

Liquor & Gaming NSW
Compliance Campaign

External gaming signage for hotels & clubs

May 2023

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Introduction

1. There has been a long-standing prohibition on external signage that advertises gaming machines or gaming rooms in NSW pubs and clubs.
2. Liquor & Gaming NSW (L&GNSW) has enforced these requirements where signage directly advertised gaming machines, such as using ‘pokies’, ‘gaming room’ or similar, or where the signage used direct copies of imagery used in gaming machines.
3. Over time, venue operators have attempted to circumvent these laws by using terms such as ‘VIP lounge’, ‘Dragon Den’ and similar, and by adopting imagery similar to (but not copies of) images used or associated with gaming machines.
4. This signage ranges from fixed unilluminated awning signs to large digital video displays. The nature and extent of this signage differs from venue to venue, with some further examples being:
 - a. A hotel with ‘VIP Lounge’ signage on almost every façade of the building (often in multiple locations) along with a digital sign wrapped around the awning that includes ‘VIP lounge’ messaging.
 - b. A registered club with internal gaming machine link signage which is clearly visible from outside of the club premises.
 - c. A hotel using a vehicle trailer parked in suburban streets to host VIP Lounge signage with the gaming room’s hours of operation.
5. As demonstrated by the above examples, there has been a proliferation of these alternative signs across the state. The NSW Government has committed to banning all external signage promoting gaming machines (such as “VIP Lounge”), and to work with industry on a sensible timeframe for implementing the ban.
6. This document outlines the approach L&GNSW is taking to implement the ban over the coming months. We recognise that this is a shift in our approach, and this document provides clarification as to what that shift is and the timeframes that apply to it.

Relevant legislation

7. Section 44(1) of the *Gaming Machines Act 2001* (the Act) includes a prohibition on the display of certain types of gambling-related signage:

A Hotelier or Club must not display or cause to be displayed any gambling-related sign anywhere outside or in the vicinity of the premises or anywhere from inside the premises so that they can be seen from outside the premises.

8. Section 44(6) of the Act defines ‘gambling-related sign’ as follows:

A gambling-related sign means any sign (whether consisting of words, symbols, pictures or any other thing) –

- (a) that draws attention to, or can reasonably be taken to draw attention to, the availability of approved gaming machines in a hotel or on the premises of a club, or
- (b) that uses a term or expression frequently associated with gambling, or
- (c) that relates to a gambling franchise or gambling business.

9. Breaches of section 44(1) of the Act can result in on the spot fines of \$1,100 per offence or a maximum fine of \$11,000 per offence if prosecuted.

Application of the legislation

10. The definition of a gambling-related sign in the Act is broad and captures a wide variety of signage. Of note, signage does not need to explicitly refer to gaming machines, and any sign

(regardless of the words or imagery) designed to draw attention to gaming machines is captured.

11. L&GNSW will commence enforcing the broad definition contained in section 44(1) of the Act, which is clear in its application to any signage that draws attention to gaming machines or advertises a gaming franchise or business at a hotel or club. This includes:
- signage that uses oblique wording (such as ‘VIP lounge’ or ‘Prosperity lounge’ signage) to advertise the presence of gaming machines.
 - electronic gambling-related signage, even if the gambling-related signage is only one component (for example, scrolling or changing signage that displays both non-gambling and gambling-related signage).
 - signage or external physical installations that use gambling-related imagery, such as coins, dragons or terracotta warriors, even if that imagery is not a facsimile of imagery that is owned or designed by a gambling franchise or gambling business.
 - signage that relates to a gambling franchise or gambling business.
12. The Act does not treat signage differently based on its type, size, location, intended audience or manner of display. The language in which the sign is written is also not a relevant consideration.
13. Table 1 shows certain examples of signage that is captured by these provisions. This is not an exhaustive list, and where we form the view that the sign is intended to advertise gaming machines, enforcement action may be taken.

Signage type	Permitted	Relevant provision
VIP Room/VIP Lounge	No	s44(6)(a)
Golden Room/Lounge	No	s44(6)(a)
Players’ Room/Lounge	No	s44(6)(a)
Prosperity Room/Lounge	No	s44(6)(a)
Dragon, coin or lightning motifs or imagery	No	s44(6)(a), s44(6)(c)
External physical installations such as dragons or terracotta warriors	No	s44(6)(a)
Gaming room trading hours	In some instances ¹	s44(6)(a)

Table 1: Example of types of signage captured by section 44(1) of the Act.

Implementation of the legislation

14. L&GNSW intends on enforcing the legislation and taking a literal approach to the operation of section 44 of the Act. This means that hotels and clubs must ensure that there are no signs

¹ Advertising trading hours may be considered to contravene s44(1) of the Act if they draw attention to hours of operation for premises that only operate gaming machines during certain times, pursuant to an extended trade authorisation.

displayed outside a venue that would contravene section 44(1) of the Act.

15. Having regard to the proliferation of non-compliant signage at venues across NSW, L&GNSW will implement this approach in stages. This staged approach is intended to afford venues the time to remove, switch off, conceal or otherwise change both static and electronic signage to ensure compliance with section 44 of the Act. It also recognises challenges potentially faced by regional venues in meeting these requirements and demand impact on signwriters and other service providers

Key change:

From 1 September 2023, venues must have removed, altered or concealed any signage that would contravene section 44 of the Act, or be able to demonstrate that they have taken reasonable steps to have such signage removed and that this is in progress. From 1 December 2023, L&GNSW will take a zero-tolerance approach to non-compliant signage.

16. The stages for implementation are as follows:

Existing: Ongoing

- Enforcement action will be taken in relation to any signage that directly refer to gaming rooms, pokies, gaming machines etc, or that uses exact copies of imagery from gaming machines.

Stage One: May 2023 to 31 August 2023 (3 months)

- Venues will be provided a 3-month transition period to remove any existing gambling related signage.
- L&GNSW will take an educative approach during this period and will not take enforcement action in relation to gambling signage that falls within the interpretation set out in this paper (except as per our existing ongoing approach set out immediately above).
- L&GNSW will conduct educational engagements with licensees and club secretaries as part of routine inspection activities.
- Enforcement action may be taken where:
 - New non-compliant signage is installed (including updating of digital displays).
 - Where signage directly references gaming rooms, pokies, gaming machines etc, or that uses exact copies of imagery from gaming machines, as per the existing compliance approach.

Stage Two: 1 September 2023 to 31 November 2023 (3 months)

- Enforcement action will be taken in relation to all gambling related signage, except where:
 - reasonable steps have been taken to remove the signage,
 - the delay in its removal is outside of the control of the venue, and
 - evidence can be provided to support the above (e.g. purchase order, statement from supplier etc).
- Delays in removing signage will not be accepted as reasonable by L&GNSW in relation to:
 - signage that can be screened, painted or otherwise covered over without the assistance of an external service provider
 - illuminated signage that has its own power source/switch and can be turned off
 - Any digital signage.

- Venues are encouraged to seek guidance from industry peak bodies if they are unable remove gambling signage under stage 1.

Stage Three: 1 December 2023 onwards

- A zero-tolerance enforcement approach will apply to any non-compliant signage identified.
- Non-compliant venues will be identified on the L&GNSW website and in any public comment/announcements.
- Any new signage that attempts to circumvent the prohibition on gambling related signage will be met with an escalated enforcement response.

L&GNSW expects that signage will be removed or altered to remove any gaming-related references. Attempts to replace signage of the kinds set out above with alternate wording or styles of signage that still aim to draw attention to the presence of gaming machines at a venue will be subject to escalated enforcement action.

Timeframes for implementation

May 2023 to 31 Aug 2023	1 Sept 2023 to 31 Nov 2023	December 2023 onwards
<p>Stage One</p> <p>Transition period - check your signage</p> <p>Take action to remove all gaming signage</p> <p>No enforcement action</p>	<p>Stage Two</p> <p>Reasonable steps taken to remove gaming signage removed</p> <p>Compliance approach applies if no reasonable steps taken</p>	<p>Stage Three</p> <p>Strict enforcement</p> <p>Zero tolerance</p>

Further information

17. Licensees, managers, and club secretaries should seek further information from their peak body at first instance.
18. For any further queries, L&GNSW can be contacted on 1300 024 720.

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