

Class B Licences

What has changed?

Class B gaming machines are being phased out under the changes to the *Gaming Machine Act 2004*. This gives Class B licensees the opportunity to divest themselves of outdated, low-revenue machines.

Class B licensees can continue operating their Class B gaming machines or access the trading scheme to trade (sell) their authorisations to a class C licensee. However, no new Class B licences, authorisation certificates or authorisations can be granted.

In circumstances where an existing hotel or tavern that operates class B gaming machines proposes to sell their business, a purchaser who is an existing class B licensee or a new applicant can apply for a restricted class B licence and/or class B authorisation certificate to continue operating the authorisation.

In this case, the incoming class B licensee or applicant cannot apply for additional class B gaming machine authorisations above the number of authorisations the selling licensee has under their authorisation certificate.

What does it mean for me?

Class B licensees can participate in the trading scheme, but only to sell their authorisations to a Class C licensee. The authorisations will then be converted to a Class C authorisation and the Class C licensee can acquire a Class C gaming machine.

The physical gaming machine cannot be sold with the authorisation. Once the authorisation is sold, the Class B gaming machine must be disposed of.

Class B licensees are not able to:

- sell their class B authorisation to other class B licensees;
- increase their maximum number of authorisations; or
- acquire class C gaming machine authorisations.

How do I trade my authorisations?

During Phase 1 of the trading scheme, authorisations can only be traded in bundles of four. However, if the Class B licensee holds less than four machines, a buyer (the *acquiring licensee*) can purchase them.

It's the responsibility of the disposing licensee to notify the Commission of the trade. The Commission will then update the authorisation certificate and send it to the licensee.

Once an authorisation has been traded, the physical Class B gaming machine cannot be operated and must be disposed of. The licensee must apply for an interim storage permit which allows them to store the machine for up to three months (see *Fact Sheet 009 – Storage of gaming machines*).

Within that time, the licensee must notify the Commission that they propose to dispose of the machine not less than 10 days before the action is intended to take place.

Gaming machines must be disposed of in a way approved by the Commission. This can include selling it to a licensee in another jurisdiction, selling or returning it to an approved supplier, or destroying the machine.

Frequently asked questions

Can I store my gaming machines without trading the authorisation?

Only in certain circumstances. A Class B licensee must have a good reason to store their gaming machines for a general purpose, and must include this reason in their application.

Do I have to trade all of my authorisations?

No. You can choose to trade some of your authorisations and continue to operate the rest of your gaming machines under the authorisation certificate.

References

Licences and authorisation certificates – Class B gaming machines – Division 2B.4

Disposal of gaming machines – notifiable action – s113A

Trading authorisations – disposal of gaming machines s127J

Storage permit – application – s127P