

# NSW Independent Liquor & Gaming Authority

Ms Tegan Devlin Licensee Northlakes Tavern	Mr Dimitri Argeres Director of Compliance & Enforcement NSW Department of Creative Industries, Tourism, Hospitality and Sport
<b>Section 130(3) – Third parties</b> Samotel Operations Pty Limited Business/Premises Owner Northlakes Tavern	<b>Section 130(3) – Third parties</b> Malloy Hotels Operations Pty Limited Business/Premises Owner Northlakes Tavern

Our ref: DOC25/214777

4 August 2025

Dear Sir/Madam

## Decision regarding a complaint about Ms Tegan Devlin under section 129 of the *Gaming Machines Act 2001*

### Our decision

We are satisfied that the grounds of complaint are established and have determined to:

- **order** the licensee, **Ms Tegan Devlin**, to pay a monetary penalty of \$11,000 (100 penalty units) to the Secretary of the NSW Department of Creative Industries, Tourism, Hospitality and Sport (**DCITHS**) under section 131(2)(a) of the *Gaming Machines Act 2001* (**the Act**) within 60 days of receiving this notification (no later than 3 October 2025).

### Background

On 4 July 2023 L&GNSW Inspectors conducted an inspection at the Northlakes Tavern (**the hotel**) where a cash dispensing facility (**ATM**) was identified as permitting the withdrawal of cash on a credit account. The ATM was located on the external facade of the hotel, metres away from the external entrance to the gaming room.

During the inspection, Ms Tegan Devlin (**Ms Devlin**), licensee of the hotel was interviewed under caution and admitted to having knowledge that a credit withdrawal option was available on the ATM. Ms Devlin stated that she believed it did not offend legislation as it was located outside the hotel.

Following the inspection, L&GNSW commenced an investigation, which included reviewing the hotel's premises plans and seeking further records pursuant to a formal notice from the hotel and from Banktech, the ATM provider.

The investigation found that the ATM was located on the boundary of the licensed premises and that there was a contractual agreement in place between one of the hotel's business owners, Laundry Hotel Group, and the ATM provider for the placement of the ATM.

Since 2016 when the ATM was installed up until July 2023 (approximately 7 years), over \$750,000 was withdrawn from credit card accounts from the ATM, with over \$45,000 of those withdrawals occurring between midnight and 3.00am.

Ms Devlin advised that once she became aware of the L&GNSW investigation and the fact the external ATM was considered part of the licensed premises, she made enquiries with one of the hotel's business owners who rectified the issue promptly.

On 21 June 2024, Liquor & Gaming NSW (**L&GNSW**) made a disciplinary complaint to the Independent Liquor & Gaming Authority (**the Authority**) in relation to Ms Devlin permitting the withdrawal of cash on a credit account at the ATM located at the hotel.

### **Grounds of complaint**

The grounds of complaint are that:

- the licensee has contravened a provision of the *Gaming Machines Act 2001* – section 129(3)(a)(i) of the Act. This relates to section 47C of the Act which states that ‘*a hotelier or club must not permit cash dispensing facility to be used or to be installed or located in any part of the hotel or club premises if the facility is capable of providing cash from a credit card account*’; and
- the hotelier has engaged in conduct that has encouraged, or is likely to encourage, the misuse and abuse of gambling activities in the hotel – section 129(3)(b) of the Act.

### **Submissions and consultation**

On 22 October 2024, a show cause notice (**the notice**) was issued to the licensee, business owner and premises owner of the hotel and L&GNSW.

On 28 November 2024, a joint submission was received from Hatzis Cusack Lawyers on behalf of Ms Devlin, the co-business owners and co-premises owners of the hotel. Affidavits were also received from Ms Devlin and Mr Mark Malloy (business/premises owner) as detailed below:

### **Joint submission from the respondent, business owners and premises owners, dated 28 November 2024:**

A joint submission in response to the notice was received from Ms Tegan Devlin, licensee, Northlakes Tavern, Malloy Hotels Operations Pty Ltd, a co-owner of the business and freehold of the Northlakes Tavern and Samotel Operations Pty Ltd, a co-owner of the business and freehold of the Northlakes Tavern on 28 November 2024 (collectively referred to as ‘the Respondents’).

The submission noted the following:

- Ms Devlin has been licensee of the hotel since March 2019 however has been an employee of the hotel since 2013. There is no adverse compliance history during this time.
- The external ATM in question has been located outside the hotel throughout the period of Ms Devlin’s employment.
- From 2013 to 2023, there were multiple inspections of the hotel by officers of L&GNSW where the issue of the external ATM being configured to offer a credit withdrawal function had not been raised as a breach of law.
- The Respondents do not believe there has been a breach of section 47C of the Act as the claim relies heavily upon the ATM not being located ‘*in any part of the hotel or club premises*’ and it is noted that they believe the ATM in question is located outside of the hotel’s licensed area.
- The Respondents note there is no evidence that any ‘misuse or abuse’ of gambling activities occurred or was encouraged by Ms Devlin.
- The Respondents state that there has been a 5.8% increase in gaming turnover since the credit facility was shut off on the ATM in question.
- Mr Malloy offers a personal undertaking for the complainant to accept, as an alternative to disciplinary action.

- The Respondents note there is no prospect of repetition given the credit withdrawal facility was switched off following the 4 July 2023 L&GNSW inspection and the personal undertaking offered by Mr Malloy.

**Affidavit Ms Devlin dated 28 November 2024:**

The Affidavit from Ms Tegan Devlin noted the following:

- That she has been the licensee of hotel since March 2019 and has been a continuous employee of the hotel since February 2013.
- That the external ATM in question has been outside the hotel and facing the public street since she commenced her employment at the hotel.
- That prior to the 4 July 2023 L&GNSW inspection at the hotel, she did not have any reason to consider the external ATM as part of her responsibility.
- That there have been several inspections of the hotel by officers of L&GNSW and previously the Office of Liquor, Gaming and Racing where the issue of the external ATM being configured to offer a credit withdrawal function had not been raised.
- That following the 4 July 2023 L&GNSW inspection, she contacted Mr Malloy, the owners' representative for the hotel and, under Mr Malloy's instruction, she contacted Banktech and asked that the credit withdrawal function on the external ATM be switched off which was actioned the following day.
- That she had placed gaming stickers and warning signs around the external ATM as was the recommendation by the hotel's AHA representative as a measure of going above and beyond the strict legal requirements and demonstrate a commitment to Responsible Conduct of Gaming (RCG) principles.

**Affidavit Mr Mark Malloy dated 28 November 2024:**

The Affidavit from Mr Malloy noted the following:

- That he has worked in hotels since the age of 14 and that he is now 58 years old.
- That he is a Director of Malloy Hotels Operations Pty Limited (**Malloy Co**) and that Malloy Co is a co-owner of the business and freehold of the Northlakes Tavern together with Samotel Operations Pty Limited (**Samotel Co**). Samotel Co is a company in the Laundry Hotel Group. That the co-owners acquired the hotel in or about August 2018 from a Coles Myer entity, which traded as 'Spirit Hotels'.
- That he assists in the management of a hotel at Lidcombe and has a financial interest in a number of other hotels in NSW.
- That at the time the co-owners acquired the hotel, the external ATM in question was operating in the very same place where it is presently located.
- That he understands that the external ATM is owned and operated by Banktech Limited.
- That he considered the ATM in question was operated fully outside of the hotel, physically and operationally and that he had no reason to think that any functionality of the ATM might in any way be in breach of the law.
- That following the 4 July 2023 L&GNSW inspection, he was contacted by Ms Devlin informing him of the issue related to the external ATM credit withdrawal function.
- That he offers an undertaking to the Independent Liquor and Gaming Authority providing assurances that the external ATM will at no time offer a credit facility whilst he or the other co-owners has any interest in the hotel.

The complainant was provided a copy of the respondents' submissions however did not make any further submissions in response to this. However, L&GNSW did provide a copy of

correspondence with Hatzis Cusack Lawyers outlining the reasons for which they were unable to accept an enforceable undertaking from Mr Malloy.

### **Our findings**

We are satisfied that Ms Devlin contravened section 47C of the Act by permitting an ATM to be used or to be installed or located in the hotel that was capable of providing cash from a credit card account.

Despite the ATM being on the exterior of the hotel, it was still 'part of the hotel' as it was on the hotel premises. The licensee was aware that the ATM allowed for cash withdrawals from credit card accounts, despite believing that the ATM was not the hotel's responsibility. The responsible gambling signage on and near the ATM, and agreement between one of the hotel's business owners and the ATM provider, reflect that the hotel considered the ATM to be part of the hotel.

We are also satisfied that Ms Devlin engaged in conduct that has encouraged, or was likely to encourage, the misuse and abuse of gambling activities in the hotel. Having an ATM at the hotel that permits the withdrawal of cash from a credit card account allows patrons to gamble beyond their means and has the potential to create an environment of problem gambling.

While Ms Devlin ensured the issue was promptly rectified upon being requested to do so by L&GNSW, the issue occurred for an extensive period (approximately 7 years) while Ms Devlin was the licensee of the venue. The total amount of cash withdrawals from credit card accounts from the ATM machine (approximately \$750,000) was also significant.

To Ms Devlin's credit, there is no known adverse gambling or liquor related compliance history during the 6 years she has been the licensee of the hotel and during the period of the business owners' ownership of the premises, spanning approximately 9 years.

In consideration of these findings, and after balancing all the aggravating and mitigating factors, we are of the view that disciplinary action is warranted.

### **Relevant legislation**

#### Prescribed grounds of complaint

We are satisfied that the complaint was made validly and that the established grounds of complaint are prescribed grounds under sections 129(3)(a)(i) and 129(3)(b) of the Act.

### **The material we considered**

In determining the disciplinary complaint, the following material was considered:

- disciplinary complaint from L&GNSW, received 21 June 2024
- a joint submission from a legal representative on behalf of Ms Devlin, the co-business owners and co-premises owners (Malloy Hotel Operations Pty Ltd and Samotel Operations Pty Ltd), received 28 November 2024.
- an Affidavit from Ms Devlin, received 28 November 2024
- an Affidavit from Mr Malloy, received 28 November 2024.

### **If you are dissatisfied with this decision**

The respondent or complainant may apply to NCAT for a review of this decision under the *Administrative Decisions Review Act 1997*.

For more information, please contact the NCAT Registry at 1300 006 228 or visit the NCAT website.

This decision may be published on the website.

**Payment of penalty**

A tax invoice will be issued to you from DCITHS in order to pay this penalty.

**If you have any questions**

Please contact the Office of ILGA at [office@ilga.nsw.gov.au](mailto:office@ilga.nsw.gov.au) if you have any questions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jeff Loy', with a long, sweeping horizontal stroke extending to the right.

Jeff Loy  
**Chair, Disciplinary Matters Committee**  
**NSW Independent Liquor and Gaming Authority**