

Decision and reasons for decision

In the matter of disciplinary action against Keno (VIC) Pty Ltd (ACN 105 341 366) under section 6A.3.27 of the *Gambling Regulation Act 2003* (Vic)

Commission	Chris O'Neill APM , Chair Andrew Scott, Deputy Chair Dr Ron Ben-David, Deputy Chair Claire Miller, Commissioner
Date of decision	15 July 2026
Date of reasons	15 July 2026
Decision	For the reasons attached to this decision, the Victorian Gambling and Casino Control Commission has determined: - to take disciplinary action against Keno (VIC) Pty Ltd (ACN 105 341 366) pursuant to section 6A.3.27(3)(a)(ii) of the <i>Gambling Regulation Act 2003</i> (Vic) (Act), for a contravention of section 6A.3.26(e) of the Act; and - that the appropriate disciplinary action is the imposition of a fine in the amount of \$75,000.
Signed	
	Chris O'Neill APM Chair

Introduction

1. This is the Victorian Gambling and Casino Control Commission's (**Commission**) decision and reasons for decision regarding the determination of what, if any, disciplinary action to take against Keno (VIC) Pty Ltd (ACN 105 341 366) (**Keno VIC**) under section 6A.3.27 of the Gambling Regulation Act 2003 (Vic) (**Act**).

Decision

2. For the following reasons, the VGCCC has determined to take disciplinary action against Keno VIC under section 6A.3.27(3)(a)(ii) of the Act, and that the appropriate disciplinary action is the imposition of a fine in the amount of \$75,000.

Background

Keno VIC's obligations

3. Keno VIC is one of two Victorian keno licence holders, and its keno licence authorises Keno VIC to conduct approved keno games in Victoria from 15 April 2022 for a 20 year term (**Licence**).
4. In addition to Keno VIC's obligations to comply with the Act and the Licence, Keno VIC is also required to comply with the Related Agreement dated 21 February 2022 (**Related Agreement**).¹ Clause 3.1(a) of the Related Agreement requires Keno VIC to comply with the Technical Standards dated 2 June 2022 (**Technical Standards**), which prescribe mandatory requirements for the operation of Keno systems, including player account controls and harm minimisation measures. A failure to comply with the Technical Standards therefore constitutes a breach of the Related Agreement and gives rise to a ground for disciplinary action under section 6A.3.26(e) of the Act.
5. The Technical Standards include core requirements relating to player account integrity. Relevantly:
 - a) Paragraph 7.2.1 provides that only natural persons over the age of 18 years who have not self-excluded from Keno are permitted to create a player account; and
 - b) Paragraph 7.2.2 provides that a person must not have more than one player account per licensee.
6. These provisions are central to ensuring that vulnerable persons, including self-excluded individuals, are prevented from accessing gambling services, and to maintaining the integrity of account-based gambling systems.

The Breaches

7. On 6 October 2024, a person who was self-excluded from Keno VIC (**Customer**) was able to create a second online keno account with Keno VIC. This occurred notwithstanding the Customer's existing self-exclusion and prior account, and resulted in the Customer holding two accounts in contravention of paragraphs 7.2.1 and 7.2.2 of the Technical Standards, giving rise to two breaches of clause 3.1(a) of the Related Agreement.

¹ The Related Agreement is entered into between the then Minister for Consumer Affairs, Gaming and Liquor Regulation and Keno VIC pursuant to section 6A.3.10 of the Act, to better facilitate the arrangements between the Minister and Keno VIC in relation to certain matters relating to the Conduct of Approved Keno Games under the Licence.

8. Shortly after creating the second account, the Customer² deposited funds into the account and participated in online keno games,³ on a Restricted Play Period⁴ (a period during which limited gambling is permitted by Keno VIC prior to identity verification).
9. The Customer's gambling occurred within the context of Keno VIC's identity verification processes, which at the time permitted account creation and limited gambling activity prior to identity verification.

The Notice to Show Cause

10. On 26 February 2026, the Commission issued a Notice to Show Cause (**Notice**) to Keno VIC, alleging breaches of the Related Agreement as outlined above.
11. On 26 March 2026, Keno VIC provided written submissions in response to the Notice (**Keno Response**). The Commission has considered all the materials provided to it by Keno VIC in this matter, including the Keno Response.
12. In summary, Keno VIC admits that a self-excluded customer (i.e. the Customer) was able to circumvent its controls and gamble, but says this was a one-off failure caused by the customer deliberately using different details, not a systemic issue.
13. Keno VIC explains that its system had been approved and included checks like account matching and IDV, and that it detected the issue quickly, closed both accounts, refunded the money, and compensated the Customer.
14. Since then, Keno VIC has implemented several improvements and proposed further enhancements to strengthen its controls (especially around identity checks and preventing duplicate accounts).
15. While accepting responsibility and the seriousness of the incident, Keno VIC argues that its prompt response and ongoing improvements mean a formal caution would be the appropriate outcome, recognising both the seriousness of the incident and the absence of systemic disregard.

Basis for disciplinary action

16. This disciplinary action arose because on 6 October 2024, the Customer, who was a self-excluded person at the time, was able to create a second account. The seriousness of this conduct is heightened by the fact that the Customer then deposited money and engaged in gambling with Keno VIC.
17. The Commission is satisfied that on 6 October 2024, Keno VIC breached the following Technical Standards:
 - a) Paragraph 7.2.1 - only natural persons over the age of 18 years who have not self-excluded from Keno, are permitted to create a Player Account; and
 - b) Paragraph 7.2.2 - A person must not have more than one Player Account per Licensee.

² The deposit of funds occurs only on 6 October 2024, whereas the Customer participated in online keno games on 6 and 7 October 2024.

³ While not relevant to this decision, the Commission notes a keno game provider must not permit a keno account holder who has self-excluded to: (a) deposit money into a keno account; or (b) enter online keno games using their account.

⁴ If a customer failed automatic identity verification in the first instance at sign-up, they were still permitted to open an account and commence gambling during a "Restricted Play Period." During this period, their identity was required to be manually verified within fourteen days (later reduced to three days from 18 February 2025). Restrictions imposed consisted of a \$1,000 weekly spend limit and deposit limit, as well as the inability to make withdrawals.

18. The Commission considers these failures arose in the context of Keno VIC's identity verification system, which allowed the Customer, who had not passed automated identity verification, to create a second player account and engage in gambling activity during the Restricted Play Period.
19. Clause 3.1(a) of the Related Agreement requires Keno VIC to comply with the Technical Standards.
20. Therefore, the Commission considers that the two contraventions of the Technical Standards are established and constitute two breaches of the Related Agreement, thereby giving rise to a ground for disciplinary action.

What is the appropriate Disciplinary Action

21. Section 6A.3.27(3) of the Act provides that following the Commission's consideration of Keno VIC's submissions, the Commission:
 - a) may take either or both of the following disciplinary actions:
 - i. issue a letter of censure to Keno VIC;
 - ii. fine Keno VIC an amount 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); or
 - b) may make a written report to the Minister recommending that the Minister take disciplinary action against Keno VIC under section 6A.3.28 of the Act.
22. Having regard to the nature and seriousness of the contraventions, the Commission considers that disciplinary action is warranted, being the imposition of a fine. In determining the appropriate sanction, the Commission has considered:
 - a) the objectives of the Act, including the need to foster responsible gambling in order to minimise harm caused by problem gambling and accommodate those who gamble without harming themselves or others;⁵
 - b) the seriousness of the conduct, including the gambling by a self-excluded person;
 - c) the circumstances in which the contraventions occurred, including system design features that permitted account creation and gambling prior to full identity verification;
 - d) the aggravating and mitigating factors, with consideration to Keno VIC's submissions, including its acceptance of responsibility, cooperation, and remediation efforts; and
 - e) the need to achieve both specific and general deterrence.

Setting the fine in this case

23. The Commission's approach to setting a fine has been addressed in prior determinations, and therefore it does not intend to set out that approach here.⁶ Having regard to the circumstances outlined above and the reasons set out below, the Commission considers that a fine of \$75,000 is appropriate. The fine is payable within 28 days of the date of these reasons.
24. The fine reflects the seriousness of the contraventions, appropriately recognises the aggravating and mitigating factors, and is sufficient to achieve the objectives of specific and general deterrence.

⁵ See also section 8A(b) of the *Victorian Gambling and Casino Control Commission Act 2011* (Vic), which states "[t]he objectives of the Commission are... to minimise gambling harm."

⁶ See the VGCCC's reasons for decision in disciplinary action taken against the casino operator for the 'China Union Pay' process (https://www.vgccc.vic.gov.au/sites/default/files/2024-04/vgccc_decision_-_china_union_pay.pdf) and Responsible Service of Gambling failings (https://www.vgccc.vic.gov.au/sites/default/files/2024-04/reasons_for_decision_rsg_da.pdf).

25. The Commission also notes the maximum fine is a factor which ought to be taken into account in fixing the appropriate form of disciplinary action, and in particular the amount of a fine (if any) to be imposed.⁷ The statutory maximum fine is \$987,950,⁸ generally reserved for the most serious and egregious breaches, which the Commission considers these are not.

Objectives of the Act and the *Victorian Gambling and Casino Control Commission Act 2011* (Vic)

26. The Commission considers that the imposition of a fine is supported by the objectives of the Act, in particular the need to foster responsible gambling in order to minimise harm caused by problem gambling. This is further reinforced by section 8A(b) of the *Victorian Gambling and Casino Control Commission Act 2011* (Vic), which states “[t]he objectives of the Commission are ... to minimise gambling harm.”
27. The contraventions involved failures in player account controls, including requirements to prevent vulnerable persons (including self-excluded persons and minors) from creating accounts and to ensure that individuals hold only a single account. These controls are essential to the integrity of the regulatory framework and underpin the effective operation of harm minimisation measures.
28. While the creation of a second account by the self-excluded Customer was itself enough to breach the Technical Standards, the fact that the breaches enabled the Customer to then gamble demonstrates the risk that arises when those Standards are not effectively implemented.
29. A fine is therefore warranted to reinforce strict compliance with player account controls as a means of achieving the Act’s harm minimisation objectives.

Seriousness of the conduct

30. The Commission considers the contraventions to be of moderate objective seriousness. While the breaches concern failures in account creation controls, they arose in the context of system design settings that permitted account creation and limited gambling prior to identity verification. This created a real risk that ineligible persons, including self-excluded individuals, could access gambling services. That risk materialised in the case of the Customer.
31. Further, the materialised risk resulting in the self-excluded Customer gambling elevates the objective seriousness of the breaches.

Circumstances of the contraventions

32. The Commission places significant weight on the fact that the contraventions occurred within a control framework that operated as designed. The Restricted Play Period was an intentional system feature that permitted customers who had not passed identity verification to create accounts and engage in limited gambling. The Commission considers that this design materially increased the risk of non-compliance with the Technical Standards and of harm to vulnerable individuals. This is an aggravating factor.
33. Although this design formed part of the approved system, such approval does not discharge the licensee from compliance with its obligations. The onus remains on Keno VIC to ensure that it does not breach

⁷ See *Markarian v The Queen* (2005) 228 CLR 357; [2005] HCA 25 at [31] per Gleeson CJ, Gummow, Hayne and Callinan JJ. The Full Court of the Federal Court has confirmed that these principles apply in civil penalty cases, and, while noting they must not be mechanically applied, that there must be a reasonable relationship between the theoretical maximum and the final penalty imposed: *ACCC v Reckitt (Australia) Pty Ltd* (2016) 340 ALR 25, [154] – [156].

⁸ The value of a penalty unit for FY24-25 is \$197.59, being the applicable period of time of the contraventions of the Technical Standards.

the Technical Standards, either via the operation of its systems or otherwise. In this context, the system created a material risk that account creation controls could be circumvented or operate ineffectively in practice. That risk materialised in this instance, allowing an individual to create a second account contrary to the Technical Standards.

34. The Commission considers that these circumstances support the imposition of a fine to address the deficiencies in the control environment.

Aggravating and Mitigating Factors

35. The Commission has taken into account the relevant aggravating and mitigating factors, including the matters raised in Keno VIC's submissions.
36. In aggravation, the Commission notes the contraventions involved a self excluded person who also participated in gambling, which is inherently serious and directly undermines harm minimisation objectives. The creation of a second account by a self-excluded person is an aggravating feature of the breach of paragraph 7.2.2 of the Technical Standards. The fact that the Customer then gambled is an aggravating feature of both breaches. These circumstances heighten the seriousness of the conduct, as deficiencies in account controls enabled a self-excluded person to create and use a player account and to participate in gambling during the Restricted Play Period. This underscores the importance of robust account creation controls as a foundational harm minimisation mechanism.
37. In mitigation, the Commission accepts that the Customer appears to have deliberately circumvented controls by providing altered identity information, which likely contributed to the failure of detection at account creation. The Commission also accepts that Keno VIC detected the duplicate account, suspended it relatively promptly, and undertook an internal investigation. Keno VIC refunded the Customer's deposits in full, and did not derive any financial benefit from the Customer's gambling.
38. The Commission has also considered Keno VIC's acceptance of responsibility, its cooperation, and the implementation and proposed implementation of remediation measures to strengthen identity verification and account matching processes, as well as its absence of a compliance history.

Specific and General Deterrence

39. The Commission considers that a fine is necessary to achieve both specific and general deterrence. In relation to Keno VIC, the fine reinforces the need to ensure that account creation and identity verification controls are robust, effective in practice, and capable of preventing circumvention.
40. However, the need for specific deterrence is moderated in this case, given that Keno VIC has no prior compliance history and has indicated its intention to remove the Restricted Play Period. Keno VIC has already implemented interim measures to prevent unverified customers from gambling, although those measures do not prevent unverified customers from creating accounts. Accordingly, while these steps reduce the risk, a residual and ongoing risk of breaches of the Technical Standards remains.
41. More broadly, the imposition of a fine signals to industry participants that failures in foundational control environments, particularly those that materially risk creating pathways to harm, will attract meaningful regulatory consequences.

Size of Keno VIC

42. The Commission has had regard to Keno VIC's size and financial capacity as a major licensee, being the holder of one of two Keno licences in Victoria, and a subsidiary of The Lottery Corporation,⁹ an ASX-listed company with a market capitalisation of around \$12 billion and a net profit after tax of \$366 million for the 2024/2025 financial year. Keno VIC operates 477 licensed Keno venues in Victoria as part of a national network of more than 3,200 Keno venues.
43. The size and scale of Keno VIC, including the financial strength of its parent company The Lottery Corporation, demonstrate its capacity to pay a financial penalty.

⁹ Further details are found in this publicly available link: [2026 Investor Day Presentation - The Lottery Corporation Limited \(ASX:TLC\) - Listcorp](#). Financial details and details of Keno VIC's licensed venues are contained in the linked 'Investor Day 2026' slide deck, pages 5 and 10 respectively. The Lottery Corporation also operates public lotteries through its second subsidiary, Tattersall's Sweeps Pty Ltd.