

# ELECTRONIC GAMING MACHINE AUTHORITIES

Under the new model, venue operators will be responsible for their own electronic gaming machine (EGM) gaming operations and, to enable this, 'EGM authorities' will be created. To operate EGMs, venue operators will require a Venue Licence endorsed with EGM authorities.

## What is an EGM authority?

An EGM authority is basically a right to operate EGMs at a venue. One EGM authority will be required to be endorsed on the Venue Licence for each physical EGM operated at a particular venue.

Government will determine how many EGM authorities are available in the market and the Tasmanian Liquor and Gaming Commission (the Commission) will be responsible for reallocating EGM authorities if they become available.

## How do you get EGM authorities?

At the commencement of the new model, current venue operators will not be required to apply for EGM authorities. One authority will be endorsed for each EGM the venue currently operates.

However, post 1 July 2023, a process to be established by the Commission will allow for new and existing venues to apply for authorities that may become available within the overall EGM cap.

## What will EGM authorities cost?

There will be no cost for EGM authorities. Venue operators will not purchase or own authorities.

## Can you sell EGM authorities?

No. EGM authorities will be owned by Government and will not be tradeable.

## Can EGM authorities be transferred?

Not in most cases. Authorities can only be surrendered to Government for a decision on reallocation. However, transfers will be permitted between venues under common ownership (subject to Commission approval and EGM venue caps).

# What about commonly owned venues?

EGM authorities may be moved between venues under common ownership without having to surrender them to Government. However, any transfer is subject to approval by the Commission and must not exceed venue caps (30 for hotels and 40 for clubs).

If the venue under common ownership has not previously operated EGMs, or has not operated EGMs in the past six months, the transfer will be subject to the community interest test.

## Restrictions on allocation

The Government will impose a restriction on the number of overall EGM authorities held by an individual venue owner or ownership group of 587 (25 per cent of the EGM cap).

## No longer want your EGM authorities?

If a venue operator no longer wants to operate the number of EGMs they hold authorities for, they will surrender those authorities to Government. A venue operator cannot operate more EGMs than the number of authorities endorsed on their Venue Licence.

## What if you want more EGM authorities?

A process will be established by the Commission where applications for any available EGM authorities (under the State-wide cap) can be made. Venue caps will continue to apply.

## Can you have more EGM authorities than machines?

A venue operator could choose to have their Licence endorsed with more EGM authorities than the number of physical EGMs operated. However, the licence fee will be based on the number of EGM authorities endorsed on the licence; not the number of physical EGMs.

## What if a venue ceases operation?

Authorities will remain associated with a venue for six months and can be endorsed on a new Venue Licence for that venue. If not endorsed on a new Venue Licence at that venue within six months, the authorities automatically revert back to Government and a new application and community interest test would apply (subject to Government allowing reallocation of those authorities by the Commission).

## Transitional arrangements

The impact of the new model on freehold and leasehold venue arrangements has been considered and transitional arrangements will be introduced to ensure that any potential transfer of authorities considers the impact on both the freehold venue owner and lessee. It is assumed that any leases signed after the introduction of the new model will address the potential transfer of EGM authorities.

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