

Future of Gaming in Tasmania

Public Consultation Paper 2020



Author:
Department of Treasury and Finance

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Introduction

The Tasmanian Government is committed to providing opportunities for community involvement in Government policy and is seeking your input on the implementation of *The Future of Gaming in Tasmania* (Future Gaming Market) policy.

As part of the Tasmanian Government's Future Gaming Market policy, announced during the 2018 State election, the exclusivity arrangements under the Deed of Agreement (the Deed) with the Federal Group to conduct casino operations, operate electronic gaming machines (EGMs) and conduct games of keno in Tasmania will end in 2023.

The aim of the Future Gaming Market policy (the policy) is to:

- create a sustainable industry;
- provide the highest standards of probity;
- ensure returns from the gaming industry are shared appropriately among the industry, players and the Government representing the community; and
- continue to minimise harm caused by problem gambling.

There are a number of reforms for the gaming industry in Tasmania under the future gaming market model, including:

- a decrease in the State-wide cap for EGMs of 150;
- the creation of individual venue licences to operate EGMs in hotels and clubs;
- two new high roller non-resident casino licences;
- more appropriate distribution of returns;
- tender of the rights to operate the monitoring of the hotel and club EGM network; and
- increased future funding to improve harm minimisation.

Legislative amendments will be required to the *Gaming Control Act 1993* to implement the policy. The policy does not envisage changes to the *Responsible Gambling Mandatory Code of Practice for Tasmania*.



Purpose of Consultation Paper

The Government announced its policy for the future of the Tasmanian gaming market during the 2018 State election, providing an overview of how the Tasmanian gaming industry will be restructured. This paper provides details of the Future Gaming Market regulatory model that will implement that policy from 1 July 2023. It includes aspects of the policy that will require legislation, as well as those that can be implemented through non-legislative methods to provide a complete picture of the regulatory model.

This paper provides an opportunity for you to consider and provide feedback on the new regulatory model. Prior to introduction to Parliament, an exposure draft of the legislative amendments will be made available.

Timeline

- 25 February 2020 Future of Gaming in Tasmania - Public Consultation Paper 2020 released.
- 18 March 2020 Closing date for submissions regarding the Public Consultation Paper.
- 27 April 2020 Exposure draft of *Gaming Control Amendment (Future Gaming Market) Bill 2020* released.
- 08 May 2020 Closing date for comment on legislation exposure draft.

Submissions

Submissions are invited from interested parties addressing the implementation of the Government's policy through the intended regulatory model. Matters specific to the Government's policy itself are out of scope of this consultation process.

All written submissions on the Future Gaming Market regulatory model must be received by **5pm on 18 March 2020**.

How to make a submission

Submissions can be forwarded to:

Email: future.gaming@treasury.tas.gov.au

Mail: The Secretary

Department of Treasury and Finance

GPO Box 147

HOBART TAS 7001

Attention: Future Gaming Market Project

Other than indicated below, submissions will be treated as public information and will be published on our website at www.gaming.tas.gov.au. Submissions will be published once consideration of the submissions has concluded.

No personal information, other than an individual's name or the name of an organisation making a submission, will be published.

Accessibility of submissions

The Government recognises that not all individuals or groups are equally placed to access and understand information. We are therefore committed to ensuring Government information is accessible and easily understood by people with diverse communication needs.

Where possible, please consider typing your submission in plain English and providing it in a format such as Microsoft Word or equivalent.

The Government cannot, however, take responsibility for the accessibility of documents provided by third parties.

Important information to note

Your name (or the name of the organisation) will be published unless you request otherwise.

In the absence of a clear indication that a submission is intended to be treated as confidential (or parts of the submission), the Department will treat the submission as public.

If you would like your submission to be treated as confidential, whether in whole or in part, please indicate this in writing at the time of making your submission by clearly identifying the parts of your submission you wish to remain confidential and the reasons why. In this case, your submission will not be published to the extent of that request.

Copyright in submissions remain with the author(s), not with the Tasmanian Government.

The Department will not publish, in whole or in part, submissions containing defamatory or offensive material. If your submission includes information that could enable the identification of other individuals then all or parts of the submission will not be published.

The *Right to Information Act 2009* and confidentiality

Information provided to the Government may be provided to an applicant under the provisions of the *Right to Information Act 2009* (RTI). If you have indicated that you wish all or part of your submission to be treated as confidential, your statement detailing the reasons why may be taken into account in determining whether or not to release the information in the event of an RTI application for assessed disclosure. You may also be contacted to provide any further comment.

Government Policy

The reforms detailed in the Government's Future Gaming Market policy will restructure the gaming industry and redistribute the proceeds from gaming activities. The reforms include:

Exclusivity

- The exclusive right granted in the 2003 Deed of Agreement to operate casino gaming, EGMs and keno in Tasmania will be removed.

Community Support Levy

- The Community Support Levy (CSL) is to be extended to EGMs in casinos at a rate of three per cent. The CSL rate for hotels will increase to five per cent, with the rate for clubs to remain at four per cent.
- Government has guaranteed that the CSL funding pool will be double the CSL amount raised just prior to commencement. To the extent that the new rates are not sufficient to achieve this, Government will provide a direct contribution to make up any shortfall.

Casinos

- Federal Group will retain two casino licences in Tasmania, subject to consultation on licence fees, tax rates and term (both licences for a period up to 20 years).
- EGM numbers in the two Federal Group casinos will be capped at 1 180 and Federal Group will operate its own casino EGM monitoring system.
- Two 'high roller, non-resident' casino licences (which exclude EGMs) are to be made available, subject to consultation on licence fees, tax rates and term (up to 20 years) - one licence will be offered to Mr David Walsh at MONA and a second licence will be made available in the north (including the north west) of the State.
- The high roller casino licence to be offered in the north of the State is subject to a cost-benefit analysis demonstrating that it is in the State's best interest and the proponent meeting the necessary licence requirements in addition to consultation on returns.

Keno

- Federal Group will retain the right to operate keno in Tasmania, subject to consultation on licence fees, tax rates and term (for a period up to 20 years).

Hotels and clubs

- EGM numbers State-wide will be capped at 2 350 machines (with current caps of 30 for a hotel and 40 for a club remaining). Any EGMs in venues that are in excess of the new 1 July 2023 cap will be removed on a 'last in, first out' basis.
- The rights to operate EGMs in hotels and clubs from 1 July 2023 will be licensed on an individual venue model, for a period of up to 20 years.

- The venue licence holder will pay a fixed and progressive annual licence fee per EGM (between \$1 000 and \$2 500).
- Government will retain approximately 48 per cent of all EGM gross profit from hotels and clubs (inclusive of Community Support Levy payments and GST).
- Venues will retain no less than 50 per cent of gross profit (with the current two per cent differential in commission paid to hotels and clubs to be maintained) and the balance paid to the licensed network monitoring operator.
- The rights to operate the network monitoring licence for EGMs in hotels and clubs will be put to a public tender overseen by Treasury.

Harm minimisation

Tasmania's harm minimisation framework is regarded as best practice. Key elements include:

- prohibiting automatic teller machines in hotels and clubs with gaming facilities and in casino gaming areas;
- a maximum bet limit of \$5;
- a community interest test for new EGM venues;
- a player exclusion system (the Tasmanian Gambling Exclusion Scheme); and
- the *Responsible Gambling Mandatory Code of Practice for Tasmania*, which contains harm minimisation measures relating to:
 - advertising
 - inducements
 - player loyalty programs
 - access to cash
 - payment of winnings
 - lighting
 - service of food and alcohol
 - clocks in gambling areas
 - staff training in recognising people with gambling problems
 - information to players.

Further information on the elements of Tasmania's harm minimisation framework can be found at <https://www.treasury.tas.gov.au/liquor-and-gaming/gambling/reduce-harm-from-gambling>.

While the Government's Future Gaming Market policy does not propose any specific changes to the harm minimisation framework, harm minimisation has continued to be front of mind during the development of the changes to be introduced under the new arrangements.

The Government and the Tasmanian Liquor and Gaming Commission (the Commission) will closely observe and monitor the operation of EGMs in Tasmania in the restructured gaming market and will act quickly to address any harm concerns.

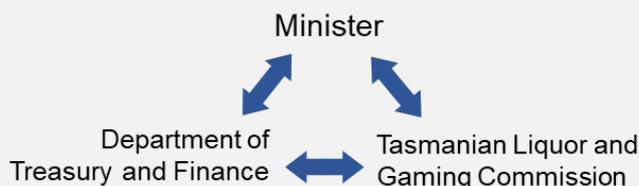
Regulatory Framework

Gaming Control Act 1993

Gaming in Tasmania is governed by the *Gaming Control Act 1993* (the Act). The Act provides the regulatory framework for EGMs, casino table gaming, keno, lotteries, lucky envelopes, totalisators, betting exchanges, sports betting, simulated gaming and race wagering.

This reform only relates to gaming in casinos, hotels and clubs. The Governance structure in Figure 1 remains.

Figure 1 - Governance structure



Government - Minister's powers

The Minister for Finance is the Minister responsible for the administration of the Act and has a number of powers under the Act, including:

- Section 127 allows the Minister to give any Direction (except in relation to the granting of a gaming licence) that the Minister considers to be necessary or desirable with respect to the performance or exercise by the Commission of its functions or powers; and
- Section 157, relating to secrecy provisions of the Act, allows the Minister to direct the disclosure of information relating to the affairs of another person (acquired under the Act) if satisfied it is in the public interest.

Tasmanian Liquor and Gaming Commission

The Act establishes the Tasmanian Liquor and Gaming Commission, which operates independently of Government and has broad regulatory powers.

The Commission's key functions include:

- regulating and controlling gambling to ensure that it is conducted honestly and free from criminal influence and exploitation, including issuing licences under the Act;
- fostering responsible gambling and minimising the harm from problem gambling;
- determining disciplinary matters;
- overseeing the administration of the Community Support Levy;
- investigating and resolving complaints relating to the conduct of gaming; and
- investigating and making recommendations to the Minister on gaming regulatory matters.

Department of Treasury and Finance

The Department of Treasury and Finance, through the Liquor and Gaming Branch, supports the Commission in undertaking its responsibilities and provides advice to the Government on gaming policy.

Commissioner of State Revenue

Part 9 of the Act, relating to financial provisions, is tax law for the purposes of the *Taxation Administration Act 1997*, providing the Commissioner of State Revenue broad powers in the collection of taxes, levies and licence fees imposed under that Part.

Future regulatory model

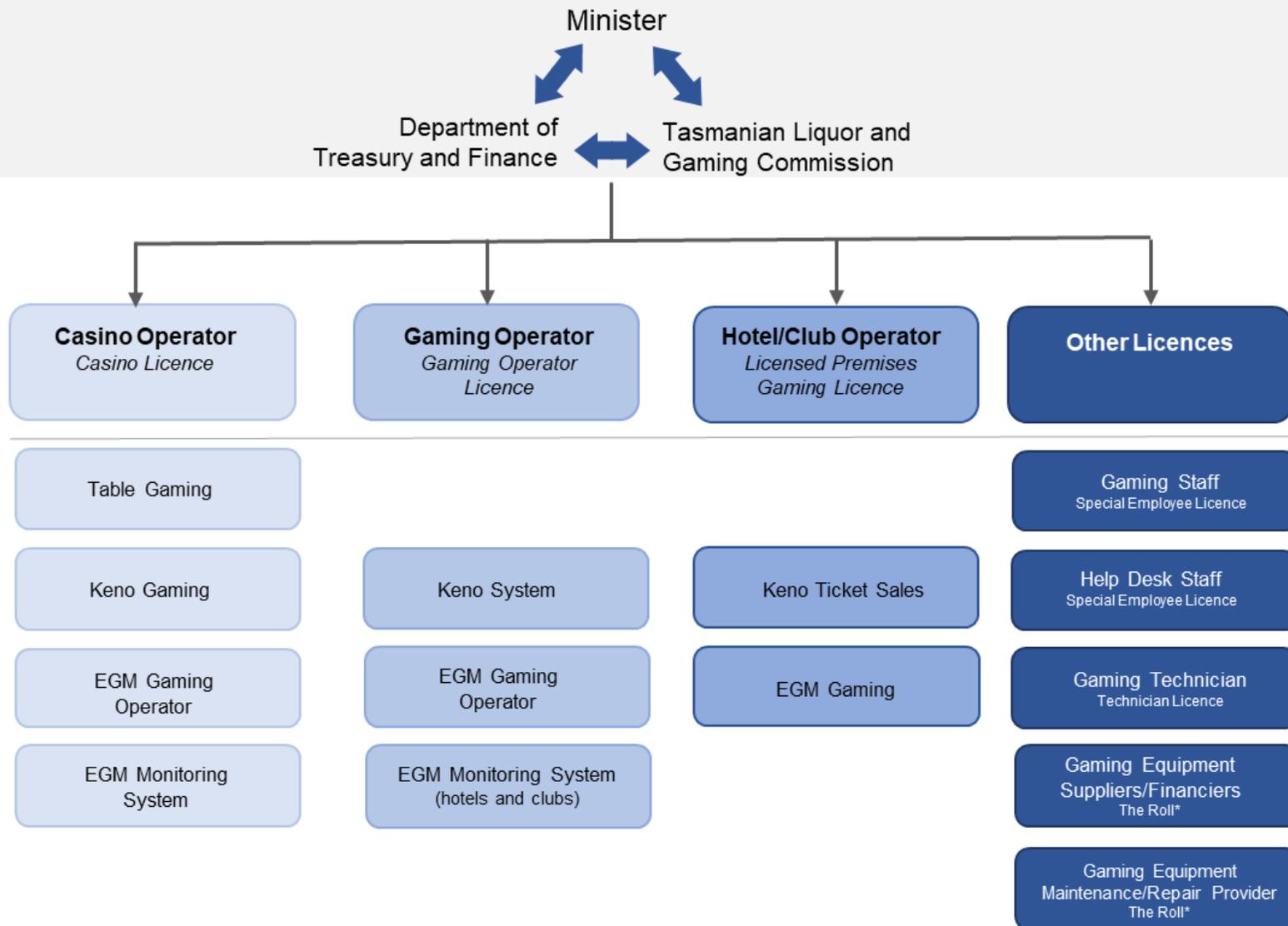
While the future model will require a greater regulatory presence, it is not proposed to change the structure outlined above. The proposed changes relate to a restructure of the industry licensing arrangements and responsibilities and are further described below.

For comparison, Figure 2 and 3 illustrate the current and proposed future structure of the Tasmanian gaming market respectively.

Figure 2 - Current terrestrial gaming market regulatory structure

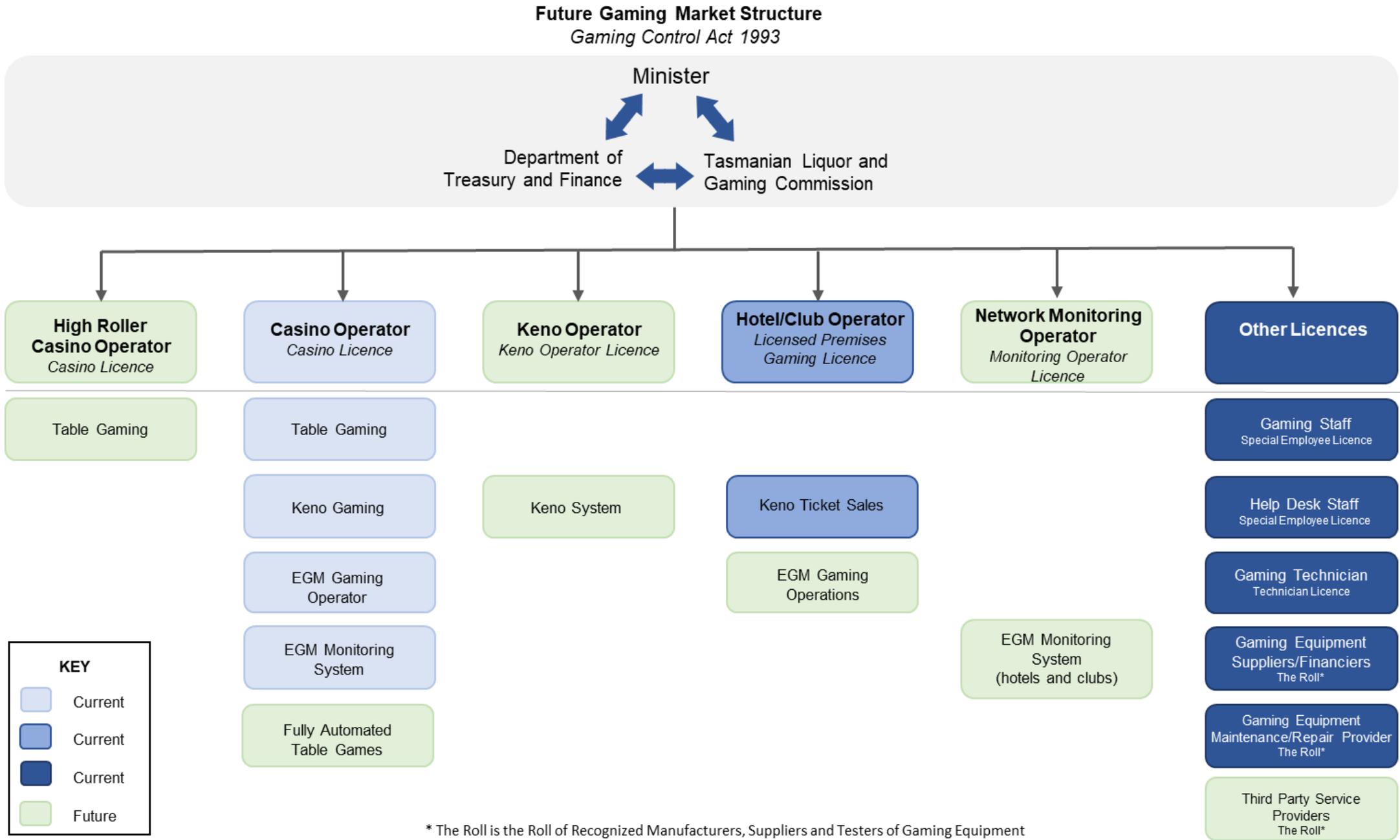
Current Terrestrial Gaming Structure

Gaming Control Act 1993



* The Roll is the Roll of Recognized Manufacturers, Suppliers and Testers of Gaming Equipment

Figure 3 - Future terrestrial gaming market regulatory structure



Key changes in the future model

Exclusivity

The exclusivity arrangements for the conduct of casino operations, operation of electronic gaming machines and the conduct of keno under the Deed of Agreement between the State and the Federal Group will end on 30 June 2023.

The Deed of Agreement commenced in 2003 for a term of 15 years, followed by a five-year 'rolling term'. The rolling term commenced on 1 July 2018 and automatically renews annually thereafter if the Minister responsible for the *Gaming Control Act 1993* does not exercise his or her discretion to cease the rolling term.

Instead of ending the Deed by notification of non-renewal of the rolling term, the Government intends to include provisions within the proposed legislation to terminate Federal Group's exclusivity arrangements under the Deed.

Legislation/regulation changes

Legislation will provide for:

- Ending the Deed of Agreement between the State and Federal Group on 30 June 2023, thereby removing Federal Group's exclusive right to conduct casino operations, operate EGMs and conduct games of keno in Tasmania from that date.

Community Support Levy

The Community Support Levy (CSL) is established under the Act and paid by venues to the Tasmanian Government from the profits from EGMs. The CSL funds activities aimed at reducing the risk of harm from problem gambling.

The Act allocates expenditure of the CSL: 25 per cent for sport and recreation clubs, 25 per cent for charitable organisations and 50 per cent for problem gambling.

The policy will extend the CSL to casino EGMs, increase the rate paid by hotels and double the amount of funds available. The objective to minimise harm from problem gambling will remain unchanged.

The provisions that control how the CSL funds are spent will be reviewed with the aim of improving outcomes and promoting flexibility. Any new provisions will take into account feedback from stakeholders.

Refer to Fact Sheet # 1 - Community Support Levy

Legislation/regulation changes

Legislation will provide for:

- New CSL rates on EGM gross profit: hotels (5 per cent), clubs (4 per cent) and casinos (3 per cent).
- Amendments to the distribution of the Community Support Levy, subject to further consultation, to allow for longer term funding arrangements and reassessment of the percentage of the CSL that is required to be allocated to each category of expenditure.

Casino

Casino gaming in Tasmania’s existing casinos will continue in largely the same manner as the current model with one major change - a three per cent Community Support Levy on EGM gaming being introduced.

The Act will also be amended to provide flexibility for future casino gaming arrangements, including providing for the Commission to be able to approve new technology, such as fully automated table games.

A casino licence will continue to be required to operate gaming in a casino. Federal Group will retain casino licences for the two casinos that it currently operates (Wrest Point Hotel Casino in Hobart and Country Club Casino in Launceston).

In addition, two new high roller casino licences will be made available (see next section).

Legislation/regulation changes

Legislation and/or regulations will provide for:

- Existing casino licence holders (Wrest Point and Country Club casinos) to be the holder of new 20 year casino licences.
- The Minister to approve new casino licences.
- The ability to operate fully automated table games (subject to Commission rules).
- Definition of gaming machine to be amended to provide for future technology changes.
- A cap on the number of EGMs to be operated in casinos (total 1180).
- The SDS racing game (Trackside) to no longer be considered a casino game.
- The introduction of a Community Support Levy on EGMs of three per cent of gross profit.

Figure 4 - Casino sector



High roller casino

As part of the Policy, the Government announced that it will make available two 'high roller, non-resident' casino licences (one in the south and one in the north of the State). These licences will not permit the operation of EGMs. The casinos will be 'non-resident' as they will only be licensed to operate for non-Tasmanian residents.

High roller casinos operate in a similar manner to regular casinos, but with minimum betting requirements that are usually significantly larger than regular casino bet limits.

In the first instance, the licence for the south will be offered to MONA in line with its 2015 proposal and subject to meeting all necessary probity and financial licence requirements.

The second licence will be offered in the north (including the north-west) of the State subject to:

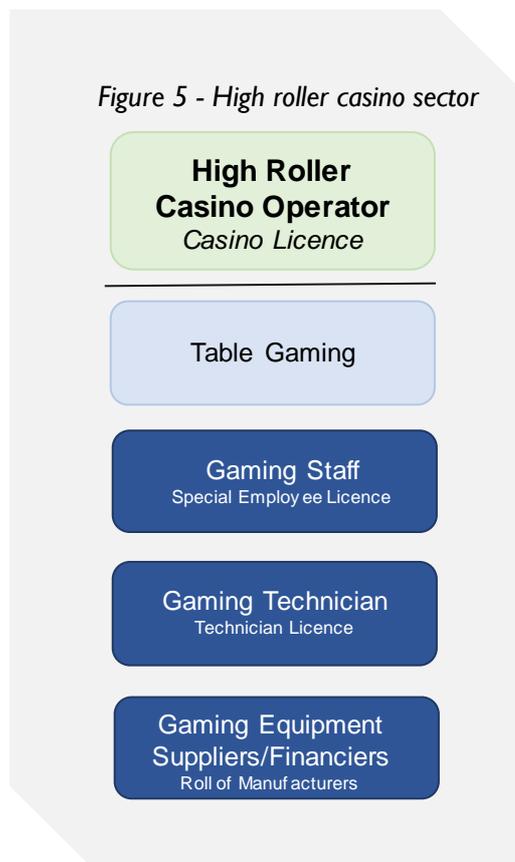
- the outcome of a cost-benefit analysis demonstrating that it is in the State's best interests; and
- the successful proponent meeting the necessary licence requirements.

Legislation/regulation changes

Legislation and/or regulations will provide for:

- The introduction of two new non-resident, non-EGM, 20 year high roller licenses (one north/north-west, one south).
- The Minister to approve high roller casino licences.
- A definition of 'north' and 'south'.
- The existing casino legislative requirements to be applied to high roller casino licences.
- A high roller casino licence fee of \$200 000 per annum.
- Annual tax liability, payable six monthly, with an ability to carry forward a loss for 12 months.
- The requirement for a high roller casino gaming guarantee of not less than \$1 million or one per cent of operator's turnover.
- Commission to be given the power to review the licence (undertake audits) as required.
- A progressive high roller casino tax rate to be determined.

Figure 5 - High roller casino sector



Keno

Keno in hotels and clubs will not change, with the Federal Group conducting keno games as the keno operator and hotels and clubs selling tickets in return for a commission.

However, the licence to conduct keno will change from a Gaming Operator licence to a new Keno Operator licence.

Venue commission will continue to be a regulated arrangement between the operator and venue.

Legislation/regulation changes

Legislation and/or regulations will provide for:

- Existing keno operator deemed to hold new 20 year keno licence.
- Minister to approve new Keno Operator licence.
- Keno licence fee of \$500 000 per annum.

Hotels and clubs

This sector will experience the greatest change under the new regulatory model.

Under the current arrangements a single licensee (the Gaming Operator) is the owner and operator of keno and EGMs in hotels and clubs (venues) and pays each venue a commission for both keno ticket sales and player expenditure on EGMs.

Under the new model the Gaming Operator will no longer exist and the operators of each hotel and club (of which there are currently 93) will be licensed individually to own and operate EGMs. This change will move the responsibility for complying with the regulatory and taxation requirements and prize payments from a single operator to the operators of each individual venue. This has implications for the level of suitability assessment at the time of licensing, as well as ongoing activities to ensure compliance.

There will be no change for venues in relation to the operation of, or responsibilities associated with, keno.

Venue operators will continue to operate under a Licensed Premises Gaming Licence (LPGL) however they will directly receive the profits from EGM gaming (as opposed to the current commissions they receive from the Gaming Operator).

While the day to day operation and player experience of EGMs is not expected to change significantly in hotels and clubs under the

Figure 6 - Keno sector

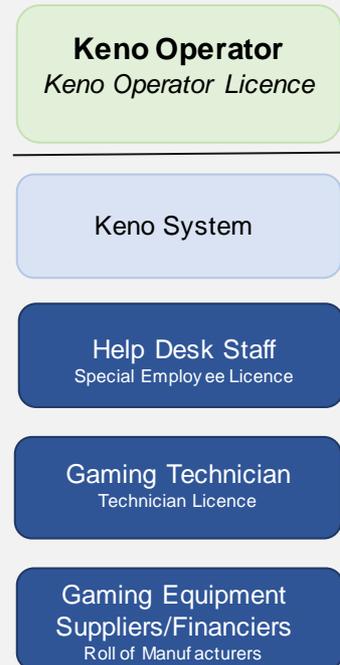
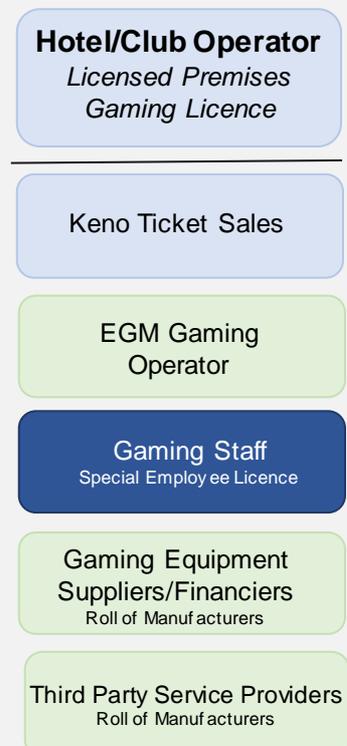


Figure 7 - Hotel and club sector



new model, the responsibilities and choices for the venue operators will.

Venue operators will take over a number of the functions that the Gaming Operator currently performs, including being responsible for:

- the payment of tax, the CSL and prizes in relation to EGM gaming;
- the acquisition (including supply), financing, and storage of EGMs;
- decisions around EGM game choice (from approved EGMs) and return to player settings (subject to the minimum mandated return levels) for machines in their venues; and
- arranging with EGM manufacturers to have new EGM games and types, or any modifications to EGM games, approved by the Commission.

The requirements in relation to these functions are not expected to change (such as the requirement to use those approved on the Roll of Recognized Manufacturers, Suppliers and Testers of gaming equipment and requirements relating to the storage, installation and removal of machines). However, the responsibility for understanding and ensuring that these requirements are met will fall to each individual venue operator.

Venue operators will also become responsible for paying a number of regulated fees such as the Licensed Monitoring Operator monitoring fee, EGM installation/maintenance fees and EGM jackpot monitoring fees. Venues will also be responsible for paying all prizes due on EGMs in their venue and ensuring that adequate funds are available for the payment of prizes, including jackpots, at all times.

A greater assessment of the financial capacity of venue operators will be required during the licensing process to ensure that they are able to meet these financial obligations.

Refer to Fact Sheet # 2 - Hotel and Club Changes

As venue operators will be responsible for their own EGM gaming operations, a right to operate EGMs at a venue is to be created which will be known as an 'EGM authority'. Venue operators will be required to have one EGM authority for each physical EGM that they operate. These authorities will be owned by Government and will not be tradeable.

Refer to Fact Sheet # 3 - Electronic Gaming Machine Authorities

Legislation/regulation changes

Legislation and/or regulations will provide for:

- The responsibility for a number of provisions under the Act to move from the Gaming Operator to the venue operator (such as to have authority to purchase, sell and operate EGMs).
- The new State-wide EGM cap in hotels and clubs of 2 350 (with current caps of 30 for a hotel and 40 for a club remaining) and a mechanism for any EGMs in venues in excess of the new 1 July 2023 cap to be removed on a 'last in, first out' basis.
- An 'EGM authority' system (refer to Fact Sheet #3 - Electronic Gaming Machine Authorities)

- Existing LPGL licences to be transitioned to a new licence on 1 July 2023, subject to a suitability assessment.
- A new 20 year licence period and new renewal provisions.
- The ability for the Commission to review a licence (i.e. undertake a suitability/probity audit) at any time for auditing purposes and to take action if an audit is not passed.
- New licence fee arrangements based on the number of EGMs and the ability to suspend a licence for non-payment of fee.
- Venue operators being responsible for EGM storage and movement within the State, in accordance with any relevant standards or requirements set by the Commission.
- The making of regulations to determine who can undertake certain functions in relation to gaming (such as installation, maintenance and repair of gaming equipment in venues).
- Venue operators being responsible for the payment of all taxes, CSL and EGM payouts (including jackpots) and stronger legislative provisions to give greater capacity to take action in the event of non-payment (e.g. suspension of licence).
- An EGM tax rate of 33.91 per cent of monthly gross profit for hotels and 32.91 per cent of monthly gross profit for clubs and CSL payments on monthly EGM gross profit at a rate of 4 per cent for club venues and 5 per cent for hotel venues (payments to be made on or before the 14th day of the month).
- The requirements for venue operators to pay the Licensed Monitoring Operator core monitoring fee.
- Venue operators to be accountable for training special employees and ensuring they are competent to use gaming equipment, and introducing a penalty for non-compliance.

Licensed Monitoring Operator

Under the new model, a Licensed Monitoring Operator (LMO) is to be established and operational from 1 July 2023. The licence to provide a service to monitor the network of EGMs in hotels and clubs is to be put to public tender prior to this date.

The LMO will be responsible for providing and operating a fit-for-purpose monitoring system that, among other things, monitors EGM transactions in hotel and club venues in Tasmania.

The LMO will be required to ensure the integrity of EGM transactions by monitoring EGM activity and providing data and information on EGMs for regulatory and taxation purposes.

The LMO will also be responsible for a number of additional functions in relation to EGM operations in hotels and clubs and these functions will be separated into three different areas.

These are:

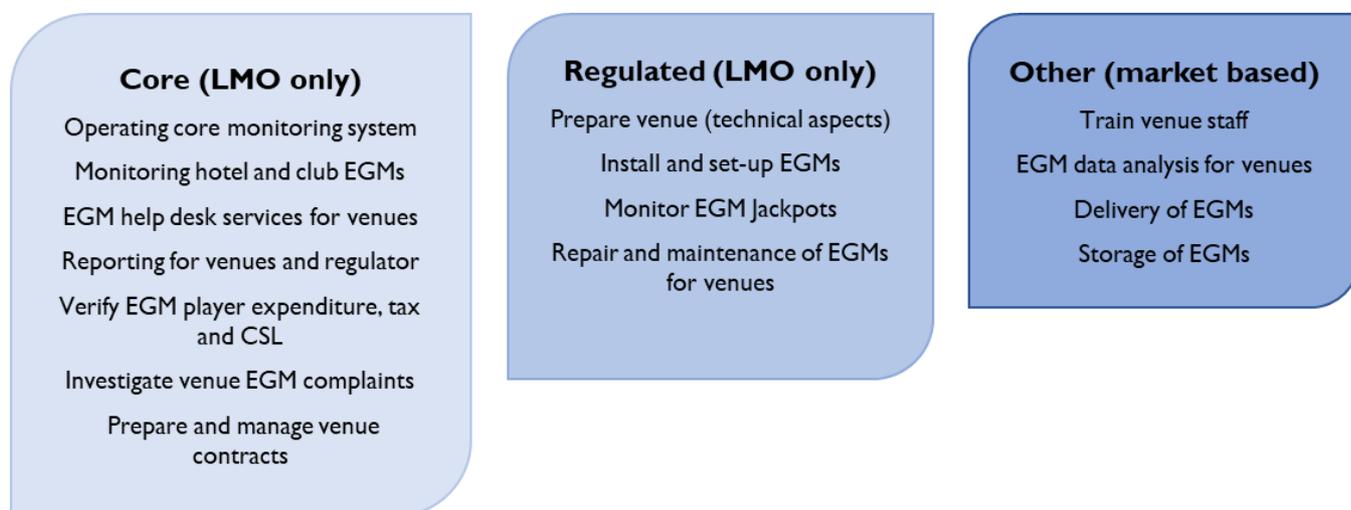
- 'core monitoring' functions for which venues will be required to pay a fee on per EGM per day basis each month;

Figure 8 - Licensed Monitoring Operator



- 'regulated' functions that only the LMO will be permitted to undertake for which venues will be required to pay the LMO a regulated fee; and
- 'other' functions that the LMO or other third party service providers will be permitted to perform under a commercial arrangement with venues, or which a venue could perform itself.

Figure 9 - Split of functions



The core monitoring functions include, but are not limited to:

- the operation of a core monitoring system in accordance with the Commission's Gaming Machine Monitoring System Technical Standards;
- monitoring of EGMs in venues (e.g. EGM verification, logic door openings, large win notification);
- EGM help desk services for venues;
- Central Monitoring System reporting functions for venues and the regulator;
- EGM player expenditure, tax and CSL verification;
- investigation of EGM complaints in venues; and
- preparation and management of LMO and venue contractual arrangements.

The 'regulated' functions will include:

- EGM installation, set-up and technical venue preparation;
- EGM jackpot monitoring; and
- EGM repair and maintenance for venues.

In addition, a number of 'other' functions under the new model will be permitted to be undertaken by the venue itself, or the LMO, or other third party service providers under a commercial arrangement. These functions include:

- training of venue staff in EGM operations;
- the provision of EGM data analysis for venues;
- delivery of EGMs to venues; and
- storage of EGMs.

Refer to Fact Sheet # 4 - Licensed Monitoring Operator

Legislation/regulation changes

Legislation and/or regulations will provide for:

- The rights and control of the Central Monitoring System data to be vested in the Crown and provisions to enable the Minister to authorise access to and/or release of data from time to time.
- The LMO as a prescribed licence holder.
- Granting of a 20 year licence, eligibility (suitability/probity requirements), terms and conditions, licence review and licence fee.
- Step-in provisions to enable Government to take control of the LMO operations under certain circumstances.
- Defining core monitoring and regulatory fee services (in the Regulations).
- Secrecy provisions relating to the LMO and its use of confidential information.
- A penalty to prevent the LMO from inappropriately releasing information to a third party or using that information for unauthorised commercial gain.
- The LMO to comply with any technical standard or conditions imposed by the Commission.
- LMO controls and procedures to be regulated by the Commission.
- Venues to refer (in writing) customer disputed EGM payouts to the LMO for investigation. If either party is dissatisfied with the outcome, a written appeal can be lodged to the Commission for review.
- Contracts between the LMO and venues to be regulated by the Commission.
- The prevention of anyone other than the LMO (or a contracted party of the LMO) from undertaking installation, set-up and venue preparation and maintenance of EGMs.
- LMO to be the only one permitted to destroy EGMs (for a regulated fee).
- The transitional introduction of a new LMO, while the existing Gaming Operator licence continues for a period (which could be beyond 1 July 2023).

Miscellaneous

In addition to the changes announced as part of the Policy, there are a number of other changes being introduced by Government and miscellaneous amendments being made to the Act.

Legislation/regulation changes

Legislation and/or regulations will provide for:

- An Authorised person (Liquor and Gaming Branch inspectors) to have the ability to issue infringement notices.
- Persons other than Special Employees being permitted to remove coin from an EGM.
- A Social and Economic Impact Study (SEIS) to be conducted every five years instead of every three years.
- The extension of the Community Interest Test objection period from 14 days to 28 days.
- The inclusion of the ability for an infringement notice to be issued for a breach of section 5A of the Act (prohibition on gaming business from being conducted unless authorised under the Act).
- Trackside (simulated racing) - removing the restriction of Trackside being considered a casino game.
- The modernisation and streamlining of legislation (include regulatory objectives, be principles-based and allow for collaboration) and, where possible, moving machinery and operational provisions to Regulations.

(Note: some of the above changes will occur prior to 1 July 2023)

Transitional Arrangements

New monitoring operator arrangements

The transfer to the new LMO will present issues regardless of the successful proponent.

Consequently, rather than a one day changeover from one monitoring system to another for all venues, a transition period of six to 12 months will likely be required.

EGM jackpots

A number of issues are yet to be resolved in relation to jackpots that currently operate in LPGL venues, including potential tax implications for the Gaming Operator and the requirement to transfer any jackpot payments to new EGMs that venue operators may need to acquire.

Licence holder suitability assessment

Venue licences will be issued to existing licence holders, with an authority for each EGM that the venue is licensed to operate, for a 20 year period effective from 1 July 2023.

Venue operators will undergo a suitability assessment prior to the licence being issued (likely six to 12 months prior to 1 July 2023).

Under the new model, the responsibilities and financial liabilities for gaming in hotels and clubs, including the payment of gaming tax, Community Support Levy and EGM jackpot payouts moves from the current Gaming Operator (Network Gaming) to the venue operator. Therefore, an assessment of the licence holders' arrangements, such as corporate structure and associates, financial capacity and history, is required to ensure that information held by the Commission is up to date prior to licence issue, and the licensee is able to meet its responsibilities under the new regulatory model.



Department of Treasury and Finance

Phone:

(03) 6166 4040

Email:

future.gaming@treasury.tas.gov.au

www.gaming.tas.gov.au