

# Devil in the detail

## Tasmania

Since the early 1970s, the family-run, Federal Group, has monopolised gambling in Tasmania, but after 50 years the landscape is changing. Pokies and keno are being released to independent operators, and the state is introducing Australia's first pre-commitment cashless gaming cards.

Last year, legislation was passed in Tasmania that brought to an end to the Federal Group's monopoly on gaming in the state of Tasmania, which had included pokies, state-run keno and two casinos. The controversial pokie law allowed venues to own or lease their own pokie machines from July 2022, as the government wants to "facilitate a more sustainable gaming industry that offers freedom of choice, supports industry certainty and jobs and provides appropriate player protections."

The government says "the returns from gaming will be shared appropriately among the gaming industry, players, and the government representing the community.

Gaming operators in hotels and clubs will have more responsibilities, but will receive a greater share of the returns."

The fascinating story of Tasmania's gambling monopoly dates back to the 1960s. The Federal Group arrived in Tasmania in 1968 just as the state was considering the idea of the first legal casino in Australia.

Federal's Greg Farrell Senior ran a campaign that assured residents a casino would bring high rollers into the state and put Tasmania on the tourism map.

Tasmania at the time was struggling. The public sector debt had risen in 20 years from \$85m to \$535m – the greatest per capita debt in the country. The casino project required no capital investment from the state and promised to supply taxes and bring in revenue.

Labor backed the scheme, but elections the following year resulted in a hung parliament with

Kevin Lyons' Centre Party holding the balance of power. Lyons eventually agreed to form a coalition government with the Liberals and was appointed Deputy Premier.

However, in 1972 Lyons quit parliament triggering a new election. Lyons was apparently offered a huge amount of money by Federal Hotels and British Tobacco as an advance for a book he never wrote. He did complete the setting up a PR company and his first client was... Federal Hotels.

The election was won by the Liberals and eventually this outcome not only led to the introduction of pokies within casinos, but eventually brought them into the pub and hotel sector too.

The Federal Group has successfully lobbied to



have gaming tax reduced and over the years the Farrell family managed to buy all the shares in the Federal Group, turning the company from a public entity into a private one. When Greg Farrell Senior died, his five children took equal shares and Greg Farrell Junior is now in charge.

The Federal Group, which operates from its head office in Sydney, is the trading name of Mulawa Holdings, which operates tourism, entertainment, gambling, and accommodation services. It operates two casinos and some 2,350 pokies in Tasmania.

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And so, with the gaming industry monopolised and a favourable tax regime in place, the Farrell family's empire boomed, enabling the firm to build a hugely formidable network, which also funded sports clubs, arts, social welfare groups and political groups. In 2003, the licence was extended.

Group profit grew from around \$596,000 in 1993 to \$32.7m by 2005. The Farrell Group invested money back into the Tasmanian economy by buying bottle shops and hotels. Its Vantage Group currently operates 12 hotels in Tasmania and 20 retail liquor stores via the 9/11 Bottleshop chain.

Tasmania's pokie machines are operated via its



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Network Gaming (Tasmania) business which was set up in 1996. This manages the distribution of EGMs and keno in the hotels and clubs throughout Tasmania operating under the Oasis Gaming and TASkeno brands.

There are 96 Oasis gaming rooms located in venues across Tasmania whilst TASKeno is available in more than 150 venues. Its Odyssey (Queensland) brand is a technology developer offering programmes to Queensland's club and hotel industry.

The Federal Group today is Tasmania's largest private sector employer and saw revenues of \$108m in 2018/19 and employs around 2,000 Tasmanians.

#### **SPANNER IN THE WORKS**

In 2015, David Walsh appeared on the scene and ripples in the monopoly began to form. Walsh is an art collector and professional gambler who grew up in Glenorchy on the Derwent River and after making his fortune from large-scale horse race betting, returned to the area where he grew up to build a museum called MONA - the Museum of Old and New Art.

The museum opened in 2011 and is an extravagant and avant-garde private museum located 11km north of Hobart. The museum offers Tasmanians free admission, whilst also attracting high-end tourists and investment.

In 2015, Walsh proposed that he open a small high-end casino, operating just table games, to offset the cost of running the museum.

The plan was for a pokie-free casino with 12 tables, whilst only non-resident Tasmanians would be permitted. Revenue would go towards MONA and related projects. There were plans to call the casino Monaco and it would include a 160-room hotel, function room and theatre.

A discussion was opened up with Federal Group who agreed to the casino if its own pokie licence was extended beyond 2023. Walsh refused, claiming pokies were 'antisocial and insidious' and pulled the plug on his \$200m proposed investment.

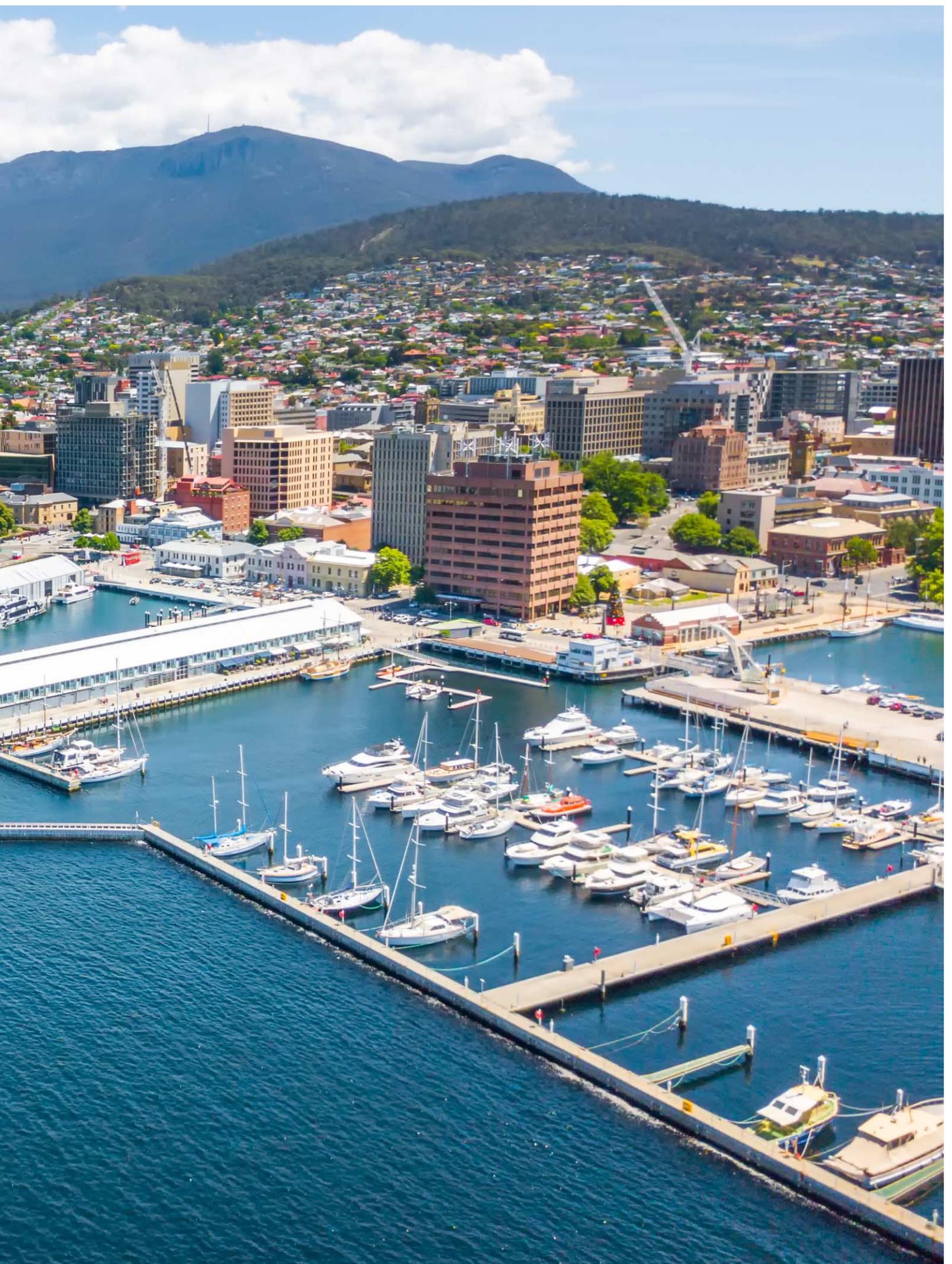
This suddenly brought the thorny subject of gambling in the state to a head, and as the 2018 election approached, with the Federal Group's licence due to expire in 2023, gaming legislation dominated the election period.

Labor announced it would get rid of pokie machines from pubs and clubs completely if they were elected. However, the Liberals, heavily backed by the state's hospitality industry and the Federal group, won the majority and the opposition later dropped its policy.

Then came the curve ball as the Liberal government released its Future Gaming Market policy. This called for changes to the operation of EGMs in hotels and clubs moving from a single gaming operator model to an individual venue operator model, whilst the networking monitoring licence for EGMs in hotels and clubs would be put out for tender.

And so, amendments to the Gaming Control Act 1993 were passed by parliament in November 2021 and the changes will take place from July 1 2023. These will bring an end to Federal's exclusivity in operating EGMs in Tasmania, costing the Group around \$25m per year in gambling revenue.

The Gaming Control Amendment (Future Gaming Market) Bill 2021 amends the Gaming Control Act of 1993 includes the following:



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- End the Deed of Agreement between the State and the Federal Group as of June 30 2023 – removing the group’s exclusive right to conduct casino operations, operate EGMs and keno in Tasmania from that date.
- Restructuring the gaming industry in the state to an operator venue model for EGMs in hotels and clubs. Licences can be granted to existing venues for existing EGMs.
- Introduce a restriction on the share of the hotel and club EGM market that can be controlled by any one entity or business group (maximum of 587 authorities).
- Cap the number of EGMs at 1,180 for casinos and 2,350 for hotels and clubs with a venue cap of 30 per hotel and 40 per club to remain.
- Provide new regulatory and financial arrangements for the Licensed Monitoring Operator (LMO) to operate the network monitoring licence for EGMs in hotels and clubs. This was put out to tender by the Department of Treasury and Finance.
- Provide new regulatory and financial arrangements for a non-resident high roller casino licences. The northern licence will be subject to a public benefit assessment and southern licence will be offered to MONA.
- Provide for additional amendments to existing arrangements for casino and keno licences to include the introduction of fully automated table games in casinos and a review of casino games (removing simulated racing game Trackside as a casino game). Licences will be granted to Federal Group for its existing casinos and state keno operations.
- Enable all licences (casino, keno, venue and LMO) to be issued for 20 years renewable with a review of suitability of licence holder at any time.
- Collection of a Community Support Levy from EGM revenue – three per cent from casinos, five per cent from hotels and four per cent from clubs.
- Provide for totalisator operator in Tasmania to conduct simulated racing events in hotels, clubs and totalisator outlets.

### A LOOK AT THE CHANGES

Previously operators in Tasmania required a Licensed Premises Gaming Licence (LPGL) which allows an entity to operate keno or both keno and EGMs in a licensed premises such as a hotel or club. This ended in June 2022.

Any LPG operator must now apply and be assessed to hold a new venue licence and online applications could be submitted from July 2022.

The new responsibilities for venue operators





means they can now choose what games they wish to operate and enter into agreements to purchase or lease EGMs. Venue operators will be responsible for paying all EGM winnings including jackpot prizes and also paying an application fee and an annual licence fee.

Venue licences will be issued for 20 years renewable whilst hotels and clubs will be subject to a state-wide cap of 2,350 EGMs. Previously the cap was 2,500.

Pokies have a 40 per cent share of the amount gambled in Tasmania followed by casinos with 30 per cent and then Lotto (15 per cent) and Keno (12 per cent). The government sees around \$30m annually from EGMs and keno combined in terms of revenue and around \$80m from gambling in total.

There are currently around 88 hotels and seven clubs operating EGMs (total 95). The maximum

Gaming operations in the clubs and hotels are owned and operated by the Network Gaming part of the Federal Group and the venues rent gaming equipment from Network Gaming.

Currently a one-off application fee is \$1,416 for keno only and \$1,657 for EGMs or both keno and EGMs whilst gaming machines in casinos, clubs and hotels pay a tax rate of 25.88 per cent on gross profit plus four per cent (clubs and hotels) Community Support levy.

Under the new system the quarterly licensing fee for EGMs 2023/24 will be:

- 0-5 EGMs - \$1,000 per EGM
- 6-10 EGMs - \$5,000 for 1-5 EGMs plus \$1,300 per EGM 6-10
- 11-15 EGMs - \$11,500 for 1-10 EGMs plus \$1,600 per EGM 11-15

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There are 40 EGMs permitted per venue in clubs and 30 EGMs in hotels. This limit will remain after July 2023.

Tasmania operates two per cent of the country's EGMs of which 62 per cent are located in hotels, 34 per cent in the casinos and four per cent in clubs. There are 8.5 EGMs per 1,000 adults in Tasmania in total.

● 16-20 EGMs - \$19,500 for EGMs 1-15 plus \$1,900 per EGM 16-20

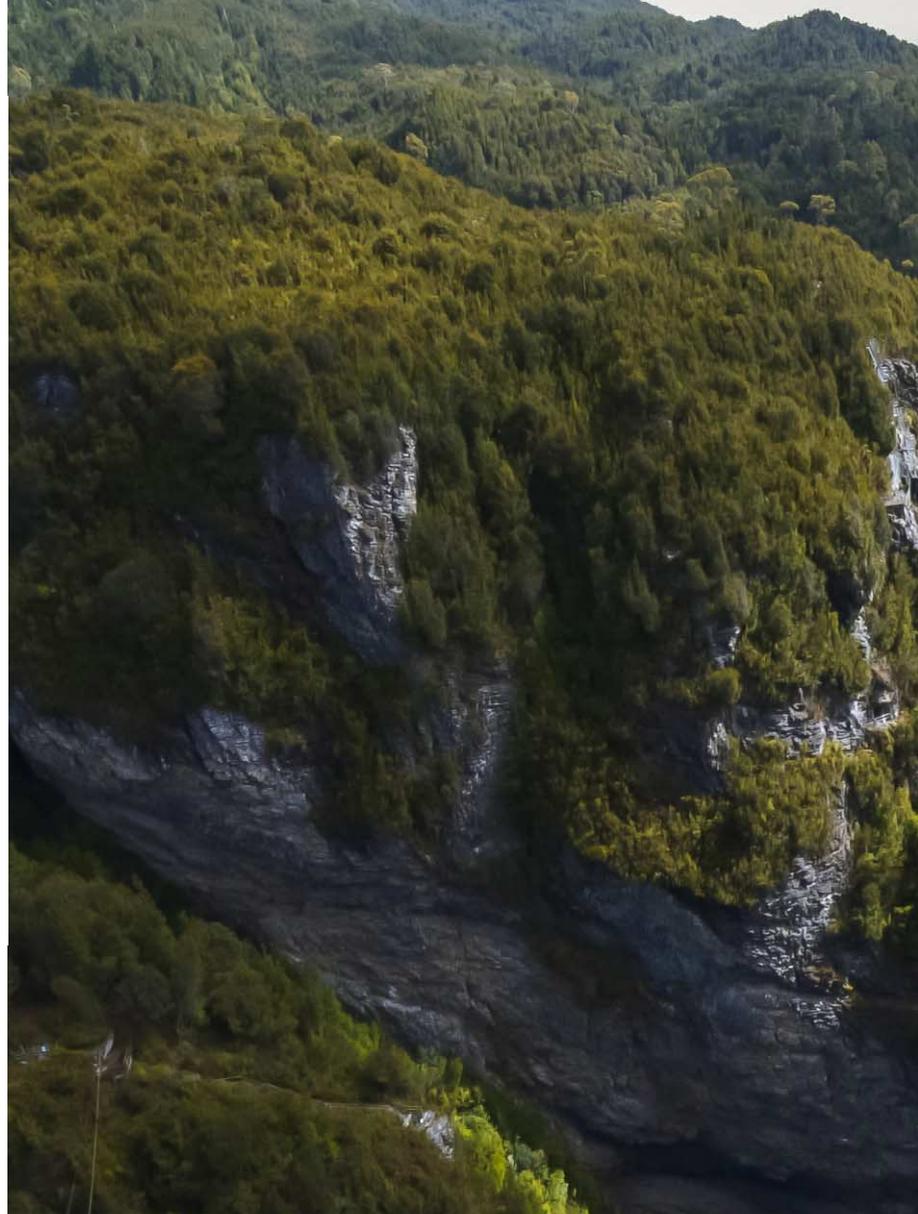
● 21-25 EGMs - \$29,000 for EGMs 1-20 plus \$2,200 per EGM 21-25

● 26+ EGMs - \$40,000 for EGMs 1-25 plus \$2,500 per EGM 26+

Monthly tax and a Community Support levy on EGM gross profits will also still be required under the new policy.

Hotels will pay tax at a rate of 33.91 per cent and

## Essential information and facts about Tasmania:



<b>Capital</b>	Hobart
<b>Total Area</b>	68,401sq.km
<b>Population</b>	571,000
<b>Median age</b>	42 years
<b>Religion</b>	Christian, Hindu, other
<b>Ethnic Groups</b>	English, Australian, Irish
<b>Languages</b>	English (88%), Nepali, Mandarin, Punjabi, Spanish
<b>Currency</b>	Australian Dollar (AU\$)
<b>Government type</b>	Parliamentary Responsible
<b>Chief of State</b>	Jeremy Rockliff (since 2022)
<b>Elections</b>	The next Tasmanian state election is scheduled to be held on or before Saturday 28 June 2025 to elect all 25 members plus an extra 10 new seats to the House of Assembly.
<b>Unemployment</b>	4.4% (June 2022)
<b>Tourism</b>	800,000
<b>Casinos</b>	2
<b>Clubs</b>	7
<b>Hotels</b>	88
<b>Total EGMs</b>	3,404 (July 2022)
<b>EGMs in casinos</b>	1,089
<b>Table games in casinos</b>	38
<b>EGMs in clubs/hotels</b>	2,315
<b>Lottery outlets</b>	94
<b>Bookmakers</b>	6
<b>TAB outlets</b>	131
<b>Keno outlets</b>	154

a Community Support levy of five per cent. Clubs will pay a rate of 32.91 per cent and Community Support levy of four per cent.

Previously hotel and club gaming saw a total of \$30.55m in gambling tax paid during 2021–22.

Meanwhile, the new monitoring operator licence, which will oversee the state-wide EGM network in hotels and clubs, was awarded to Maxgaming Holdings (MAX) late last year.

The tender process was released in March 2022 and as part of the tender bid Maxgaming will pay the Tasmanian government an upfront licence fee of \$2m and will also provide an additional \$1m grant over the term of the licence to be paid into the Community Support Fund for gambling harm research.

There is a standard service agreement between venues and the operator.

Previously the monitoring of EGMs was undertaken by Federal's Network Gaming. The new 20-year Licensed Monitoring Operator (LMO) licence will commence on July 1 2023. Casino EGMs will be monitored separately.

The monitoring services provided by MAX include integrity management, electronic data collection, facilitation of linked jackpot arrangements, financial data collection and reporting, maintenance and repair of gaming

machines and financial data collection and reporting.

Venue operators pay a fee directly to the monitoring operator. This includes a:

- Core Monitoring fee for EGM monitoring and functions such as help desk services, basic reporting, tax verification, investigation of complaints etc.
- Set fee for regulated functions such as installation, repair, and maintenance.

Maxgaming is the largest monitor of gaming machines in Australia and is owned by Tabcorp and currently monitors over 135,000 EGMs across its network including more than 30,000 gaming machines in Queensland and all machines in NSW and the Northern Territory as the exclusive monitoring operator.

Tabcorp agreed to sell its eBet business to obtain the monitoring licence for a deal worth \$62m. eBet has been sold to Venue Digital Technology, led by former Tabcorp and Tatts Group executive Frank Makryllos.

### FOR AND AGAINST

There have been criticisms over the handling of the new law mainly from anti-gambling sectors who wanted the number of pokies reduced significantly or removed totally.

Andrew Wilkie, Independent Member for Clark is a staunch campaigner against pokie machines. His policy is to remove pokies from pubs and clubs whilst limiting those in casinos to \$1 maximum bets. Currently the \$5 maximum bet allows losses of up to \$600 per hour whereas a \$1 maximum bet will reduce this to \$120 per hour.

Wilkie has also called for a reform for online and sports gambling and suggested betting limits are linked between apps, in real time, to effectively limit daily losses.

As the pokie law was passed he said: "This will surely go down in Tasmanian political history as one of the great missed opportunities of our generation.

"Given the chance to right the wrongs of the past,

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most Legislative Councillors instead followed the lead of the complicit major parties in the Lower House and jumped right back into bed with the poker machine barons.

“Federal has been handed a thumping great tax cut, the value of other poker machine venues will go through the roof when operators hold their own licences, and the Tasmanian people will forgo hundreds of millions of dollars in potential tax revenue that could have been put towards better hospitals and schools.

“Here we had a golden opportunity to put in place some workable, sensible harm-minimisation measures that would have made a massive difference to the lives of gambling addicts and their families. The human cost of gambling addiction is heart breaking, including

family breakdowns, financial ruin and lives lost to suicide.”

It is said at least 27,000 Tasmanians are addicted or in at-risk gambling groups whilst government research estimates the annual costs for gambling harm in the state is around \$100m of which 80 per cent is due to pokie machines. The Independent party says Tasmanians lose around \$500,000 every day to pokie machines.

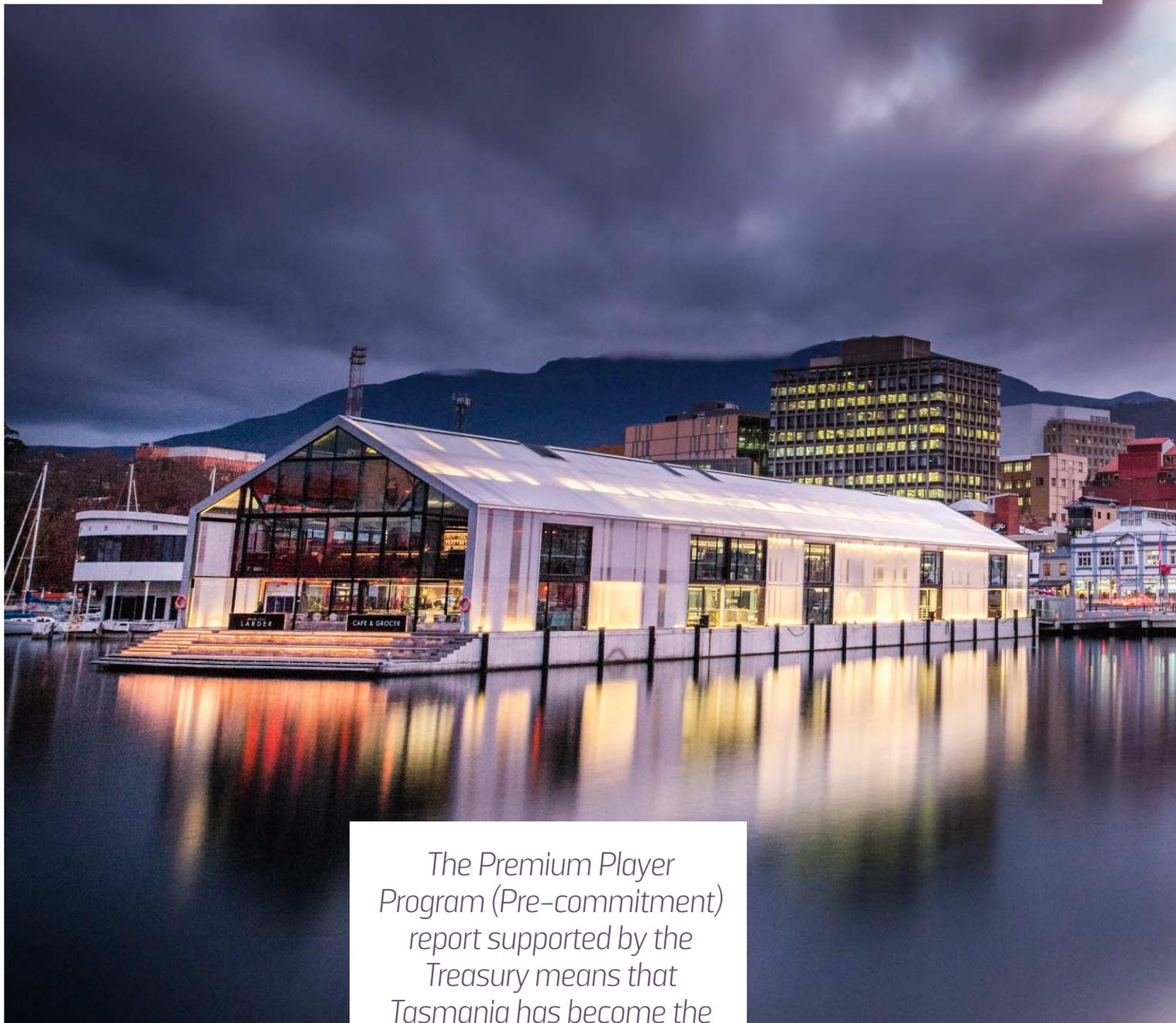
There are also concerns that the new operating model means smaller single venue pokie operators will struggle with the new system whilst it will benefit larger venues which are collectively owned by a handful of businesses.

Meanwhile Federal identified six general issues of concern and is saying under their exclusive

agreement the company was not given proper notification of the changes under a 2003 deed between the state and the company and as such should be provided with at least four years’ notice of any changes to arrangements and say the changeover date should be June 2026.

On the other hand, the Tasmanian Hospitality Association welcomed the proposed changes saying it will create a fairer model for hospitality operators.

THA CEO Steve Old said at the time: “This policy is about creating a fairer model for hospitality operators with gaming, increasing investment in the sector and supporting the community. The THA has been a strong supporter of increasing the Community Support Levy. We are committed to supporting those businesses to be



good corporate citizens, to be responsible owners and to enhance the communities they operate in.”

### CHANGE TO CASHLESS

The changes within the hospitality pokie sector also opened up the scope for broader reform, with Treasurer, Michael Ferguson, prompting a plan to look into two possible harm minimisation options to be introduced – pre-commitment technology and/or facial recognition for venues. The first option was deemed most popular and so in July 2021 the Tasmanian Liquor and Gaming Commission launched its Premium Player Program (Pre-commitment) report which will see the introduction of a mandatory card-based scheme for all EGMs with gambling limits to prevent players from spending more than \$5,000 per year on slots.

*The Premium Player Program (Pre-commitment) report supported by the Treasury means that Tasmania has become the first state in Australia to launch such a programme and it is thought other states could possibly follow. NSW is already running a pilot cashless card trial, although there appears to be little backing to fully push this through, whilst ACT has approved some changes, but ruled out a cashless card system.*

The report has been supported by the Treasury and Tasmania has become the first state in Australia to launch such a programme and it is thought other states could possibly now follow suit. NSW is already running a pilot cashless card trial although there appears to be little backing to fully push this through, whilst ACT has approved some changes but ruled out a cashless card system.

The pre-commitment cashless card system is expected to cost \$12m to implement and is due to be fully operational by December 2024. Players will have to register for the cashless gaming card and the government will work with monitoring operator Maxgaming to provide venues with the technology as a fee-based service.

The new pre-commitment scheme has suggested a \$100 per day, \$500 per month and



\$5,000 per year limit, which can only be increased if gamblers provide evidence they can afford to spend more.

Treasurer, Michael Ferguson said: "The impacts from gambling harm are felt across our communities beyond the immediate impact on an individual and their family. This system will protect people from losing more than they can afford.

"Routine default pre-commitment that applies state-wide in Tasmania is the gold standard of harm minimisation measures. Tasmania is the first state to announce a scheme of its kind. It will provide those most at risk of gambling harm with protection while having no impact on recreational gamblers."

According to research the average gambling spend by state problem gamblers is \$3,600 annually, while \$178m was the total spend on pokies in Tasmania last year. Of the \$25bn spent on gambling in Australia in total some \$11bn of this comes from pokie machines.

The scheme has been pushed from the Liberals who four years ago fought a campaign to defeat Labor's policy to remove pokies. The Tasmanian

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Hospitality Association which supports hotels, restaurants, cafes, pubs in the state, isn't happy especially after the group backed the return of the Liberals four years ago. They cite the plans as a 'slap in the face'.

"Tasmanians entrusted the Liberal government

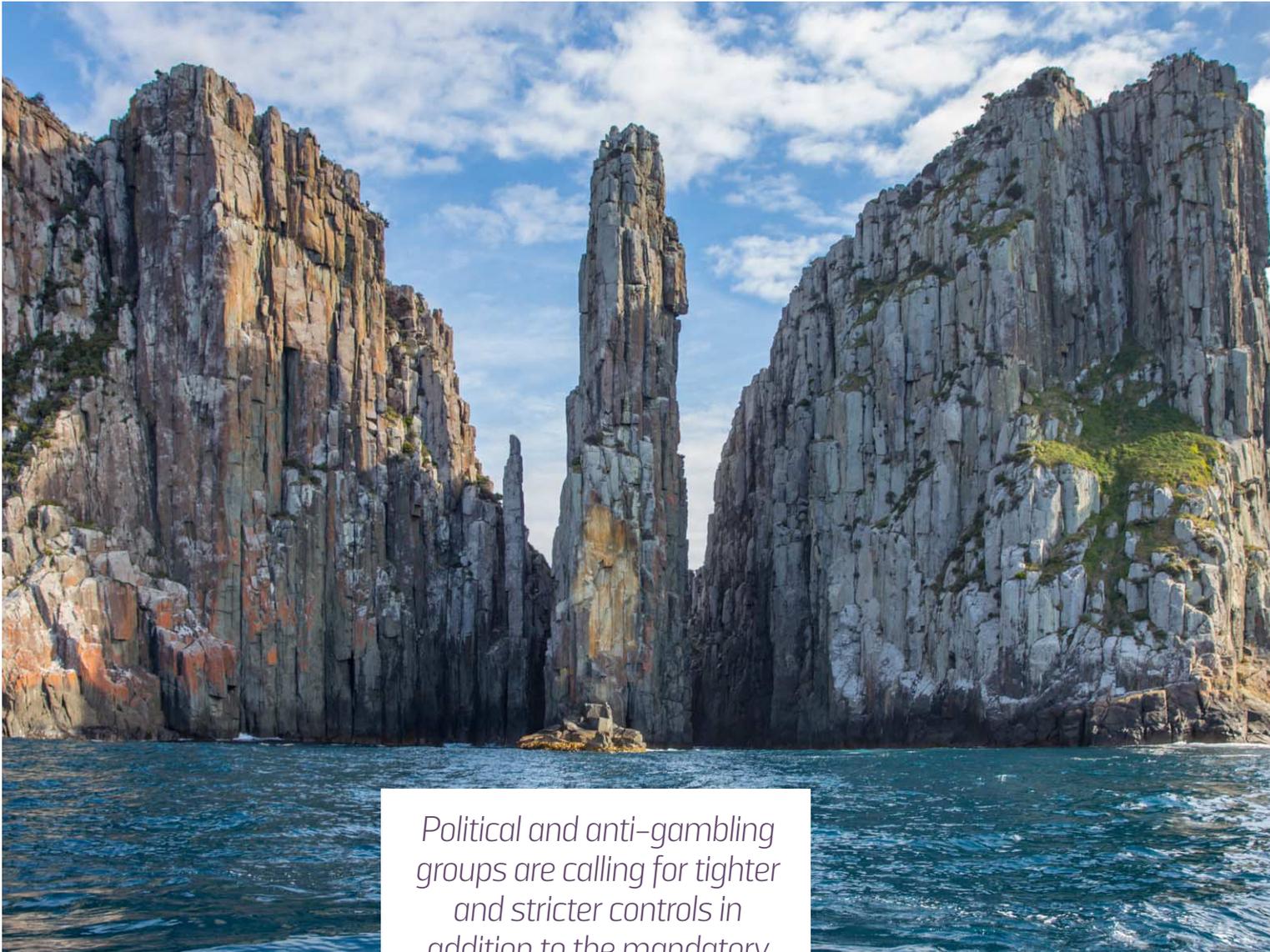
at the 2018 election with their vote because they supported freedom and choice. Freedom and choice have been sacrificed by the Rockliff Liberal Cabinet at the expense of a fair go." said THA CEO Steve Old.

"The Liberal government has declared it will decide how Tasmanians spend their money and how Tasmanians consume their entertainment."

The Alliance for Gambling Reform (AGR) has however backed the decision calling the pre-commitment scheme a "significant move to reduce harm and to combat money laundering."

The group says as Tasmania has backed a cashless pre-commitment card scheme, there is now hope for other states to follow a similar lead whilst there is a growing recognition that gambling needs to be tackled at a national level with tough restrictions and regulations.

The group said: "It is time for a nationally coordinated and spearheaded approach to gambling harm. The federal government must step in and establish a federal gambling regulator. The industry has successfully divided and conquered the states. Federal intervention appears our strongest hope.



“Victoria should follow Tasmania’s lead and finally usher in reform. As a society we do not need around-the-clock access to pokie venues.”

The system is of course also being backed by Andrew Wilkie who said: “The broad outline of the system is commendable. For instance, that the system will be mandatory and not opt-in, that all players must have a card and that the annual maximum loss can only be increased on application and include an assessment that the gambler can afford to lose more.

“But of course, the devil is always in the detail and there will likely need to be improvements to the pre-commitment system announced. For example, any provision allowing poker machine players to change their daily and monthly limits at venues must not allow for changes to take effect immediately.

“The system will be an Australian first and put considerable pressure on the territories and other states to follow suit.”

#### **OPERATIONAL HOURS**

With the spotlight currently focusing on the pokie industry, some political groups and anti-gambling groups say the changes are still not enough. They are calling for tighter and stricter controls in addition to the mandatory pre-

*Political and anti-gambling groups are calling for tighter and stricter controls in addition to the mandatory pre-commitment card system, such as lowering betting limits to \$1 whilst also reducing spin speeds from three to six seconds, reducing the jackpot to \$1,000 (currently \$25,000), prohibiting 'near miss' programming and increasing the RTP from 85 per cent to 95 per cent.*

commitment card system such as lowering betting limits to \$1 whilst also reducing spin speeds from three seconds to six seconds, reducing the maximum jackpot to \$1,000 (currently \$25,000), prohibit 'near misses' programming, increase the RTP from 85 per cent to 95 per cent, mandate regular machine shutdowns and limiting opening hours for gaming venues.

The Alliance and Gambling Reform group has

also recently released a policy paper to look at the closing hours of pokie machine venues and they are recommending mandatory closings nationwide.

The AGR’s four recommendations include:

1. Opening hours of gambling rooms containing EGMs should be restricted from midnight to 10am across the country.
2. With a need for an incremental change to opening hours over time the Alliance urges jurisdictions to initially impose a uniform closure within all venues in the state or territory.
3. The Alliance requests these changes happen as fast as possible and not be weakened by industry pressure. There needs to be a bipartisan support on the issue and should be written into legislation.
4. There should be a commitment from state government to provide alternative spaces to fill the need for people using EGM venues as a refuge and safe place.

In the past there have been similar attempts to reduce the opening hours of EGM venues in various states and some states have a shutdown period although the group says these are not effective enough.



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## TASMANIA 2018/19 DATA

CATEGORY	TURNOVER	TOTAL GAMBLING EXPENDITURE	PER CAPITA EXPENDITURE
<b>GAMING</b>	<b>\$120.2m</b>	<b>\$264.3m</b>	<b>\$631.04</b>
EGM	-	\$104.4m	\$249.45
Casino	-	\$81m	\$193.55
Instant Lottery	\$11.1m	\$4.16m	\$9.93
Keno	-	\$33.02m	\$78.84
Lotteries	\$2.23m	\$0.85m	\$2.05
Lotto	\$106.9m	\$40.7m	\$97.22
Pools	\$0.022m	\$0.003m	\$0.01
<b>SPORTS BETTING</b>	<b>\$54.4m</b>	<b>\$2.5m</b>	<b>\$5.98</b>
Bookmaker fixed odds	-	-	-
Bookmaker pool betting	-	-	-
TAB Fixed odds	\$54.4m	\$2.48m	\$5.94
TAB Tote odds	\$0.061m	\$0.015m	\$0.04
<b>RACING</b>	<b>\$304.1m</b>	<b>\$40m</b>	<b>\$95.55</b>
Off course bookmaker	-	-	-
On course bookmaker	\$0.560m	\$0.031m	\$0.07
On course totalisator	\$4.7m	\$0.67m	\$1.62
TAB	\$298.8m	\$39.3m	\$93.85
<b>TOTAL</b>	<b>\$478.8m</b>	<b>\$306.8m</b>	<b>\$732.56</b>



Some 20 years ago the Victoria state government imposed a law which required pokie venues to close for four hours a day. The laws were ineffectual mainly because it didn't specify which hours the venues should close, and larger operators merely staggered their closing hours so gamblers could play 24 hours a day across different venues.

In South Australia pokie rooms must be closed for a period of six hours but this can be one period of six hours, two periods of three hours or three periods of two hours.

In NSW, clubs and hotels cannot operate EGMs between 4am and 10am weekdays although venues can apply to vary the shutdown periods and apply for a three hour shutdown period whilst in Queensland the maximum trading hours for venues with gambling are 5am to 2am although there can be applications submitted to extend this for up to two hours.

In 2008, NSW reviewed the effectiveness of a six-hour shut down period introduced in 2003 and found a correlation between gambling harm and late night hours. A 2020 NSW report shows support for a minimum four-hour shutdown.

Currently in Tasmania gambling rooms can only open for 20 hours a day maximum.

## TASMANIA'S GAMBLING SECTOR

The state's gambling sector is governed by the Tasmanian Liquor and Gaming Commission which sits within the Department of Treasury and Finance and is Tasmania's independent gambling authority responsible for licensing and compliance.

Legislation governing the regulation, supervision, and control of gambling in Tasmania includes:

Gaming Control Act 1993 and Racing Regulation Act 2004.

There are no major lottery providers but Tattersalls Sweeps (licensed in Victoria) and

*After discussions with the Tasmanian government and with just a six per cent majority in parliament the development of a casino was accepted and the Wrest Point Casino Licence and Development Act of 1968 was passed. In February 1973, the Federal Group officially opened the Wrest Point Hotel and Casino and this paved the way to a tourism boom, increased flights, and new investment for the island.*

Golden Casket (licensed in Queensland) hold a foreign game permit to allow their products to be offered from accredited outlets in Tasmania. Tattersalls offers the draw lottery and Golden Casket offers scratchies.

Minor gaming such as lucky envelopes, bingo and raffles exist and there were 242 licences last year.

Totalisator and fixed odds wagering is supplied by UBET Tas (previously known as TOTE Tasmania) a subsidiary of Tabcorp Holdings. UBET offers wagering on thoroughbred, harness, and greyhound racing and fixed odds on sports betting and race wagering.

Tasmania has four racing clubs and five thoroughbred racetracks and eight harness racetracks and three greyhound racetracks.

The two casinos in Tasmania include:

Wrest Point in Sandy Bay, Hobart - this was the first casino to open in Australia. It is located within Tasmania's entertainment and

conference epicentre with three hotels and views of the River Derwent and Mount Wellington as its backdrop. Wrest Point is Tasmania's tallest building and home to the Point Revolving restaurant.

Owned by the Federal Group, Wrest Point's story dates back to the 1800s when a group of business formed the Federal Coffee Palace Company and built the 'Coffee Palace' located in Melbourne which was seven stories high, with 450 rooms and had the largest dining room in Australia.

As the depression hit in the late 1880s a liquor licence was obtained, and the Coffee Palace was renamed the Hotel Federal in 1924.

Over the next few decades the group followed with other hotels such as the Savoy Plaza and The Windsor before looking at Tasmania and buying the Wrest Point Riviera Hotel in Sandy Bay in 1956.

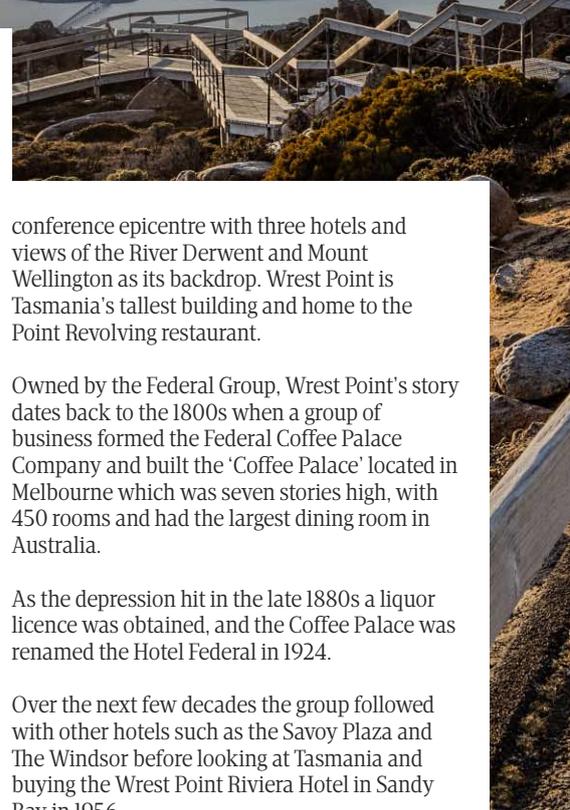
A hotel had been on this site since 1839 when William Chaffey built an inn there shortly after European settlement. It was later bought by Arthur Drysdale who transformed the inn into the Riviera hotel.

After discussions with the Tasmanian government and with just a six per cent majority in parliament the development of a casino was accepted and the Wrest Point Casino Licence and Development Act of 1968 was passed.

In February 1973, the Federal Group officially opened the Wrest Point Hotel and Casino and this paved the way to a tourism boom, increased flights, and new investment for the island.

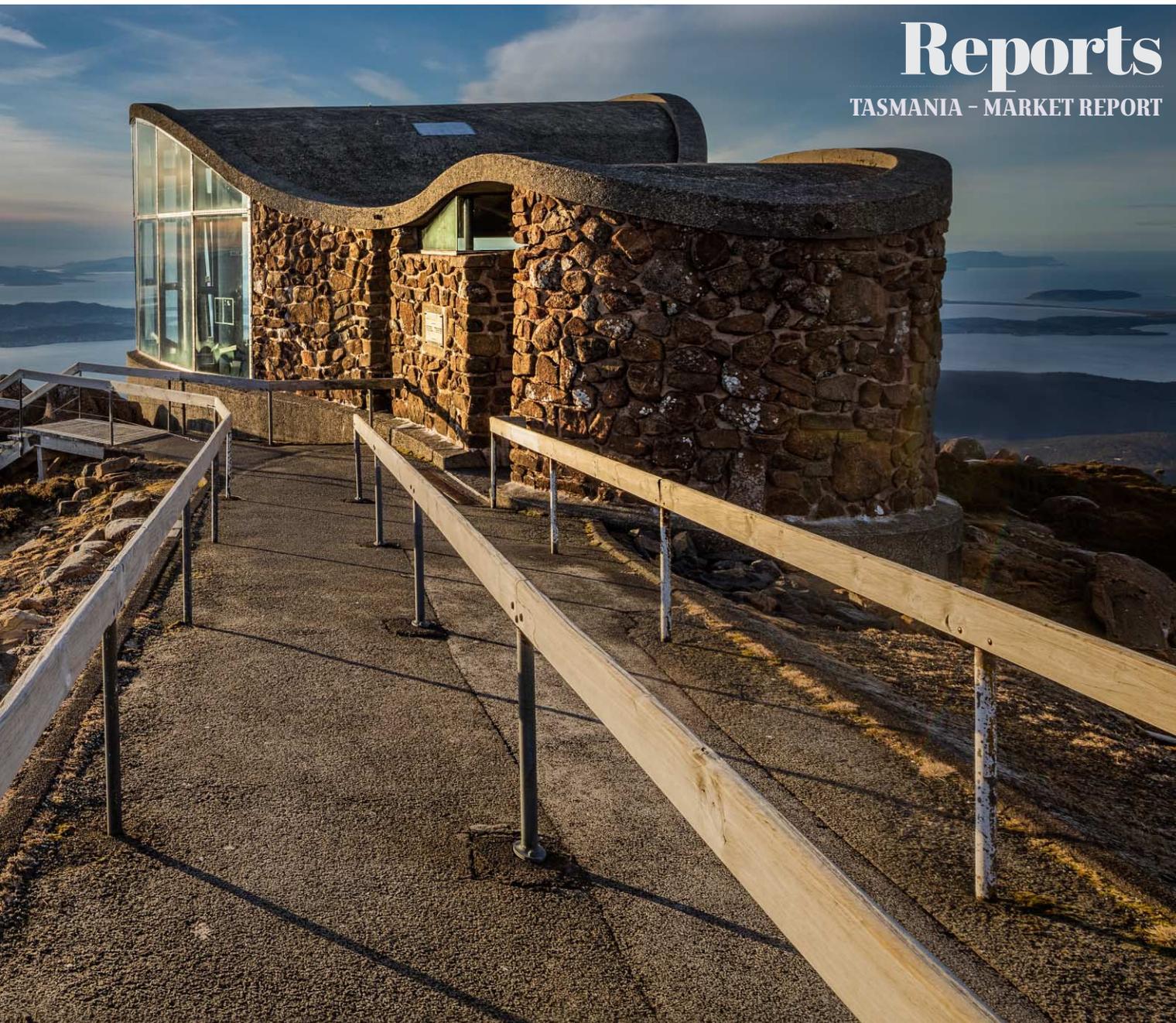
More than 2,000 visited on the first night it opened and the hotel was booked out for the first three months.

Today the location offers three hotels catering to all budgets - The Wrest Point Tower, The Wrest Point Water Edge and the Wrest Point Motor Inn - plus conference facilities, health club, bars and restaurants.



# Reports

TASMANIA - MARKET REPORT

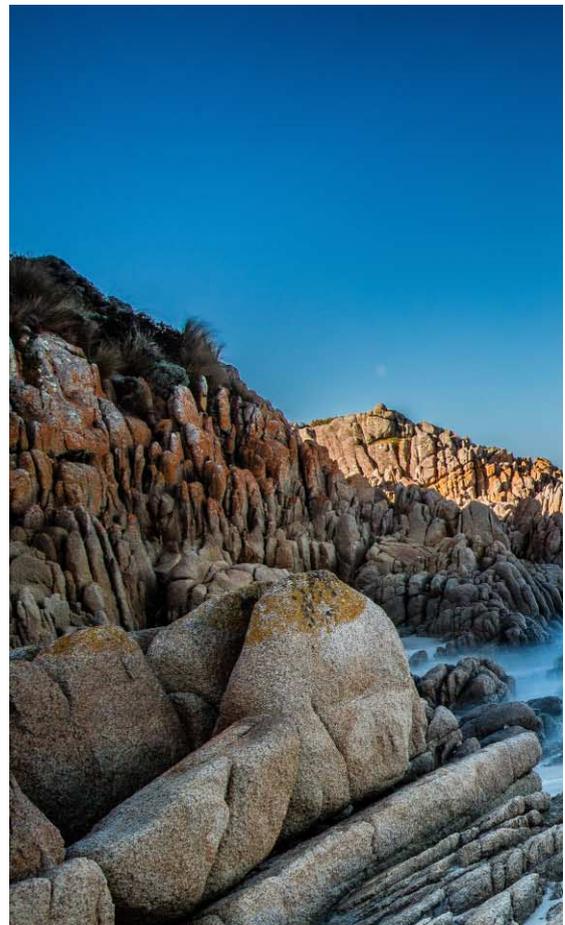


## TASMANIA PLAYER EXPENDITURE 2016-2021

VENUE	2016-17	2017-18	2018-19	2019-20	2020-21
<b>CASINOS</b>	<b>\$83.82m</b>	<b>\$81.7m</b>	<b>\$80.4m</b>	<b>\$60.8m</b>	<b>\$85.4m</b>
Table gaming	\$9.62m	\$9.64m	\$10.3m	\$7.92m	\$7.51m
EGMs	\$71.2m	\$69.2m	\$67.3m	\$50.8m	\$74.6m
Keno	\$2.9m	\$2.8m	\$2.7m	\$2.1m	\$3.2m
<b>HOTEL/CLUBS</b>	<b>\$142.2m</b>	<b>\$137.6m</b>	<b>\$137.3m</b>	<b>\$105.1m</b>	<b>\$155.5m</b>
EGMs	\$109.9m	\$106m	\$104.2m	\$79.4m	\$117.2m
Keno	\$32.2m	\$31.5m	\$33m	\$25.6m	\$38.2m
<b>WAGERING</b>	-	-	-	<b>\$41.1m</b>	<b>\$99.8m</b>
Betting Exchange	-	-	-	-	-
Wagering (PoC)	-	-	-	\$41.1m	\$99.8m
<b>LOTTERIES</b>	<b>\$38.6m</b>	<b>\$40m</b>	<b>\$49.7m</b>	<b>\$52.9m</b>	<b>\$56.9m</b>
Lotteries	\$38.5m	\$39.9m	\$49.7m	\$52.9m	\$56.9m
Soccer Pool*	\$100,952	\$113,936	-	-	-
<b>TOTAL</b>	<b>\$264.6m</b>	<b>\$249.4m</b>	<b>\$267.4m</b>	<b>\$260m</b>	<b>\$397.8m</b>

# Reports

## TASMANIA MARKET REPORT



The casino offers gaming via its main casino floor or via the Boardwalk gaming floor. There are 16 table games and 554 EGMs (as of July 2022). There are slots from 1c to \$1 play with linked and progressive jackpots.

In 1979 the Federal Group secured a second casino licence in Tasmania and opened the Country Club Casino and Resort in Launceston in 1982 which became Australia's third oldest casino.

There are two gaming floors offering 12 table game, 535 EGMs, TASKeno and TAB facilities.

The resort offers accommodation via the Country Club resort with hotel rooms plus there are adjacent villas (self-contained accommodation) which were acquired by the company some years later. There are also bars, restaurants, and a golf course.

### A LOOK AT TASMANIA

Two hundred years ago a ticket to Australia meant your luck had run out. And the most harrowing destination was said to be Tasmania's Port Arthur, one of the country's 11 penal colony sites. This was actually the second colony to be established by the British in 1803 after New South Wales was chosen as the first penal colony base in 1788.

Between 1830 and 1877 some 12,500 convicts served their time at Port Arthur and it developed a reputation for its hardship and severity of punishments. It housed re-offenders and major criminals mainly because the only connection at the time to mainland Australia was via a small strip of land less than 100m wide lined by guard dogs and shark infested waters, so escape

was considered more challenging.

The transportation system of shipping major and minor convicts overseas, to relieve pressure on an overcrowded British prison system, meant some 166,000 convicts were transported to Australia between 1788 and 1868.

Much of Australia's infrastructure at the time from roads to bridges were built by convicts and Tasmania has the largest collection of convict buildings and infrastructure of all the states. Today the ruins of Port Arthur can be found inside Tasmania National Park and it is conserved as an open air museum.

The island state of Tasmania is located about 240km off the south coast of Australia and separated by the Bass Strait. It is the 26th largest island in the world but Australia's least populous state with just 569,825 residents. State capital and largest city, Hobart, houses around 40 per cent of the population who live in the Greater Hobart area.

Before British colonisation, Tasmania's main island was inhabited by Aboriginals for up to 40,000 years and the island was cut off from mainland Australia some 12,000 years ago after rising sea levels and the Aboriginal people became isolated.

Under British rule it became a separate colony under the name Van Diemen's Land in 1825. The Constitution of Tasmania was changed in 1855 and a year later the colony changed its name to Tasmania and in 1901 it became a state of Australia.

Tasmania has the second smallest economy in Australia most significantly made up of tourism,

*Between 1830 and 1877 some 12,500 convicts served their time at Port Arthur and it developed a reputation for its hardship and severity of punishments. It housed re-offenders and major criminals mainly because the only connection at the time to mainland Australia was via a strip of land less than 100m wide.*

agriculture and aquaculture, education, and healthcare. Eco tourism is a booming industry and some 42 per cent of its land is protected in some form of reserve.

Visitors to Tasmania for the year ending June 2022 amounted to 797,300 – an increase of 39 per cent on the previous year but still way off the 3.5 million visitors pre-Covid in 2019.

Total nights were up 50 per cent on 2021 to 8.74 million and visitor spend was \$2.39bn – an increase of 64 per cent on 2021 and almost at the 2019 levels.

The 4th quarter of 2022 (April-June) apparently set a new record in visitor expenditure up 63 per cent on 2019 data to \$846.9m with nearly 300,000 visitors that quarter.

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