

INTELLIGENCE REPORT

Fyansford Hotel - Application to increase EGMs from 40 to 68

Regulatory Services Division
Risk, Intelligence and Assurance

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Report Scope

Purpose

This Intelligence Report (**IR**) relates to venue operator PJ Cook Investments Pty Ltd, trading as Fyansford Hotel (venue ID 9619).

The IR aims to provide the Commission with insightful information, including an assessment of qualitative and quantitative data, to assist in making a decision on an application from the PJ Cook Investments Pty Ltd's to increase the number of Electronic Gaming Machines (**EGMs**) to operate at the Fyansford Hotel from 40 to 68.

For analytical purposes, this report uses **39 EGMs as the venue's current operating base**. While the application formally seeks an increase in gaming machine entitlements from 40 to 68, the venue has not operated its full entitlement and has operated 39 of its 40 entitled EGMs since 2022. Its current expenditure and performance therefore reflect 39 operating EGMs. Accordingly, the projections assess the practical increase from 39 to 68 EGMs, equivalent to 29 additional operating machines. This is consistent with the approach adopted by ShineWing (SW) Partners expenditure report.

Intelligence Report Scope

In compiling this IR, the Risk, Intelligence and Assurance team (**RIA**) of the Regulatory Services Division (**RSD**) focused on providing insights relating to the following information:

- Net Machine Revenue (**NMR**), with the assessment focusing on:
 - The player loss and NMR data for venues with similar attributes to Fyansford Hotel.
 - A comparative analysis of player loss and NMR data for venues in the City of Greater Geelong and for neighbouring Local government Areas (**LGAs**).
 - Comparison between RIA's projected NMR and Fyansford Hotel's.
- Community and Council responses regarding Fyansford Hotel's proposal.
- Complaints and tip-offs against Fyansford Hotel's received by the Commission.
- Compliance history of Fyansford Hotel.
- Intelligence on Fyansford Hotel and its associates, including probity checks and media scan.

The sources of information and data included:

- VGCCC data on gaming venue player losses and population demographics.
- Additional Intralot Gaming Services (**IGS**) data.
- Probity checks conducted by RIA.
- Compass system data, including complaints and compliance records.
- Fyansford Hotel's application for approval to increase number of EGMs at the venue (67 Hyland St, Fyansford VIC 3221).
- Council agenda notes and meeting minutes from the City of Greater Geelong.
- Australian Bureau of Statistics (**ABS**) population data.
- Relevant Open-Source Intelligence (**OSINT**) including mainstream media reports and open social media posts (available to the public).

Note that RIA continue to embed enhancements to this process and the broader content of the IR, based off discussions with the Commission during the recent holistic assessment of the EGM Application process.

Executive Summary

Over the latest 12 months to May 2026, Fyansford Hotel generated approximately **\$3.64 million in player loss**, equivalent to an NMR of **\$255.2 per EGM per day**. Based on the NMR, the venue ranks **fourth among the six venues compared with 68 EGMs and 18th of 25 venues in Greater Geelong**, with its NMR approximately **11% below the LGA average**.

Applicant's projection:

- Projected NMR: **\$179.2 (Low), \$184.2 (Medium), \$189.2 (High)** per EGM per day
- Additional expenditure: **\$1.11 million (Low), \$1.24 million (Medium) and \$1.36 million (High)**
- Total projected expenditure: **\$4.45 million (Low), \$4.57 million (Medium) and \$4.70 million (High)**

The applicant estimate assumes that the proposed **74.4% increase in operating EGMs** would generate only a **37.1% increase in expenditure**, resulting in a material fall in revenue per machine.

RIA's projection:

- Projected NMR: **\$166.7 (Low), \$241.0 (Base), \$301.2 (High)** per EGM per day
- Additional expenditure: **\$0 (Low), \$1.85 million (Base) and \$3.34 million (High)**
- Total projected expenditure: **\$4.14 million (Low), \$5.99 million (Base) and \$7.48 million (High)**

The low case assumes that the additional EGMs generate no new venue expenditure and existing play is redistributed across a larger machine base. The base case assumes Fyansford captures a moderate increase in Greater Geelong market share, although not enough to maintain its current NMR. The high case assumes a stronger market-share gain consistent with the upper historical outcomes observed following previous EGM increases within Greater Geelong.

The applicant applies a fixed relationship derived from 5 regional hotels, 4 of which are located outside Greater Geelong, and assumes that Fyansford's 74.4% increase in EGMs would produce only a 37.1% increase in expenditure. RIA considers this a useful conservative benchmark, but not sufficient on its own to estimate Fyansford's likely outcome, as the observed results may also reflect differences in local demand, population growth, competition, venue performance and market conditions. RIA therefore gives greater weight to Fyansford's latest performance and to the outcomes of previous EGM increases within Greater Geelong, as these provide a more directly relevant basis for estimating the additional share of the local market the venue may capture.

Existing EGM Usage:

Over the past 12 months, the existing EGM in operation at the venue are used intensively during the venue's core afternoon and evening trading periods, with at least **85% of machines in sustained use from 2pm to midnight** and usage generally reaching **94% to 98% from Thursday to Saturday**. However, no period recorded full usage, indicating strong peak demand but not a consistent capacity constraint across the day.

Compliance and Probity Checks:

- Compliance checks identified two financial contraventions during the pre-hearing inspection on 19 June 2026: a prohibited transaction through the nominated gaming account and failure to prepare and retain a required gaming transaction summary. A non-compliance notice was issued on 25 June 2026. A separate 2020 investigation resulted in no enforcement action.
- Probity checks did not identify evidence of suspected misconduct by P.J. Cook Investments Pty Ltd and Fyansford Hotel. A historical suspension of nominee Jayden William Jacobson's Gaming Industry Employee licence ended in October 2018, and he obtained a new licence commencing in February 2023. One internal intelligence record from November 2021 concerned incorrect EGM signage. No tip-offs were identified against the applicant or venue.
- In 2012, P.J. Cook Investments Pty Ltd applied for and received approval to introduce 40 EGMs at the Fyansford Hotel. The City of Greater Geelong and sections of the community opposed the proposal, citing concerns about disadvantage, problem gambling and the venue potentially becoming more accessible as surrounding residential development progressed. The Commission ultimately found the likely social impact to be neutral and the economic impact beneficial and approved the application.

Quantitative Data Analysis

NMR Benchmarking Assessment

NMR represents the daily player loss, per EGM, generated at a venue. RIA calculated a range of NMR estimates using several methodologies and modelling approaches to determine the likely outcomes for the applicant, should it be granted its application.

The following comparative factors were considered:

- Comparison with venues of similar number of EGMs (65 to 71 EGMs)
- Comparison with Venues within the Same LGA (25 venues in City of Greater Geelong)
- Comparison with Neighbouring LGAs (Moorabool and Surf Coast)
- Comparison with LGAs of Similar Population (160 to 415 thousand residents)

Comparison with Venues of Similar Number of EGMs

Table 1 compares applicant's current NMR with venues already operating 68 EGMs, consistent with the applicant's proposed post-approval capacity. Over the latest 12-month period, Fyansford Hotel generated player loss of approximately **\$3.64 million from 39 EGMs**, equating to an NMR of **\$255.2 per EGM per day**.

The applicant ranks **fourth among the six venues shown**. Its NMR is approximately **5% below the average of \$269.0** recorded across the other five 68-EGM venues.

Despite currently operating 29 fewer EGMs, Fyansford Hotel's per-machine performance is therefore broadly comparable with venues already operating at the proposed capacity. This indicates that its existing EGM fleet is generating relatively strong utilisation and player loss on a per-machine basis.

Table 1 - Current NMR ranked and compared with existing 68-EGM venues in 12 months leading to May 2026

Venue Code	Venue Name	LGA Name	Player Loss	Number of EGMs	NMR
449	NEWMARKET TAVERN	City of Moonee Valley	\$ 11,007,129	68	\$ 443.2
324	WONTHAGGI CLUB	Shire of Bass Coast	\$ 6,699,006	68	\$ 269.7
9602	CROWN HOTEL	Shire of Yarra Ranges	\$ 6,681,452	68	\$ 269.0
9619	FYANSFORD HOTEL	City of Greater Geelong	\$ 3,635,280	39	\$ 255.2
391	ROBINVALE GOLF CLUB	Rural City of Swan Hill	\$ 4,627,389	68	\$ 186.3
563	RESERVOIR RSL	City of Darebin	\$ 4,391,132	68	\$ 176.8
Others*			\$ 9,663,495	65 - 71	\$ 387.7

* Venues with EGMs between 65 - 71, excluding 68-EGM venues – Calculated figures are averaged and rounded.

Comparison with Venues within the Same LGA (City of Greater Geelong)

Table 2 compares applicant's NMR with all EGM venues operating within the City of Greater Geelong. NMR across the LGA ranges from **\$63.3 to \$471.5 per EGM per day**, with an average of **\$288.1**.

The applicant's NMR of **\$255.2** ranks the venue **18th out of 25 venues** in the LGA and places it approximately **11% below the LGA average**.

The comparison indicates that the applicant's current per-machine performance is below the middle of the local market. The wide range of NMR outcomes also shows that venue performance within Greater Geelong varies considerably and is not determined solely by the number of EGMs operated.

Table 2 – Current NMR ranked and compared within the applicant's LGA in 12 months leading to May 2026

Venue Code	Venue Name	Player Loss	Number of EGMs	NMR
237	SPHINX ENTERTAINMENT CENTRE	\$ 11,539,056	67	\$ 471.5
6482	GROVEDALE HOTEL	\$ 12,266,324	80	\$ 419.8
152	SHELL CLUB	\$ 10,682,458	77	\$ 379.8
10101	PENINSULA HOTEL MOTEL	\$ 7,534,727	55	\$ 375.1
224	LEOPOLD SPORTSMANS CLUB	\$ 5,558,439	42	\$ 362.3
468	GATEWAY HOTEL	\$ 6,478,512	50	\$ 354.7
101	NORLANE HOTEL	\$ 10,250,807	84	\$ 334.1
9923	LORD OF THE ISLES TAVERN	\$ 7,170,544	60	\$ 327.2
7582	WAURN PONDS HOTEL	\$ 9,537,171	81	\$ 322.4
524	AUSTRALIAN CROATIAN NATIONAL HALL	\$ 3,305,128	30	\$ 301.6
981	CLIFTON SPRINGS GOLF CLUB	\$ 5,478,403	50	\$ 300.0
335	PORTARLINGTON GOLF CLUB	\$ 6,947,736	65	\$ 292.6
5782	PHOENIX HOTEL	\$ 2,954,983	28	\$ 288.9
516	GREAT WESTERN HOTEL	\$ 3,795,485	36	\$ 288.7
226	GEELONG COMBINED LEAGUES CLUB	\$ 10,844,474	105	\$ 282.8
8022	JOKERS ON RYRIE	\$ 4,787,514	47	\$ 278.9
621	GEELONG RSL	\$ 7,234,809	72	\$ 275.1
9619	FYANSFORD HOTEL	\$ 3,635,280	39	\$ 255.2
132	OCEAN GROVE BOWLING CLUB	\$ 5,382,067	60	\$ 245.6
962	ST GEORGE WORKERS CLUB	\$ 3,137,086	35	\$ 245.4
1521	LARA HOTEL	\$ 3,435,412	40	\$ 235.1
9810	VALLEY INN HOTEL	\$ 3,321,828	44	\$ 206.7
417	LARA SPORTING CLUB	\$ 3,076,438	50	\$ 168.5
302	POLISH COMMUNITY ASSOC IN GEELONG	\$ 1,627,180	35	\$ 127.3
208	BELL PARK SPORT & RECREATION CLUB	\$ 647,446	28	\$ 63.3

Comparison with Neighbouring LGAs

Table 3 compares the City of Greater Geelong with the adjacent Shire of Moorabool and Shire of Surf Coast. The applicant's LGA is the largest gaming market of the three, with **25 venues, 1,390 EGMs and approximately \$151.8 million in player loss** over the latest 12-month period.

Greater Geelong also records the highest LGA-wide NMR, at **\$298.9 per EGM per day**, compared with **\$269.1** in Moorabool and **\$171.9** in Surf Coast. This indicates that, at an aggregate level, EGMs operating within Greater Geelong generate stronger per-machine expenditure than those in the surrounding LGAs shown.

Table 3 - NMR comparison of the applicant's LGA with neighbouring LGAs in 12 months leading to May 2026

LGA Code	LGA Name	Region	Number of Venues	Player Loss LTM	Current Number of EGMs	NMR
22750	City of Greater Geelong	C	25	\$ 151,774,021	1,390	\$ 298.9
25150	Shire of Moorabool	C	5	\$ 16,412,507	167	\$ 269.1
26490	Shire of Surf Coast	C	3	\$ 5,587,519	89	\$ 171.9

Comparison with LGAs of Similar Population

Table 4 compares the City of Greater Geelong with LGAs whose estimated resident populations are between half and twice that of Greater Geelong. Across the comparison group, NMR ranges from **\$199.8 to \$573.3 per EGM per day**, with an average of approximately **\$394.8**.

Greater Geelong records an NMR of **\$298.9**, ranking **15th among the 19 LGAs** and approximately **24% below the group average**. This is despite Greater Geelong having the largest number of venues and EGMs in the comparison group.

The results indicate that Greater Geelong represents a substantial gaming market in absolute expenditure terms, but player loss per machine is lower than in most LGAs of a broadly comparable population size.

Table 4 - NMR Comparison of the applicant's LGA with LGAs of Similar Estimated Residential Population (ERP) in 12 months leading to May 2026

LGA Code	LGA Name	Region	Estimated Residential Population	Number of Venues	Player Loss	Current Number of EGMs	NMR
27070	City of Whittlesea	M	259,759	12	\$ 163,551,040	781	573.3
21180	City of Brimbank	M	198,181	15	\$ 185,735,045	890	571.4
24650	City of Melton	M	231,567	7	\$ 105,328,975	523	551.4
21610	City of Casey	M	414,929	13	\$ 174,709,594	913	523.9
23270	City of Hume	M	278,885	14	\$ 156,860,235	833	515.6
22670	City of Greater Dandenong	M	168,684	14	\$ 146,264,629	928	431.5
26980	City of Whitehorse	M	185,256	6	\$ 67,304,291	431	427.5
27260	City of Wyndham	M	347,830	14	\$ 145,271,457	973	408.8
24970	City of Monash	M	211,833	15	\$ 128,673,884	900	391.4
24600	City of Melbourne	M	194,481	10	\$ 106,336,392	756	385.1
22310	City of Glen Eira	M	163,025	9	\$ 81,198,102	629	353.4
21110	City of Boroondara	M	178,601	4	\$ 20,203,574	162	341.4
21890	City of Darebin	M	162,496	11	\$ 86,147,051	714	330.3
25340	Shire of Mornington Peninsula	M	172,217	16	\$ 90,762,604	765	324.8
22750	City of Greater Geelong	C	295,052	25	\$ 151,774,021	1,390	298.9
23670	City of Knox	M	163,820	11	\$ 83,799,211	771	297.6
23430	City of Kingston	M	168,061	16	\$ 92,532,260	879	288.2
24700	City of Merri-bek	M	189,108	12	\$ 66,750,219	639	286.0

LGA Code	LGA Name	Region	Estimated Residential Population	Number of Venues	Player Loss	Current Number of EGMs	NMR
27450	Shire of Yarra Ranges	M	160,906	9	\$ 32,986,233	452	199.8

EGM Usage Rate at the Applicant's premises

RIA assessed EGM usage at the applicant's premises to understand how intensively the existing machines are used across different days and times. This is relevant because the potential effect of additional EGMs depends not only on the number installed, but also on the extent to which the existing fleet is already being used.

Unlike the previous reports, where usage was assessed over a single month, **the current analysis draws on a full 12 months of operating data**. This provides a more representative view of normal venue activity and reduces the influence of short-term or seasonal fluctuations.

Usage is measured as the percentage of installed EGMs recording at least **100 strokes within each two-hour interval**. A stroke records each activation of the bet button and therefore provides a direct indicator of gameplay. Assuming approximately one stroke every five seconds, 100 strokes represent around **8.3 minutes of gameplay** within a two-hour period. The 100-stroke threshold was selected because it is more indicative of sustained use than a machine recording only a small number of strokes, as that could otherwise be classified as active despite receiving very limited play and overstate the effective utilisation of the existing fleet.

Across the venue's operating periods, an average of **76% of EGMs** met the 100-stroke threshold. Usage patterns show that from Table 5 show that:

- between **10am and midday**, usage ranged from 22% to 34%;
- usage increased substantially between **midday and 2pm**, reaching between 73% and 82%;
- from **2pm to midnight**, at least 85% of EGMs met the threshold in every interval across the week;
- the highest usage was generally recorded from Thursday to Saturday during the afternoon and evening, when between 94% and 98% of EGMs were in sustained use; and
- no interval recorded 100% usage.

The results indicate that the existing EGM fleet is used intensively during the venue's core afternoon and evening trading periods, particularly later in the week. However, utilisation is not uniform across the day, with materially lower activity during the morning and early overnight periods. The overall usage rate should therefore be considered together with the time-of-day results, as the average does not fully reflect the concentration of demand during peak periods.

The analysis does not separately identify EGMs that may have been installed but temporarily unavailable because of faults or maintenance. These machines would be recorded as not meeting the usage threshold and may therefore marginally reduce the reported usage rate.

Table 5 - % of EGMs that are active if 100 or more strokes were recorded in the 2-hour interval in 12 months leading to May 2026

Interval	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
00:00-02:00	57%	55%	66%	71%	87%	93%	88%
02:00-04:00	0%	28%	42%	38%	52%	59%	64%
04:00-06:00	0%	0%	0%	0%	0%	0%	3%
06:00-08:00	0%	0%	0%	0%	0%	0%	0%
08:00-10:00	0%	0%	0%	0%	0%	0%	0%
10:00-12:00	27%	22%	27%	34%	22%	29%	23%
12:00-14:00	76%	73%	79%	82%	81%	78%	76%
14:00-16:00	94%	93%	96%	95%	94%	97%	95%

Interval	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
16:00-18:00	94%	95%	97%	97%	97%	97%	98%
18:00-20:00	87%	91%	95%	96%	98%	98%	96%
20:00-22:00	88%	91%	95%	97%	97%	98%	97%
22:00-00:00	85%	86%	93%	96%	98%	97%	91%

The Applicant's NMR Trend, Pre- and Post-Pandemic Lockdown

Table 6 presents the applicant's historical player loss and NMR from 2016 to the latest 12-month period, showing how venue performance changed before, during and after the COVID-19 restrictions.

- Before the pandemic, the venue operated 27 EGMs and recorded a general upward trend in expenditure. Between 2016 and 2019, player loss increased from approximately **\$1.17 million to \$1.68 million**, while NMR rose from **\$118.3 to \$170.4 per EGM per day**.
- Performance weakened during the COVID-affected period. NMR fell to **\$127.5 in 2020** and **\$100.2 in 2021**, reflecting the combined effect of operating restrictions and an increase in the number of EGMs from 27 to 39 over those two years.
- A strong recovery occurred in 2022, when player loss almost doubled to approximately **\$2.82 million** and NMR increased to **\$197.9**. Since then, the venue has continued to operate 39 EGMs, allowing subsequent changes in NMR to be attributed to changes in expenditure rather than further expansion of the machine fleet.
- Post-COVID performance has generally strengthened, notwithstanding a temporary decline in 2024. Player loss increased from approximately **\$3.01 million in 2024 to \$3.64 million over the latest 12 months**, while NMR rose from **\$211.5 to \$255.2**. The latest result is the highest NMR recorded across the period shown and is approximately **50% above the pre-COVID high of \$170.4 recorded in 2019**.

Overall, the historical trend indicates that the applicant's recent growth has been driven by stronger expenditure across the existing 39 EGMs, rather than by an increase in the number of machines.

Table 6 – Applicant's historical NMR trend, pre- and post-Pandemic (COVID) lockdown

Financial Year	Covid Status	Player Loss	Number of EGMs	NMR	NMR Change %
2016	Pre-Covid	\$ 1,166,611	27	\$ 118.3	--
2017	Pre-Covid	\$ 1,126,832	27	\$ 114.3	-3.4%
2018	Pre-Covid	\$ 1,352,922	27	\$ 137.2	+20.1%
2019	Pre-Covid	\$1,680,794	27	\$ 170.4	+24.2%
2020	Covid	\$ 1,489,878	32	\$ 127.5	-25.2%
2021	Covid	\$ 1,427,358	39	\$ 100.2	-21.4%
2022	Covid	\$ 2,819,738	39	\$ 197.9	+97.5%
2023	Post-Covid	\$ 3,302,387	39	\$ 231.8	+17.1%
2024	Post-Covid	\$ 3,012,772	39	\$ 211.5	-8.8%
2025	Post-Covid	\$ 3,236,840	39	\$ 227.2	+7.4%
2026 LTM	Post-Covid	\$ 3,635,280	39	\$ 255.2	+12.3%

NMR and Expenditure Forecast

This section covers expenditure loss and NMR for additional 28 EGMs at the applicant's premises.

The Applicant's Projection

The applicant estimated the additional expenditure by looking at 5 regional hotels that had previously increased their EGM numbers and found that, on average, every 1% increase in machines led to only a 0.499% increase in expenditure.

They applied this relationship to Fyansford's proposed increase from 39 to 68 operating EGMs, meaning a 74.4% increase in machines was assumed to generate only about a 37.1% increase in expenditure. Starting from FY2025 expenditure of \$3,236,840 and adding \$99,517 expected to transfer from Bell Park, they estimated total expenditure of around \$4.57 million, with \$1,237,959 of additional expenditure.

The applicant assumed 40% of that increase would be transferred from other venues and 60% would be new expenditure.

Table 7 – Applicant's assumed additional Gross Gaming Expenditure

Number of Additional EGMs	Current No of EGMs	% Applied	Base Gross Gaming Expenditure	Assumed Additional Gross Gaming Expenditure
(29 / 39)	x	49.9%	x	\$ 3,336,357 = \$ 1,237,959

Table 8 illustrates the applicant's estimated overall increase in expenditure in the first 12 months of trade, post installation of the additional 28 EGMs.¹

Table 8 – Applicant's projected total expenditure and NMR

Projection Range	Additional Expenditure	Total Projected Expenditure	Proposed No. of EGMs	NMR
Low	\$ 1,114,163	\$ 4,450,520	68	\$ 179.18
Medium	\$ 1,237,959	\$ 4,574,316	68	\$ 184.17
High	\$ 1,361,755	\$ 4,698,112	68	\$ 189.15

RIA's Projection

RIA adopted a **market-based, top-down approach**, consistent with the methodology used for the previous application. The projection begins with the size and expected growth of the broader City of Greater Geelong gaming market, before estimating the applicant's likely share of that market and the additional expenditure that may arise from the proposed increase in EGMs.

This approach separates the 2 main drivers of future performance:

1. **Underlying demand:** The amount of gaming expenditure available within the LGA and the applicant's expected share of that expenditure; and
2. **Venue capacity:** The extent to which increasing the number of EGMs entitlements from 40 to 68 may allow the venue to capture additional expenditure.

RIA considers this approach appropriate because additional EGMs do not create demand on their own. Their financial impact depends on the size and growth of the local market, the applicant's existing position within that market, and the historical response of other venues following EGM increases.

¹ Expenditure Report – Fyansford Hotel (final) - SW Accountants & Advisors Pty Ltd.pdf (Page 20)

The projection therefore incorporates:

- the expected size of the City of Greater Geelong EGM market in 2027;
- the applicant's historical expenditure growth and market-share trend;
- historical changes in market share following previous EGM increases and new gaming premises within Greater Geelong; and
- the NMR outcomes of other venues operating within the LGA.

The projected outcomes are then benchmarked against the observed NMR distribution across Greater Geelong venues to assess whether the resulting estimates are reasonable and consistent with current market conditions.

Comparison to Applicant's Approach

- The applicant estimated the increase by examining 5 regional hotels that had previously added a substantial number of EGMs and found that, on average, every 1% increase in machines was associated with only a 0.499% increase in expenditure. Applying that relationship to Fyansford means the proposed 74.4% increase in EGMs is assumed to produce only a 37.1% increase in expenditure, which also implies a material fall in average revenue per machine. This is the main reason their estimate is lower.
- RIA approach instead gives greater weight to Fyansford's own performance, including the more recent January to May 2026 data, its historical growth in expenditure and market share, and the performance of comparable venues, resulting in a higher estimate of what the expanded venue could generate.

1. Estimating the available market

The first step was to estimate the total amount of gaming expenditure available within the City of Greater Geelong in 2027. Venue expenditure cannot grow independently of the broader local market over the long term. Anchoring the projection to LGA expenditure therefore provides a reasonable constraint on the applicant's potential growth.

RIA applied linear trend analysis to total LGA expenditure from 2022 to the latest 12-month period. This period captures the post-COVID recovery and avoids allowing the temporary disruption caused by pandemic restrictions to distort the forward estimate.

Total LGA expenditure increased from approximately **\$104.1 million in 2022 to \$150.6 million over the latest 12 months**. The trend model estimates total expenditure of approximately **\$162.7 million in 2027**, representing growth of approximately **8.0%** from the latest period.

Figure 1 shows the historical expenditure series, trend line, 2027 estimate and model fit:

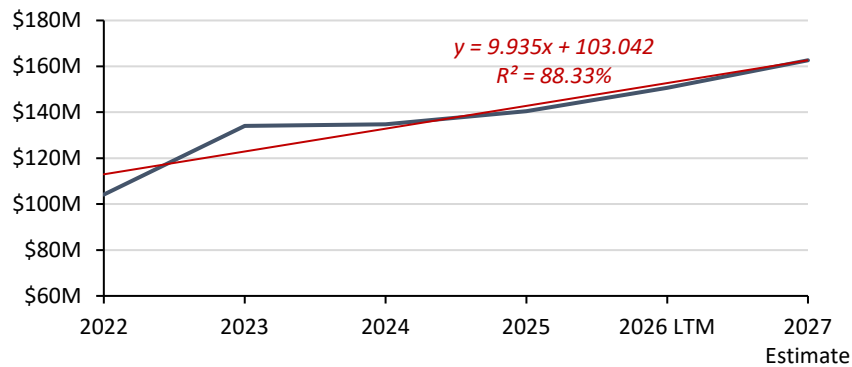
Table 9. Total City of Greater Geelong EGM expenditure table, 2022–2027 estimate

Linear Regression	2022	2023	2024	2025	2026	2027 Estimate
Year	1	2	3	4	5	6
LGA Expenditure	104,148,198	134,132,430	134,811,043	140,528,217	150,629,308	162,657,241
Growth %		28.79%	0.51%	4.24%	7.19%	7.99%

$$\text{Model Fit: LGA Expenditure}(y) = \$103.042 \text{ million} + 9.935 \text{ million} \times \text{Year}(x)$$

The linear trend explains 88% of the changes in LGA expenditure between 2022 and 2026 (R^2 of 88.3%). This indicates a reasonably strong fit to the recent expenditure pattern and provides confidence that the 2027 estimate is directionally reliable. Our LGA-level projection for the latest actual expenditure was within approximately 1.4% of the amount forecasted by the regression.

Figure 1. Total City of Greater Geelong EGM expenditure trend line, 2022–2027 estimate



2. Establishing the applicant's baseline expenditure

We now estimate the expenditure that the applicant could reasonably generate in 2027 without attributing any additional expenditure to the proposed EGMs.

The applicant currently accounts for approximately **2.41% of total EGM expenditure within Greater Geelong**. Its market share has generally increased over the historical period, rising from approximately **1.09% in 2016**, with an average annual gain of approximately **0.13 percentage points**.

RIA applied this average annual increase to the applicant's current market share:

$$2.41\% + 0.13\% = 2.54\%$$

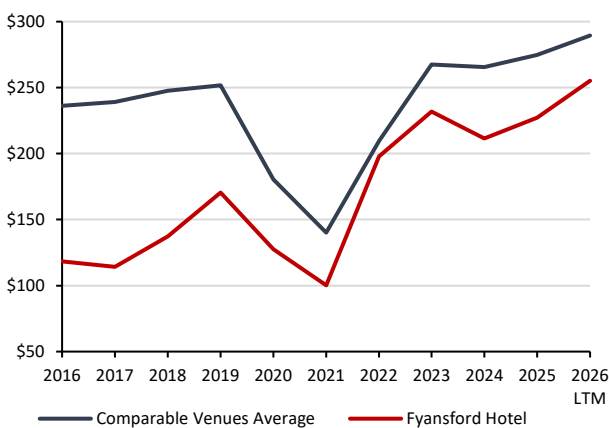
Using the underlying unrounded figures, this produces an expected baseline share of approximately **2.55%** in 2027. Applying this share to the projected LGA market gives baseline applicant expenditure of approximately **\$4.14 million**:

$$\$162.7 \text{ million} \times 2.55\% \approx \$4.14 \text{ million}$$

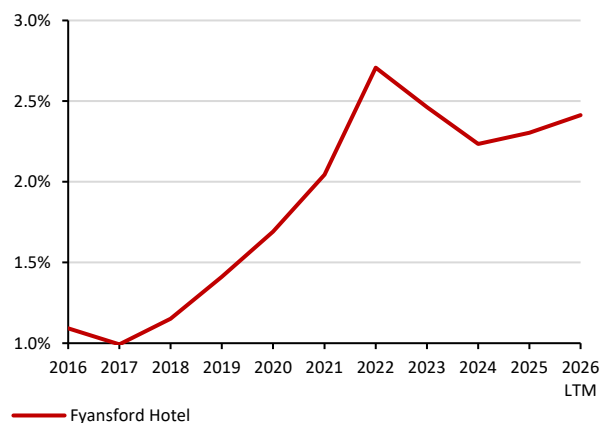
This represents the expenditure expected from the applicant's existing operations, based on overall market growth and the venue's historical market-share trend. It is separate from any expenditure attributed to the proposed additional EGMs.

Figure 2. Applicant's NMR trend comparison and share of Greater Geelong EGM expenditure, 2016–2026

NMR Trend Comparison



Expenditure Share



3. Estimating the effect of the additional EGMs

The proposed increase from 40 to 68 entitlements would increase the applicant's EGM capacity by **74.4%**. However, a 74.4% increase in machines does not necessarily produce a corresponding increase in expenditure. The additional expenditure depends on whether the venue can capture a greater share of the broader Greater Geelong market.

To estimate the potential market-share response, RIA reviewed previous EGM increases and new gaming premises within Greater Geelong. For each venue, the analysis compared:

- the percentage increase in EGMs;
- the venue's share of total LGA expenditure before the increase; and
- its share after the increase.

For each venue, RIA divided the increase in its share of Greater Geelong expenditure by the percentage increase in its EGM numbers. This measures how much additional market share was gained relative to the increase in venue capacity. Across the venues reviewed, a 100% increase in EGMs was associated, on average, with a 2.76 percentage-point increase in market share.

Table 10. Historical Change in LGA Expenditure Share Following EGM Increases in Greater Geelong since 2016

Venue Name	Date	Reason for Increase in EGMs	No. of EGMs Increase	Pct. Increase	Pre-Increase Share %	Post-Increase Share %	Change in Share %	Unit Change %
PHOENIX HOTEL	2016	New Premises	28	100.0%	0.0%	2.4%	2.4%	2.4%
<u>VALLEY INN HOTEL</u>	Mar 2016	Application Approval	29	100.0%	0.0%	1.7%	1.7%	1.7%
<u>GEE LONG RSL</u>	Dec 2018	Application Approval	30	71.4%	3.1%	3.9%	0.8%	1.1%
<u>LEOPOLD SPORTSMANS CLUB</u>	Sep 2018	Application Approval	7	20.0%	2.8%	3.4%	0.6%	3.1%
FYANSFORD HOTEL	2019 - 2020	Using Entitlements, from 27 operating to 39	12	44.4%	1.2%	2.3%	1.1%	2.5%
<u>WAURN PONDS HOTEL</u>	Nov 2020	Application Approval	11	15.7%	5.3%	6.2%	0.9%	5.8%
							Average	2.76%

Hyperlinks to Commission's decisions

Applied to the applicant's proposed 74.4% increase in EGMs, this produces an estimated additional market share of approximately 2.05 percentage points:

$$74.4\% \times 2.76\% = \mathbf{2.05\%}$$

The results observed at the historical venues were influenced by their individual circumstances, including their location, starting size, local competition and the nature of the expansion. The 2.76% factor is therefore not treated as a precise prediction of Fyansford's outcome. RIA uses it only for the high market-capture scenario, representing the stronger outcome that may occur if Fyansford responds broadly in line with previous EGM increases within Greater Geelong.

4. Projection scenarios

RIA developed 4 scenarios to show the range of possible outcomes.

Table 11. Summary of projection scenarios

Scenario	Additional market share	Basis
Low — Redistribution	0.00%	No incremental expenditure
Medium — Break-even	1.35%	Maintains current NMR
High — Market capture	2.05%	Historical LGA share-response factor
Base — Scenario average	1.13%	Average of the three reference scenarios

Low case — Redistribution

The low case assumes the additional EGMs generate no additional venue expenditure. Existing play is instead redistributed across a larger machine base.

Under this scenario:

- the applicant retains its projected baseline market share of approximately **2.55%**;
- expenditure remains approximately **\$4.14 million**; and
- NMR declines because the same expenditure is distributed across 68 EGMs.

Medium case — Break-even

The medium case estimates the amount of additional expenditure required for the venue to maintain its current NMR of **\$255.2** after increasing to 68 EGMs.

- The required total expenditure is approximately **\$6.34 million**, implying:
- additional expenditure of approximately **\$2.20 million**; and
- an additional LGA expenditure share of approximately **1.35 percentage points**.
- This scenario does not assume that the additional machines perform better than the existing fleet. It identifies the expenditure threshold required to prevent the venue's per-machine performance from declining.

High case — Market capture

The high case applies the full historical share-response factor observed following previous EGM increases within Greater Geelong.

- The proposed 74.4% increase in EGMs produces an estimated additional market share of **2.05 percentage points**, equivalent to approximately **\$3.34 million** of additional expenditure at full usage.
- This is the strongest market-capture outcome considered by RIA. It is grounded in historical venue outcomes but requires the applicant to achieve a material increase in its share of the Greater Geelong market.

Base case — Scenario average

The base case uses the unweighted average of the additional market-share assumptions under the high, medium and low scenarios:

$$\frac{2.05\% + 1.35\% + 0.00\%}{3} = 1.13\%$$

- This produces additional expenditure of approximately **\$1.85 million** at full usage.
- The base case is included as a central reference point. It is not a probability-weighted forecast and should not be interpreted as implying that each scenario is equally likely.

5. Projection results

Under the full EGM usage levels, the model produces the following outcomes:

Table 12. RIA projected expenditure and NMR outcomes

Scenario	Existing EGMs Expenditure	Additional Market Share Created %	Additional EGMs Expenditure	Total Expenditure	NMR	Change from Current NMR	Implied Total Market Share%
High (Market Capture)	\$ 4,140,425	2.05%	\$ 3,339,649	\$ 7,480,074	\$ 301.2	18.0%	4.60%
Medium (Break-Even)	\$ 4,140,425	1.35%	\$ 2,198,013	\$ 6,338,438	\$ 255.2	0.0%	3.90%
Low (Redistribution)	\$ 4,140,425	0.00%	\$ 0	\$ 4,140,425	\$ 166.7	-34.7%	2.55%
Base Case (Average)	\$ 4,140,425	1.13%	\$ 1,845,887	\$ 5,986,312	\$ 241.0	-5.6%	3.68%

RIA's modelling produces a range of outcomes depending on the extent to which the additional EGMs generate new expenditure or enable the venue to capture a greater share of the Greater Geelong market.

- The **low case** assumes no additional expenditure is generated, with existing activity redistributed across 68 EGMs. This results in total expenditure of approximately **\$4.14 million** and an NMR of **\$166.7**.
- The **base case** assumes a moderate increase in market share, producing additional expenditure of approximately **\$1.85 million**, total expenditure of **\$5.99 million** and an NMR of **\$241.0**, which is 5.6% below the venue's current NMR.
- The **break-even benchmark** indicates that total expenditure of approximately **\$6.34 million** would be required to maintain the current NMR of **\$255.2** across 68 EGMs.
- The **high case** assumes a stronger market-share response consistent with the upper historical outcomes observed following previous EGM increases within Greater Geelong. This produces additional expenditure of approximately **\$3.34 million**, total expenditure of **\$7.48 million** and an NMR of **\$301.2**.

Benchmarking and sense-check

RIA compared the projected NMR outcomes with the range currently observed across Greater Geelong venues, which extends from approximately **\$63.3 to \$471.5 per EGM per day**:

- the low-case NMR of **\$166.7** falls within the lower end of the observed range;
- the base-case NMR of **\$241.0** is slightly below the first quartile;
- the break-even NMR of **\$255.2** falls between the first quartile and median; and
- the high-case NMR of **\$301.2** falls between the median and third quartile.

All projected outcomes remain within the range currently observed across Greater Geelong venues, indicating that the estimates are consistent with plausible local market performance.

Additional Intelligence Analysis and Checks

Community and council response to proposal

As of 19 June 2026, there are no recorded council or community responses to the applicant's proposal.

Gambling-related complaints and tip-offs against the applicant

Complaints

There is 1 historical gambling related complaint against the applicant.²

1. On 11 June 2021, the complainant reported that Fyansford Hotel are not complying with their RSG obligations. The complainant claims they were repeatedly able to cash out from the bar and served alcohol without intervention from staff.
 - Outcome: No breaches of Gambling or Liquor legislation have been detected. The matter was closed as 'unable to determine'.

Tip-offs

There have been no tip-offs received against PJ Cook Investments Pty Ltd or Fyansford Hotel.³

Compliance History of the Applicant

Between **25 March 2019 and 19 June 2026**, VGCCC inspectors attended Fyansford Hotel on 10 occasions to undertake on-site inspections and compliance monitoring activities. Across these visits, inspectors completed a range of assessments, including:

- 4 Code of Conduct inspections;
- 2 financial inspections;
- 2 gaming venue layout inspections;
- 2 self-exclusion audits;
- 5 overt gaming venue inspections;
- 4 YourPlay inspections; and
- one TAB outlet inspection.

2020 investigation

On **12 August 2020**, an investigation was commenced following an incident in which a patron accessed an EGM during COVID-19 restrictions and outside the venue's approved gaming hours.

The investigation established that the patron entered the gaming room and completed a single spin on an EGM. No enforcement action was taken against the venue.

Pre-hearing inspection

On **19 June 2026**, VGCCC inspectors attended the applicant's premises to conduct a pre-hearing inspection. The inspection covered the following areas:

- **Gaming venue layout:** Compliance with technical and physical requirements, including the approved gaming machine area layout, security of monitoring and cashier equipment, electrical safety, signage, lighting and CCTV standards.

² Complaints Register accessed on 19 June 2026.

³ Tip-Off Register accessed on 19 June 2026.

- **Overt gaming venue:** Compliance relating to intoxicated and underage gambling, mandated signage and responsible gambling information, cash transaction limits, restrictions on credit and electronic funds transfers, and verification of venue operator governance details.
- **Code of Conduct:** Compliance with Ministerial Directions, including the presence of a Responsible Gambling Officer, availability of the venue's Responsible Gambling Code of Conduct, procedures for responding to signs of gambling harm, and requirements relating to inducements, prolonged play and simultaneous use of multiple EGMs.
- **YourPlay:** Compliance with pre-commitment requirements under the *Gambling Regulation Act 2003* and relevant Ministerial Directions, including kiosk functionality, staff assistance, availability of cards and brochures, signage, system connectivity and player service point equipment.
- **Self-exclusion:** Compliance with self-exclusion program requirements, including the provision of information to patrons, secure management of photographic records, staff training, breach reporting, exclusion from loyalty programs, database access, complaints handling and procedures for managing self-excluded patrons.
- **Financial:** Compliance with the Accounting and Auditing Venue Requirements, including the management of gaming accounts, financial reconciliations, jackpot contributions, unclaimed winnings and gaming tax obligations.

Non-compliance identified

During the financial inspection, inspectors identified 2 contraventions:

1. A prohibited transaction had occurred through the venue's nominated gaming account. The transaction related to a payment to the State Revenue Office for unclaimed winnings from the previous year, contrary to the Accounting and Auditing Venue Requirements.
2. The venue had failed to prepare and retain a copy of the required summary of gaming transactions report.

Both matters constituted contraventions of **section 3.4.1B(1)(b) of the Gambling Regulation Act 2003**, which requires a venue operator to comply with an operational requirement determined by the Commission under section 10.1.5C.

A non-compliance notice was issued to the venue on **25 June 2026**.

Probity Checks

The following probity checks were conducted by RIA:

1. AUSTRAC checks identified one suspicious matter report (**SMR**) and one threshold transaction report (**TTR**) associated with the Fyansford Hotel between May 2017 and June 2019.
 - The SMR, lodged on 16 May 2017, related to suspected counterfeit currency and suspicious behaviour involving an amount of \$550. The venue contacted Geelong Police and notified the then Victorian Commission for Gambling and Liquor Regulation regarding the incident.
 - The TTR, dated 27 June 2019, related to the issuance of a cheque to a customer for \$13,639.05. The available information does not indicate that either report involved suspected misconduct by the venue operator.
 - Checks concerning Jayden William Jacobson, the current nominee, identified TTRs but no SMRs. No SMRs or TTRs were identified in relation to Stephen John Beaumont, the authorised representative.
2. The VGCCC enforcement register records that Jayden William Jacobson's Gaming Industry Employee licence, G13159106, was suspended on 7 June 2018. The suspension ended on 19 October 2018. Mr Jacobson subsequently obtained a new licence commencing on 14 February 2023 (G23183340) and is currently recorded as the nominee for the Fyansford Hotel and an approved associate of P.J. Cook Investments Pty Ltd. The publicly available enforcement register does not provide details regarding the circumstances that resulted in the 2018 suspension.
3. A review of internal intelligence holdings identified one compliance-related matter concerning the Fyansford Hotel. In November 2021, the venue was recorded in an intelligence report as not displaying

the required signage on all EGMs. No other relevant adverse intelligence holdings were identified from the information reviewed.

Previous EGM Applications

- In 2012, P.J. Cook Investments Pty Ltd, then identified as part of the Cook, Beaumont and Partners Group, applied for approval of the Fyansford Hotel as suitable for gaming with 40 EGMs. At the time, Peter John Cook was a director of the applicant and joint Managing Director of the Group, which operated 28 hospitality venues across Australia, including 8 gaming venues. Richard Davis was the Group's Operations Manager and was responsible for gaming and liquor compliance across its venues.
- The application proposed a substantial redevelopment of the hotel, additional employment, annual community contributions of \$40,000 indexed to CPI, and commitments relating to responsible gambling and harm minimisation. The City of Greater Geelong opposed the application, raising concerns regarding disadvantage, problem gambling and the potential for the venue to become more accessible as surrounding residential development progressed. The Commission ultimately found that the proposal was likely to have a neutral social impact and a beneficial economic impact and approved the application ⁴.
- P.J. Cook Investments Pty Ltd is now seeking approval to increase the number of EGMs at the Fyansford Hotel from 40 to 68 through the transfer of 28 gaming machine entitlements from the Bell Park Sport and Recreation Club. Under the proposed commercial arrangement, the Fyansford Hotel would provide Bell Park with sponsorship payments of \$10,000 per month, equivalent to \$120,000 per year, indexed to inflation for as long as the machines remain at the Fyansford premises. The applicant has also submitted plans for an approximately \$2 million extension and expansion of the gaming room to accommodate the additional machines ⁵.

⁴ : [P.J. Cook Investments Pty Ltd at Fyansford Hotel premises \(Gaming—new premises\) \[2012\] VCGLR 19.](#)

⁵ : [Geelong Advertiser, 23 June 2026](#)