

Hodgman Liberal Government post-2023 Gaming Structural Framework

A. Guiding Principles

1. Gambling is a lawful form of entertainment for many Tasmanians, and a wide range of gaming products should be available to consumers that are fair, and which provide an acceptable average return to players.
2. The regulation of the gaming industry should be designed to create a sustainable industry with the highest standards of probity whilst minimising harm caused by problem gambling.
3. The financial rewards from the gaming industry should be shared appropriately among the industry, players and the Government representing the community.
4. The placement or relocation of EGM's into new venues outside of the casino environment should not be solely determined by the industry and the public interest should be taken into account.
5. The duration of a gaming licence should be commensurate with, among other things, the level of investment necessary to underpin the delivery of the gaming operation.

B. Proposed Policy Position

Consistent with these five guiding principles, the Government has determined a set of policy positions in relation to the structural arrangements for casino gaming operations and hotel and club EGM gaming post 2023.

a. Casino and Keno operations

The rights to conduct keno in Tasmania and to conduct gaming in the existing two casinos, including EGMs and table gaming, are to remain with the Federal Group, subject to the standard probity and regulatory performance arrangements and satisfactory negotiations regarding term as well as taxation and license fee arrangements.

The tax rates and license fees for casino gaming (table gaming and EGMs) and keno are to be reviewed against the broader Australian market with a view to ensuring that returns to players, the licensed entity and the community via the Government are appropriate.

Limited new "high roller, non-residential" casino licenses should be available in Tasmania in addition to the Federal Group's two casinos.

In the first instance, the opportunity to apply for such a licence should be afforded to Mr Walsh, given he initially came forward with a proposal in respect of financially supporting the MONA museum.

If that licence opportunity were taken up, subject to Mr Walsh meeting the necessary and rigorous licensing and probity process, one additional licence could be made available for a location in the North of the State, should there be market demand for such a casino.

b. Hotels and Club EGMs

The rights to operate these machines post 2023 will be allocated and priced by a market-based mechanism, such as a tender.

The Government has no fixed view as to alternative structural options for the ownership of EGMs in hotels and clubs post 2023 – the current single network model could continue, with the rights to own and operate that network put to the market, or alternative models such as individual venue ownership under a common network control platform could also be considered.

In relation to overall EGM numbers from 2023 onwards, the statewide EGM cap, which pre-2023 is 3680 will be decreased to 3530 machines – a reduction in the cap of 150 machines.

The tax rate and licence fees for hotel and club EGMs are to be reviewed with a view to ensuring that returns to players, the licensed entity (or entities), venues and the community via the Government are appropriate and reflective of the broader Australian market.

The returns to hotels and clubs, and the community, should be at least in the same position they are today.

The Community Support Levy, which is applied to EGM activity in hotels and clubs, will be reviewed to ensure that it is set at an appropriate level delivering outcomes that are in the best interest and meeting the requirements of the community.

The relocation of EGMs into new hotel and/or club venues will be subject to a public interest test to be applied by the Tasmanian Liquor and Gaming Commission. Hotels and clubs that had machines in place in March 2016 will not require any form of retrospective approvals.