

# Future of Gaming in Tasmania

Paper 2 - proposed Future Gaming Market legislative provisions -  
general casino and high-roller casino

June 2021



Tasmanian  
Government



## **Paper 2 - proposed Future Gaming Market legislative provisions - general casino and high-roller casino**

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## Proposed Future Gaming Market legislative provisions - casinos

The following information, relating to the regulatory arrangements that will apply to casino operators (both general casino and high-roller casino) under the Future Gaming Market policy, provides a summary of relevant draft legislative provisions proposed to be included in the *Gaming Control Act 1993*.

From 1 July 2023, there will be two general casino licences issued to Federal Group. There will also be legislative amendments that provide for the operation of two non-resident high-roller casinos, one in the Northern Division of the State and one in the Southern Division of the State.

The amendments outlined in this Paper should be read in conjunction with the other consultation papers, the Bill and the existing legislation (the *Gaming Control Act 1993*). All amendments are intended to commence on 1 July 2023 unless otherwise noted. Some of the changes proposed to the legislation may not have been included in the information below, such as where they apply generally, are administrative in nature, or relate to a change in terminology. The full section may not be replicated, only relevant changes are included in this paper, however where the full Act includes further wording, “...” has been used to indicate this.

A number of requirements and processes are being provided for in regulations to allow for greater flexibility and responsiveness to changes within the gaming environment.

The current version of the *Gaming Control Act 1993* can be found at the following address:

<https://www.legislation.tas.gov.au/view/html/inforce/current/act-1993-094>

When calculating penalty amounts, it should be noted that the current value of a penalty unit is \$172.

Legislation section numbers referred to in this paper relate to the proposed amended Act.

The term “**casino**” in the legislation and this paper refers to both the general casino(s) and the high-roller casino(s). This paper is divided into three sections:

Part 1: legislative amendments applicable to casinos (general and high-roller);

Part 2: legislative amendments specific to general casinos; and

Part 3: legislative amendments specific to high-roller casinos.



# Part one - legislative amendments applicable to casinos (general and high-roller)

## Definitions

Following are new draft interpretations relating to casino arrangements.

### **Proposed amendment (section 3):**

**“casino licence”** means –

- (a) a general casino licence; and
- (b) a high-roller casino licence;

**“electronic monitoring system”** means any type of connected electronic system or device that is designed so that it may be used, or adapted, to send or receive data from gaming equipment in relation to the security, accounting or operation of gaming equipment;

**“electronic monitoring system information”** means information acquired in the course of the operation of an electronic monitoring system and includes data derived from that information;

**“FATG game”** means a game designed to be played on a fully-automated table game machine;

**“FATG machine”** means a fully-automated table game machine;

**“fully-automated table game machine”** means an electronic gaming system or equipment that allows more than one person to play a game that –

- (a) imitates a type of game played at a gaming table; and
- (b) can be played –
  - (i) from different terminals; and
  - (ii) without being conducted by a casino employee;

**“gaming machine”** means any device (other than a FATG machine) that is designed –

- (a) for the playing of a game of chance or a game that is partly a game of chance and partly a game requiring skill; and
- (b) to –
  - (i) pay out money or tokens as a result of the making of a wager; or
  - (ii) register a right to an amount of money or money’s worth to be paid as the result of the making of a wager;

**“gaming operation”** means -

- (a) In relation to a casino, any activity authorised by the casino licence for that casino; or
- (b) In relation to a licenced premises, any activity authorised by the venue licence for that licenced premises;

**“general casino licence”** means a licence granted and in force under section 13B;

**“high-roller casino licence”** means a licence granted and in force under section 13C;

**“jackpot prize pool”** means a prize pool established for the payment of jackpots;

**“licensed operator”** means a casino operator or a keno operator;

**“machine game”** means the following:

- (a) a gaming machine game;
- (b) an FATG game;

**“machine type”** means the following:

- (a) a gaming machine type;
- (b) a type of FATG machine.

**“monitoring licence operations”** means any activity authorised by a monitoring operator’s licence;

**“monitoring operator”** means the holder of a monitoring operator’s licence

**“monitoring operator’s licence”** means a licence granted and in force under section 48F;

**“Roll”** means the Roll of Recognized Manufacturers, Suppliers and Testers of Gaming Equipment maintained under section 70.

## Licence cannot be granted without Minister's approval

The Commission must not grant a casino licence without the Minister’s approval. This excludes the initial general casino licences (upon commencement of the new model), which are required under the proposed legislation (section 13B) to be issued to the current operator (or a corporation related to the operator).

### **Proposed amendment (Section 29):**

*Except as provided in sections 13B(2) and 13D(2), the Commission must not grant a casino licence or a keno operator's licence to any person unless the Minister has approved the granting of such a licence to that person and has advised the Commission of any terms and conditions to be included in the licence.*

## Renewal of casino licence

A casino licence holder and a keno operator licence holder may apply to renew their licence up to five years, and no less than two years, prior to the expiry of the licence.

### **Proposed amendment (section 16A):**

- (1) *The holder of a casino licence or a keno operator’s licence may, no earlier than 5 years, and no later than 2 years, before the licence is due to expire, apply to the Commission for the renewal of the licence.*
- (2) *An application under subsection (1) must be –*
  - (a) *in a form approved by the Commission; and*
  - (b) *contain any information and be accompanied by any documents the Commission requires; and*
  - (c) *be accompanied by the prescribed fee.*
- (3) *Sections 23, 24, 25, 26, 27, 28 and 29 apply to an application for the renewal of a casino licence or a keno operator’s licence in the same manner as they apply to an application for the granting of a casino licence or a keno operator’s licence.*
- (4) *If a requirement made by this section is not complied with, the Commission may refuse to consider the application.*
- (5) *If an application is refused under subsection (4) or withdrawn by the applicant, the Commission, at its discretion, may refund the whole or part of the application fee.*

## Action to be taken if casino licence cancelled, surrendered, or due to expire

### **Proposed amendment (section 22):**

The Minister may, if is satisfied that it is in the public interest to do so, call for applications for a casino licence or a keno operator's licence if a licence of that kind –

- (a) has been cancelled or surrendered; or
- (b) is due to expire within the next 2 years and the licence holder has not made an application to renew the licence under section 16A(1).

## Offence to breach licence conditions

### **Proposed amendment (section 13A):**

(1) The holder of a casino licence must comply with the conditions to which the casino licence is subject.

Penalty: A fine not exceeding 2 500 penalty units.

## Amendment of conditions

Under Future Gaming Market arrangements, any proposal by a casino operator to amend the conditions of its licence will attract a prescribed fee.

### **Proposed amendment (section 14):**

(1) The conditions of a casino licence or a keno operator's licence may be amended in accordance with this section.

(2) An amendment may be proposed –

- (a) by the licensed operator by requesting the Commission in writing to make the amendment; or
- (b) by the Commission by giving notice in writing of the proposed amendment to the licensed operator.

(3) The Commission must give the licensed operator at least 28 days to make submissions to the Commission concerning any proposed amendment and must consider the submissions made.

(4) The Commission must then decide whether to make the proposed amendment, either with or without changes from that originally proposed, and must notify the licensed operator of its decision.

(5) An amendment proposed by the Commission must be in the public interest or for the proper conduct of gaming.

(6) Any amendment that the Commission decides upon takes effect when notice of the decision is given to the licensed operator or on any later date specified in the notice.

(7) Where an amendment to the conditions of a casino licence or keno operator's licence is proposed under this section by the licensed operator, the proposal is to be accompanied by the prescribed fee.

## Duration of licence

The duration of casino licences will be for 20 years.

### **Proposed amendment (section 16):**

A casino licence and a keno operator's licence remain in force for a period of 20 years unless sooner cancelled or surrendered under this Act.

## Change in situation of licensed operator

Where a 'major change' involves a person becoming an associate of a licensed casino operator, the Commission must be satisfied that the person is suitable to be associated with the management of a casino operation. The Minister must also approve any change where a person becomes a major shareholder of the casino licence holder (ie someone that holds more than 10 per cent of the issued shares in a body corporate).

### **Proposed amendment (section 30):**

- (1) In this section -
- “major change”** in the situation existing in relation to a licenced operator means -
- (a) any change in that situation which results in a person becoming an associate of the licenced operator; or
  - (b) any other change in that situation which is of a class or description prescribed as a major change for the purposes of this section;
- ...
- (3) If a major change for which approval of the Commission is sought involves a person becoming an associate of the licensed operator, the Commission must not grant prior approval for that change for the purposes of subsection (2)(a) unless –
- (a) the Commission is satisfied that the person is a suitable person to be associated with the management or operation of a casino or a keno operation; and
  - (b) in the case of a person who is to become a major shareholder in the licensed operator, the Minister has given written consent to the granting of the prior approval by the Commission.
- (3A) For the purposes of subsection (3) a major shareholder is a person who holds more than 10% of the issued shares in a body corporate.

## Casino layout to be in accordance with prescribed requirements

This amendment moves to regulations existing requirements that provide for the approval of the casino layout and the manner in which casino operations are conducted and monitored.

### **Proposed amendment (section 102):**

- (1) It is a condition of a casino licence that gaming is not to be conducted in the casino unless the facilities provided in relation to the conduct and monitoring of operations in the casino are in accordance with -
- (a) any plans, diagrams and specifications approved by the Commission in accordance with the regulations; and
  - (b) any other prescribed requirements.

## Removal of jackpot prize pool from venue

This section will allow for the Commission to make determinations and add conditions in relation to the removal or transfer of jackpots on gaming equipment.

### **Proposed amendment (section 84A):**

- (1) *The Commission may approve alternative arrangements for the return to players of the prize pool for a jackpot if the jackpot prize pool is removed from an approved venue and the casino operator, venue operator or monitoring operator is not able to add the jackpot prize pool to a new or existing jackpot prize pool at the venue.*
- (2) *A casino operator, venue operator or monitoring operator who removes a jackpot prize pool from an approved venue must comply with any alternative arrangements approved by the Commission under subsection (1) for the return of that jackpot prize pool.*  
*Penalty: Fine not exceeding 1 000 penalty units*
- (3) *If, for any reason, it is not practicable to return a jackpot prize pool to players under alternative arrangements approved under subsection (1), the casino operator, venue operator or monitoring operator who removed the jackpot prize pool from the venue must deal with that jackpot prize pool in the manner prescribed by the regulations.*  
*Penalty: Fine not exceeding 1 000 penalty units*

## Section 88 - protection of sensitive areas of gaming equipment

The provisions of this section will be moved to regulations to provide flexibility for any changes that may be required in the future as technology changes.

## Controls and procedures to be implemented in casinos

This change requires that a casino operator must have in place a system of internal controls and administrative and accounting procedures approved by the Commission before conducting any casino operations.

### **Proposed amendment (section 137):**

- (1) *A casino operator must not conduct operations in the casino unless the Commission has approved in writing a system of internal controls and administrative and accounting procedures for the casino.*
- (2) *Any approval referred to in subsection (1) may be amended as the Commission thinks fit.*
- (3) *An approval or amendment of an approval under this section takes effect when notice of it is given in writing to the casino operator concerned or on a later date specified in the notice.*
- (4) *The casino operator must ensure that the system approved for the time being under this section for the casino is implemented.*  
*Penalty: Fine not exceeding 50 penalty units.*
- (5) *A system of internal controls and administrative and accounting procedures approved for the purposes of this section for use by a casino operator must include such specifications as are prescribed.*

## Section 121 - Casino operators must erect warning notices

The provisions of this section will be removed and relevant provisions will be included in regulations.

## Section 138 - Content of approved system

The provisions of this section will be removed and relevant provisions will be included in regulations.

### Calculation of gross profits

The change to this section standardises the calculation of gross profit on electronic gaming machines and the treatment of jackpots across all sectors. While the provisions relating to gross profit derived from games approved under section 103 (which includes table games) are not new, they will now also apply to the high-roller casinos and are therefore included below.

#### **Proposed amendment (section 136):**

- (1) *The gross profit derived for any period from the conduct of gaming is to be calculated in accordance with this section.*
- (2) *The gross profit derived from machine games during any period is to be calculated by deducting from the total amount wagered in that period the sum of all winnings paid.*
- ...
- (3) *Subject to subsection (6), the gross profit derived from games approved under section 103 during any period is to be calculated by deducting from the total amount wagered during that period the sum of all winnings paid, and adjusting the amount obtained for any change in the value of unredeemed chips.*
- (4) *For the purposes of subsection (3) –*
  - (a) *if the value of the unredeemed chips at the end of a period is greater than it was at the beginning of the period, an amount equal to the increase in value is to be added to the amount obtained under subsection (3); or*
  - (b) *if the value of the unredeemed chips at the end of a period is less than it was at the beginning of the period, an amount equal to the reduction in value is to be deducted from the amount obtained under subsection (3).*
- (5) *In subsection (4) –*
  - (a) *the value of a chip is the amount required to be given for its issue; and*
  - (b) *any sum received for the issue of a chip is an amount wagered; and*
  - (c) *a chip is unredeemed so long as it is not used in gaming or redeemed for cash.*
- (6) *The gross profit derived from a game approved under section 103, where the casino operator receives a commission or payment calculated in accordance with the total amount wagered on such a game, is the commission or payment received by the casino operator.*
- (7) *A reference to winnings in this section does not include the value of any prizes paid out as part of a promotion.*

### Other amendments relevant to all sectors

The following sections contain amendments relevant to all licence holders, including casino operators. For this reason, the details of these amendments have been included in the consultation paper “Paper 1 - general amendments”:

- Revocation of 2003 Deed (section 6)
- Authority conferred by a special employee's licence (section 34)
- Authority conferred by a technician's licence (section 35)
- Training of special employees (section 50)
- Approval of certain contracts by Commission (section 77V)
- Approval of other gaming equipment (section 81)

- Approval of jackpots and linked jackpot arrangements (section 84)
- Installation and storage of gaming equipment (section 90)
- Complaints regarding gaming and gaming equipment (section 97A)
- Investigation of prescribed licence holder (section 112N)
- Investigation into associate or other person (section 112O)
- Costs of investigation (section 112OA)
- Temporary transfer of prescribed licence to liquidator (section 112OB)
- General gaming standards (section 112PA)
- Suspension of licence without opportunity to be heard (section 112U)
- Unclaimed winnings (section 149)
- Sale or supply of gaming equipment (section 154)
- Waiver of fees (section 173A)
- Regulations (section 174).

# Part 2 - legislative amendments specific to general casinos

## Authority conferred by general casino licence

The authority of a general casino licence from 1 July 2023 is reflected below, however section 11 will also be amended from Royal Assent to omit subsections (2) and (3), effectively removing simulated racing as a casino game under the existing casino licences.

### **Proposed amendment (section 11) from 1 July 2023:**

- (1) A general casino licence authorises the holder of the licence, subject to this Act and any conditions to which the licence is subject, to do such of the following things as are specified in the licence:
  - (a) to purchase or obtain from manufacturers, suppliers and testers listed on the Roll approved gaming equipment and testing services;
  - (b) to purchase or obtain from manufacturers and suppliers unrestricted gaming equipment;
  - (c) to conduct gaming at a casino;
  - (d) to sell or dispose of gaming equipment in accordance with this Act;
  - (e) to service, repair or maintain gaming equipment through the services of licensed technicians;
  - (f) to do all things necessarily incidental to carrying on the activities authorised by this section.
- (2) For the purposes of subsection (1)(c) a reference to gaming includes the conduct of keno, but does not include gaming activities.

## Granting of general casino licence

Under the future gaming market model, Federal Group will be granted two general casino licences and no other general casino licences can be issued unless the Minister is satisfied it is in the public interest to do so where an existing licence is cancelled or surrendered, or where Federal Group does not apply to renew its licence (see sections 16A and 22).

### **Proposed amendment (section 13B):**

- (1) In this section –
  - "2023 commencement day"** means the day on which Part 4 of the Gaming Control Amendment (Future Gaming Market) Act 2021 commences;
  - "existing casino licence"** means a casino licence in force immediately before the 2023 commencement day.
- (2) On the 2023 commencement day, the Commission must grant to the holder of an existing casino licence (or to a corporation related to the holder of that licence) a general casino licence in respect of the same premises or part of premises for which the existing casino licence was granted.
- (3) After the 2023 commencement day, the Commission may grant a general casino licence in accordance with this Part to an applicant for that licence if the Minister has made a call for applications for a general casino licence under section 22.
- (4) A general casino licence granted under this Part may be subject to such conditions as the Commission thinks fit.
- (5) A general casino licence may be granted in respect of one casino only, but more than one licence may be held by a casino operator concurrently.
- (6) The Commission must not grant a general casino licence in respect of the same premises or part of premises for which a high-roller licence has been granted.

## Gaming machines: limit on overall numbers

In accordance with the Government's future gaming market policy, a cap on the number of EGMs to be operated in general casinos is being introduced.

### **Proposed amendment (section 101B):**

**“2023 commencement day”** means the day on which Part 4 of the Gaming Control Amendment (Future Gaming Market) Act 2021 commences;

On or after the 2023 commencement day -

...

- (b) The maximum number of gaming machines in total that may be installed in casinos in the State is 1 180.

## Electronic monitoring system to be in place

This amendment requires that an electronic monitoring system approved by the Commission must be in place for EGMs operated by a casino licence holder.

### **Proposed amendment (section 96):**

- (3) It is a condition of a general casino licence that machine games are not to be operated in the casino unless the machine game is connected to an electronic monitoring system approved by the Commission under section 81 as suitable for use in monitoring operations associated with such games.

## Approval of machine types and machine games

This section provides for the approval of gaming machines, FATG machines and the games that operate on those machines. The provisions include, among other things, the ability for the Commission to approve the rules under which the gaming machines and FATG machines are to be operated and includes a requirement that casino operators must not allow the machines to be operated unless they are operated in accordance with such rules.

### **Proposed amendment (section 80):**

- (1) A person may apply to the Commission for the approval of a machine type or a machine game.
- (1A) An application under subsection (1) must be in a form approved by the Commission and must be accompanied by the prescribed fee.
- (1B) On receipt of an application under subsection (1), the Commission is to conduct an evaluation of the machine type or machine game.
- (2) The Commission may require a person who submits an application under subsection (1) to provide any additional information or material that the Commission considers necessary for the evaluation and to pay the costs incurred by the Commission in undertaking the evaluation.
- (2A) The Commission may require rules under which a machine game is to be played.
- (2B) If the Commission requires rules under which a machine game is to be played, the Commission may –
- (a) approve the rules; or
- (b) refuse to approve the rules.
- (2C) A venue operator, casino operator or monitoring operator must not permit a machine game that requires rules under this section to be played in the venue unless the machine game is played in accordance with those rules as approved by the Commission.
- Penalty: Fine not exceeding 1 000 penalty units.
- (3) If a machine type or machine game that is the subject of an application under subsection (1) is considered by the Commission to be suitable for use in gaming, the Commission must approve the machine type or game subject to such conditions (if any) as it determines.
- (4) The Commission must reject all machine types or machine games that are the subject of an

application under subsection (1) which it considers are not suitable for gaming.

- (5) If a machine type or a machine game differs in any material particular from the machine type or game approved by the Commission, the machine type or machine game ceases to be approved under this section.
- (6) The Commission may repeal or vary any rules approved under subsection (2B).
- (7) A general casino operator must not permit –
  - (a) a gaming machine or an FATG machine to be installed in a casino unless that type of gaming machine or FATG machine has been approved by the Commission under subsection (3); or
  - (b) a machine game to be installed on a gaming machine or a FATG machine in a casino unless that game has been approved by the Commission under subsection (3).

Penalty: Fine not exceeding 1 000 penalty units.

- (8) A venue operator or monitoring operator must not permit –
  - (a) a gaming machine to be installed in a venue unless that type of gaming machine has been approved by the Commission under subsection (3); or
  - (b) a machine game to be installed on a gaming machine unless that machine game has been approved by the Commission under subsection (3).

Penalty: Fine not exceeding 1 000 penalty units.

## General casino licence fee

The holder of a general casino licence will be required to pay a monthly licence fee of \$86 800 (per licence), to be paid in advance on the first day of each month. This fee will be prescribed in regulations and is to be adjusted annually by the Consumer Price Index.

### **Proposed amendment (section 146):**

- (1) The holder of a general casino licence must pay a prescribed licence fee to the Commissioner of State Revenue on the first day of each month during the currency of the licence.

## Taxation in respect of general casino licence

The holder of a general casino licence will be required to pay tax on the gross profits of gaming to the Commissioner of State Revenue by the 14<sup>th</sup> day of the following month to which the tax relates.

### **Proposed amendment (section 150A1):**

- (1) The holder of a general casino licence must pay to the Commissioner of State Revenue a tax on the gross profits derived from gaming each month.
- (2) The tax payable under subsection (1) in respect of the monthly gross profits derived from keno is a sum equivalent to 0.91% of those profits.
- (3) The tax payable under subsection (1) in respect of the monthly gross profits derived from games approved under section 103 is a sum equivalent to 0.91% of those profits.
- (4) The tax payable under subsection (1) in respect of the monthly gross profits derived from gaming machine games is a sum equivalent to 10.91% of those profits.
- (5) The tax payable under subsection (1) in respect of the monthly gross profits derived from FATG games is a sum equivalent to 5.91% of those profits.
- (6) The holder of a general casino licence must pay the tax payable under this section in relation to a month not later than 14 days after the end of that month.
- (7) In this section –  
**"monthly gross profit"** means gross profits derived by a casino operator during the month in relation to which tax is payable under this section.



## Community Support Levy

The payment of the Community Support Levy (CSL) from EGM revenue is being extended to general casino licence holders, who will be required to pay a levy of three per cent on the gross profit from gaming machines by the 14<sup>th</sup> day of each month.

To provide greater flexibility and responsiveness, the distribution of CSL will change from the current model of distribution percentages set in legislation, to a model that is prescribed in Regulations. This model will be developed with relevant stakeholder input.

### **Proposed amendment (section 151):**

- (1) *A casino operator or a venue operator must, from the gross profits derived from gaming machine games in each month, pay to the Commissioner of State Revenue a community support levy.*
- (2) *The community support levy is –*
  - (a) *in the case of the holder of a general casino licence, a sum equal to 3% of those monthly gross profits derived from gaming machines in the casino; and*
  - (b) *in the case of the holder of a venue licence –*
    - (i) *a sum equal to 4% of those monthly gross profits derived from gaming machine games located in licensed clubs; and*
    - (ii) *a sum equal to 5% of those monthly gross profits derived from gaming machine games located in hotels.*
- (3) *A community support levy must be paid to the Commissioner of State Revenue on or before the 14th day of the month immediately following the month to which it relates.*
- (3A) *The regulations may provide for contributions to the community support levy to be made by the Treasurer which may be an appropriation of the Public Account.*
- (3B) *A contribution to the community support levy that is required under the regulations to be paid by the Treasurer is to be paid by the Treasurer out of the Public Account without further appropriation than this section.*
- (4) *The Minister must distribute the total community support levy in the manner prescribed by the regulations.*

...

## Part 7 - Transitional provisions

Transitional provisions are included to ensure an effective transition to the new gaming market structure.

A number of the transitional issues may not be resolved until closer to the commencement date, however the Regulations will be sufficiently broad as to provide the power to include any transitional changes required to fully implement the future gaming market arrangements. Some of the transitional provisions may commence prior to 1 July 2023 including those in Part 7, which will commence on Royal Assent.

### **Proposed amendment (Part 7):**

#### **I. Interpretation**

*In this Part –*

**"changeover day"** *means 1 July 2023;*

**"lead-up period"** *means the 12-month period immediately before the changeover day;*

**"new legislative scheme"** *means the provisions of the Gaming Control Act 1993 as in force immediately after 30 June 2023;*

**"old legislative scheme"** *means the provisions of the Gaming Control Act 1993 as in force immediately before 1 July 2023;*

**"venue licence"** *means a licence of that name issued under the new legislative scheme.*

...

## 7. Regulations

- (1) The Governor may make regulations of a savings and transitional nature consequent on the enactment of the Gaming Control Amendment (Future Gaming Market) Act 2021 to effect, and facilitate, the transition from the old legislative scheme to the new legislative scheme.
- (2) Without limiting the generality of subclause (1), regulations made under that subclause may –
  - (a) provide for the preservation, continuation, extension, variation or revocation of any one or more of the following matters under the old legislative scheme:
    - (i) decisions, determinations, approvals or other such authorisations;
    - (ii) actions undertaken or exempted;
    - (iii) licences, exemptions or other such authorisations;
    - (iv) notices or other instruments or documents;
    - (v) any other matter under the old legislative scheme; and
  - (b) provide for the preservation, continuation, variation or revocation of decisions or actions taken under the 2003 Deed; and
  - (c) deal with any incidental or ancillary matters.
- (3) Regulations made under subclause (1) may –
  - (a) specify that they take effect on –
    - (i) the day on which any part of the Gaming Control Amendment (Future Gaming Market) Act 2021 commences; or
    - (ii) a day after the day on which any provision of the Gaming Control Amendment (Future Gaming Market) Act 2021 commences, whether the day so specified is before, on or after the day on which the regulations are made; and
  - (b) be made so as to apply differently according to matters, limitations or restrictions, whether as to time, circumstance or otherwise, specified in the regulations; and
  - (c) authorise any matter to be from time to time determined, applied or regulated by any person or body specified in the regulations.

## Part 8 - Further transitional provisions

### Proposed amendments:

#### 1. Interpretation of Part

In this part -

**“changeover day”** means 1 July 2023;

**“former Act”** means this Act as in force immediately before the changeover day.

#### 5. Directions and approvals for casino operator

(1) This clause applies in respect of a person if -

- (a) that person, or a corporation related to the person, held a casino licence under the former Act (**“the old casino licence”**) immediately before the changeover day; and
- (b) the person holds a general casino licence in respect of the same premises for which the old casino licence was granted.

(2) A direction or approval given or issued by the Commission to a person under a provision of the former Act, in respect of an old casino licence, is taken on and from the changeover day to be a direction or approval given or issued under the equivalent provision of this Act to that person in respect of any general casino licence held by that person on the same terms and conditions.

#### 8. Jackpot special prize pools

If the holder of a general casino licence immediately before the changeover day held a casino licence under the former Act, any jackpot special prize pool held by that licence holder under the former Act immediately before the changeover day is taken to be included for the purposes of section 150A1 in the gross profits for gaming machine games for the month immediately following the changeover day.

# Part 3 - legislative amendments specific to high-roller casinos

## Authority conferred by high-roller casino licence

### Proposed amendment (section 12):

- (1) A high-roller casino licence authorises the holder of the licence, subject to this Act and any conditions to which the licence is subject, to do such of the following things as are specified in the licence:
  - (a) to purchase or obtain from manufacturers, suppliers and testers listed on the Roll approved gaming equipment and testing services;
  - (b) to purchase or obtain from manufacturers and suppliers unrestricted gaming equipment;
  - (c) to conduct gaming at a casino;
  - (d) to sell or dispose of gaming equipment in accordance with this Act;
  - (e) to service, repair or maintain gaming equipment through the services of licensed technicians;
  - (f) to do all things necessarily incidental to carrying on the activities authorised by this section.
- (2) It is a condition of a high-roller casino licence that only a person who is not a resident of this State is authorised under the licence to participate in any gaming in any area of the casino.
- (3) For the purposes of this section, a person is not a resident of this State if the person's ordinary place of residence is not in this State.
- (4) For the purposes of subsection (1)(c), a reference to gaming does not include –
  - (a) gaming activities; or
  - (b) gaming machine games; or
  - (c) the conduct of keno.

## Granting of high-roller casino licence

The Government is making available two 'high-roller, non-resident' casino licences - one in the south, which is to be offered to MONA, subject to assessment, and one in the north, subject to a cost-benefit analysis demonstrating it is in the State's best interest. Gaming machines will not be permitted to operate under a high-roller casino licence. Only one northern and one southern high-roller casino licence may be in force at any one time. The northern and southern divisions of the State are defined in the *Acts Interpretation Act 1931*, delineated by the 42<sup>nd</sup> parallel of latitude.

### Proposed amendment (section 13C):

- (1) In this section –
  - "Northern high-roller casino licence"** means a high-roller casino licence granted in respect of premises or part of premises in the Northern Division of the State;
  - "Southern high-roller casino licence"** means a high-roller casino licence granted in respect of premises or part of premises in the Southern Division of the State.
- (2) The Commission may grant a high-roller casino licence in respect of premises or part of premises to an applicant for the licence.
- (3) However, only one Northern high-roller casino licence and one Southern high-roller casino licence may be in force under this Act at any one time.
- (4) A high-roller casino licence granted under this Part may be subject to such conditions as the Commission thinks fit.
- (5) A high-roller casino licence may be granted in respect of one casino only, but more than one licence may be held by a casino operator concurrently.
- (6) The Commission must not grant a high-roller casino licence in respect of the same premises or part of premises for which a general casino licence has been granted.

## Application for casino operator's licence

While this provision applies to both general and high-roller casinos, initially only high-roller casino applications will be required as section 13B provides for the existing casino licence holder to be granted a general casino licence.

### **Proposed amendment (section 22A):**

- (1) An application for a casino licence or a keno operator's licence must –
  - (a) be in a form approved by the Commission; and
  - (b) contain any information and be accompanied by any documents the Commission requires; and
  - (c) be accompanied by the prescribed fee.
- (2) If a requirement made by this section is not complied with, the Commission may refuse to consider the application.
- (3) If an application is refused under subsection (2) or withdrawn by the applicant, the Commission, at its discretion, may refund the whole or part of the application fee.

## Matters to be considered in determining application

### **Proposed amendment (section 23):**

- (1) The Commission must not grant an application for a casino licence or a keno operator's licence unless satisfied –
  - (a) that the applicant, and each associate of the applicant, is a suitable person to be concerned in or associated with the management and operation of a casino or a keno operation; and
  - (b) the applicant's premises are suitable for the management and operation of a casino or a keno operation.
- (2) In particular, the Commission must consider whether –
  - (a) each such person is fit and proper having regard to character, honesty and integrity; and
  - (b) each such person is of sound and stable financial background; and
  - (ba) the applicant has a legal right to occupy the premises which are the subject of the application; and
  - (c) in the case of an applicant that is not a natural person, the applicant has, or has arranged, a satisfactory ownership, trust or corporate structure; and
  - (d) the applicant has or is able to obtain financial resources that are adequate to ensure the financial viability of the casino or keno operation and the services of persons who have sufficient experience in the management and operation of a casino or keno operation; and
  - (e) the applicant has sufficient business ability to maintain a successful casino or keno operation; and
  - (f) any of those persons has any business association with any person, body or association who or which, in the opinion of the Commission, is not fit and proper having regard to character, honesty and integrity or has undesirable or unsatisfactory financial resources; and
  - (g) each director, partner, trustee, executive officer and secretary and any other officer or person determined by the Commission to be associated or connected with the ownership, administration or management of the operations or business of the applicant is a suitable person to act in that capacity; and
  - (h) the size, layout and facilities of the applicant's premises are suitable; and
  - (i) the proposed security arrangements are adequate.

## Residential requirements for gaming in high-roller casinos

In line with the Government's future gaming market policy, only non-residents of Tasmania will be allowed to gamble in the high-roller casinos.

### **Proposed amendment (section 105):**

- (1) *In this section –  
"acceptable proof of residence", for a person, means documentary evidence that might reasonably be accepted as applying to the person and as proving that the person's ordinary place of residence is not in this State.*
- (2) *The holder of a high-roller casino licence must not permit a person who is a resident of this State to wager, or attempt to wager, on any gaming in any area of the casino that is the subject of the licence.  
Penalty: Fine not exceeding 2 500 penalty units.*
- (3) *It is a defence in proceedings for an offence under subsection (2) if the defendant establishes that the person produced to the defendant, or to an agent or employee of the defendant, acceptable proof of residence for the person.*
- (4) *A person who uses any evidence purporting to be evidence of his or her ordinary place of residence in order to wager on gaming in any area of a high-roller casino is guilty of an offence if the evidence is false in a material particular.  
Penalty: Fine not exceeding 100 penalty units.*
- (5) *The holder of a high-roller casino licence, an employee of the holder of a high-roller casino licence, an inspector or a police officer may –
  - (a) *require a person wagering in the high-roller casino, or attempting to wager in the high-roller casino, to state his or her name and address if the holder of the licence, employee, inspector or police officer has reasonable cause to suspect that the person is a resident of this State; and*
  - (b) *if it is suspected on reasonable grounds that the name or address given in response to the requirement is false, require the person to produce evidence that it is correct.**
- (6) *A person must comply with a requirement under subsection 5(a) and must not, without reasonable cause, fail to comply with a requirement under subsection 5(b).  
Penalty: Fine not exceeding 20 penalty units.*
- (7) *It is defence to proceedings for an offence under subsection (6) if the person who made the requirement did not inform the person of whom the requirement was made, at the time it was made, that it is an offence to fail to comply with the requirement.*
- (8) *If a person contravenes subsection (6), a police officer may arrest the person without warrant and bring the person before a magistrate to be dealt with according to law.*
- (9) *For the purposes of this section, a person is a resident of this State if the person's ordinary place of residence is in this State*

## Taxation in respect of high-roller casino licence

The high-roller casino licence holder will be required to pay tax on the annual gross profits of gaming to the Commissioner of State Revenue. A sliding scale tax arrangement is to apply, with tax payable six monthly in arrears, with an adjustment at the end of the financial year. There will also be an ability for an annual gross loss from gaming to be carried forward to the following year and offset against any gross profits for that subsequent year.

### **Proposed amendment (section 150AH):**

- (1) *The holder of a high-roller casino licence must pay to the Commissioner of State Revenue an annual tax on the annual gross profits derived from gaming at the high-roller casino.*
- (2)\* *The tax payable under subsection (1) in respect of the annual gross profits derived from gaming at the high-roller casino is –*
  - (a) *if the annual gross profits of the licence holder for that gaming do not exceed \$15 000 000, a sum equivalent to 3% of the annual gross profits; or*
  - (b) *if the annual gross profits of the licence holder for that gaming exceed \$15 000 000 but are or do not exceed \$30 000 000, a sum equivalent to the total of –*
    - (i) *3% of that part of the annual gross profits derived during that part of that financial year occurring before the annual gross profits so exceeded \$15 000 000; and*
    - (ii) *5% of that part of the annual gross profits derived during that part of the financial year occurring when and after the annual gross profits so exceeded \$15 000 000; or*
  - (c) *if the annual gross profits of the licence holder for that gaming exceed \$30 000 000, a sum equivalent to the total of –*
    - (i) *3% of that part of the annual gross profits derived during that part of that financial year occurring before the annual gross profits so exceeded \$15 000 000; and*
    - (ii) *5% of that part of the annual gross profits derived during that part of the financial year occurring when and after the annual gross profits so exceeded \$15 000 000 but before those annual gross profits so exceeded \$30 000 000; or*
    - (iii) *7% of that part of the annual gross profits derived during that part of the financial year occurring when and after the annual gross profits so exceeded \$30 000 000.*
- (3)\* *Tax is payable by the holder of a high-roller casino licence under this section as follows:*
  - (a) *for that part of the annual gross profits derived in the period between 1 January and 30 June (inclusive) in a financial year, within 14 days after the end of that period;*
  - (b) *for that part of the annual gross profits derived in the period between 1 July and 31 December (inclusive) in a financial year, within 14 days after the end of that period.*
- (4)\* *The tax liability of the holder of a high-roller casino licence under this section is to be recalculated after the end of the relevant financial year.*
- (5) *If the holder of a high-roller casino licence has an annual gross loss for a financial year, the licence holder may offset that loss against the annual gross profits for the subsequent financial year.*
- (6) *In this section –*

**"annual gross loss"**, means an annual gross profit for a financial year that is less than zero;

**"annual gross profit"** means gross profits derived by the holder of a high-roller casino licence during the financial year in relation to which tax is payable under this section.

\* Please note that the application of (2), (3) and (4) may be further amended to allow for the assessment of the correct tax on a full year's gross profit and the ability for the Commissioner of State Revenue to provide refunds of any overpayments.

## High-roller casino guarantee

A high-roller casino licence holder will be required to provide a guarantee from an authorised deposit taking institution with the guarantee able to be used by the Commission if the licence holder goes into receivership, or owes money to the Crown under the Act.

### **Proposed amendment (section 153AB):**

(1) In this section -

**“casino guarantee”** means a guarantee from an authorised deposit-taking institution relating to the business carried on, or to be carried on, under a high-roller casino licence;

**“estimated turnover”** – see subsection (5);

**“turnover period”** in relation to a high-roller casino licence, means -

(a) in a case to which subsection (2)(a) applies, the 12 month period immediately preceding the month in which the person is granted the high-roller casino licence; or

(b) in a case to which subsection (2)(b) applies, the 12 month period immediately preceding the month in which the Commission makes a requirement under subsection (3)(b).

(2) The holder of a high-roller casino licence must provide to the Commission a casino guarantee if -

(a) the person has been granted a high-roller casino licence; or

(b) the Commission under subsection (3)(b) requires the licence holder to provide a new casino guarantee.

(3) The Commission, by written notice, may require the licence holder to do one or more of the following:

(a) provide to the Commission financial statements showing the turnover of the licence holder in respect of gaming at the high-roller casino for the immediate preceding 12-month period;

(b) provide the Commission with a new casino guarantee.

(4) A casino guarantee provided in accordance with subsection (2) must be of an amount specified by the Commission in writing, being an amount not less than the greater of the following:

(a) \$1 000 000; or

(b) 1% of the licence holder’s turnover or estimated turnover in respect of all gaming conducted at the high-roller casino under the high-roller casino licence during the turnover period.

(5) If the holder of a high-roller casino licence has only conducted gaming at the relevant casino for part of the turnover period, the Commission may, for the purpose of determining the amount of the guarantee under subsection (4)(b), estimate what the licence holder’s turnover for that turnover period would have been had the licence holder conducted gaming at the relevant casino for the entire turnover period.

(6) A copy of the casino guarantee is to be provided to the Commission within 21 days after, as the case requires -

(a) the licence holder receives notice of the grant of the high-roller casino licence; or

(b) the licence holder receives the requirement made under subsection (3).

(7) The Commission, under subsection (3), may not require a licence holder to provide a new casino guarantee unless -

(a) at least 6 months have passed since the high-roller casino licence was granted; or

(b) at least 6 months have passed since the last such requirement was made; or

(c) the licence holder has acquired a new associate; or

(d) the Commission considers that there has been a substantial increase in the turnover of the licence holder.

(8) Where a licence holder -

(a) has gone into receivership; or

(b) owes money to the Crown under this Act -

the Commission may use the casino guarantee paid by the licence holder in order to satisfy those debts.

## High-roller casino licence fee

The high-roller casino licence holder will be required to pay a monthly licence fee of \$16 666, to be paid in advance on the first day of each month. This fee will be prescribed in regulations and is to be adjusted annually by the Consumer Price Index.

### **Proposed amendment (section 147):**

*The holder of a high-roller casino licence must pay the prescribed monthly licence fee to the Commissioner of State Revenue on the first day of each month during the currency of the licence.*

## Minimum bet amounts at high-roller casinos

Minimum bet amounts will be set in Regulations.

### **Proposed amendment (section 106):**

*The holder of a high-roller casino licence must not permit a person to place a wager on any game in the casino that is less than the prescribed minimum bet amount for that game.*

*Penalty: Fine not exceeding 2 500 penalty units.*



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