



Inspections Harm  
Legislation Policy Prohibitory Licensing minimisation

## Permanent transfer of entitlements between clubs

### Background

Once licensed to operate gaming machines in Queensland, clubs must acquire gaming machine entitlements prior to installing machines.

An entitlement is required for each machine that the club may operate. Entitlements may only be obtained from other clubs through a temporary or permanent transfer or via the Government sale.

### Permanent transfer of entitlements

In a permanent transfer of entitlements, one club (the transferor) sells some or all of its entitlements to another club (the transferee). As an encumbrance over an entitlement is of no effect, these entitlements become the property of the transferee.

Clubs are free to approach other clubs within their entitlement region to negotiate transfers. Once the clubs have reached an agreement as to the price to be paid for the entitlements, the transferor club must apply to the Queensland Gaming Commission for approval of the transfer.

Clubs are advised to see the guidelines – *Transfer of Entitlements between Clubs*, and seek legal and financial advice, before negotiating a transfer.

### How entitlements become available for transfer

Before it can sell its entitlements to another club, the transferor must permanently reduce the approved number of gaming machines for the premises. It does this by:

- applying for a decrease in the approved number of gaming machines; or
- surrendering the gaming machine licence; or
- if the club's licence applies to more than one premises - notifying the Office of Liquor and Gaming Regulation (OLGR) that the club wishes to remove a premises from the site's licence.

Once the reduction is approved, the club must permanently transfer its surplus entitlements (i.e. any entitlements above its approved number of gaming machines after the prerequisite reduction) within 12 months, or the entitlements become the property of the State.

### How entitlements are obtained

Any club can obtain entitlements under a permanent transfer, provided that:

- The club holds a gaming machine licence; and
- The approved number of gaming machines for the club can accommodate additional entitlements.

The second point may require that the club first obtains approval for a licence, or an increase in the approved number of gaming machines, from the commission. Please note that the commission is unable to approve an increase application by a club that is a temporary transferor.

### Number of entitlements to transfer

Assuming that the transferor has the surplus entitlements to transfer, the maximum number that can be transferred is calculated as follows:

$$AGM - EP = ME$$

Where:

- AGM = the approved number of gaming machines for the transferee premises
- EP = the total number of entitlements used to operate gaming machines at the transferee premises, including entitlements transferred to the club by other transferors
- ME = maximum entitlements that may be transferred.

### Payment for permanent transfer

Payment to the transferor for the transfer must be monetary. It is illegal for payment to represent a direct or indirect interest in, or a share or percentage of:

- the amount bet for the purpose of gaming; or
- any moneys, revenue, profits or earnings from the conduct of gaming.

### Effecting the transfer

Once the transfer is approved, the parties must advise OLGR that settlement of the transfer has occurred. OLGR will then make the necessary arrangements with each club's licensed monitoring operator to action the transfer.

For further information, please contact the Office of Liquor and Gaming Regulation on 13 13 04 or visit [www.olgr.qld.gov.au](http://www.olgr.qld.gov.au)

