

NSW Independent Liquor & Gaming Authority

Mr Kelly Rice Former Licensee Richards on the Park	Mr Darren Duke Director of Compliance & Enforcement NSW Department of Creative Industries, Tourism, Hospitality and Sport
Section 130(3) – Third parties RICHARDS HOSPITALITY PTY LIMITED Former Business Owner	Section 130(3) – Third parties RICHARDS PROPERTY HOLDINGS PTY LIMITED Former Premises Owner
Section 130(3) -Third parties LEWIS HOTELS (RICHARDS ON THE PARK) PTY LTD Current Licensee and Business Owner	Section 130(3) -Third parties LEWIS HOTELS (RICHARDS ON THE PARK) PROPERTIES PTY LTD Current Premises Owner

Our ref: DOC25/441514

1 December 2025

Dear Sir/Madam

Decision regarding a complaint about Mr Kelly Rice, former licensee of Richards on the Park under section 129 of the *Gaming Machines Act 2001*

Ground of complaint

The ground of complaint is that:

- the licensee has contravened a provision of the *Gaming Machines Act 2001* (**the Act**) - section 129(3)(a)(i) of the Act. This relates to section 39(1) of the Act which prohibits a hotelier from operating approved gaming machines in the hotel for the purposes of gambling between 4 am and 10 am on each day of the week (the general 6-hour shutdown period).

Our decision

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

- order Mr Kelly Rice (Mr Rice)**, the hotelier, to pay a monetary penalty of \$44,000 (400 penalty units) to the Secretary of the NSW Department of Creative Industries, Tourism, Hospitality and Sport (**DCITHS**) under section 131(2)(a)(ii) of the Act within 60 days of receiving this notification (no later than 30 January 2026).
- order Mr Rice** to pay the amount of \$2,537.42 related to costs incurred by the Secretary in carrying out its investigation under section 128 (of the Act) in relation to Mr Rice under section 131(2)(i)(i) of the Act within 60 days of receiving this notification (no later than 30 January 2026).

Background

On 4 August 2023, a report was generated by Liquor & Gaming NSW (**L&GNSW**) containing data from the Centralised Monitoring System (**CMS**) that identified the Hotel had operated its 28 gaming machines between the hours of 4:00am and 5:00 am on 27 August 2023, 3 September 2023, and 10 September 2023. The Hotel's mandatory shutdown period on Sundays is 4:00am to 10:00am.

Disciplinary complaint

On 17 January 2025, a disciplinary complaint was received from Mr Darren Duke, A/Director of Compliance & Enforcement Unit, as a delegate of the Secretary of the NSW Department of Creative Industries, Tourism, Hospitality and Sport (**the Complainant**) about Mr Rice (**the Respondent**) as the licensee of Richards on the Park (**the Hotel**, hotel licence LIQH400103328) located at 41 Canley Vale Road, Canley Vale, NSW, 2166. The complaint was made under section 129 of the Act.

Licence details

Mr Rice was licensee of the Hotel at the time of the contravening conduct and L&GNSW investigation. He held this position from 3 May 2022 to 24 October 2025.

RICHARDS HOSPITALITY PTY LIMITED was the business owner of the Hotel and RICHARDS PROPERTY HOLDINGS PTY LIMITED was the premises owner of the Hotel at the time of the contravening conduct and investigation.

The Hotel's gaming shutdown hours during the investigation period were:

- Sunday to Friday – 4:00am to 10:00am
- Saturday & public holidays – 6:00am to 9:00am

The Hotel has a gaming machine threshold (GMT) of 30, and has 15 gaming machine entitlements (GME) and 15 poker machine permits (PMP).

On 24 October 2025, the licence was transferred to LEWIS HOTELS (RICHARDS ON THE PARK) PTY LTD who are also listed on the licence as the Business Owner. The current Premises Owner is LEWIS HOTELS (RICHARDS ON THE PARK) PROPERTIES PTY LTD and the venue is now named Kookaburra Hotel Canley Vale.

Investigation findings

L&GNSW analysed CMS data for the approved gaming machines at the Hotel on all Sundays excluding public holidays between 8 May 2022 (the first Sunday after Mr Rice became licensee) and Sunday 10 September 2023. The data reflected the following:

- all 68 Sundays during this 16 month period recorded turnover data between 4:00am and 5:00am.
- the total turnover data recorded during the hotels shutdown period since Mr Rice became licensee was \$761,901.33.
- no turnover data was recorded during shutdown hours at the hotel post Sunday 10 September 2023.

The CMS data was corroborated with CCTV footage and a desk audit conducted by L&GNSW.

Submissions from Mr Rice's legal representative, Mr Kim Stapleton, JDK Legal, during the investigation noted that:

- the Hotel has historically ceased gaming machine operations at 5:00am on Saturdays, one hour earlier than required
- the continued operation of machines on Sunday mornings was attributed to an oversight inherited from the previous licensee, Mr Phillip Webster
- the Hotel had ongoing engagement with local council and NSW Police, who had not raised concerns regarding trading hours and no non-compliance notifications were received from CMS regarding shutdown breaches
- gaming machine operations during the shutdown period ceased immediately upon notification from L&GNSW.

Submissions and consultation

On 25 August 2025, a show cause notice (**the notice**) was issued to the licensee, the Hotel business owner, the Hotel premises owner and L&GNSW.

On 8 September 2025, a submission was received from Mr Christopher Batten, MGS Private Pty Limited on behalf of Mr Rice, the business owner and the premises owner of the Hotel as summarised below:

- Mr Rice has been employed at the hotel for 11 years and has no prior adverse compliance history. He was appointed licensee in May 2022.
- Mr Rice operated gaming machines during the mandatory shutdown period, which was an honest but unreasonable mistake due to failure to review licence conditions or complete a self-audit checklist.
- Mr Rice had no financial interest in the hotel's profits. The \$53,184.57 net turnover from the breach was donated by the proprietors to Lifeline.
- The conduct ceased immediately upon notification. Mr Rice has accepted the maximum monetary penalty and associated costs.
- The contravention occurred during a period of personal family hardship.
- The Hotel has the following harm minimisation measures in place:
 - CCTV, MSBE/Betsafe, Anti Money Laundering systems, gaming management plan
 - Master switch for gaming machine shutdown
 - ClubSAFE subscription
 - Advanced Responsible Conduct of Gaming training for staff and supervisors
 - Minimum two Responsible Gaming Officers on duty at all times
- The sale process for the Hotel was on foot prior to the show cause notice being issued and that the former proprietors, RICHARDS HOSPITALITY PTY LIMITED and RICHARDS PROPERTY HOLDINGS PTY LIMITED, do not own any other hotel businesses.
- Mr Rice proposes the following disciplinary outcomes:
 - \$22,000 monetary penalty under section 131(2)(a)(i)
 - payment of investigation costs incurred by the Secretary under section 131(2)(i)(i)
 - payment of disciplinary action costs incurred by the Authority under section 131(2)(i)(ii)
- Additional sanctions beyond monetary penalties are deemed disproportionate and unnecessary.
- If further penalties are considered, they should be conditional upon Mr Rice remaining licensee and the hotel being sold by 31 December 2025.

On 23 September 2025, a submission was received from Mr Tony Hatzis on behalf of Lewis Hotels Group (third party) who had exchanged contracts to purchase Richards on the Park with settlement due 20 October 2025. A summary of the submission is below:

- On 10 September 2025, Lewis Hotels exchanged contracts to purchase Richards on the Park Hotel with settlement scheduled for 20 October 2025.
- Notes that the current licensee, Mr Kelly Rice, is subject to a Show Cause notice and investigation by L&GNSW for allegedly operating gaming machines during prohibited hours.

- Notes that Mr Rice and the current owners of Richards on the Park have admitted to the breach and donated the financial benefit obtained from the breach to charity.
- Lewis Hotels will appoint a new licensee and will not retain Mr Rice.
- Lewis Hotels operates 12 venues across Sydney and has over 45 years' experience in hotel management.
- They have a strong compliance record with gaming machine shutdown regulations, including venues with non-uniform shutdown hours.
- Lewis Hotels has committed to full regulatory compliance post-settlement.
- They note that the disciplinary breach was isolated to Mr Rice and will not recur under new ownership.
- Request that the Authority should limit disciplinary action to the current licensee and not impose broader sanctions that could affect the incoming owner.

On 7 October 2025, a submission was received from L&GNSW, in response to the submission received from the respondent. A summary is noted below:

- The conduct of operating gaming machines outside of the shutdown period ceased immediately upon identification, and the Hotel has no prior adverse compliance history.
- Mr Rice and the current business/premises owners accepted the contravention and proposed a monetary penalty of \$22,000 plus investigation costs.
- The financial benefit of \$53,184.57 gained from the breach was donated to Lifeline.
- Notes that Lewis Hotel Group has exchanged contracts to purchase the Hotel, with settlement due on 20 October 2025.
- Notes that Mr Rice will not be retained as licensee post-settlement.
- Acknowledges remorse from Mr Rice and the remedial actions taken.
- Notes the reduced risk of recurrence due to change in ownership and licensee.
- Recommends the Authority issues a monetary penalty under section 131(2)(a) of the Act as well as the payment of investigation costs of \$2,537.42 under section 131(2)(i)(i) of the Act.

On 15 October 2025, the respondent, business owner and premises owner advised that they were not providing further submissions.

On 24 October 2025, a representative for Lewis Hotels Group advised that the sale of Richards on the Park had occurred on 23 October 2025, that Mr Rice was no longer the licensee of the Hotel and that the licence had been transferred to LEWIS HOTELS (RICHARDS ON THE PARK) PTY LTD.

Our findings

We are satisfied that the ground of complaint under section 129(3)(a)(i) of the Act is established, and after balancing all relevant factors, disciplinary action is warranted. The evidence demonstrates that Mr Rice contravened section 39(1) of the Act, which prohibits a hotelier from operating gaming machines in the hotel for the purposes of gambling between 4 am and 10 am.

We considered that the repeated operation of gaming machines at the Hotel on 68 Sundays during the shutdown period over a period of 16 months, with a turnover of over \$760,000, are significant and serious features of this complaint. This breaching conduct resulted in significant financial benefit to the Hotel.

Providing patrons with access to gaming machines during the shutdown period increases the risk of gambling harm by facilitating patrons gambling for longer hours of uninterrupted play. That is a particularly concerning feature as the Hotel is located in the Statistical Area 2 Band 3 of Canley Vale, indicating a high risk of gambling-related harm.

Mr Rice, as the licensee of the Hotel at the time of the breaching conduct, had a legislative obligation to minimise harm associated with the misuse and abuse of gambling activities. Mandatory shutdown hours for gaming machines are a key harm minimisation measure under the legislation. Licensees are expected to understand the conditions under which gaming machines are permitted on licensed premises.

Mr Rice has expressed full recognition and contrition, and sought to resolve the disciplinary matter promptly. He acknowledged the breaching conduct, however attributed it to an honest and reasonable misunderstanding as he believed the gaming room was authorised to operate until 5:00am on Sundays as was the practice of the previous licensee. That was despite L&GNSW having provided Mr Rice's legal representative with the Hotel's liquor licence upon his appointment as licensee at the Hotel, which clearly stated the shutdown hours.

Having considered all factors of the complaint and the submission received, the Authority determined that the complaint was so serious as to warrant the taking of action in the form of the maximum monetary penalty, due to the following circumstances of aggravation that exist, including:

- the frequency and extended period in which gaming machines were operated during the shutdown hours
- that the Hotel made extra turnover in excess of \$760,000 from the breaching conduct.

Taking this disciplinary action is intended to serve a protective purpose, by deterring contraventions by Mr Rice and the industry generally.

Relevant legislation

Part 8 of the Act

Prescribed ground of complaint

We are satisfied that the complaint was made validly and that the established ground of complaint is a prescribed ground under section 129(3)(a)(i) of the Act.

The material we considered

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

- disciplinary complaint from L&GNSW, received 1 April 2025.
- a submission from the licensee, the business owner and the premises owner of the Hotel, received 8 September 2025.
- a submission from Lewis Hotels Group, who have exchanged contracts to purchase Richards on the Park, on 23 September 2025.
- a submission from L&GNSW, received on 7 October 2025.

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 will 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 if you have any questions.

Yours sincerely

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

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