

28 January 2021

The Secretary
Department of Treasury and Finance
GPO Box 1374
Hobart TAS 7001

Dear Secretary,

Re: Future of Gaming in Tasmania – Public Consultation Paper 2020

Network Gaming believes it is important to provide feedback on the Future of Gaming in Tasmania – Public Consultation Paper 2020 and thank The Secretary for providing this opportunity. We have three major concerns. Firstly, around the timeframes to transition the industry by the proposed date of June 30, 2023. Secondly around the selection of the Licenced Monitoring Operator and the importance in understanding the Tasmanian industry as well as Liquor and Gaming Branch processes and procedures and thirdly in relation to staff training.

Ending of the 2003 Deed

Network Gaming believes that the Governments intent to legislate provisions to end the Deed of Agreement between the State and the Federal Group on 30th June 2023 will not allow enough time for a structured transition from the current model to the proposed for our industry. The agreed Rolling Term allowed Network Gaming and the industry ample time to transition to a new environment. The intention to include provisions within the proposed legislation to terminate Federal Group's exclusivity arrangements on June 30, 2023 has not yet been passed through legislation and the time frame now expected to transition the industry is getting shorter.

We see great difficulties, especially for small venue operators to be able to easily transition to the new model in such a short time frame. This would become even more complicated should a new Licenced Monitoring Operator (LMO) be successful. Existing network infrastructure in venues, including cabling, site controllers, bases and coin counting equipment that is owned by Network Gaming would need to be removed for the installation of replacement equipment supplied by a new LMO or the venue. Any delay in this transition would cause great financial and operational stress on any venue not ready for the June 30, 2023 change over and due to the reduced time frame because of proposed changes to legislation we believe this is a very real concern. This has been experienced in other jurisdictions where a similar move to a venue licence model created great disturbances within the industry and additional costs to the venues.

The reduced timeframe to transition by June 30, 2023 to the new model has already created the situation where Network Gaming has not been able to purchase any new product for some venues due to current leases not being extended past June 30, 2023. If the Rolling Term was maintained as agreed, we would be able to work with venues to ensure their fleet of machines were maintained up to the introduction of the Venue Operator Model while also allowing the Tasmanian public access to the latest available product. The present situation is hampering the industry.



Licensed Monitoring Operator

Network Gaming has undertaken the function of a Licenced Monitoring Operator for over 20 years. We have a solid track record operating in the state, competent in managing practices and protocols for both OASIS Gaming venues and TASkeno. We have built strong partnerships with all our stakeholder and have a solid working relationship with the LAGB, THA and other industry groups.

We cannot stress strongly enough the importance the LMO has in ensuring the integrity of operation and management of sensitive data for electronic gaming. Network Gaming has proven over the past 20 years that we have strict procedures and processes that help mitigate breaches and regulatory requirement and have a dedicated and highly skilled Tasmanian workforce that has significant skills and knowledge that is specific to the Tasmanian market.

It is our belief that any LMO should operate within the state of Tasmania and employ Tasmanians. Working within the state will allow for greater understanding of the current gaming network and customers while allowing venues and government agencies greater access to services and support from a local dedicated team.

Being a locally based operation will allow for face to face support from the LMO to venues as has been provided by Network Gaming over the past 20 years. An example of this service is venue balancing training where a new operator takes over a venue but does not have the required skills or knowledge to balance the gaming room finances. We have experienced many new venue operators taking over a venue who then require multiple visits to their venue to conduct a full daily and weekly balancing process. Our concern is that new operators to the industry will struggle to find support for such critical processes and ultimately will cut corners to get a result while not following expected processes as expected by LAGB.

After 20 years of monitoring and servicing the Gaming Industry in Tasmania, we hold operational and financial concerns that the proposed June 30th, 2023 transition date does not adequately allow for an industry to evolve to a new model without major disruptions for both venues, Network Gaming and the successful LMO. The ability for Network Gaming to provide venues with new product is vital for their success over the next three years but again the proposed June 30th, 2023 end date is hampering our ability to offer this service to our venues and their customers.

Network Gaming would be disappointed to see a rushed shutdown of the current agreement with the State, resulting in negative outcomes for our venue partners, that could potentially cause them major operational and financial duress.

Yours sincerely,



Mike Davey
General Manager
Network Gaming

