

# VICTORIAN CASINO AND GAMING AUTHORITY

COMMERCIAL IN CONFIDENCE

MINUTES OF MEETING NO. 145

HELD IN THE BOARD ROOM

AT LEVEL 4 35 SPRING STREET MELBOURNE

ON TUESDAY 30 MARCH 1999 COMMENCING 2.15 PM

## ITEM 1 PRESENT/ IN ATTENDANCE/ APOLOGIES

### 1 (a) Present

Mrs Sue Winneke, Chairman  
 Professor Anne Edwards, Deputy Chairperson (until 5.10 pm)  
 Mr Henry Bosch  
 Mr George Davis  
 Reverend Professor Robert Gribben  
 Dr Desmond Hore  
 Mr Donald Swan {Except Items 4(h) to 4(k)}  
 Professor Trang Thomas

### 1 (b) In Attendance

*{From 2.50 pm, following an "in camera" session between the Authority Members}*

Mr Bill Balgowan, Casino Project Manager  
 Mr Robert Chappell, Legal Officer {Item 6(m)}  
 Mr Matthew Clancy, Assistant Director, Policy, Coordination &  
 Research  
 Mr Peter Cohen, Assistant Director, Licensing and Compliance  
 Mr Brian Farrell, Assistant Director, Gambling Operations, Audit & Finance  
 Ms Sylvia Grobtuch, Assistant Director, Legal and Legislation {Except Item  
 8(n)}  
 Mr Jim Holcombe, Compliance Manager {Items 4(f) to 4(k) and 5}  
 Mr Bill Lahey, Director of Gaming and Betting {Except Item 8(n)}  
 Mr Kenneth McLeod, Secretariat Officer  
 Mr Ian Manning, Director of Casino Surveillance {Except Items 7(h) to 7(j)  
 and Item 8}

### 1 (c) Apologies

Nil

**Authority Meeting****ITEM 2 MINUTES OF PREVIOUS MEETINGS****2 (a) Confirmation of Minutes of Meeting No. 143**

Members agreed that the minutes of Meeting No 143 were confirmed as amended at Items 1(b) and 8(i).

**2 (b) Confirmation of Minutes of Meeting No. 144**

Members agreed that the minutes of Meeting No 144 were confirmed.

**2 (c) Action Items**

Members noted the contents of the Action Items Report, in particular that:

- in relation to Item 4(e) from meeting No 126 of 23 June 1998, the Authority's decision has been appealed to the VCAT and is listed to be heard on 16 April 1999;
- in relation to Item 7(m) from meeting No 143 of 23 February 1999, a writ has been lodged in the Supreme Court; and
- in relation to Item 7(t) from meeting No 143 of 23 February 1999, the matter of an external consultancy on risk management has been listed in the action items report for the Audit Committee.

**ITEM 3 STATUS REPORT****Report of the Director of Gaming and Betting**

Members noted a report from the Director containing advice about the following matters:

- (I) Second Triennial Review;
- (II) Crown Limited/PBL Merger; and
- (III) Tattersall's and TABCORP Supervision charges.

**ITEM 4 LICENSING****4 (a) New Venue Operator's Licence**

Members considered eight applications for a new Venue Operator's licence and agreed as follows:

	Venue	EGMs Proposed	Gaming Operator	Decision
(i)	Altona RSL Sub Branch	58/0	Tattersall's	Approved

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	Venue	EGMs Proposed	Gaming Operator	Decision
(ii)	Ballcourt Hotel	5/0	Tattersall's	Approved*
(iii)	Foresters Arms Hotel	60/0	Tattersall's	Approved*
(iv)	Glenroy RSL	40/0	Tattersall's	Approved
(v)	Heidelberg RSL	25/0	Tattersall's	Approved
(vi)	Mitcham RSL	25/0	Tattersall's	Approved*
(vii)	Monash Hotel	70/0	TABCORP	Approved
(viii)	Royal Hotel, Daylesford	18/0	Tattersall's	Approved*

\* Members also approved the inclusion of the specified Approved Premises on the licence, in the case of the Royal Hotel Daylesford, subject to receipt of notice of settlement.

Members agreed that the inclusion of an extract of the Authority's decision when a hearing has been conducted into the suitability of an associate of a gaming venue operator would be a helpful addition to the papers presented for consideration.

#### 4 (b) Renewal of Venue Operator's Licence

Members considered nine applications for the renewal of a Venue Operator's licence and agreed as follows:

	Venue	EGMs Proposed	Gaming Operator	Decision
(i)	Fortunes Pty Ltd, Bendigo	95/0	TABCORP	Approved
(ii)	Hampton Bowls Club	35/0	TABCORP	Approved*
(iii)	Italian Social Club of Werribee	54/0	Tattersall's	Approved*
(iv)	Lakes Entrance Golf Club	45/0	Tattersall's	Approved
(v)	Mooroopna Golf Club	44/0	TABCORP	Approved*
(vi)	Kelly's Motor Club Hotel	67/3	Tattersall's	Approved
(vii)	Northcote Park Football Club	100/0	TABCORP	Approved
(viii)	Preston RSL Club	20/0	Tattersall's	Approved*
(ix)	Wonthaggi Golf Club	21/0	TABCORP	Deferred #

\* Members also approved the inclusion of the specified Approved Premises on the licence.

# pending an inquiry pursuant to section 143 of the *Gaming Machine Control Act 1991* to determine the suitability of Mr Ian Chambers to be an associate of the Wonthaggi Golf Club.

Members concluded, in the course of considering advice as to the suitability of Mr Michael Best to be an associate of Fortunes (Bendigo) Pty Ltd that, at a future date, the broader issue of the Authority's role in ensuring the integrity of the gaming industry be the subject of further consideration having regard to the content of paragraphs 6 and 8 of a memorandum of advice provided by the Legal and Legislation Branch.

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### 4 (c) Amendments to Venue Operator's Licence (Removal of Premises)

Members considered three applications for the amendment of a Venue Operator's licence to remove approved premises and agreed as follows:

	Applicant	Approved Premises	Decision
(i)	Footscray RSL Sub Branch Inc	Footscray Returned Servicemen's Club	Amendment approved
(ii)	The Zagame Group Pty Ltd	Foresters Arms Hotel	Amendment approved*
(iii)	Hor-Rob Holdings Pty Ltd	Royal Hotel, Daylesford	Amendment approved#

\* subject to settlement with AFAH Pty Ltd

# on the date of settlement with ARAC Wholesalers Pty Ltd

### 4 (d) Amendments to Venue Operator's Licence (Addition of Premises)

Members considered one application for the amendment of a Venue Operator's licence by the addition of approved premises and agreed as follows:

	Applicant	Approved Premises	Decision
(i)	Altona RSL Sub Branch Inc	Footscray Returned Servicemen's Club	Amendment approved

### 4 (e) Approval of Premises For Gaming - Continuation of Existing Venue

Members considered five applications for the approval of premises for gaming and agreed as follows:

	Venue	EGMs Proposed	Gaming Operator	Decision
(i)	Bundoora Bowling Club Inc	29/0	TABCORP	Approved*
(ii)	Caulfield RSL	52/0	Tattersall's	Approved*
(iii)	Cheltenham Moorabbin RSL	41/0	Tattersall's	Approved*
(iv)	Flemington Kensington RSL	5/0	Tattersall's	Approved*
(v)	Noble Park Football Social Club Ltd	46/5	Tattersall's	Approved*

\* for a period of five years from the date of commencement unless cancelled, revoked or surrendered under the *Gaming Machine Control Act 1991*.

### 4 (f) Approval of Venue Operator's Licence - Refusal to Consider

Members considered a paper concerning an application from the Shell Club (Geelong Refinery) Inc and agreed to approve the issue of a notice requiring certain information to be submitted to the Director of Gaming and Betting within 14 days, with a copy of the notice being forwarded to the President of the Club, Mr Richard Brady.

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### 4 (g) Approval of Bingo Centre Operator's Licence - Refusal to Consider

Members considered a paper concerning an application from Mr Shane Jenkins on behalf of the Northland Bingo Centre and agreed:

- to refuse to consider the application pursuant to section 34(6) of the *Gaming No 2 Act 1997* as he has not complied with sections 34(3), 34(4) and 34(5) of the Act; and
- to approve the issue of a notice to Mr Shane Jenkins advising that he must not operate more than 7 sessions of bingo in any 7 consecutive day period at the Northland Bingo Centre from the date of receipt of the notice.

### 4 (h) Approval of New Nominees

Members considered seven applications for approval of a new nominee of a gaming venue and decided as follows:

	Venue	Nominee	Decision
(i)	Foresters Arms Hotel	Mr Jonathan Scott ASHLEY	Approved
(ii)	Ballcourt Hotel	Mr Paul John FITZGERALD	Approved
(iii)	Hampton Bowls Club	Mr Phillip George WAKE	Approved
(iv)	Italian Social Club of Werribee	Mr Joseph Peter SICCITA	Approved
(v)	Mitcham RSL	Mr Peter Andrea McPHEE	Approved
(vi)	Mooroopna Golf Club	Mr Edwin George BALL	Approved
(vii)	Royal Hotel, Daylesford	Mr Alan Andrew CLARK	Approved

### 4 (i) Licence Variation Applications

Members considered three applications for venue licence variations and decided as follows:

	Venue	Prev EGMs	New EGMs	Operator	Decision
(i)	Fortunes (Bendigo) Pty Ltd	95/0	100/0	TABCORP	Approved
(ii)	Coburg Jackpots	45/0	0/0	TABCORP	Approved
(iii)	Grand Central Hotel, Wangaratta	3/0	5/0	Tattersall's	Approved

### 4 (j) Schedule of New Associates

Members considered applications for approval of new associates of sixteen gaming venues and decided as follows:

ENTITY	NEW ASSOCIATE(S)	DECISION
Amstel Golf Club Inc	<b>BOORER</b> , Garry Francis <b>CAKE</b> , Ronald Herbert	Approved

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ENTITY	NEW ASSOCIATE(S)	DECISION
Buninyong Golf Club Inc	<b>CHRISTOPHER</b> , Eric Roger <b>MCKENNA</b> , Ross Trevor <b>WEIGHTMAN</b> , Kevin Harold	Approved
Clifton Springs Golf Club Inc	<b>LESTRANGE</b> , Raymond Douglas	Approved
Freccia Azzura Club	<b>CARUANA</b> , Michael Joseph	Approved
Hastings Cricket & Football Social Club Inc	<b>JEFFS</b> , Andrew Hugh	Approved
Leongatha Golf Club Inc	<b>MACKENZIE</b> , Neil Gair	Approved
Mildura Working Man's Sports & Social Club Inc	<b>FIESLEY</b> , Eric George	Approved
North Suburban Club Inc	<b>STREETE</b> , Mark Lloyd	Approved
Phillip Island RSL Sub Branch Inc	<b>HAINES</b> , Kerin Leslie	Approved
Portarlinton Golf Club Inc	<b>SMITH</b> , Keith Alexander <b>THOMPSON</b> , Valerie	Approved
Prahran Football Social Club Inc	<b>WALFORD</b> , William Sylvester	Approved
Rosebud Country Club Inc	<b>COOTES</b> , Dorothy Jean	Approved
Sale Community Sports Club Inc	<b>WEBER</b> , David Edwin	Approved
Tagati Pty Ltd	<b>WALKER</b> , Bernard James	Approved
Traralgon RSL Sub Branch Inc	<b>KESBY</b> , Bryan Watson	Approved
The Yarram Club Inc	<b>ARMSTRONG</b> , James Maxwell	Approved

Members also considered one application for approval of a new associate of an entity listed on the Roll of Manufacturers and decided as follows:

ENTITY	NEW ASSOCIATE(S)	DECISION
International Game Technology Inc	<b>SCHNABEL</b> , Rockwell Anthony	Approved

#### 4 (k) Batch Report - Compliance With Ministerial Directions

Members agreed to note the Batch Report for the 30 March 1999 meeting enabling the Authority to confirm the status of approved electronic gaming machine numbers compared with all Ministerial directions.

**Authority Meeting****ITEM 5 CASINO MATTERS****5 (a) Director of Casino Surveillance Report****1. Gaming Activity - February 1999**

Members noted the report on gaming activity for the month of February 1999.

**2. Matters Arising From Previous Meetings**

Members noted reports on the five matters identified, namely:

- Disciplinary Action Decisions;
- Disciplinary Action Pending
- Disciplinary Action Hearings
- Breach of the Casino Agreement - Leasing;
- Controlled Contract - Capital Golf Club;
- Baccarat - Amendment to Rules; and
- EGMs - Amendment to Tournament Play Rules.

**3. Investigations**

Members noted that two investigations were completed in the month of February 1999 relating to a minor entering the casino and a breach of game procedures for Blackjack.

**4. Minors in the Casino**

Members noted that six minors were detected and removed from the casino during the month of January 1999 and that a total of 2,150 persons suspected of being a minor or who could not produce adequate proof of age were refused entry to the casino in the same period.

**5. Appeals Against Exclusion Orders**

Members noted developments in relation to a number of appeals against exclusion orders, in particular that:

- there were three appeals lodged with the Authority against exclusion orders issued by Crown Limited during February 1999;
- an appeal by **Personal** originally scheduled for Thursday 25 February 1999, has been deferred pending receipt of further documentation by the appellant's solicitor;
- in respect of an appeal by **Persona**, a mediation session was arranged between Crown Limited and the appellant for 4 February 1999, but the appellant did

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not attend and subsequent attempts to contact him have proven unsuccessful to date; and

- briefs of appeal have been completed in respect of appeals lodged by Person **Personal Information** and have been referred to the Legal and Legislation Branch for the arrangement of mediation sessions and possible hearing dates.

### 6. Approvals Under Delegation

Members noted that a committee comprised of the Chairman of the Authority and the Director of Gaming and Betting made the following approvals or amendments under delegation for the month of January 1999:

#### Internal Control Manual -

- Part XVI - Job Descriptions - to introduce changes for the restructure of the Table Games Department and amendment to the position of Security and Service Incidents and Training Manager to Security and Service Incidents and Training Supervisor.
- Part XIX - Procedures of the Games - to introduce procedures for the new version of Blackjack known as Crown Pontoon.

Members also noted the approval of 61 casino special employee licences by officers of the Licensing and Compliance Branch, under delegation of the Director of Casino Surveillance.

### 7. Casino Control Branch Prosecutions

Members noted that the Casino Control Branch did not finalise any prosecution under sections 77, 84 and 88 of the *Casino Control Act* 1991 during February 1999.

### 8. Crown Limited Debt/Equity Ratio

Members noted advice from Crown Limited that, as at 28 February 1999, the company's ratio of its total liabilities to total assets was 56.99%, compared with the 60% limit specified in the Casino Agreement.

### 5(b) Crown Limited Merger With PBL - Licensing Issues

Members considered a paper providing a status report in relation to the proposed merger of Crown Limited and Publishing and Broadcasting Limited.



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Members agreed:

- to note the contents of each of the four supporting papers; and
- to convene a special meeting to consider the proposed merger and receive a presentation from Publishing and Broadcasting Limited.

The Chairman requested that, in order that the Authority comply with all its statutory obligations when dealing with these matters, staff of the Authority prepare a summary paper in the form of a chart setting out briefly but precisely how each of the existing covenants from Crown Limited would be altered as a result of the proposed merger.

The Chairman also requested that the summary paper be provided to Members before the meeting of 9 April 1999.

Members agreed to note in relation to section 7.4 of the Report to the Victorian Casino and Gaming Authority concerning the Proposed Merger Between Crown Limited and Publishing and Broadcasting Ltd that:

- PBL had suggested the obligation set out at 7.4.1.2; and
- the words "fall below 60%" in the obligation set out at 7.4.1.2 should read "not exceed 60%".

### 5(c) Crown Limited - New Bank Accounts

Members considered a paper regarding banking arrangements between Crown Limited and the Australia and New Zealand Banking Group Ltd and Crown CPS Holdings Pty Ltd and the Australia and New Zealand Banking Group Ltd and agreed, pursuant to section 123 of the *Casino Control Act* 1991, to the opening and operation of three new bank accounts with the Australia and New Zealand Banking Group Limited as follows:

Description	Branch	Account No
Crown Limited Client Travel	307 Clarendon Street South Melbourne	7758 09278
Crown Limited Travel Trust	307 Clarendon Street South Melbourne	7758 09286
Crown CPS Holdings Pty Ltd Trust Distribution	307 Clarendon Street South Melbourne	TBA

### 5(d) Proposed Appointment of Process Auditor

Members considered a paper regarding the proposed appointment of a process auditor for the second statutory review of the Casino Operator and licence pursuant to section 25 of the *Casino Control Act* 1991 and agreed that Mr Chris White, a Partner with Pannell Kerr Foster be appointed for the purpose and that Mr John Parias, another Partner with Pannell Kerr Foster be appointed to assist Mr White.

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### 5(e) Approval of Gaming Machine Game - Olympic

Members considered a report regarding the operation of a new Olympic EGM game at the Melbourne Casino at Southbank and, noting that the Authority's testing agent, TST, has tested the games and recommended them for approval, and that Mr Freeman, on behalf of the Authority's Manager, Gambling Operations, Audit and Finance, supports the recommendation made by TST, agreed to approve:

- inclusion of the game known as Ten X Ten on a new list of Olympic games; and
- that the new list of Olympic games, including the game known as Ten X Ten, be submitted for gazettal by the Director of Gaming and Betting.

## ITEM 6 APPEALS AND DISCIPLINARY ACTION

### 6(a) Disciplinary Action Against Licence Holder - Dunlop

Members considered a paper regarding disciplinary action against Ms Margot Dunlop and agreed that the matter be deferred pending determination of the matters heard by the Authority on Monday 29 March 1999 and that the paper be resubmitted to the 27 April 1999 meeting of the Authority.

Members also agreed that a copy of the papers in the matter of Dunlop be provided to the Chairman in order that appropriate comparisons can be made, given that this matter and those heard on Monday 29 March 1999 are related.

### 6(b) Disciplinary Action Against Licence Holder - Hem

Members noted that Ms Dianne Hem has neither made a submission to the Authority in response to a letter from the Authority dated 16 October 1998 nor surrendered her licence as she had indicated she would on 22 December 1998.

Having considered all the material referred to it, including the Certified Extract of the Magistrates' Court at Dandenong, the Order made on 26 June 1998, and the plea of guilty by Ms Hem to a breach of Act 6231.88.1, the Authority determined that:

- there are grounds for disciplinary action under section 51(1)(b) of the *Gaming Machine Control Act* 1991 as recommended by the Director of Gaming and Betting;
- disciplinary action be taken against Ms Hem; and
- the appropriate disciplinary action to be taken is cancellation of her licence, No S95/22174.

**Authority Meeting****6(c) Disciplinary Action Against Licence Holder - Holmes**

Members noted that Mr Brendan Holmes has surrendered his special employee's licence making it unnecessary for any further action of a disciplinary nature to be taken.

**6(d) Disciplinary Action Against Licence Holder - Keays**

Members noted that Ms Lorna Keays has made a submission to the Authority in response to a letter from the Authority dated 9 February 1999.

Having considered all the material referred to it, including the submission, the Certified Extract of the Magistrates' Court at Broadmeadows, the Order made on 25 November 1998, and the plea of guilty by Ms Keays to breaches of Act 6231.81.1, the Authority determined that:

- there are grounds for disciplinary action under section 51(1)(b) of the *Gaming Machine Control Act* 1991 as recommended by the Director of Gaming and Betting;
- disciplinary action be taken against Ms Keays; and
- the appropriate disciplinary action to be taken is cancellation of her licence, No S96/80695.

**6(e) Disciplinary Action Against Licence Holder - Keenan**

Members noted that Mr Noel Keenan, through his solicitor, has made a submission to the Authority in response to a letter from the Authority dated 9 February 1999.

Having considered all the material referred to it, including the submission, the Certified Extract of the Magistrates' Court at Heidelberg, the Order made on 25 November 1998, and the plea of guilty by Mr Keenan to a breach of Act 6231.74, the Authority determined that:

- there are grounds for disciplinary action under section 51(1)(b) of the *Gaming Machine Control Act* 1991 as recommended by the Director of Gaming and Betting;
- disciplinary action be taken against Mr Keenan; and
- the appropriate disciplinary action to be taken is cancellation of his licence, No S96/82564.

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### 6(f) Disciplinary Action Against Licence Holder - Krasic

Members noted that Mr Boris Krasic has not made a submission to the Authority in response to a letter from the Authority dated 23 February 1999.

Having considered all the material referred to it, including the Certified Extract of the Magistrates' Court at Geelong, the Order made on 28 January 1999, and the plea of guilty by Mr Krasic to breaches of Act 6231.81.1, the Authority determined that:

- there are grounds for disciplinary action under section 51(1)(b) of the *Gaming Machine Control Act 1991* as recommended by the Director of Gaming and Betting;
- disciplinary action be taken against Mr Boris Krasic; and
- the appropriate disciplinary action to be taken is cancellation of his licence, No S97/21538.

### 6(g) Disciplinary Action Against Licence Holder - Ramsden

Members noted that Ms Heather Ramsden has surrendered her special employee's licence making it unnecessary for any further action of a disciplinary nature to be taken.

### 6(h) Disciplinary Action Against Licence Holder - Reid

Members noted that Ms Dianne Reid has not made a submission to the Authority in response to a letter from the Authority dated 9 February 1999.

Having considered all the material referred to it, including the Certified Extract of the Magistrates' Court at Frankston, the Order made on 9 September 1998, and the plea of guilty by Ms Reid to breaches of Act 9719.71.1 and 9719.73.1, the Authority determined that:

- there are grounds for disciplinary action under section 51(1)(f) of the *Gaming Machine Control Act 1991* as recommended by the Director of Gaming and Betting;
- disciplinary action be taken against Ms Dianne Reid; and
- the appropriate disciplinary action to be taken is cancellation of her licence, No S97/22263.

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### 6(i) Disciplinary Action Against Licence Holder - Robertson

Members considered a paper regarding an appeal lodged by Ms Tammy Robertson against the decision of the Director of Gaming and Betting to refuse to grant her a special employee's licence under the provisions of the *Gaming Machine Control Act* 1991.

Members agreed, noting that Ms Robertson has made no contact with the Authority since August 1998, when the appeal was adjourned for a period of six months, to confirm the decision under appeal.

### 6(j) Disciplinary Action Against Licence Holder - Town

Members noted that Ms Simone Town has not made a submission to the Authority in response to a letter from the Authority dated 10 February 1999.

Having considered all the material referred to it, including the Certified Extract of the Magistrates' Court at Melbourne, the Order made on 18 May 1998, and the plea of guilty by Ms Town to breaches of Acts 9719.73.1, 9719.75 and 86/117.32.1C, the Authority determined that:

- there are grounds for disciplinary action under section 51(1)(c) of the *Gaming Machine Control Act* 1991 as recommended by the Director of Gaming and Betting;
- disciplinary action be taken against Ms Town; and
- the appropriate disciplinary action to be taken is a letter of censure.

### 6(k) Disciplinary Action Against Licence Holders - Various

Members agreed to note that disciplinary action is recommended by the Director of Gaming and Betting against Mr Daniel Lunn and Mr Benjamin Yates.

Members also agreed to direct that, in accordance with section 51 (3) of the *Gaming Machine Control Act* 1991:

1. a letter be sent to Mr Daniel Lunn giving notice of the Director's recommendation that disciplinary action be taken and providing Mr Lunn with the opportunity to make submissions on the matter within 14 days; and
2. a letter be sent to Mr Benjamin Yates giving notice of the Director's recommendation that disciplinary action be taken and providing Mr Yates with the opportunity to make submissions on the matter within 14 days.

**Authority Meeting****6(l) Disciplinary Action Against Licence Holders - Register**

Members agreed to note the updated Register recording the results of disciplinary action recommended by the Director of Gaming and Betting and taken by the Authority against licensed venue operators and special employees.

**6 (m) Authority Hearings**

*{Mr Robert Chappell joined the meeting}*

Members considered a paper setting out at Attachment 1 the status of hearings matters being dealt with by the Authority.

Members agreed that:

- the appeal by Davis only be listed for hearing when the appellant has provided the necessary instructions to her solicitor;
- the Mr Y inquiry be listed for hearing on Monday 10 May 1999, commencing 1.00 pm;
- the Aristocrat inquiry, involving a panel comprised of the Chairman, Mr Henry Bosch and Dr Desmond Hore, be listed for Wednesday 2 June 1999, commencing 10.00 am, or earlier if required;
- the inquiry into the suitability of Mr Ian Chambers, and any other matters that emerge in the interim, be listed for hearing on Thursday 29 April 1999;
- the panel of members for the hearings scheduled on Thursday 29 April 1999 comprise the Chairman, Dr Desmond Hore and Mr Donald Swan.

Members noted that Professor Edwards would be available for hearings on Monday 28 June 1999.

The Chairman requested that a copy of the papers in the matter of Mr Paul John be provided to her in order that appropriate comparisons can be made, given that this matter and those heard on Monday 29 March 1999 are related.

*{Mr Robert Chappell left the meeting}*

**Authority Meeting****ITEM 7 OTHER BUSINESS****7 (a) Research Status Report**

Members considered a report on the progress of the research program and agreed to note the status of:

- the research initiatives being undertaken; and
- the Research and Development Fund as at 28 February 1999.

Members also agreed to approve the release by the Chairman of the report "Sixth Survey of Community Gambling Patterns and Perceptions", completed by the consultant Roy Morgan Research in March 1999 and endorsed with minor changes by the Research Committee at its meeting of 30 March 1999.

Members noted from an oral report by the Assistant Director, Policy, Coordination & Research that:

- the Authority had provided the Productivity Commission inquiry with 1997 research data;
- given the Commission's reporting time lines, the 1998 data has not been requested by the Commission;
- the Commission is having a separate national survey undertaken by Roy Morgan Research; and
- the Commission's report is due to be released in May 1999.

**7(b) Research Project Brief**

Members considered a paper regarding the project to conduct a risk analysis for the Authority and agreed:

- to change paragraph 3 of point "5.1 Deliverables" on page 6 of the brief to be consistent with the risks identified in section 4.1 of the brief;
- to change paragraphs 4 and 6 of point "5.1 Deliverables" to reflect cost effectiveness on pages 6 and 7 of the brief; and
- to approve the amended project brief entitled "Conduct of Gambling in Victoria - A Risk Assessment of Current and Alternative Regulatory Methodologies" to enable consultants to be sought through the public tendering process.

**Authority Meeting****7(c) Second Casino Licence Review - Provision of Terms of Reference to Crown Limited**

Members considered a paper on the terms of reference for the second casino licence review and agreed that the terms of reference of each of the three review sub committees be provided to Crown Limited.

**7(d) Confidentiality Arrangements With Minter Ellison, Solicitors**

Members considered a paper setting out steps being taken to finalise confidentiality arrangements with Minter Ellison, Solicitors following the Authority's decision to sever all contractual obligations with this firm at the meeting held 19 January 1999.

Members agreed to note the draft response to Minter Ellison attached to the paper submitted, in particular the proposal for a period of three years following PBL's acquisition of Crown Limited within which Minter Ellison will not advise Crown Limited or PBL on matters relating to the Authority.

**7(e) Controlled Contract - Asean Protective Services Pty Ltd**

Members considered a paper regarding a controlled contract between Crown Limited and Asean Protective Services Pty Ltd for debt collection services.

Members agreed, noting that enquiries have not disclosed any reason why Crown Limited should not enter into this contract, that the Authority not object to the contract, as required by section 30 of the *Casino Control Act 1991*.

**7(f) Controlled Contract - Advanced Business Forms Pty Ltd**

Members considered a paper regarding a controlled contract between Crown Limited and Advanced Business Forms Pty Ltd for the supply of printing services.

Members agreed, noting that enquiries have not disclosed any reason why Crown Limited should not enter into this contract, that the Authority not object to the contract, as required by section 30 of the *Casino Control Act 1991*.

**7(g) Semworth Pty Ltd and Mr Alexander Costa**

Members considered a paper recommending a course of action in relation to Semworth Pty Ltd.

Members agreed, noting oral advice from the Assistant Director, Licensing and Compliance that Mr Alexander Costa has resigned his positions as a Director and as Nominee of Semworth Pty Ltd, that, in the event the advice is not confirmed in writing to the Authority, disciplinary action be initiated against the company under section 30(1)(e) of the *Gaming Machine Control Act 1991* by serving on



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Semworth Pty Ltd a notice affording the company the opportunity to show cause within 28 days why disciplinary action should not be taken.

### 7(h) Staff Probity Checking

Members agreed to note a report informing them of the means currently employed to maintain checks on staff and members of the Authority should they be charged with or convicted of criminal offences.

Members also agreed that the Internal Auditor's report dealing with this matter (Report No 1 of the 1998-99 Internal Audit Program) be provided to the consultant appointed to conduct a risk analysis for the Authority.

### 7(i) Budget 1999-2000

Members considered the Authority's budget for 1999-2000 and, noting that a summary of the budget was approved by the Minister for Gaming on 21 December 1998 and by the Treasurer on 25 January 1999, agreed to endorse the budget as submitted.

Members agreed to note that the project to present Authority papers electronically has been deferred and will be reviewed as part of the Government's Online 2001 initiative which is examining ways in which to deliver services electronically.

Members also agreed to note that further attempts will be made to clarify the Authority's role in the budget process, an earlier attempt having failed to provide a memorandum of understanding clearly setting out that role.

### 7(j) Leave of Absence of Member

Members agreed, pursuant to the provisions of section 89 of the *Gaming and Betting Act* 1994, to grant leave for Mr George Davis to be absent from the Authority meeting to be held on 27 April 1999.

## ITEM 8      REPORTS

### 8 (a) Use of the Official Seal

Members agreed to note the report by the Legal and Legislation Branch relating to the use of the official seal up to and including 22 March 1999.

### 8 (b) Approvals Under Delegation - *Gaming Machine Control Act* 1991

Members agreed to note the list of approvals granted to manufacturers and operators for modifications to electronic gaming equipment under sections 69(5B) and 75B(3)(b) of the *Gaming Machine Control Act* 1991 for the period 16 February to 24 March 1999.

**Authority Meeting****8 (c) Approvals Under Delegation - *Gaming and Betting Act 1994***

Members agreed to note the list of approvals granted to TABCORP for minor modifications and changes under section 70 (2) of the *Gaming and Betting Act 1994* for the period 16 February to 24 March 1999.

**8 (d) Minor Gaming Statistics Report**

Members noted the report on minor gaming activities during February 1999 which provides statistical details regarding the number of permits issued and the number of organisations declared by the Director of Gaming and Betting, under delegation, to be community or charitable organisations.

**8 (e) Financial Monitoring**

Members agreed to note the financial monitoring report for the month of February 1999.

**8 (f) Year 2000 Compliance Update**

Members agreed to note the report on action being taken to ensure that the Authority, gaming operators and crucial service suppliers are, or will be, able to meet the IT requirements for Year 2000 compliance.

**8 (g) Research Committee - Minutes**

Members agreed to note the minutes of the Research Committee meetings held on Tuesday 23 February 1999.

**8 (h) Audit Committee Minutes**

Members agreed to note the draft minutes of the Audit Committee meeting held on Tuesday 23 February 1999.

**8 (i) Hudson Conway Limited - Police Investigation**

Members other than Mr Davis - who did not receive a copy of this report having regard to the Authority's decision of 15 December 1998 - noted latest developments in the investigations by the Victoria Police Major Fraud Group concerning allegations about Hudson Conway Limited in relation to the Capital Plaza office building project for the Gas and Fuel Corporation (now SECV).

**8 (j) Criminal Prosecutions Register**

Members agreed to note the register indicating the results of matters heard and determined in the Magistrates' Court in the financial year to 15 February 1999.

## Authority Meeting

### 8 (k) Gaming and Wagering Y2000 Information Paper

Members agreed to note a report outlining:

- Year 2000 date rollover readiness of Crown Limited's, TABCORP's and Tattersall's electronic gaming machines and gaming and wagering systems; and
- changes planned to ensure any potential Year 2000 problems with machines and systems are addressed during 1999.

### 8 (l) Provisional Licence Granted Under Delegation - GMCA s31

Members agreed to note the approval by the Chairman of the issue of one Provisional Venue Operator's licence under section 31 of the *Gaming Machine Control Act 1991* as follows:

	Applicant	Period
(i)	Spotswood Kingsville RSL Club	90 days from 16 March 1999

### 8 (m) Provisional Licence Granted Under Delegation - GNo2A s45

Members agreed to note the approval by the Chairman of the issue of one Provisional Bingo Centre Operator's licence under section 45 of the *Gaming No2 Act 1997* as follows:

	Applicant	Period
(i)	Vally Martini	90 days from 12 March 1999

### 8 (n) Statistics

Members present noted the regular statistical report on lotteries, wagering, electronic gaming, Club Keno, and casino gaming.

### ITEM 9 NEXT MEETING

Members noted that the next scheduled meeting of the Authority is Tuesday 27 April 1999 commencing 2.15 pm in the Authority board room.

**The meeting closed at approximately 5.15 pm**

Signed.....

**Chairman**

...../...../..... Dated





**COMMERCIAL IN CONFIDENCE**

**CONTENTS**

**MEETING NO. 145  
2.15 pm TUESDAY 30 MARCH 1999  
BOARD ROOM LEVEL 4 35 SPRING STREET MELBOURNE**

**VOLUME 1**

- ITEM 1. Present/ In Attendance/ Apologies**
- ITEM 2. Minutes of Meeting Nos 143 and 144 and Action Items**
- ITEM 3. Status Report**
- ITEM 4. Licensing**
- ITEM 5. Casino Matters**

VICTORIAN CASINO AND GAMING AUTHORITY

COMMERCIAL-IN-CONFIDENCE

**ITEM 1 Present/In Attendance/Apologies**

**VICTORIAN CASINO AND GAMING AUTHORITY**

COMMERCIAL-IN-CONFIDENCE

**ITEM 2. Minutes of Meeting Nos 143 and 144 and Action Items**

- 2(a) Minutes of Meeting No. 143
- 2(b) Minutes of Meeting No. 144
- 2(c) Action Items Report

# VICTORIAN CASINO AND GAMING AUTHORITY

COMMERCIAL IN CONFIDENCE

MINUTES OF MEETING NO. 143

HELD IN THE BOARD ROOM

AT LEVEL 4 35 SPRING STREET MELBOURNE

ON TUESDAY 23 FEBRUARY 1999 COMMENCING 2.15 PM

## ITEM 1 PRESENT/IN ATTENDANCE/APOLOGIES

### 1 (a) Present

Mrs Sue Winneke, Chairman  
 Professor Anne Edwards, Deputy Chairperson  
 Mr Henry Bosch  
 Mr George Davis {except Items 7(i) to 7(k)}  
 Reverend Professor Robert Gribben  
 Dr Desmond Hore  
 Mr Donald Swan  
 Professor Trang Thomas (till 5.30 pm)

### 1 (b) In Attendance

*{From 3.00 pm, following an "in camera" session between the Authority Members and the Director of Gaming and Betting}*

Mr Bill Balgowan, Casino Project Manager {except Item 8(k)}  
 Mr Robert Chappell, Legal Officer {from Item 6(h)}  
 Mr Matthew Clancy, Assistant Director, Policy, Coordination & Research {except Item 8(k)}  
 Mr Peter Cohen, Assistant Director, Licensing and Compliance  
 Mr Brian Farrell, Assistant Director, Gambling Operations, Audit & Finance  
 Ms Sylvia Grobtuch, Assistant Director, Legal and Legislation {except Item 8(k)}  
 Mr Jim Holcombe, Compliance Manager {except Item 8(k)}  
 Mr Bill Lahey, Director of Gaming and Betting {Items 1 to 5}  
 Mr Kenneth McLeod, Secretariat Officer  
 Mr Ian Manning, Director of Casino Surveillance

### 1 (c) Apologies

Nil



**Authority Meeting****ITEM 2 MINUTES OF PREVIOUS MEETINGS****2 (a) Confirmation of Minutes of Meeting No. 141**

Members agreed that the minutes of Meeting No 141 were confirmed.

**2 (b) Confirmation of Minutes of Meeting No. 142**

Members agreed that the minutes of Meeting No 142 were confirmed.

**2 (c) Action Items**

Members noted the contents of the Action Items Report, in particular that:

- in relation to Item 7(h) from meeting No 107 of 21 October 1997, the matter is listed for hearing on Tuesday 13 April 1999, with the hearing panel comprised of the Chairman, Mr Henry Bosch and Dr Desmond Hore;
- in relation to Item 7(a) from meeting No 116 of 24 February 1998, the Minister be advised that the Authority is considering appointing an external person as a member of the Audit Committee in the absence of further appointments to the Authority;
- in relation to Item 2 from meeting No 141 of 19 January 1999, Paravics are not operating at the Northcote Bingo Centre even though they could conduct up to seven sessions a week without being licensed.

**ITEM 3 STATUS REPORT****Report of the Director of Gaming and Betting**

Members noted a report from the Director containing advice about the following matters:

- (I) Crown Limited/PBL Merger;
- (II) Second Triennial Review;
- (III) Authority Rejection of Crown Limited Submission re EGM Numbers;  
and
- (IV) Assistance to South Africa.

**Authority Meeting**

**ITEM 4 LICENSING**

**4 (a) New Venue Operator's Licence - Operating Venue**

Members considered five applications for a Venue Operator's licence for an operating venue and agreed as follows:

	Venue	EGMs Proposed	Gaming Operator	Decision
(i)	Aspendale/Edithvale RSL	55/0	Tattersall's	Approved
(ii)	Dromana Red Hills RSL Sub Branch	10/0	Tattersall's	Deferred*
(iii)	Horsham RSL	31/0	Tattersall's	Approved
(iv)	Shamrock Hotel	52/0	TABCORP	Approved
(v)	Summerworld Hotel	35/0	TABCORP	Approved

\* until the telephone meeting of 16 March 1999 to enable further checks to be made in relation to Police records for Mr Ian Davis.

**4 (b) Renewal of Venue Operator's Licence**

Members considered ten applications for the renewal of a Venue Operator's licence and agreed as follows:

	Venue	EGMs Proposed	Gaming Operator	Decision
(i)	Broadmeadows Sporting Club	82/0	TABCORP	Approved
(ii)	City Memorial Bowls Club	35/0	Tattersall's	Approved
(iii)	Club Fogalar Furlan	52/0	Tattersall's	Approved
(iv)	Creswick Golf Club	20/0	TABCORP	Approved
(v)	Echuca Workers & Sports Club	64/0	Tattersall's	Approved*
(vi)	Hamilton Golf Club	15/0	Tattersall's	Approved*
(vii)	Hastings Cricket & Football Social Club	50/0	Tattersall's	Approved
(viii)	Royal Hotel, Horsham	27/0	Tattersall's	Approved*
(ix)	Shamrock Hotel	52/0	TABCORP	Approved
(x)	Wodonga Hotel	80/0	Tattersall's	Approved

\* Members also approved the inclusion of the specified Approved Premises on the licence.

**4 (c) Venue Operator's Licence - Provisional**

Members considered one application for a provisional Venue Operator's licence and decided as follows:

	Venue	Period	Decision
(i)	Glenroy RSL Sub Branch	90 Days from 12 March 1999	Approved

## Authority Meeting

### 4 (d) Amendments to Venue Operator's Licence (Removal of Premises)

Members considered one application for the amendment of a Venue Operator's licence to remove approved premises and agreed as follows:

	Applicant	Approved Premises	Decision
(i)	Clover Hotels Pty Ltd	Shamrock Hotel	Amendment approved*

\* to take effect from the date of settlement with Clover Hotels (Bendigo) Pty Ltd.

### 4 (e) Approval of Premises For Gaming - Continuation of Existing Venue

Members considered fifteen applications for the approval of premises for gaming and agreed as follows:

	Venue	EGMs Proposed	Gaming Operator	Decision
(i)	Beaumaris Ex Services Club	30/0	Tattersall's	Approved*
(ii)	Bell Park Sport and Recreation Club	28/0	Tattersall's	Approved*
(iii)	Bendigo & District Servicemen's Club Inc	66/0	Tattersall's	Approved*
(iv)	Corio Club Inc	5/0	Tattersall's	Approved*
(v)	Deer Park Club	49/0	Tattersall's	Approved*
(vi)	Geelong Combined Leagues Club	100/5	TABCORP	Approved*
(vii)	Hampton Bowls Club	35/0	TABCORP	Approved*
(viii)	Hampton RSL Services & Citizens Memorial Club	25/0	Tattersall's	Approved*
(ix)	Italian Social Club of Werribee	54/0	Tattersall's	Approved*
(x)	Keilor East RSL	25/0	Tattersall's	Approved*
(xi)	Myrtleford Savoy Club Inc	40/0	TABCORP	Approved*
(xii)	Pascoe Vale RSL Club	35/0	Tattersall's	Approved*
(xiii)	Ringwood RSL Sub Branch Inc	70/0	Tattersall's	Approved*
(xiv)	Sphinx Hotel	55/0	Tattersall's	Approved*
(xv)	Tooradin & District Sports Club Inc	42/0	TABCORP	Approved*

\* for a period of five years from the date of commencement unless cancelled, revoked or surrendered under the *Gaming Machine Control Act 1991*.

### 4 (f) Approval of New Nominees

Members considered six applications for approval of a new nominee of a gaming venue and decided as follows:

	Entity	Nominee	Decision
(i)	Ashaden Hotels Pty Ltd	Mr Bernard ROWELL	Approved
(ii)	Aspendale/Edithvale Ex Services Club	Mr Kevin JOHNSTON	Approved
(iii)	Echuca Workers & Sports Club Ltd	Mr Peter John FOSTER	Approved
(iv)	Hamilton Gold Club Inc	Mr John Charles SMITH	Approved
(v)	Shamrock Hotel	Mr Robert Neil VAGG	Approved
(vi)	Warrnambool Bowls Club Inc	Mr John Bernard NESTOR	Approved

## Authority Meeting

### 4 (g) Licence Variation Applications

Members considered five applications for venue licence variations and decided as follows:

	Venue	Prev EGMs	New EGMs	Operator	Decision
(i)	Mac's Hotel	0/5	0/0	TABCORP	Approved
(ii)	Ejwood RSL	40/0	34/0	Tattersall's	Approved
(iii)	Numurkah Golf & Bowls Club	35/0	38/0	TABCORP	Approved
(iv)	Dick Whittington Tavern	35/0	30/0	Tattersall's	Approved
(v)	Geelong Football Club Social Club	100/5	100/0	TABCORP	Approved

### 4 (h) Schedule of New Associates

Members considered applications for approval of new associates at nine gaming venues and decided as follows:

ENTITY	NEW ASSOCIATE(S)	DECISION
Bendigo Club Inc	SCHULZ, Robert Keith	Approved
Bundalagwah Cricket Social Club Inc	BAILEY, Kenneth John	Approved
Chalambar Golf Club Ararat Inc	SHAW, John Hector	Approved
Essendon Football & Community Sporting Club Inc	McKISSOCK, Neil James	Approved
Italian Australian Social & Sporting Club Inc	DUNKLEY, Stephen James	Approved
Kyneton Bowling Club Inc	ELSE, Stanley Albert	Approved
Kyneton Bowling Club Inc	PAVEY, Lionel James	Hearing
Moonee Valley Racing Club	BEDDISON, Anthony John	Approved
Orbost Club Inc	CLAY, Tony Warren	Approved
Ouyen & District Community Club	LAWN, Rodney David	Unsuitable

Members also considered one application for approval of new associates of an entity listed on the Roll of Manufacturers and decided as follows:

ENTITY	NEW ASSOCIATE(S)	DECISION
WMS Gaming Inc	EDIDIN, Orrin Jeffrey VERNER, Kevin Louis	Approved

## Authority Meeting

### 4 (i) **Batch Report - Compliance With Ministerial Directions**

Members agreed to note the Batch Report for the 23 February 1999 meeting enabling the Authority to confirm the status of approved electronic gaming machine numbers compared with all Ministerial directions.

## **ITEM 5 CASINO MATTERS**

*{This Item was dealt with first}*

### 5 (a) **Director of Casino Surveillance Report**

#### **1. Gaming Activity - January 1999**

Members noted the report on gaming activity for the month of January 1999.

#### **2. Matters Arising From Previous Meetings**

Members noted reports on the five matters identified, namely:

- Disciplinary Action Hearings;
- Breach of the Casino Agreement - Leasing;
- Controlled Contract - Capital Golf Club;
- Crown Half Yearly Reports; and
- Disciplinary Action.

Members also noted that:

- the matter of Mr Y has been listed for hearing on Wednesday 31 March 1999 before a panel comprised of the Chairman, Mr George Davis and Mr Don Swan;
- Crown Limited has requested a hearing in relation to breaches of the Rules of the Game of Baccarat which occurred at the Melbourne Casino on 19 November 1998.

#### **3. Investigations**

Members noted that two investigations were completed in the month of January 1999 relating to a minor entering the casino and conduct of the game of Caribbean Stud poker contrary to the Rules of the Game.

#### **4. Minors in the Casino**

Members noted that eight minors were detected and removed from the casino during the month of January 1999 and that a total of 1,902 persons suspected of being a minor or who could not produce adequate proof of age were refused entry to the casino in the same period.

## Authority Meeting

### 5. Appeals Against Exclusion Orders

Members noted developments in relation to a number of appeals against exclusion orders, in particular that:

- there were no appeals lodged with the Authority against exclusion orders issued by Crown Limited during January 1999;
- an appeal by **Personal** originally scheduled for Thursday 25 February 1999, has been deferred pending the lodging of a Notice of Appeal against a second exclusion order issued by Crown Limited in relation to this matter;
- in respect of an appeal by **Personal**, a mediation session was arranged between Crown Limited and the appellant for 4 February 1999, but the appellant did not attend and subsequent attempts to contact him have proven unsuccessful to date; and
- briefs of appeal have been completed in respect of appeals lodged by **Personal** and **Personal Information** and have been referred to the Legal and Legislation Branch.

### 6. Approvals Under Delegation

Members noted that a committee comprised of the Chairman of the Authority and the Director of Gaming and Betting made the following approvals or amendments under delegation for the month of January 1999:

#### Rules of the Games -

- Crown Pontoon - new version of Blackjack
- Electronic Gaming Machines - transfer of credits

#### Internal Control Manual -

- Part VII - EGM Operations - to introduce procedures for the sale and disposal of electronic gaming machines.
- Part XVI - Job Descriptions - to introduce changes to the Gaming Machine, Table Games, Cage and Count, Surveillance, Compliance, Security and Service, Crown On-Line, Finance and Corporate/Legal Departments.

Members also noted the approval of 73 casino special employee licences by officers of the Licensing and Compliance Branch, under delegation of the Director of Casino Surveillance.

## Authority Meeting

### 7. Casino Control Branch Prosecutions

Members noted that the Casino Control Branch conducted one prosecution under sections 77, 84 and 88 of the *Casino Control Act* 1991 during January 1999.

### 8. Disciplinary Action

Members noted that measures have been taken to initiate disciplinary action in the event that Mr Nizamettin Tasci, a former employee of Crown Limited who was convicted of theft, fined \$2,000 and ordered to pay costs of \$5,700 on 4 February 1999, does not surrender his Casino Special Employee licence to the Authority.

### 9. Crown Limited Debt/Equity Ratio

Members noted advice from Crown Limited that, as at 31 January 1999, the company's ratio of its total liabilities to total assets was 57.28%, compared with the 60% limit specified in the Casino Agreement.

### 5(b) Casino Trading Hours

Members considered a paper regarding a request from Crown Limited to change the trading conditions applicable at the Melbourne Casino on Christmas Day, Good Friday and Anzac Day of each year.

Members agreed:

- to approve the Crown Limited request;
- to authorise the Chairman to sign a notice in the form of Attachment C to the paper submitted, which notice directs Crown Limited, under section 65 of the *Casino Control Act* 1991, to open the Mahogany Room and Level 29 gaming rooms between the times of 4.00 am and noon on Christmas Day, Good Friday and Anzac Day each year;
- to direct Crown Limited, under section 23 of the *Casino Control Act* 1991, to limit access to those areas to international Commission Based Players only during the specified period; and
- that the Notice provide that, during the specified period, condition 8(a) of the Casino Licence, which requires the casino operator to have not less than 150 gaming tables in operation, will not apply.

## Authority Meeting

### 5(c) Crown Limited - New Bank Accounts

Members considered a paper regarding Crown Limited's banking arrangements with the Australia and New Zealand Banking Group Ltd and agreed, pursuant to section 123 of the *Casino Control Act 1991*, to the opening and operation by Crown Limited of the following three new bank accounts with the Australia and New Zealand Banking Group Limited at 530 Collins Street, Melbourne:

Description	Currency \$	Account No
Patrons Account	US	Personal Information
Patrons Account	Singapore	
Patrons Account	Hong Kong	

### 5(d) Crown Limited - Proposed Refinancing Arrangements

Members considered a paper recommending a course of action in response to a request from Crown Limited for approval in principle to refinance the bulk of its debt.

Members agreed:

- to adopt option B as set out in the paper and advise Crown Limited that, as a matter of policy, the Authority does not give approval in principle and would need to see the final documentation before reaching a decision on the proposed refinancing; and
- that the Authority suggest that Crown Limited may therefore wish to treat the proposed refinancing as a post merger arrangement in view of Crown Limited's desire to conclude the merger proposal with PBL as soon as possible and the fact that the final documentation is not yet available and will be subjected to careful deliberation once it is received because of the complexity of the issues involved.

### 5(e) Guarantees by Crown Limited Subsidiaries

Members considered a paper regarding additional guarantors for the two Unsecured Notes Trust Deeds between Permanent Trustee Australia Limited and Crown Limited.

Members agreed to approve the following companies becoming additional guarantors for the Unsecured Notes Trust Deeds executed on 24 December 1993 and 15 August 1996:

- Crown Australia Pty Ltd;
- Crown CPS Holdings Pty Ltd; and
- Uchino Pty Ltd



## Authority Meeting

### 5(f) Crown Limited Merger With PBL - Legal Issues

Members considered a paper setting out advice from the Authority's solicitors regarding the Crown Limited/PBL merger proposal.

Members agreed:

- to note the main legal issues which have been identified as relevant to the Crown Limited/PBL merger; and
- that the Authority's legal advice in relation to the merger be provided to the Victorian Government Solicitor.

### 5(g) Rules of the Games - Baccarat

Members considered a paper regarding a proposed variation to the Rules of Baccarat to permit the playing of a variation to the game known as "Modified Baccarat".

Members agreed that:

- the matter be deferred; and
- the Director of Casino Surveillance provide a further paper on the matter setting out the specifics of the trial proposed by Crown Limited and including suggested conditions the Authority may wish to apply.

## **ITEM 6 APPEALS AND DISCIPLINARY ACTION**

*{From this Item Mr Brian Farrell acted for the Director of Gaming and Betting, who left the meeting at this point}*

### 6(a) Disciplinary Action Against Licence Holder - Croucher

Members noted that Mr Nathan Croucher has not made a submission to the Authority in response to a letter from the Authority dated 24 November 1998.

Having considered all the material referred to it, including the Certified Extract of the Magistrates' Court at Bairnsdale, the Order made on 7 October 1998, and the plea of guilty by Mr Croucher to a breach of Act 6231.74, the Authority determined that:

- there are grounds for disciplinary action under section 51(1)(b) of the *Gaming Machine Control Act 1991* as recommended by the Director of Gaming and Betting;
- disciplinary action be taken against Mr Nathan Croucher; and
- the appropriate disciplinary action to be taken is suspension of his licence, No S97/21864, for a period of three months.

## Authority Meeting

### 6(b) Disciplinary Action Against Licence Holder - Drozdek

Having considered all the material referred to it, including an extract of the Victoria Police's Criminal Records, the finding of guilty in the Williamstown Magistrates' Court to a breach of Act 6231.74, and Mrs Drozdek's submission received 3 February 1999, the Authority determined that:

- there are grounds for disciplinary action under section 92(1)(a) and (d) of the *Gaming No 2 Act 1997* as recommended by the Director of Gaming and Betting;
- disciplinary action be taken against Mrs Drozdek; and
- the appropriate disciplinary action to be taken is a letter of censure.

### 6(c) Disciplinary Action Against Licence Holder - Johnson

Members noted that Mr Ricky Johnson has made a submission to the Authority in response to a letter from the Authority dated 24 November 1998.

Having considered all the material referred to it, including the Certified Extract of the Magistrates' Court at Geelong, the Order made on 19 September 1998, and the plea of guilty by Mr Johnson to a breach of Act 6231.74, the Authority determined that:

- there are grounds for disciplinary action under section 51(1)(a) and (d) of the *Gaming Machine Control Act 1991* as recommended by the Director of Gaming and Betting;
- disciplinary action be taken against Mr Ricky Johnson; and
- the appropriate disciplinary action to be taken is a letter of censure.

### 6(d) Disciplinary Action - Casino Special Employee - Le

Members agreed to note that disciplinary action is recommended by the Director of Casino Surveillance against Thanh Le.

Members also agreed to direct that, in accordance with section 52 (1) of the *Casino Control Act 1991*, a notice be sent to Mr Le asking that he show cause why disciplinary action should not be taken against him.

### 6(e) Disciplinary Action - Casino Special Employee - Dabbs

Members considered a report from the Director of Casino Surveillance regarding possible disciplinary action against a casino special employee, Mr Richard Dabbs, for breaches of section 52 of the *Casino Control Act 1991*.

Members agreed, noting a change by the Director of Casino Surveillance to his original recommendation, that:

### Authority Meeting

- a ground for disciplinary action has been established under section 52(1) of the *Casino Control Act 1991* under paragraph (e) of “grounds for disciplinary action”; and
- a notice be sent to Mr Dabbs asking that he show cause why disciplinary action should not be taken against him.

#### 6(f) Disciplinary Action Against Licence Holders - Various

Members agreed to note that disciplinary action is recommended by the Director of Gaming and Betting against Mr Boris Krasic, Mr Jason Shatford, Mr Brendan Kelly and Ms Jacqueline Le Toille.

Members also agreed to direct that, in accordance with section 51 (3) of the *Gaming Machine Control Act 1991*:

1. a letter be sent to Mr Boris Krasic giving notice of the Director’s recommendation that disciplinary action be taken and providing Mr Krasic with the opportunity to make submissions on the matter within 14 days;
2. a letter be sent to Mr Jason Shatford giving notice of the Director’s recommendation that disciplinary action be taken and providing Mr Shatford with the opportunity to make submissions on the matter within 14 days;
3. a letter be sent to Mr Brendan Kelly giving notice of the Director’s recommendation that disciplinary action be taken and providing Mr Kelly with the opportunity to make submissions on the matter within 14 days; and
4. a letter be sent to Ms Jacqueline Le Toille giving notice of the Director’s recommendation that disciplinary action be taken and providing Ms Le Toille with the opportunity to make submissions on the matter within 14 days.

#### 6(g) Disciplinary Action Against Licence Holders - Register

Members agreed to note the updated Register recording the results of disciplinary action recommended by the Director of Gaming and Betting and taken by the Authority against licensed venue operators and special employees.

#### 6 (h) Authority Hearings

*{Mr Robert Chappell joined the meeting}*

Members considered a paper setting out at Attachment 1 the status of hearings matters being dealt with by the Authority.

Members agreed that:

### Authority Meeting

- the matters of Brasher, Brasher, Meester, Bedggood and John be listed for hearing on Monday 29 March 1999;
- the matter of Dunlop also be listed for hearing on Monday 29 March 1999, should a hearing be required;
- the appeal by Davis also be listed for hearing on Monday 29 March 1999;
- the Mr Y inquiry be listed for hearing on Wednesday 31 March 1999;
- the matter of Firinauskas also be listed for hearing on Wednesday 31 March 1999;
- the Paravics inquiries be listed for hearing on Thursday 1 April 1999;
- the two Crown Limited disciplinary action matters be listed for hearing on Wednesday 7 April 1999, commencing 1.00 pm;
- the matter of Pavey also be listed for hearing on Wednesday 7 April 1999, prior to the commencement of the two Crown Limited matters;
- the panel of members for the hearings scheduled on Monday 29 March 1999 comprise the Chairman, Mr Henry Bosch and Reverend Professor Robert Gribben;
- the panel of members for the hearings scheduled on Wednesday 31 March 1999 comprise the Chairman, Mr George Davis and Mr Donald Swan;
- the panel of members for the hearings scheduled on Thursday 1 April 1999 comprise the Chairman, Dr Desmond Hore and Professor Thomas;
- the panel of members for the hearings scheduled on Wednesday 7 April 1999 comprise the Chairman, Mr George Davis, Dr Desmond Hore, Mr Donald Swan and Professor Thomas.

Members noted that no further action would be required in the matters of Naera and Lawn, the former having resigned and the latter having been found by the Authority to be unsuitable to be an associate.

### **ITEM 7      OTHER BUSINESS**

#### **7 (a) Research Status Report**

Members considered a report on the progress of the research program and agreed to note the status of:

- the research initiatives being undertaken; and
- the Research and Development Fund as at 31 January 1999.

## Authority Meeting

### 7(b) Contract Approval - Longitudinal Examination of Perceptions

Members considered a paper on the research project "Longitudinal Examination of Perceptions and Their Relationship with Actual Findings" and agreed to approve the appointment of Marketing Science Centre (University of South Australia) to undertake this project at a cost of \$64,500.

### 7(c) Contract Approval - Gaming: Comparative History and Analysis, ss 2 & 3

Members considered a paper on the research project "Gaming - Comparative History and Analysis, Framework for Evaluation and Summary of 1998-99 Findings" and agreed to approve the appointment of The Social and Economic Research Centre, University of Queensland to undertake this project at a cost of \$95,952.

### 7(d) Research Project Brief

Members considered a paper on the research project "The Impact of Gambling on Crime Statistics" and agreed to approve the proposed project brief as amended at the Research Committee meeting of 23 February 1999 where the stipulated project budget limit was removed from the brief.

### 7(e) Approval for Increase in Wildcash Jackpot Parameters

Members agreed, noting that the Authority's testing agency, BMM, has completed testing and recommended approval, to approve the following Wildcash jackpot configurations 822 to 831 to operate on TABCORP's Tabaret gaming network subject to the condition mentioned below:

#### Game Details

Master Number	Minimum \$	Maximum \$	Contribution %
822	100	150	2
827	150	250	2
829	200	300	2
830	300	400	2
831	300	500	2

#### Condition

1. That the Authority receive written advice at least 24 hours prior to changes between approved parameter sets.

## Authority Meeting

### 7(f) Approval of New Electronic Gaming Machine Game - Double Mania

Members agreed, noting that the Authority's testing agency, TST, has completed testing and recommended approval, to approve the following electronic gaming machine games to operate on the IGT Game King I and II gaming machines in Tattersall's VLC gaming network subject to the conditions mentioned below:

#### Game Details

Game Name	Game Variation	Return to Player %	Coin In	Denomination (cents)
Double Mania	99	90.84	\$1	1, 2, 5, 10, 20, 100
Double Mania	01	87.78	\$1	1, 2, 5, 10, 20, 100
Double Mania	02	92.45	\$1	1, 2, 5, 10, 20, 100

#### Conditions

1. The gaming machine type and games are to be subject to a field trial of at least 8 EGMs in at least two venues for a minimum period of two weeks.
2. The ID numbers of the EGMs taking place in the field trial must be communicated to the Authority's Manager of Evaluations before the formal commencement of the field trial.
3. A report on the results of the field trial must be submitted to the Manager of Evaluations by the gaming operator.
4. The gaming machine type and games are not to be installed in more than 8 EGMs in the wider gaming network until the field trial has been completed to the satisfaction of the Assistant Director, Gambling Operations, Audit and Finance.
5. The colour top box artwork must be submitted to TST for evaluation.
6. The games are only to be configured on the monitoring system using the game parameters as specified by the manufacturer.
7. If the 10+2 button panel is deployed with the 5A5003CA game base, the correct denomination and button panel artwork inserts are to be installed according to the game configuration.

**Authority Meeting****7(g) Approval of New Electronic Gaming Machine Game - Nessie**

Members agreed, noting that the Authority's testing agency, TST, has completed testing and recommended approval, to approve the following electronic gaming machine game to operate on the Tasman Series 1 gaming machine in Tattersall's VLC gaming network subject to the conditions mentioned below:

**Game Details**

Game Name	Game Variation	Return to Player %	Coin In	Denomination (cents)
Nessie (Max Bet 900)	V01	89.87	\$1	1c, 2c, 5, 10, 20
Nessie (Max Bet 900)	V02	92.02	\$1	1c, 2c, 5, 10, 20
Nessie (Max Bet 900)	V06	88.46	\$1	1c, 2c, 5, 10, 20

**Conditions**

1. The game is to be subject to a field trial of at least 8 EGMs in at least two venues for at least two weeks.
2. The venues and the ID numbers of the EGMs taking place in the field trial must be communicated to the Authority's Manager of Evaluations before the formal commencement of the field trial.
3. A report on the results of the field trial must be submitted to the Authority's Manager of Evaluations by the gaming operator.
4. The game is not to be installed in more than 30 EGMs in the wider gaming network until the field trial has been completed to the satisfaction of the Assistant Director, Gambling Operations, Audit and Finance.

**7(h) Voluntary Removal From the Roll of Manufacturers**

Members considered a paper regarding the removal of Email Limited from the Roll of Recognised Manufacturers and Suppliers of Restricted Components.

Members, noting that the Company Secretary had requested Email's removal from the Roll because the company was no longer in the business of developing, manufacturing and marketing gaming machines in Victoria, agreed that Email Limited should be removed from the Roll of Recognised Manufacturers and Suppliers of Restricted Components, effective from 23 February 1999.

**Authority Meeting****7(i) Application Forms for New Associates**

Members considered a paper setting out the form of the application form for associates of a venue operator required under the provisions of the *Gaming Machine Control Act 1991* as amended by the *Gaming Acts (Miscellaneous Amendment) Act 1997*.

Members agreed to approve the form of the application form for associates of a venue operator.

**7(j) New Venue Operator Licence Application Form - Sole Trader**

Members considered a paper setting out the form of the application form for approval of a sole trader applicant for a venue operator's licence, required under the provisions of the *Gaming Machine Control Act 1991*.

Members agreed to approve the form of the application form as contained in Attachment 1 to the paper submitted.

**7(k) Approval of a Nominee of a Venue Operator - Revised Form**

Members considered a paper setting out the revised form of the application form for approval of a nominee of a venue operator, required under the provisions of the *Gaming Machine Control Act 1991*.

Members agreed to approve the revised form of the application form as contained in Attachment 1 to the paper submitted.

**7(l) Reconsideration of Application by Fitarc Pty Ltd**

Members considered a paper recommending further action with respect to the Venue Operator's licence granted to Fitarc Pty Ltd at the 19 January 1999 meeting of the Authority.

Members agreed:

- to revoke the licence issued to Fitarc Pty Ltd on 19 January 1999, including the approval of Mr Paul Fitzgerald as the nominee of the company and the inclusion of the specified Approved Premises;
- to note that the application by Fitarc Pty Ltd for a Venue Operator's licence, including the approval of Mr Paul Fitzgerald as its nominee and the inclusion of the specified Approved Premises, will be resubmitted to the Authority for determination at the 30 March 1999 meeting.



**Authority Meeting****7(m) Mr Kallonas and Jordonas Pty Ltd**

Members considered a paper recommending a course of action for the determining of the application by Jordonas Pty Ltd for a Venue operator's licence in respect of the premises known as Coburg Jackpots.

Members also considered a memorandum dated 23 February 1999 which was tabled at the meeting by Mr Robert Chappell and provided a briefing on events since the paper was completed.

Members agreed:

- to send Jordonas Pty Ltd a written notice, in accordance with section 142A(5) of the *Gaming Machine Control Act* 1991, directing that the company take all reasonable steps to terminate its association with Mr Chris Kallonas within 14 days, or any longer period agreed with the Authority;
- to delegate to the Chairman, as per the form of the instrument of delegation attached to the paper submitted, the power to determine whether to extend the 14 days specified in the notice to Jordonas Pty Ltd.

**7(n) Controlled Contract - Beacon**

Members considered a paper regarding a controlled contract between Crown Limited and Beacon Electrical Services Pty Ltd for the installation of signage and associated electrical connections.

Members agreed, noting that enquiries have not disclosed any reason why Crown Limited should not enter into this contract, that the Authority not object to the contract, as required by section 30 of the *Casino Control Act* 1991.

**7(o) Controlled Contract - Daiwa**

Members considered a paper regarding a controlled contract between Crown Limited and Daiwa Food Company Pty Ltd for the supply of Japanese foods and saki.

Members agreed, noting that enquiries have not disclosed any reason why Crown Limited should not enter into this contract, that the Authority not object to the contract, as required by section 30 of the *Casino Control Act* 1991.

## Authority Meeting

### 7(p) Approval of Amendment to Tattersall's Approved Statewide Linked Jackpots

Members considered a paper regarding modification of the jackpot contribution rate to apply for Tattersall's Statewide linked jackpot and agreed that:

- pursuant to Regulation 3(b) and (4) of the Gaming Machine Control (Jackpots) Regulations 1996, the Authority determine in respect of electronic gaming machines participating in Tattersall's Statewide linked jackpot that the multiplying factor Z be 0.025;
- the determination take effect from Monday 8 March 1999; and
- notice of the determination be given to Tattersall's before 26 February 1999.

### 7(q) Approval of Delegation - Bingo Centre Operator Application Forms

Members considered a paper recommending a course of action for the approval of application forms for bingo centre operator licence applicants.

Members agreed to the delegation to the Chairman, in the form of the instrument of delegation attached to the paper submitted, of the Authority's power to approve application forms for bingo centre operator licence applicants.

### 7(r) Semworth Pty Ltd and Mr Alexander Costa

Members considered a paper recommending a course of proposed further action in relation to Mr Alexander Costa, an associate of the venue operator Semworth Pty Ltd, under section 142A of the *Gaming Machine Control Act 1991*.

Members agreed that:

- if the Chairman is satisfied that Mr Alexander Costa has not terminated his association with Semworth Pty Ltd by 11 March 1999, a written notice, in accordance with section 142A of the *Gaming Machine Control Act 1991*, be sent to Semworth Pty Ltd directing the company to take all reasonable steps to terminate its association with Mr Alexander Costa within 14 days, or any longer period agreed with the Authority; and
- to delegate to the Chairman, as per the form of the instrument of delegation attached to the paper submitted, the power to extend, from time to time, the 14 days given to Semworth Pty Ltd in the written notice.

### 7(s) Remaking of Delegations

Members considered a paper recommending remaking of certain delegations, under section 71 of the *Gaming Machine Control Act 1991* and section 70(2) of the *Gaming and Betting Act 1994*.

## Authority Meeting

Members agreed to delegate all of the Authority's powers under section 71 of the *Gaming Machine Control Act 1991* and section 70(2) of the *Gaming and Betting Act 1994* to the person occupying for the time being, whether on a permanent, acting or temporary basis, the position of Assistant Director, Gambling Operations, Audit and Finance, subject to the following conditions set out in the instrument of delegation:

- the delegation is only in respect of changes or modifications which are minor or of a routine or non-critical nature; and
- each exercise of the delegated power must be reported to the following Authority meeting.

### 7(t) **Audit Committee Meeting**

Members noted an oral report from the Chairman of the Audit Committee, in particular that:

- the Audit Committee held a meeting on 23 February 1999;
- the Auditor-General has advised that the 1998-99 audit of the Authority will be conducted by Audit Victoria, but that future audits may involve tendering and result in the audit being conducted by a different auditor;
- as minimal cooperation between the internal Auditor and Audit Victoria was in evidence during the 1997-98 financial year audits, resulting in much duplication of effort, the Audit Committee has taken action to improve the situation from and including 1998-99;
- the Internal Audit Plan was reviewed by the Audit Committee and satisfaction expressed with progress to date;
- the first internal audit report was received by the Audit Committee, with only one matter of significance emerging;
- the Internal Auditor has identified in the report that regular Police checks carried out on gaming industry employees are not carried out on staff and members of the Authority and regards this situation as presenting a risk;
- the Audit Committee has requested that the Director of Gaming and Betting have a summary report prepared for the March 1999 meeting of the Authority setting out management processes in place, to provide a basis for consideration by the Authority whether there are concerns in this area;
- the Audit Committee, believing that the questions asked of applicants for licences and other industry authorisations are too intrusive having regard to the level of risk apparent, took the view that the Authority should be asked to consider obtaining the services of an external consultant to conduct a risk

**Authority Meeting**

analysis of all gaming activities and regulatory structures to determine the appropriateness of these matters.

**7(u) Leave of Absence of Member**

Members agreed, pursuant to the provisions of section 89 of the *Gaming and Betting Act 1994*, to grant leave for Mr Henry Bosch to be absent from all meetings of the Authority held between 15 April and 18 May 1999, during which time the Member shall be overseas.

**ITEM 8      REPORTS****8 (a) Use of the Official Seal**

Members agreed to note the report by the Legal and Legislation Branch relating to the use of the official seal up to and including 16 February 1999.

**8 (b) Approvals Under Delegation - *Gaming Machine Control Act 1991***

Members agreed to note the list of approvals granted to manufacturers and operators for modifications to electronic gaming equipment under sections 69(5B) and 75B(3)(b) of the *Gaming Machine Control Act 1991* for the period 12 January to 15 February 1999.

**8 (c) Approvals Under Delegation - *Gaming and Betting Act 1994***

Members agreed to note the list of approvals granted to TABCORP for minor modifications and changes under section 70 (2) of the *Gaming and Betting Act 1994* for the period 12 January to 15 February 1999.

**8 (d) Minor Gaming Statistics Report**

Members noted the report on minor gaming activities during January 1999 which provides statistical details regarding the number of permits issued and the number of organisations declared by the Director of Gaming and Betting, under delegation, to be community or charitable organisations.

**8 (e) Financial Monitoring**

Members agreed to note the financial monitoring report for the month of January 1999.

**8 (f) Year 2000 Compliance Update**

Members agreed to note the report on action being taken to ensure that the Authority, gaming operators and crucial service suppliers are, or will be, able to meet the IT requirements for Year 2000 compliance.

**Authority Meeting**

Members also noted an oral report from Mr Brian Farrell indicating the actions taken and planned by the gaming operators to ensure Year 2000 compliance.

**8 (g) Research Committee - Minutes**

Members agreed to note the draft minutes of the Research Committee meetings held on Tuesday 19 January 1999.

**8 (h) Gaming Industry Forum Minutes**

Members agreed to note the minutes of the Gaming Industry Forum meeting held on Wednesday 9 December 1998.

**8 (i) Hudson Conway Limited - Police Investigation**

Members noted latest developments in the investigations by the Victoria Police Major Fraud Group concerning allegations about Hudson Conway Limited in relation to the Capital Plaza office building project for the Gas and Fuel Corporation (now SECV).

**8(j) Correspondence With Minter Ellison**

Members agreed to note the contents of letters received from and sent to Minter Ellison in relation to conflict of interest issues.

**8 (k) Criminal Prosecutions Register**

Members agreed to note the register indicating the results of matters heard and determined in the Magistrates' Court in the financial year to 15 February 1999.

**8 (l) Statistics**

Members present noted the regular statistical report on lotteries, wagering, electronic gaming, Club Keno, and casino gaming.

**ITEM 9 NEXT MEETING**

Members noted that the next scheduled meeting of the Authority is Tuesday 30 March 1999 commencing 2.15 pm in the Authority board room.

**The meeting closed at approximately 5.45 pm**

Signed.....  
**Chairman**

...../...../..... **Dated**

**VICTORIAN CASINO AND GAMING AUTHORITY****COMMERCIAL IN CONFIDENCE****MINUTES OF MEETING NO. 144****TELEPHONE / FACSIMILE MEETING  
TUESDAY 16 MARCH 1999****commencing 5.15 pm****ITEM 1 PARTICIPANTS:**Present

Mrs Sue Winneke  
Professor Anne Edwards  
Reverend Professor Robert Gribben  
Dr Desmond Hore  
Mr Donald Swan  
Professor Trang Thomas

Chairman  
Deputy Chairperson

In Attendance

Mr Peter Cohen  
Mr Kenneth McLeod

Assistant Director, Licensing and  
Compliance  
Secretariat Officer

Apologies

Mr Henry Bosch  
Mr George Davis

## VCGA Telephone Meeting

**ITEM 2 LICENSING****2(a) Venue Operator's Licence - Provisional**

Members considered one application for a provisional Venue Operator's licence and agreed as follows:

	Applicant	Period	Decision
(ii)	Heidelberg RSL Sub Branch	90 days from 16 March 1999	Approved

\* Members also approved the inclusion on the licence of the existing approved premises of the Heidelberg RSL.

**2(b) Licence Amendment Applications - EGMs**

Members considered eight applications for venue operator licence amendments to vary the number of EGMs and decided as follows:

	Venue	Prev EGMs	New EGMs	Operator	Decision
(i)	Cathay Gold Nugget	85/0	60/0	TABCORP	Approved
(ii)	Pakenham Racecourse	66/0	92/0	TABCORP	Approved
(iii)	Hawthorn Football Social Club	55/0	45/0	TABCORP	Approved
(iv)	Yarram Club Hotel	20/0	17/0	TABCORP	Approved
(v)	Windermere Hotel	32/3	35/0	Tattersall's	Approved
(vi)	Northcote Bowling Club	16/4	0/0	TABCORP	Approved
(vii)	Dick Whittington Tavern	30/0	29/0	Tattersall's	Approved
(viii)	Glenroy Bowls Club	5/0	0/0	Tattersall's	Approved

**2(c) Approval of New Nominees**

Members considered five applications for approval of a new nominee of a gaming venue and decided as follows:

	Applicant	Nominee	Decision
(i)	Geelong Football Social Club Ltd	Mr Andrew Vivian LLOYD	Approved
(ii)	Nagambie Rowing Club Inc	Mr Mark Anthony BOYER	Approved
(iii)	Oakleigh RSL Sub Branch Inc	Mr Geoffrey Watson ANDREWS	Approved
(iv)	Traralgon Golf Club Inc	Mr Wayne John BAKER	Approved
(v)	Yarra Valley Country Club Inc	Mr David James HASSETT	Approved

## VCGA Telephone Meeting

**2(d) Voluntary Removal From Roll of Manufacturers**

Members considered a report on the removal of Barcrest Ltd from the Roll of Recognised Manufacturers and Suppliers of Restricted Components.

Members agreed, noting that this organisation had requested removal from the Roll, that Barcrest Ltd be removed from the Roll effective from Tuesday 16 March 1999.

**2(e) Schedule of New Associates**

Members considered applications for approval of new associates of six gaming venue operators and decided as follows:

ENTITY	NEW ASSOCIATE(S)	DECISION
Altona Bowling Club Inc	MATHER, Alexander	Approved
Green Gully Soccer Club Ltd	BORG, Mario	Approved
Hastings Cricket & Football Social Club Inc	BRADSHAW, Gregory Donald BUTCHER, Leonard Alexander MARKOVIC, Dragan	Approved
Red Cliffs Club Inc	HUNT, Patrick Edmund MAIORANA, Dominic	Approved
Sale & District Greyhound Racing Club Inc	GIESCHEN, Graeme Frederick	Approved
Strathmore Bowls Club Inc	CHESSUN, Laretta Mary	Approved

**2(f) Batch Report - Compliance With Ministerial Directions**

Members agreed to note the Batch Report for the 16 March 1999 meeting enabling the Authority to confirm that the status of approved electronic gaming machine numbers complies with all Ministerial directions.



## VCGA Telephone Meeting

**ITEM 3      OTHER BUSINESS****3(a)    Controlled Contract**

Members considered a paper regarding a controlled contract between Crown Limited and Data Connection Pty Ltd for the supply of a communications centre for persons residing in Asia who propose to visit Crown as part of the mid-roller market promotion.

Members agreed, noting that enquiries have not disclosed any reason why Crown Limited should not enter into this contract, that the Authority, as required by section 30 of the *Casino Control Act 1991*, not object to the contract.

**3(b)    Controlled Contract Variations**

Members considered a paper regarding controlled contracts between Crown Limited and a number of Melbourne based companies, a review of which by Crown Limited had identified changes in key personnel involved in the operation of the contracts.

Members agreed, noting that enquiries have not disclosed any reason why Crown Limited should not enter into contract variations with the companies concerned, that the Authority, as required by section 30 of the *Casino Control Act 1991*, should not object to contract variations between Crown Limited and the following companies:

Abloy Security Pty Ltd  
 Moore Business Systems Australia Limited  
 Component Suppliers International Pty Ltd  
 Kefford Group trading as West Transit Bus Lines Pty Ltd  
 A F Stewart Locksmiths (Vic) Pty Ltd  
 Berkeley Challenge Pty Ltd  
 Dimatinna and Co Pty Ltd  
 Richmond Oyster Supplies Pty Ltd  
 Tatsing Foodstores Pty Ltd  
 Specialist Computer Supplies Pty Ltd  
 Comcater Pty Ltd  
 Australian Clothing Pty Ltd  
 Forty Ninth Mayelda Pty Ltd  
 Hotel Agencies Pty Ltd  
 Commercial Catering Equipment Pty Ltd  
 Diamond Dell Pty Ltd  
 Sportspak Sign Group Pty Ltd  
 Print Synergy Pty Ltd

## VCGA Telephone Meeting

**3 (c) Provisional Venue Operator Licence Approvals by the Chairman**

Members agreed to note the approval by the Chairman of the issue of three Provisional Venue Operator's licences under section 31 of the *Gaming Machine Control Act 1991* as follows:

	<b>Applicant</b>	<b>Period</b>
(i)	Flemington/Kensington RSL	90 days from 9 March 1999
(ii)	Mitcham RSL Sub Branch	90 days from 9 March 1999
(iii)	Montmorency RSL Sub Branch	90 days from 10 March 1999

**3 (d) Special Authority Meeting**

Members agreed that a special Authority meeting be scheduled in the period between 30 March and 15 April 1999 for the purpose of discussing the proposed merger between Crown Limited and PBL.

The meeting closed at approximately 5.20 pm.

Signed.....  
Chairman

...../...../..... Dated

**Authority Meeting  
Action Items Report**

MTG NO	MTG DATE	ITEM NO.	TASK	STATUS
107	21-Oct-97	7(h)	<b>Investigation of Company Listed on Roll of Manufacturers:</b> That a committee consider the Director's letters and any responses received.	Two of the proposed associates have resigned their positions as directors. They are being followed up for the terms of their separation from the manufacturer and to resolve one other outstanding issue. Two others may resolve similarly.
116	24-Feb-98	4(g)	<b>Bingo Permit Applications :</b> That the DGB approve matters necessary or incidental to any appeal to the AAT for a review of the Authority's decision.	Authority's decision appealed to AAT. Matter adjourned by applicant pending outcome of fresh applications for declarations. Fresh applications to be heard by Authority on 7 April 1999.
116	24-Feb-98	6(g)	<b>Appeal by Licence Applicant - Robertson:</b> That a date be set for the Authority to hear the appeal.	Appeal adjourned for six months from 25 August 1998. Paper to 30 March 1999 meeting.
116	24-Feb-98	7(a)	<b>Audit Committee - Appointment of Member:</b> That the matter be deferred until the 26 May 1998 meeting of the Authority.	Deferred pending identification of suitable candidates.
116	24-Feb-98	7(j)	<b>Controlled Contract - Capital Club Pty Ltd:</b> That the Authority send Crown Limited a notice to show cause within 14 days why DA should not be taken.	Matter to be resolved after a suitability inquiry of the Authority on 31 March 1999 into the actions of a Crown employee.
121	28-Apr-98	5(a)	<b>DCS Report:</b> That arrangements be made for four Crown Limited disciplinary matters to be listed for hearing on a date in early June 1998.	Completed. Decisions finalised on 3 March 1999. Total fines \$75,000. DCS Report to 30 March 1999 meeting refers.
123	26-May-98	5(c)	<b>Casino Management Structure:</b> That staff of the Authority provide further statistical information as per the minutes of the meeting.	All information received. Analysis undertaken revealed incomparable data. Interstate jurisdictions requested to check statistics provided. NSW CCA still to provide further information. Final analysis expected for the 27 April 1999 meeting.
123	26-May-98	6(b)	<b>DA - Burns:</b> That a letter be sent to Ms Burns as per the minutes of the meeting.	Letter sent 23 June 1998. Left address. Unable to locate. Legal advice is that disciplinary action cannot proceed until she is located (Note: Police are also seeking Ms Burns)

**Authority Meeting  
Action Items Report**

MTG NO	MTG DATE	ITEM NO.	TASK	STATUS
123	26-May-98	6(c)	<b>DA against Crown - ICM Breach:</b> That a show cause notice be sent to Crown Limited as per the minutes of the meeting.	Completed. Decision finalised on 3 March 1999. Fine \$15,000. See DCS Report to 30 March 1999 meeting.
126	23-Jun-98	4(e)	<b>Bingo Centre Operator Licence - Melton:</b> That the Authority conduct an inquiry into the suitability of the applicant to hold a licence.	Inquiry held 26 October 1998. Decision finalised on 23 March 1999. Licence refused.
126	23-Jun-98	5(a)	<b>DCS Report:</b> That on Thursday 30 July 1998 the Authority hear submissions from Crown Limited regarding a soft count room incident .	Completed. Decision finalised on 3 March 1999. Fine \$15,000. See DCS Report to 30 March 1999 meeting.
126	23-Jun-98	7(c)	<b>Paravics:</b> That the determination of the applications be listed for hearing without prior referral to a meeting of the Authority.	Listed for hearing on 1 April 1999.
130	28-Jul-98	6(b)	<b>DA Against Licence Holder - Semworth Pty Ltd:</b> That a letter be sent to Mr Alexander Costa in his capacity as an associate of a venue operator.	Matter determined. Notices served 10 February 1999. Follow up paper to 30 March 1999 meeting.
135	29-Sep-98	6(a)	<b>DA Against Licence Holders -</b> That a letter be sent to Ms Dianne Hem as per the minutes of the meeting.	Letter sent 14 October 1998. Report to 30 March 1999 meeting.
138	10-Nov-98	3(c)	<b>DA Against Ms Pamela Brasher -</b> That a letter be sent as per the minutes of the meeting.	Hearing scheduled for 29 March 1999.
138	10-Nov-98	3(c)	<b>DA Against Mr Brian Brasher -</b> That a letter be sent as per the minutes of the meeting.	Hearing scheduled for 29 March 1999.
138	10-Nov-98	3(c)	<b>DA Against Mr Hendrick Meester -</b> That a letter be sent as per the minutes of the meeting.	Hearing scheduled for 29 March 1999.
138	10-Nov-98	3(c)	<b>DA Against Ms Margo Dunlop -</b> That a letter be sent as per the minutes of the meeting.	Matter to be determined 29 March 1999 or 30 March 1999.
138	10-Nov-98	3(c)	<b>DA Against Ms Jo-Anne Bedggood -</b> That a letter be sent as per the minutes of the meeting.	Hearing scheduled for 29 March 1999.
138	10-Nov-98	3(c)	<b>DA Against Mr Paul John -</b> That a letter be sent as per the minutes of the meeting.	Hearing scheduled for 29 March 1999.

**Authority Meeting  
Action Items Report**

MTG NO	MTG DATE	ITEM NO.	TASK	STATUS
139	24-Nov-98	4(a)	<b>New Venue Operator's Licence: Club Kilsyth</b> - That a show cause notice be issued to the applicant pursuant to s136A of the GMCA 1991 (tax rate to apply).	Letter sent 26 November 1998. Extension granted until 31 January 1999 to allow lodging of submission. Submission received 29 January 1999. Currently being assessed.
139	24-Nov-98	5(f)	<b>Crown Limited: As Built Drawings and Documents</b> - That one copy of all Crown Casino "As-Built" drawings and other "As-Built" documents be transferred to the PROV.	Documents awaiting transfer to Public Records Office of Victoria (PROV).
139	24-Nov-98	5(f)	<b>Crown Limited: As Built Drawings and Documents</b> - That a copy of all miscellaneous drawings and display materials relating to submissions from various consortia be transferred to the PROV.	Material awaiting transfer to PROV.
139	24-Nov-98	5(f)	<b>Crown Limited: As Built Drawings and Documents</b> - That all duplicate copies of Crown Casino "As-Built" drawings and other "As-Built" documents be destroyed under secure conditions.	Material awaiting destruction after relevant documents have been transferred to PROV.
139	24-Nov-98	6(e)	<b>DA Against Crown Limited: Poker Procedures Breach</b> - That a show cause notice be served on Crown Limited as per the minutes of the meeting.	Show cause notice issued 1 December 1998. . Hearing scheduled for 7 April 1999.
140	15-Dec-98	3	<b>Status Report : Crown/PBL Merger</b> - That probity investigations commence immediately on new parties in the proposed merger.	Investigations proceeding. See DCS report to the 30 March 1999 meeting.
140	15-Dec-98	4(d)	<b>Renewal of Venue Operator's Licence</b> - That the Authority conduct an inquiry into the suitability of Mr Mark McKay to be an associate.	Inquiry scheduled for 31 March 1999.
140	15-Dec-98	4(j)	<b>Schedule of New Associates</b> - That a further letter be sent to Mr Birthisel.	Inquiry scheduled for 31 March 1999.
140	15-Dec-98	6(b)	<b>DA Against Mr Y</b> - That a further paper be prepared by the panel and referred to the 19 January 1999 meeting of the Authority.	Hearing scheduled for 31 March 1999.

**Authority Meeting  
Action Items Report**

MTG NO	MTG DATE	ITEM NO.	TASK	STATUS
141	19-Jan-99	5(b)	<b>Crown Limited / Pontoon</b> - That the approved amendments to the Rules of the game of Blackjack be published in the Victoria Government Gazette.	Gazetted on 18 March 1999.
141	19-Jan-99	5(c)	<b>Crown Limited New Bank Accounts</b> - That the DCS investigate whether there are grounds for DA against Crown Limited in relation to the establishment of three ANZ bank accounts in Brisbane.	Investigation proceeding. Recommendation to the 27 April 1999 meeting.
141	19-Jan-99	6(d)	<b>DA / Crown Limited</b> - That a show cause notice be served on Crown Limited as per the minutes of the meeting.	Hearing scheduled for 7 April 1999 meeting.
141	19-Jan-99	7(a)	<b>Research Status Report</b> - That a copy of the second submission to the productivity Commission inquiry be circulated to Members of the Authority.	Submission sent to all Members 22 January 1999.
141	19-Jan-99	7(j)	<b>Conflict of Interest / Minter Ellison</b> - That the Authority seek and obtain written assurances from Minter Ellison as per the minutes of the meeting.	Paper to 30 March 1999 meeting.
143	23-Feb-99	4(a)	<b>New Venue Operator's Licence</b> - That further checks be made in relation to Police records for Mr Ian Davis prior to the Authority determining the application from Dromana Red Hills RSL Sub Branch.	Ian Davis disclosed 2 previous drink driving offences which were not on his Police record. However, club has had change of Board members - 8 new associates now need to be checked before application can be determined
143	23-Feb-99	5(d)	<b>Crown Limited Proposed Refinancing</b> - That Crown Limited be advised that the Authority does not give approval in principle and would need to see the final documentation before reaching a decision in the matter.	Completed. Letter sent to Crown on 25 February 1999.
143	23-Feb-99	5(d)	<b>Crown Limited Proposed Refinancing</b> - That the Authority suggest to Crown Limited that the company may wish to treat the proposed refinancing as a post merger arrangement.	Completed. Letter sent to Crown on 25 February 1999. On 26 February 1999, Crown advised that a detailed proposal would be submitted. On 5 March 1999, a detailed proposal was received.

**Authority Meeting  
Action Items Report**

MTG NO	MTG DATE	ITEM NO.	TASK	STATUS
143	23-Feb-99	5(f)	<b>Crown Limited Merger With PBL</b> - That the Authority's legal advice in relation to the merger be provided to the Victorian Government Solicitor.	Completed. Subsequent meetings were held. Paper to 30 March 1999 meeting.
143	23-Feb-99	5(g)	<b>Rules of the Games:Baccarat</b> - That the DCS provide a further paper on Modified Baccarat setting out the specifics of the trial proposed by Crown Limited and including suggested conditions the Authority may wish to apply.	Further action required from Crown. See DCS Report to the 30 March 1999 meeting.
143	23-Feb-99	6(a)	<b>DA Against Mr Nathan Croucher</b> - That his licence be suspended for a period of three months.	Croucher advised 18 March 1999
143	23-Feb-99	6(b)	<b>DA Against Mrs Drozdek</b> - That she be sent a letter of censure.	Letter of censure delivered 25 March 1999
143	23-Feb-99	6(c)	<b>DA Against Mr Ricky Johnson</b> - That he be sent a letter of censure.	Letter of censure delivered 25 March 1999
143	23-Feb-99	6(d)	<b>DA Against Mr Thanh Le</b> - That he be sent a show cause notice.	Show Cause Notice sent 9 March 1999. Response due 25 March 1999.
143	23-Feb-99	6(e)	<b>DA Against Mr Richard Dabbs</b> - That he be sent a show cause notice.	Show Cause Notice sent 9 March 1999. Response due 25 March 1999.
143	23-Feb-99	6(f)	<b>DA Against Mr Boris Krasic</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Report to 30 March 1999 meeting.
143	23-Feb-99	6(f)	<b>DA Against Mr Jason Shatford</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Seeking confirmation of receipt of letter. Expect to present to 27 April 1999 meeting.
143	23-Feb-99	6(f)	<b>DA Against Mr Brendan Kelly</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Seeking confirmation of receipt of letter. Expect to present to 27 April 1999 meeting.
143	23-Feb-99	6(f)	<b>DA Against Ms Jaqueline LeToille</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Licence surrendered.
143	23-Feb-99	6(h)	<b>Authority Hearings</b> - That hearings be scheduled on Monday 29 and Wednesday 31 March 1999 as per the minutes of the meeting.	Hearings have been scheduled.

**Authority Meeting  
Action Items Report**

MTG NO	MTG DATE	ITEM NO.	TASK	STATUS
143	23-Feb-99	6(h)	<b>Authority Hearings</b> - That hearings be scheduled on Thursday 1 and Wednesday 7 April 1999 as per the minutes of the meeting.	Hearings have been scheduled.
143	23-Feb-99	7(m)	<b>Mr Kallonas &amp; Jordonas Pty Ltd</b> That a written notice be sent to Jordonas Pty Ltd as per the minutes of the meeting.	Notice served 12 March 1999. Has until 26 March 1999 to respond. Paper to 27 April 1999 meeting.
143	23-Feb-99	7(m)	<b>Mr Kallonas &amp; Jordonas Pty Ltd</b> That an instrument of delegation be made as per the minutes of the meeting.	Delegation made on 25 February 1999.
143	23-Feb-99	7(p)	<b>Tattersall's Statewide Linked Jackpot</b> - That Tattersall's be given notice of the Authority's determination before 26 February 1999.	Notice given before due date.
143	23-Feb-99	7(q)	<b>Bingo Centre Operator Application Forms</b> - That an instrument of delegation be made as per the minutes of the meeting.	Delegation made on 25 February 1999.
143	23-Feb-99	7(r)	<b>Semworth Pty Ltd &amp; Mr Costa</b> - That a written notice be sent to Semworth Pty Ltd as per the minutes of the meeting.	Notice served 12 March 1999. Has until 26 March 1999 to respond. Paper to 30 March 1999 meeting.
143	23-Feb-99	7(r)	<b>Semworth Pty Ltd &amp; Mr Costa</b> - That an instrument of delegation be made as per the minutes of the meeting.	Delegation made on 25 February 1999.
143	23-Feb-99	7(t)	<b>Audit Committee Report</b> - That the DGB have a summary report prepared relating to checks made on Authority staff.	Report to 30 March 1999 meeting.
142	9-Feb-99	3(c)	<b>Approval of EGM Games:Olympic</b> - That the new list of games be submitted for gazettal by the DGB.	Games list gazetted on 18 March 1999.
142	9-Feb-99	3(d)	<b>Approval of EGM Games:IGT</b> - That the new list of games be submitted for gazettal by the DGB.	Games list gazetted on 18 March 1999.
142	9-Feb-99	3(f)	<b>DA Against Ms Dianne Reid</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Letter sent 9 February 1999. To be determined 30 March meeting
142	9-Feb-99	3(f)	<b>DA Against Ms Simone Town</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Letter sent 10 February 1999. To be determined 30 March meeting



**Authority Meeting  
Action Items Report**

MTG NO	MTG DATE	ITEM NO.	TASK	STATUS
142	9-Feb-99	3(f)	<b>DA Against Mr Noel Keenan</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Letter sent 9 February 1999. To be determined 30 March meeting
142	9-Feb-99	3(f)	<b>DA Against Mr Brendan Holmes</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Letter sent 10 February 1999. Licence surrendered
142	9-Feb-99	3(f)	<b>DA Against Ms Lorna Keays</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Letter sent 9 February 1999. To be determined 30 March meeting
142	9-Feb-99	3(f)	<b>DA Against Mr George Varsamis</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Hearing requested.
142	9-Feb-99	3(f)	<b>DA Against Ms Heather Ramsden</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Letter sent 10 February 1999. Licence surrendered.
142	9-Feb-99	3(f)	<b>DA Against Mr Giuseppe Salamone</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Hearing requested.
142	9-Feb-99	3(f)	<b>DA Against Mr Dale Harriman</b> - That a letter be sent providing an opportunity for submissions within 14 days.	Hearing requested.

**VICTORIAN CASINO AND GAMING AUTHORITY****Commercial in Confidence****PROPOSED CROWN/PBL MERGER  
— STATUS REPORT****PURPOSE**

1. To brief the Authority concerning the proposed merger of Crown Limited (“**Crown**”) and Publishing and Broadcasting Limited (“**PBL**”).

**BACKGROUND**

2. On 14 December 1998, Crown and PBL announced a merger proposal under which Crown would become a wholly owned subsidiary of PBL, Crown’s existing shareholders having exchanged their Crown shares for PBL shares on an 11 for 1 swap.
3. The merger proposal has now obtained all the approvals required under the Corporations Law. However, it cannot proceed until aspects of it are approved by the Authority and the State of Victoria. The areas for consideration are dealt with in supporting papers to this Status Report:
  - Commercial regulation—Supporting Paper No. 1;
  - Refinancing—Supporting Paper No. 2;
  - Legal treatment of economic impact—Supporting Paper No. 3;
  - Probity—Supporting Paper No. 4.

**RECOMMENDATION**

4. That—
  - (a) each of the supporting papers be noted; and
  - (b) a special meeting be convened to consider the proposed merger and to receive a presentation from PBL.

**Approved:**  
**Director of Gaming and Betting**Meeting: No. 145  
30 March 1999