaming Pty Ltd who hold an exclusive monitoring licence.
- ▲ ensure integrity of gaming machine operations.
- ▲ Calculate venue's gaming machine tax.
- ▲ Controls State Wide Link Jackpots.
- ▲ It is an offence to interfere with the operation of CMS.

Gaming Machine Shutdown Period



ALL VENUES

- ▲ General 6 Hour Shutdown for each venue 4am – 10am
- ▲ Applications can be made to vary shutdown hours, including to have a 3 hour shutdown (6am – 9am).
- ▲ Applications can also be made to be deemed an early-opener (6am open – eg Sydney Markets, near Wharfs etc).
- ▲ Can be identified by CMS meter readings.
- ▲ **s. 39 - 41 GMA** – 100 penalty units

Responsible Conduct of Gambling (RCG)



- ▲ Hotelier must hold a recognised RCG certification
cl. 57(2) GMR 2019
- ▲ Secretary of a club must hold a recognised RCG certification
cl. 57(3) GMR 2019
- ▲ Hotel or club must not employ a person whose duties involve approved gaming machines unless they hold a recognised RCG certification
cl. 57(4) GMR 2019

Responsible Conduct of Gambling (RCG) cont.

- ▲ Competency Cards expire after 5 years
- ▲ SMS/email notification of upcoming expiry
- ▲ Register online to undertake refresher course
- ▲ 30 min Refresher course costs \$35
- ▲ Refresher course must to undertaken within 28 days or a full RCG course must be undertaken
- ▲ A person must not, without reasonable excuse, fail to produce it to a police officer or inspector
- ▲ A person may now also present a digital RSA Competency Card



Compliance Signage

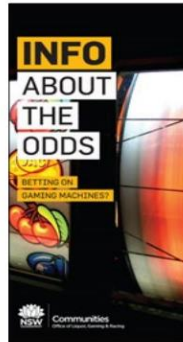
Self Audit Checklists and Signage Toolkits

Brochures:

Brochure 1 - Info about the odds - Betting on gaming machines

Display requirements:

- prominently displayed and available in each gaming area
- translated version is to be supplied following a patron's request



Previous



New

Mandated signs:

Sign 3G - Chances of winning sign

"A million to one."

Display requirements:

- prominently displayed in each gaming area



Previous



New

Mandated signs:

Sign 6G - Gambling counselling sign (6 options available)

"Help is close at hand"

Display requirements:

Prominently displayed in:

- each gaming area
- each area where TAB betting is conducted
- each point of sale where Keno tickets and lottery tickets are sold
- each part of the racecourse on which betting is conducted & at/near main entrance of racecourse



Previous



New (option 1 of 6 available 6G designs)

Mandated signs:

Sign 1G - Gambling warning sign (4 options available)

"What's gambling really costing you?"

Display requirements:

- prominently displayed in each gaming area



Previous



New (option 1 of 4 available 1G designs)

Compliance Signage

Self Audit Checklists and Signage Toolkits cont.

Problem Gambling Message

Think! About your choices
Call Gambling Help
1800 858 858
www.gamblinghelp.nsw.gov.au

Previous

Help is close at hand
GambleAware
gambleaware.nsw.gov.au
1800 858 858

New

Display requirements:

Prominently displayed on or near:

1. all ATMs and cash-back terminals
2. all EFTPOS terminals located in TAB areas and racecourses

Problem gambling message to be included in:

1. all player activity statements
2. all betting entries and betting tickets
3. all gaming machine tickets (as per TITO Standard)
4. any advertisements in written form relating to totalizator, keno, public lotteries or gambling (betting and racing)

Optional design:

Sign 5G - Self-exclusion sign
"Need a break from gambling?"



ClubSafe exclusion poster



OPTIONAL New

Display requirements:

- prominently displayed in each gaming area
- the use of the L&G designed 5G (self-exclusion) sign is not mandatory, however you must still ensure a self-exclusion sign is displayed

Contact card:

2G - Self-exclusion contact card

Display requirements:

- securely attached to each bank of gaming machines in a card holder so they can be clearly seen when playing a gaming machine or approaching the bank of gaming machines



Front



Previous



Front



New

Sticker:

4G - Gambling counselling sticker

Display requirements:

- prominently displayed on each gaming machine



Previous



New

Inducements to gamble

- ▲ Offence to offer or supply:
 - free or discounted liquor
 - free credits for the purposes of gambling.**cl. 47 GMR 2019**

- ▲ Offence to provide cash advances for purposes of gambling
s. 108 *LIQUOR ACT 2007*

- ▲ Offence to misrepresent credit EFTPOS transactions through tills
s. 109 *LIQUOR ACT 2007*

Location of Gaming Machines

- ▲ If on the premises of a Hotel or Club a gaming machine is deemed:
 - To be in a located in a manner that would attract the attention of members of the public who are outside the venue
 - Or, is contrary to the public interest

- ▲ The Secretary may provide notice in writing to the venue requiring the movement or screening of gaming machines.
 - Standard process would dictate identifying the issue with venue
 - Allowing venue to proactively address the issue
 - If not addressed, issue direction

- ▲ Offence for failing to comply with direction
s. 44A GMA 2001

Hotel Gaming Rooms

- ▲ >10 AGM's
- ▲ Must not be in an area that is governed by a minors area authorisation.
- ▲ Must be physically separated from the general bar area by floor to ceiling wall. At least bottom half must be opaque. That is, must be in it's own actual room.
- ▲ Patrons must not be required to walk through the gaming room to enter or leave the hotel.
- ▲ Entry to the GM room must be free of charge.
- ▲ AGM's must not be placed so they are visible from outside the hotel.
- ▲ Must be supervised at all times..
- ▲ Must have access to bar, toilets etc. They can be located in other areas of the Hotel.
- ▲ If the GM room can be directly accessed from the street, each doorway that provides access to the rest of the Hotel must be clearly marked.

Gaming Machine Advertising

- ▲ Offence to publish or cause to be published gaming machine advertising.

s. 43(1) *GMA 2001*

- ▲ Separate offence to enter into a contract or arrangement for the publication of gaming machine advertising.

s. 43(3) *GMA 2001*

- ▲ For the purposes of this section "gaming machine advertising" means any form of advertising that gives publicity to, or otherwise promotes or is intended to promote:
 - (a) the playing of approved gaming machines in a hotel or on the premises of a club, or
 - (b) the supply, sale or manufacture of an approved gaming machine,

Gaming Related Signage

- ▲ Offence to display or cause to be displayed any gambling-related sign:
 - (a) anywhere outside or in the vicinity of the hotel or the premises of the club, or
 - (b) anywhere inside the hotel or the premises of the club so that it can be seen from outside the hotel or the premises of the club.

s. 44(1) GMA 2001
- ▲ Separate offence to enter into a contract or arrangement for the publication of gambling-related sign.

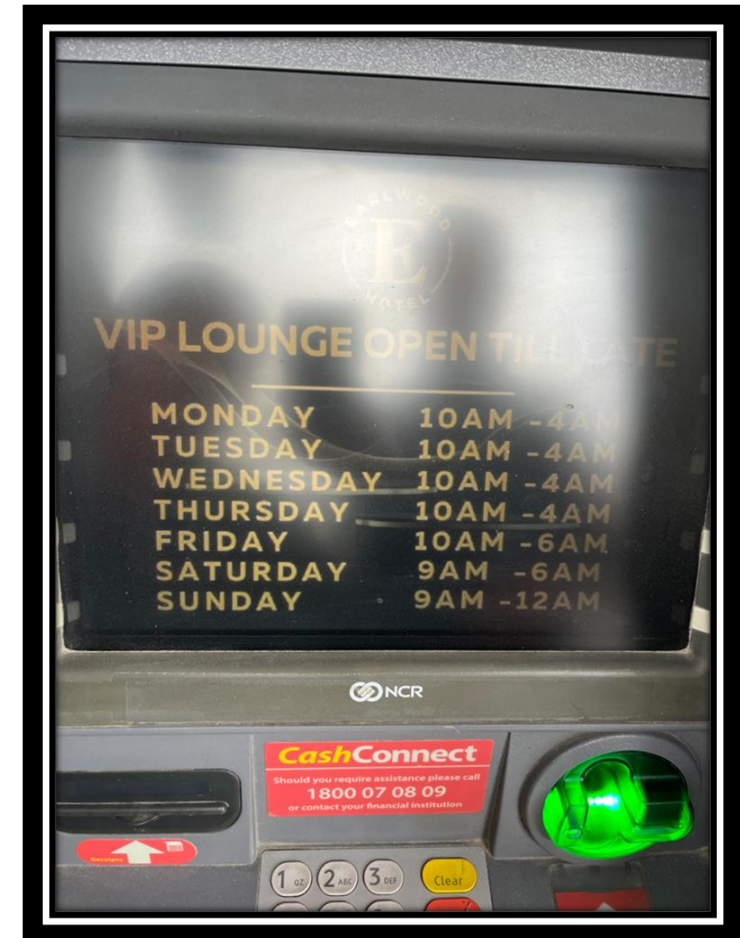
s. 44(3) GMA 2001
- ▲ For the purposes of this section "gambling-related sign" means any sign (whether consisting of words, symbols, pictures or any other thing)--
 - (a) that draws attention to, or can reasonably be taken to draw attention to, the availability of approved gaming machines in a hotel or on the premises of a club, or
 - (b) that uses a term or expression frequently associated with gambling, or
 - (c) that relates to a gambling franchise or gambling business,

Does not include TAB or Keno signage



Cash dispensing facilities

- ▲ A hotelier or registered club must pay prize money by a crossed cheque or electronic funds transfer if the prize exceeds \$5000.
cl. 26(1) GMR 2019
- ▲ If the total prize exceeds \$5000, a hotelier or registered club must pay the whole prize by a crossed cheque or electronic funds transfer if the prize winner requests so.
cl. 26(2) GMR 2019
- ▲ Cash dispensing facilities (e.g. ATM or EFTPOS terminal) not to be located in part of club or hotel where AGM's are located
cl. 28 GMR 2019
- ▲ A hotelier or club must not permit a cash dispensing facility to be used or to be installed or located in any part of the hotel or club premises if the facility is capable of providing cash from a credit card account
s. 28 GMA 2001



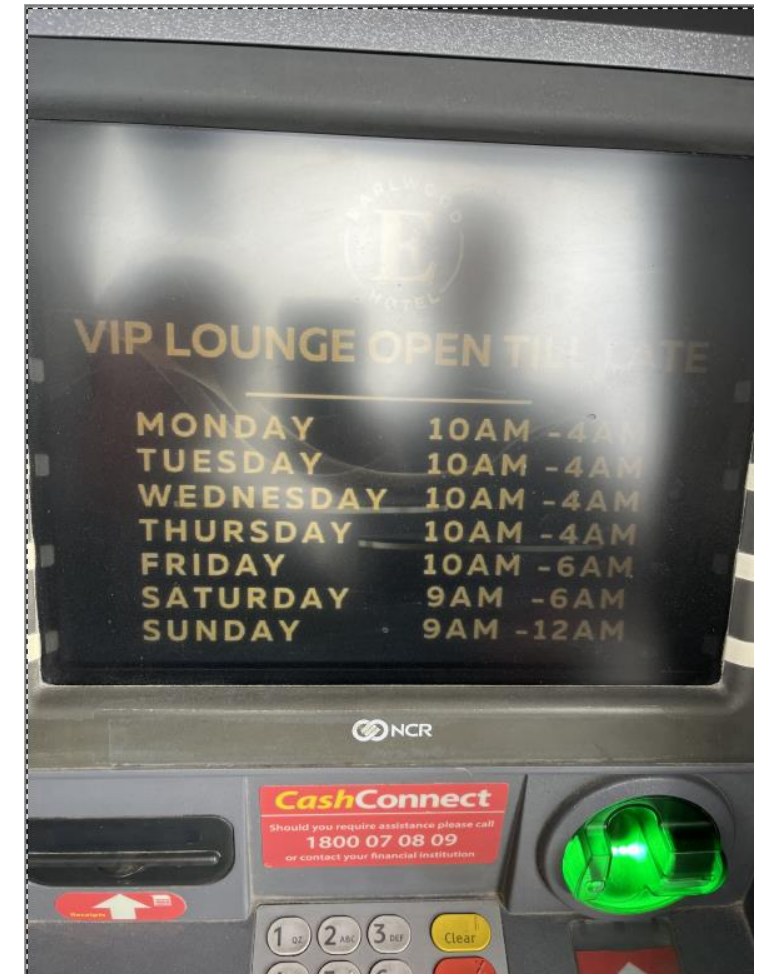
Recent regulatory interventions



Notices relating to credit facilities

Section 75 *Liquor Act 2007*

- Power to give a licensee, employee or agent a written direction concerning any matter relating to the licensed premises (including any conduct on the licensed premises).
- Two hotels recently received directions relating to ATMs that allowed credit withdrawals on the premises (contrary to s47C Gaming Machines Act).
- The ATMs were located outside the licensed boundary but were in close proximity or made reference to the gaming room.
- Licensees argued that the ATMs were permitted as they were outside the licensed boundary.
- The section 75 direction prohibited the use or installation of any cash dispensing facility that allowed cash out on credit, by reference to the entire premises (based on land title/lot number).



Notices to move/ screen gaming machines

Section 44A *Gaming Machines Act 2001*

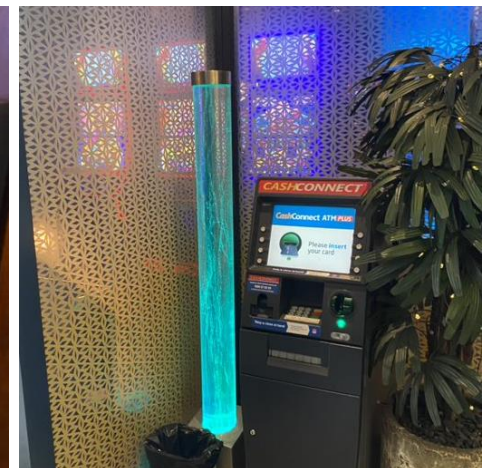
- Power to direct hotelier or club to move or screen gaming machine that:
 - (a) is designed to attract the attention of members of the public who are outside the hotel or club premises, and
 - (b) is contrary to the public interest
- Recently issued to two adjoining hotels:
 - Separate licences
 - Interconnecting door between two venues' gaming rooms
 - Total number of gaming machines: 55
 - Hotel legislated maximum: 30



Notices to relocate ATMs

Clause 28 of the Gaming Machines Regulation 2019

- Venues implementing superficial structures or applying artificial interpretations of the legislation to locate ATMs as close to their gaming machines as possible.
- Examples of claimed 'separation' by venues has included:
 - glass panels/partitions
 - different coloured carpet
 - moving compliance signage to suit ATM placement
 - purpose built cupboards with glass doors
 - cut out alcoves within the gaming area
 - applications to change the venues approved plans to divert the boundary line around the ATM, even when positioned inside the gaming room.



Disciplinary Complaints

REGISTERED CLUBS ACT

- S. 41A – Appointment of Temporary Administrator
- S. 57F – Grounds of Complaint against Club, including secretary and director

LIQUOR ACT

- S. 139 – Grounds of Complaint against Licensee, close associate

GAMING MACHINES ACT

- S. 129 – Grounds of Complaint against gaming-related licensee, close associate of gaming related licensee

Complaint Submissions provided to Independent Liquor and Gaming Authority for consideration and if applicable, regulatory action

Compliance programs and focus areas



Our recent areas of focus

- **Gaming harm-minimisation**
 - ATMs in gaming areas
 - Primary purpose
 - Visibility of gaming machines
 - **External gaming signage campaign**
 - Same day alcohol delivery
 - ID verification at point of delivery
 - Self-exclusion on websites
 - Inducements to gamble/ open an online betting account.



Gaming Harm Minimisation Program

- **PHASE 1- NOVEMBER 2022**

- **310** inspections
 - **207** hotels
 - **75** clubs
 - **158** suburbs
- **49** breaches, with the main ones being:
 - **19** ATMs in gaming areas
 - **9** gaming machine visibility
 - **6** prohibited external signage
 - **3** instances of gaming machines being in a minors authorised area.

- **PHASE 2- JUNE 2023**

- **530** inspections
 - **331** hotels
 - **199** clubs
 - **32** local government areas
- **96** potential breaches, with the main ones being:
 - **30** gaming machine visibility
 - **16** ATMs in gaming areas
 - **15** signage visible from outside venue
 - **8** credit withdrawal facilities
 - **8** gaming room not bar area

Intervention to realign practices with legislation

External gaming signage

Application of section 44 GMA

- The NSW Government has committed to banning all external signage promoting gaming machines.
- L&GNSW will be enforcing a broad definition of 'gambling-related sign', which is defines as:
 - Any sign that draws attention to or reasonably can be taken to draw attention to the availability of EGMs.
 - That uses a term or expression frequently associated with gambling; or,
 - That relates to a gambling franchise or gambling business.



External Gaming Related Signage Campaign

Staged approach to implementation

- **Stage One:** to 31 August 2023.
 - 3 month transition period to remove existing gambling-related signage.
 - L&GNSW to take an educative approach except in certain circumstances.
- **Stage Two:** from 1 September 2023 to 31 November 2023.
 - Enforcement action will be taken in relation to all non-compliant signage.
 - Exception: where venues can provide evidence that reasonable steps have been taken to remove the signage, and the delay is outside the venue's control.
- **Stage Three:** from 1 December 2023 onwards.
 - Zero-tolerance enforcement approach will apply to any non-compliant signage identified.
 - Non-compliant venues will be identified on the L&GNSW website and in any public comment/announcements.

Current area of focus - audits

Audit of the ClubGRANTS Tax Rebate Scheme

- Risk of reduced gaming machine tax revenue for the State
- Systematic review of the returns and supporting documents to **confirm eligibility for the rebate** (Chapters 1 and 2 of the Guidelines).
- Assessment of compliance with key parts of Chapters 4,5 and 6 of the Guidelines, '**Accountability & reporting**', '**Application & funding process**' and '**Local Committee process**' respectively.





Thank you

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