

Fact sheet FS3087

# Gaming machine threshold

This fact sheet describes the gaming machine threshold scheme, which helps control the number of gaming machines in each club and hotel.

## What is a 'gaming machine threshold'?

The gaming machine threshold (GMT) is a number which limits how many gaming machine entitlements (GMEs) - and/or poker machine permits (PMPs) in the case of hotels - each club and hotel licence is approved to hold.

GMT is a cap on transferable or leased GMEs held by each club and hotel - and, in the case of hotels, on transferable PMPs.

A venue must have a GME or PMP for each gaming machine operated.

## How does a club or hotel know its gaming machine threshold?

The club or hotel liquor licence document show what the GMT allowance is. New liquor licences start with a GMT of zero.

Alternatively, you can contact Liquor & Gaming NSW to find out.

## Can a club or hotel increase its gaming machine threshold?

Yes. A club or hotel can apply to the Independent Liquor & Gaming Authority for an increase in its GMT if the club or hotel wants to acquire and operate more gaming machines than allowed under its current GMT.

As the GMT for a new club or hotel is zero, gaming machines cannot be installed until the GMT is increased and GMEs acquired (and/or PMPs in the case of hotels).

## How does a club or hotel apply for an increase?

To increase the GMT, visit [liquorandgaming.nsw.gov.au](http://liquorandgaming.nsw.gov.au) for an application form.

In some circumstances, a Local Impact Assessment (LIA) may be required to accompany a GMT increase application. For more information on LIAs refer to the FS3099 LIA process fact sheet at [liquorandgaming.nsw.gov.au](http://liquorandgaming.nsw.gov.au).

A GMT increase application must provide the internal floor space (in square metres) of the club or hotel.

For an application made in relation to a new club or new hotel, include a map showing the location of the venue and the location of any school, place of public worship or hospital within 200 metres of the club or hotel. The 200 metre distance requirement has been set to provide applicants with clear guidance for the map they are required to produce.

If an application for a GMT increase does not require an LIA, it must be accompanied by an application to transfer or lease GMEs - and/or PMPs in the case of hotels.

If an increase application by a club would result in the club having a threshold over 450, and an LIA is not required, the club must provide the following information with its application:

- ▲ An assessment of the impact of the additional gaming machines on the amenity of the local area (such as increased traffic volume from increased patronage). This assessment should also describe the action that will be taken by the club to manage any negative impact.
- ▲ Information on the appropriate harm minimisation and responsible gambling measures currently in place at the club (in addition to those already required by law).
- ▲ Information on additional benefits to club members and the local community that will result from having extra gaming machines.

### Is a GMT increase permanent?

No. After obtaining a GMT increase, a club or hotel has a limited period of time in which to acquire the GMEs (and/or PMPs in the case of hotels) to fulfill the threshold increase. This amount is called a quota. If, at the end of the period, the venue has not acquired sufficient GMEs or PMPs to fulfil the approved quota, the GMT will be reduced by the amount of the unused portion

For example:

- ▲ A hotel's GMT is 20
- ▲ An application for an increase in its GMT is approved for an additional 10 GMEs taking the GMT to 30.
- ▲ The hotel acquires 6 GMEs in the time allowed.
- ▲ If the hotel does not fulfill the quota in the 1-year, 2-year or 5-year period specified by the legislation following the GMT increase, its GMT increase is reduced to 26 rather than held at 30 at the expiry date.

### After a threshold increase approval, how long does a club or hotel have to obtain the extra GMEs or PMPs?

For a GMT increase approved in association with a Class 1 LIA, the club or hotel has up to two years from the date of the approval to fulfill the quota by buying GMEs (and/or PMPs in the case of hotels).

For a GMT increase approved in association with a Class 2 LIA, the club or hotel has up to five years from the date of the approval to fulfill the quota.

For a GMT increase where no LIA is required, the club or hotel has up to 12 months from the date of the approval to fulfill the quota.

A GMT increase application without an LIA must be accompanied by a transfer or lease application covering the full extent of the threshold increase.

For example, if a club or hotel is applying to increase its GMT by five, then it must also apply to transfer five GMEs at the same time (or a total of 5 GMEs and/or PMPs in the case of hotels).

For example, if a hotel has a gaming machine threshold of 10 and leases 5 GMEs to another hotel, the threshold for the lessor hotel is reduced to 5 during the period of the lease. At the end of the lease, the lessor hotel's gaming machine threshold is returned to 10.

### Does a club or hotel's GMT change if it sells or leases GMEs or PMPs?

Yes. The seller's GMT is reduced by the number of GMEs (and/or PMPs where applicable) it transfers to the buyer or leases to a lessee venue.

For example, if a club has a gaming machine threshold of 90 and it transfers 6 GMEs to another club, the threshold for the seller club is reduced to 84 as soon as the GMEs are transferred.

GMEs are transferable in blocks of 2 or 3. For each block, one GME is forfeited. GMEs may also be leased. No forfeiture applies to GMEs that are leased.

PMPs can be transferred as individual units. While forfeiture is not required, the seller's GMT is reduced by each PMP transferred to another hotel.

The forfeiture mechanism reduces the availability of gaming machines in NSW over time.

#### For further information

For further information on gaming machines visit

 [liquorandgaming.nsw.gov.au](http://liquorandgaming.nsw.gov.au)