



Membership Eligibility Policy and Terms

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Victorian Bookmakers' Association Limited

(ABN 45 004 236 677)

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Table of Contents

Part A - Introduction	3
1. Purpose	3
2. Definitions.....	3
3. Interpretation	5
Part B – General	6
4. General conditions on Membership	6
5. Application for membership	6
6. Acquisition of member	7
7. Change in Membership Class	8
8. Guarantees for wagering deposits and other liabilities	8
9. Termination and cessation of membership	9
Part C – Membership Criteria	10
10. Eligibility Criteria	10
11. Class C Membership	12
12. Class F Membership.....	12
13. Class I Membership.....	13
14. Class O Membership	14
15. Class R Membership	14
16. Transitional	15
17. Retrospectivity	15
18. Notice	16

Part A - Introduction

1. Purpose

The purpose of this Policy, as referred to in the Constitution, is to detail the criteria required for each Membership Class of the Association, as well as certain conditions of membership.

2. Definitions

‘Annual Acknowledgement Statement’ means the statement required to be given to the Association by a member on an annual basis setting out certain acknowledgments including compliance by the member with all applicable laws.

‘Annual Subscription Fee’ means the annual fee payable by members in accordance with clause 12(b) of the Constitution in an amount as determined by the Board from time to time.

‘Applicant’ means a person who makes an Application to the Association.

‘Application’ means an application for membership submitted in accordance with clause 5 of this Policy.

‘Application Fee’ means the fee payable to the Association in accordance with clause 5.2 of this Policy and clause 12(a) of the Constitution in the amount set out in the Prescribed Form.

‘Association’ means Victorian Bookmakers’ Association Limited.

‘Board’ means the board of directors of the Association.

‘Bookmaker’ means a person who holds a VGCCC registration and a bookmaker’s licence issued by the relevant Victorian principal racing authority.

‘Business Plan’ includes a document setting out the Applicant’s future objectives and strategies in the context of the business intended to be operated under the licence and must set out a minimum three (3) year’s projections for turnover, gross margin, and operating margin (including how those figures are calculated).

‘Cryptocurrency’ includes any digital currencies or assets designed as alternative payment methods to traditional currencies.

‘Constitution’ means the Association’s Constitution.

‘Wager Guarantee’ means the amount or security to be deposited with the Association in accordance with clause 8.1.

‘Eligibility Criteria’ means the minimum requirements set out in clause 10 (as applicable) that must be met by an Applicant to be eligible to apply for membership with the Association.

‘Existing Member’ is a person who became a member of the Association prior to the Implementation Date.

‘Implementation Date’ means the effective date stated on the cover page of this Policy.

‘Key Employee’ means any person employed or engaged by the Applicant to perform a function:

- (a) where the person controls or exercises significant influence over the operations conducted by the Applicant; or
- (b) that is designated a key position or key function in respect of the Applicant's operations.

'Major Shareholder' means any person who holds an interest of 10% or more (direct or indirect) in the Applicant or member (as the case may be).

'Membership Class' means a class or category of membership available with the Association and comprises of the following classes set out in clause 11 of the Constitution:

- (a) **"Class C membership"**, being members who are registered to carry on the business of a bookmaker at any other non-metropolitan racing venue (known also as "Country");
- (b) **"Class F membership"**, being members who are registered to carry on the business of a bookmaker only as part of a bookmaking partnership with a relative who is an Existing Member;
- (c) **"Class I membership"**, being members who are registered to carry on the business of a bookmaker over the internet;
- (d) **"Class O membership"**, being members who are registered to carry on the business of a bookmaker in the "Paddock" at any metropolitan racing venue;
- (e) **"Class R membership"**, being members who are registered to carry on the business of a bookmaker on the "Rails" at two or more metropolitan racing venues;
- (f) **"Life Membership"**, being members who are conferred such status in accordance with clause 15 of the Constitution; or
- (g) any other category of membership as determined by the Association from time to time.

'Minimum Qualifying Net Assets' means the sum of an Applicant's gross assets minus gross liabilities.

'Policy' refers to this document, as amended by the Board from time to time.

'Policy Documents' refers to the documents relating to the governance and proper functioning of an Applicant and include (where applicable):

- (a) website terms and conditions;
- (b) responsible gambling policies;
- (c) privacy policies;
- (d) betting rules; and
- (e) any other associated operational documents,

but does not include any policies relating to anti-money laundering and counter-terrorism financing measures employed by the Applicant.

‘Prescribed Form’ means the membership application form (and any associated forms) available on the Association’s website, as amended from time to time.

‘Related’, in reference to an Existing Member, means:

- (a) an Applicant is in any marriage, or domestic relationship with an Existing Member that is recognised under Australian Law; or
- (b) an Applicant is connected to an Existing Member by blood in one of the following relationships:
 - (i) a parent;
 - (ii) a sibling;
 - (iii) a son;
 - (iv) a daughter;
 - (v) a grandparent;
 - (vi) a grandchild;
 - (vii) an aunt;
 - (viii) an uncle;
 - (ix) a first cousin;
 - (x) a niece;
 - (xi) a nephew, or
- (c) an Applicant is connected to an Existing Member in one of the following relationships:
 - (i) stepchild;
 - (ii) stepparent;
 - (iii) adoptive parent; or
 - (iv) adopted child,

however it does not include those relationships that are more than one step away from those relationships listed in (b) and (c). For example, if an Existing Member (**Person A**) has a stepchild (**Person B**), Person B will be considered Related to Person A. However, Person B’s grandparent would not be considered related to Person A.

‘VGCCC’ means the Victorian Gambling and Casino Control Commission, or such other body (or bodies) as shall be responsible for time to time for the licensing of bookmaking in the State of Victoria.

3. Interpretation

Except so far as the contrary intention appears in this Policy, an expression used in this Policy will have the same meaning as in the Constitution and be interpreted in the same manner as in the Constitution.

Part B – General

4. General conditions on Membership

- 4.1. Under clause 10(d) of the Constitution, the Association may impose conditions on membership in its sole and absolute discretion including as set out in this Policy.
- 4.2. A member must pay to the Association:
 - (a) the Annual Subscription Fee; and
 - (b) any other fees as determined by the Board and notified to a member from time to time, including but not limited to management or administrative fees.
- 4.3. A member must ensure that they report to the Association in respect of matters determined by the Board from time to time including but not limited to the lodgement of an Annual Acknowledgement Statement.
- 4.4. Notwithstanding any other clause in this Policy, the Association may, in its absolute discretion and without providing any reasons, amend, add, remove or otherwise change any term or condition in this Policy by giving at least 14 days' written notice to an Applicant or Existing Member (as the case may be).

5. Application for membership

- 5.1. An Applicant may apply for membership with the Association provided that the Applicant meets the Eligibility Criteria.

Note: a person applying for re-admission to membership with the Association must instead follow the process set out in clause 18 of the Constitution.

- 5.2. An Application made under clause 5.1 must be:
 - (a) made to the Board;
 - (b) in the Prescribed Form available on the Association's website, as amended from time to time; and
 - (c) accompanied by:
 - (i) the Application Fee in respect of the Membership Class being sought; and
 - (ii) such evidence as the Association requires to demonstrate that the Applicant meets the Eligibility Criteria.
- 5.3. The Application Fee is non-refundable, regardless of the Association's determination of the Application, unless otherwise determined by the Board in its absolute discretion.
- 5.4. Upon the receipt of an Application made in accordance with clauses 5.1 and 5.2, the Board may determine, in its absolute discretion and without providing any reasons, to either:
 - (a) approve the Application;
 - (b) reject the Application; or

- (c) impose conditions to be satisfied by the Applicant before the Application will be deemed approved, including but not limited to a condition requiring the Applicant (or any individuals named in the Application) to attend a formal interview with the Association in respect of the Application.
- 5.5. If the Association imposes any conditions under clause 5.4(c), the Application will not be deemed approved until the Board is satisfied, in its absolute discretion, that the conditions have been fulfilled and the Board has given notice to the Applicant that the Application is deemed approved.
- 5.6. If an Application is approved by the Board under clause 5.4 (or an Application is deemed approved under clause 5.5):
- (a) the Association must give notice of such approval to the Applicant and of the following:
 - (i) any amounts or security which must be deposited by the Applicant with the Association in accordance with clause 8;
 - (ii) the Membership Class applicable to the Applicant's operations; and
 - (iii) any other conditions applicable to their membership.
 - (b) the Applicant's membership will only take effect upon the receipt by the Association of any amount or security required under clause 5.6(a) above.
- 5.7. Unless the Board determines otherwise, an Applicant who is seeking a Class F membership shall be entitled to a discount of 50% of the Application Fee if the Applicant is Related to an Existing Member.
- 5.8. Notwithstanding any other clause in this Policy, the Association may approve the membership of any person to any Membership Class in its absolute discretion, including in circumstances where the Applicant would not otherwise meet the Eligibility Criteria, and on any terms or conditions it sees fit.

6. Acquisition of member

- 6.1. Unless prevented by law, a member must give at least seven (7) days' notice in writing to the Board before the member:
- (a) sells, transfers, assigns or otherwise disposes of at least 10% of its shares (or shares in any associated corporation); or
 - (b) otherwise changes its structure in a manner which will result in another person becoming a Major Shareholder (direct or indirect) in the member including by entry into a partnership, association, joint venture or incorporation (as defined in the *Corporations Act 2001* (Cth)).
- 6.2. The Association reserves the right to:
- (a) carry out (or cause to be carried out) such investigations and enquiries as the Board considers necessary to determine whether the person or associate acquiring the relevant interest is suitable to hold membership with the Association; and
 - (b) in the Board's absolute discretion, determine that the person or associate is not suitable to hold membership and require the member not to proceed with the relevant

transaction and/or cancel or suspend any person's membership if they have been found by the Board to have acted in breach of this clause 6.2.

- 6.3. The power of the Association under this clause 6.2 is not limited by the scenario described in clause 7 (relating to a change in Membership Class).

7. Change in Membership Class

- 7.1. A member may make a request in writing to the Association to change to a different Membership Class provided that the member meets the Eligibility Criteria for that Membership Class.
- 7.2. Upon the receipt of a request for change of Membership Class made in accordance with clause 7.1, the Association may determine, in its absolute discretion and without providing any reasons, to either:
- (a) approve the request including on any conditions it sees fit; or
 - (b) reject the request.
- 7.3. The Association reserves the right to require a member who makes a request in accordance with clause 7.1 to submit such evidence as the Board deems appropriate to demonstrate that the member meets the Eligibility Criteria in respect of the new Membership Class being sought.
- 7.4. Notwithstanding any other clause in this Policy, the Association may, in its absolute discretion and on conditions it sees fit, determine that the business activities being conducted by a member are better suited for a different Membership Class and determine that a different Membership Class applies to that member from a specified date, including in circumstances where the member would not otherwise meet the Eligibility Criteria of a particular Membership Class.

8. Guarantees for wagering deposits and other liabilities

- 8.1. In accordance with clause 13(a) of the Constitution, every member must deposit with the Association such amount or security as is determined by the Association to be maintained in funds established for the purposes of satisfying claims made against it under section 94A of the *Racing Act 1958 (Vic)* (herein after referred to as the "**Wager Guarantee**").
- 8.2. Members acknowledge that the value of any amount or security required to be deposited under this clause 8 varies depending on (amongst other things) the Membership Class of the member. Member also acknowledge that they may be required to deposit further amounts or securities (or be entitled to the redemption of same) in the event they change Membership Class.
- 8.3. The Association may require an Applicant or member to enter into an agreement or deed in respect of the Wager Guarantee including but not limited to terms concerning:
- (a) the grant of any registered securities by the Applicant in favour of the Association (for example, a mortgage over property);
 - (b) the use of any funds comprising the Wager Guarantee including any powers of investment and the circumstances in which the Wager Guarantee may be applied by the Association; and

- (c) the redemption of any funds comprising the Wager Guarantee (or discharge of any security comprising the same), including in circumstances where a member's membership ceases for whatever reason or a member changes Membership Class.
- 8.4. Notwithstanding any other clause in this Policy, the funds or security (as the case may be) comprising the Wager Guarantee (or any part thereof) must only be released by the Association to the depositing member if it is satisfied, in its absolute discretion, that all claims (if any) against the Association under section 94A of the *Racing Act 1958* (Vic) in respect of any wagers placed with the depositing member have been resolved.
- 8.5. The Association may require the Wager Guarantee to be provided in any method (for example, by way of mortgage or cash) or to any minimum value as it determines in its absolute discretion and without providing any reasons.
- 8.6. In addition to the Wager Guarantee, the Association may require a member to deposit with the Association additional amounts or securities for the purposes of satisfying any defaults on behalf of the member in respect of its liabilities, including as determined by any regulatory body and/or in respect of monies owed to customers (for example, amounts deposited by a customer that remain held in that customer's account with the member).

9. Termination and cessation of membership

- 9.1. A member ceases to be a member if they:
- (a) die, or in the case of a corporation, are deregistered or enter into external administration or any winding up proceedings;
 - (b) fail to pay the Annual Subscription Fee;
 - (c) resign in writing and:
 - (i) there are at least two or more members of the Association, or if there is only one member of the Association, the resignation will be ineffective until such time as another person is appointed as a member or the Association is wound up; and
 - (ii) there are no outstanding regulatory procedures dealing with Complaints (as that term is defined in the Constitution) against the member;
 - (d) in the case of an individual, are experiencing an impairment in mental health or illness (or in the case of a partnership, one or more of the partners is experiencing such an impairment) as set out in clause 16 (a)(iv) of the Constitution; or
 - (e) are expelled from membership in accordance with clause 17(b) of the Constitution or any clause of this Policy.
- 9.2. In accordance with clause 16(b) of the Constitution, a person who ceases to be a member (including as a consequence of expulsion):
- (a) remains liable to pay, and must immediately pay, to the Association all amounts that at date of cessation were payable by the person (or corporation, as the case may be) to the Association incurred whilst or as a result of being a member;
 - (b) must pay to the Association interest on the amounts referred to in 9.2(a) in accordance with clause 16(b)(ii) of the Constitution;

- (c) shall have its name, subject to the *Corporations Act 2001 (Cth)*, removed from the register of members kept pursuant to that Act;
- (d) is only entitled to a refund of any fees already paid to the Association at the Board's absolute discretion; and
- (e) shall not use the property of the Association including the Intellectual Property (as that term is defined in the Constitution) or of its members.

9.3. The Association may by resolution of the Board waive any or all of its rights relating to clause 9.2 (except for clause 9.2(c)).

Part C – Membership Criteria

10. Eligibility Criteria

10.1. To be eligible for membership with the Association, an Applicant must:

- (a) be a bookmaker registered in the State of Victoria by the VGCCC;
- (b) be of good character, of sound financial position and of good business reputation (including its directors, Key Employees and Major Shareholders, if applicable);
- (c) at least twenty-one (21) business days before commencing its operations as a Bookmaker, provide the Association with the Applicant's Policy Documents and Business Plan;
- (d) satisfy the additional eligibility requirements in accordance with clause 10.7 (below) for the Membership Class it is seeking, including any Minimum Qualifying Net Asset requirements; and
- (e) otherwise meet any other conditions on membership required by the Association in accordance with its policies and the Constitution.

10.2. The requirements in clause 10.1 (above) are continuing obligations which apply for the duration of a member's membership.

10.3. For the purposes of calculating the value of the Minimum Qualifying Net Assets belonging to an Applicant, the Association:

- (a) may consider the following types of assets in its calculation of an Applicant's gross assets:
 - (i) cash at a bank or a cash equivalent held in the Applicant's name for at least six (6) months prior to the receipt of an Application by the Association;
 - (ii) legal interests in real property;
 - (iii) legal interests in personal property valued at \$10,000 or greater; or
 - (iv) financial investments, including any shares held by the Applicant in publicly listed or private entities;

- (b) will **not** consider the following types of assets in its calculation of an Applicant's gross assets:
 - (i) trust accounts;
 - (ii) the extent or portion to which an asset is owned jointly by a third-party;
 - (iii) entitlements to pension payments or superannuation which have not yet vested;
 - (iv) Cryptocurrency, except for Bitcoin (BTC) and Ethereum (ETC), which can be included by the Association in exceptional circumstances at 25% of their current market value (as determined by reference to the prices offered by an entity licensed to trade in Cryptocurrency in Australia);
 - (v) legal interests in personal property valued at less than \$10,000; or
 - (vi) other intangible depreciable and disposable assets.
- (c) may require the Applicant to provide certified evidence relating to its assets and liabilities.

10.4. The Association may require an Applicant to make changes or amendments to any Policy Document or Business Plan received under clause 10.1(c) before allowing the Applicant to submit an Application under this Policy.

10.5. Any costs incurred by the Association in connection with the review of any Policy Documents and Business Plan received under clause 10.1(c) (including any disbursements incurred to determine their veracity) are to be borne by the Applicant, at the discretion of the Board. To avoid any doubt, the Association's review is not a legal or technical review and does not amount to any endorsement whatsoever (explicit or implied) as to the technical accuracy or legality of the documents.

10.6. Nothing in this clause 10 relieves or releases an Applicant of their obligations under clause 14 of the Constitution upon becoming a member (which relates to the 'effect of membership').

10.7. The additional eligibility requirements for:

- (a) Class C membership, are set out in clause 11.
- (b) Class F membership, are set out in clause 12.
- (c) Class I membership, are set out in clause 13.
- (d) Class O membership, are set out in clause 14.
- (e) Class R membership, are set out in clause 15.

10.8. Notwithstanding any other provision in this Policy, the Association may:

- (a) take into account any information or evidence it deems relevant in determining the minimum value or legal ownership of an Applicant's assets for the purposes of eligibility for membership; and

- (b) waive, add or change any requirement in respect of membership eligibility (including the minimum requirements for each Membership Class) in its absolute discretion and upon the giving of notice to an Applicant prior to the determination of an Application.

11. Class C Membership

- 11.1. To be eligible for a Class C membership, the Applicant must satisfy the additional requirements set out in this clause 11.
- 11.2. The Applicant (or its directors and shareholders, in the case of a corporate Applicant) must be at least 21 years of age.
- 11.3. The Applicant must be, or have previously been, employed for at least one hundred (100) race meetings as:
 - (a) a Bookmaker's Key Employee;
 - (b) a Bookmaker's clerk; or
 - (c) both as a Bookmaker's Key Employee and a Bookmaker's clerk.
- 11.4. The employment under clause 11.3 must demonstrate exposure in the following disciplines:
 - (a) operating keyboard or ledger;
 - (b) cash management, including collection and payment;
 - (c) customer dispute resolution;
 - (d) assisting the managing bookmaker of race day operations; and
 - (e) liability management or hedging (laying off).
- 11.5. The Applicant must have Minimum Qualifying Net Assets worth at least \$250,000, of which at least \$50,000 must comprise of:
 - (a) cash deposited in a bank account; and/or
 - (b) cash equivalent.

12. Class F Membership

- 12.1. To be eligible for a Class F membership, the Applicant must satisfy the additional requirements set out in this clause 12.
- 12.2. The Applicant must be:
 - (a) an individual;
 - (b) Related to an Existing Member; and
 - (c) currently in (or intending to form) a partnership, association, joint venture, or corporation, as defined by the *Corporations Act 2001* (Cth), with that Related Existing Member.

- 12.3. The Applicant must be at least 18 years of age.
- 12.4. The Applicant must be or have previously been employed for at least fifty (50) race meetings as:
- (a) a Bookmaker's Key Employee; and/or
 - (b) a Bookmaker's clerk or equivalent role.
- 12.5. The employment under clause 12.4 must demonstrate exposure in the following disciplines:
- (a) operating keyboard or ledger;
 - (b) cash management, including collection and payment;
 - (c) customer dispute resolution;
 - (d) assisting the managing bookmaker of race day operations; and
 - (e) liability management or hedging (laying off).
- 12.6. The Applicant is not required to have any Minimum Qualifying Net Assets provided the Association remains satisfied, in its absolute discretion, with the relevant Related Existing Member's financial position and ability to meet its obligations as a member of the Association.

13. Class I Membership

- 13.1. To be eligible for a Class I membership, the Applicant must satisfy the additional requirements set out in this clause 13.
- 13.2. The Applicant must be at least 25 years of age.
- 13.3. The Applicant must be or have previously been employed for a period of at least three (3) years in a corporate bookmaking environment in one of the following roles:
- (a) middle to senior management;
 - (b) other trading or operational roles; or
 - (c) an actual bookmaking role.
- 13.4. The employment under clause 13.3 must demonstrate exposure in the following disciplines:
- (a) phone operations;
 - (b) trading (hedging or laying off);
 - (c) analytics (wagering);
 - (d) business development management (client origination);
 - (e) end-to-end affiliate (client) management;
 - (f) customer dispute resolution;

- (g) race day operations;
- (h) responsible gambling;
- (i) anti-money laundering and counter terrorism financing; and
- (j) other regulatory requirements.

13.5. The Applicant must have Minimum Qualifying Net Assets worth at least \$1,000,000, of which at least \$250,000 must comprise of:

- (a) cash deposited in a bank account; and/or
- (b) cash equivalent.

14. Class O Membership

14.1. To be eligible for a Class O membership, the Applicant must satisfy the additional requirements set out in this clause 14.

14.2. The Applicant must be at least 21 years of age.

14.3. The Applicant must be or have previously been employed for at least one hundred (100) race meetings as:

- (a) a Bookmaker's Key Employee; and/or
- (b) a Bookmaker's clerk.

14.4. The employment under clause 14.3 must demonstrate exposure in the following disciplines:

- (a) operating keyboard or ledger;
- (b) cash management, including collection and payment;
- (c) customer dispute resolution;
- (d) assisting the managing bookmaker of race day operations; and
- (e) liability management or hedging (laying off).

14.5. The Applicant must have Minimum Qualifying Net Assets worth at least \$500,000, of which at least \$100,000 must comprise of:

- (a) cash deposited in a bank account; and/or
- (b) cash equivalent.

15. Class R Membership

15.1. To be eligible for Class R membership, the Applicant must satisfy the additional requirements set out in this clause 15.

15.2. The Applicant must be at least 25 years of age.

- 15.3. The Applicant must be or have previously been employed for at least one hundred (100) race meetings as:
- (a) a Bookmaker's Key Employee; and/or
 - (b) a Bookmaker's clerk.
- 15.4. The employment under clause 15.3 must demonstrate exposure in the following disciplines:
- (a) operating keyboard or ledger;
 - (b) cash management, including collection and payment;
 - (c) customer dispute resolution;
 - (d) assisting the managing bookmaker of race day operations; and
 - (e) liability management or hedging (laying off).
- 15.5. The Applicant must have Minimum Qualifying Net Assets worth at least \$750,000, of which at least \$150,000 must comprise of:
- (a) cash deposited in a bank account; and/or
 - (b) cash equivalent.

Part D - Implementation

16. Transitional

- 16.1. The Membership Classes contained in this Policy reflects a contemporary revision of pre-existing Membership classes.
- 16.2. For the purposes of understanding consistency and relating to the relevant provisions of the VBA Constitution, the reflection is as follows:
- (a) Class I reflects Class R (RA and RC) Corporates under the previous Schedule.
 - (b) Class R reflects Class A (AA and AC) Rails under the previous Schedule.
 - (c) Class O reflects Class B (BA and BC) Paddock under the previous Schedule.
 - (d) Class C reflects Class C (CA and CC) Country under the previous Schedule.
 - (e) Class F reflects Class D under the previous Schedule.

17. Retrospectivity

- 17.1. For the avoidance of doubt, unless the Board determines in its absolute discretion, the conditions contained in this Policy shall have no retrospective application to Existing Members as at Implementation Date.

17.2. Unless the Board determines in its absolute discretion, any changes to this Policy made after the Implementation Date shall have no retrospective application to Existing Members as at date the changes were implemented.

18. Notice

18.1. Any notice required under this Policy must be given in accordance with clause 35 of the Constitution.