

Decision and reasons for decision

Disciplinary action against Warrnambool Horse Hotel Pty Ltd ACN 658 938 599, operating the Flying Horse Bar and Brewery, located at 10691 Princes Highway, Warrnambool, Victoria under section 3.4.25 of the Gambling Regulation Act 2003 (Vic).

Delegate	Angela Grozos Director, Gambling Division Victorian Gambling and Casino Control Commission
Date of decision	9 February 2026
Date of reasons	9 February 2026
Delegation	Pursuant to the Instrument of Revocation and Delegation dated 31 October 2024 and effective 11 November 2024, I, Angela Grozos Director, Gambling Division of the Victorian Gambling and Casino Control Commission, make this decision under section 3.4.25 of the <i>Gambling Regulation Act 2003</i> (Vic).
Decision	For the reasons attached to this Decision, I have found there are grounds for taking disciplinary action and decided to take disciplinary action against the venue operator Warrnambool Horse Hotel Pty Ltd, by imposing a fine in the amount of \$150,000 to be paid within 28 days of the date of this decision or another period as agreed by the Victorian Gambling and Casino Control Commission.
Signed	 Angela Grozos Director, Gambling Division Victorian Gambling & Casino and Control Commission

Introduction

- 1) This is the Victorian Gambling and Casino Control Commission's (**Commission**) decision on the disciplinary action against the Warrnambool Horse Hotel Pty Ltd (the **venue operator**) under section 3.4.25 of the *Gambling Regulation Act 20023* (Vic) (**Act**), having issued the venue operator a notice to show cause on 28 February 2025 (the **Notice**).
- 2) The venue operator operates an approved premises trading as the Flying Horse Bar and Brewery (the **venue**) located at 10691 Princes Highway, Warrnambool, Victoria. Venue operator licence no. V22100520 (**VOL**) was issued by the Commission on 7 July 2022 to the venue operator. The venue operator is licensed to operate eight electronic gaming machines in the gaming machine area (**GMA**) of the approved premises.
- 3) The venue operator has adopted the Leigh Barrett & Associates Responsible Gambling Code of Conduct dated November 2020 Version 4.2 Code 21 (the **code**).
- 4) Authorised Gambling Inspectors (**Inspectors**) attended the venue on 20 February 2024 and 22 February 2024.
- 5) With the exception of 2 breaches referred to in the Notice,¹ the venue operator does not contest the breaches contained in the Notice. The venue operator disputed some of the particulars alleged, but conceded that notwithstanding the disputed particulars, grounds for disciplinary action exist.
- 6) The venue operator submitted that the appropriate disciplinary action would be the imposition of a fine together with amendment of conditions of its VOL pursuant to section 3.4.17(4)(a) of the Act.

Summary of Decision

- 7) For the reasons that follow, the Commission has determined to take disciplinary action against the venue operator and that the appropriate disciplinary action is the imposition of a fine in the amount of \$150,000.

Findings

- 8) The Commission is satisfied that the following "grounds for disciplinary action" exist:
- 9) Ground 1: section 3.4.25(1)(i) of the Act - repeated breaches of the code:

Breach: Lack of responsible gaming officer (RGO) in GMA

 - a. Clause 7.2 of the code requires a RGO to be available in the GMA at all times that gaming machines are available for gaming.
 - b. On 22 occasions between 31 January 2024 and 22 February 2024, excluding 21 February 2024, the venue operator did not have a RGO available in the GMA for the entire time gaming machines were available for gaming.

Breach: Lack of interaction with Patron showing sign of distress

- c. Clause 3.6(b) of the code provides that venue staff are expected to interact with a customer who plays multiple gaming machines simultaneously. The Ministerial Direction defines 'interaction' to mean "measured assistance based on a case-by-case assessment by venue staff."
- d. On 3 occasions, namely 31 January 2024, 2 February 2024 and 11 February 2024, a patron played 2 EGMs simultaneously without interaction from any venue staff.

¹ Lack of gaming industry employee in GMA and patron playing multiple gaming machines.

Breach: Service of beverage without interaction

- e. Clause 6.4 of the code provides that a customer seated at or playing a gaming machine may be offered food or beverage provided it is offered as part of an interaction with that customer.
- f. On 1 February 2024, a venue staff member served a beverage to a customer who was seated at and playing a gaming machine, without any interaction from the venue staff with the customer seated.

Breach: Venue staff playing gaming machine

- g. Clause 4.1 of the code does not permit venue staff to play a gaming machine on a rostered day of work at the venue.
- h. On 1 February 2024, a venue staff member played two gaming machines using residual credits during a rostered shift.

- 10) Ground 2: section 3.4.25(1)(d)(ii) / section 3.4.1B of the Act
- 11) Section 3.4.1B of the Act provides that a venue operator must comply with a standard made by the Commission under section 10.1.5B of the Act in respect of the conduct of gaming, or an operational requirement determined by the Commission under section 10.1.5C of the Act.
 - a. The Accounting and Auditing Venue Requirements, March 2023 V4.7 (**AAVR**) are operational requirements made by the Commission pursuant to s 10.1.5C of the Act.
 - b. Paragraph 4.2 of the AAVR requires at least one GIE to be on duty at all times. On 12 occasions, between 29 January 2024 and 20 February 2024, there was no licensed GIE rostered on at the venue.
 - c. Paragraph 4.2 of the AAVR requires the venue operator to retain CCTV footage of the GMA of the venue for a minimum of 28 days. As at 29 February 2024, the venue operator failed to retain CCTV footage for the requisite period and was only able to produce CCTV footage for the previous 22 days.
 - d. Paragraph 4.2 of the AAVR requires the venue operator to maintain a CCTV system that can record the GMA of the venue continuously without interruption 24 hours a day, 7 days a week. As at 29 February 2024 the venue operator's CCTV system was unable to, or failed to, record continuously without interruption.
 - e. Paragraph 2.2 of the AAVR requires the venue operator to maintain an unclaimed winnings register as required under the *Unclaimed Monies Act 2008* (Vic). As at 29 February 2024, the venue operator failed to maintain an unclaimed winnings register that detailed unclaimed monies held as at 1 March 2023.²

Appropriate action

- 12) Section 3.4.25(4) entitles the Commission to take any disciplinary action against the venue operator as it sees fit.³
- 13) I have concluded that disciplinary action in the form of a fine of \$150,000 is warranted for the following reasons:

² See s 11(1) *Unclaimed Monies Act 2008* (Vic).

³ Section 3.4.25(1) of the Act provides that the disciplinary action the VGCCC may take is any of the following:

- a. the cancellation or suspension of the venue operator's licence;
- b. the variation of the conditions of the venue operator's licence;
- c. the issuing of a letter of censure to the venue operator;
- d. the imposition of a fine on a venue operator not exceeding an amount that is 5000 times the value of a penalty unit fixed by the Treasurer under section 5(3) of the *Monetary Units Act 2004* (Vic) on the venue operator

14) **the nature and seriousness of the offending:** The breaches were multiple, repeated, and importantly, some of which concerned fundamental harm minimisation controls, rather than technical or peripheral requirements. The multiple contraventions occurred over several weeks and were not isolated incidences of non-compliance with core operational requirements.

- a. **The extent of harm or risk of harm:** While no specific instances of proven gambling harm were required to be established, some of the contraventions potentially elevated the risk of harm, particularly given the absence of trained staff in the gaming machine area and failures to intervene where mandated.
- b. The venue operator has direct responsibility for ensuring compliance with staffing, supervision and monitoring obligations. These are central to the privilege of holding a gaming venue operator licence.

The pattern of non-compliance reflected inadequate systems and controls to ensure compliance with regulatory obligations.

- c. As mitigating factors, the following was considered:
 - i. The venue operator accepted and acknowledged the breaches.
 - ii. The relative size of venue operator and its ability to pay the fine.
 - iii. The need for specific and general deterrence, particularly for failures that affect harm minimisation safeguards, to reinforce to the venue operator — and to the industry more broadly — that failures, particularly those affecting harm minimisation safeguards will attract meaningful regulatory consequences, even for smaller regional venues.